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Presentation of Hexagon Purus – a Hexagon Composites company



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PURUS

24 August 2020

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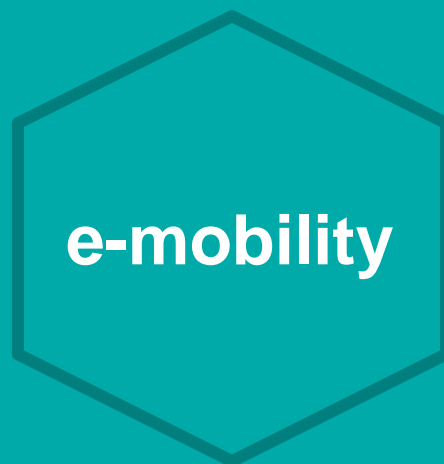
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Hexagon Purus to be spun off and listed as a separate company



With its unique legacy, Hexagon Purus is a global leader well positioned to support the shift towards zero emission transportation through its hydrogen cylinder/system, battery system and electric drivetrain technologies

Separating Hexagon Purus as a stand-alone company to strengthen both Hexagon's g-mobility and e-mobility (Hexagon Purus) businesses



Strategic rationale for separating e-mobility and g-mobility



Logical step from an industrial and financial perspective
- unlocking value by creating two focused companies



Individual strategic agendas and investment stories



Individual strategies for future funding, capital allocation and dividend policy



Hexagon Purus will be a pure-play e-mobility company attractively positioned to benefit from the tremendous growth in the e-mobility market



Hexagon will be a g-mobility-focused company with attractive profitability and an array of longer-term growth opportunities, targeting several initiatives to drive low-emission fuel adoption



Hexagon Purus – world leading within hydrogen cylinders / systems and electric drivetrain solutions

1

Hydrogen storage, cylinders and cylinder systems

Compressed hydrogen type 4 cylinders



Cylinder systems

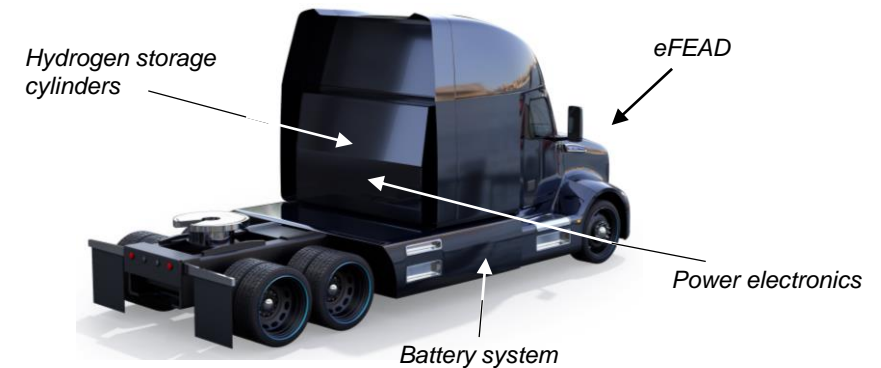


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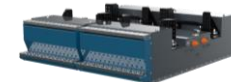
Battery systems and electric drivetrain integration

Powertrain integration for zero emissions medium and heavy-duty vehicles (BEV, FCEV, hybrids)

Example of parts Hexagon Purus integrate in fuel cell electric trucks



Modular battery system



Electric Front End Accessory Drive (eFEAD)





Creating a truly unique pure-play e-mobility company

- I** In pole position to benefit from game changing market opportunities for hydrogen and battery electric solutions globally driven by the ongoing ESG push towards a zero emission society
- II** Global leader in Type 4 cylinders, a key enabling technology for hydrogen mobility, set to accelerate growth in an addressable market that is expected to reach ~USD 7bn in 2030
- III** Unique hydrogen and battery systems as well as electric drivetrain integration capabilities meeting OEM standards
- IV** Strong customer relationships – notable early successes with major OEMs in North America, Europe and Asia
- V** Established manufacturing footprint with serial production and tier 1 supply capabilities
- VI** Positioned for significant growth with record-high activity and substantial expansion potential in China through announced partnership with CIMC ENRIC

