



HEXAGON

Q4

OSLO, 13 FEBRUARY 2019

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Agenda

- Group highlights
- Agility transaction update
- Summary Group financials
- Outlook
- Q & A
- Appendix: Segment & proforma financials

Highlights from Q4 2018

- Signed agreement and subsequently completed NOK 1 billion acquisition of Agility Fuel Solutions
- Strongest quarterly revenue of 2018 driven by Mobile Pipeline
 - Second highest quarterly revenue of all time primarily from North America
 - Received NOK 65 million order for UK market for delivery in 2019
- Strong Agility Fuel Solutions profitability
 - Heavy-Duty Truck sales continues an upwards cycle
 - Extended long-term agreement with New Flyer with total value of NOK 640 million primarily for CNG bus systems
- Very active Hydrogen market
 - Increased deliveries to Heavy-Duty applications
 - Received U.S. Department of Transportation permits for hydrogen transportation systems





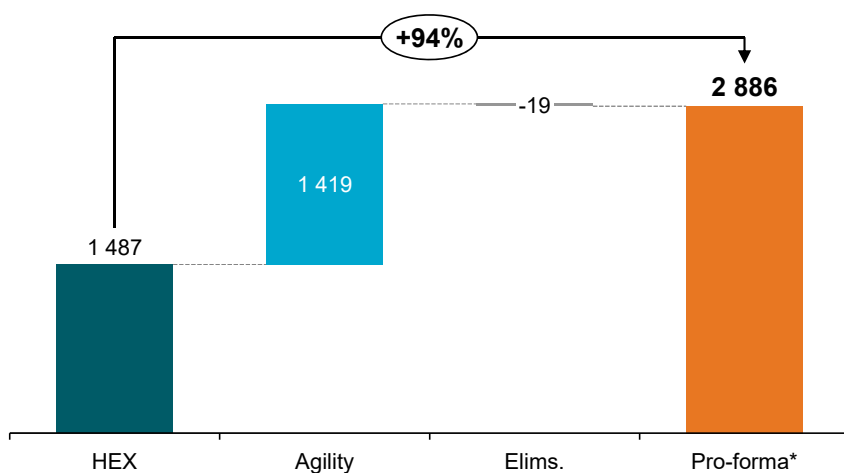
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Agility Update

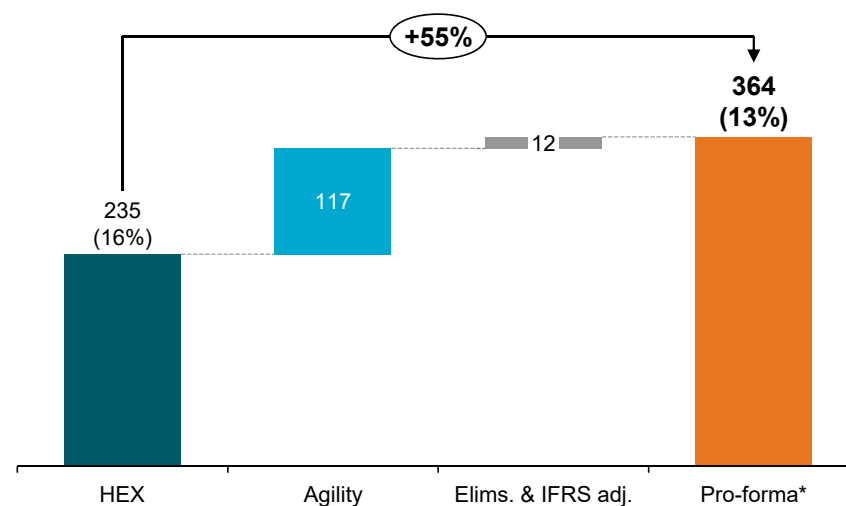
Impact of 2019 transaction

Full year pro-forma* 2018

Pro-forma* revenue | NOKm



Proforma* EBITDA | NOKm



**Preliminary unaudited estimates*

Agility acquisition has effect of ~ doubling Group revenues with double-digit EBITDA margin

Expected accounting impacts in 2019*

- Move away from equity accounting to consolidation of Agility's results from **2019** onwards
- Gain on transaction, net of fees, estimated to be NOK **72** million*
- Deferred tax accrual on gain = NOK **17** million*
- Purchase price allocation exercise ongoing:
 - This will determine the split between goodwill and depreciable intangibles

* Preliminary, unaudited estimates before final PPA



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4th

QUARTER 2018

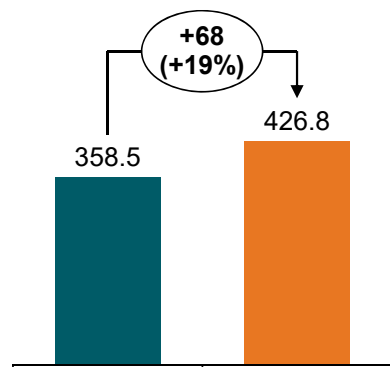
FINANCIALS

Note: Agility Fuel Solutions only consolidated from Q1 2019

Financial highlights Q4 2018

Revenues

NOKm



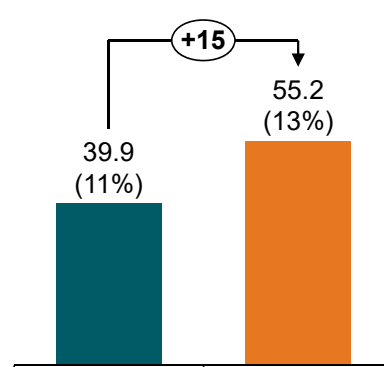
Q4'17

Q4'18

- Strong volumes in Mobile Pipeline drive +19% growth in Group revenues

EBITDA

NOKm



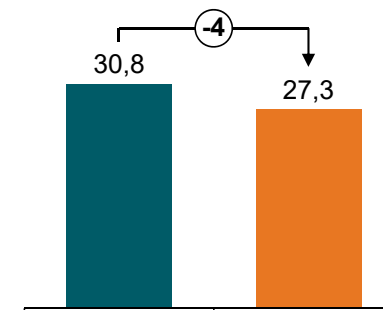
Q4'17

Q4'18

- Net impact of earn-out reversal of +NOK 18m
- Hydrogen dilution including organization ramp-up -NOK 14m

