

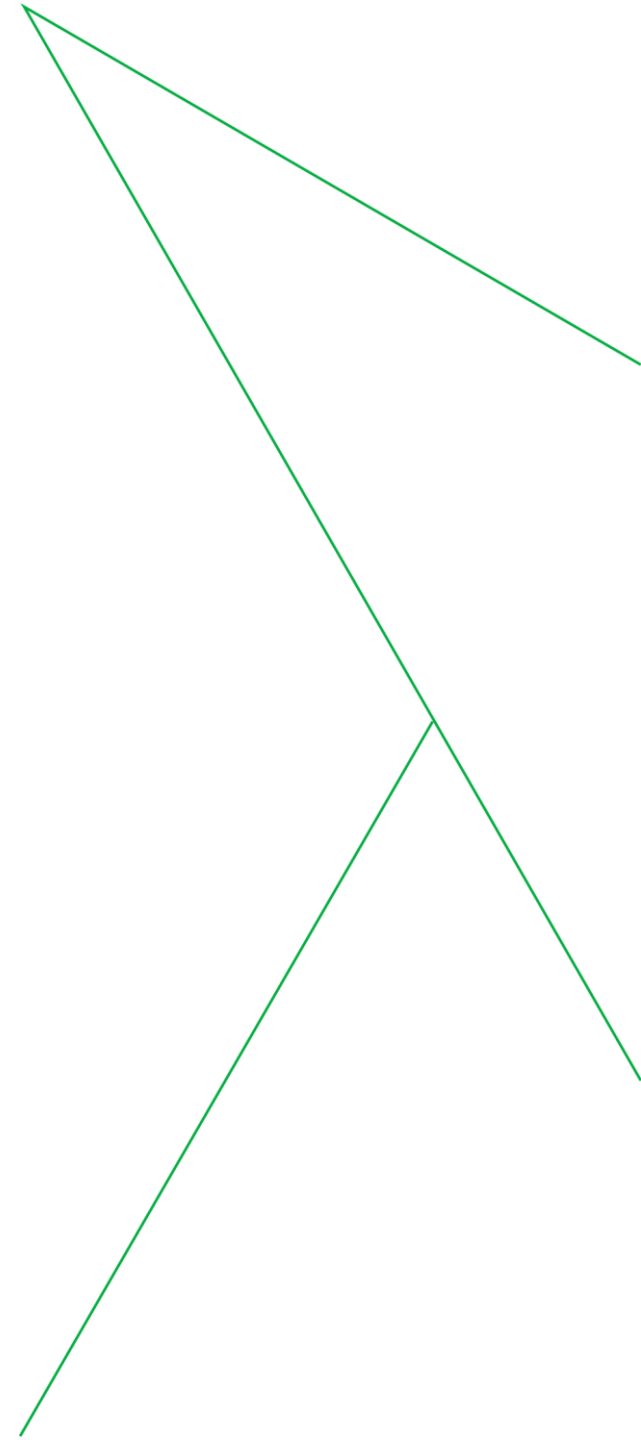
HD Hyundai Mipo Value-up Plan

December 2024



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Company Overview

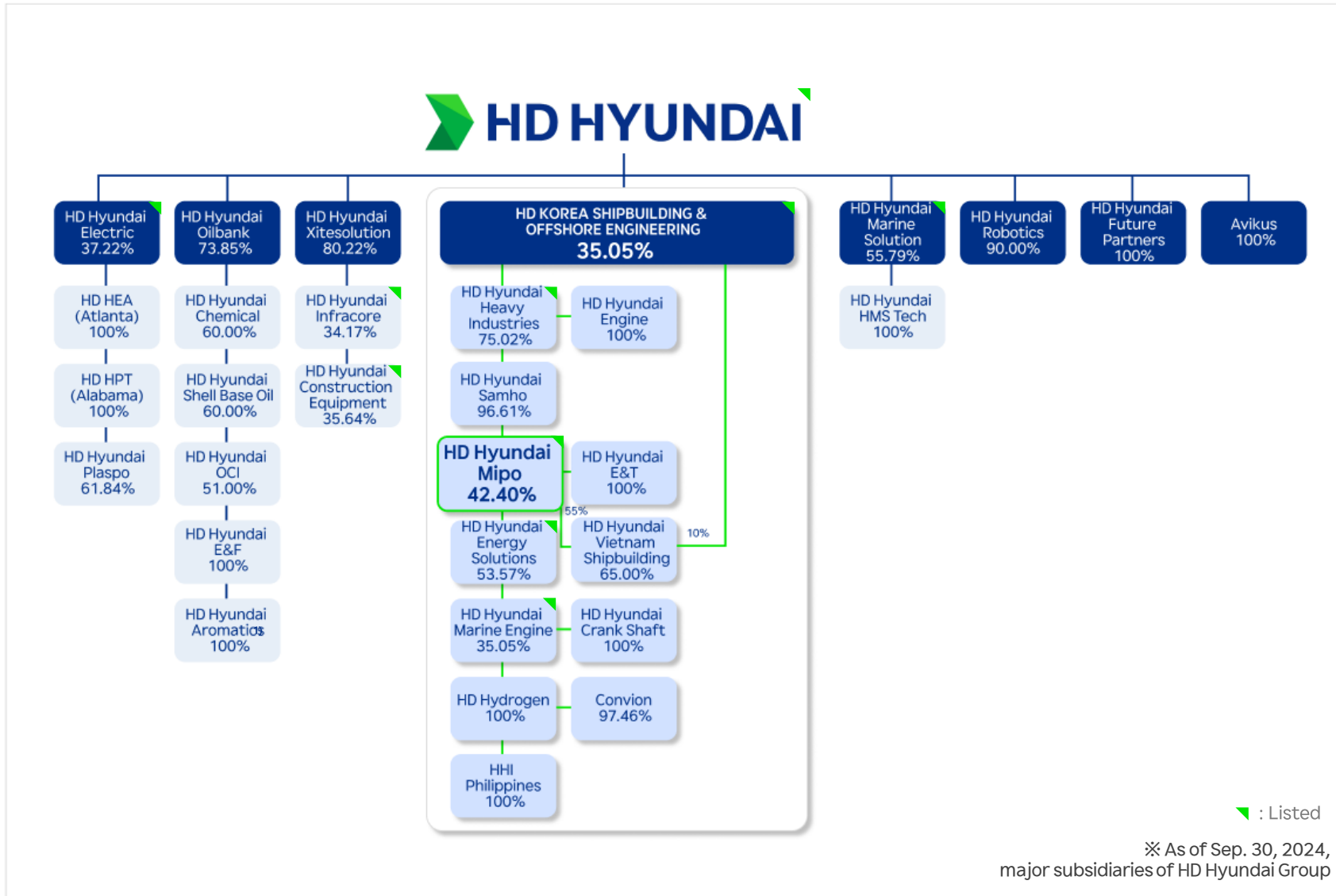
● Company Overview

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General Information

Company name	HD HMD HD HYUNDAI MIPO
Market listing	KOSPI
CEO	Kim Hyung-kwan
Establishment	April 28, 1975
Head office	100, Bangeojinsunhwando-ro, Dong-gu, Ulsan, Republic of Korea
Business areas	<ul style="list-style-type: none"> • Shipbuilding (Small & Mid sized ships) - Product/Chemical Carrier - Gas Carrier
Shares outstanding	39,942,149shares (common stock)
Major shareholders	<ul style="list-style-type: none"> • HD KSOE(42.40%) • NPS(11.34%) • Fidelity(5.59%)

※ As of the end of September 2024

1) Stock Acquisition and Name Change as of November 1st, 2024(formerly HD Hyundai Cosmo)