Hexagon Purus – a global leader in the e-mobility space

Experienced executive team



CEO
Morten Holum



CFO
Dilip Warriar



EVP, LDC¹
Michael Kleschinski



EVP, Systems
Todd Sloan



SVP, Asia
Frank Häberli

Main locations



¹ Light Duty, Cylinders and Distribution

Decarbonization is high up on the global agenda – strong push to limit carbon emissions...

Covid-19 has given us the chance to build a low-carbon future
Christiana Figueres

Lockdown won't save the world from warming, but the pandemic is an opportunity to pursue a green economic recovery
● Christiana Figueres was head of the UN climate change convention that achieved the Paris agreement in 2015



▲ "In Europe, car manufacturers are pushing to loosen emissions standards." German chancellor Angela Merkel at Frankfurt Auto Show last year. Photographs: Sean Gallup/Getty Images

European Union to Spend 20 Billion Euros on Clean Cars

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Net zero by 2050: Diageo, H&M, and Rolls-Royce join drive to avert climate catastrophe

BY DAVID MEYER

May 6, 2020, 3:05 PM CEST



E&E NEWS CLIMATE Reducing China's CO₂ Emissions Would Curb Deadly Air Pollution in the U.S.

China's move away from fossil fuels would mean 2,000 fewer premature deaths in the U.S. by 2030

By John Falta, E&E News on July 26, 2019



Credit: Wanfa Dong/Getty Images

China's pledge to cut its carbon dioxide emissions beginning in 2030 includes a generous gift for its downwind neighbors: less deadly air pollution.

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UN Launches "Race to Zero" Ahead of Delayed COP 26 Climate Talks

STEVE ZWICK

The COVID-19 pandemic has pushed year-end climate talks back to late 2021, but the UN's Climate Ambition Alliance is using the extra year to promote a "Race to Zero" emissions designed to ensure the post-pandemic economic recovery is a green one.



