DSME IR Presentation

May 2023

Contents

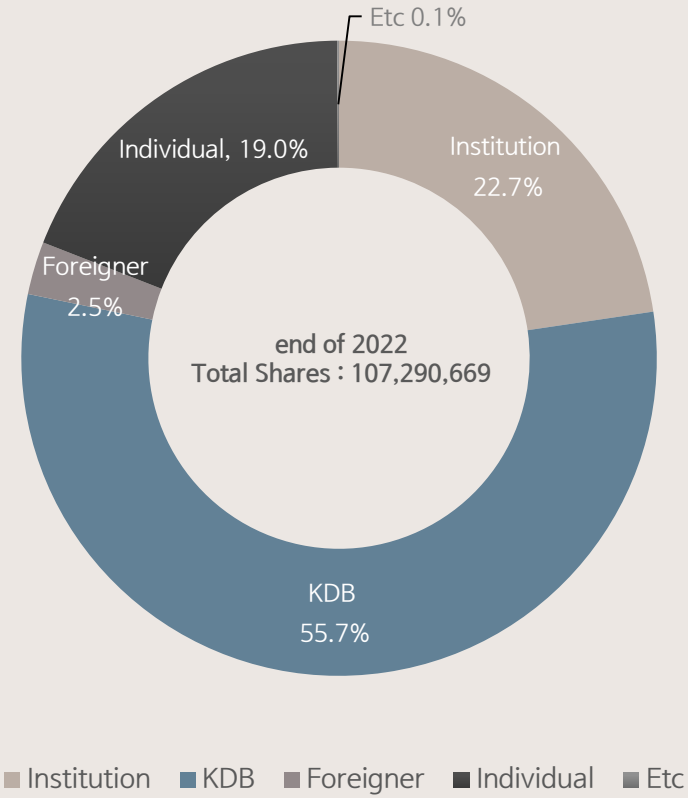
At a Glance

Company	Daewoo Shipbuilding & Marine Engineering Co., Ltd
CEO	Du-Seon Park (since March 2022)
Foundation	11th October 1973
Address	● HQ : 3370, Geoje-daero, Geoje-si, Gyeongsang nam-do, Korea ● Seoul : 14, Sejong-daero, Jung-gu, Seoul, Korea ● Siheung R&D Campus : 96, Baegot 2-ro, Siheung-si, Gyeonggi-do, Korea
Annual Capacity	● Commercial ships : 36 ● Energy Plants : 2 ● Naval ships : 2 surface ships, 2 submarines
Employees (As of April)	● Total 21,518(Direct: 8,192, Subcontractors: 12,326)

Product

Commercial	LNGC, Container ships, Tankers, LPGC etc.
Energy Plant	FP, RIG, FPSO/FPU, on-shore Plants, WTIV, loading facilities etc.
Naval	Submarines, Destroyers, Warships, Overhaul etc.

Shareholding Structure



1972~1989

1973 Groundbreaking ceremony in Okpo

1978 Established Daewoo ship-building & Heavy Machinery Co., Ltd.

1979 Built the first chemical carrier

1985 Constructed double hull 300,000-ton VLCC

1989 Launched the business strat-egy campaign of "Hope 90s"

1990~2001

1993 Constructed ROK's first tactical submarine

1996 Launched ROK's first domestic Destroyer

2001 Awarded world's best LNGC Builder

2002~2014

2005 Delivered the world's first LNG-RV

2011 Constructed Pazflor FPSO- the world's largest offshore FPSO

2013 Awarded contract for the world's largest FSRU (263K)

2014 Awarded contracts for the world's first ice class LNGCs

2015~2021

2015 World's first LNGC equipped with LNG fueled engine and reliquefaction system

2017 Delivered Indonesian subma-rine

2021 Delivered 3,000 ton class submarine

2021 Organized new ESG Administration

2022 Delivered the world's first High Manganese-based LNG fueled VLCC

Groundbreaking ceremony

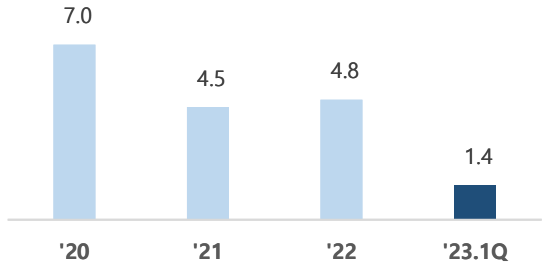

KDX- I


World largest FSRU

Mctib (Type-B tank)

