

Q4 2021

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Agenda

- Hexagon in brief
- Highlights from 2021
- Hexagon Purus update
- Financials
- Outlook and Q & A
- Appendix:
Segment financials & other material



An aerial photograph of a Norwegian fjord. The water is a deep, calm blue, reflecting the sky and the surrounding landscape. In the foreground, a lush green forested hillside slopes down towards the water. In the background, majestic mountains with patches of snow rise against a clear blue sky with wispy clouds. The overall scene is serene and scenic.

Hexagon in brief

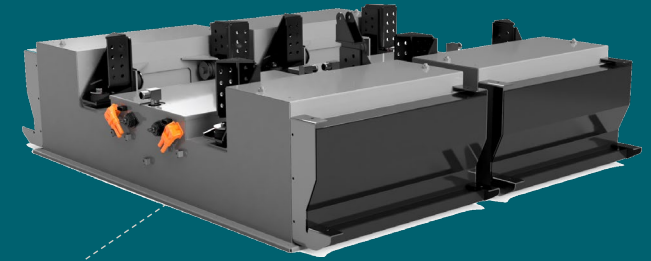
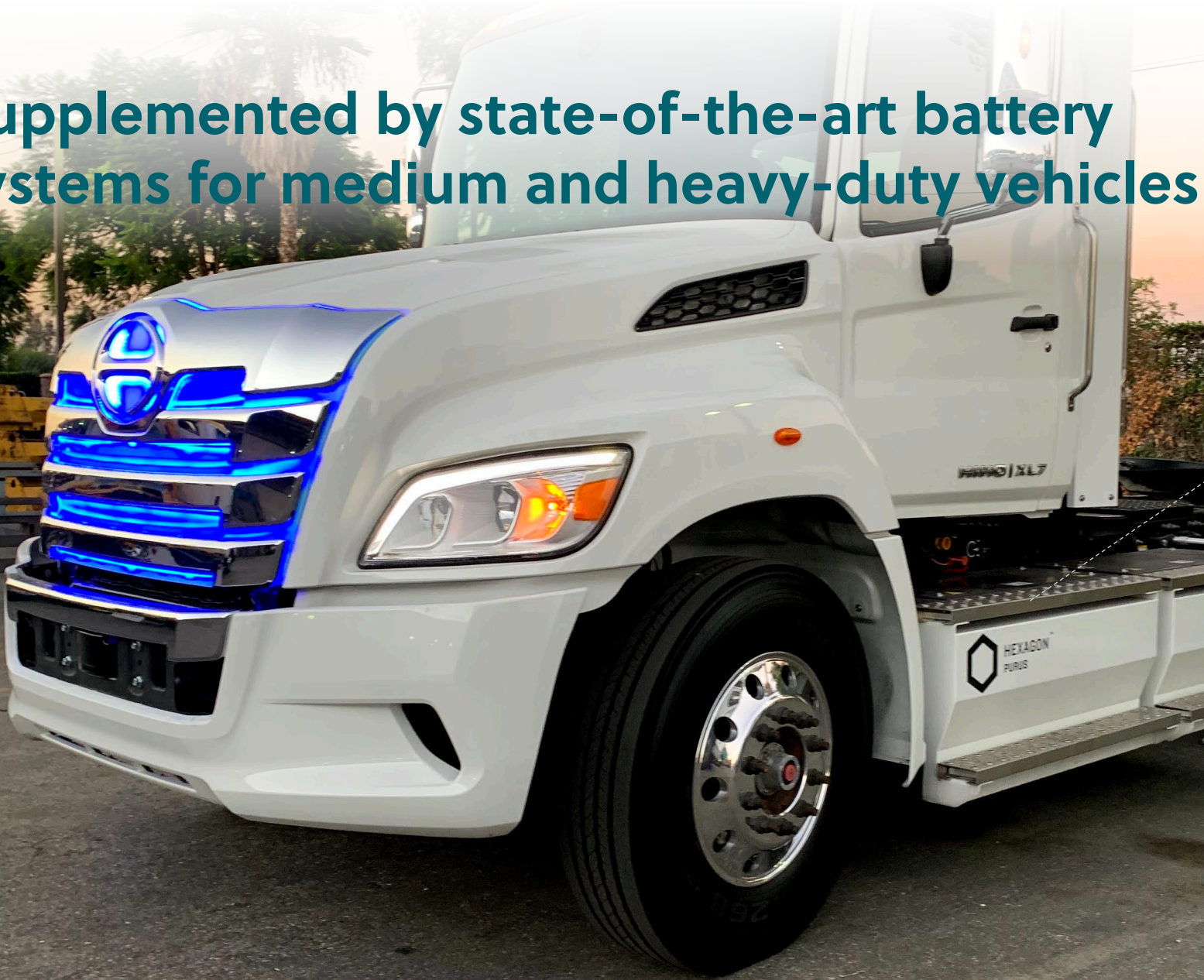
Six decades of filament winding experience has granted world leading position in Type 4 cylinder technology and expertise



Built into distribution and fuel systems for low and zero emission mobility



Supplemented by state-of-the-art battery systems for medium and heavy-duty vehicles



Hexagon Purus has one of the most energy dense and lightest battery systems in the commercial vehicle industry

Lightweight

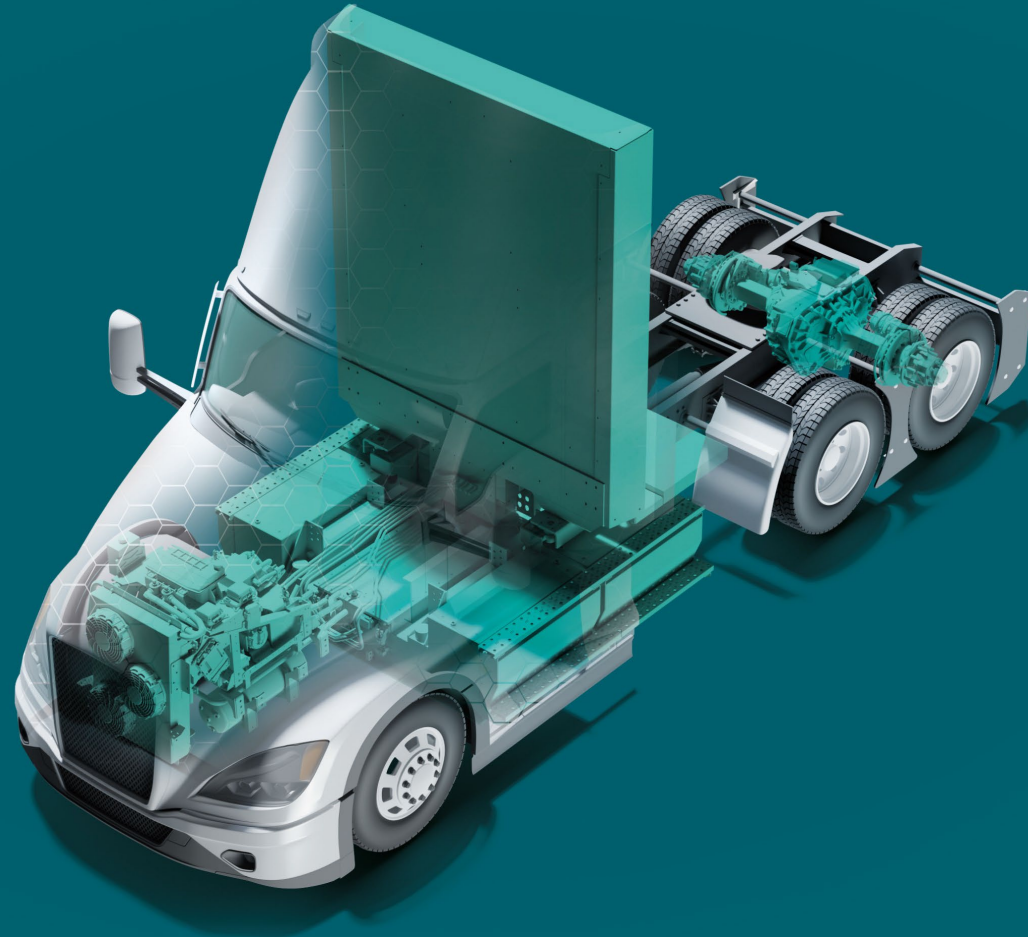
Space efficient

Modular

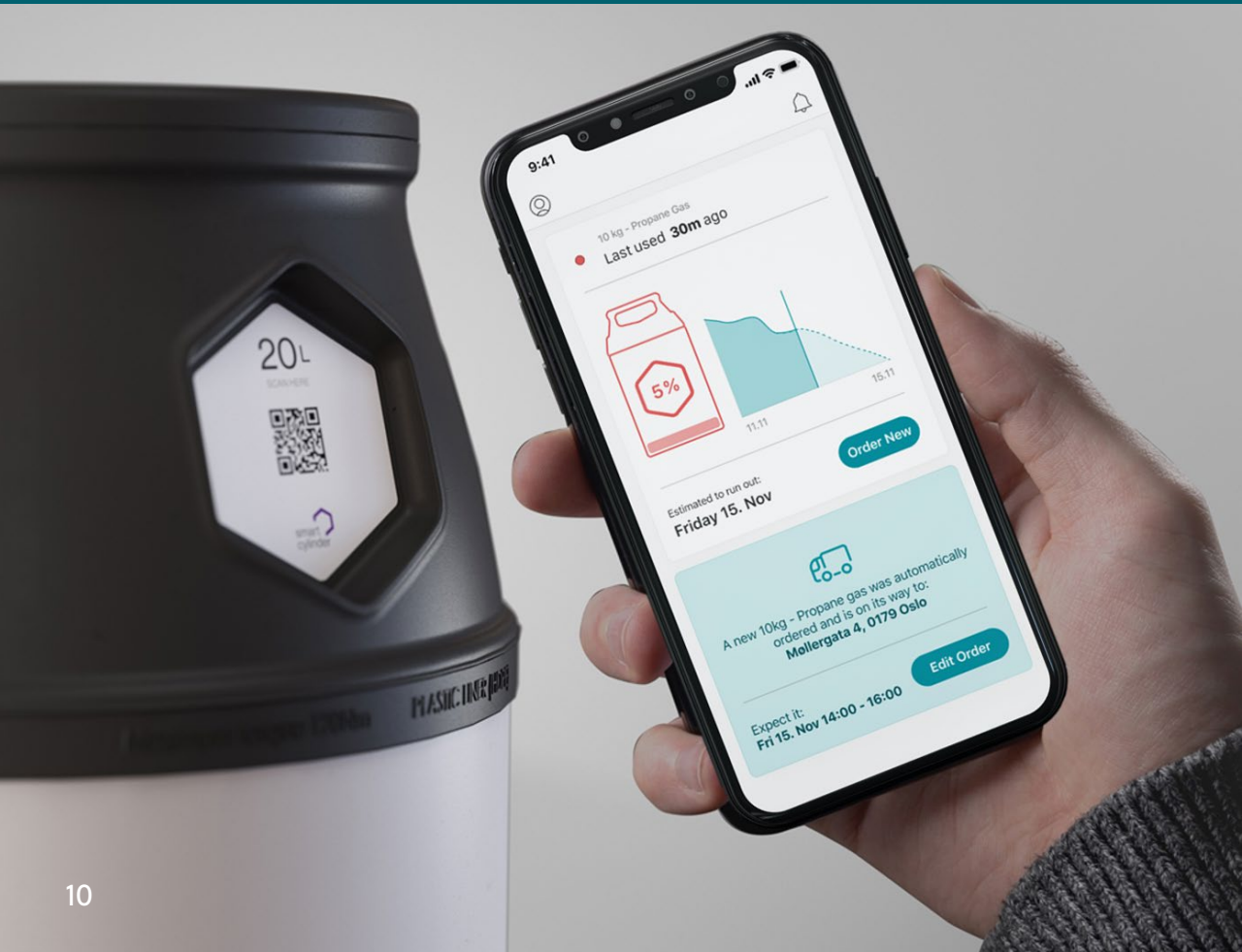
Demonstrated by more than 1 million miles of on-road experience



