Hanwha Engine

Investor Relations

Earnings Presentation:

2Q 2026 Financial Results

Jul. 2026

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Disclaimer

This material has been prepared solely for the purpose of providing information to investors and is not intended to offer any guarantees or assume any responsibility on behalf of the Company. The Company assumes that investment decisions will be made independently and at the sole discretion of each investor.

2Q 2026 Financial Highlights

Hanwha Engine

✓ Engine orders in 2024 account for most engine deliveries in 2Q26, driving OPM(%) improvement

✓ Seam AS (Norway) has been consolidated since 2Q26

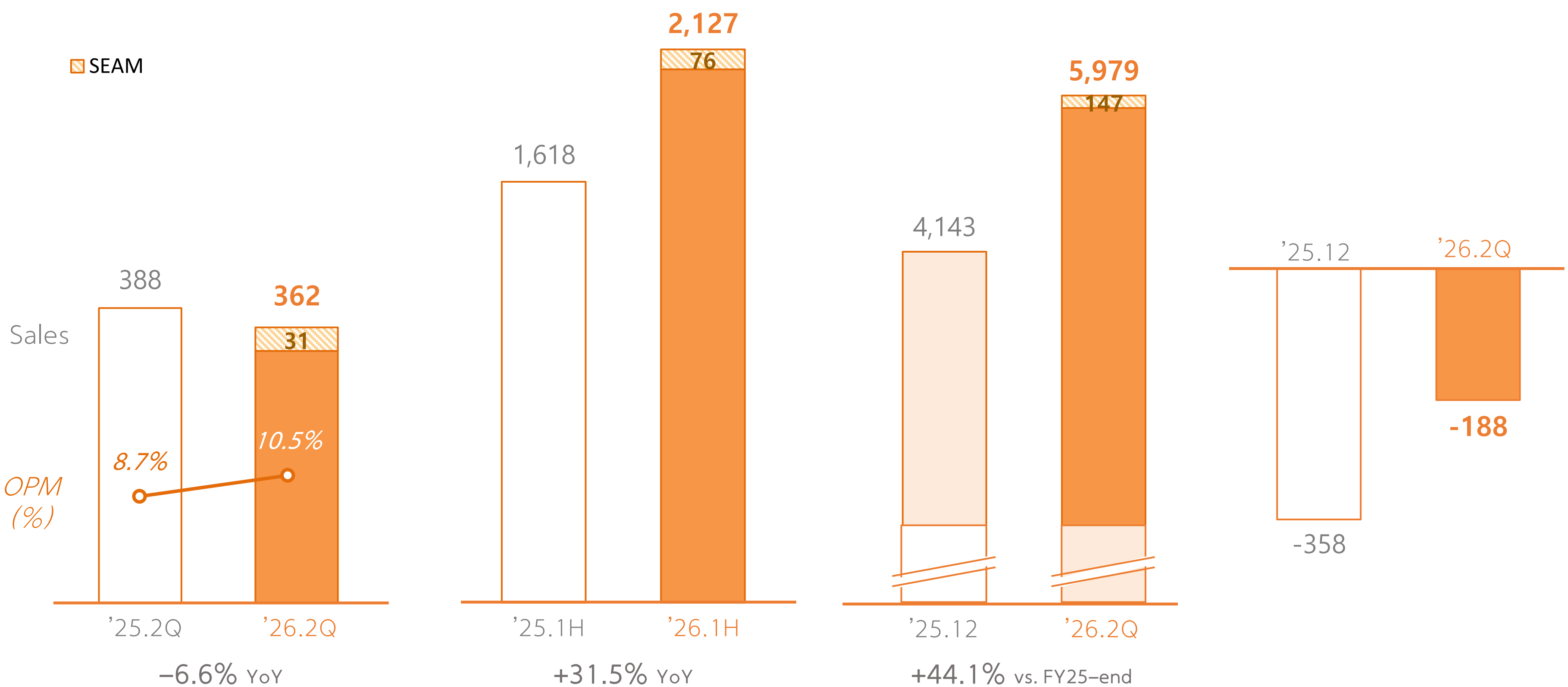
(KRW billion, %)

Sales
- Revenue softened due to one-time reduction in engine delivery units

New Orders
- Well-balanced order intake across all vessel types

Backlog
- C/C engine mix increased to 58%

Net Debt
- Gross Debt : KRW 32 B
- Cash : KRW 219 B
- Net Debt : KRW -188 B



Consolidated Income Statement

Hanwha Engine

✓ Sales : KRW 362 B
✓ Operating Profit: KRW 38 B (OPM: 10.5%, YoY 1.8%p ↑)

(KRW billion, %)

(KRW Billion)

	'26.2Q	'25.2Q	YoY	'26.1Q	QoQ
Sales	**362** (1)	**388**	-25	**345**	+17
COGS(%)	*(79.3%)*	*(88.2%)*	*(△8.9%p)*	*(81.1%)*	*(△1.8%p)*
Gross Profit	75	46		65	
SG&A	37	12		14	
Operating Profit	**38** (2)	**34**	+4	**51**	△13
OP margin(%)	(10.5%)	(8.7%)	*(+1.8%p)*	*(14.9%)*	*(-4.4%p)*
Interest Income & Expense	1	1		3	
Gain/Loss on F/X	4	△17		18	
Other Gain & Loss	△7	△3		△3	
Pretax Profit	36	15	+21	69	△33
Tax	3	△7		+16	
Net Profit	**33**	**+22**	+12	**53**	△20

Key Features

1 Sales △ KRW 25 B YoY

• Marine Engine
: Revenue softened due to one-time reduction in engine deliveries

• Non-Marine Engine
: Continued AM business growth (+8% YoY, +15% QoQ)
: Increased SCR sales driven by Tier III compliance

• SEAM
: Consolidated from 2Q26, KRW 30.7bn of revenue included

2 Operating margin(%) +1.8 %p YoY

• COGS/Sales ratio improved ('25.2Q 88.2% →'26.1Q 81.1% →'26.2Q 79.3%)
• Higher SG&A from temporary costs related to ESS business acquisition, Seam acquisition, and China subsidiary establishment

