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HD Hyundai makes a Strategic Investment in Elcogen

Korea Shipbuilding & Offshore Engineering, a member of HD Hyundai Group, invests €45m in Elcogen's Solid Oxide technology to further deepen the collaboration on emission-free power generation systems as well as green hydrogen production

Tallinn, Estonia: Elcogen (“the Company”), the European manufacturer of technology that enables delivery of efficient, affordable green hydrogen and emission-free electricity, is pleased to announce that Korea Shipbuilding & Offshore Engineering Co., Ltd. (“KSOE”), a company incorporated in the Republic of Korea and a member of HD Hyundai Group (“HD Hyundai”) has signed a strategic investment in Elcogen of €45m with closing subject to, amongst other things, Elcogen obtaining the approval of its shareholders to the issue of the new shares to KSOE.

HD Hyundai’s investment follows an extensive period of testing the full range of technology available in the market, following which an R&D collaboration agreement was signed with Elcogen in January 2023, which was focused on further testing of Elcogen’s technology and development of systems.

Following this investment, HD Hyundai and Elcogen intend to further strengthen their collaboration with a focus on marine propulsion systems and stationary power generation based on Elcogen’s proprietary solid oxide fuel cell (“SOFC”) and green hydrogen production based Elcogen’s solid oxide electrolyser cell (“SOEC”) technology. This investment will be used to expand Elcogen’s manufacturing capacity as it continues to build the Company’s new factory facility in Tallinn, Estonia, with a manufacturing capacity of up to 360MW to meet increasing demand for its products.

This is an important development for HD Hyundai as it forms another critical step in realising its vision for the next generation of marine propulsion. As part of HD Hyundai’s “Ocean Transformation” vision which it announced in January of this year, Kisun Chung, CEO of HD Hyundai and HD KSOE, described four key visions, one of which was Ocean Mobility targeting next-generation digital ships that are eco-friendly as an answer to ocean sustainability. This part of HD Hyundai’s vision is led by KSOE. Shortly after that announcement, KSOE concluded its MOU with Elcogen which sets out how the Companies will work together to design and prototype test large-capacity SOFC systems for use in ships and power generation. KSOE and Elcogen also intend to work together to manufacture systems in South Korea, and further strengthen the companies collaboration in SOFC and SOEC technology.

HD Hyundai have chosen Elcogen’s SOFC and SOEC technology because:

- of its flexibility to produce electrical energy from a variety of fuels such as hydrogen, natural gas, ammonia, methanol, and biofuel;
- its suitability for ship engines and cogeneration as it is highly energy efficient and can use waste heat generated from high-temperature operation (600~1000°C); and
- it is considered the most advanced among all fuel cells developed to date.

This investment forms part of a larger investment by KSOE, demonstrating its commitment to delivering its Ocean Transformation strategy. As part of HD Hyundai’s progress towards marine propulsion, its SOFC systems will initially target providing auxiliary power on-board vessels before scaling up to provide propulsion.

Chris Nash, Chairman of Elcogen, said: *“We are delighted to welcome HD Hyundai as a close working partner and now as a shareholder. I believe this is a vote of confidence in our technology from a world leader in industrial innovation and shipbuilding. We look forward to building on this relationship as we continue working together.”*

Enn Õunpuu, CEO of Elcogen: *“There is a huge amount of pressure for heavy industries to decarbonise and meet net zero targets, not least maritime transport. We are delighted that HD Hyundai has built upon our strategic partnership to invest directly into Elcogen, recognising the key role our proprietary Solid Oxide technology will have in leading the world to net zero, providing a clear and external validation of Elcogen.”*

Kisun Chung, CEO of HD Hyundai/KSOE: *“We expect this investment, and the strategic collaboration HD Hyundai and Elcogen will build together, will lay the cornerstone for realising the sustainable future energy ecosystem HD Hyundai envisions, which includes developing next generation clean energy technologies and expanding the value chain capabilities of future core energy sources, including hydrogen.”*

Elcogen was advised by Arrowpoint Advisory (part of Rothschild & Co).

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About Elcogen

Founded in 2001, Elcogen is a manufacturer of clean energy technology that delivers affordable green hydrogen and emission-free electricity. We are a European business with a proud Estonian heritage and a global customer network delivering flexible core solid oxide. Elcogen has its registered office in the UK, and manufacturing facilities in Estonia and Finland that have served 160 customers in 30 countries.

Elcogen develops and supplies the technology that sits at the heart of energy security and transition away from fossil fuels. We are focused on driving net-zero ambitions forward with a core, reversible technology that converts fuel sources into emission-free energy and emission-free energy into green hydrogen. Our solid oxide fuel cell (SOFC) and solid oxide electrolyser cell (SOEC) technology offers an efficient solution to green hydrogen production, reducing commercial costs so customers can deliver affordable energy solutions to meet net-zero targets.

About HD Hyundai: <http://www.hd-hyundai.com/>