Integrated for optimal weight distribution, range and performance



Developing the next generation solutions - smarter and sustainable



Brought to market by 1.500 dedicated employees across continents



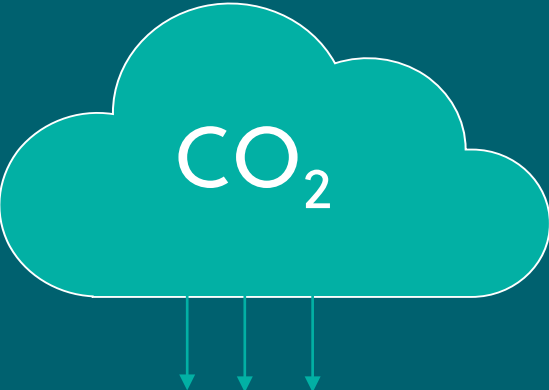
- Hexagon administration, marketing/sales and representative offices
- Hexagon production sites and engineering hubs

Selected customers



Highlights 2021

Hexagon's low emission mobility solutions had a positive CO2 impact in 2021



240,000

Petroleum cars off the road



1,300,000

Acres of forest saved

1,100,000*

Metric tons of CO2 equivalents avoided

Source: Calculated based on the Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) tool from the Greenhouse gases, Regulated Emissions, and Energy use in Technologies (GREET®) model has been used for estimating emission reductions, Greenhouse Gas Equivalencies Calculator | US EPA



A year of growth and significant strategic steps

US customers opting for readily available Renewable Natural Gas (RNG)

Order value in excess of 1 bn NOK to one customer alone

Near quadrupling of Hexagon Purus revenue from strong organic growth and acquisition of Wystrach GmbH

EU doubles down with Taxonomy legislation and "Fit for 55"

Proprietary smart technologies readied for pilot programs

A solid 2021 in challenging conditions

Hexagon excl. Purus

Revenue:
NOK 3 277 million
(NOK 3 055 million)

EBITDA:
NOK 381 million
(NOK 328 million)

Hexagon Purus

Revenue:
NOK 508 million
(NOK 180 million)

EBITDA:
NOK -265 million
(NOK -141 million)

Hexagon Group

Revenue:
NOK 3 542 million
(NOK 3 080 million)

EBITDA:
NOK 115 million
(NOK 190 million)

Progress across the board

Hexagon Agility



Underlying revenue growth¹
+17%

Share of Group revenues



Hexagon Ragasco



Underlying revenue growth¹
+7%

Share of Group revenues



Hexagon Digital Wave



Underlying revenue growth¹
+14%

Share of Group revenues



Hexagon Purus



Pro-forma revenue growth²
+276%

Share of Group revenues



Hexagon Purus - several transformative agreements secured in the past 12 months



Multi-year supply contract for hydrogen cylinders with Nikola

Est. value: >NOK2.1 bn



Exclusive supply agreement for hydrogen systems to major European bus OEM

Est. value: NOK 400 mill



Global supply and national exclusivity agreement for hydrogen distribution modules with Air Liquide



Long-term agreement with Certarus for supply of hydrogen distribution modules

Part of innovative development projects for future hydrogen vehicles



Major breakthrough battery pack agreements with blue-chip automotive truck OEMs announced



Nominated for serial supply of battery systems to major commercial truck OEM from 2024-2027 (2029)¹

Est. value: NOK 7-10 bn

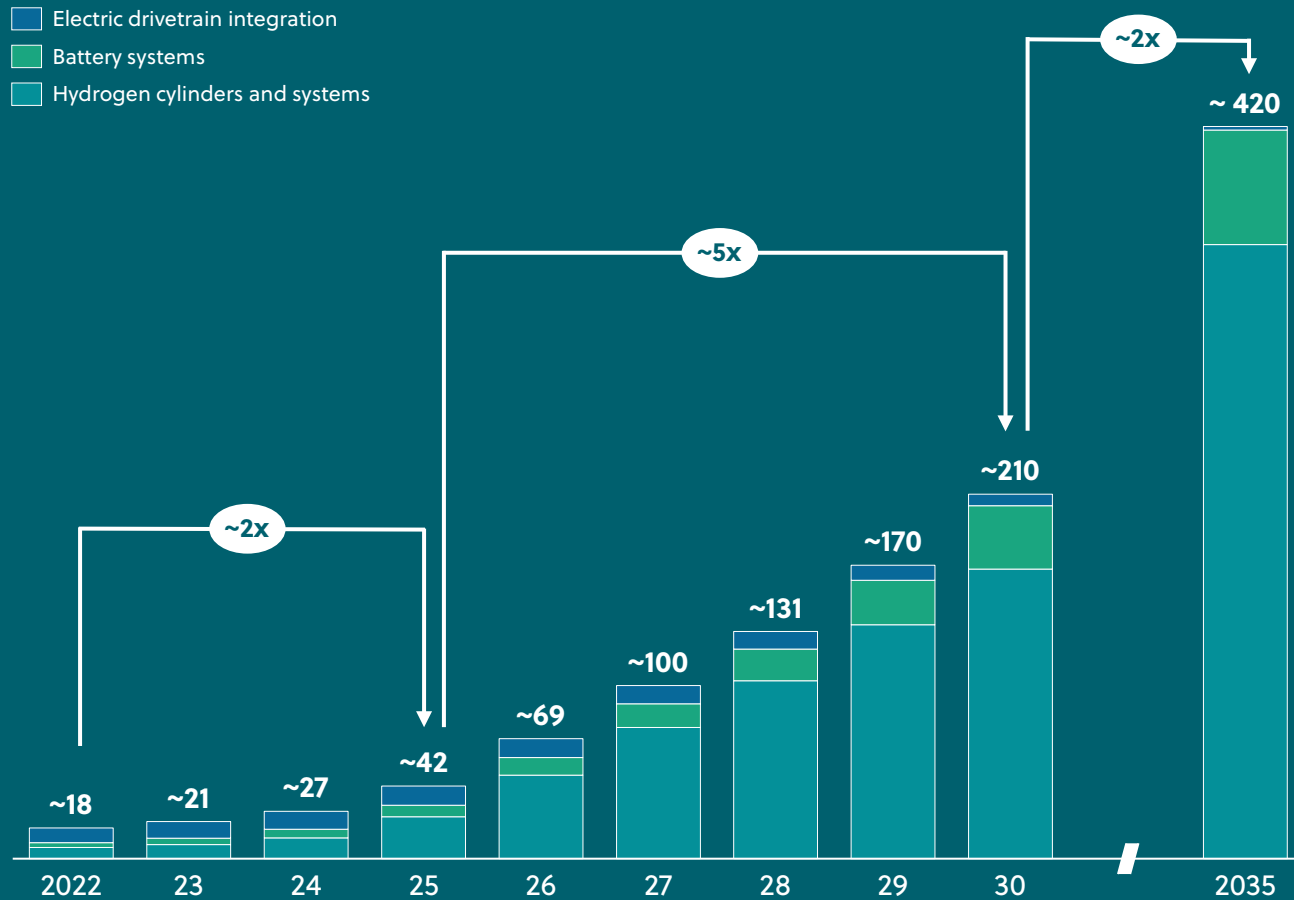


Long-term binding LOI with Hino Motors for serial supply of battery systems for multiple Hino truck platforms from 2024

Est. value: NOK 9 bn

Hexagon Purus' addressable market is expected to grow by more than 10x to NOK ~210bn in 2030 and NOK ~420 bn in 2035

Hexagon Purus' total addressable market, NOKbn



Hydrogen vehicle adoption rate in 2030



13%



7%



5%



1%

Main growth drivers since last market update

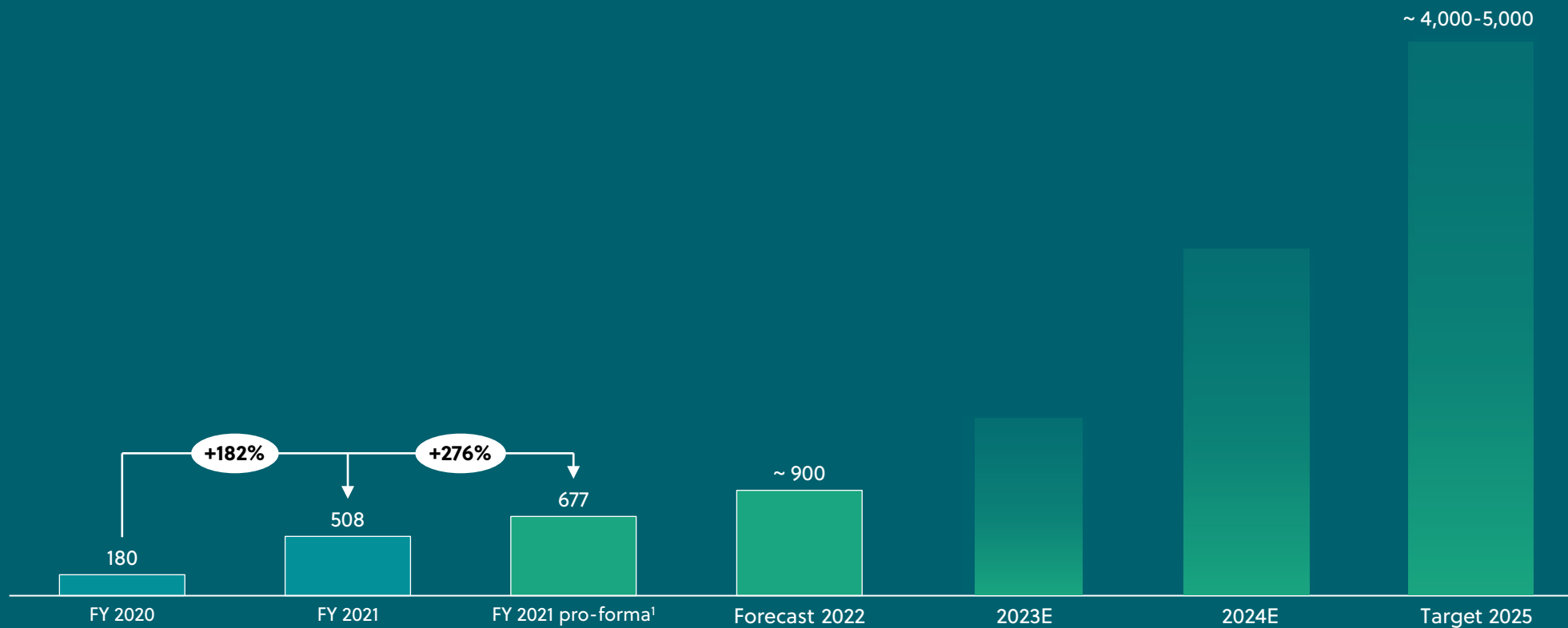
- Accelerated momentum in FCEV adoption, driven by stricter emission targets and faster advances in fuel cell vehicle technology
- Hydrogen cylinder sizes assumed to be larger as FCEV offerings become even more targeted towards heavier duty vehicles
- Acquisition of Wystrach opens market for mobile and stationary hydrogen refueling infrastructure

Source: Hexagon Purus, third-party consultant
 Note: market size estimates converted to NOK at NOK:USD of 8.9



On track to reach revenue target of NOK 4-5bn in 2025

Hexagon Purus' revenues, NOKm



¹Estimated FY 2021 pro-forma revenues assuming full-year Wystrach revenues net of cylinder sales from Hexagon Purus to Wystrach.

