Hexagon to acquire Agility Fuel Solutions

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Agenda

- Investment at a glance
- About Agility
- Market update
- Financials

Two market leaders are uniting

Agility® fuel solutions

HEXAGON™

Driving energy transformation

Investment highlight

- To acquire remaining interests of Agility Fuel Solutions from Element Partners, Cummins and founders
- Equity value USD 125m (approx. NOK 1.0bn)
- Signing on 8 November, closing January 2019
- Bridge facility secures financing, followed by bond issuance

Investment rationale

- Take advantage of favourable macro dynamics
  - Fuel price spreads
  - Payback times
- Economic and environmental benefits drive market adoption
- Secure No.1 position as the integrated clean fuel systems provider
- Accelerate Hexagon's green-tech strategy
- Accretive investment for shareholders
  - Fully consolidate financials into Group accounts

Hexagon Composites Group

Global market leader in all segments

HEXAGON PURUS

**Hydrogen &
CNG Light-Duty Vehicles**

HEXAGON MOBILE PIPELINES

Gas Transportation

HEXAGON RAGASCO

LPG

AGILITY FUEL SOLUTIONS

Medium and Heavy-Duty Vehicles

Who is Agility?

Agility overview

- #1 market position within alternative fuel solutions
  - Clean energy storage and delivery solutions
  - Unparalleled service expertise
- 415 employees, including 70 Agility technology experts
- Over 40,000 vehicles on the road today operating with Agility fuel systems

Medium & Heavy Duty Trucks, Bus and Refuse

Heavy Duty

Medium Duty

Transit Buses

Refuse Trucks

G-Mobility and E-Mobility Solutions

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Agility Alternative Fuel Strategy

Natural Gas & Biogas

- CNG cylinders
- CNG fuel storage systems
- Natural gas fuel systems and engines
- Complete vehicle integration

Propane

- Propane fuel systems and engines
- Propane tanks
- Complete vehicle integration
- Dispensers

Hydrogen

- Hydrogen fuel storage systems

Hybrid & Electric

- Modular battery packs
- Electric drivetrain and vehicle integration

A unique customer proposition

Complete clean fuel solutions for the alternative fuels market

Fuel Storage & Delivery

- Modular fuel storage and delivery systems
- CNG and hydrogen

High Pressure Cylinders

- Largest manufacturer of Type 4 composite cylinders globally

Powertrain Systems

- Integrated Power Train and Fuel Systems solutions
- Medium duty vehicle market: propane and CNG

Market update

Favourable market condition

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Greener and cleaner

- Global and local climate goals
- Demand for transport solutions meeting emission reduction regulations
- Commitment to reduced local emissions

Economic

- Attractive diesel and natural gas price delta
- Locally produced renewable gas reduces imports and dependency
- Available technology and infrastructure

Renewables & Natural Gas are expected to continue increasing their share of the global energy mix