Sales

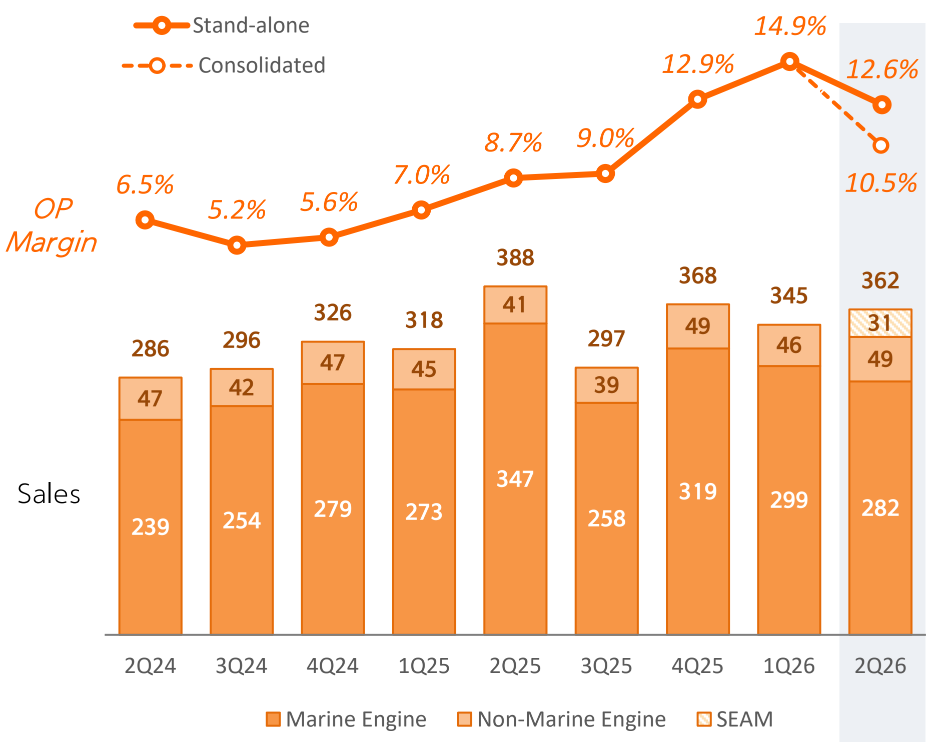
Hanwha Engine

✓ **2Q 2026 Sales : KRW 362 B**
✓ **Profitability enhanced by deliveries of orders secured since 2024**

(KRW Billion)

Quarterly Sales & OP Margin

(KRW Billion)



Marine Engine
(-19% YoY)

• Lower engine deliveries YoY

	2Q25	**2Q26**	+/-
H/O	146	**104**	-42
SHI	109	**115**	6
China, etc.	92	**63**	-29
Total	347	**282**	-65

Non-Marine Engine
(+20% YoY)

• Laying foundation for sustainable AM growth

	2Q25	**2Q26**	+/-
AM	37	**40**	3
SCR etc	4	**9**	5
Total	41	**49**	8

SEAM AS

• Expanding ESS business based on Norwegian track record

	2Q25	**2Q26**	+/-
SEAM AS	-	**31**	-

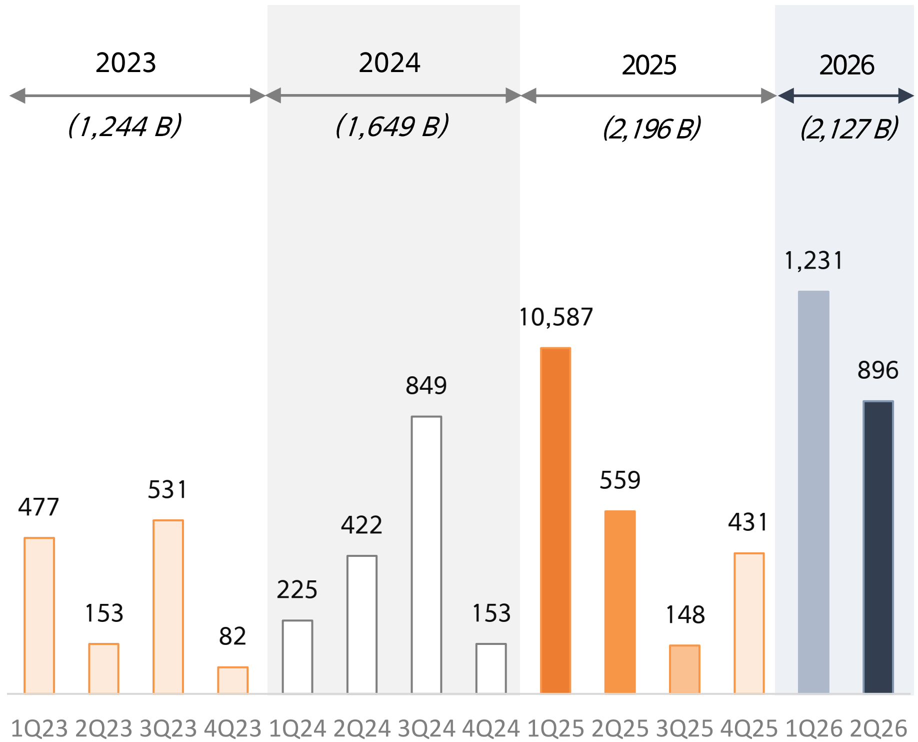
New Orders

Hanwha Engine

✓ C/C engines account for 53% of 1H26 new orders
✓ KRW 2tn in new orders recorded in 1H26, supported by balanced order intake across all vessel types.

Quarterly New Orders

(KRW Billion)



New order Break down

(KRW Billion)

• By Segment

	FY23	FY24	FY25	'26.1Q	'26.2Q
Marine Engine	1,039	1,621	2,094	1,187	790
SCR, etc.	205	28	103	43	30
SEAM	-	-	-	-	76*
Total	1,244	1,649	2,197	1,231	896

*) Represents Seam's total order intake in 1H26

• By Ship-type

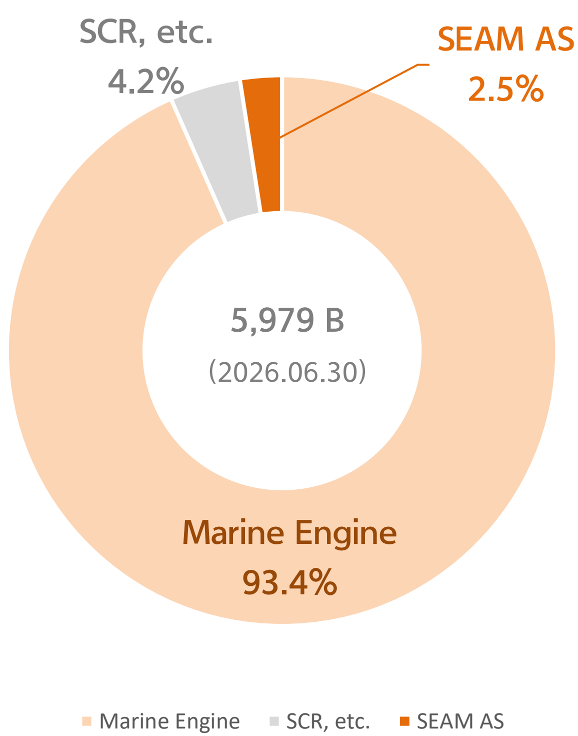
	FY23	FY24	FY25	'26.1Q	'26.2Q
Tanker	14%	20%	8%	19%	20%
Container	38%	22%	76%	67%	33%
LNGC	48%	58%	16%	14%	47%