British carbon tax leads to 93% drop in coal-fired electricity

by University College London



185 Parties that have ratified the Paris Agreement to date out of 197 parties to the UNFCCC

66 Countries that have announced net zero emissions as a target by 2050



...placing hydrogen in the fast lane as a key zero emission solution

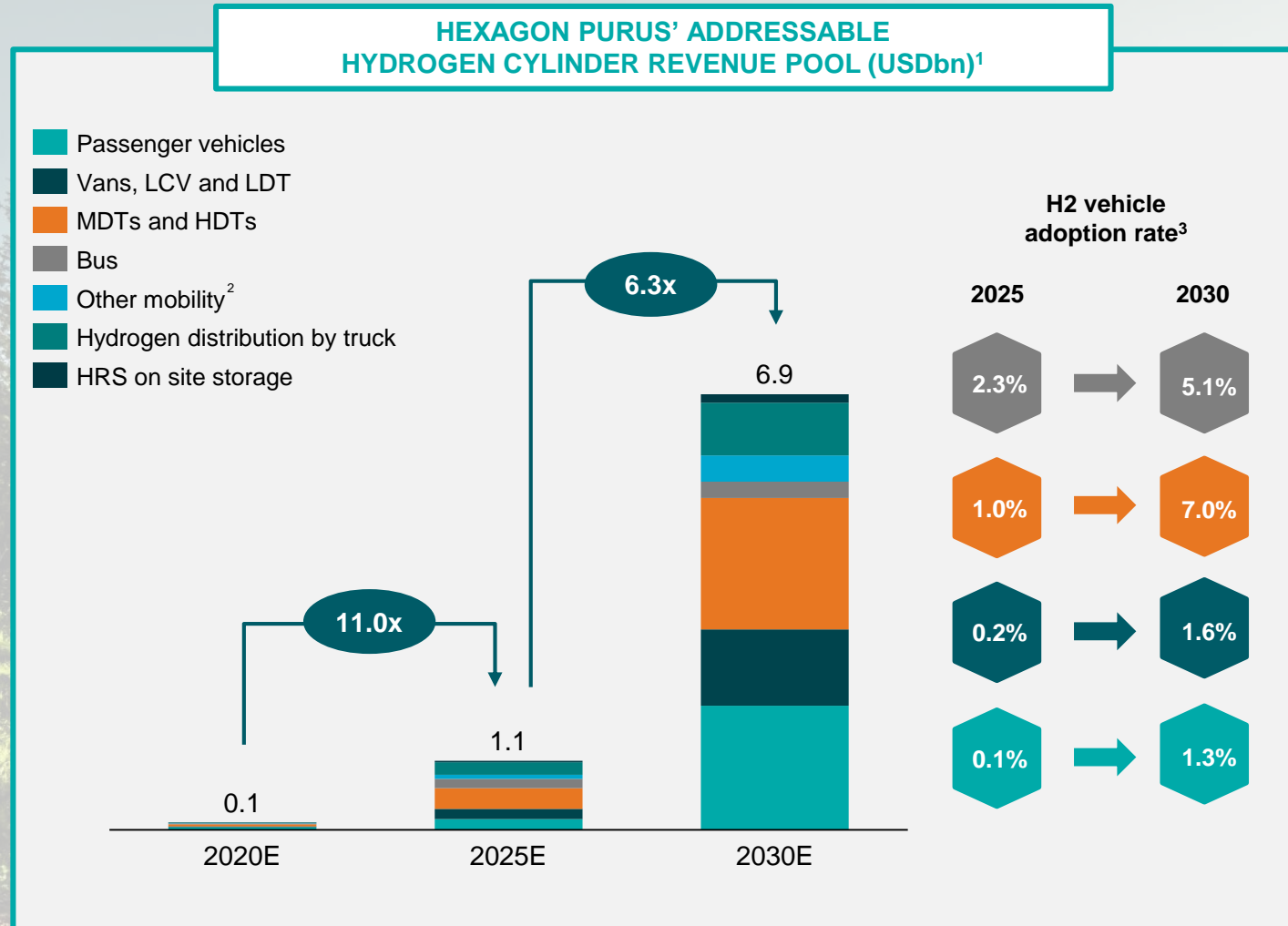


Transportation is responsible for almost 20% of global CO2 emissions

Average CO2 emissions need to decrease by 70% per passenger km

Existing zero emission technologies available at scale by 2025

Hexagon Purus in pole position to benefit from the huge market opportunity – H2 cylinder market expected to grow to USD ~7bn



USD ~7bn hydrogen cylinder market revenue pool in 2030

Medium and heavy-duty trucks expected to make up a large part of Hexagon Purus' hydrogen cylinder market in 2030 (approx. ~30%)

China (~39%⁴) is expected to be the biggest market mid-term, followed by EU (~26%⁴) and the US (~14%⁴)

In partnership with CIMC ENRIC – strong growth in FCEVs and hydrogen infrastructure expected in China over the next decade



CIMC ENRIC



- Term sheet agreement for a strategic cooperation signed on 12 May 2020
- CIMC ENRIC is a leading Chinese manufacturer of clean energy equipment headquartered in Shenzhen, China, and listed in Hong Kong