+1.6%

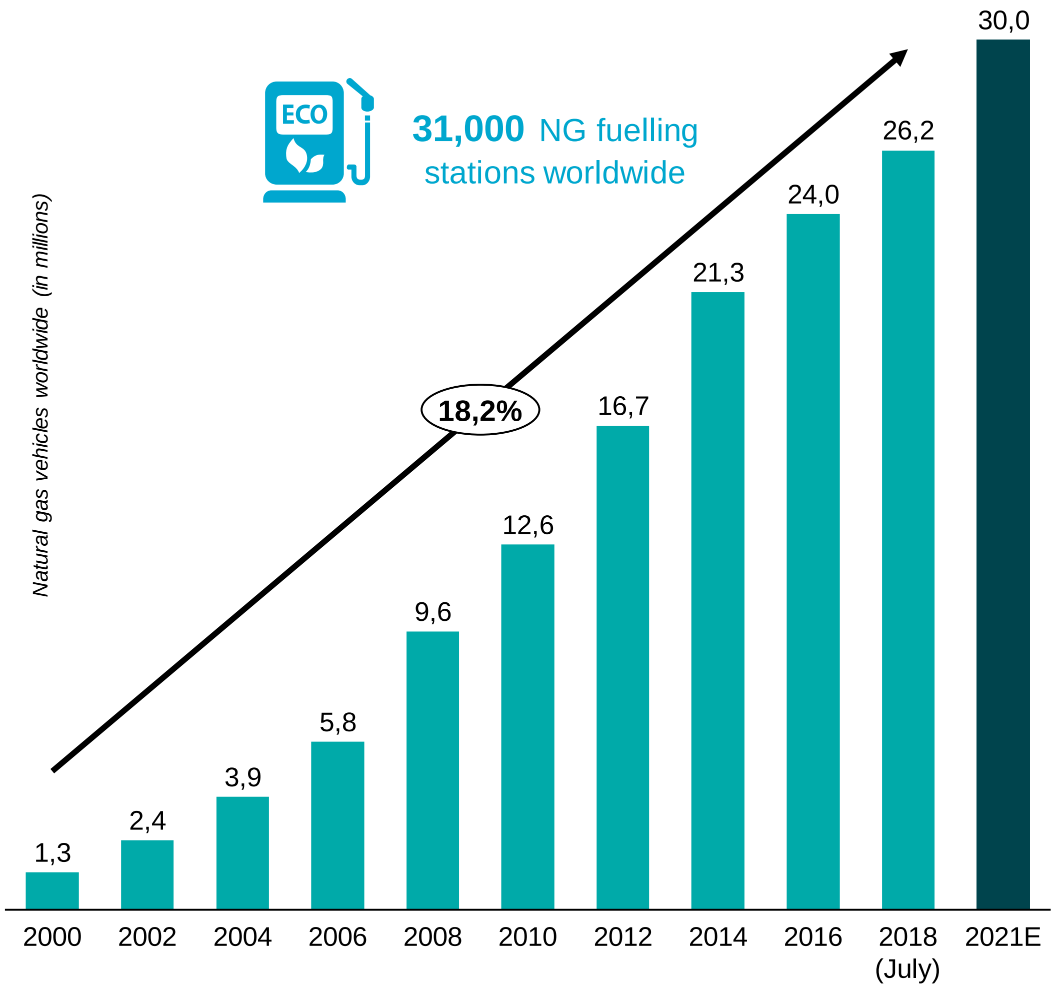
Natural gas fastest growing fossil fuel[1]

+7%

Renewables the fastest growing energy source[1]

Source: BP Annual Energy report, [1]Growth p.a

Global natural gas vehicles count



Going forward we assume that growth will accelerate, driven by..

1 Lower total cost of ownership for natural gas vehicles than diesel / gasoline

2 Lower greenhouse gas emissions than diesel/gasoline

3 Increased utilization of renewable biogas

4 Phasing out of diesel

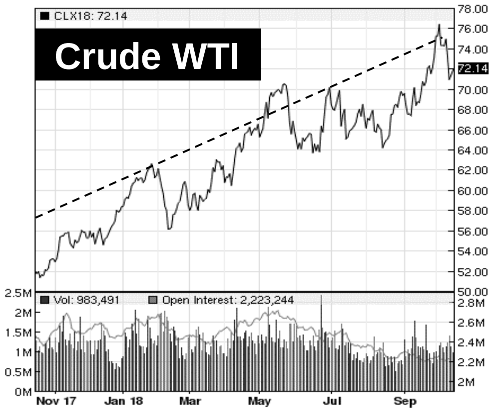
4 End-user subsidies of low-carbon technologies

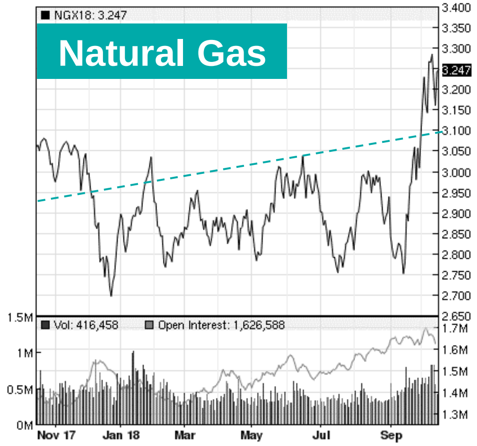
5 Growing number of natural gas fueling stations

