

HEXAGON PURUS Q4 2020 PRESENTATION

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MORTEN HOLUM, CEO

DILIP WARRIER, CFO



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Agenda

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HEXAGON PURUS
IN BRIEF

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HIGHLIGHTS FROM
Q4 2020

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OUTLOOK AND Q&A

Hexagon Purus in brief

Driving the hydrogen transition



**Zero
emission**

**Hexagon Purus is a global leader in key technologies needed for
zero emission mobility**

The green shift has crossed the tipping point...

The need for decarbonization drives tighter carbon emissions standards and clean mobility incentives

Large number of countries committing to "new green deal" programs

Global investments shifting towards green energy & zero emission technologies

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

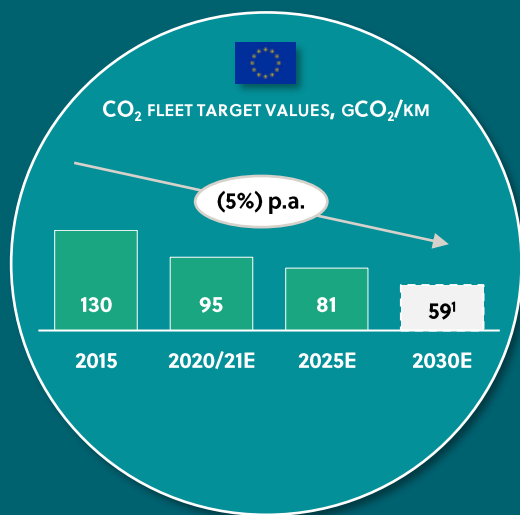
Hydrogen is necessary to decarbonize "hard-to-abate" sectors

EU is investing up to EUR 470bn in renewable hydrogen by 2050

Cost of hydrogen is projected to decrease by up to 50% by 2030

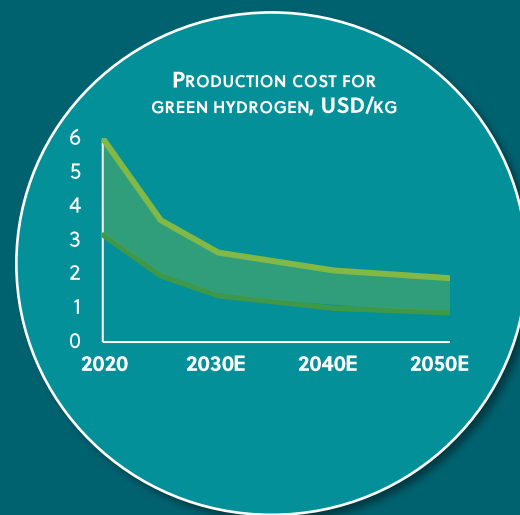
Key levers to drive hydrogen adoption are moving in the right direction

POLICIES AND REGULATION



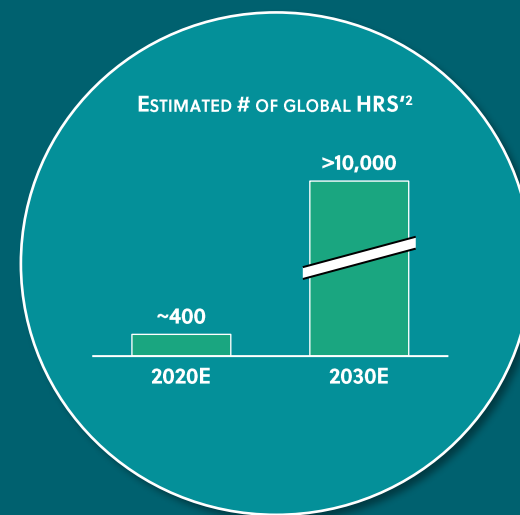
- National decarbonization targets is the core regulatory driver to support hydrogen deployment
- Emission targets forcing OEMs to develop non-carbon vehicle platforms