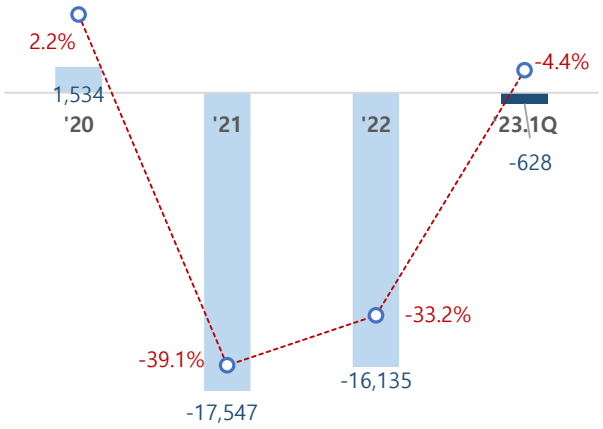
Annual sales trend

Unit: KRW1 trillion



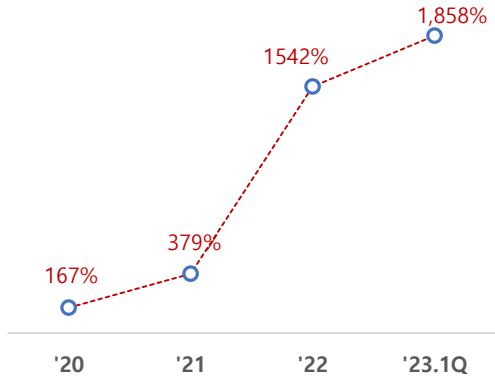
Annual operating profit ratio trend

Unit: KRW 100mil. %



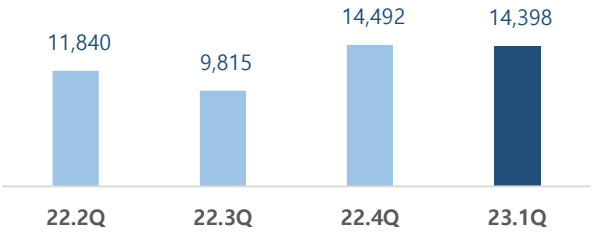
Debt ratio trend

Unit: %



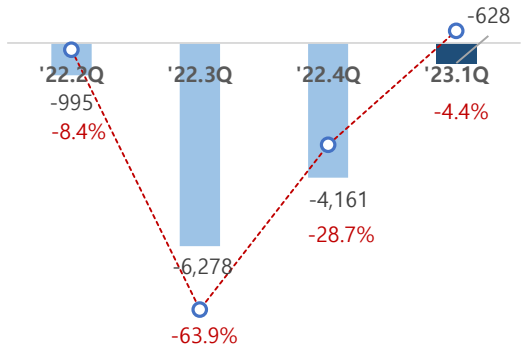
Quarterly sales

Unit: KRW 100 mil



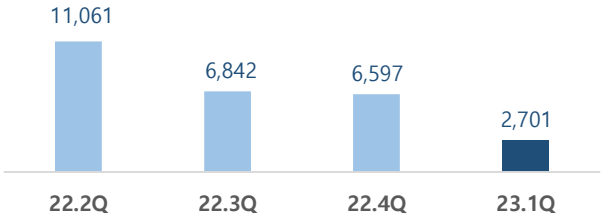
Quarterly operating profit ratio

Unit: KRW 100mil. %



Cash and cash equivalents trend

Unit: KRW 100 mil



Unit: $ bn

Remarks		2021		2022		New Orders (end of April. 2023)		Backlog (end of April. 2023)	
		Unit	Sum	Unit	Sum	Unit	Sum	Unit	Sum
Commercial Vessels	LNGC (Inc. FSRU, FSU)	15	3.10	38	8.40	4	1.02	65	14.88
	Cont.	20	2.75	6	1.10	-	-	32	4.92
	Tanker (Inc. SHTK)	11	1.06	-	-	-	-	8	0.77
	LPGC	9	0.72	-	-	-	-	8	0.64
	Subtotal	55	7.63	44	9.50	4	1.02	113	21.21
Energy Plants	DRILLSHIP	-	-	-	-	-	-	4	1.81
	FPSO	1	0.98	-	-	-	-	1	0.99
	FCS	-	-	1	0.56	-	-	1	0.62
	FP	1	0.63	-	-	-	-	1	0.72
	WTIV	2	0.65	-	-	-	-	2	0.66
	Etc.	-	0.01	-	-	-	-	-	0.03
	Subtotal	4	2.27	1	0.56	-	-	9	4.83
Naval Ship & Others		2	0.96	1	0.42	1	0.04	13	4.30
Total		61	10.86	46	10.48	5	1.06	135	30.34

2023 is expected to be a positive year for the LNGC market with an increase in demand for new build oil tankers also anticipated. With the order book standing at an amount for 3.5 years, DSME is willing to make newbuilding contracts with an emphasis on the profit margin rate.

LNGC

- (Short Term) Positive Newbuilding trends expected this year
- (Long Term) Newbuilding fundamentals appear encouraging due to the need for Energy Security, the demand for replacements, expansion of spot market, etc.
- Some Owners are likely to "wait and see" as it is predicted there may be an oversupply of new tonnages
- Chinese shipyards are expected to be acutely focused on the newbuilding market

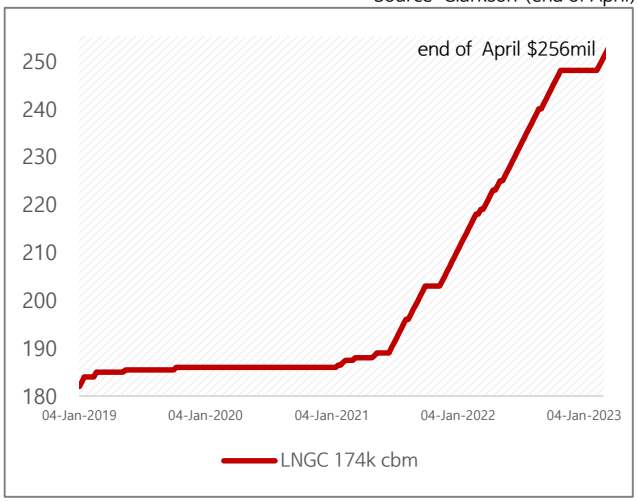
Container Ship

- With macroeconomic pressure and weakened consumer activity, there is expected to be a downturn in charter rates
- Deliveries in 2023 and 2024 will bring about dramatic fleet growth
- Increased recycling demand for non-eco vessels expected to be seen
- Demand for LNG/methanol fueled vessels will continue