Backlog

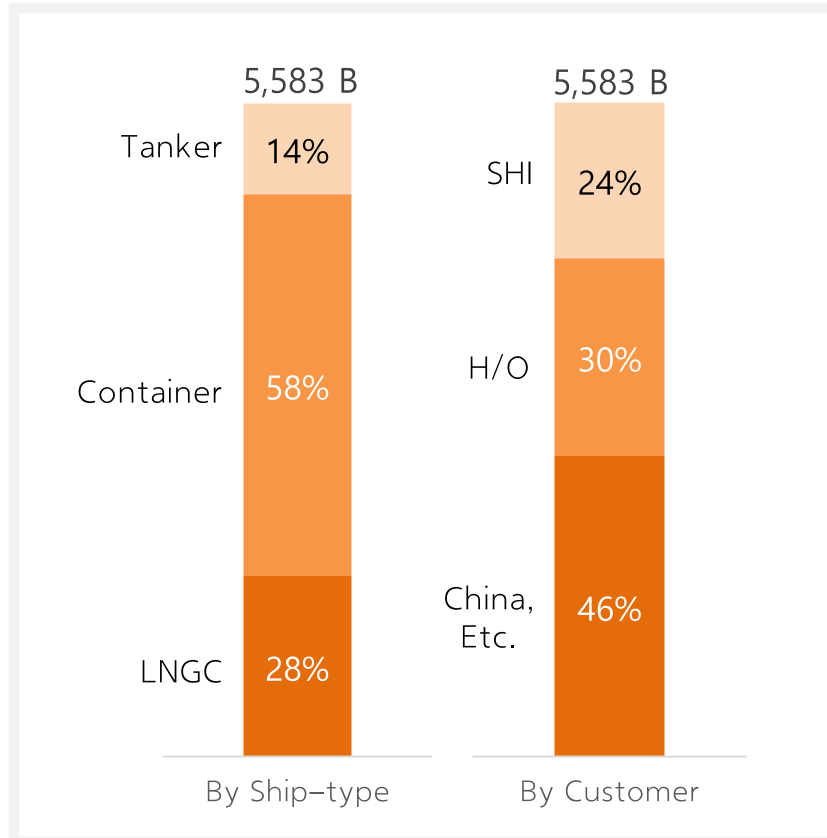
✓ Record-high backlog of KRW 6 trillion
✓ DF engines account for 83% of marine engine

Backlog Breakdown

(KRW Billion, %)



Marine engine Backlog



Consolidated Balance Sheet

✓ **Net Debt : △KRW 188 B , Debt ratio 234%**

(KRW Billion)

	'25.12	'26.2Q	+/-
Current Assets	1,032	1,040	8
Non-current Assets	664	1,131	467
Total Assets	1,696	2,171	475
Current Liabilities	611	819	207
Advance Receipts	*222*	*316*	*95*
Non-current Liabilities	528	702	174
Long-term Advance Receipts	*398*	*482*	*85*
Total Liabilities	1,140	1,521	381
Paid-in Capital	83	83	-
Capital Surplus	353	356	3
Retained Earnings	90	176	86
AOCI	30	34	5
Total Equities	556	650	94

Net Debt	△358	△188	170
Debt ratio	205%	234%	29%p

Interest-bearing Debt

(KRW Billion)

	'25.12	'26.2Q
Bank loan	10	32
Corp. Bonds	43	-
Gross Debt	53	32
Cash and Short-term financial instruments	411	219
Net Debt	△358	△188

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Hanwha Engine

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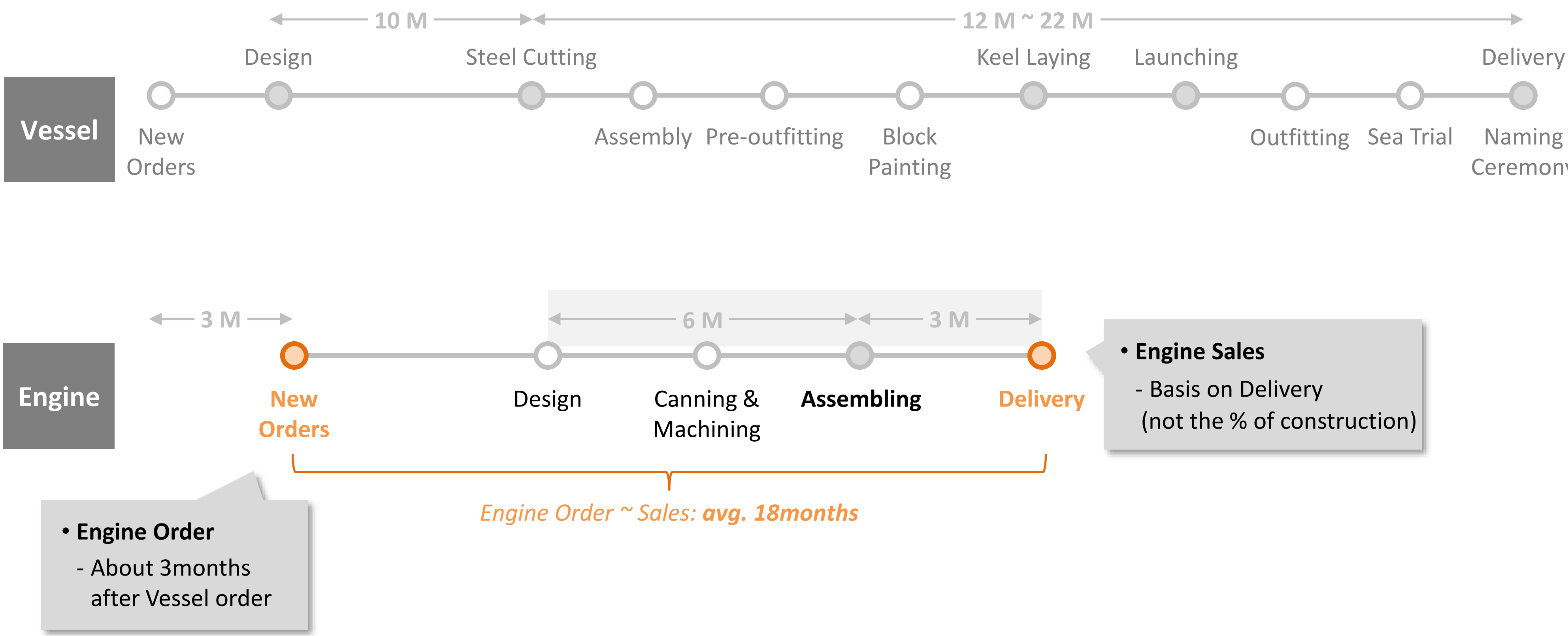
Engine 'Order–Sales' Process