Source: NGV Global Statistics

Fuel price spread is favorable

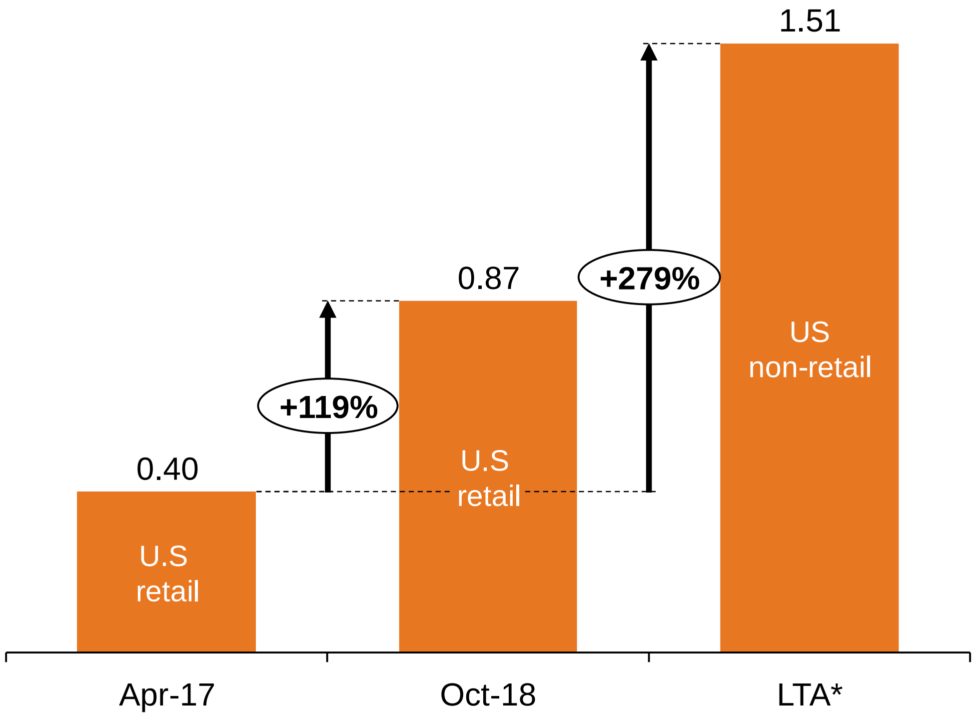
Price development last 12 months





Positive diesel vs CNG fuel price spreads

USD per diesel gallon equivalent



Oil price increase vs. stable natural gas price drives the fuel price spread in favor of CNG

Sources: EIA, NYMEX, cngprices.com, Agility Fuel Solutions, Hexagon Composites

** LTA: Long-term agreement for non-retail fleet CNG refueling*

Financial solutions reduce obstacles to adoption

- Oil major Total makes investment of USD 83.4m for 25% of shares of Clean Energy Fuels Corp
  - Complements their strategy of expanding low carbon business
- Strong validation of natural gas as transportation fuel
- Clean Energy to provide USD 100m financing for natural gas-powered heavy-duty trucks
  - Aiming to match the prices of comparable diesel trucks
  - Allows fuel savings from day 1 of purchase
  - Funding capability of ~2,000 new trucks

Clean Energy Fuels Corp. a leading provider of natural gas and RNG for transportation in North America, launched financing program