VLCC

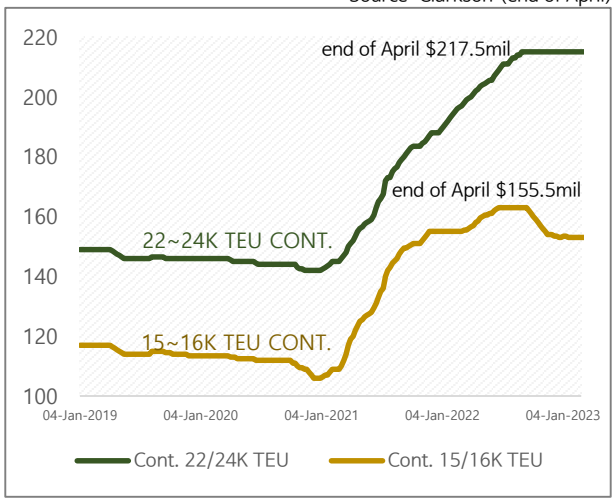
- Old tonnages to be scrapped as incapable of complying with regulations
- Continued positive movements are expected due to the recent easing of COVID restrictions in China and the ongoing shift in trade flows due to Russia-related sanctions
- The very limited order book and expectation that the shrinking fleet size will keep charter rates high raises the potential for newbuilding orders

Source: Clarkson (end of April)



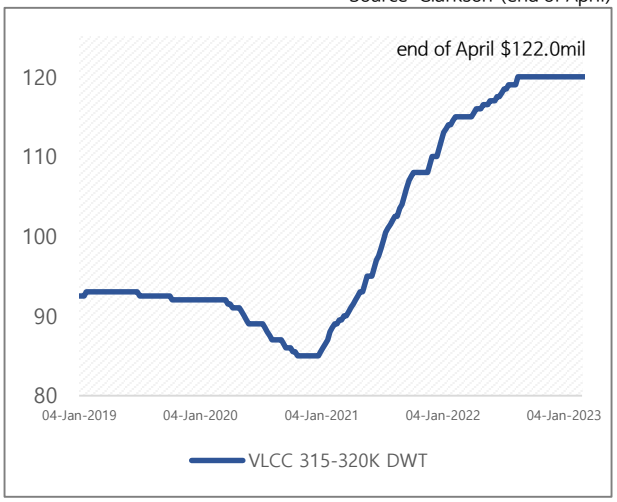
LNGC NB Price Index (174K)

Source: Clarkson (end of April)



CONT. NB Price Index

Source: Clarkson (end of April)



VLCC NB Price Index

Targeting contracts for one to two orders of production units guaranteeing profit margins and low risk. Putting further efforts into securing WTIV orders considering the growing renewable energy market

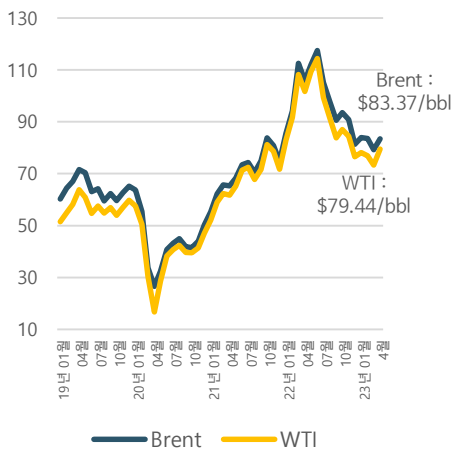
Production Facilities

- Investment in Exploration & Production Projects are increasing
- Forecast sees tenders from oil majors and gas reservoir projects opening up
- Offshore newbuildings to be gradually increased in the area of Brazil, Australia and North Sea

Offshore Wind Power

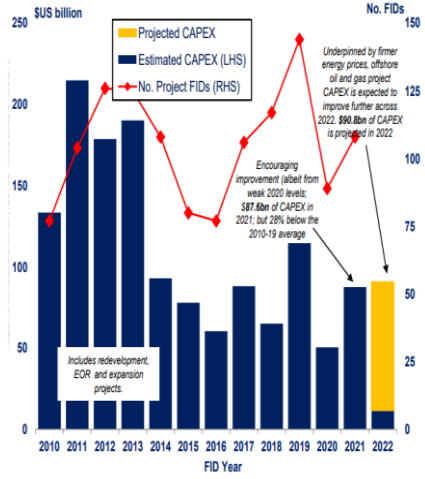
- Investment in the wind power sector forecast to be firmly built
- Europe's financial support boosting wind-power investment for the energy security
- Giant-sized deep sea floating wind power market is in the growth phase

Source: KNOC , end of April



Oil Price

Source: Clarkson



Offshore Oil & Gas Investment

WTIV	Last 3 years			Short-term		Mid&Long-term				
	'19	'20	'21	'22	'23	'24	'25	'26	'27	'28
800t↑	4	8	18	12	5	9	13	14	18	22
800t↓	1	6	5	2	1	1	1	1	2	2
Total	5	14	23	14	6	10	14	15	20	24