Shipbuilding & Engine manufacturing Process



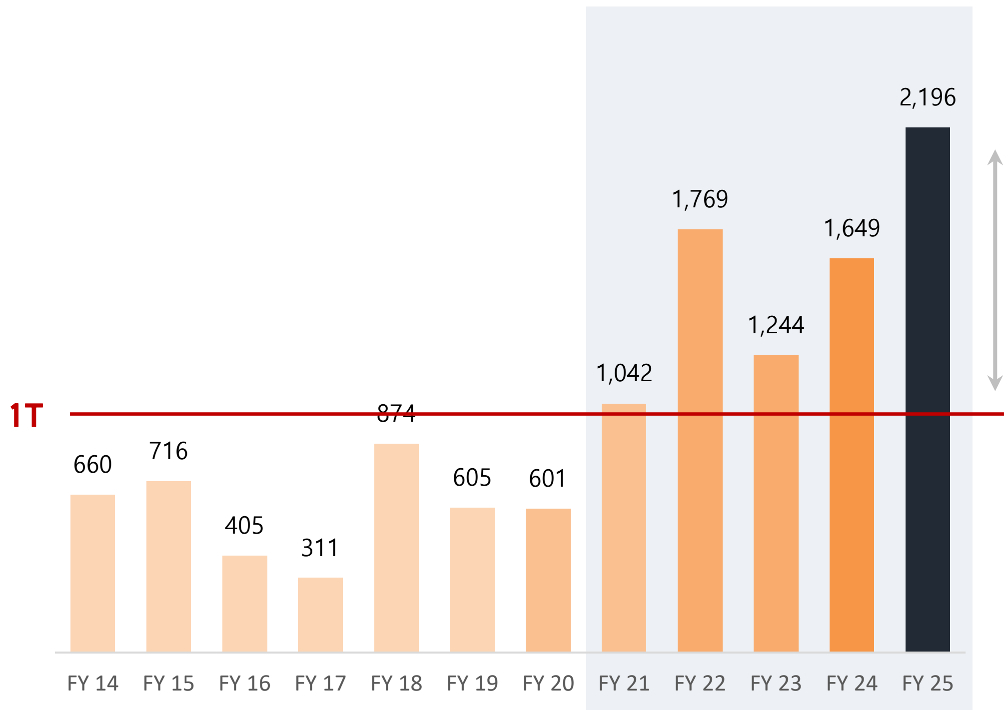
Annual Performance Trend

Hanwha Engine

✓ Over KRW 1T in annual orders since 2021; shifted to normalized margins from 2022.
✓ Marine Engine Business Achieves KRW 2 Trillion in Orders.

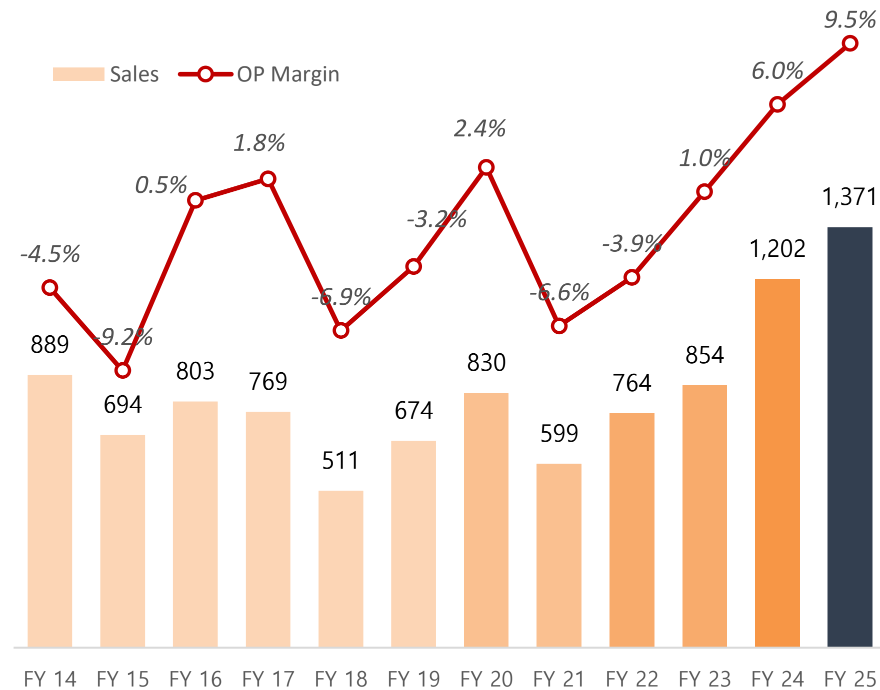
New Orders

(KRW Billion)