Business Status

Company Overview

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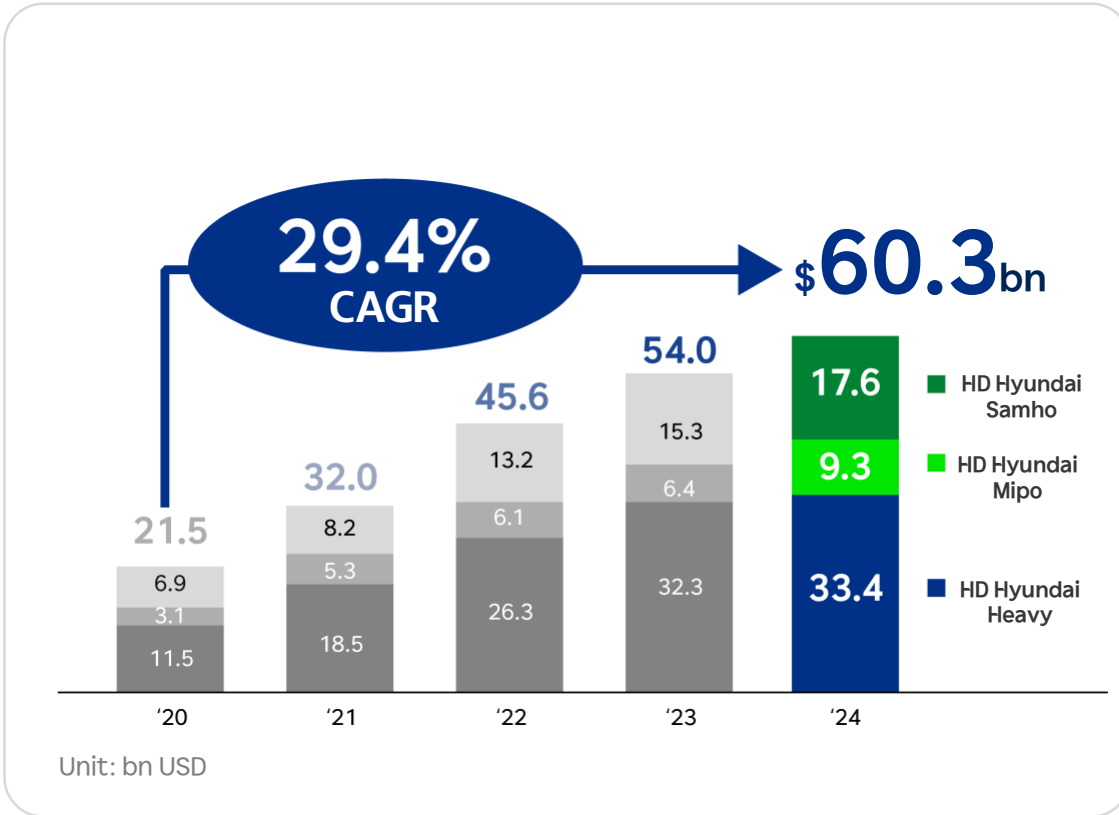
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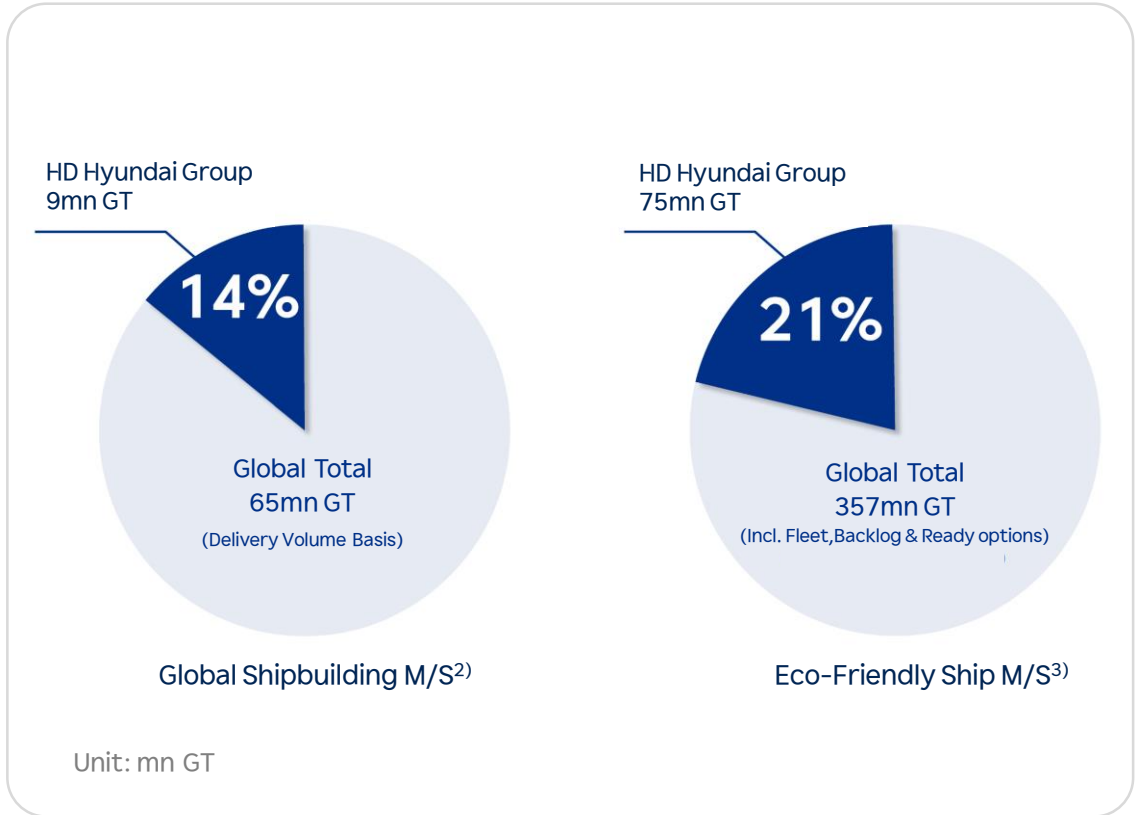
Communication