Hexagon Purus Capital Raise

- NOK 600 mill
- Hexagon Composites subscribed pro rata
- Aiming at up-listing to the main list later this year



Entering 2022

Strong demand, but continued supply chain constraints

- Shortages and long lead times for materials and components
- Increasing raw materials prices, labor inflation and energy costs
- Tight labor markets
- Strong order book and demand in all business areas
- Price increases communicated wherever possible
 - Gradual positive margin impact
- Supply chain improvements expected by mid year

➤ **Some margin pressure in first half despite strong market - rebound expected in second half of the year**



Financial highlights Q4 2021



Highlights from Q4 2021

Record quarterly sales surpassing NOK 1bn, despite continued supply chain challenges



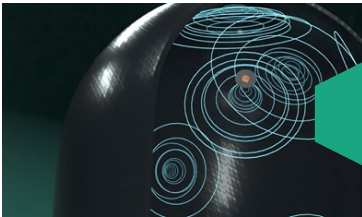
NOK 0.8bn revenue in Hexagon Agility & CNG LDV

- 79% revenue growth in Heavy-Duty Truck, despite chassis supply delays
- 39% revenue growth in Mobile Pipeline, despite similar chassis disruption



NOK 0.2bn revenue in Hexagon Ragasco

- Strong quarter with deliveries to diversified geographies worldwide
- Completed deliveries to Asia that were delayed from prior quarter



Hexagon Digital Wave

- 25% revenue growth driven by both Ultrasonic and Modal acoustic technologies



Hexagon Purus – publicly listed subsidiary

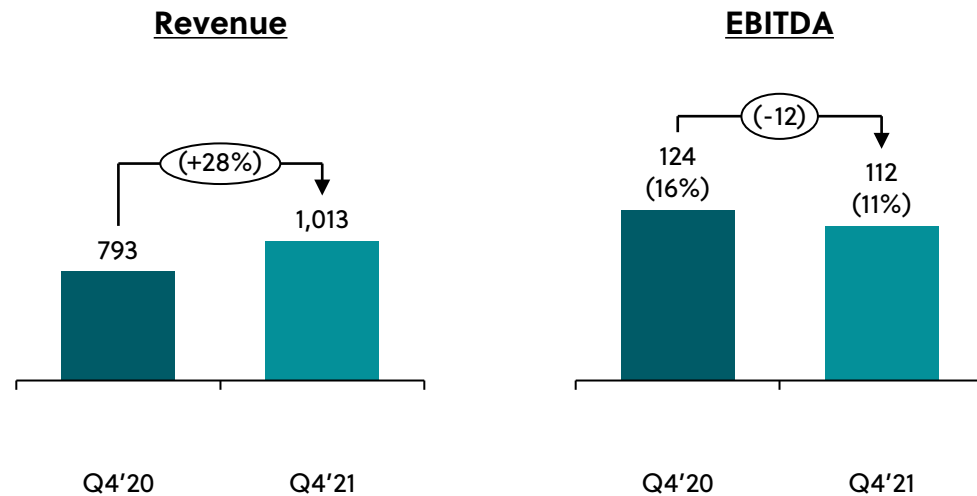
- 690% revenue growth and strong order backlog
- 73% ownership investment valued at ~ NOK 4.6bn¹



Financial highlights | Q4 2021

Hexagon (excl. Purus)

NOKm

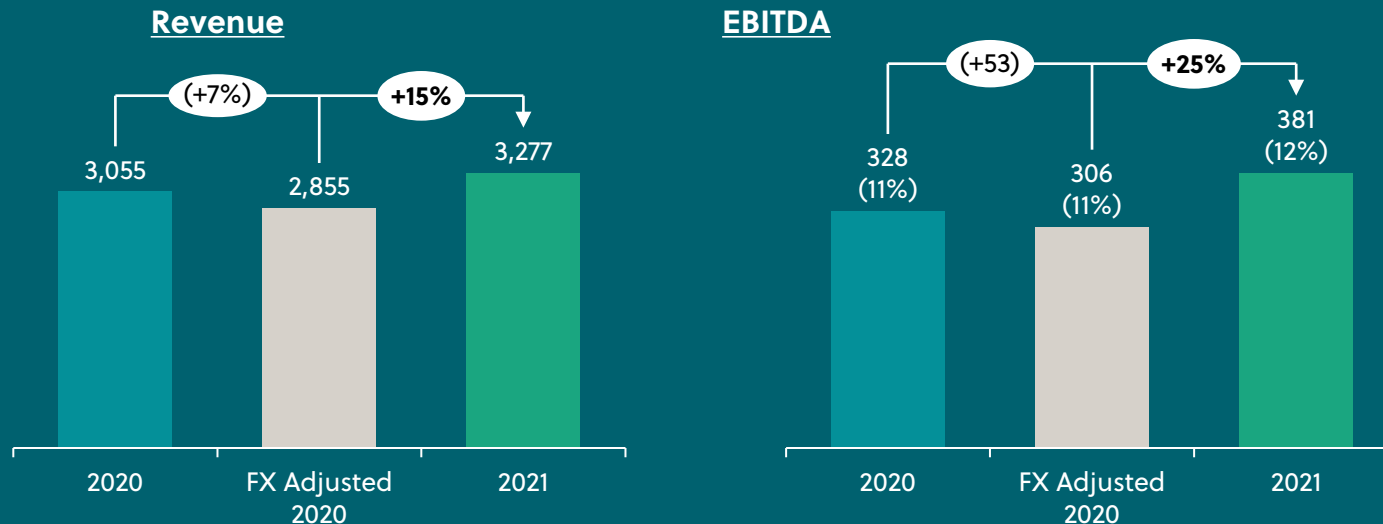


- Record Quarterly sales of NOK 1 bn
- 34% revenue growth before underlying currency movements of NOK-37m
- Growth across all Segments
- Adverse margin development due to:
 - Pandemic related higher input costs not yet passed through to customers
 - Spike in carbon fiber price
 - Negative mix effects in both Ragasco & Agility
 - Semi-conductor related standstill in VW CNG LDV
 - Adverse FX currency movements
- Overall market demand remains strong with high backlog into 2022

Financial highlights | Full Year 2021*

Hexagon (excl. Purus)

NOKm



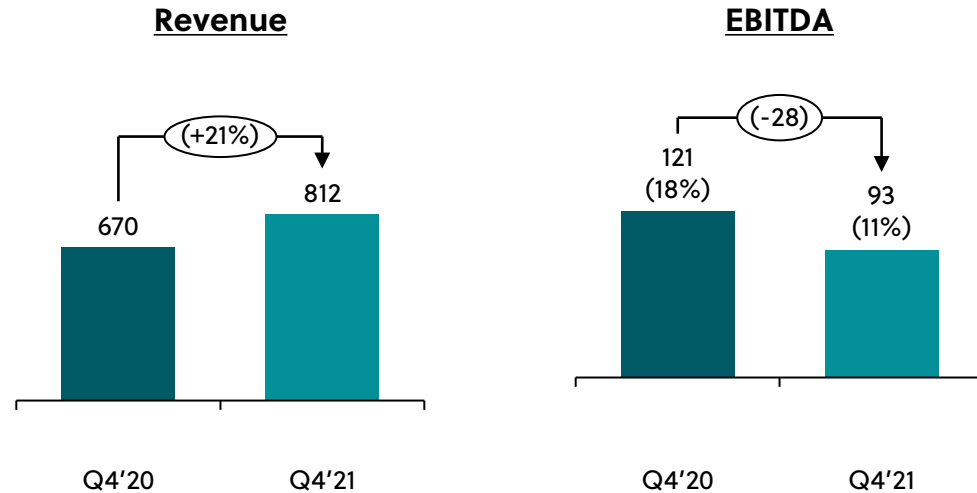
- 15% revenue growth before underlying currency movements of ~NOK-200m
- Growth across all Segments despite delays in "ready to install" sales to Heavy-Duty Truck and Mobile Pipeline applications
- Positive margin development due to:
 - Scale efficiencies and cost management offsetting higher input costs
 - Positive mix in Agility overall for the year partially offsetting reduced volumes in VW CNG LDV business
 - Offset by negative currency movements in EBITDA of ~NOK -22m

REVENUE & EBITDA HIT 2021 GUIDANCE AFTER ADJUSTING FOR NEGATIVE CURRENCY MOVEMENTS

Hexagon Agility & CNG LDV segment | Q4 2021

Hexagon Agility & CNG LDV*

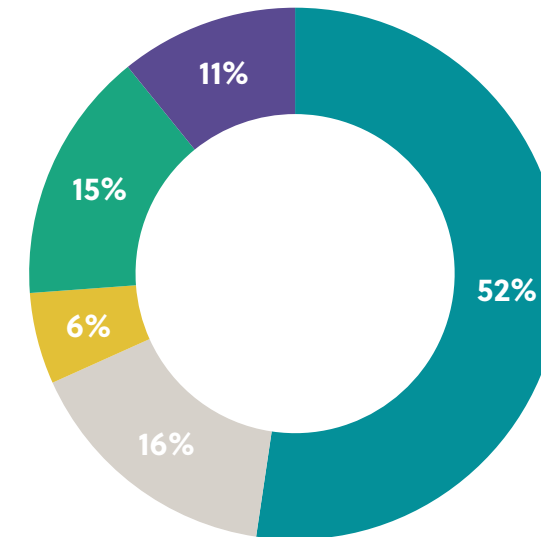
NOKm



- 27% growth before FX headwinds driven by robust North American Heavy-Duty Truck and Mobile Pipeline market
- Margins impacted adversely by mix, FX and input cost growth not yet able to be passed through to customers
- Semi-conductor shortage in Light-Duty continues to impact unfavorably though capacity utilized towards Hexagon Purus