Net profit

NOKm



Q4'17

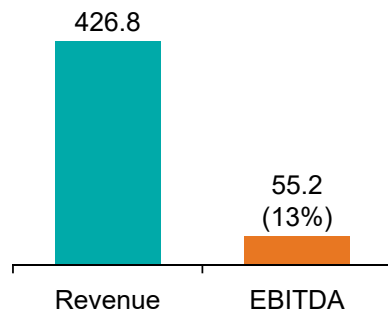
Q4'18

- Asset impairment charge of -NOK 16m
- Agility/JV contribution effect of +NOK 31m; Financial charges +NOK 9m
- -NOK 43m tax impacts due to US tax reform in Q4 '17 generating tax credit

Other Hexagon businesses vs Hydrogen results | Q4 2018

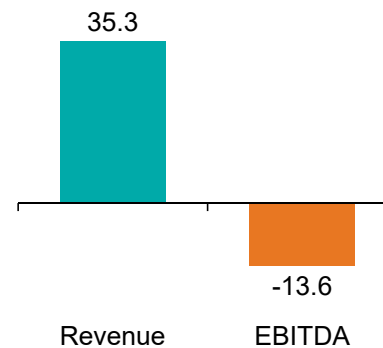
HEX Group reported*

NOKm, *EBITDA includes reversal of earn-out obligation of NOK 18 million



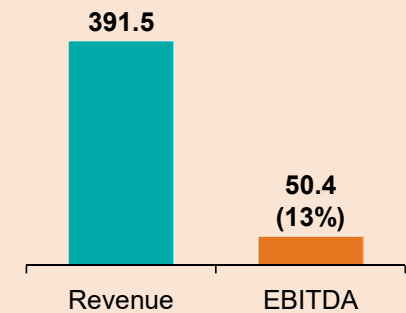
Hydrogen

NOKm



Normalized HEX ex. Hydrogen**

NOKm; **normalizing for reversal of earn-out obligation of NOK 18 million



13% EBITDA margin from normalized non-H2 business

Agility Fuel Solutions: Q4 2018

Business Operating results

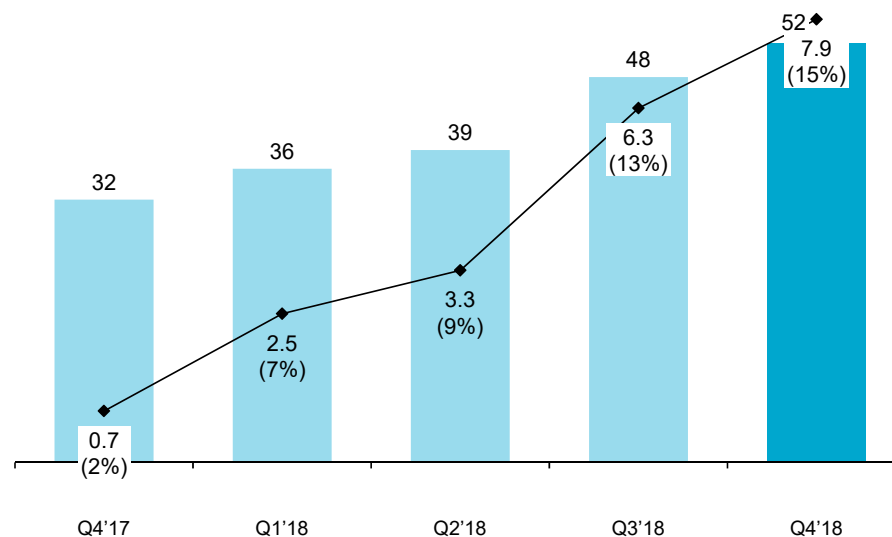


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- Continued increase in revenues and margin
 - Driven by strong rebound in Heavy-Duty Truck sales
- Continued strong year over year growth in Transit bus volumes in quarter
- Strong Refuse Truck sales
 - Continued upward trend in 2018 over 2017
- Good Liquidity
 - Fully-funded