CNG adoption in the US

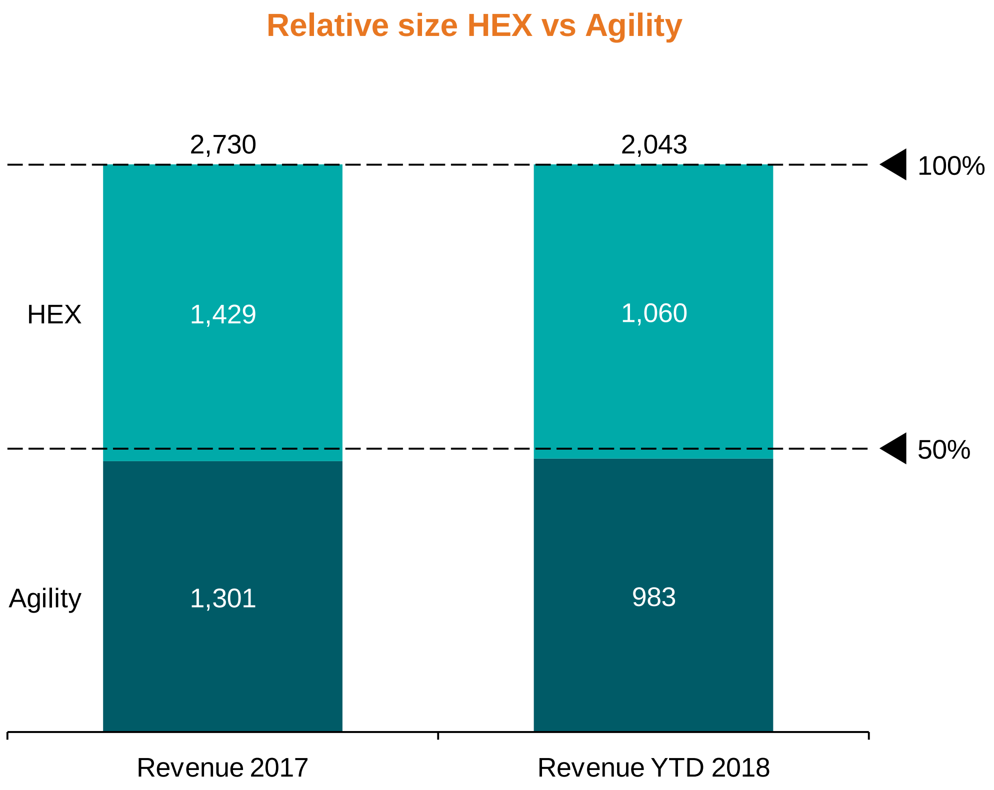
	% of fleet 2014 (BCG)	% of new orders 2018 (NGVA)	Total vehicles 2018 (NGVA)
Transit buses	30	↗ 35%	11 000
Refuse trucks	40	↗ 60%	17 000

Source: NGVA, BCG

Financials

Agility acquisition allows for full P&L consolidation

Revenue expansion (NOKbn)