Revenue Share Q4'21

Before eliminations

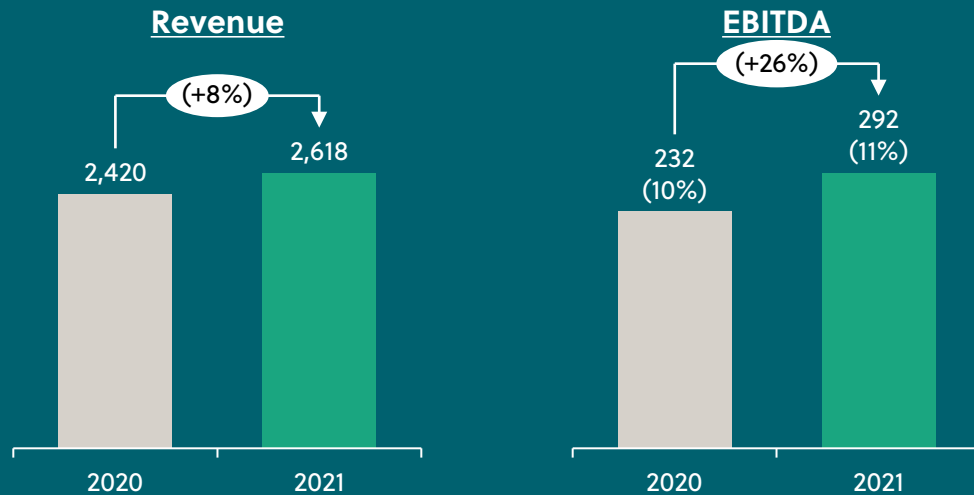


- Heavy-Duty/Medium-Duty Truck
- Transit Bus
- Refuse Truck
- Mobile Pipeline
- Light-Duty Vehicles

Hexagon Agility & CNG LDV segment | Full Year 2021**

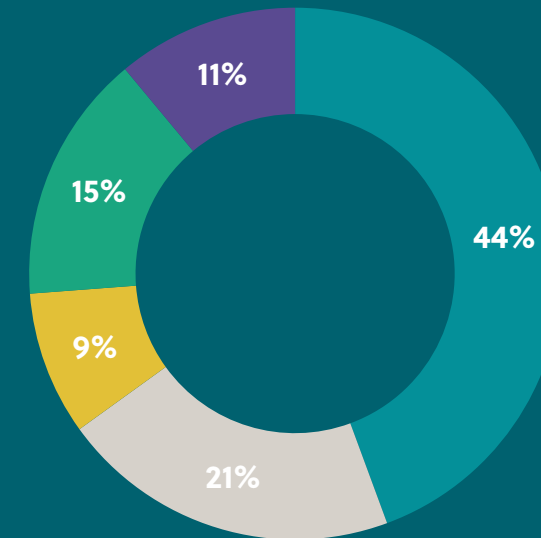
Hexagon Agility & CNG LDV*

NOKm



Revenue Share Full Year 2021**

Before eliminations

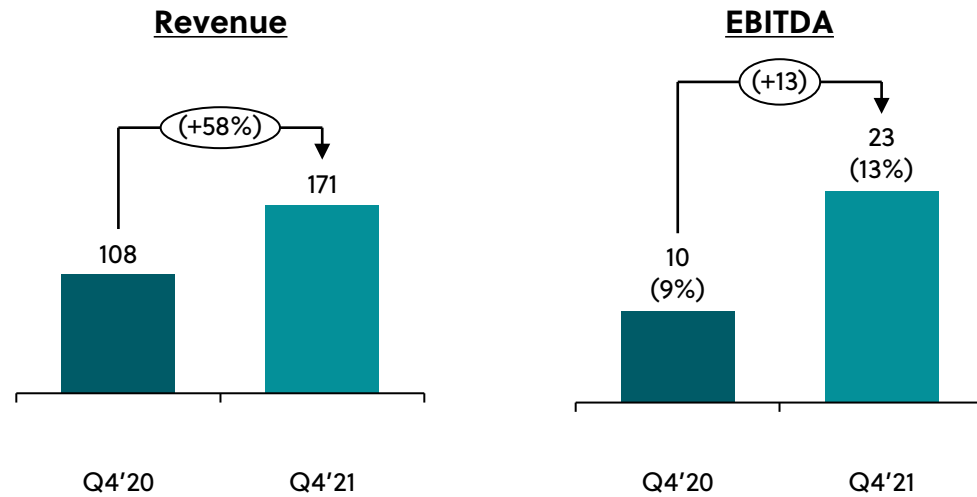


- 17% growth before FX headwinds of ~NOK -184m driven by robust North American Heavy-Duty Truck and Mobile Pipeline market
- Transit Bus in Europe and North America held steady in 2021 while Refuse and Medium-Duty were lower than prior year, but will resume purchase cycles in 2022

- Heavy-Duty/Medium-Duty Truck
- Transit Bus
- Refuse Truck
- Mobile Pipeline
- Light-Duty Vehicles

Hexagon Ragasco | Q4 2021

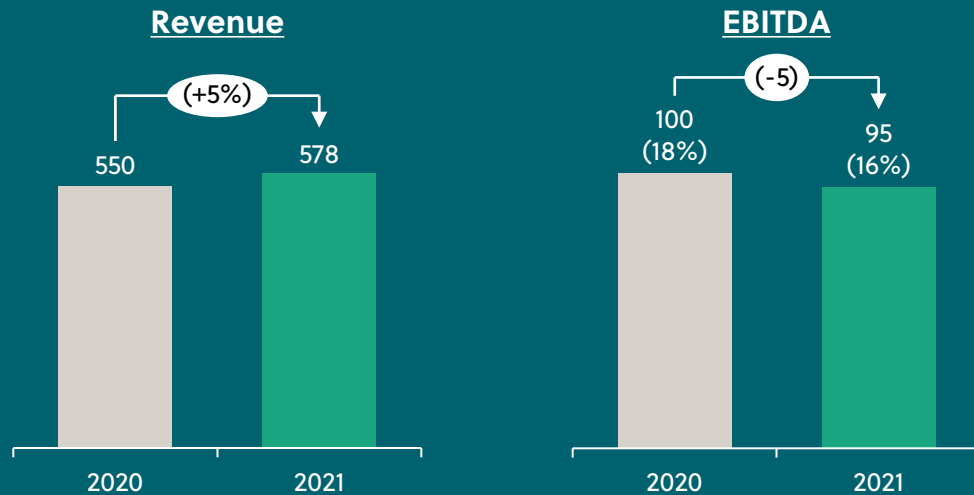
NOKm



- Strong quarter compensating for a weak Q3
- Overall market demand remains strong across all geographies
- Higher input costs related to disruptions from pandemic persist

Hexagon Ragasco | Full Year 2021*

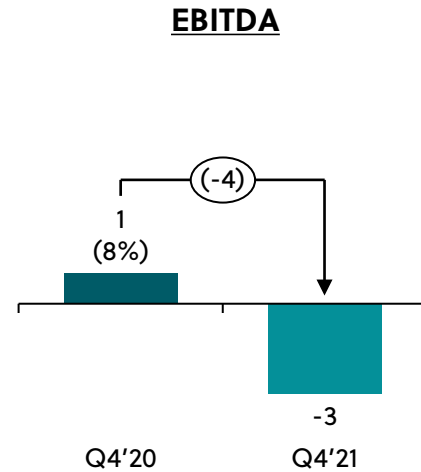
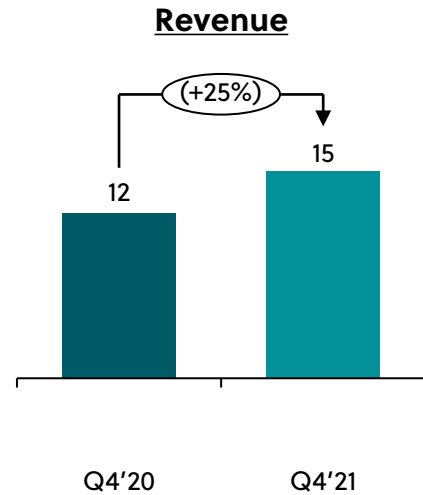
NOKm



- Revenues in line with expectations
- Many new markets and customers penetrated especially in Asia, Europe & the Caribbean
- Higher input costs related to disruptions from pandemic weighed on margins
- Absorbed significant product development expense within OPEX mainly towards SMART cylinders and sustainability related goals

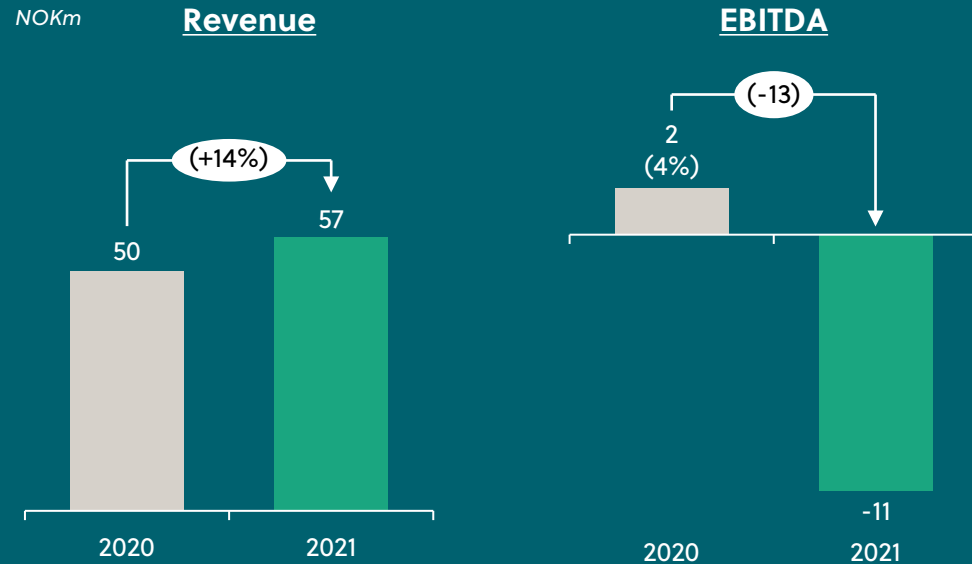
Hexagon Digital Wave | Q4 2021

NOKm



- Strong sales in Modal Acoustic Emission (MAE) technologies
- Solid sales in Ultrasonic Examinations (UE) however experienced pandemic related disruptions to final December shipments
- Continued opex investment to scale up organization and develop digitalization products pipeline weighs on margin