Revenues and adjusted EBITDA

USDm

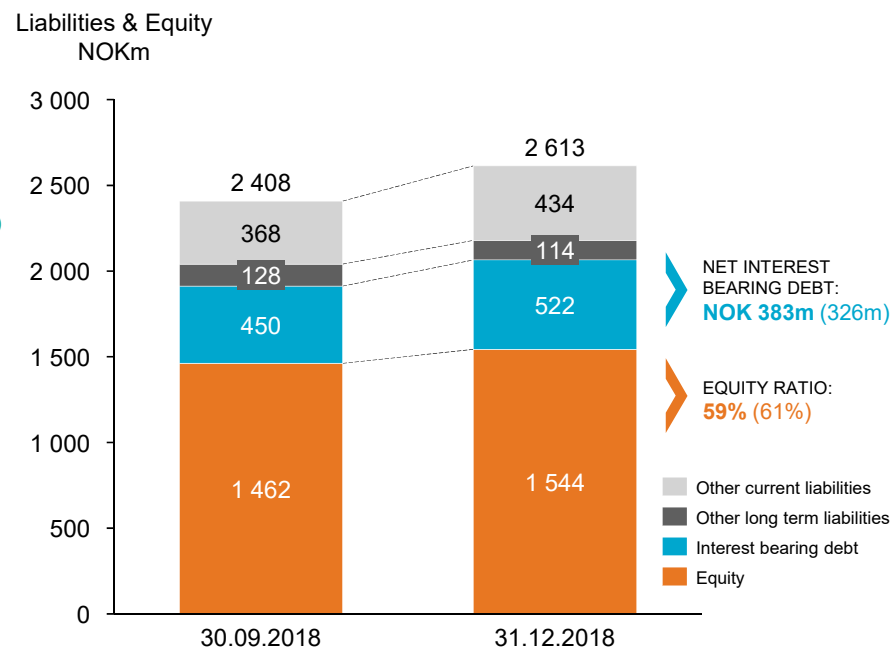
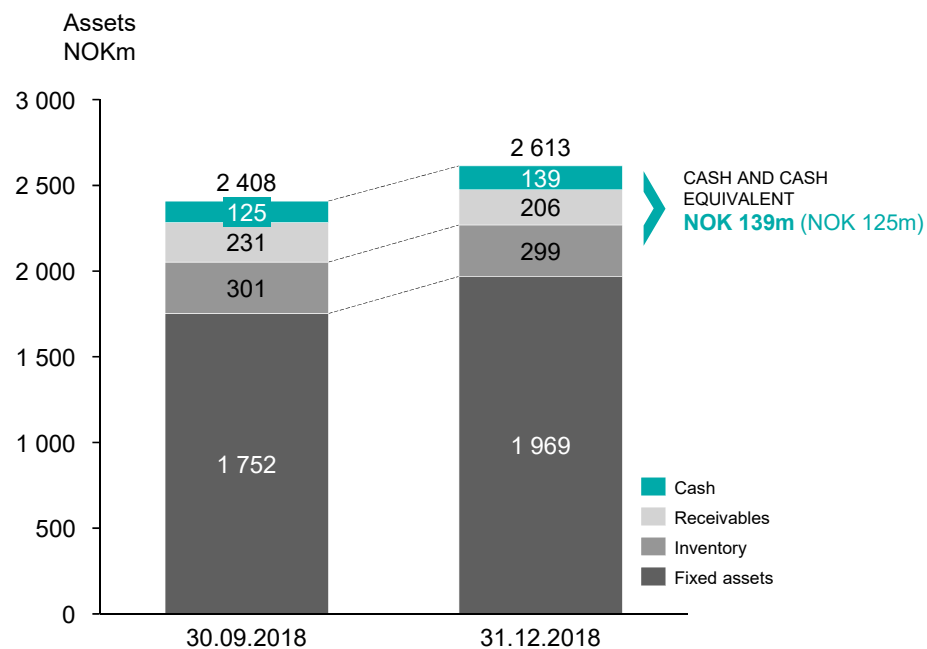




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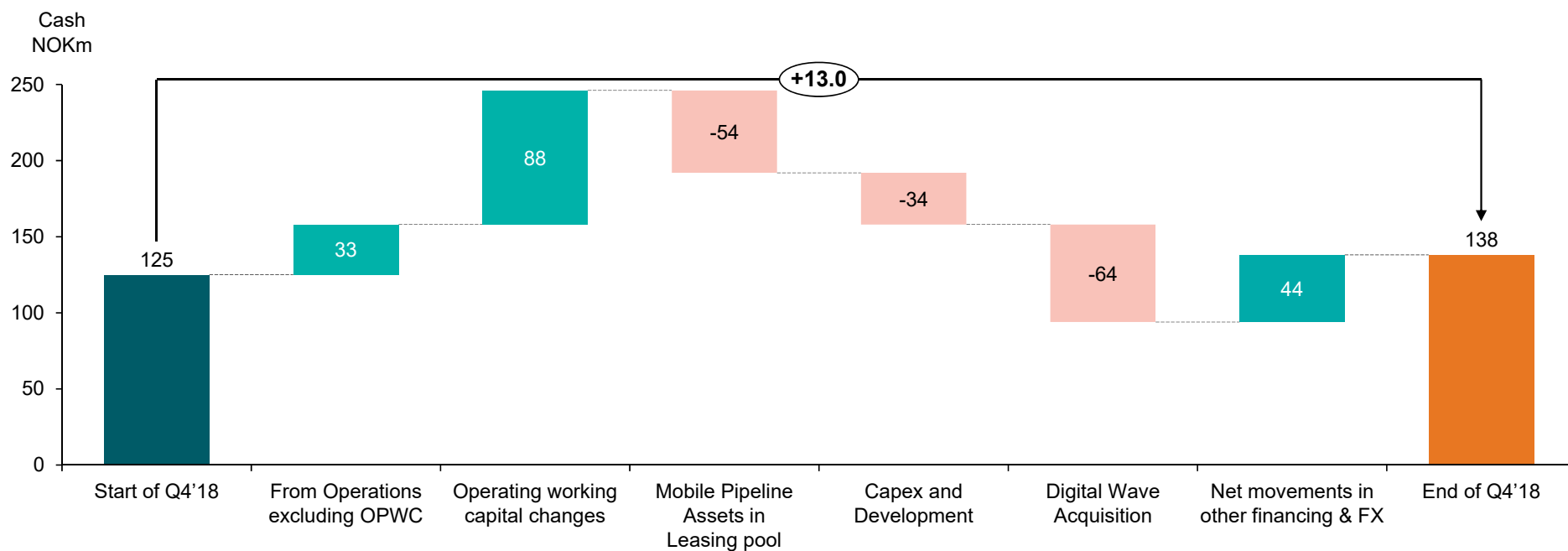
Balance sheet | Q3 2018 vs Q4 2018

NOK 383m Net Interest Bearing Debt & 59% Equity Ratio



NIBD increase driven by Digital Wave acquisition

Group cash movements Q4 2018



**Working capital management balances capex and leasing pool requirements;
Digital Wave acquisition part funded by loan drawings**



Preliminary & unaudited

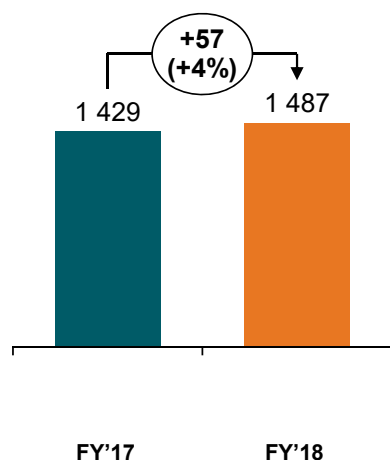
Full Year 2018

Note: Agility Fuel Solutions only consolidated from Q1 2019

Full-year 2018¹ vs. 2017

Revenues¹

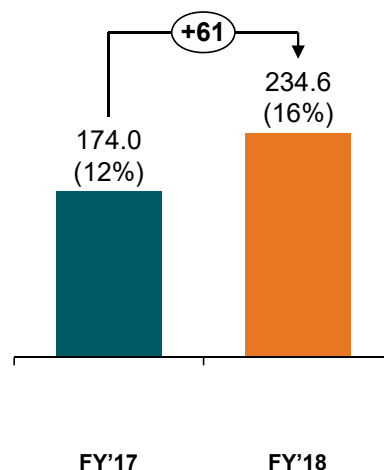
NOKm



- ~40% Year over Year Mobile Pipeline growth offset by lower H2 revenues (less commercial and more development) and lower LDV volumes (impacted negatively by WLTP in Q3 & Q4)