Fully consolidated figures almost doubles Group revenues

Balance sheet expansion from acquisition

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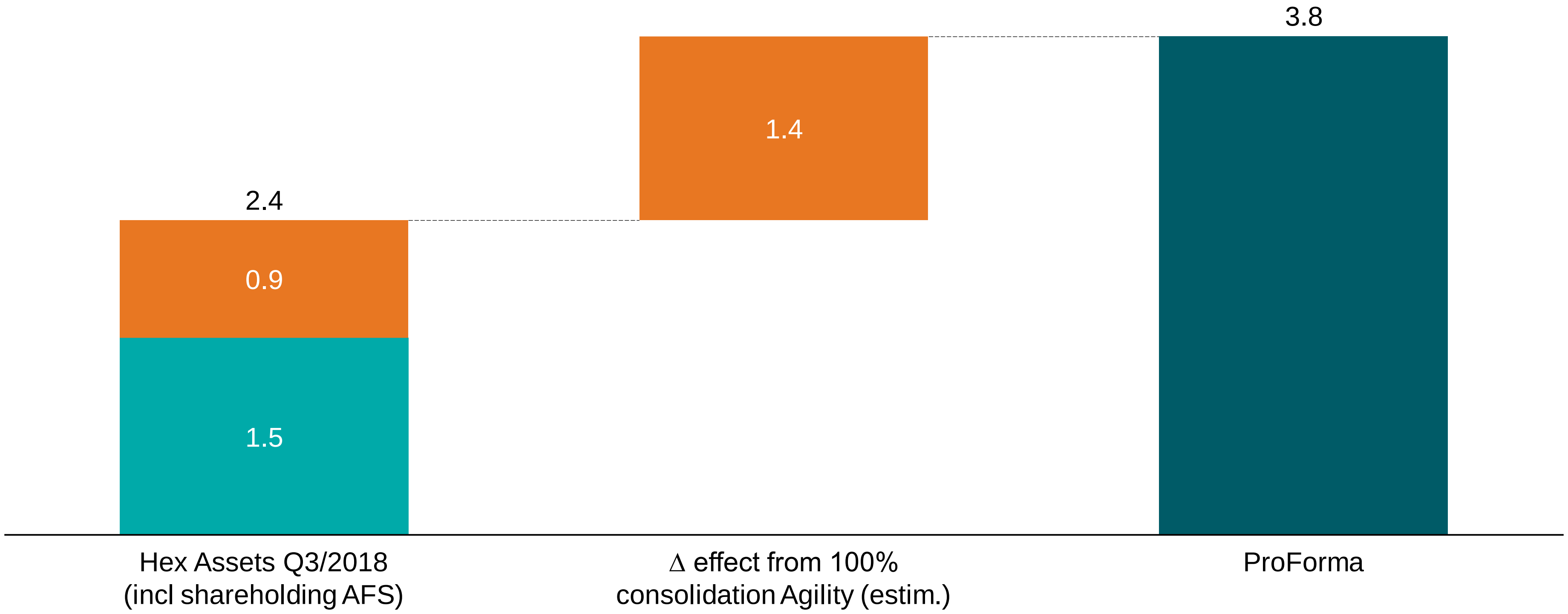
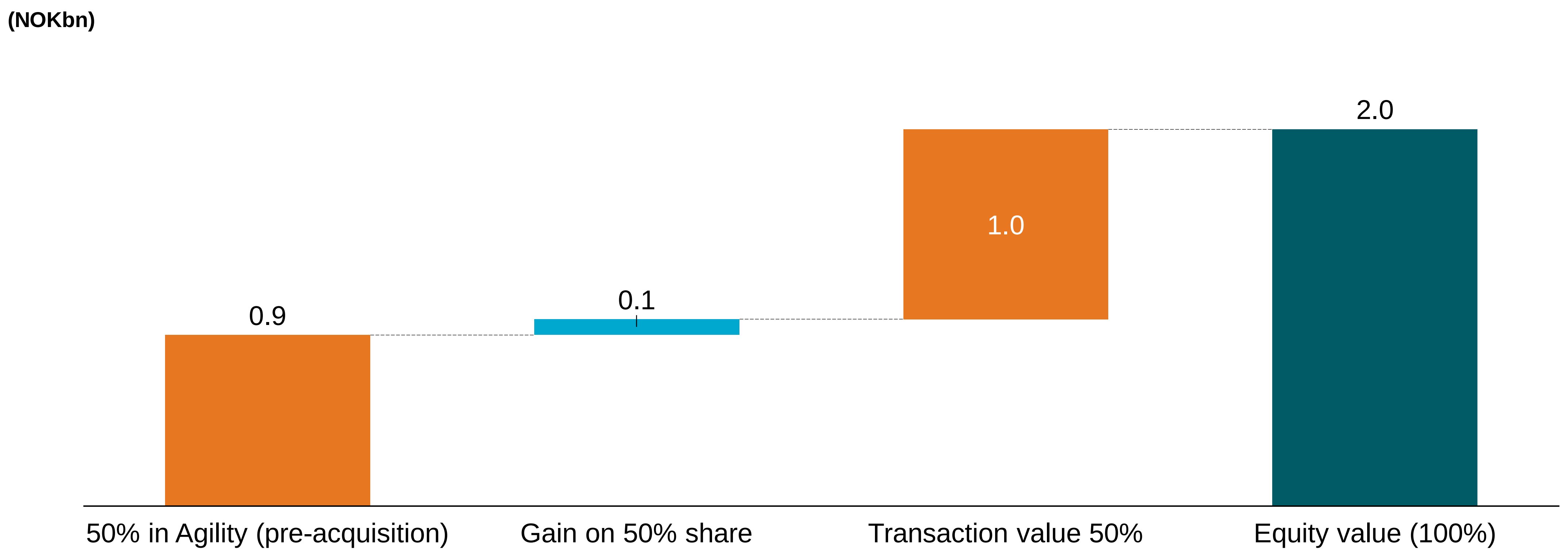
Assets (NOKbn)



Previously only accounted for as Investment in affiliates and JVs
Full consolidation expands the combined group