Source: Clarkson

WTIV NB trend

Aiming to secure a certain amount of orders according to the overall planning of the domestic defense industry and seeking out opportunities to contract deals with overseas countries

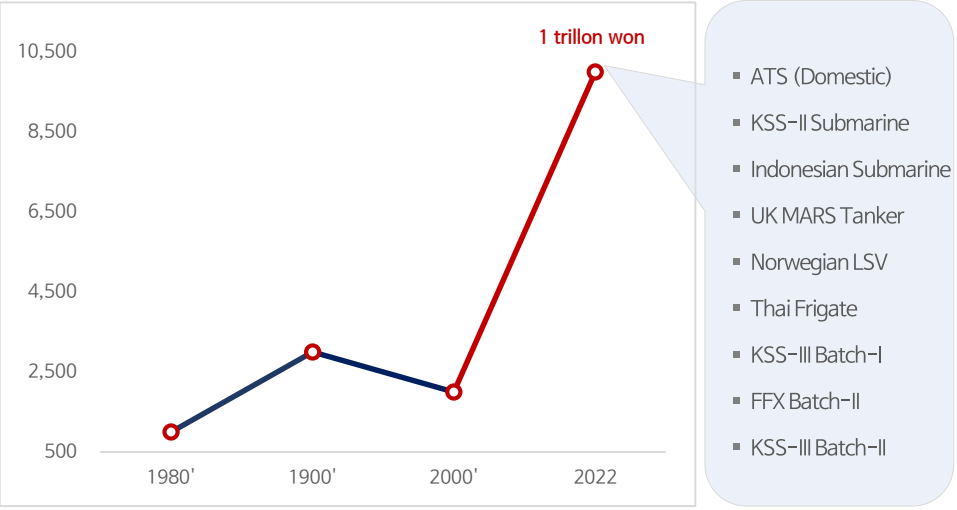
Domestic

- New orders for naval ships such as destroyers, frigates, and submarines to be contracted according to Smart Navy & Blue-water Navy building scheme
- More number of parties requiring navy ships equipped with cutting edge technology
- DSME is in close talks with the Korean Navy and DAPA

International

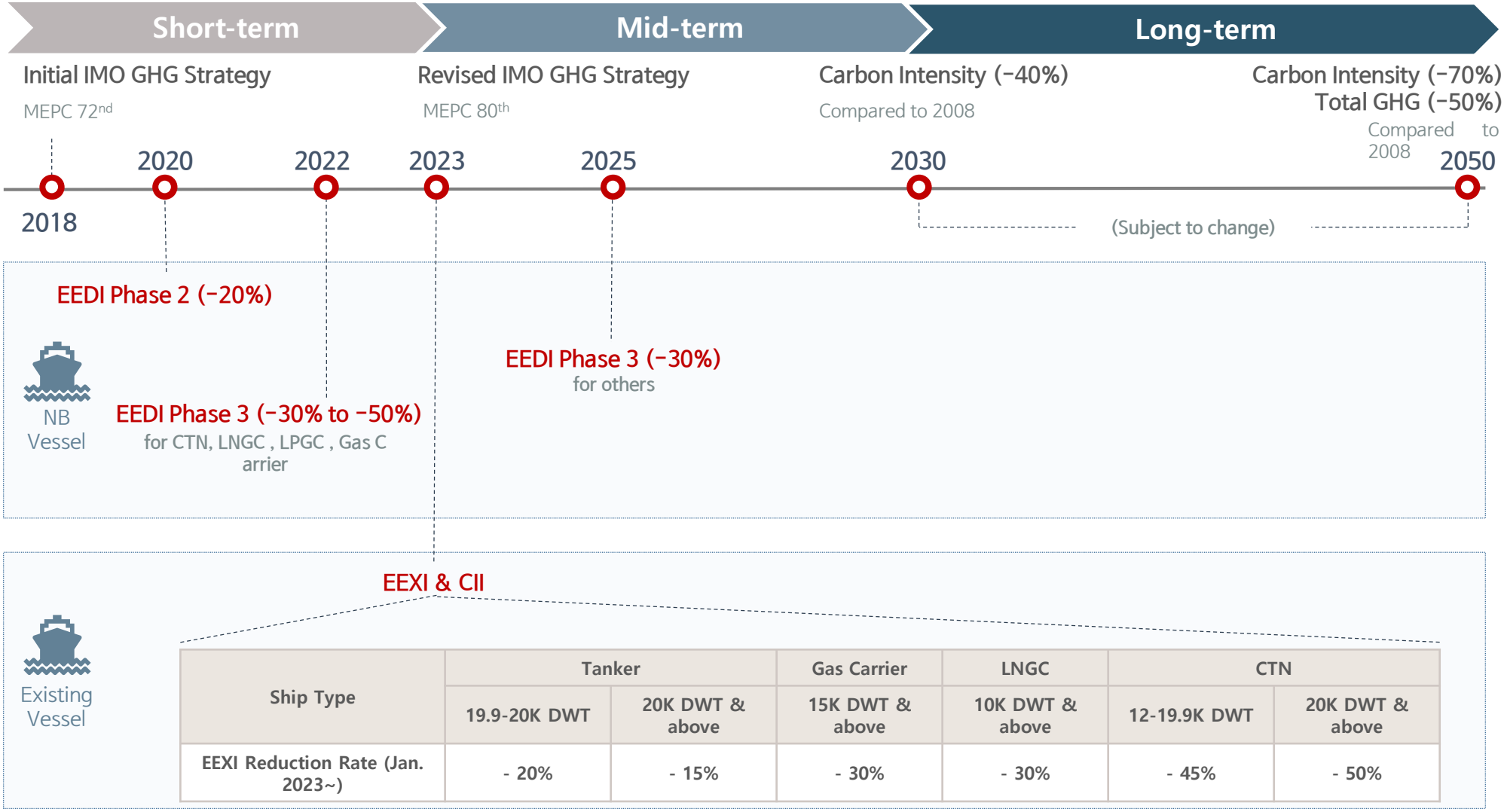
- Renewal schemes for naval ships of various countries leading to demand in newbuilding orders
- A certain amount of time is needed before global navies order vessels. This is considering the overall negative impact of the global economic slowdown on the budget of navies in each country
- Russian-Ukraine conflict not estimated to have direct impact on the new-building market at present. In the long term, such war can have overall influence on the reinforcement scheme of naval ships of each country