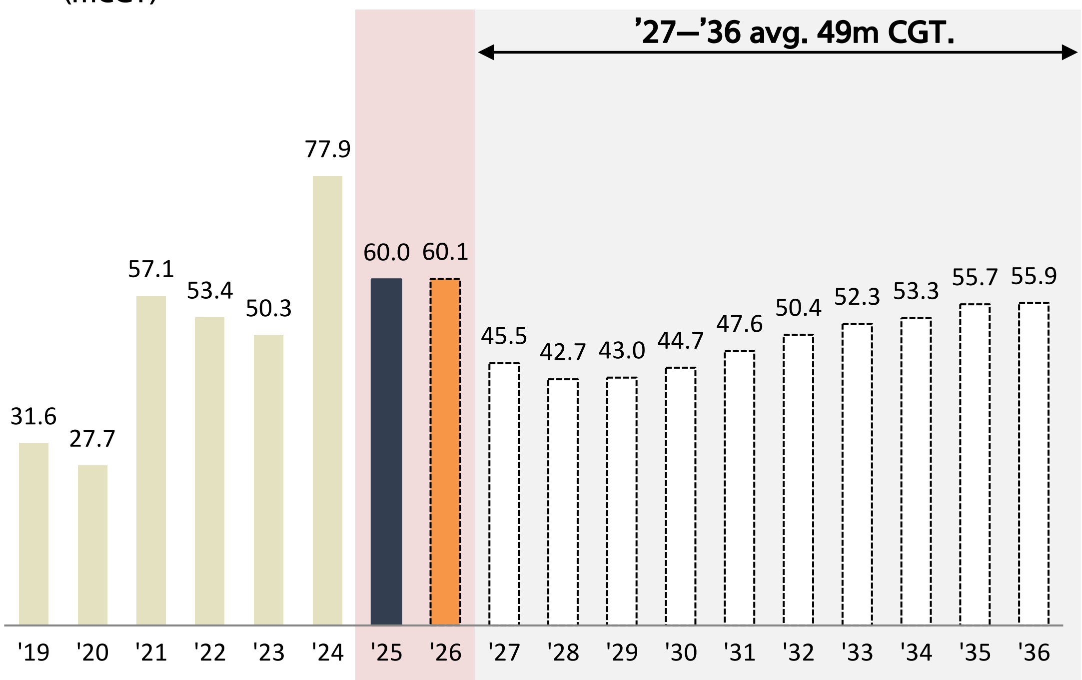
Sales & OP margin

(KRW Billion, %)



✓ 2026 newbuild orders expected to remain in line with 2025
✓ Mid- to long-term average ('27 ~ '36) expected at 49m CGT.

Global New Orders Outlook



※ Source : Clarkson Forecast Report (Mar. 2026)

2025 MEPC Meeting Summaries

MEPC 83rd Session
4 to 7 April 2025

- World's first maritime carbon pricing scheme to take effect in H1 2027

– Vessels over 5,000 GT must meet GFI standards (Non-compliance: \$100—\$380/tCO_2e to IMO)

– Base: 4% by 2028, 16% by 2030, 30% by 2035

– Direct : 17% by 2028, 21% by 2030, 43% by 2035

MEPC 2nd E/S
14 to 17 Oct 2025

- Adoption of IMO NZF deferred by one year

– Uncertainty increases as the EU moves to strengthen its carbon regulations.

MEPC 84th Session
27 April to 1 May 2026

- North-East Atlantic designated as an ECA

– Effective Sep. 2027 (applicable from Sep. 2028)

– 0.1% sulfur limit for marine fuel and stricter NOx, SOx & PM emission limits

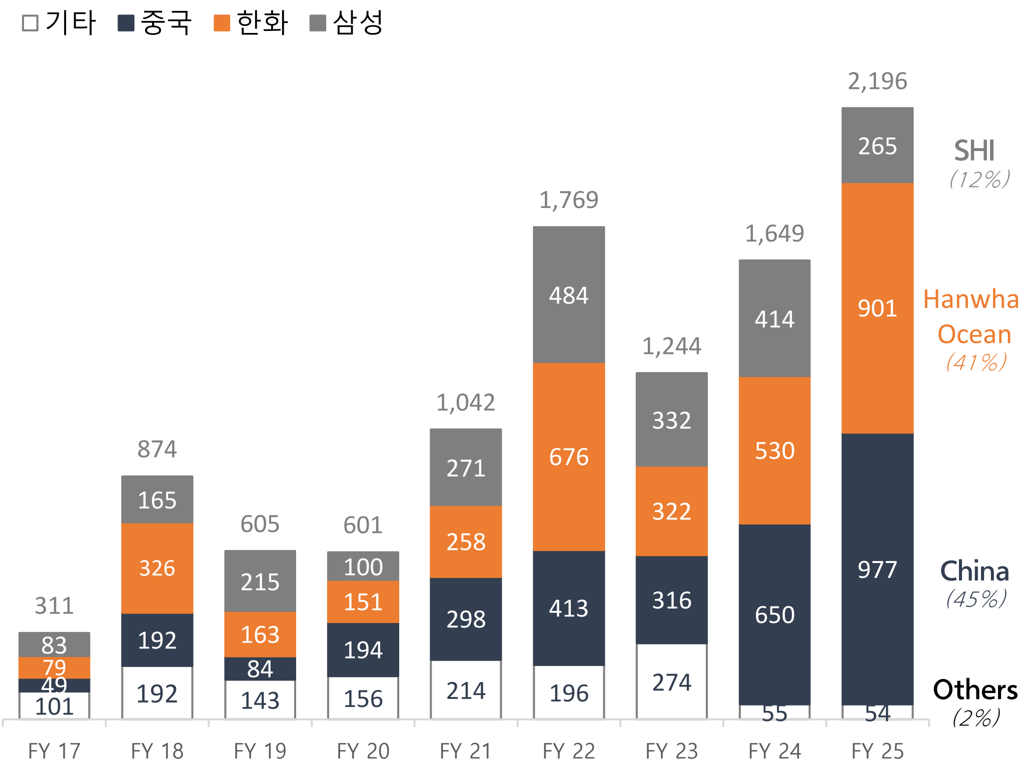
Competitive edge in securing orders

Hanwha Engine

✓ balanced revenue sources : Samsung Heavy Industries, Hanwha Ocean, and Chinese shipyards.