HYDROGEN TCO



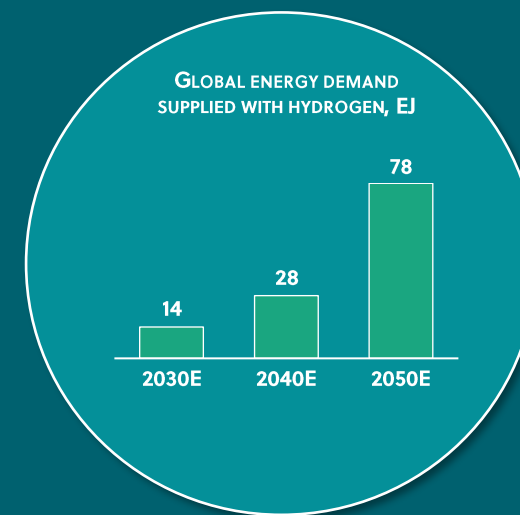
- Cost of renewable energy and hydrogen technologies expected to rapidly fall
- Estimates indicate that TCO parity with carbon fuels is achievable by mid-decade

INFRASTRUCTURE



- Infrastructure roll-out is accelerating
- Several global initiatives within hydrogen mobility, such as Hydrogen Mobility Europe

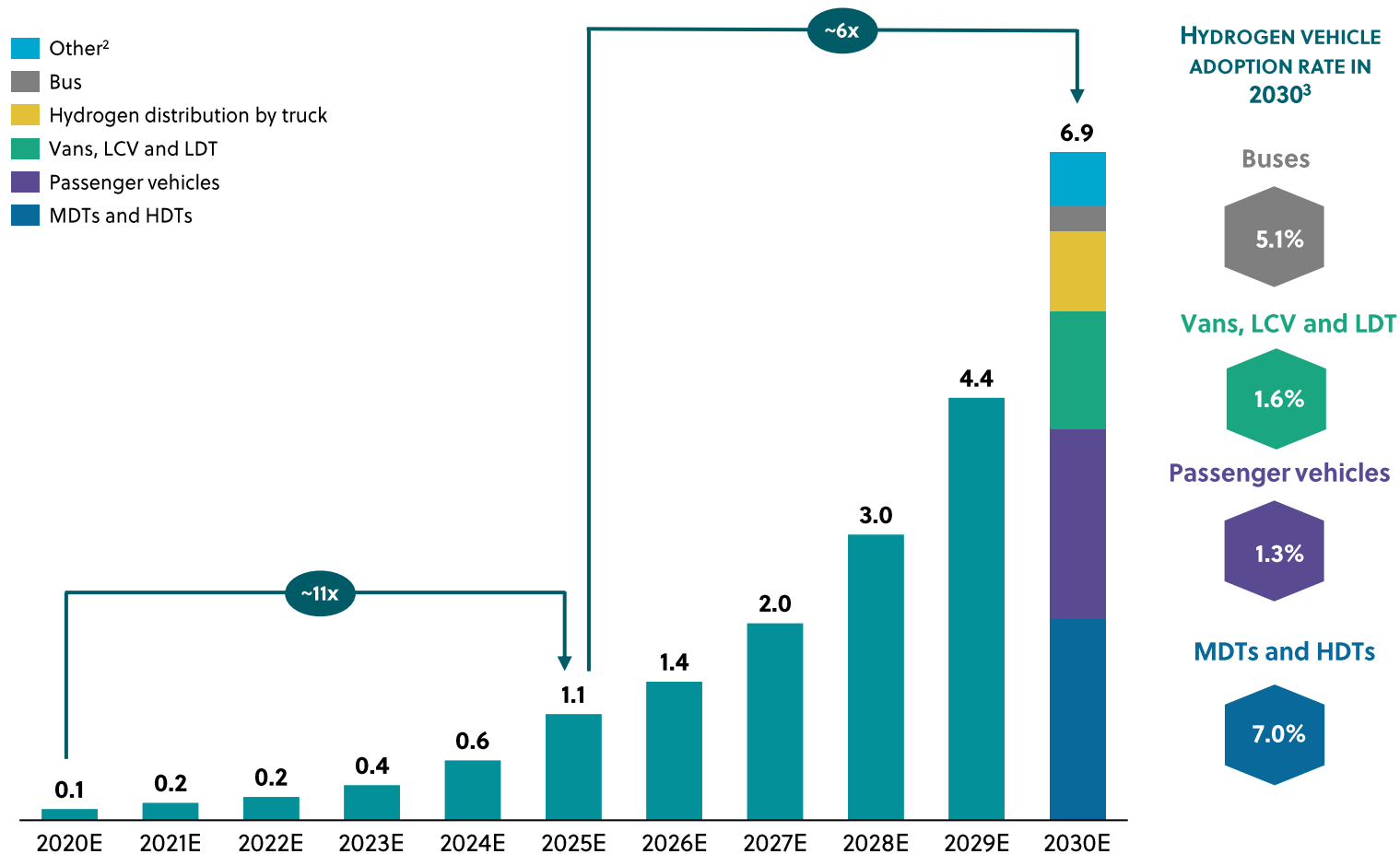
«MULTIPLIER» EFFECT



- Major industrial companies shifting efforts towards green energy