EBITDA¹

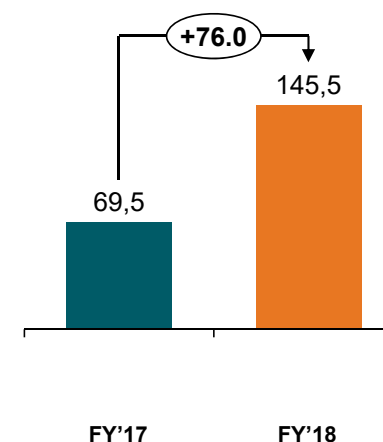
NOKm



- Impact of earn-out reversal of +NOK 109m
- Hydrogen dilution impact -NOK 55m
- 2017 included one-offs of +NOK 27m

Net profit¹

NOKm



- Asset impairment charge of -NOK 16m
- Agility/JV contribution effect of +NOK 34m; Financial charges +NOK 45m primarily currency movements
- -NOK 43m tax impacts due to US tax reform in Q4'17 generating tax credit

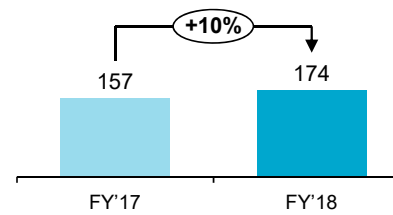
¹2018 = Preliminary and unaudited

Agility Fuel Solutions Full Year 2018

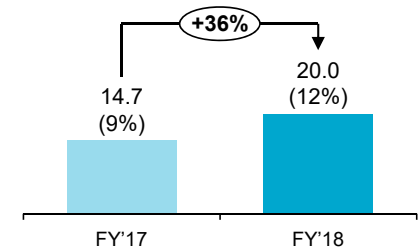
- Continued increase in revenues and margin
 - Year over Year growth in Refuse, Bus and Powertrain (Propane) systems
 - Strong rebound in Heavy-Duty Truck sales in second half of year with good momentum into 2019
- Transit Bus systems revenue continues to be largest segment and delivered 20% growth
 - Good performances in both North America and Europe
- Refuse Truck systems growth of 21%
- Powertrain (Propane) systems growth of 84% and still in start-up mode

Revenues and adjusted EBITDA*

Revenue; USDm

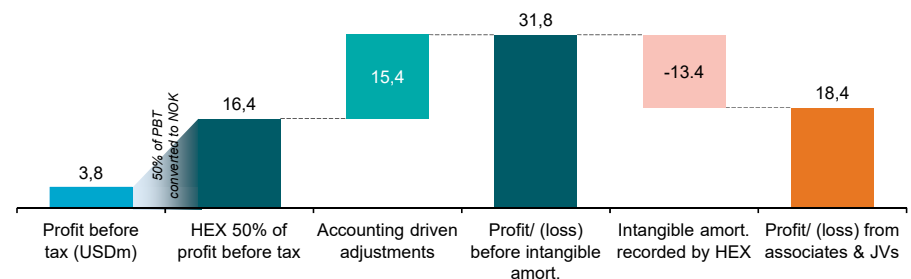


Adjusted EBITDA; USDm



Agility impact to Group P&L*

NOKm unless otherwise stated



*Preliminary and unaudited

2018 Financial Scorecard*

- **Double-digit EBITDA margins for non Hydrogen segments**
 - EBITDA dilution of NOK 55 million related to Hydrogen business units
- **40% revenue growth in Mobile Pipeline**
- **36% adjusted EBITDA growth in Agility**
 - Accretive investment doubling revenues on proforma basis
- **Record production volumes and 21% EBITDA margin in LPG**
- **More than doubled net profit**
 - From NOK 70 to 146 million
- **Maintained a strong balance sheet**



In 2018 we sharpened our focus on the significant opportunities within hydrogen resulting in our largest ever OEM contracts; in 2019, the Agility acquisition will drive value from increasing our portfolio of solutions for cleaner air



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OUTLOOK

Driving energy transformation

#1 clean fuel solutions provider



Ideal timing

Secured 100% ownership in Agility

- Global zero emission transportation trend
- US production of natural gas up 40%* the last decade
 - and the growth will continue
- Readily available technology and infrastructure
- Adoption rate stimulated by availability, economics and environmental agenda



Waste Management Refuse Trucks
Photo: Waste Management

Re-enforced global leadership position in clean fuel solutions

Over 60,000 vehicles on the road with Agility's fuel systems....

Key customers



Clean energy storage and delivery solutions

Heavy Duty Trucks



Medium Duty



Transit Buses



Refuse Trucks



...across all main alternative fuel technology platforms

Natural Gas & Biogas



- CNG cylinders
- CNG fuel systems

Hydrogen



- Hydrogen fuel systems

Hybrid & Electric



- Battery packs
- Electric drivetrain integration

Propane



- Propane fuel systems and engines

Environmental agenda drives demand

- Continued very strong growth in the European Transit Bus segment in Q1
- Strong, stable US Transit Bus and Refuse Truck demand
- Long-term agreement with New Flyer extended
 - Total estimated value MUSD 75 (approx. MNOK 640)
- Heavy-Duty Truck continues its positive trend from second half of 2018



13,000+ New Flyer CNG buses equipped with Agility fuel systems - reduced CO2 emissions by approx. 4.4 million tons compared to diesel
Photo: New Flyer



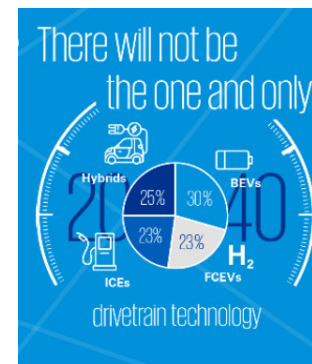
Hydrogen

Riding the e-mobility megatrend



There will not just be the one and only powertrain technology (...) execs globally believe in a fairly even split of BEVs (30%), Hybrids (25%), FCEV (23%) and ICEs (23%) by 2040.