DSME Naval ship division sales trend



DSME's Overseas performance record

Nation	Project	Displacement	No of vessels	Year	Price
	Bangladesh Frigate	2,300 T	1	'98.03	USD 1.00
	Malaysian Training Vessel	1,200 T	2	'10.12	USD 0.62
	UK MARS Tanker	37,000 T	4	'12.03	GBP 4.52
	Norwegian LSV	26,000 T	1	'13.06	USD 2.34
	Thai Frigate	3,600 T	1	'13.08	USD 4.70
	Indonesian DSME 1400 Class Submarine	1,400 Ton	3 + (3)	'11.12 '19.04	USD 10.80 USD 12.00
	Indonesian 209 Submarine Overhaul	1,300 Ton	1	'17.04	USD 0.30
		1,300 Ton	2	'03.12 '09.04	USD 0.60 UDS 0.75

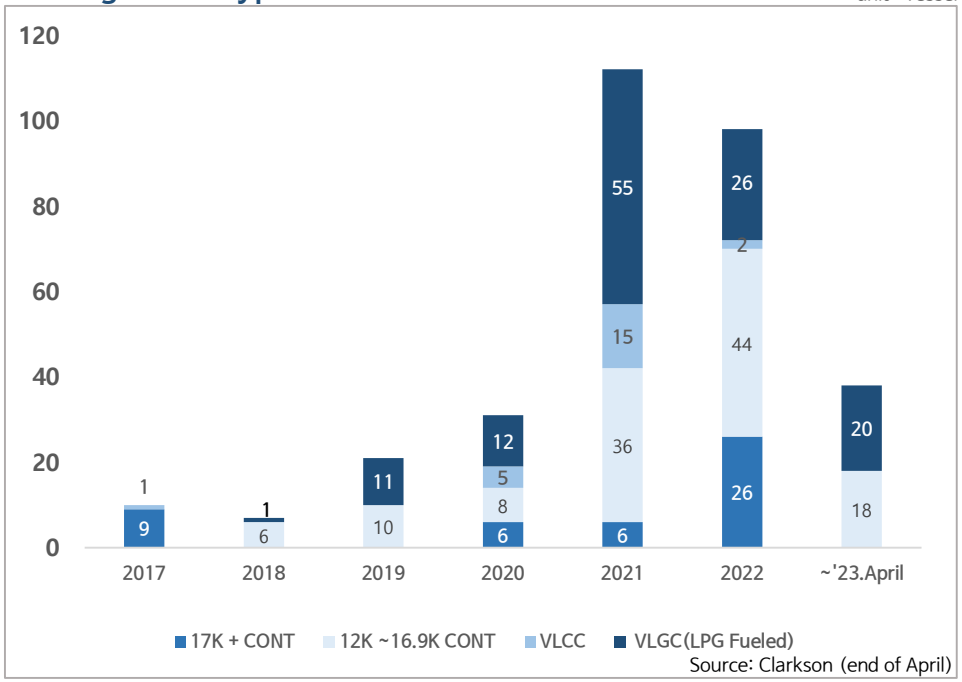


Ship Type	Tanker		Gas Carrier	LNGC	CTN	
	19.9-20K DWT	20K DWT & above	15K DWT & above	10K DWT & above	12-19.9K DWT	20K DWT & above
EEXI Reduction Rate (Jan. 2023~)	- 20%	- 15%	- 30%	- 30%	- 45%	- 50%