- Mass adoption of hydrogen across a wide range of applications will self-enhance the acceleration towards a zero-emission society

Sizeable market opportunity – hydrogen cylinder market expected to exceed USD ~7bn

Hexagon Purus' addressable hydrogen cylinder and cylinder systems revenue pool | USDbn¹



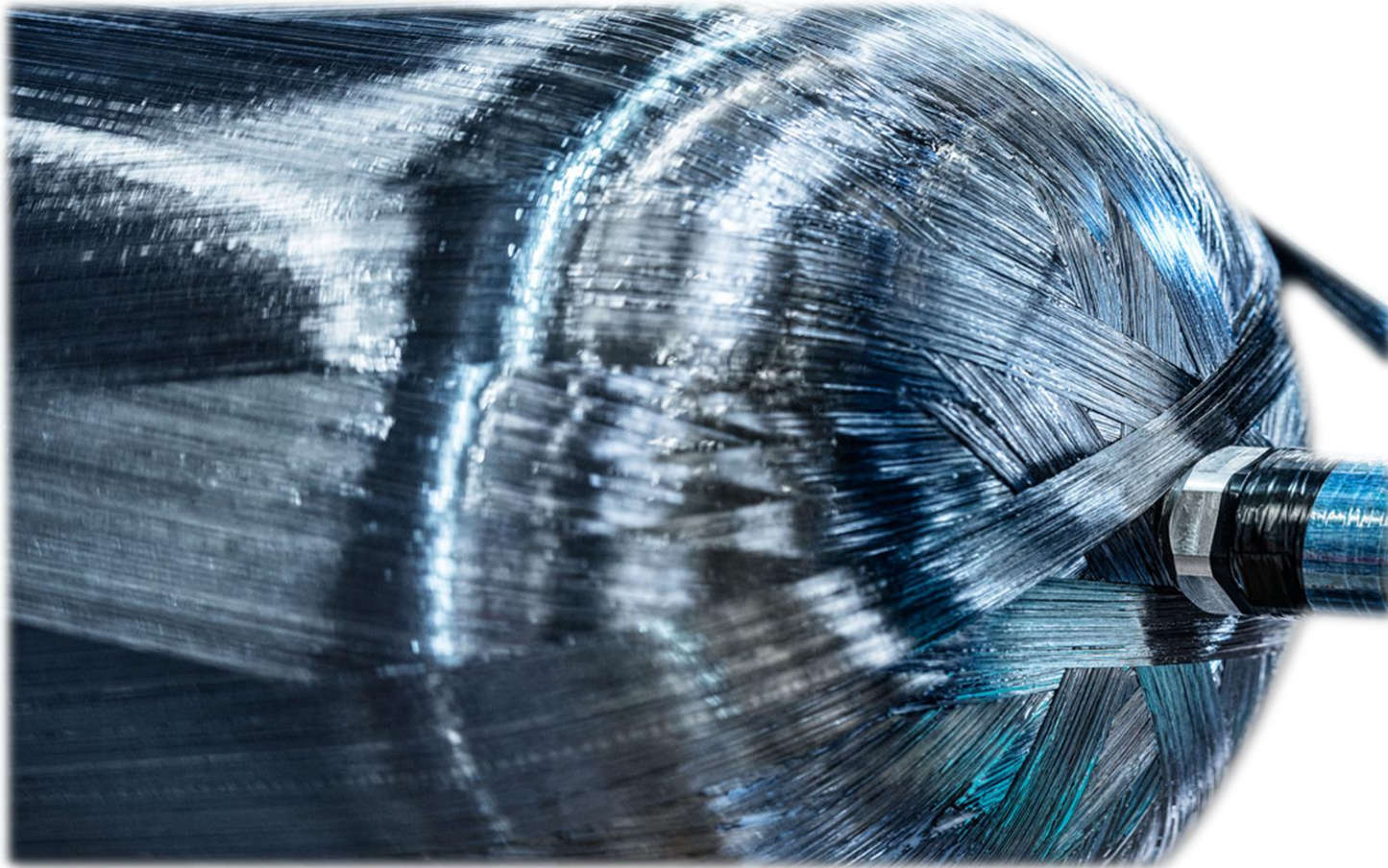
Addressable market for hydrogen cylinders expected to grow by >50% p.a. throughout the current decade