KPMG Global Automotive Executive Survey 2019



South Korea's shift to hydrogen economy

- Ambitious plans by the South Korean government
 - 81,000 Fuel Cell Electric Vehicles in 2022 – 1.8 million by 2030
 - 2,000 hydrogen buses by 2022
 - 820 police buses beginning in 2021
 - 310 hydrogen fueling stations by 2022 – up from 86 in 2019
- Hyundai Motor Group 'FCEV Vision 2030'
 - Produce 700,000 fuel-cell systems annually
 - Invest around USD 6.8 billion creating 51,000 jobs



South Korean President Moon declares move toward hydrogen economy

Maritime hydrogen wave building up

- Four Norwegian publicly funded hydrogen projects
 - Samskip: Short sea ships
 - Havyard: Coastal cruise
 - ZEFF/SelfaArtic: Fast ferry
 - Flying Foil: Fast ferry
- HYON engaged in two of the projects
 - Samskip: Short sea ships
 - ZEFF/SelfaArtic: Fast ferry



ZEFF/SelfaArtic fast ferry



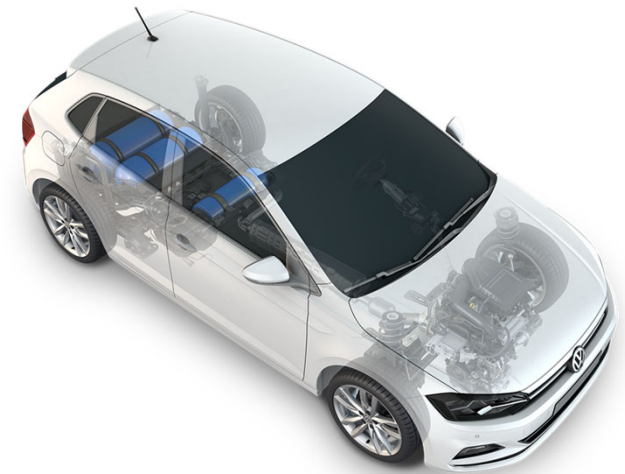
Samskip short sea shipping

A white Volkswagen Golf is driving on a winding asphalt road that curves to the right. The road is flanked by lush green grass and fields. In the background, several large white wind turbines with red accents are visible against a blue sky with scattered white clouds. The car has a blue license plate with the text 'KS-XP 1111'.

CNG Light-Duty Vehicles

WLTP* challenges resolved – high growth expected

- Strongly positive market sentiment
 - WLTP* bottleneck easing out
 - Golf, Seat Leon and Skoda Octavia CNG models WLTP approved and available
- Q1'19 expected to be on par with Q4'18
 - Steep ramp-up from Q2



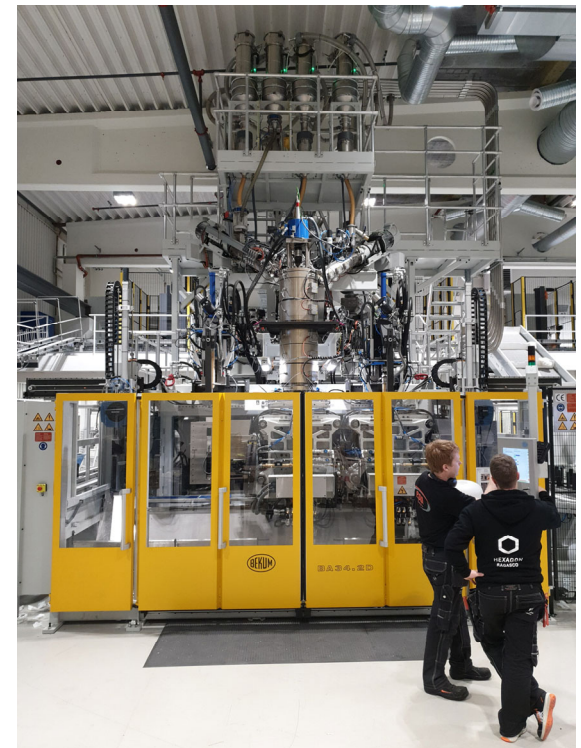
“Driving on natural gas is not only good for your wallet, it is also good for the environment. Compared to petrol or diesel, natural gas contains a significantly higher amount of energy and a lower carbon fraction. This means that driving in CNG mode produces around 25% fewer CO2 emissions than with petrol.” Source: Volkswagen Group

LPG



Good start to the year

- Q1 volumes similar to Q1'18
 - Challenging product mix affecting margins
- NOK 75 million capex program complete, on time and on budget
 - Expecting fully ramped up run rate from Q2'19
 - Unique LPG liner technology
 - Permeation approaching zero



New building extension at Hexagon Ragasco

Mobile Pipeline



TITAN®53 gas transportation module with the largest composite cylinder tanks in the world

Mobile Pipeline® finding its way to new customers and applications

- Strong fundamentals
- Solid backlog for Q1'19
- Order from Certarus of ~ NOK 70 million to supply CNG to constrained or under-served areas
- Rest of the world project pipeline continues to increase