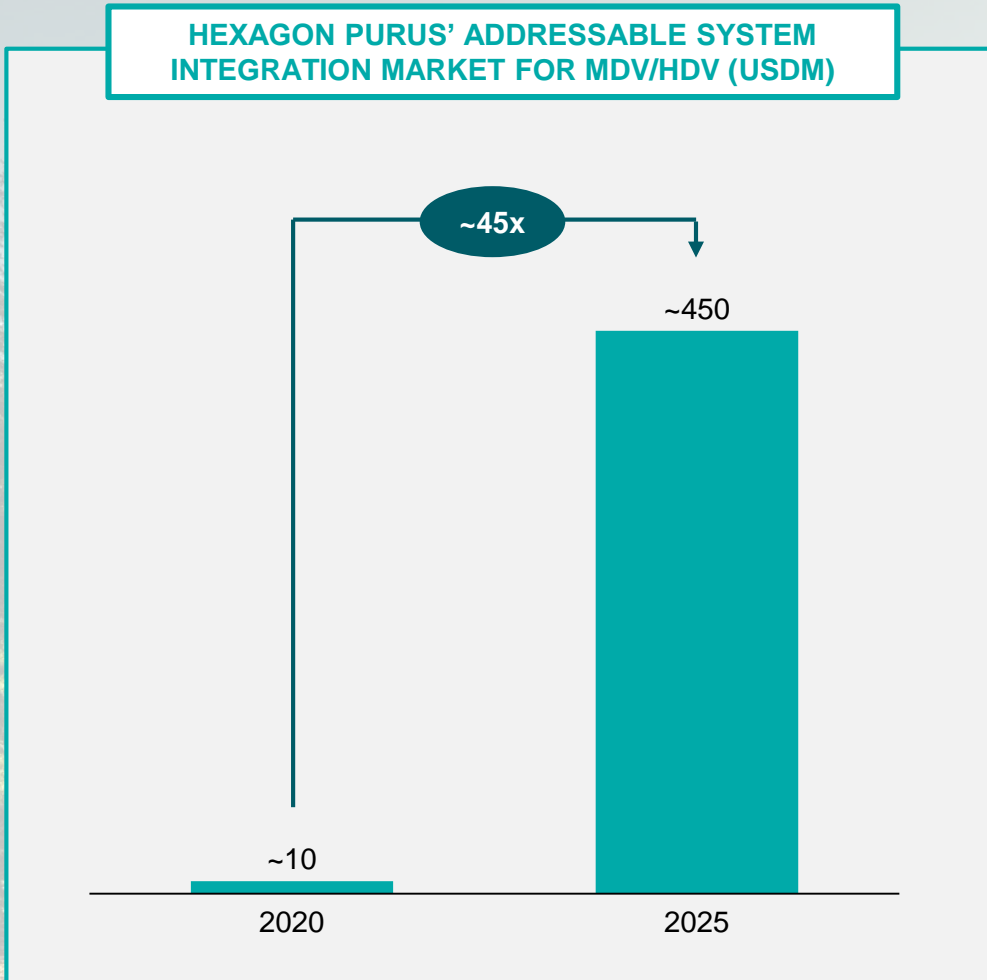
750,000
FCEVs in
2030

25%
of new car sales
to be zero
emissions by
2025

3,000
H2 refueling
stations in
2030

Tremendous growth in the market for system integration representing a key opportunity for Hexagon Purus

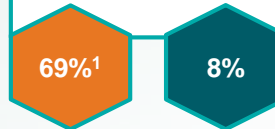
HEXAGON PURUS' ADDRESSABLE SYSTEM INTEGRATION MARKET FOR MDV/HDV (USDM)



Battery electric vehicles / system integration (BEV)



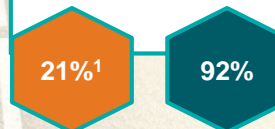
- ✓ US represent the main addressable market; still in early stage
- ✓ Serving multiple OEMs in various stages of developing native BEV platforms



Fuel cell electric vehicles (FCEV) / system integration



- ✓ US, Europe, China, Korea and Japan represent the key markets
- ✓ Currently relatively low volume (prototypes) with multiple OEM partners, but demand for FCEV powertrains expected to pick up significantly over the medium-term