Medium and heavy-duty vehicles expected to make up c. 30% of hydrogen cylinder market in 2030

Hydrogen distribution module demand closely linked to growth in end-use applications

Source: Hexagon Purus, third-party consultant.
¹ Assuming all end-users use compressed gas hydrogen cylinders in all mobility segments; ² Includes mobility applications for marine, rail, drones, aviation, farming equipment, construction and mining equipment and HRS on-site storage; ³ % of vehicles sales

Hexagon Purus is a leading provider of type 4 cylinders – the optimal and preferred cylinder for hydrogen applications



Type 4 cylinders provide a superior combination of weight, safety, efficiency and durability for hydrogen applications



NON-CORROSIVE

Polymer liner is corrosion free



GOOD FATIGUE STRENGTH

High-strength carbon fibre construction reduces impact damage and fatigue



LEAK-FREE

Precision-machined valve interface to ensure leak free operations



LIGHTWEIGHT

Reduces vehicles mass and enhances handling and driveability

Purus' hydrogen cylinder system serves a wide range of mobility & storage applications



EXAMPLE APPLICATIONS FOR PURUS' HYDROGEN CYLINDER SYSTEMS



Heavy-duty vehicles



Transit bus



Distribution modules



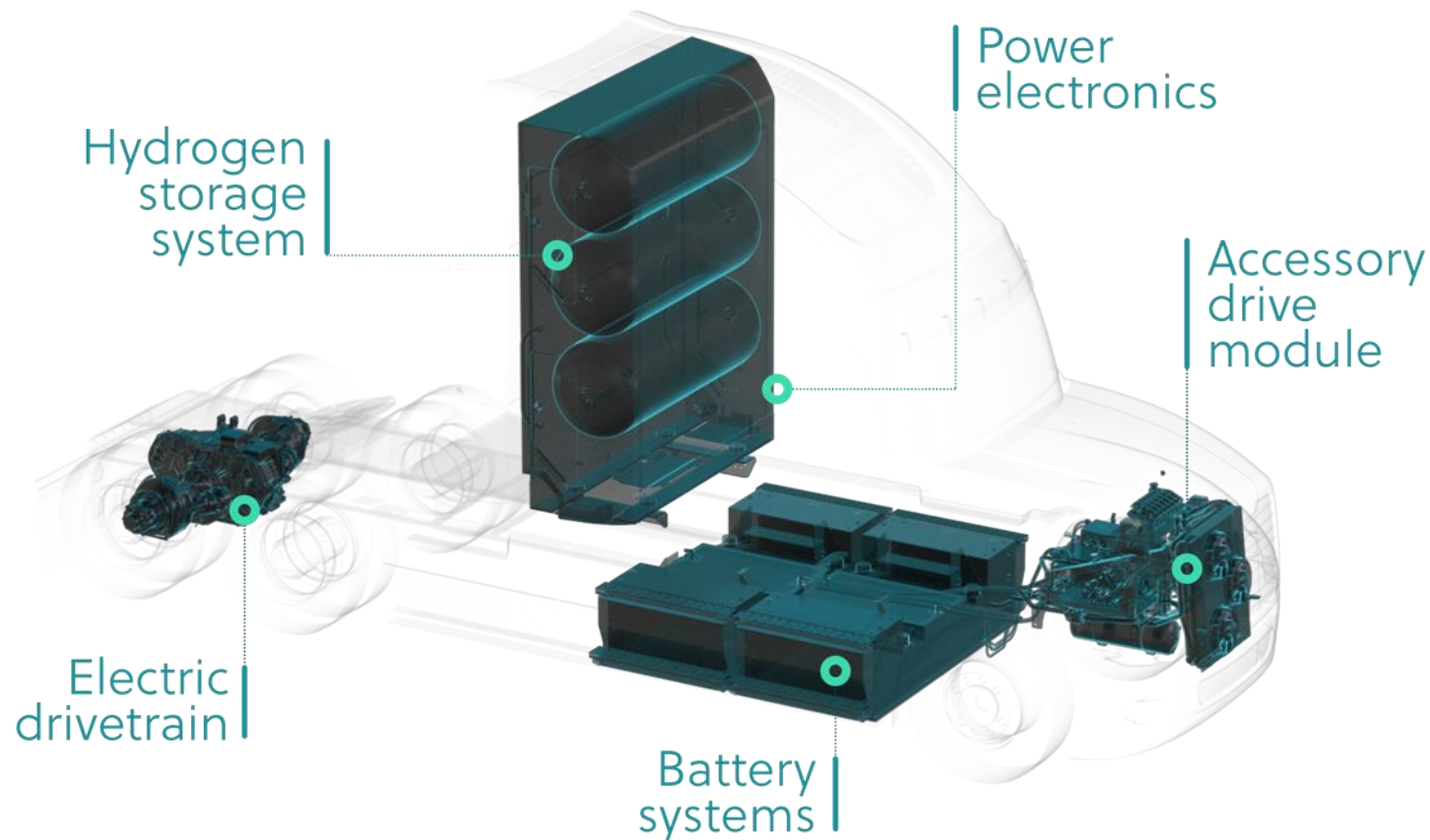
Rail



Marine

Hexagon Purus is a world leading provider of solutions for electric drivetrain integration