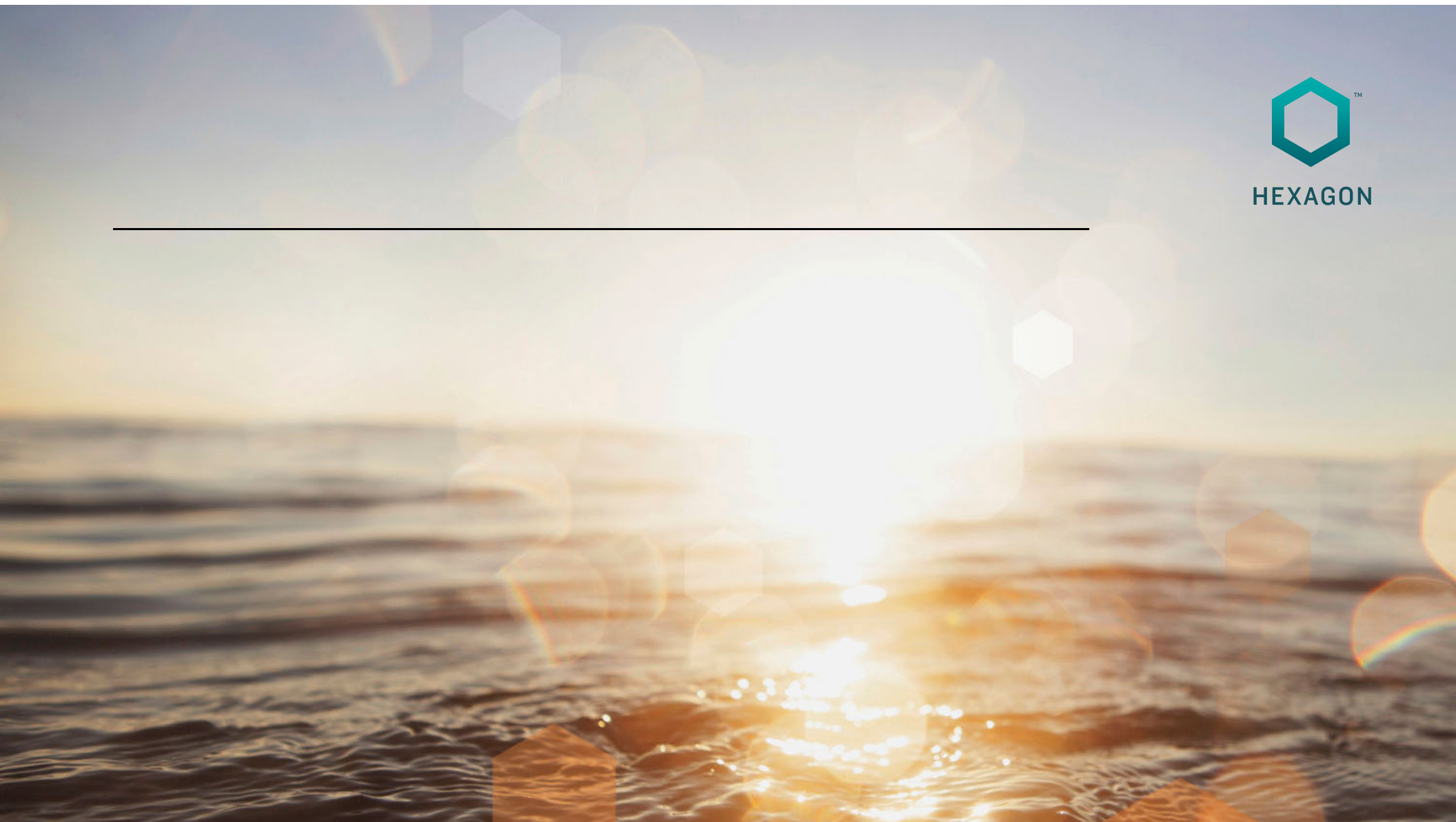
Certarus Mobile Pipeline® modules

Group Outlook Q1 2019

- 1 Strong environmental push and favorable economic conditions
- 2 Continued positive development in Q1, mainly driven by Agility and Mobile Pipeline
- 3 Continued dilutive EBITDA effect from Hydrogen



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APPENDIX

Q4 & FY 2018 Group income statement

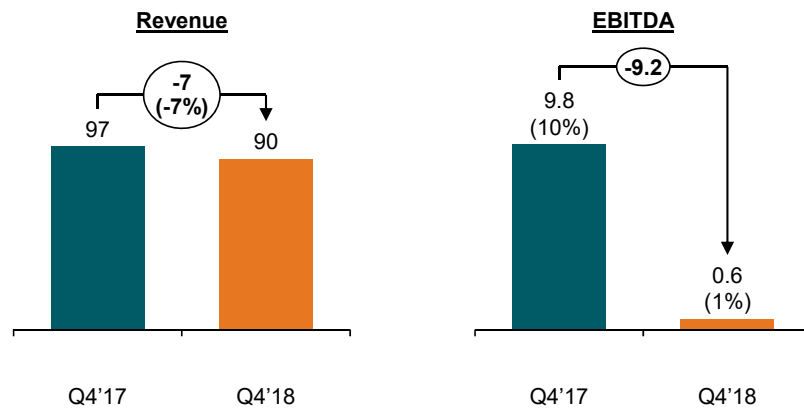
NOK MILLION	QUARTER			FULL YEAR ¹		
	Q4 2018	Q4 2017	Variance	FY 2018	FY 2017	Variance
Revenue	426.8	358.5	68.3	1,486.5	1,429.4	57.1
Operating expenses	(390.0)	(318.5)	(71.4)	(1,360.5)	(1,255.4)	(105.1)
Earn-out obligation reversal	18.4	0.0	18.4	108.5	0.0	108.5
EBITDA	55.2	39.9	15.3	234.6	174.0	60.6
Depreciation on tangibles	(12.7)	(13.5)	0.8	(53.2)	(52.4)	(0.8)
Amortisation and impairment	(23.3)	(6.7)	(16.6)	(41.1)	(22.3)	(18.8)
EBIT	19.2	19.7	(0.5)	140.2	99.3	41.0
Share of profit/(loss) from associates	18.1	(12.5)	30.6	30.5	(3.0)	33.5
Amortisation of associates intangibles	(3.5)	(3.4)	(0.1)	(13.4)	(13.6)	0.2
Other financial items (net)	7.6	(1.6)	9.2	10.3	(34.4)	44.7
Profit/(loss) before tax	41.4	2.2	39.2	167.6	48.2	119.4
Tax expense	(14.2)	28.6	(42.7)	(22.1)	21.2	(43.4)
Profit/(loss) after tax	27.3	30.8	(3.5)	145.5	69.5	76.0
EBITDA %	12.9 %	11.1 %		15.8 %	12.2 %	
EBIT %	4.5 %	5.5 %		9.4 %	6.9 %	
Profit/(loss) after tax %	6.4 %	8.6 %		9.8 %	4.9 %	

