

# CIMC • HEXAGON

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a hydrogen venture

### Hexagon Purus signs Joint Venture agreements with CIMC Enric for China and Southeast Asia, the world's largest zero emission hydrogen vehicle and distribution market

- CIMC Enric and Hexagon Purus today signed two joint venture (JV) agreements that encompass cylinder and systems production for Fuel Cell Electric Vehicles (FCEVs) and hydrogen distribution in China and Southeast Asia.
- The Chinese market for Fuel Cell Electric Vehicles (FCEVs) is expected to grow to become the largest global market over the next decade and beyond.
- Initially, the CIMC-HEXAGON JVs will expand CIMC Enric's existing production and systems capacity for Type 3 (T3) cylinders and in parallel install Type 4 (T4) cylinder production and systems capacity for the Chinese market.
- The JVs expect to start production of high-pressure T3 fuel storage in 2021.
- Production line capacity will be designed to accommodate approximately 100,000 cylinders per annum, in a first stage towards the middle of the decade. Construction of the new facility is expected to commence as early as the second quarter 2021.

Hexagon Purus AS (Hexagon Purus) today signed two joint venture agreements with CIMC Enric Holdings Limited (hereafter "CIMC Enric"), a leading global supplier of cryogenic and compressed gas storage and transportation solutions and manufacturer of clean energy equipment, headquartered in Shenzhen, People's Republic of China. CIMC Enric is listed on the Stock Exchange of Hong Kong (stock code: 03899.HK). Hexagon Purus, a global leader of Type 4 (T4) cylinder technology, is a separately listed Hexagon Composites company on the Oslo Stock Exchange (stock ticker: HPUR).

The cooperation is a highly compelling partnership: Hexagon Purus' world class T4 hydrogen cylinder and systems technologies and design with over 20 years of heritage and safety track record – and CIMC Enric's extensive expertise in gas system development tailored to the Chinese market and its long-standing relationships with large Chinese vehicle manufacturers (OEMs) and gas distribution companies.

The joint ventures will serve the fast-growing demand of the Chinese market for safe, lightweight and cost-efficient compressed hydrogen storage solutions. Relevant industrial standards for T4 cylinders are currently being implemented by the Chinese government. The joint ventures will also support the transition to zero emission mobility solutions in Southeast Asia.

### **Powerful alliance**

“China is on the rise to become the most significant global market for Fuel Cell electric vehicles. Its successful energy transition to hydrogen requires safe, advanced and cost-efficient high-pressure Type 4 fuel storage solutions that are proven in the global market. By joining forces in China, CIMC Enric and Hexagon Purus together contribute state-of-the-art Type 4 know-how, as well as the market presence of a top, trusted Chinese brand. Both companies have proud heritages of providing world class products and solutions to their customers,” says Morten Holum, CEO of Hexagon Purus.

Leo Yang, Executive Director and General Manager of CIMC Enric adds, “China always thinks big – and China has decided that hydrogen will be the next big thing, within this decade. The CIMC-HEXAGON joint ventures are set up to offer what the Chinese market for hydrogen storage will demand – safe and proven products made by a team renowned for their integrity and world class designs and manufacturing processes. Together, CIMC Enric and Hexagon Purus have the financial backbone to scale up to serve the expected demand for both Type 3 and Type 4 cylinders as well as high pressure hydrogen transportation in China and Southeast Asia. Together, we will drive the energy transformation with a joint vision of a zero emission transportation sector.”

### **About the market**

China, the world's largest auto market with over 28 million vehicles sold annually, has set its sights on creating a world-leading market for fuel cell electric vehicles (FCEVs) within two decades. According to Chinese policymakers’ planning, the market will grow from more than 7,000 FCEVs by end of 2020, to 1.3 million FCEVs by 2035. It is also expected that hydrogen will account for approximately 10% of primary energy consumption in China by 2050.

The initial focus of the Chinese hydrogen strategy is on fuel cell electric buses and commercial vehicles. This will improve public awareness and showcase the safety of hydrogen. The Association of Southeast Asian Nations (ASEAN) announced its collective ambition to achieve 23% renewable energy integration into its energy system by 2025, and even more by 2035.

The shift to zero emission vehicles is driven by the desire to improve air quality and reduce CO2 emissions, as well as to increase energy independence by utilizing large amounts of hydrogen already available in China. In addition, hydrogen provides cost-efficient storage for surplus renewable energy from wind and solar.

### **Structure**

The cooperation will be organized around two joint ventures, a Cylinder JV and a Systems JV, both registered in Hong Kong. The Cylinder JV will be majority-owned by Hexagon Purus (Hexagon Purus will

own 51% and CIMC Enric will own 49%) and the Systems JV will be majority-owned by CIMC Enric (CIMC Enric will own 51% and Hexagon Purus will own 49%). The JVs will form operating subsidiaries in 2021 and a joint sales and marketing team.

### **Live video webcast**

Hexagon Purus will host a webcast to present the alliance on March 2nd at 12:00 Central European Time (CET)/19:00 China Standard Time (CST). Interested investors/analysts/media can access the live video presentation through this link: <https://hexagonpurus.kg5.no/>.

Presentation materials will be available in the Investor section of Hexagon Purus' website ([www.hexagonpurus.com](http://www.hexagonpurus.com)).

### **Interviews**

Following the webcast:

- **Investors/analysts** are invited to contact **Dilip Warriar/Salman Alam** to arrange one-to-one sessions
- **Media** are invited to contact **Karen Romer** to schedule interviews with Jon Erik Engeset, CEO Hexagon Composites and Morten Holum, CEO Hexagon Purus

(See contact details below)

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### **About Hexagon Purus (stock ticker: HPUR)**

Hexagon Purus, a Hexagon Composites company, is a world leading provider of hydrogen type 4 high-pressure cylinders, battery packs and vehicle systems integration for fuel cell electric and battery electric vehicles. Hexagon Purus enables zero emission solutions for light, medium and heavy-duty vehicles, buses, ground storage, distribution, marine, rail and aerospace. Learn more at [www.hexagonpurus.com](http://www.hexagonpurus.com).

### **About CIMC ENRIC Holdings Limited (stock code: 3899.HK)**

Founded in 2004, CIMC ENRIC Holdings Limited has been listed on the Stock Exchange of Hong Kong since 2005. The Company is affiliate to China International Marine Container (Group) Ltd. ("CIMC") and is principally engaged in transportation, storage and processing equipment that is widely used for the clean energy, chemical and environmental and liquid food industries. CIMC ENRIC has been a leading integrated

service provider and key equipment manufacturer in the industry. The Company is among the world's top players in both production and sales of ISO liquid tanks as well as high-pressure gas storage and transport vehicles. It is among China's top players in the market of cryogenic transport vehicles and cryogenic storage tanks and among top three in terms of domestic market shares for large storage tanks for LNG receiving stations, modular products for LNG refueling stations. CIMC ENRIC has built a global marketing network and have over 20 subsidiaries located in China, the Netherlands, Germany, Belgium, United Kingdom and Canada that operate production bases and internationally advanced R&D centers.

For more information, please visit <http://www.enricgroup.com>