Examples of parts Hexagon Purus integrates in fuel cell electric heavy-duty trucks



Hexagon Purus offers hydrogen fuel systems, battery systems and integrated electric drivetrain integration for zero emission medium and heavy-duty vehicles, both battery electric and hydrogen electric

Our battery system and drivetrain offerings have demonstrated superior performance and garnered exceptional feedback from OEMs and end-users

Global organisation with engineering, manufacturing and R&D capabilities in Europe and North America



Engineering center
 Production/assembly site
 Sales office/representative
 Headquarters

¹ Term sheet agreement signed for a strategic cooperation with CIMC ENRIC, a leading Chinese manufacturer of energy equipment

Hexagon Purus in pole position to benefit from the sizeable market opportunity



DEEP COMPETENCE AND STATE-OF-THE-ART TECHNOLOGY



ESTABLISHED MANUFACTURING FACILITIES



STRONG RELATIONSHIPS WITH WORLD CLASS CUSTOMERS



EXPERIENCED GLOBAL TEAM WITH PROVEN EXECUTION CAPABILITIES

An aerial photograph of a multi-lane highway bridge crossing a body of water. The water is a vibrant turquoise color. The bridge has several lanes in each direction, with a central median. Several vehicles, including cars and trucks, are visible on the bridge. The bridge is bordered by concrete railings. In the bottom left corner, there is a small island with green trees and a stone breakwater.

