

Freudenberg e-Power Systems and LG Energy Solution sign long-term supply partnership for battery cell modules

- **LGES to supply Freudenberg with 19 GWh lithium-ion battery cell modules for truck and bus applications**
- **Partnership combines the strengths of LGES, a leading global manufacturer of batteries, and Freudenberg as a leading provider of e-mobility solutions for the commercial vehicle market**
- **Freudenberg invests and expands state-of-the-art XALT battery gigafactory in Midland, USA**

Munich, February 2, 2023. Freudenberg e-Power Systems and LG Energy Solution (LGES; KRX: 373220) have signed a multi-year contract for the supply of lithium-ion battery cell modules. With a total capacity of 19 GWh, Freudenberg is expanding its capacities to meet rising demand and ensure the best possible supply for its customers in commercial vehicle applications, such as trucks and buses in North America and Europe.

The signing of the contract marks an important milestone for both companies in the further expansion of sustainable electric drives in the demanding field of commercial vehicles. Freudenberg's e-Power Systems Business Group is one of the market leaders for emission-neutral energy systems in this sector, which places particularly high demands on the robustness and durability of batteries. To be able to support its customers with the best quality, innovative and cost-efficient solutions, Freudenberg partnered with LGES, a leading global manufacturer of lithium-ion batteries.

The partnership covers the supply of lithium-ion battery cell modules, whose properties make them particularly suitable for use in commercial vehicles. For a commercial vehicle, for example, the battery has to withstand a much higher energy throughput, which can be up to 11 times that of a passenger car. The battery cell modules supplied by LGES are integrated by Freudenberg e-Power

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Systems in their battery packs, offering their customers in the truck and bus sector fully engineered drive solutions including intelligent battery management systems, cooling, telematics, and all other relevant elements. The battery cell modules will be assembled at Freudenberg e-Power Systems' XALT gigafactory in Midland, Michigan, USA. With the recent acquisition of XALT by Freudenberg e-Power Systems, the company is investing a further double-digit million sum in the expansion of its battery business and its capacities.

"The partnership with LG Energy Solution enhances our leading battery offering for the bus and truck market," explains Dr. Max Kley, CEO of Freudenberg e-Power Systems. "Together we are able to offer our customers an unparalleled range of solutions specifically tailored to the demanding requirements of this market." Jeff Michalski, Managing Director Battery Business, adds: "Especially in view of the strong increase in demand worldwide, this is a major plus in the market. We can thus offer both our existing and new customers the highest quality and secured supply."

Leveraging its extensive experience in battery manufacturing, LGES has been expanding its battery business into the commercial vehicle sector. Based on the partnership with Freudenberg, the company now intends to drive its commercial vehicle battery business in North America and Europe.

"Our partnership with FEPS will serve as a launch pad to lead in the commercial vehicle battery market which has the potential for exponential growth," said Dong-Myung Kim, President of Advanced Automotive Battery Division at LG Energy Solution. "Together with Freudenberg, we will endeavor to create unparalleled customer value through differentiated capabilities accumulated across the entire battery-related field, such as battery cells, modules, packs, and BMS."

With this contract, the two companies are building on their cooperation and continuing to drive forward the transformation to sustainable, emission-free drive solutions for commercial vehicles. "The official signing ceremony marks a special day for us as we take another strategically important step to best serve our customers with top-quality battery solutions in the heavy-duty sector. As the preferred partner of LGES in this segment, we are strengthening our

collaboration with one of the world's leading battery manufacturers”, summarizes Nils Martens, CCO Freudenberg e-Power Systems, at the signing ceremony.

With well over 40 million miles driven, Freudenberg's battery systems are among the leading solutions on the market. The long-term contract with LGES underscores the strategic importance and growth potential that Freudenberg sees in its e-mobility solutions. Its competence and innovative strength in both battery and fuel cell technologies distinguish Freudenberg e-Power Systems as a pioneer of electromobility in the heavy-duty sector.



A cheerful mood and applause marked the official signing ceremony in Seoul, South Korea: Injae Pahk, Head of OTS Marketing Department, Yoo-Seong Oh, VP & Head of Marketing Center, Dong-Myung Kim, President of LGES Advanced Automotive Battery Division, as well as Nils Martens, CCO, Dr. Jan Kuiken, CTO and Marco Piesik, SVP Market Development & Communications from Freudenberg e-Power Systems (from left to right).

About Freudenberg e-Power Systems

Freudenberg e-Power Systems is one of the world's leading suppliers of emission-neutral energy systems for heavy-duty applications. With its experience and expertise in battery and fuel cell technology, the company offers tailor-made solutions, in particular combined systems, for sustainable and economical e-mobility. With over 700 employees, Freudenberg e-Power Systems supports its customers from application development through to production, commissioning and service.

The company is part of the global Freudenberg Group, which has four business areas: Seals and Vibration Control Technology, Nonwovens and Filtration, Household Products

as well as Specialties and Others. In 2021 the Group generated sales of more than 10 billion euros and employed more than 50,000 associates in around 60 countries. More information is available at www.freudenberg.com.

About LG Energy Solution

LG Energy Solution (KRX: 373220), a split-off from LG Chem, is a leading global manufacturer of lithium-ion batteries for electric vehicles, mobility, IT, and energy storage systems. With 30 years of experience in revolutionary battery technology and extensive research and development (R&D), the company is the top battery-related patent holder in the world with over 25,000 patents. Its robust global network, which spans North America, Europe, Asia, and Australia, includes battery manufacturing facilities established through joint ventures with major automakers such as General Motors, Stellantis N.V., Hyundai Motor Group, and Honda Motor Co., Ltd. At the forefront of green business and sustainability, LG Energy Solution aims to achieve carbon neutral operations by 2050, while embodying the value of shared growth and promoting diverse and inclusive corporate culture. To learn more about LG Energy Solution's ideas and innovations, visit <https://news.lgensol.com>.