Order Backlog Growth Driven by Environmental Regulations and Replacement Demand

Order Backlog of Group's 3 Shipyards¹⁾



Global Market Share



※ 2024 YTD: As of the end of September 2024

1) Order Backlog: Amount based on accumulative orders excluding delivered amounts (revenue recognized according to progress rate).

※ Source: Clarksons

2) HD Hyundai Group (HD Hyundai Heavy Industries, HD Hyundai Samho, HD Hyundai Mipo) 2023 delivery volume basis

3) Eco-friendly ships: Ships equipped with eco-friendly dual-fuel engines (LNG, Methanol, LPG, etc.), excluding scrubber option, as of the end of November 2024

Business Status

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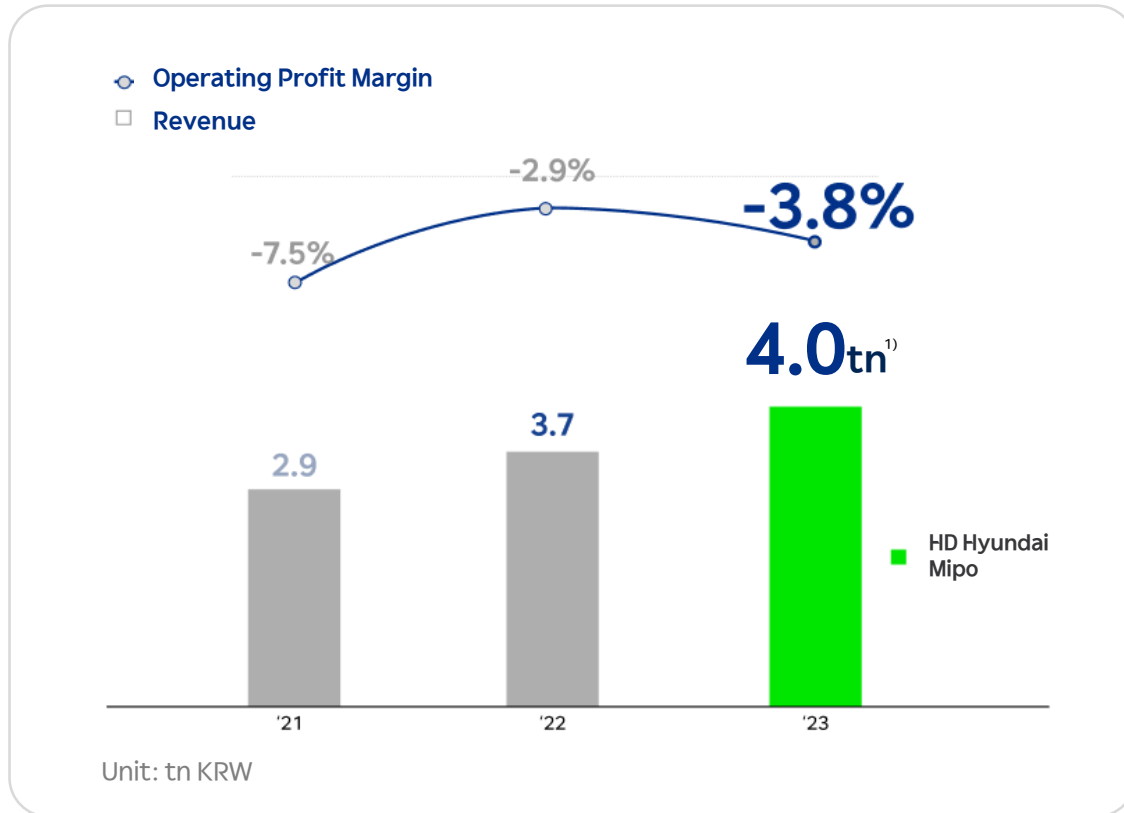
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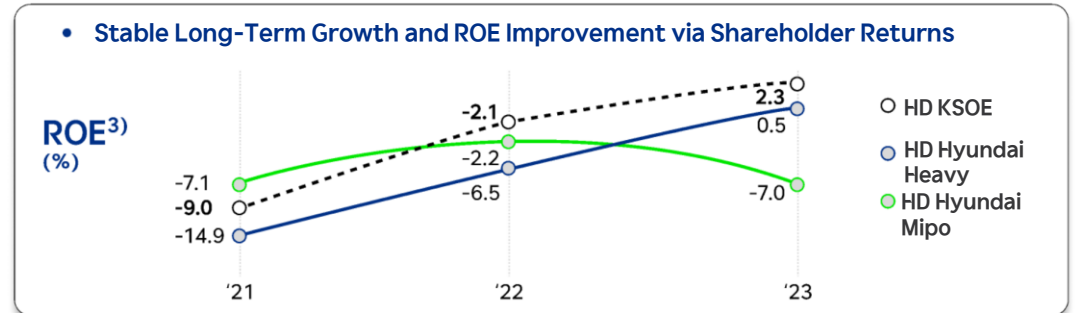
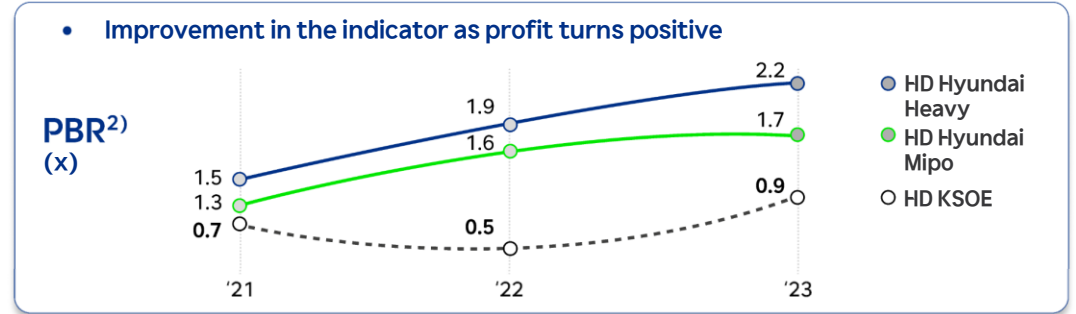
Communication