Value of shares in Agility



The equity value in the transaction implies a gain on existing 50% of shares

Appendix

Expanding our geographical footprint

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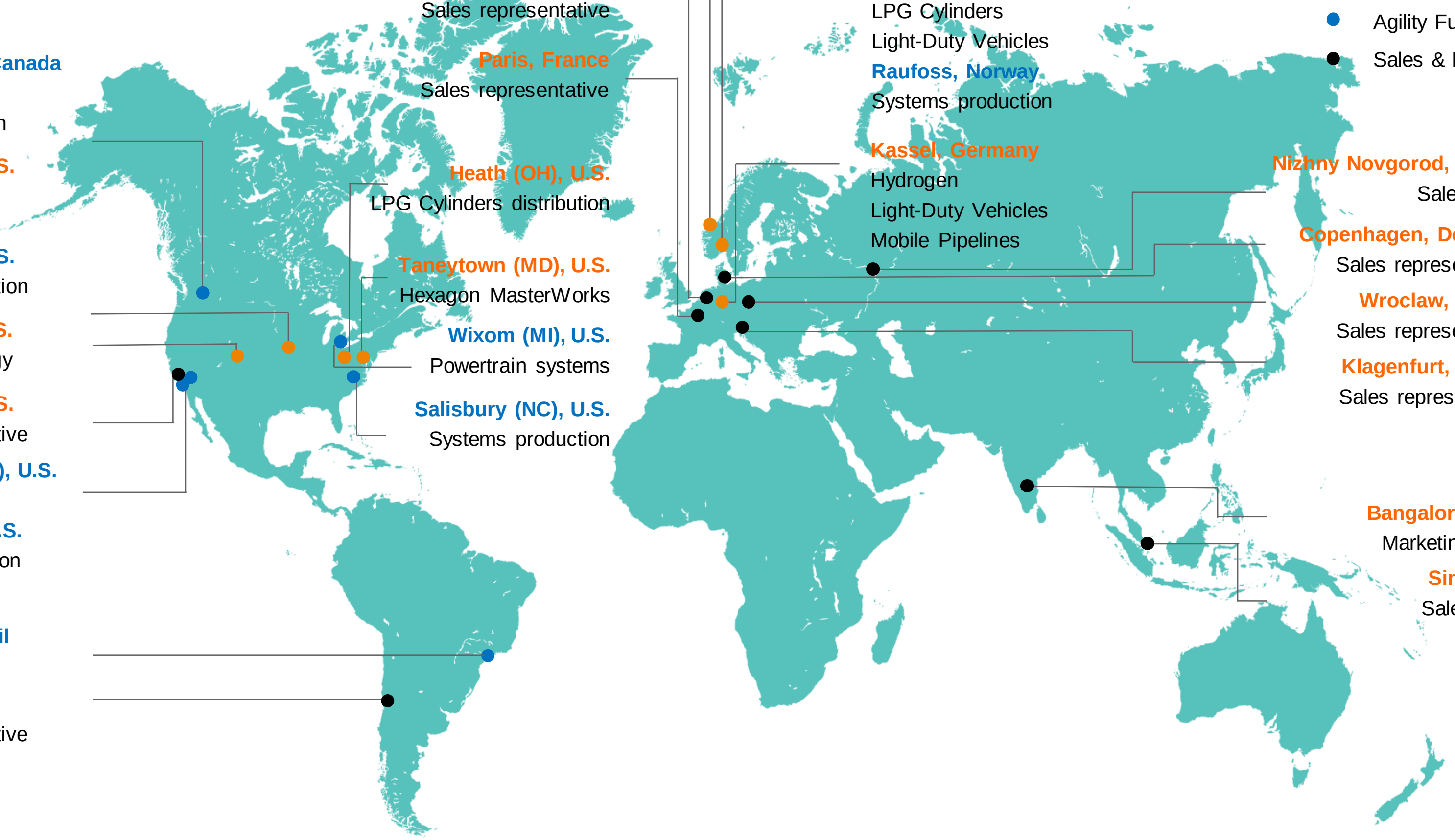
The extended Hexagon Composites Group totalling 850 employees

- Hexagon Group administration and production sites
- Agility Fuel Solutions
- Sales & Marketing offices and representatives



(As of November 2018)

Strong roots

1963
Lincoln Composites (US)
Type 3 CNG cylinders

1992
Raufoss Fuel Systems (NO)
Type 4 CNG cylinders

1998
Ragasco (NO)
LPG cylinders

2000
Hexagon Composites ASA

2001
xperion Energy & Environment (GE)
Type 4 CNG cylinders

2016
Mitsui & Co., Ltd. (JP) acquired 25.01% of Hexagon and a strategic alliance agreement was signed

2000 | 2001 | 2003 | 2005 | >>> | 2016 | 2018

Driving energy transformation