Share of ZEV MDV/HDV market 2020



Share of ZEV MDV/HDV market 2030

Source: Company, third-party consultant, Hydrogen Council

¹ Hybrids constitutes the remainder of the market

Note: Share of Zero Emission Vehicles (ZEV) MDT/HDT market represents the global short-series volumes (sales) per technology as a % of total short-series production

Hexagon Purus is approaching the market from a clear leadership position

Hexagon Purus is the hydrogen Type 4 cylinder champion



World class type 4 high-pressure vessels

- ✓ Advanced technology and unique competence
- ✓ Industry-leading storage density
- ✓ Products adhering to highest safety and quality standards



Extensive experience and know-how

- ✓ >50 years of experience with composite high-pressure technology and clean fuel systems
- ✓ Broad ability to help customize products



Strong customer and strategic partnerships

- ✓ Unparalleled track record with world class customers
- ✓ High market shares
- ✓ Strategic partnership and joint venture with CIMC ENRIC



Unique industrial scale for high-volume production

- ✓ Flexible and scalable across cylinder specifications
- ✓ State-of-the art manufacturing methods
- ✓ More than 500 000 high-pressure cylinders delivered

Strong customer relationships across a variety of end-use applications



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1st iteration Toyota truck
(Photo: Toyota)



350 bar cylinders for the Xcelsior transit bus – operating in California, US



700 bar cylinders to Mercedes GLC-FCELL
(Photo: Daimler AG)



300 bar and 500 bar gas distribution modules for Linde
(Photo: Linde AG)



1st hydrogen vessel in the U.S; 70 ft hybrid hydrogen fuel cell battery catamaran to be sailing
(Photo: Golden Gate Zero Emission Marine)



World's 1st hydrogen-powered regional train Coradia iLint from Alstom, Germany
(Photo: Alstom)



950 bar cylinders in use at Western Canada's first retail hydrogen refuelling station
(Photo: HTEC Hydrogen Technology & Energy Corporation)



Battery packs for Daimler's two new battery electric truck models eCascadia and eM2, and additional system components for the eM2

Strong momentum continuing to build – entering Northeast Asian market for hydrogen-powered passenger cars...

20 August:

- ✓ Hexagon Purus nominated for serial supply of cylinders for a zero emission FCEV SUV
- ✓ First prototypes delivered by the end of 2020
- ✓ 2-year contract
- ✓ Estimated sales value of EUR 25m



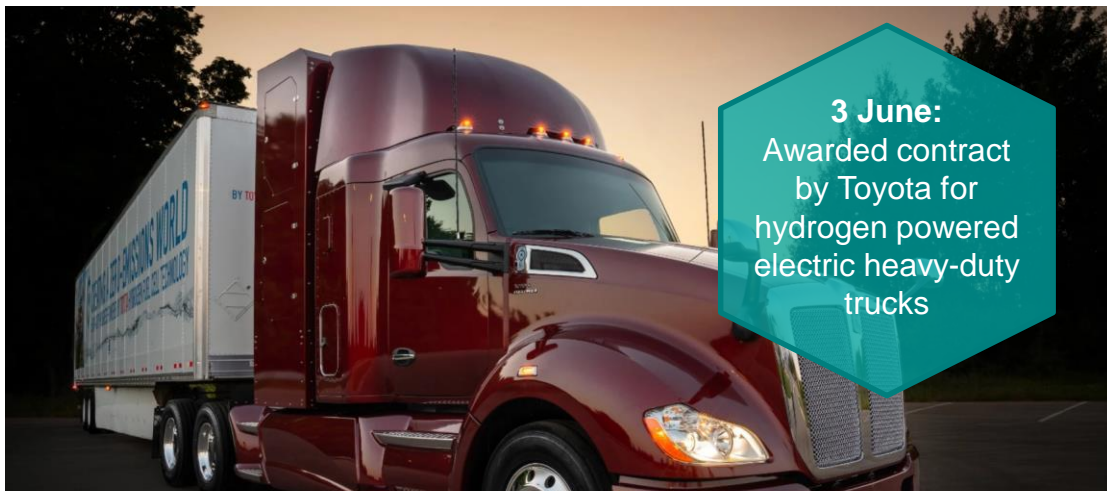
“Hydrogen is a key focus of Hexagon Purus. We are pleased to become an approved supplier to a major OEM in this large market, and to bring our leading Type 4 cylinder technology to a new innovative collaboration.”

