

## **Hexagon Purus and Panasonic Energy sign multi-year supply agreement for battery cells in North America**

(Oslo, Norway, 18 April 2023) Hexagon Purus Systems USA LLC, a subsidiary of Hexagon Purus ASA (“Hexagon Purus”), a world leading manufacturer of zero emission mobility and infrastructure solutions, has signed a multi-year agreement for the supply of lithium-ion battery cells with Panasonic Energy Co., Ltd. (“Panasonic”), a global provider of innovative battery technology-based products and solutions. Panasonic will supply battery cells for Hexagon Purus’ proprietary battery systems, marking yet another important milestone for Hexagon Purus’ zero-emission heavy-duty offering in North America with battery system production initially slated for Kelowna, Canada.

The battery cells will be produced at Panasonic’s new facility in Kansas (U.S.) and will be compliant with the United States-Mexico-Canada (USMCA) trade agreement and are also expected to benefit from the Inflation Reduction Act of 2022 (IRA) incentives available for U.S. based producers of battery cells.

The supply of battery cells will commence in early 2026. As part of the supply agreement, Hexagon Purus will prepay approximately USD 43 million (approximately NOK 450 million) through 2025, subject to the achievement of certain milestones. This prepayment will secure battery cell capacity for Hexagon Purus out of Panasonic’s production facility in Kansas.

### **Driving Energy Transformation**

“Securing our battery supply chain has been an important objective for Hexagon Purus to deliver on our customer contracts such as the recently announced distribution agreement with Hino for the production of complete battery electric heavy-duty vehicles for the U.S. market. Panasonic has been a pioneer in making zero emission mobility available to the mass market, and this, coupled with their reliability and focus on continuous innovation, make them the ideal partner for Hexagon Purus”, says Morten Holum, CEO of Hexagon Purus.

“We are thrilled to announce this landmark agreement with Panasonic which further solidifies our leading battery system and vehicle integration offering in North America”, says Todd Sloan, EVP of Hexagon Purus. “The agreement with Panasonic is a strong validation of our technology and will provide us a solid competitive platform to deliver quality solutions to our customers”.

“Zero-emission mobility will continue to grow in significance over the next decade and this agreement with Hexagon Purus marks an important step for Panasonic’s global strategy as a provider of innovative battery-technology”, says Kazuo Tadanobu, CEO of Panasonic Energy. “Partnering with Hexagon Purus, a technology-leading provider of safe and reliable battery systems for zero-emission heavy duty trucking, will help us to drive the growth of the lithium-ion battery industry and accelerate the transition to zero-emission mobility”.

### **About the market**

To reach the 1.5°C ambition set by the Paris agreement back in 2015 the transportation sector is required to reduce emissions by 75% until 2050. In the U.S., both the Environmental Protection Act (EPA) and California Air Resources Board (CARB) have introduced proposals and regulations that addresses the need for further reductions in emissions in the transportation

sector. In California, CARB has introduced a regulation for truck manufacturers (Advanced Clean Truck standard), and more recently, proposed a new regulation for fleet owners (Advanced Clean Fleet standard). Both regulations aim at reducing emissions and accelerate the adoption of zero-emissions vehicles (ZEVs) in the transportation sector in California. As part of both the Advanced Clean Truck (ACT) and the proposed Advanced Clean Fleet (ACF) regulations, the truck manufactures and fleet owners are required to have an incrementally higher ZEV content when selling or operating a fleet of trucks in California from 2024 onwards. The ACT regulation has already been adopted by five other states in the U.S. (Massachusetts, New Jersey, New York, Oregon, and Washington) and two more states are in the public process required to adopt (Colorado and Main).

The ACT requires amongst other that 5% of all new class 7 and 8 trucks sold in 2024 in California must be ZEV while new additions to fleets of class 7 and 8 trucks operating to and from intermodal seaports and railyards are required to be ZEV from 2024. The ACT regulation also requires 100% of truck manufacturers' sales in 2040 to come from ZEVs, putting an effective end to sale of internal combustion engine trucks in California and incentivizes investments into infrastructure and supply chain.

There are approximately 1.8 million commercial trucks operating in California daily across a various set of classes including amongst other 219,000 class 7 and 8 trucks. According to CARB, the combined effect from the ACT and ACF regulations will lead to approximately 0.5 million ZEVs on the road by 2035 in California, increasing to 1.6 million in 2050.

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## **About Panasonic Energy Co., Ltd.**

Panasonic Energy Co., Ltd., established in April 2022 as part of the Panasonic Group's switch to an operating company system, provides innovative battery technology-based products and solutions globally. Through its automotive lithium-ion batteries, storage battery systems and dry batteries, the company brings safe, reliable, and convenient power to a broad range of business areas, from mobility and social infrastructure to medical and consumer products. Panasonic Energy is committed to contributing to a society that realizes happiness and environmental sustainability, and through its business activities the Company aims to address societal issues while taking the lead on environmental initiatives.

For more details, please visit <https://www.panasonic.com/global/energy/>

## **About Panasonic Group**

A global leader in developing innovative technologies and solutions for wide-ranging applications in the consumer electronics, housing, automotive, industry, communications, and energy sectors worldwide, the Panasonic Group switched to an operating company system on April 1, 2022 with Panasonic Holdings Corporation serving as a holding company and eight companies positioned under its umbrella. Founded in 1918, the Group is committed to enhancing the well-being of people and society and conducts its businesses based on founding principles applied to generate new value and offer sustainable solutions for today's world. The Group reported consolidated net sales of 7,388.8 billion yen for the year ended March 31, 2022. Devoted to improving the well-being of people, the Panasonic Group is united in providing superior products and services to help you Live Your Best.

To learn more about the Panasonic Group, please visit: <https://holdings.panasonic/global/>

## **About Hexagon Purus**

Hexagon Purus enables zero emission mobility for a cleaner energy future. The company is a world leading provider of hydrogen Type 4 high-pressure cylinders and systems, battery systems and vehicle integration solutions for fuel cell electric and battery electric vehicles. Hexagon Purus' products are used in a variety of applications including light, medium and heavy-duty vehicles, buses, ground storage, distribution, refueling, maritime, rail and aerospace.

Learn more at [www.hexagonpurus.com](http://www.hexagonpurus.com) and follow @HexagonPurus on Twitter and LinkedIn