¹2018 = Preliminary and unaudited

Segment financial highlights Q4 2018

Hexagon Hydrogen & LDV

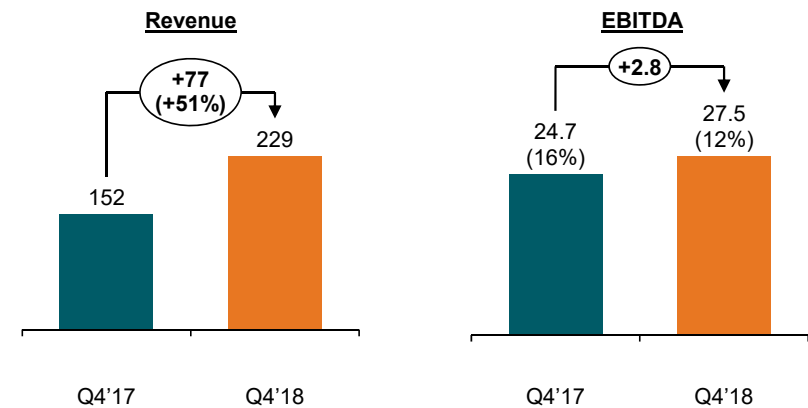
NOKm. Note: 2017 = Pro-forma



- Flat quarter year-over-year with continued delayed LDV sales due to WLTP
- Investing in future H2 growth dilutes EBITDA by NOK 13.6m

Hexagon Mobile Pipelines & Other

NOKm. Note: 2017 = Pro-forma



- Strong sales volumes, particularly in North America

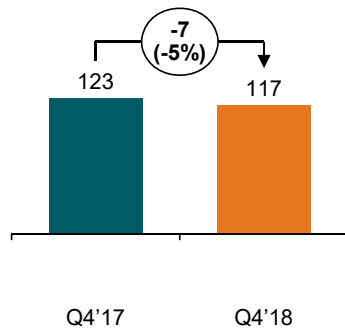
Segment financial highlights Q4 2018

Hexagon Ragasco (LPG)

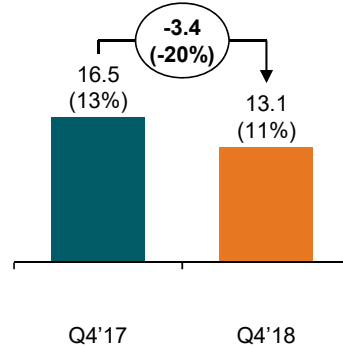
NOKm



Revenue



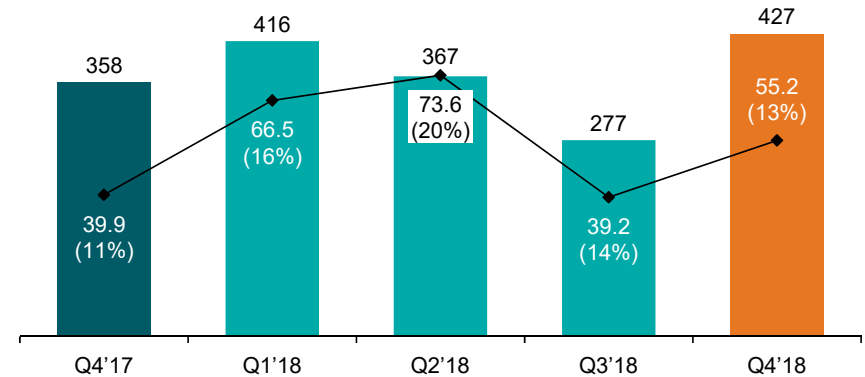
EBITDA



- Revenues primarily from Asian and core European markets
- Product mix effects drives EBITDA lower year-over-year

Hexagon Group total¹

Revenues, EBITDA and EBITDA margin
NOKm



- Good quarter in revenue terms with +19% growth vs. Q4 last year, and the strongest quarter reported in 2018