Hexagon Digital Wave | Full Year 2021*

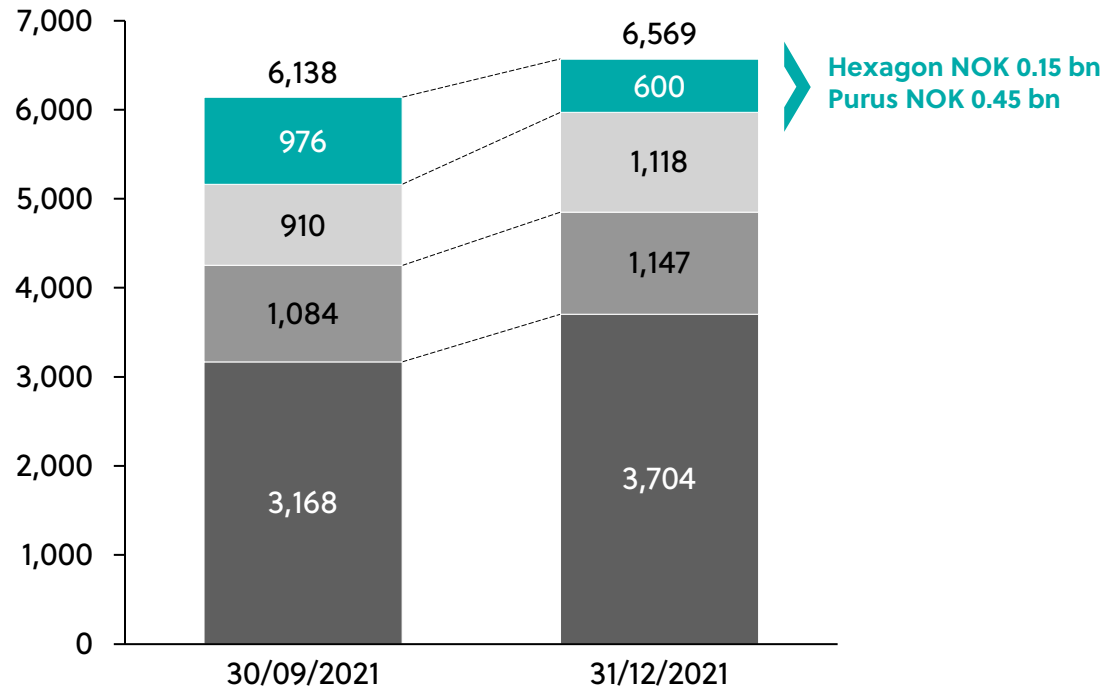


- Strong sales in Ultrasonic Examinations (UE) and Modal Acoustic Emission (MAE) technologies
- Continued opex investment to scale up organization and develop digitalization products pipeline

Q4 2021 Financials Hexagon Group

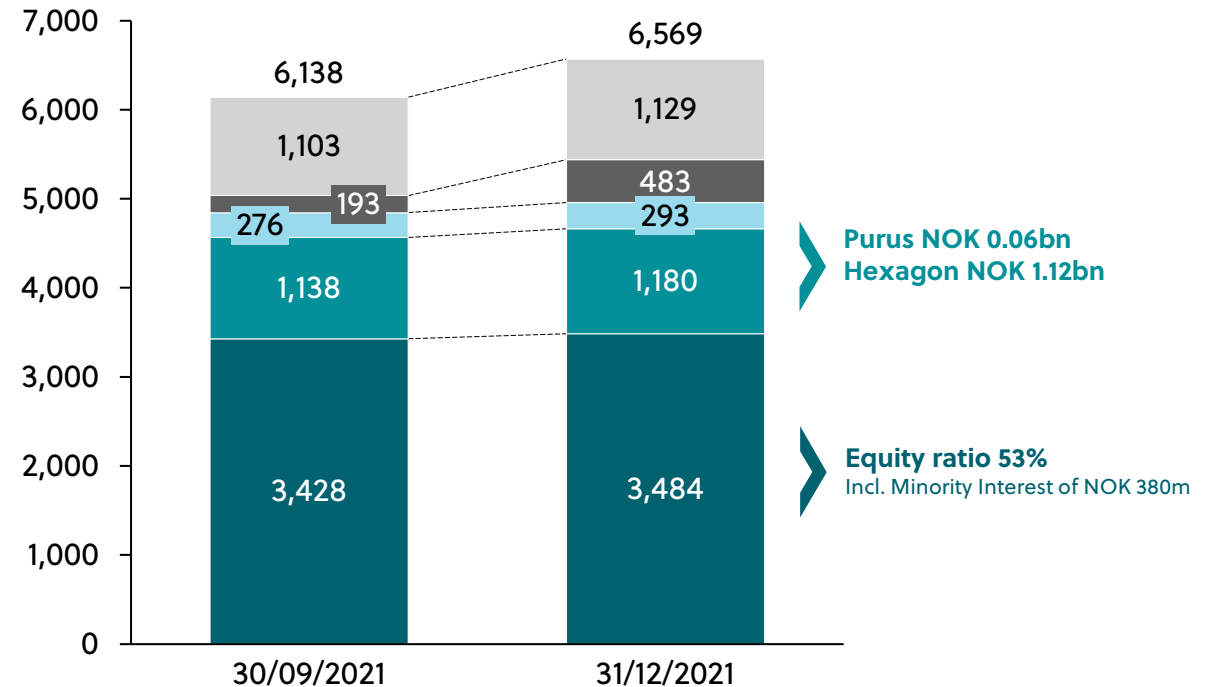
Hexagon Group Balance sheet | Q4 2021 vs Q3 2021

Assets
NOKm



■ Cash ■ Inventory
■ Receivables ■ Fixed assets

Liabilities & Equity
NOKm

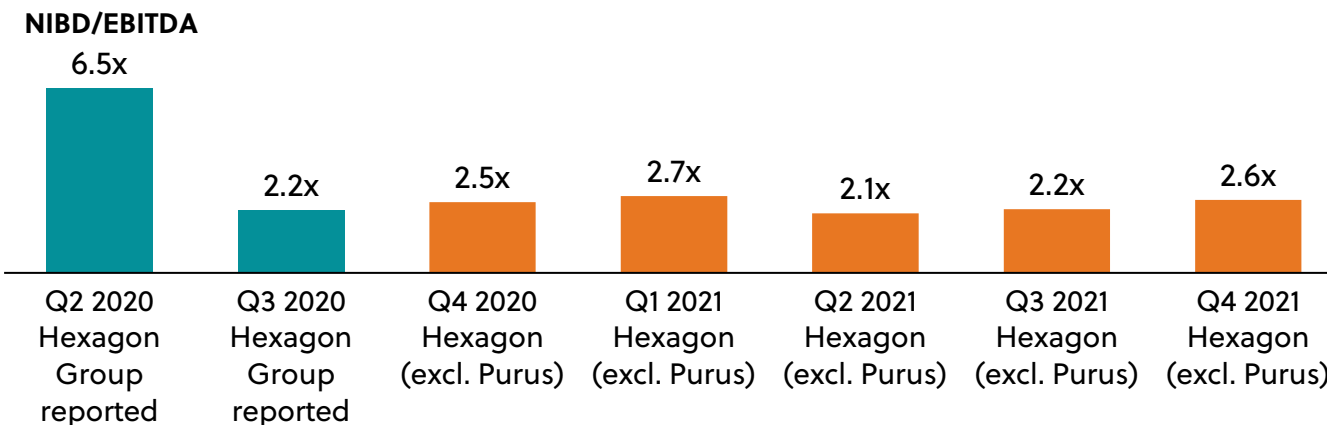
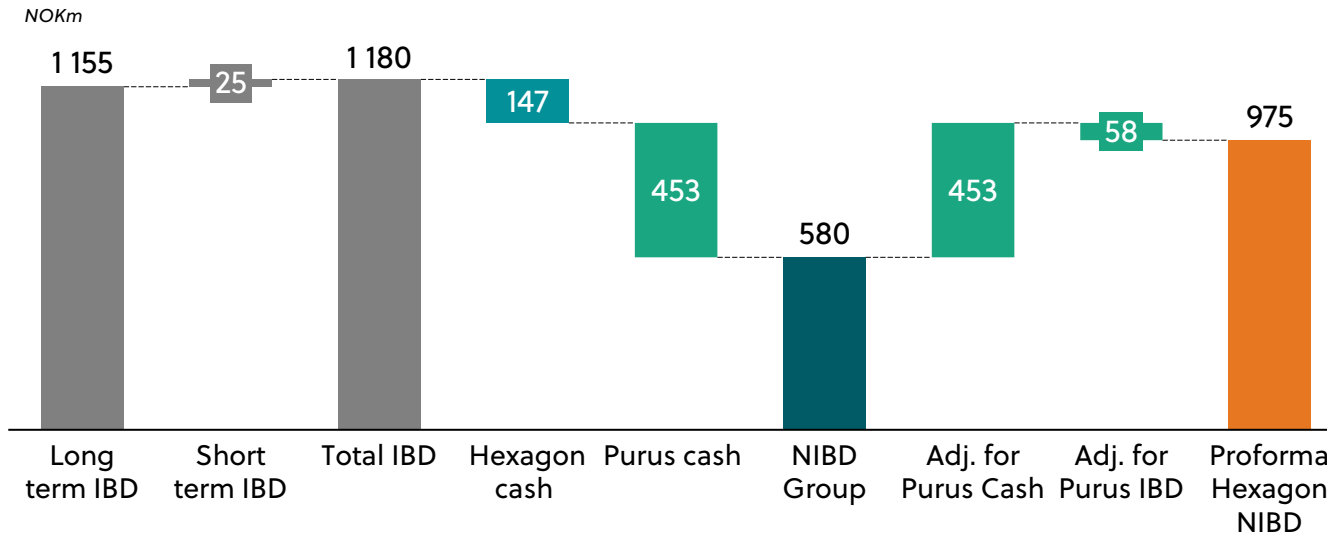


■ Other current liabilities ■ Interest bearing debt
■ Other long term liabilities ■ Equity
■ Lease liabilities from right of use assets

Strong balance sheet including new Hexagon Purus acquisition Wystrach in Q4



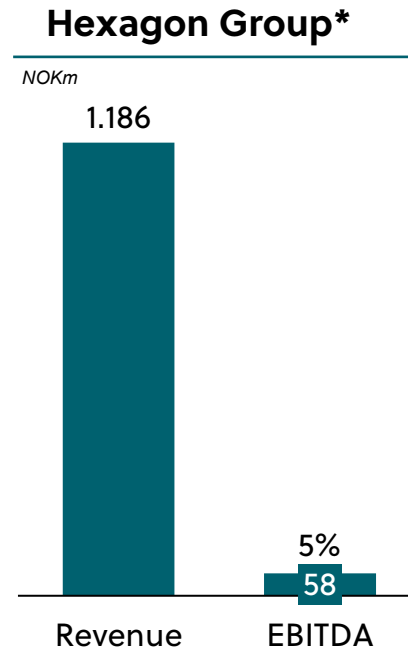
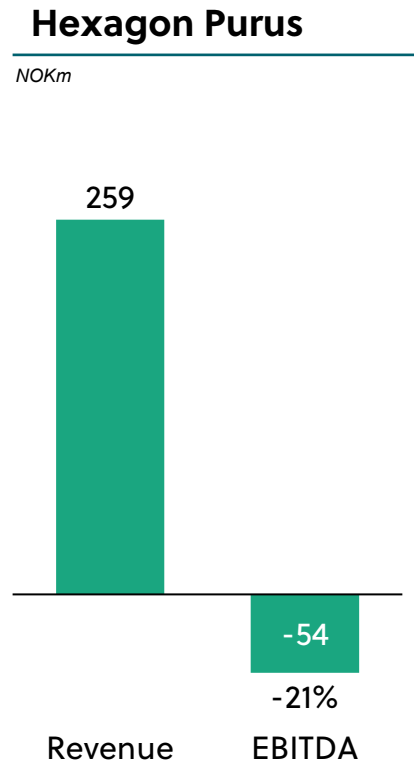
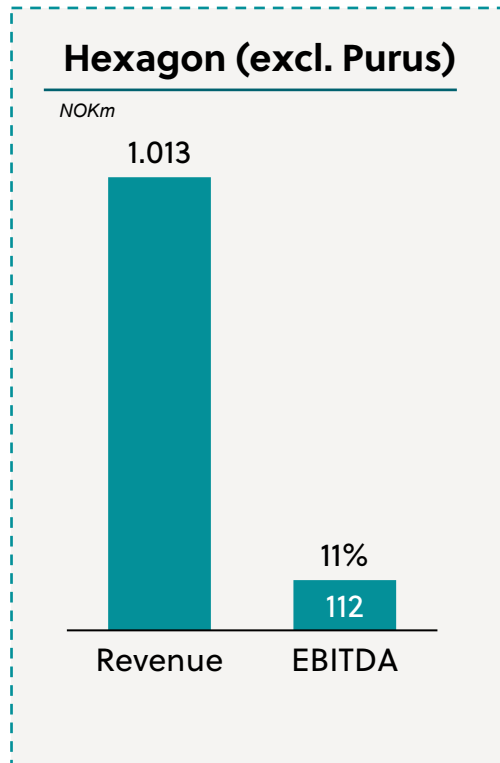
Hexagon proforma leverage | Q4 2021