Since 2021, Dual-fuel NB orders are burgeoning

Backlog for DF type vessels

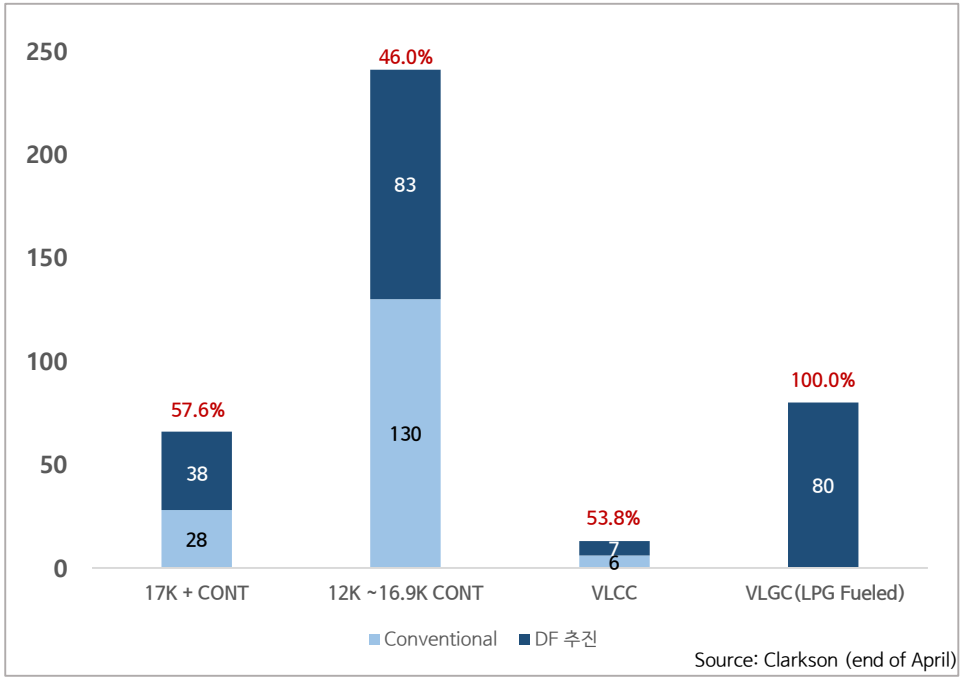
unit : vessel



Source: Clarkson (end of April)

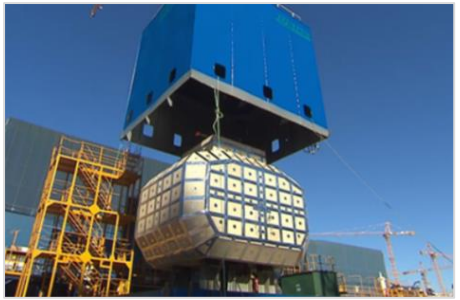
Portion of DF type vessels (as of global backlog)

unitL: vessel



Source: Clarkson (end of April)

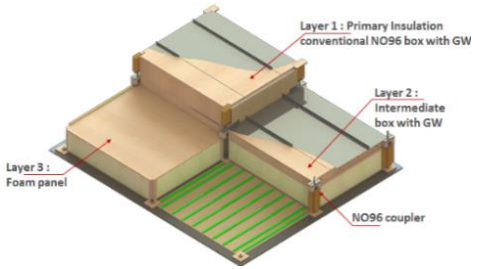
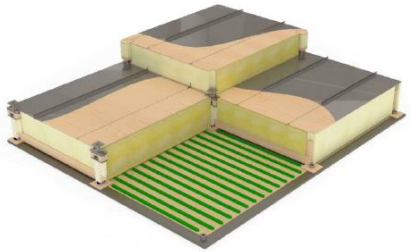
Type-C Tank (for Tanker)



Type-B Tank (for CONT.)

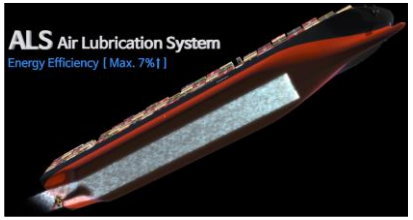
DSME is offering various GMS product lines to Ship owners. This flexible and on-demand response will be helpful in securing the Best Clients.(MTG , MOL Mitsui O.S.K. Lines ,)

CCS	Dual fuel engine	Reliquefaction System
NO96 GW	ME-GI	DSME FRS® (Full Reliquefaction System)
NO96 L03+	ME-GI	DSME FRS®
	ME-GA or X-DF	DSME NRS® (Nitrogen Reliquefaction System)
NO96 Super+	ME-GA or X-DF	DSME NRS®

		NO96 GW	NO96 L03+	NO96 Super+
Design Concept				
Primary/Secondary Barrier		Invar 0.7t		
Insulation	Primary (230mm)	Glass wool insulation box	Glass wool insulation box	R-PUF insulation panel
	Secondary (300mm)	Glass wool insulation box	Glass wool insulation box + R-PUF insulation panel	R-PUF insulation panel
BOR (Boil-off rate)		0.12 %/day	0.10~0.11 %/day	0.085 %/day

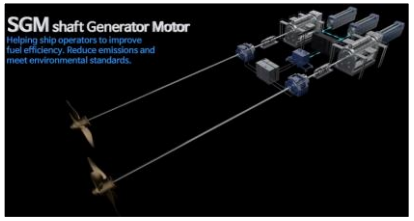
DSME developed energy saving devices to reduce fuel oil consumption

Main Products



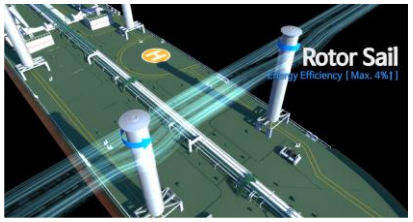
ALS (Air Lubrication System)