Highlights from Q4 2020

Successful listing on Euronext Growth Oslo



Purus listed on Euronext Growth Oslo on 14 December 2020



Raised gross proceeds of NOK 750m following strong interest from Scandinavian and international institutional investor



Allows Purus to pursue an individual growth and investment agenda, and reinforce and develop its leading position in the e-mobility space



Hexagon Composites remains a majority owner and strong industrial partner, holding c. 75% of the shares in Hexagon Purus



Several recent contract announcements



Selected by Hino Trucks as development partner to provide battery packs and drivetrain integration on multiple Hino platforms



Selected to supply high-pressure hydrogen tanks for New Flyers Xcelsior CHARGE H2™ hydrogen fuel cell electric transit buses



Awarded contract for supply hydrogen cylinder systems for first hydrogen powered commuter train in the US



Selected to deliver high pressure hydrogen cylinders for the first zero-emission hydrogen train in Spain



Multi-year frame agreement with worth €14m to deliver multiple units of hydrogen distribution systems through to 2025

Leading global industrial gas company



Substantial order from leading global gas company to provide type 4 hydrogen cylinders for transportation of hydrogen to industrial customers

Hexagon Purus is experiencing high activity levels across the mobility spectrum – some applications already in serial production



EXAMPLES OF PURUS CUSTOMERS

HEAVY-DUTY VEHICLES & TRANSIT BUS



- Purus is involved in multiple development programs for BEV and FCEV platforms
- BEVs are currently more market-ready than FCEVs. Serial-produced FCEVs are a few years out
- FCEV transit buses are already in serial production in Europe and North America



LIGHT-DUTY VEHICLES



- Two light-duty FCEV platforms currently in serial production
- Purus is nominated as a supplier to one of the two starting in 2022
- Other OEM platforms in development; serial production expected in the middle of the decade and beyond

Global
Northeast Asian
OEM

DISTRIBUTION



- Purus has an established business with industrial gas companies and hydrogen refueling station operators
- Hydrogen distribution modules are already in commercial production
- Future growth linked to hydrogen refueling infrastructure development and use of hydrogen for carbon abatement in power generation and industrial applications

Large industrial
gas companies
and hydrogen
refueling station
operators

RAIL



- Strong logic for hydrogen deployment in rail applications; multiple platforms in development
- Purus is involved in two hydrogen rail development programs
- Serial production is a few years out