- Michael Kleschinski, EVP Hexagon Purus



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...following a line of several recent key announcements...



3 June:
Awarded contract by Toyota for hydrogen powered electric heavy-duty trucks



18 July:
Received first contract to provide hydrogen transport modules in the US



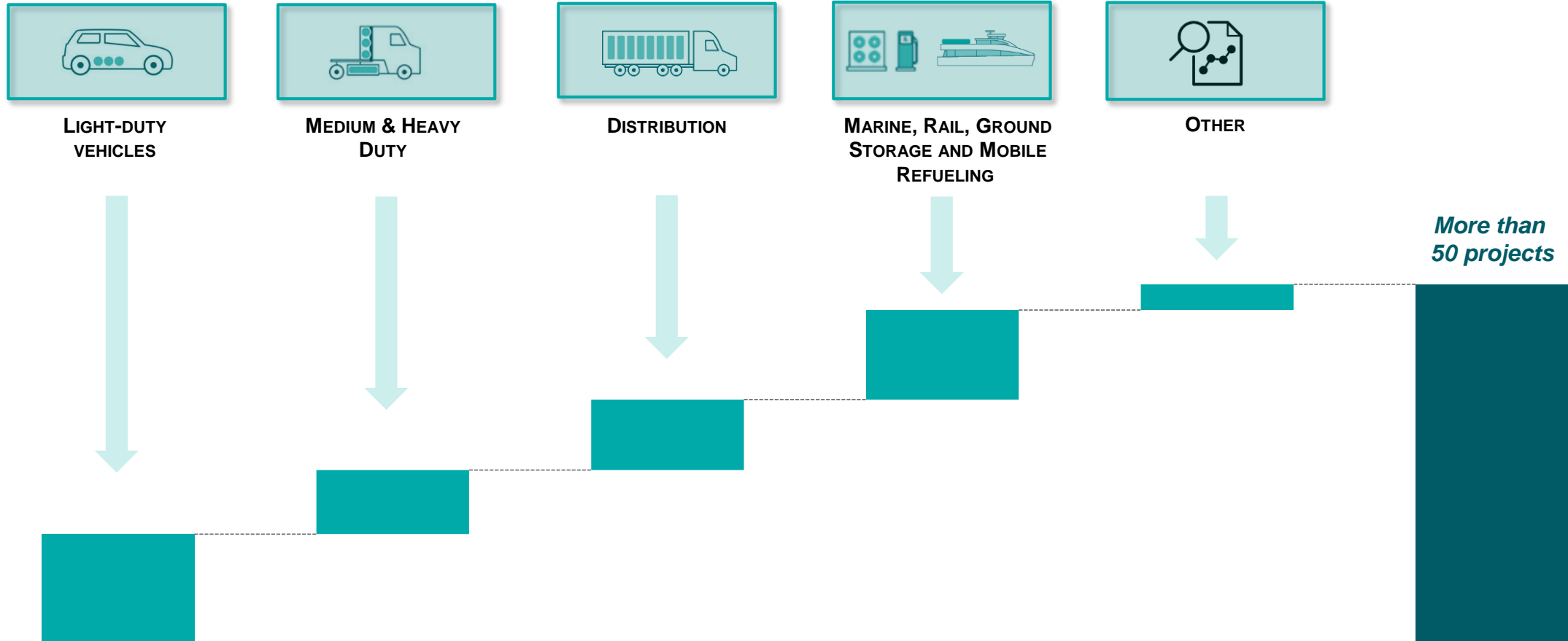
21 July:
Granted \$2.6m funding by the U.S Department of Energy



