

**Strictly Embargoed until 16:30 KST, June 26, 2018**

**Hyundai Motor Group and Wärtsilä Forge New Partnership to Utilize Second-life Electric Vehicle Batteries**

* Global Partnership Between World’s Fifth Largest Automaker and Energy Systems Integrator to Enable Sustainability in Second-Life EV Battery Opportunity

**SEOUL, June 26, 2018** – Hyundai Motor Group (HMG) has selected Wärtsilä for a technology and commercial partnership designed to utilize second-life electric vehicle (EV) batteries for the growing energy storage market. The global partnership will combine HMG’s expansion in electric vehicles with Wärtsilä’s growing energy business, which includes 67 GW of installed power plants and advanced energy storage technologies and software created through the acquisition of Greensmith Energy.

The partnership will target advanced energy storage products and platforms that maximize HMG’s second-life EV batteries to be commercialized in Wärtsilä’s existing customer and channel networks across 177 countries globally. Wärtsilä sold close to 4 GW of power plants in 2017 in both developed and developing regions of the world.

The partnership will create a growing business and market for advanced energy storage systems and target both utility-scale and commercial applications suitable for second-life EV batteries. The associated business model and collaboration will pursue the establishment of a continuous, global supply chain that leverages key OEM relationships to take a holistic approach from battery manufacturing, EV applications and energy storage redeployments as well as recycling of materials.

“Energy storage is the logical next step in the after-market use of EV batteries,” said Dr. Youngcho Chi, Executive Vice President of Strategy & Technology Division and Chief Innovation Officer of Hyundai Motor Group. “By repurposing resource-intensive products like EV batteries, we eliminate disposal costs and extend the value of the R&D investment that goes into manufacturing the technology. HMG is strengthening its leadership in clean technology and sustainability by participating in the new energy business.”

In 2025, there will be 29 GWh of second-life EV batteries available, far exceeding the size of today’s stationary storage market, with 10 GWh currently available for storage application. This presents a blue ocean in the new energy business that the partnership between HMG and Wärtsilä aims to capitalize on.

“Wärtsilä through the capabilities and integration experience of Greensmith Energy, will develop a cleaner and more powerful approach to second-life battery applications for Hyundai Motor Group,” said Javier Cavada, President of Wärtsilä Energy Solutions. “Our strategic partnership with Hyundai Motor Group represents the life-cycle vision Wärtsilä strives to deliver to our customers and partners around the world. Incorporating second-life-EV batteries into our energy and integration business underscores our deep commitment to building sustainable societies with smart technologies.”

Hyundai Motor Group is developing a 1MWh-level ESS that utilizes Hyundai IONIQ Electric’s and Kia Soul EV’s second-life battery by using its proprietary technology and has implemented a demonstration project in Hyundai Steel’s factory.

Started in the US, Greensmith Energy has deployed over 70 grid-scale systems across nine countries and offers an industry-leading energy software platform called GEMS, now in its fifth generation. As a Wärtsilä company, Greensmith is accelerating its reach into an expanding global market for programmable energy storage and playing a key role in Wärtsilä’s vision to enable the growth and transition towards renewables through flexibility, reliability and integration.

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**About Wärtsilä**

Wärtsilä is a global leader in advanced technologies and complete lifecycle solutions for the marine and energy markets. By emphasizing sustainable innovation and total efficiency, Wärtsilä maximizes the environmental and economic performance of the vessels and power plants of its customers. In 2016, Wärtsilä's net sales totaled EUR 4.8 billion with approximately 18,000 employees. The company has operations in over 200 locations in more than 70 countries around the world. Wärtsilä is listed on Nasdaq Helsinki. Learn more at [www.wartsila.com](https://urldefense.proofpoint.com/v2/url?u=http-3A__www.wartsila.com&d=DwMGaQ&c=9wxE0DgWbPxd1HCzjwN8Eaww1--ViDajIU4RXCxgSXE&r=BWsw4vJlIweU-YZNI5Yluks3r1kgc4S3G7jjUghVg2s&m=fZ_QUfi1d9a1uP2lc0Kn-wQ_j9T2Y1Pm2u6XTisBffU&s=PaGCTt9YFbR7fWOxUzuDo8w5eMQ1amdu7QmefVpsqFw&e=)

**About Greensmith Energy, a Wärtsilä Company**

As the leading provider of energy storage software and integration services, Greensmith’s mission is to make energy storage a fundamental part of a more resilient, intelligent and distributed energy infrastructure. Now in its fifth generation, Greensmith’s GEMS software platform optimizes the performance of energy storage and integrated grid assets by lowering costs and maximizing system return on investment. Learn more at [www.greensmithenergy.com](https://urldefense.proofpoint.com/v2/url?u=http-3A__www.greensmithenergy.com&d=DwMGaQ&c=9wxE0DgWbPxd1HCzjwN8Eaww1--ViDajIU4RXCxgSXE&r=BWsw4vJlIweU-YZNI5Yluks3r1kgc4S3G7jjUghVg2s&m=fZ_QUfi1d9a1uP2lc0Kn-wQ_j9T2Y1Pm2u6XTisBffU&s=USCd7tLweg7CJVjUFfrJ8LAgjRaVWSr5YqrnBSV4jSA&e=)

**About Hyundai Motor Group**

Hyundai Motor Group is a global corporation that has created a value chain based on automobiles, steel, and construction and includes logistics, finance, IT and service. With about 250,000 employees worldwide, the Group’s automobile brands include Hyundai Motor Co. and Kia Motors Corp. Armed with creative thinking, cooperative communication and the will to take on all challenges, we are working to create a better future for all.

For more information on Hyundai Motor Group, please see: [http://www.hyundaimotorgroup.com](https://urldefense.proofpoint.com/v2/url?u=http-3A__www.hyundaimotorgroup.com&d=DwMGaQ&c=9wxE0DgWbPxd1HCzjwN8Eaww1--ViDajIU4RXCxgSXE&r=BWsw4vJlIweU-YZNI5Yluks3r1kgc4S3G7jjUghVg2s&m=fZ_QUfi1d9a1uP2lc0Kn-wQ_j9T2Y1Pm2u6XTisBffU&s=YNAZ0yhHrdyvck_tbBdLr7xyK-5xefgm36W8KimqG9w&e=)

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