- An energy saving device to reduce skin friction resistance working on a hull by sending air to the bottom surface
- Expected to reduce fuel oil consumption by 5-7%
- Applied to an LNG carrier for the first time in November 2019
- Will be applied to mega container ships, LPG carriers, and medium range oil tankers



SGM (Shaft Generator Motor)

- An eco-friendly technology that connects a generator to a shaft that connects a ship engine and a propeller to generate electricity using kinetic energy obtained from shaft rotation



Rotor Sail

- Wind propulsion effect using spinning object on deck

Additional Features

PSS (Pre-Swirl Stator)

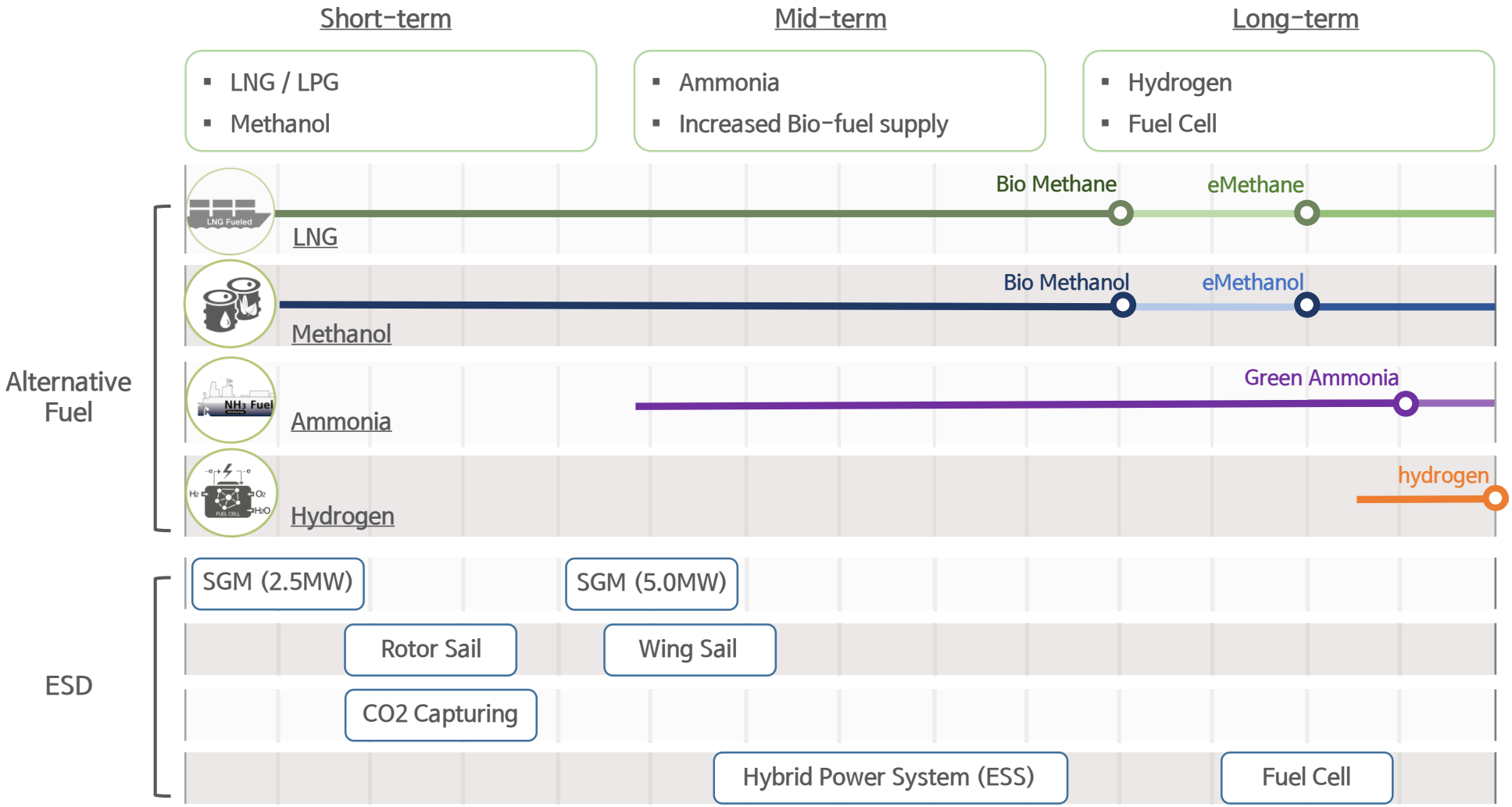
Rudder Bulb

Cap Fin

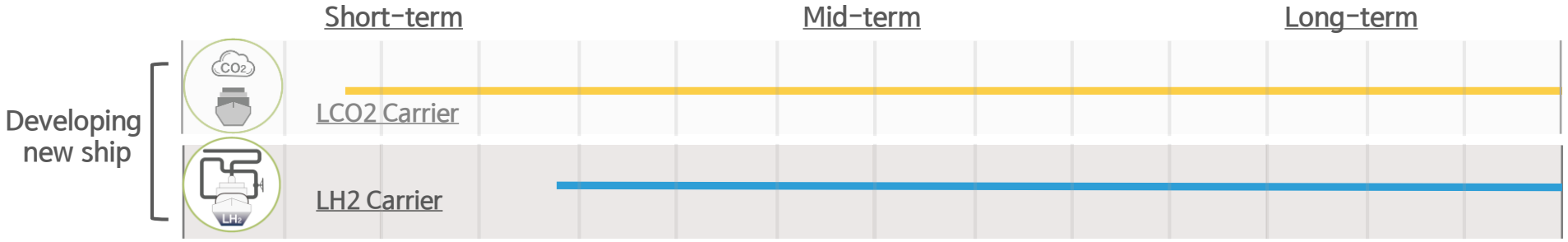
Duct

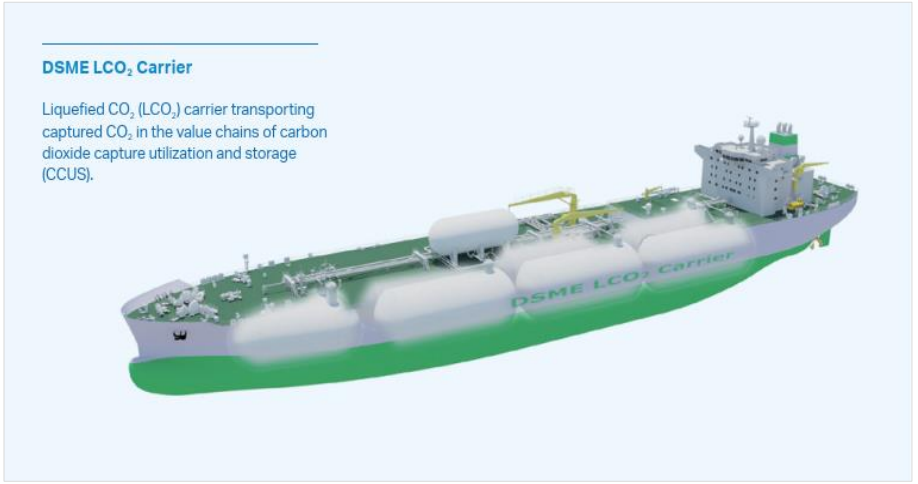
Devices to improve fuel efficiency by controlling the flow around the hull

Decarbonization policy being implemented with several phases to boost driving eco-friendly vessel technology
① Developing vessels with alternative-fueled engine + Maximizing the use of Energy Saving Devices



Decarbonization policy being implemented with several phases to boost driving eco-friendly vessel technology
② Developing new type of vessels





LCO2 Carrier

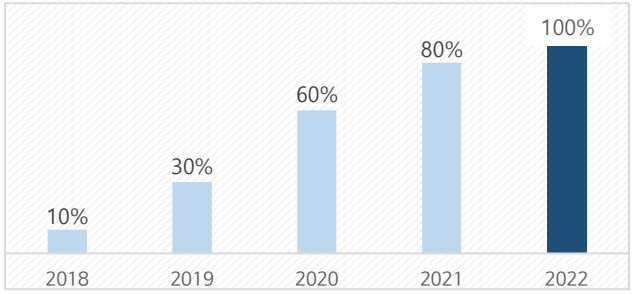