29 July:
Awarded contract to produce high-pressure cylinders for a major new aerospace customer

Photo: iStockphoto. For illustration purposes only

...and a project pipeline supporting acceleration of growth in concert with the market



High number of hydrogen development projects across all segments



Creating a truly unique pure-play e-mobility company

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A. Appendix



Hexagon Purus in brief – global leader in the e-mobility space

Market segments

Medium & Heavy-Duty Vehicles



Light-Duty Vehicles



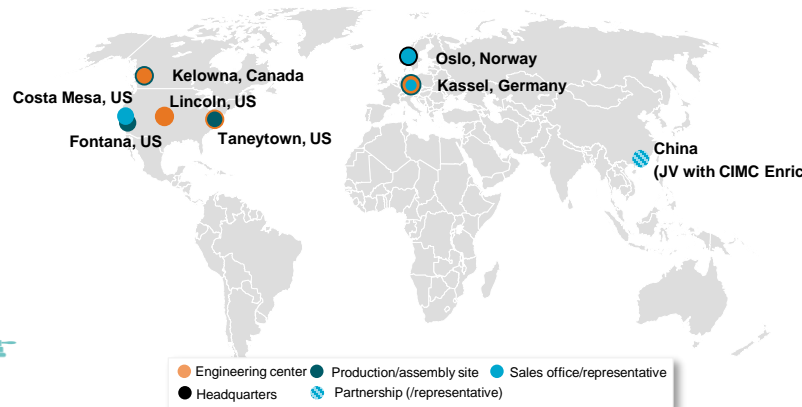
Distribution



Other



Main locations



State-of-the-art technology



Type 4 hydrogen cylinder

- ✓ Hexagon Purus' high-pressure Type 4 cylinders are a key enabler of FCEVs, hydrogen storage and distribution
- ✓ Hexagon Purus delivers complete BEV & FCEV drivetrains, hydrogen and battery systems for medium- and heavy-duty vehicles
- ✓ Able to store energy at industry-leading storage density with uncompromised safety
- ✓ Optimal combination of weight, efficiency and durability



Modular battery pack

Blue-chip customers and partnerships



Northeast Asian OEM with global presence

Experienced key management



CEO
Morten Holum



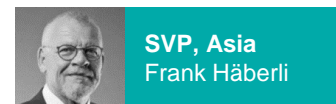
EVP, LDC
Michael Kleschinski



EVP, Systems
Todd Sloan



CFO
Dilip Warriar



SVP, Asia
Frank Häberli

The history of Hexagon Purus in short

- 1963: First filament wound product Lincoln Composites begins filament wound rocket motor cases for NASA
- 2006-2010: Market development of type 4 high-pressure systems as well as high pressure cylinders for hydrogen. Secures Daimler and Linde as anchor customer
- 2011: Strategic focus on the energy and mobility market
- 2016: Hexagon Composites acquires xperion and strengthens its position in hydrogen composite pressure vessel market
- Jan-20: Established as a stand-alone company to create a pure play on zero emission mobility applications

An important step for both Hexagon and Hexagon Purus - a stronger future for both groups