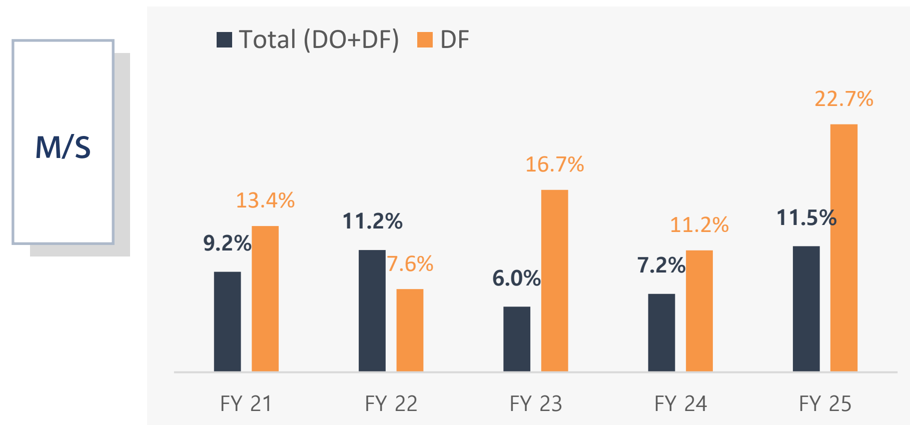
Order Breakdown by customer

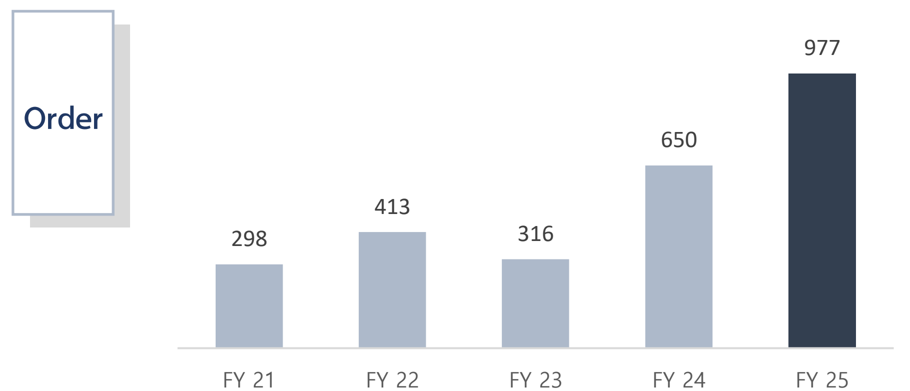
(KRW Billion, %)



Chinese market

(KRW Billion, %)





Company Overview

Overview

Company	Hanwha Engine Co., Ltd.
Date of Foundation	Dec. 30, 1999
Address	Sinchon-dong 69-3, Seongsan-gu, Changwon-si, Gyeongnam
Business	Marine engines / MRO/ Diesel engines for power plants
Exports	Local/direct Exports (93%), Domestic (7%)
Capital	W83.4bn [2025.12.]
No. of Employees	857 [2025.12.]

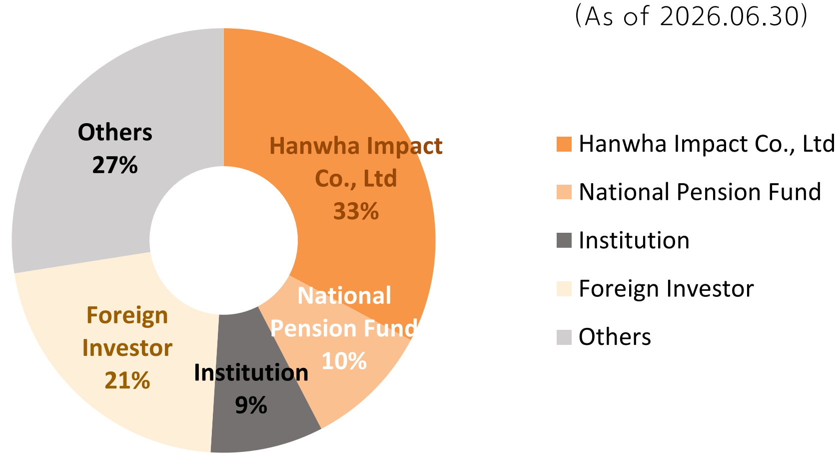
Business Areas

(KRW Billion, %)

Business Areas	2025 Revenue	Weight
Marine Engine	1,196	87.3%
AM	157	11.4%
SCR	16	1.2%
Powerplant	2	0.1%
Total	1,371	100%

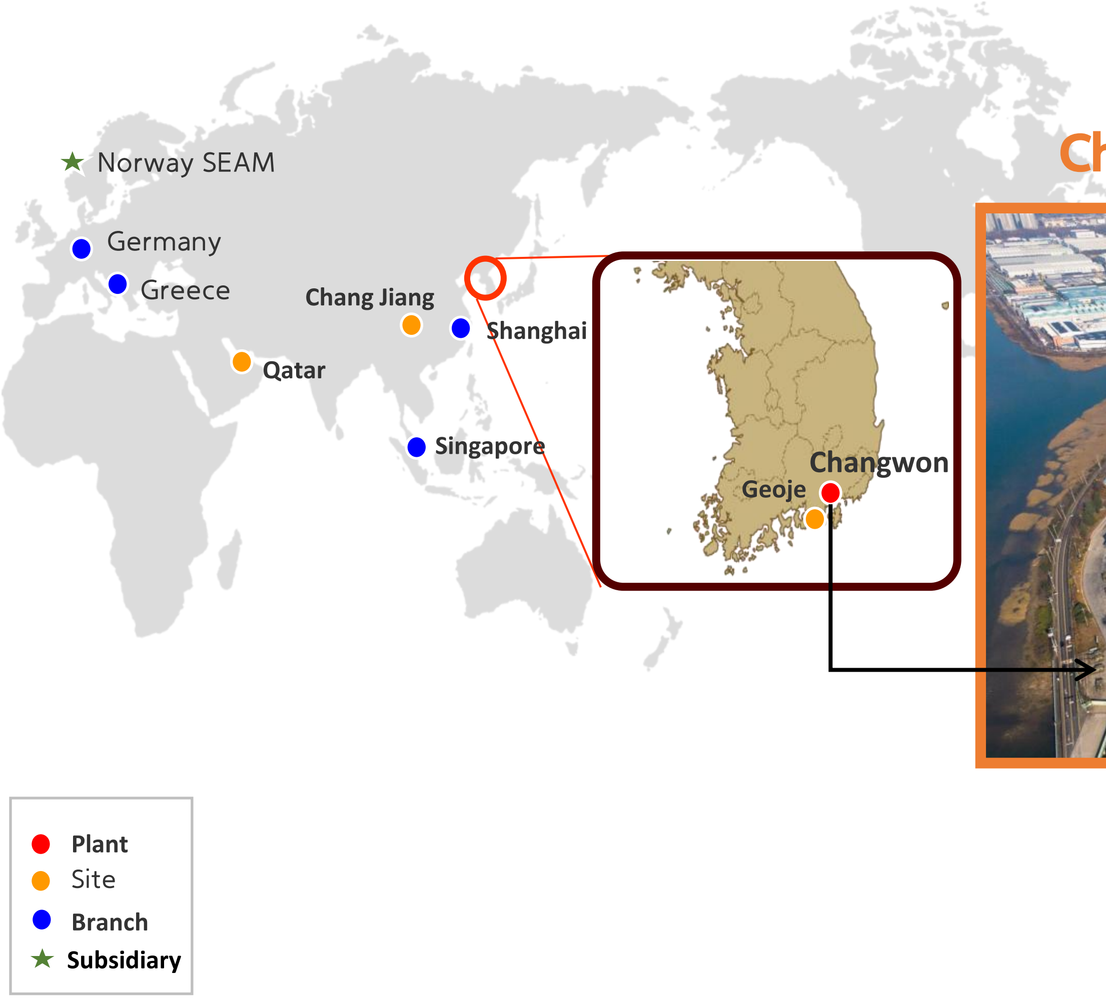
Shareholders

(As of 2026.06.30)