Market and financial indicators improve due to performance enhancement

Revenue · Operating Profit Margin



Market and Financial Indicators: Status and Analysis



- Strengthen Shareholder Returns with Improved Performance

Dividend: Dividends Not Paid since 2019 due to Weak Earnings

※ HD HMD Consolidated basis

1) Major Subsidiaries: HD Hyundai E&T, HD Hyundai Vietnam Shipyard

2) PBR (Price to Book Ratio): Ending stock price / Ending book value per share

3) ROE (Return on Equity): Net income attributable to controlling interest / Average controlling interest equity (beginning and ending balances)

Value-up Targets

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'Aiming to Enhance Shareholder Value as an Industry Leader'

01 Expansion of Shareholder Returns

Dividend Payout Ratio¹⁾ : **30%~**

Improvement of Dividend Distribution Procedure²⁾

Sustainable Shareholder Returns Policies

02 Stable Long-Term Performance

'27 Revenue Target: **5.4tn KRW**
(Consolidated Basis)

'27 ROE³⁾ Target: **14%~**

Achieving Financial Goals through Earnings Improvement

03 Sustainable Management

Key Governance Metrics⁴⁾ : **93%**

Strengthening ESG Policies

Enhancing Communication with Shareholders

1) Dividend Payout Ratio: Dividends / Net income on separate financial statements × 100/ Non-recurring factors such as one-time gains and losses can be excluded

2) Set dividend record dates after general shareholder meetings, enabling investors to make informed decisions based on declared dividend amounts

3) ROE (Return on Equity): Net income attributable to controlling interest / Average controlling interest equity (beginning and ending balances)

4) Key Governance Metrics: Important indicators evaluating the transparency and fairness of a company's governance, calculated based on the compliance rate of 15 criteria designated by the Korea Exchange

Value-up Core Targets

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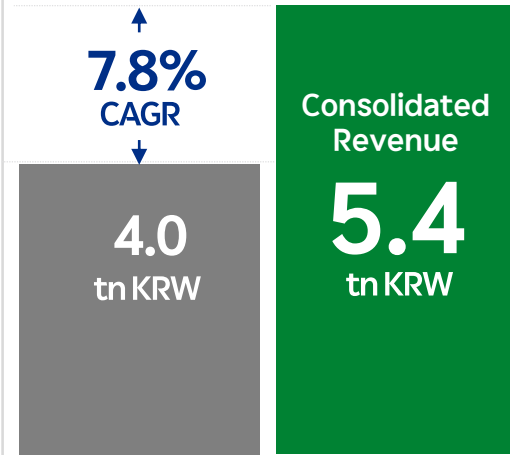
Communication

01 Shareholder Returns



Dividends Not Paid due to Weak Earnings

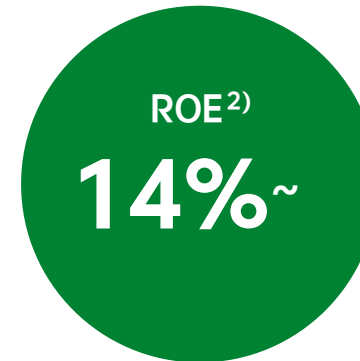
02 Long-Term Revenue



'23

'27(F)

03 Financial Indicator



'23
-7.0%

'27(F)

04 Key Governance Metrics³⁾



'23
73%

'27(F)

1) Dividend Payout Ratio: Dividends / Net income on separate financial statements × 100/ Non-recurring factors, such as one-time gains and losses, can be excluded

2) ROE (Return on Equity): Net income attributable to controlling interest / Average controlling interest equity (beginning and ending balances)