Exciting market for hydrogen maritime applications is emerging

Hydrogen is a compelling zero-emission fuel solution for maritime applications

IMO targets reduction of

▼50% 

in the total annual GHG¹ from international shipping by 2050²

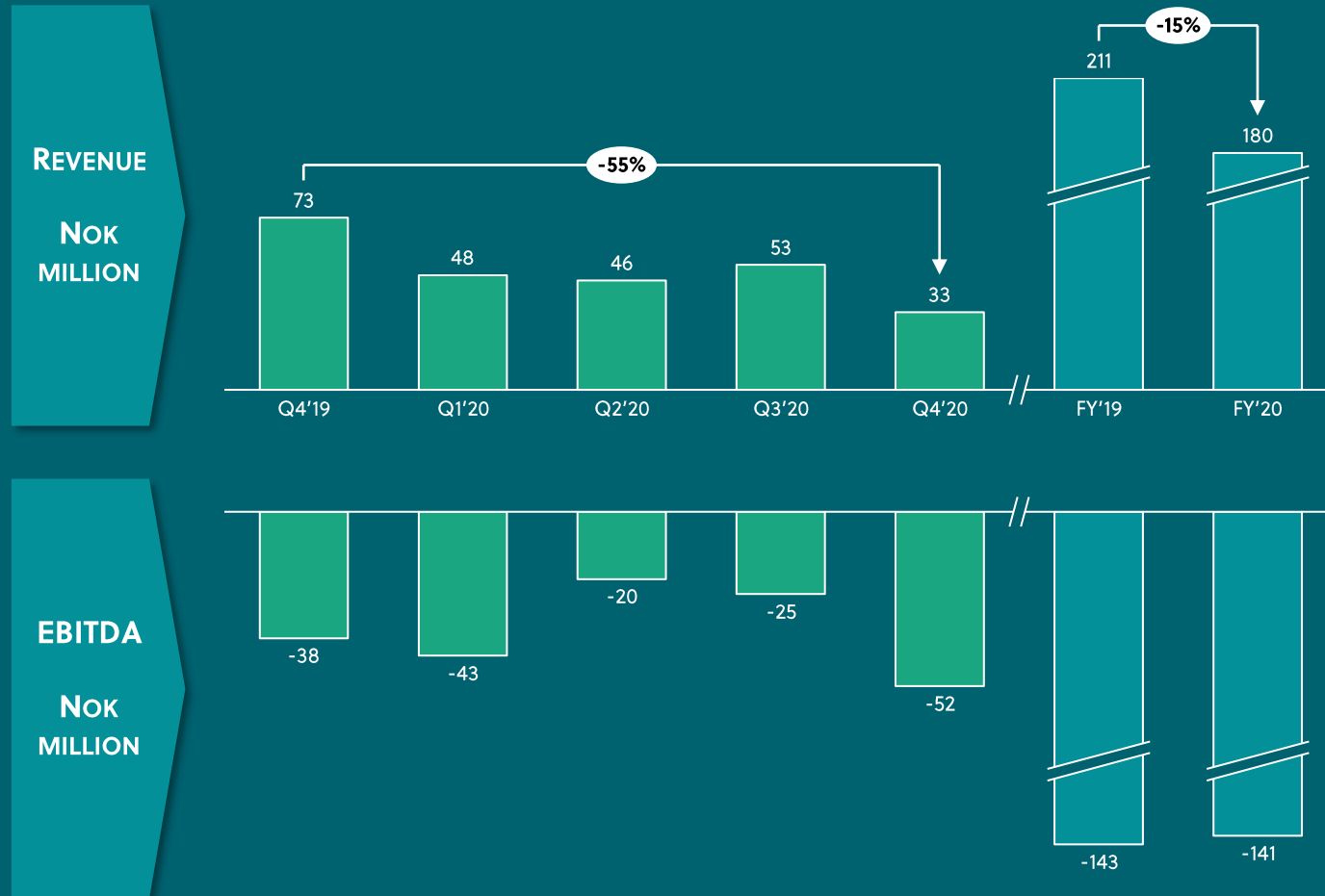
Hexagon Purus is involved in several hydrogen maritime development projects, and intend to accelerate commercial efforts within the segment

An aerial photograph of a scenic landscape. A two-lane asphalt road with yellow center and white edge lines curves along a steep, rocky cliffside. To the left of the road, a large waterfall cascades down dark grey rocks. The cliffside is dotted with patches of green moss and small trees. To the right of the road, the cliff meets a calm, blue lake. A small black car is visible on the road. The overall scene is rugged and natural.