Plants

Hanwha Engine



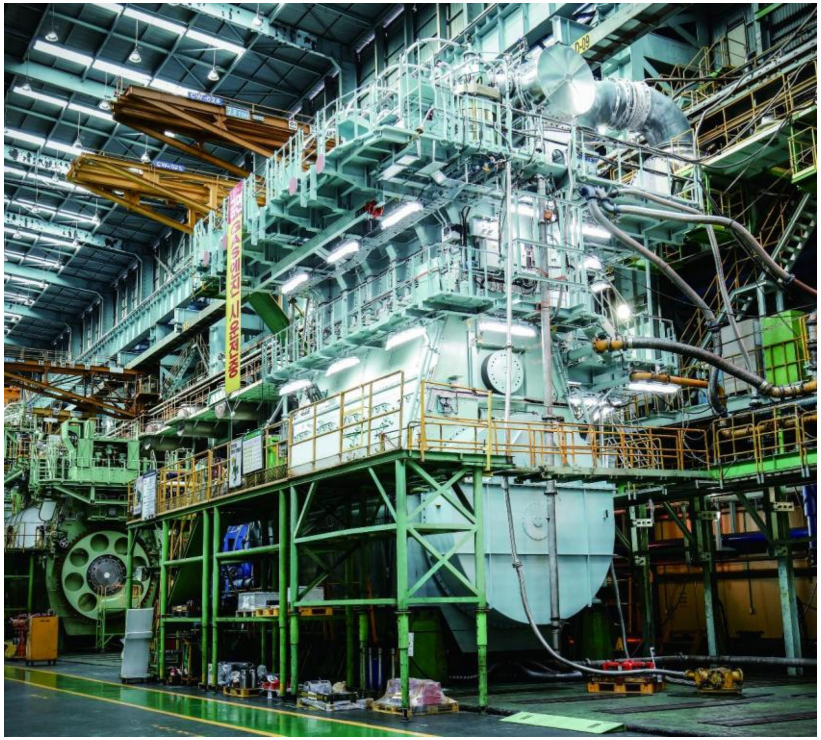
Changwon Plant (Headquarter)

Business Area – 2 Stroke Engine

Hanwha Engine
Two Stroke Engine

Propulsion for large vessels

Main Business (87% of total sales in 2025)



COMMERCIAL VESSELS *only*

Tanker

LNGC

Container

product 2 stroke engine for large vessel

Licensor Everllence(f.k.a. MAN-ES), Win-GD

Customer Ship Builder (e.g. SHI, H/O, Yangzijiang, NTS)

Business Area – 4 Stroke Engine

Mile Stone

2025~

– Test Facilities Preparation
– L35/44DF CD Promotion

2Q 2026

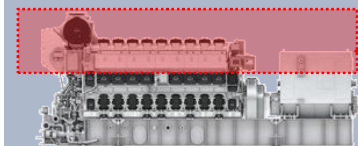
– Factory Construction (max. 180 units/year)
– 1st Engine Assembly

3Q 2026~

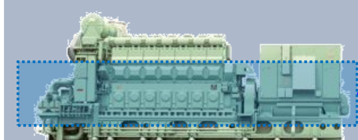
– 1st Shop Test
– 1st Engine Delivery

Hanwha Engine
Four Stroke Engine

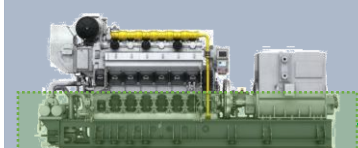
- Power supply for large vessels
- Propulsion for small&medium vessels
- Land-based power generation



35/44DF CR
First engine delivery 2015



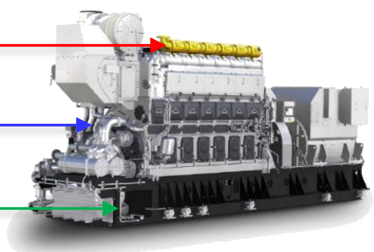
32/40
First engine delivery 1994



32/44CR
First engine delivery 2007

L35/44DF CD

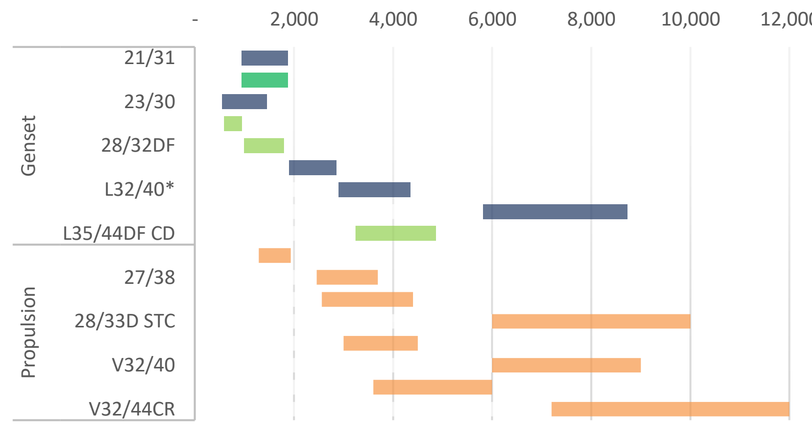
3X Engine Series Optimization Model.
One of three derivatives



L35/44DF CD is based on Everllence flagship 3X engine series, with proven design & common components.