3) Key Governance Metrics: Important indicators evaluating the transparency and fairness of a company's governance, calculated based on the compliance rate of 15 criteria designated by the Korea Exchange

Action Plans :

Proactive Shareholder Returns

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01

Dividend Payout Ratio¹⁾
30%~

- Paying stable and predictable cash dividends

02

**Changing the
Record Date
of Dividend**

- Setting the record date after the dividend decision to enhance predictability
- Changing the record date of dividend from December 31 to Board-determined date

03

**Establishment
of Shareholder
Return Policy**

- Establishing a mid-to-long-term shareholder return policy for FY2025- FY2027
- Establishing a sustainable shareholder return policy that considers mid- to long-term performance and business environment

1) Dividend Payout Ratio: Dividends / Net income on separate financial statements × 100/ Non-recurring factors, such as one-time gains and losses, can be excluded

Action Plans : Advancing Tech Excellence and Competitiveness

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01 Product Differentiation



Diversifying into Eco-Friendly, High-Value Vessels

- Advancing into High-Value vessel Markets with Tech Expertise
 - Small-sized LNGC · LNGBV¹⁾ · LCO2²⁾
 - Entering the LNGC market with membrane cargo tank³⁾
- Promoting the Conversions of Small and Mid-Sized Vessels into Eco-Friendly vessels
 - HMD's order backlog consists of only 23% eco-friendly fuel-powered vessels

02 Production Stabilization



Vertical Integration, Smart Yard

- Vertical Integration of Core Tech for Supply Chain Stability
 - Development of Independent Membrane Cargo Tanks
 - Partially integrated the production of outsourced curved blocks
- Innovative Manufacturing and Workforce Efficiency
 - Enhancing productivity with integrated production platform and DM⁵⁾ validation
 - Investing in workforce capabilities

03 Overseas Expansion



Boosting Production Competitiveness

- Increasing capacity of HD Hyundai Vietnam
 - Delivery capacity over 20 units/yr (Current: 15 units/yr)
- Adapting to Eco-Friendly Vessel Production and Portfolio Diversification

1) LNGBV(LNG Bunkering Vessel): A ship that supplies fuel to LNG-powered vessels

2) LCO2(Liquefied Carbon Dioxide Carrier): A ship transports liquefied carbon dioxide for CCUS

3) Korea Developed Membrane Tank: Tank that is integrated with the hull to maximize LNG transport capacity

4) CHS(Cargo Handling System) : Technologies for safe and efficient cargo transfer, storage

5) DM(Digital Manufacturing): Creating a digitally optimized manufacturing environment for shipbuilding

Action Plans : Sustainable Management

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01 Improving Key Governance Metrics Targets¹⁾

'27
93%

Items for Expanding Key Metrics Compliance

- Change of dividend record date
- Disclosure of dividend policy
- Outside director appointed chairperson

02 Advanced ESG Management System



Responsible Management for Sustainable Growth

Global Regulatory Response

Stakeholder Communication

Sustainable Growth

※2023 : base on Disclosure of Corporate Governance Report (compliance rate calculated based on 10 out of 15 criteria met)

※2027 : based on the Company target

1) Key Governance Metrics : Indicators that evaluate the transparency and fairness of a company's governance, calculated based on the compliance rate of 15 criteria designated by the Korea Exchange

Communication

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Ensure effective communication to align intrinsic value with market value



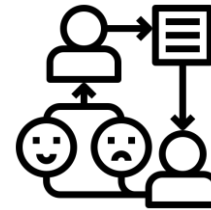
Expanding Communication Channels

- Regular C-Level Meetings (at least twice a year)
- Regular Domestic and Overseas NDRs



Comprehensive Materials

- IR Fact Book and Monthly Data Publication
- Providing IR materials in KOR/ENG



Addressing Market Feedback

- Actively listening to market feedback
- Implement improvements in the annual Value-up Plan



ESG

- Strengthening Communication on ESG Issues
- Transparent disclosure via Sustainability Report and ESG Website