- In Dec 2021, Hexagon entered into a new financing agreement of NOK 1.7bn, comprising:
 - Term loan of NOK 1.1bn – tenor 3 years and used to refinance outstanding bond
 - Multi-currency RCF and overdraft facility totaling NOK 600m – tenor 3+1+1
- As of Q4, Hexagon (excl. Purus) has a total NIBD of NOK 975m
 - Total IBD of NOK 1,122m and cash of NOK 147m
- As of Q4, Hexagon Purus currently holds cash of NOK 453m and IBD of NOK 58m
 - Hexagon Purus is ring-fenced from the Hexagon loan agreement
- Purus raised NOK 600m with pro-rata participation from Hexagon on 15 Feb 2022

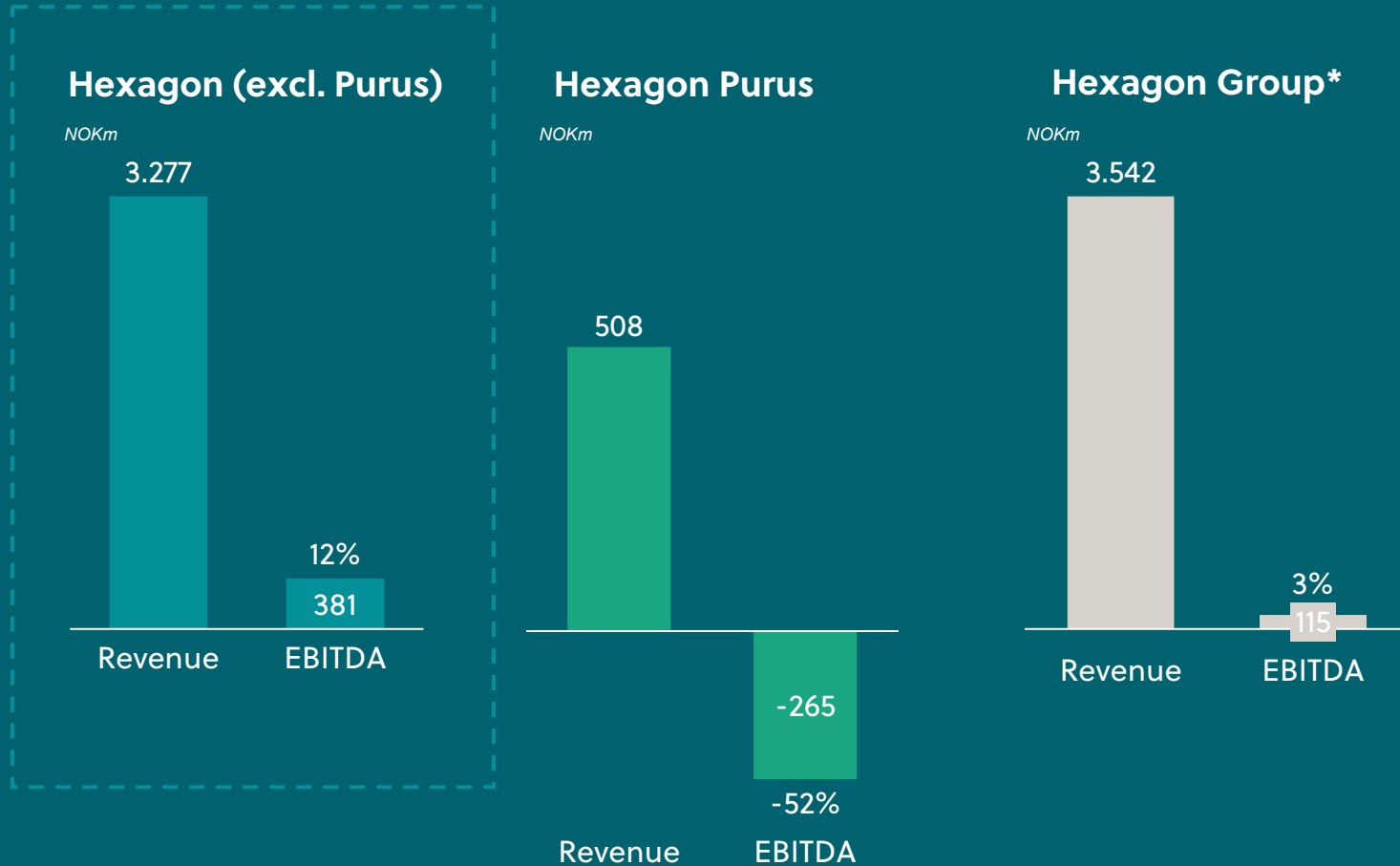


Overall summary | Q4 2021



- Strong Q4 for Hexagon despite headwinds from delays in industry supply chains and currency movements year-over-year
- Demand for Hexagon Agility products remains high helped by Renewable Natural Gas (RNG) push
- Hexagon Ragasco continues to deliver according to expectations
- Both businesses have not yet seen the effect of passing through higher input prices to customers

Overall summary | Full Year 2021



- Growth across all segments in 2021 for Hexagon despite headwinds from delays in industry supply chains and currency movements year-over-year
- Hexagon Purus has had an exceptional year of growth and is delivering to plan



Hexagon (ex Purus) 2021* Financial Scorecard

Profitable, resilient and sustainable growth



EBITDA margin

Despite material cost inflation and supply chain related chassis delays



NOK 292m EBITDA
in Hexagon Agility



NOK 95m EBITDA
in Hexagon Ragasco

Leverage
2.6x



Equity Ratio



Hexagon Purus ownership
interest with current
valuation of NOK ~4.6bn**

*2021 = Preliminary and unaudited ** based on subscription price of private placement 15th February 2022

A young child with curly hair is shown in profile, blowing a dandelion seed head. The seeds are captured in mid-air, creating a sense of movement and lightness. The background is a soft-focus green field.

Outlook & 2022 Full year guidance

Hexagon (excl. Purus) Initial 2022 Guidance | Growth across all segments

High orderbook coverage provides strong visibility despite pandemic related headwinds

Hexagon Agility



- Continued strong sustainability driven demand in Heavy-duty Automotive and Mobile pipeline
- Bounce-back in Refuse and Medium-Duty Truck volumes in North America
- ✗ Drag from increased input prices
- ✗ Delay in recouping higher input price through higher sales price

Hexagon Ragasco



- Targetting two large new customer orders
- Strong recurring demand from Europe
- Volume and scale together with pass-through of higher input prices to customers
- ✗ Some drag from product development OPEX for future pipeline including SMART cylinders

Hexagon Digital Wave



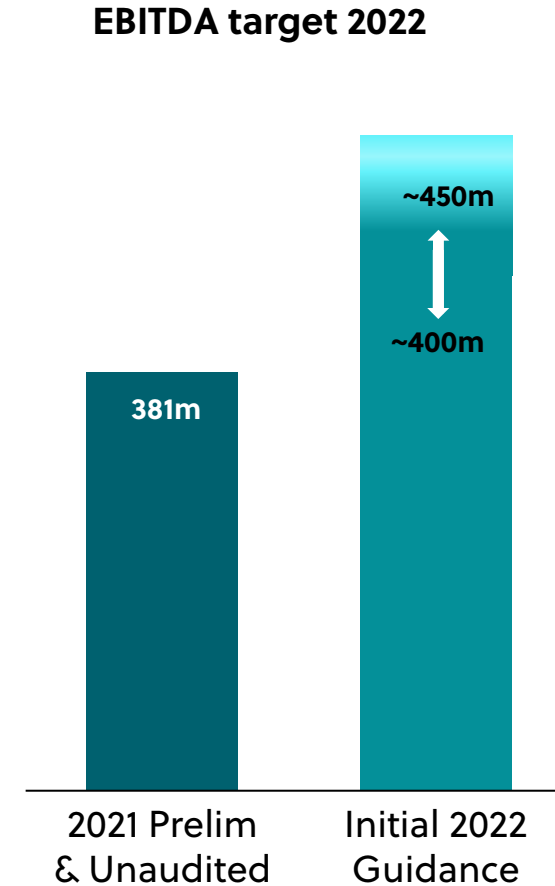
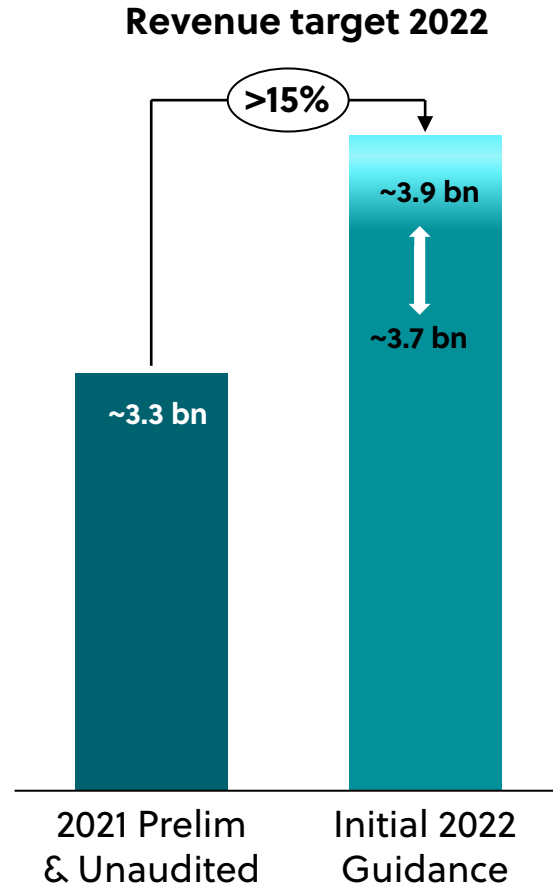
- Increased demand for testing services for industrial gas, CNG modules and clean energy power industries
- Increased demand for industrial gas providers for customized Ultrasonic Examination systems
- ✗ Product pipeline development OPEX for future growth

REVENUE GROWTH SUPPORTED BY STRONG BACKLOG WITH SOME MARGIN PRESSURE IN Q1 UNTIL PRICE MITIGATION NORMALIZES WITHIN Q2

Hexagon (excl. Purus) 2022 Initial guidance*

Double-digit growth and EBITDA margin despite pandemic related headwinds

NOKm



* Excluding Hexagon Purus and subject to no material unforeseen impacts from global pandemic



Key takeaways

**Strong
order backlog
for 2022**

**Supply chain constraints
and inflation entail
some short-term
margin pressure**

**Hexagon is agile and
robust enough to
navigate through
temporary turbulence**

2025 revenue targets:

**Hexagon excl. Purus:
NOK 6bn**

**Hexagon Purus:
NOK 4-5bn**



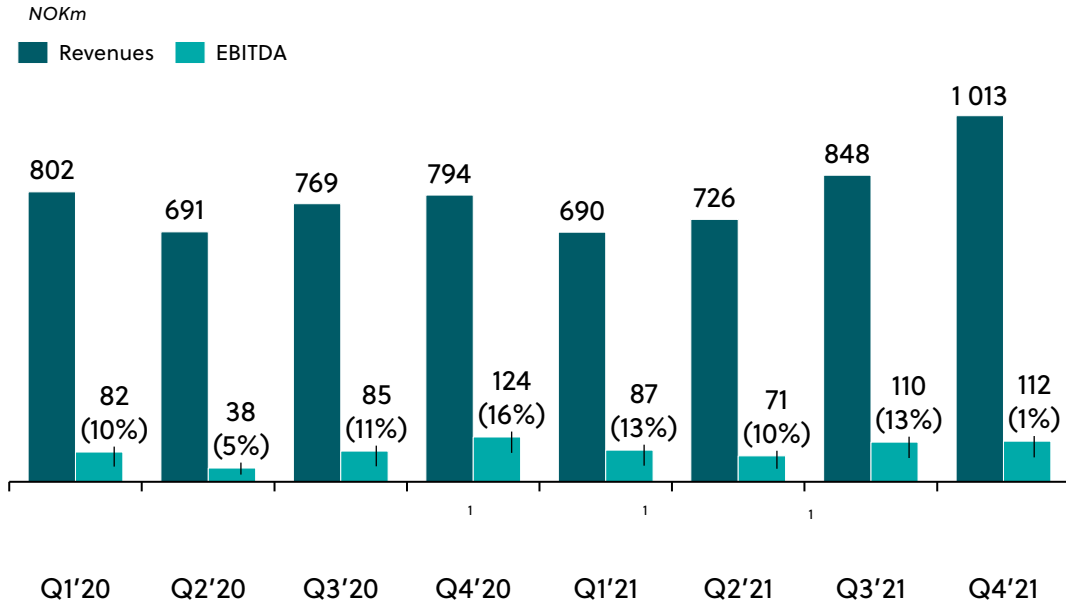
Clean air everywhere

Appendix



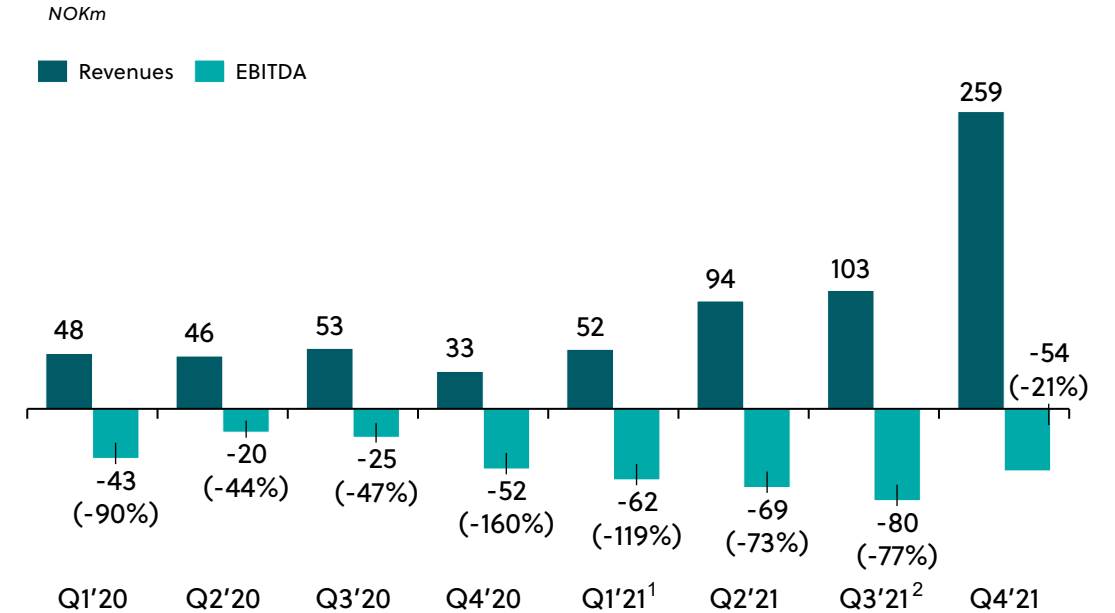
Hexagon proforma financial highlights (1/3)

Hexagon (excl. Purus)*



- Hexagon (excl. Purus) provides clean solutions with strong ESG benefits
 - Hexagon Agility & CNG LDV**: (renewable) natural gas clean mobility solutions
 - Ragasco: Portable LPG cylinders for household and leisure applications
 - Digital Wave: smart technology for monitoring and testing of cylinder systems and creating circular economy by extending life expectancy

Hexagon Purus*



- Hexagon Purus provides clean and sustainable fuel solutions for battery electric and hydrogen vehicles

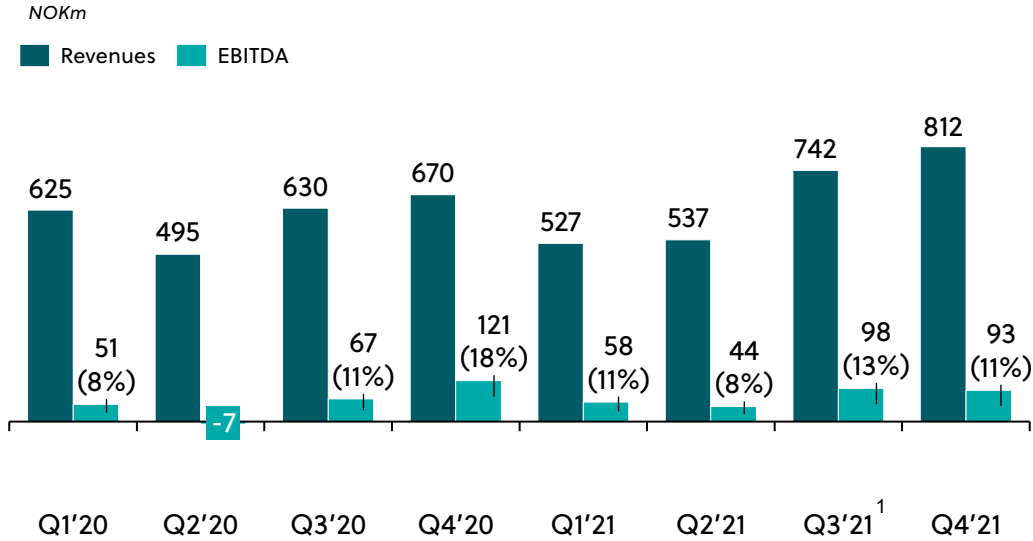
*2020: preliminary unaudited pro-forma figures after adjusting for reorganizations; 2021 segment reported and is after central/corporate and eliminations within the segments

** previously referred to as g-mobility and being rebranded to be consistent with other reported segments and ahead of transferring operational responsibility of CNG LDV business to Hexagon Agility by 1.1.22

1) Correction from NOK 57m 2) Correction due to reclassification

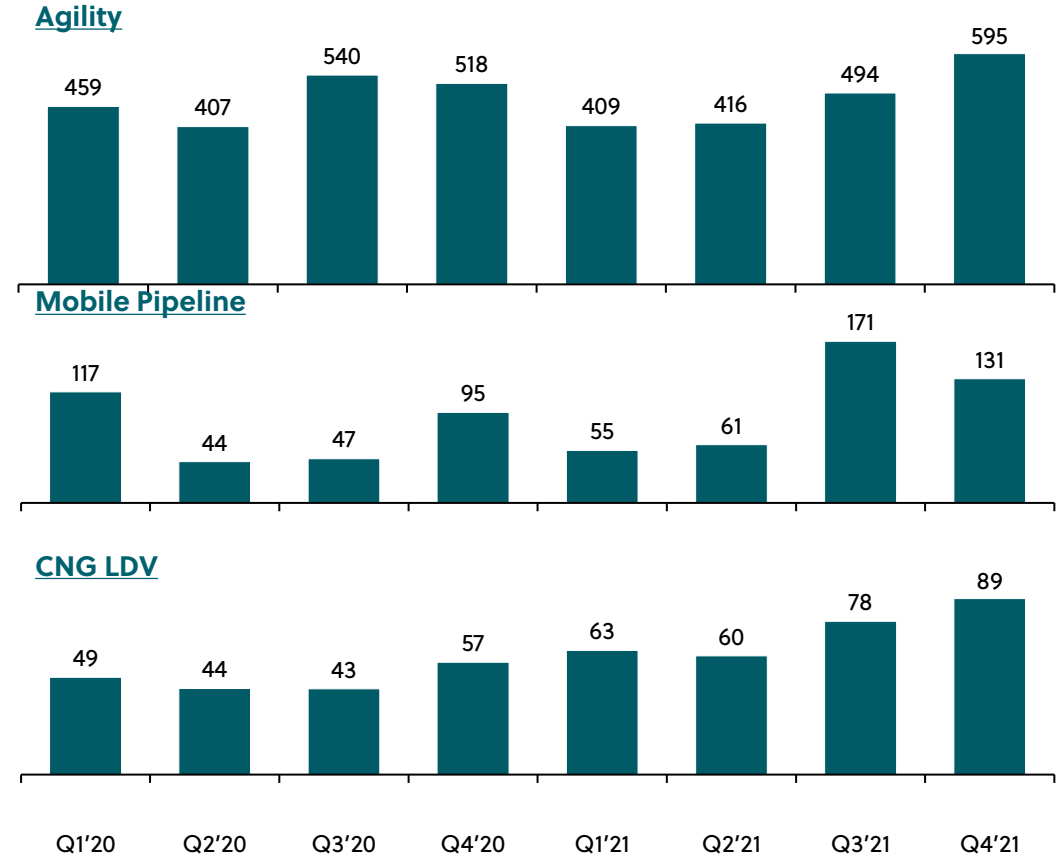
Segment proforma financial highlights (2/3)

Hexagon Agility & CNG LDV*



- Hexagon Agility & CNG LDV provides (renewable) natural gas clean mobility solutions for Heavy and Medium Duty Vehicles (Agility), Mobile Pipeline (MP) and Light- Duty Vehicles (CNG LDV)
- Global leading provider within markets including Heavy-Duty/ Medium-Duty Trucks, Refuse Truck, Transit Bus, Gas Transportation, Refueling units and Passenger cars