E-mobility / Hexagon Purus	Transportation, Distribution & Cylinders	Hydrogen solutions and cylinder systems
	H2/EV systems	Full powertrain integration for medium & heavy-duty commercial vehicles
	JV in China	JV with CIMC Enric, a leading Chinese clean energy equipment player
	MasterWorks	High-pressure cylinders for special applications, including aerospace

e-mobility

ZERO EMISSION



Battery Electric



Hydrogen

G-mobility / Hexagon	Agility	CNG fuel solutions for medium and heavy-duty vehicles
	Mobile Pipeline	Gas transportation
	Ragasco	LPG cylinders
	Digital Wave	Cylinder testing equipment and associated inspection services
	LDV (CNG business)	Cylinder and cylinder systems for CNG mobility

g-mobility

LOW EMISSION



Compressed Natural Gas



Biogas / Renewable natural gas



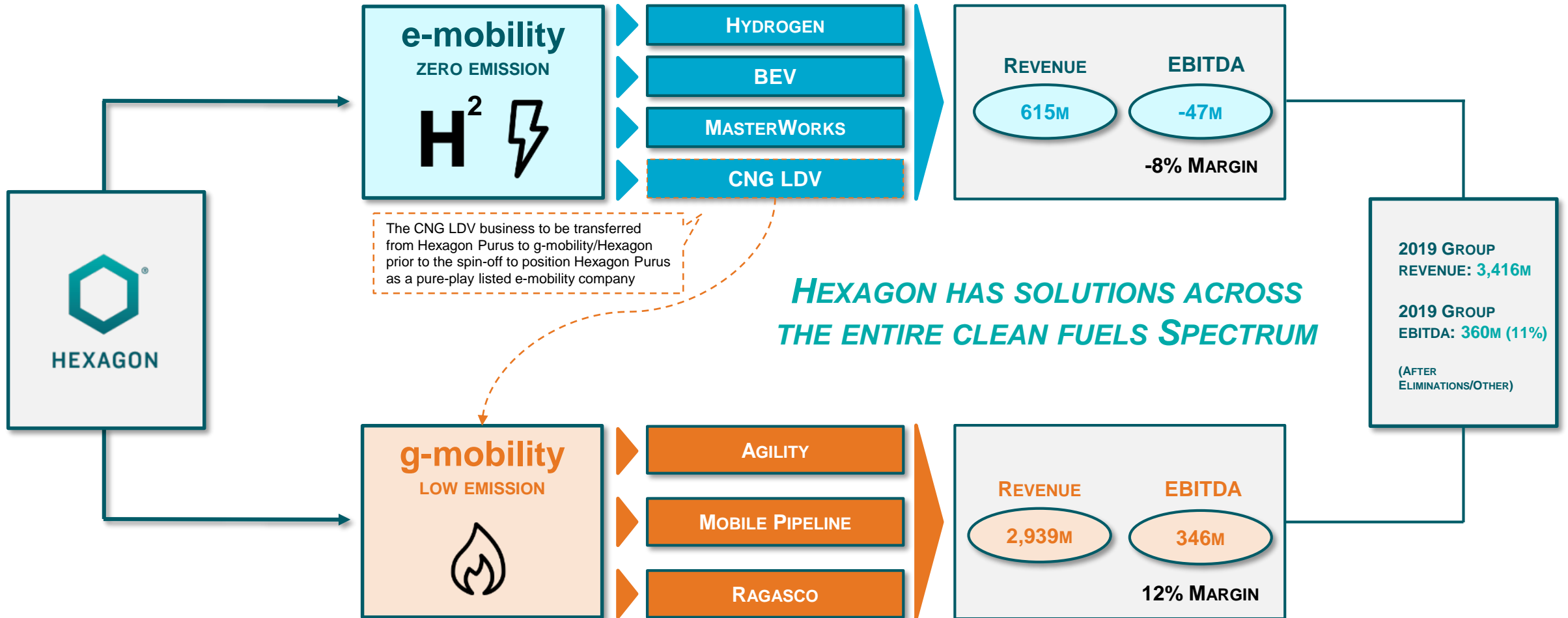
Liquefied petroleum gas

FY 2019 | e-mobility & g-mobility financials*, NOKm

Solid base with profitable g-mobility business, supports major future growth in e-mobility



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*Preliminary unaudited pro-forma figures after adjusting for reorganizations of e-mobility business units



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DRIVING ENERGY TRANSFORMATION