¹ After all eliminations

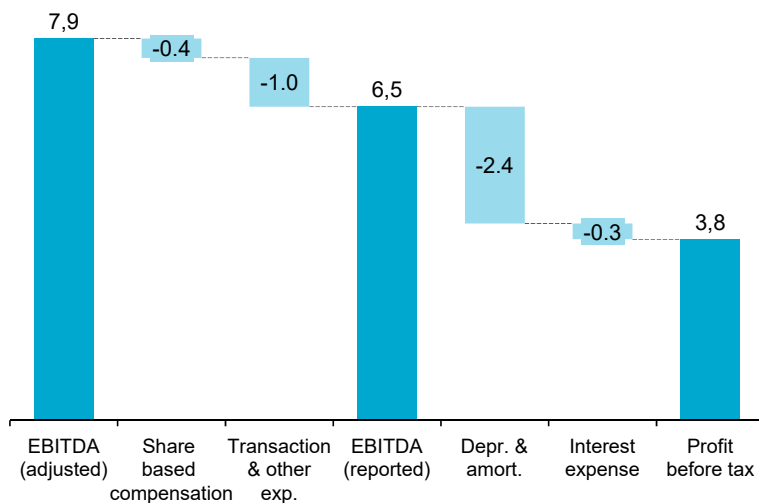
Agility Fuel Solutions: Q4 2018

Result to Hexagon Group per equity accounting method



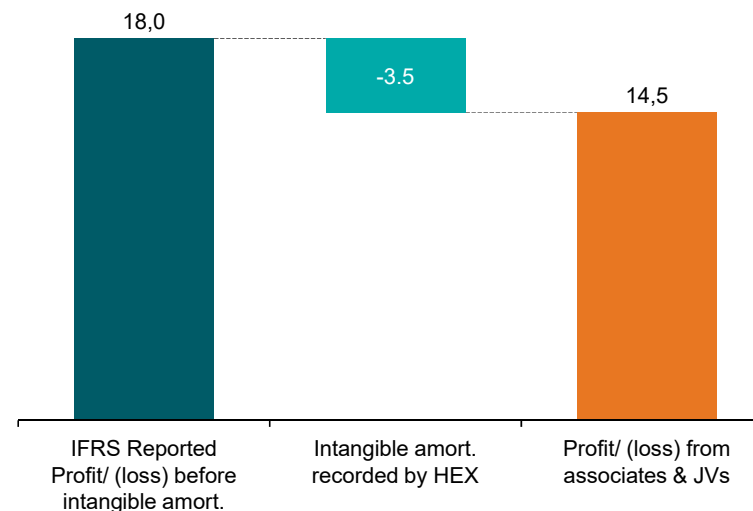
Q4 2018 AFS EBITDA to profit before tax

USDm



Agility impact to Q4 Group P&L

NOKm



Proforma P&L for Agility Fuel Solutions acquisition

Preliminary estimates subject to final review, audit and PPA adjustment for end Q1 2019



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Pro-forma 2018 P&L	Hexagon					Agility ¹					Eliminations & Adjustments					Pro-forma HEX + AFS				
	Q1'18	Q2'18	Q3'18	Q4'18	FY'18	Q1'18	Q2'18	Q3'18	Q4'18	FY'18	Q1'18	Q2'18	Q3'18	Q4'18	FY'18	Q1'18	Q2'18	Q3'18	Q4'18	FY'18
Revenue	416.3	366.8	276.7	426.8	1,486.5	283.5	308.4	390.9	435.9	1,418.8	(3.3)	(4.9)	(6.8)	(4.0)	(19.0)	696.5	670.3	660.9	858.6	2,886.2
Operating expenses	(349.7)	(333.1)	(287.7)	(390.0)	(1,360.5)	(274.4)	(293.2)	(353.0)	(380.8)	(1,301.4)	7.8	9.5	12.1	2.0	31.4	(616.3)	(616.7)	(628.6)	(768.7)	(2,630.4)
Earn-out obligation reversal	0.0	40.0	50.2	18.4	108.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.0	50.2	18.4	108.5
EBITDA	66.5	73.6	39.2	55.2	234.6	9.1	15.3	37.9	55.1	117.4	4.5	4.6	5.3	(2.0)	12.4	80.2	93.5	82.4	108.3	364.4
Depreciation	(13.2)	(13.4)	(13.9)	(12.7)	(53.2)	(13.9)	(14.1)	(15.5)	(16.0)	(59.5)	0.0	0.0	0.0	0.0	0.0	(27.1)	(27.5)	(29.5)	(28.7)	(112.7)
Amortisation and impairment	(6.0)	(5.9)	(5.9)	(23.3)	(41.1)	(4.3)	(4.3)	(4.5)	(4.6)	(17.7)	(0.9)	(0.9)	(0.9)	(1.0)	(3.6)	(11.1)	(11.2)	(11.3)	(28.8)	(62.5)
EBIT	47.3	54.3	19.4	19.2	140.2	(9.0)	(3.2)	17.8	34.6	40.1	3.6	3.7	4.5	(3.0)	8.8	42.0	54.8	41.6	50.8	189.2
Share of profit/(loss) from associates	(0.9)	1.8	11.5	18.1	30.5	0.0	0.0	0.0	0.0	0.0	0.9	(1.8)	(11.5)	(18.1)	(30.5)	0.0	0.0	0.0	0.0	0.0
Amortisation of associates intangibles	(3.2)	(3.3)	(3.4)	(3.5)	(13.4)	0.0	0.0	0.0	0.0	0.0	3.2	3.3	3.4	3.5	13.4	0.0	0.0	0.0	0.0	0.0
Other financial items (net)	(11.9)	16.2	(1.6)	7.6	10.3	(1.8)	(1.1)	(1.8)	(2.8)	(7.4)	(14.4)	(14.4)	(14.4)	(14.4)	(57.8)	(28.1)	0.7	(17.9)	(9.6)	(54.9)
Profit/(loss) before tax	31.3	69.0	25.9	41.4	167.6	(10.7)	(4.3)	16.0	31.8	32.7	(6.7)	(9.2)	(18.1)	(32.0)	(66.0)	13.8	55.5	23.8	41.2	134.3
Tax expense	(8.2)	(6.4)	6.7	(14.2)	(22.1)	(0.8)	(0.9)	(7.1)	(18.0)	(26.9)	5.6	(6.5)	(5.5)	21.9	15.4	(3.5)	(13.9)	(5.9)	(10.3)	(33.6)
Profit/(loss) after tax	23.1	62.6	32.6	27.3	145.5	(11.6)	(5.2)	8.8	13.8	5.8	(1.1)	(15.8)	(23.6)	(10.1)	(50.6)	10.4	41.6	17.8	30.9	100.7
Reported EBITDA	66.5	73.6	39.2	55.2	234.6	9.1	15.3	37.9	55.1	117.4	4.5	4.6	5.3	(2.0)	12.4	80.2	93.5	82.4	108.3	364.4
B&S and vested stock compensation	2.0	3.4	3.3	4.1	12.8	9.5	9.7	10.6	3.4	33.2	(4.5)	(4.6)	(5.3)	2.0	(12.4)	7.0	8.5	8.5	9.5	33.6
Adjusted EBITDA	68.5	77.0	42.5	59.4	247.4	18.6	25.0	48.4	58.5	150.5	0.0	0.0	0.0	0.0	0.0	87.2	102.0	90.9	117.9	397.9
EBITDA margin	16%	20%	14%	13%	16%	3%	5%	10%	13%	8%	n.a.	n.a.	n.a.	n.a.	n.a.	12%	14%	12%	13%	13%
Adjusted EBITDA margin	16%	21%	15%	14%	17%	7%	8%	12%	13%	11%	n.a.	n.a.	n.a.	n.a.	n.a.	13%	15%	14%	14%	14%

Notes:

1: P&L converted quarterly at average USD:NOK for the relevant quarter; Balance Sheet converted at quarter end rate