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Press Release

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HD Korea Shipbuilding & Offshore Engineering to Spearhead into the KRW 55 Trillion Global Hydrogen Fuel Cell Market

▶ HD KSOE subsidiary HD Hydrogen invests 72 million euros to acquire majority in Convion, a leading fuel cell technology company from Finland.

▶ HD Hydrogen, supported by Convion team and technologies plans to develop SOFC, SOEC and other key hydrogen energy technologies to compete in the global hydrogen fuel cell market

▶ "Will become the frontrunner in building a sustainable future for humanity with the world's cleanest energy technologies"

HD Korea Shipbuilding & Offshore Engineering will be competing in the hydrogen fuel cell market which is gaining global attention as a next generation clean energy source.

HD Korea Shipbuilding & Offshore Engineering, HD Hyundai's marine and offshore holding company, shared today that its

subsidiary HD Hydrogen recently acquired majority of 'Convion', a leading company in fuel cell systems, for 72 million euros.

Convion, established in 2012 and located in Espoo, Finland, is a company specializing in SOFC(Solid Oxide Fuel Cell)* and SOEC(Solid Oxide Electrolyzer Cell)**. It is one of the few companies in the world that have developed technologies for a commercial SOFC generation system and have actually supplied technologies to the market.

SOFC and SOEC are key technologies for hydrogen energy, considered a clean energy of the next generation. Being activated in high temperatures, it requires complex technical skills and a long development process, but will have a great pre-emptive effect when its core skills are developed and obtained.

Global market prospects are also bright. The hydrogen fuel cell and water electrolysis market is expected to expand from KRW 2.5 trillion in 2023 to KRW 17 trillion in 2030, with an average annual growth rate of 30%, mainly driven by onshore power generation. In particular, the market size is expected to reach KRW 55 trillion by 2040, which is when marine hydrogen fuel cells are expected to be in full swing and water electrolysis technology is expected to be commercialized.

HD Korea Shipbuilding & Offshore Engineering has previously invested KRW 140 billion to establish HD Hydrogen to efficiently promote the hydrogen fuel cell business, and it plans to lead the power generation, electrolysis and marine business through acquiring Convion.

A representative of HD Korea Shipbuilding & Offshore Engineering said "Along with hydrogen fuel cell and water electrolysis technologies, HD Hyundai is also working on developing small modular reactors (SMRs) and other future energy sources. With technologies for the world's cleanest energy sources, we plan to become the frontrunner in building a sustainable future for humanity."

Meanwhile, HD Korea Shipbuilding & Offshore Engineering signed a 45 million euro investment contract last October with leading fuel cell company Elcogen AS, to advance the large-scale SOFC system.

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VNT Management Oy's Power Fund III owned over half of the Convion shares and sell its total shareholding in this deal. The M&A advisor Pantokrator from London advised in the sales process.

VNT's Power Fund II is also co-shareholder in Elcogen AS.