- With the CO2 Capture technology, interest in Liquefied CO_2 Carriers is increasing

LH2 Carrier

- Increase in demand for Hydrogen is expected. However, it seems difficult to secure low temperature liquefaction technologies and there are risks of explosion

Environmental

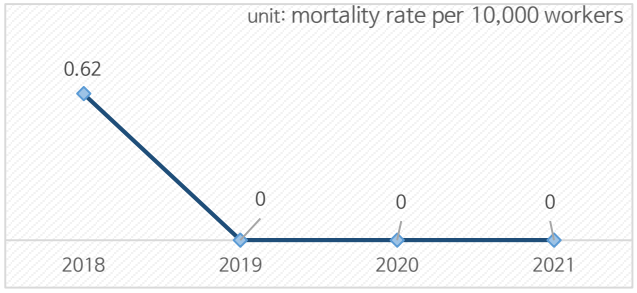
- Eco-Friendly Technology roadmap
- Installation of VOCs* Reduction Facilities
  ※VOCs: Volatile Organic Compounds
- Movement for putting into practice the 3Rs (Reduce, Reuse, Recycle)
- Environmental & Energy mgmt certification



Installation of VOCs Reduction Facilities at Paintwork Factories

Social

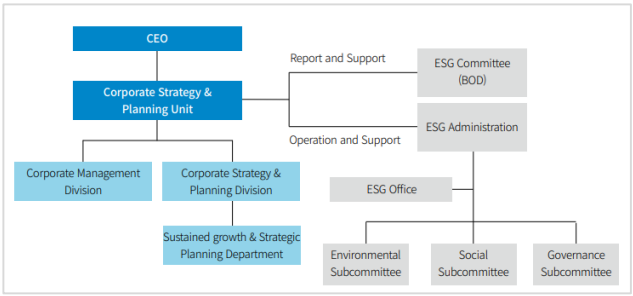
- Zero fatal incident rate for 3 years ('19~'21)
- Elevating the organization in charge of health and safety by establishing an HSE Management office
- Offering education programs for developing DX (digital transformation) skills



Fatal incident Rate

Governance

- Establishment of ESG committee ('22.05)
- Work revolution (promoting office productivity innovation)
- Jointly developing an ESG index with KR specialized to the shipbuilding industry.



ESG Committee

Environment mgmt system, Energy mgmt system certificate

DX Implementation Organization

ESG index joint development ceremony between DSME-KR

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