- DF, Methanol, Ammonia

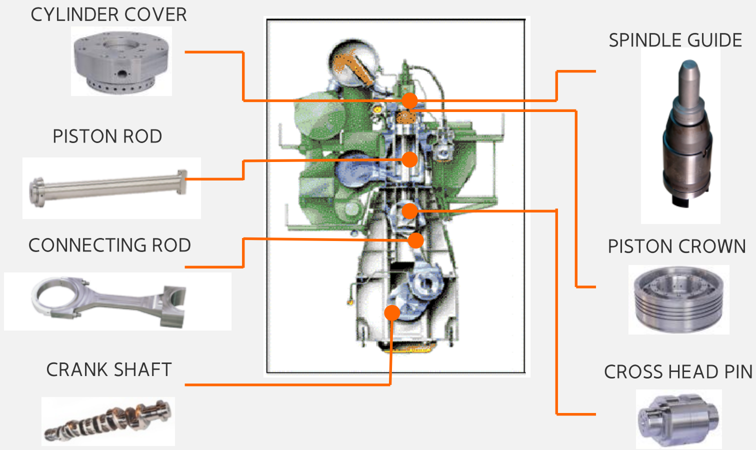
Production Model Line-up for Everllence



Hanwha Engine

Hanwha Engine AM Business *(After Market Business)*

Major Parts



Service Marine engines parts and technical service

Customer Ship owners, Domestic agencies

Business overview

- Providing and Servicing maintenance parts for marine engine for entire lifecycle of vessel

Scope of Supply

Parts Supply

- M/E, G/E, SCR
- Correct Specification
- Competitive Price
- Just-In-Time Delivery

Tech. Service

- Planning of Maintenance
- Periodic Inspection
- Recondition Service
- Maintenance Service by well proven S/E

Environment Solution

- Engine Part Load Optimization
- NOx Monitoring Solution
- EEXI Calculation

Digital Solution

- Remote Monitoring
- Performance Analysis
- DIY or On-line Trouble Shooting
- Tekomar XPERT, WMS

SEAM AS

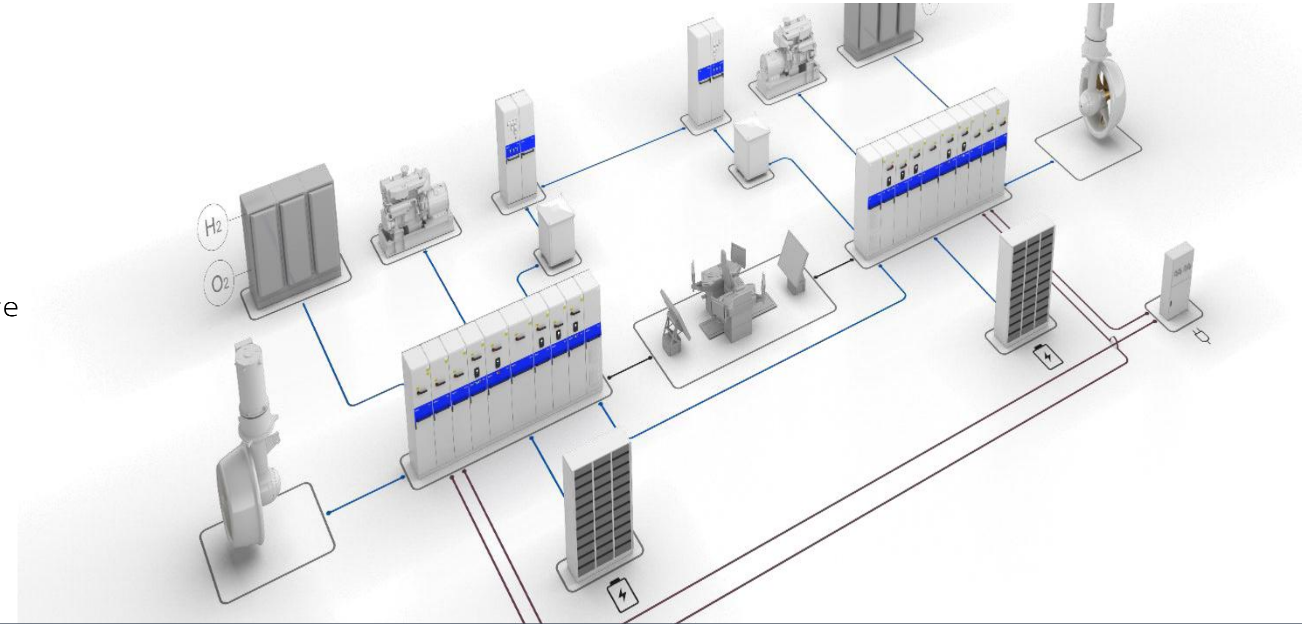
– Maneuvering control system, IAS, EPMS
– Automation system including bridge
– EMS, Drive

250+ Employees
– Norway
– Karmøy(HQ)
– Bergen,Austevoll

35% Market share in Norway

135 Vessels
– 75 Cruise & Ferries
– 24 Aquacilturee
– 24 Offshore
– 12 Merchant & Tug

88 Charging



a leading international provider of Low and Zero emission to the maritime industry

Key Business

- Turnkey System
- Service and Aftermarket
- Digital Solution

Key Customers

- Ferry and Cruise
- Offshore
- Merchant
- Coastal Workboats

Environment Solution

- Turn Key Hybrid / Electric Systems
- Proprietary Automation Platform
- Electrotechnical Services, Spare Parts, Training
- Data Collection and Analytics

Introduction of SEAM AS

Hanwha Engine

Business Segment

- **Electric propulsion**
- **Hydrogen fuel cell**
- **Ammonia**
- **Charging and power**


Cruise and Ferry
60

Offshore
25

Coastal workboats
15

Merchant
11

SEAM has delivered sustainable solution to 111 vessels across difference ship types.

Reference

Electric & Hybrid

[Future of the Fjords, emission free tourist cruises]

– Vessel type : Fully electric Passenger Vessel
– Capacity : 400 passengers (42 meters)
– Battery : 1800 kWh

Hydrogen & Ammonia

[MF Hydra, World's first hydrogen driven ferry]

– Vessel type : Ro Ro / Passenger vessel
– Capacity : 80 cars, 10 trailers 295 passengers
– Battery : 1356 kWh

Retrofit: Battery, Shaft Generator

[Normand Solitaire]

– Vessel type : Platform Supply Vessel
– Battery : 746 kWh
– Containerized Battery retrofit

Charging & Shore Power

[Shore Charging]

– Autonomous, semi automatic or manual
– Optimal solutions to fit vessel and shore

[Battery Swap]

– Ideal for rivers, fjords, inland waterways and coastal
(Fixed route, Frequent stop, Short distance, zero emission…)