Hexagon Agility & CNG LDV revenue split (after eliminations)* NOKm



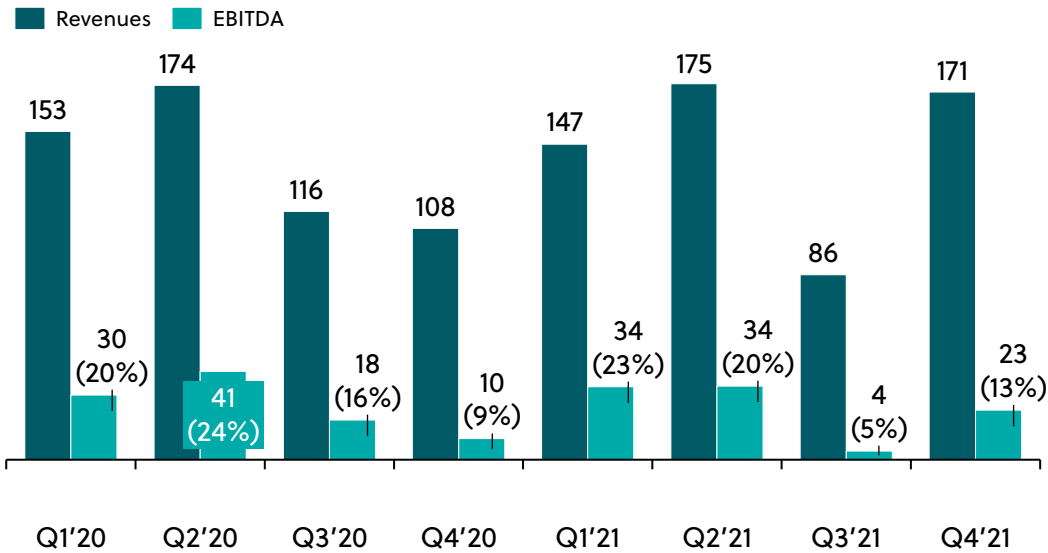
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 1) Correction due to reclassification



Segment proforma financial highlights (3/3)

Hexagon Ragasco as reported

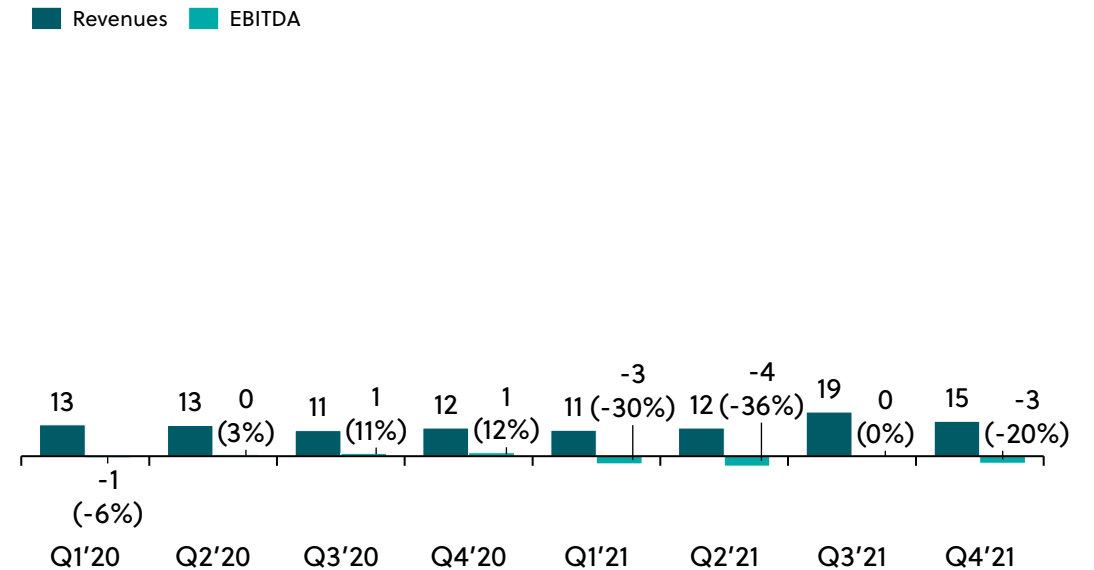
NOKm



- World leading provider of LPG composite cylinders
- Delivered over 19 million cylinders worldwide
- Strategic agenda include IoT and digitalization providing connectivity and driving value chain transformation

Hexagon Digital Wave

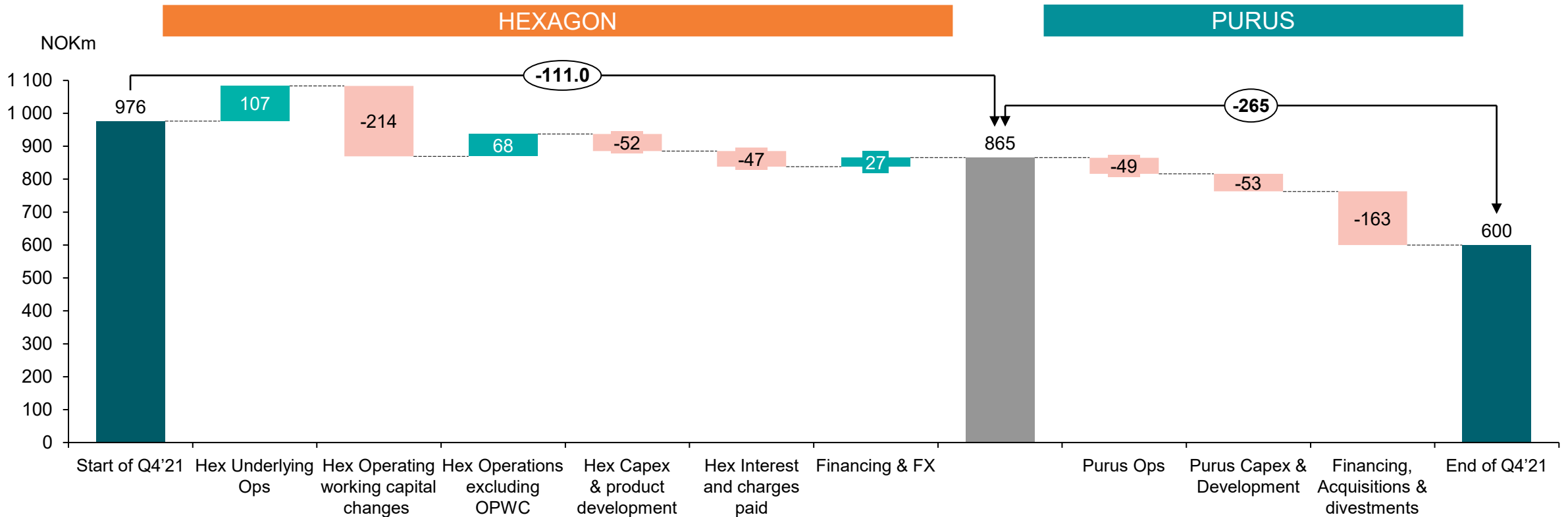
NOKm



- Proprietary safety technology – Modal Acoustic Emission (MAE) technology for testing and certifying cylinders
- Strategic agenda include cylinder digitalization with real-timing monitoring, testing and certification, creating a circular economy through enabling life extension



Group cash Q4 2021



Hexagon cash down NOK 111m from NOK 258m to 147m principally due to increase in working capital related to receivables and payables
Purus cash down 265m to 453m due principally to cash consideration for acquisition of Wystrach



Consolidated financial statements | P&L

Hexagon Composites ASA

Income Statement (NOK 1 000)	Q4 2021	Q4 2020	31.12.2021	31.12.2020	31.12.2019
Revenue from contracts with customers	1 185 117	802 560	3 539 488	3 070 865	3 404 209
Other operating income	1 127	242	2 473	9 511	11 915
Total revenue	1 186 244	802 802	3 541 962	3 080 375	3 416 124
Cost of materials	619 252	412 822	1 695 497	1 500 976	1 673 120
Payroll and social security expenses	323 207	243 089	1 101 665	941 425	853 706
Other operating expenses	185 947	77 491	629 368	448 348	599 209
Gain / Fair value adjustment earn-out					-69 625
Total operating expenses before depreciation	1 128 406	733 402	3 426 530	2 890 750	3 056 409
Operating profit before depreciation (EBITDA)	57 838	69 400	115 432	189 626	359 715
Depreciation and impairment	71 647	62 943	262 801	248 340	239 606
Operating profit (EBIT)	-13 809	6 457	-147 369	-58 714	120 109
Profit/loss from investments in associates and joint ventures	-3 008	-1 107	-2 957	-1 885	-749
Net financial items	-72 142	-50 549	-144 692	7 757	-8 114
Profit/loss before tax	-88 959	-45 199	-295 019	-52 841	111 246
Tax	9 311	41 234	33 397	99 740	3 755
Profit/loss after tax	-98 271	-86 433	-328 416	-152 582	107 491

Consolidated financial statements | Balance sheet & cash flow

Hexagon Composites ASA

BALANCE SHEET (NOK 1 000)	31.12.2021	31.12.2020
ASSETS		
Property, plant and equipment	1 017 736	747 266
Right-of-use assets	282 309	257 337
Intangible assets	2 394 310	2 105 569
Investment in associates and joint ventures	7 024	2 142
Non-current current assets	2 869	79 848
Total non-current assets	3 704 248	3 192 161
Inventories	1 147 004	740 639
Trade receivables	1 113 553	624 978
Contract assets (incl. prepayments)	4 165	814
Cash and short-term deposits	600 209	1 649 882
Total current assets continuing operation	2 864 930	3 016 313
Total assets	6 569 178	6 208 474
EQUITY AND LIABILITIES		
Paid-in capital	2 194 303	2 165 590
Other equity	909 399	1 014 975
Equity attributable to equity holders of the parent	3 103 702	3 180 565
Non controlling interests	379 909	411 221
Total equity	3 483 611	3 591 786
Interest-bearing long-term liabilities	1 154 926	1 206 127
Lease liabilities	230 277	237 266
Other non-current liabilities	450 489	261 999
Total non-current liabilities	1 835 692	1 705 392
Interest-bearing current liabilities	24 766	0
Lease liabilities short-term	62 455	25 198
Contract liabilities (incl. prepayments from customers)	254 326	53 371
Other current liabilities	908 329	832 726
Total current liabilities	1 249 875	911 296
Total liabilities	3 085 568	2 616 688
Total equity and liabilities	6 569 178	6 208 474

CONDENSED CASH FLOW (NOK 1 000)	31.12.2021
Profit before tax from continuing operations	-295 019
Depreciation and write-downs	262 801
Change in net working capital and other	-307 838
Net cash flow from operations	-340 056
Net cash flow from investment activities	-482 747
Net cash flow from financing activities	-236 102
Net change in cash and cash equivalents	-1 058 905
Net currency exchange differences	7 954
Discontinued operations	
Cash and cash equivalents at start of period	1 649 882
Net cash and cash from acquisitions	1 227
Cash and cash equivalents at end of period	600 209

Investor relations information



EXCHANGE

- TICKER SYMBOL: HEX
- ISIN: NO0003067902
- EXCHANGE: OSLO BØRS



MARKET CAP

NOK ~6 bn

MARKET CAPITALIZATION¹



INVESTOR BASE

~6,200

SHAREHOLDERS

> 50%
International
ownership



2022 FINANCIAL CALENDAR

	2022												
Q1 2022													12-mai
Q2 2022													11-aug.
Q3 2022													03-nov.



EQUITY ANALYST COVERAGE

CARNEGIE

- FABIAN JØRGENSEN

SEB

- ANDERS ROSENLUND
- HERMAN LIA

SPAREBANK 1 MARKETS

- THOMAS NAESS
- VETLE WILHELMSSEN



INVESTOR RELATIONS CONTACTS

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