Financials

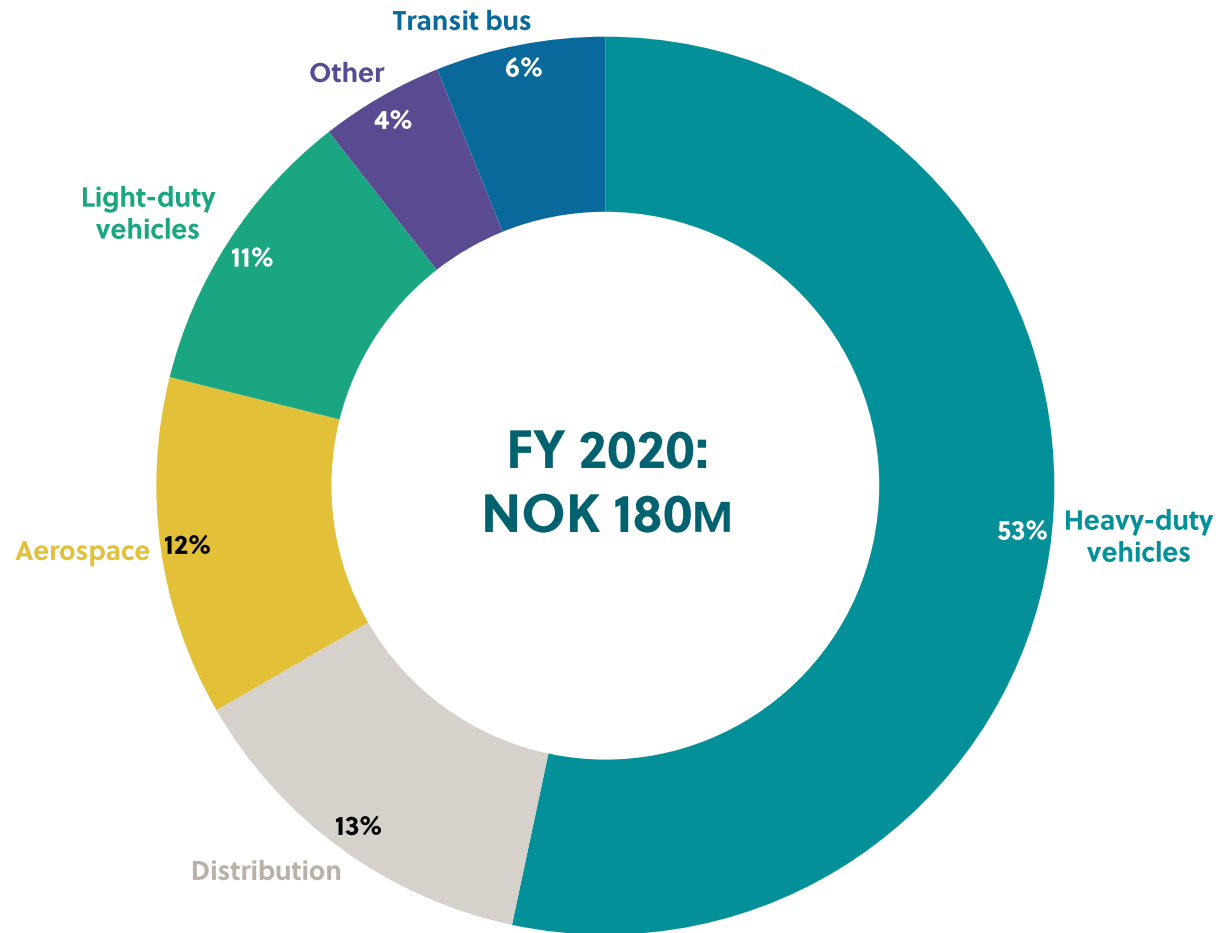
Financial highlights | Q4 and FY 2020

Hexagon Purus e-mobility (excl. CNG LDV)



- In this early stage of industry development, quarterly revenue variability is inherent
- FY'19, and in particular Q4'19, characterized by strong contribution from an OEM heavy-duty BEV truck program which was completed in Q1 2020 as expected; partially offset by programs with new OEM customers in 2020
- Q4 2020 saw NOK 10m of expected revenue pushed out into Q1 2021 due to temporary supply chain delays
- Fixed cost investments in personnel and infrastructure drive negative EBITDA
 - IPO and strategic costs amounted to NOK 10m, substantially recognized in Q4'20
 - Incremental corporate costs following spin off; NOK 5m impact in Q4'20

FY 2020 revenue split by application Hexagon Purus e-mobility (excl. CNG LDV)



Hydrogen storage systems, battery packs and EV drivetrain integration



Hydrogen distribution modules



Pressure and fuel tanks, development projects



Hydrogen cylinders and storage development projects

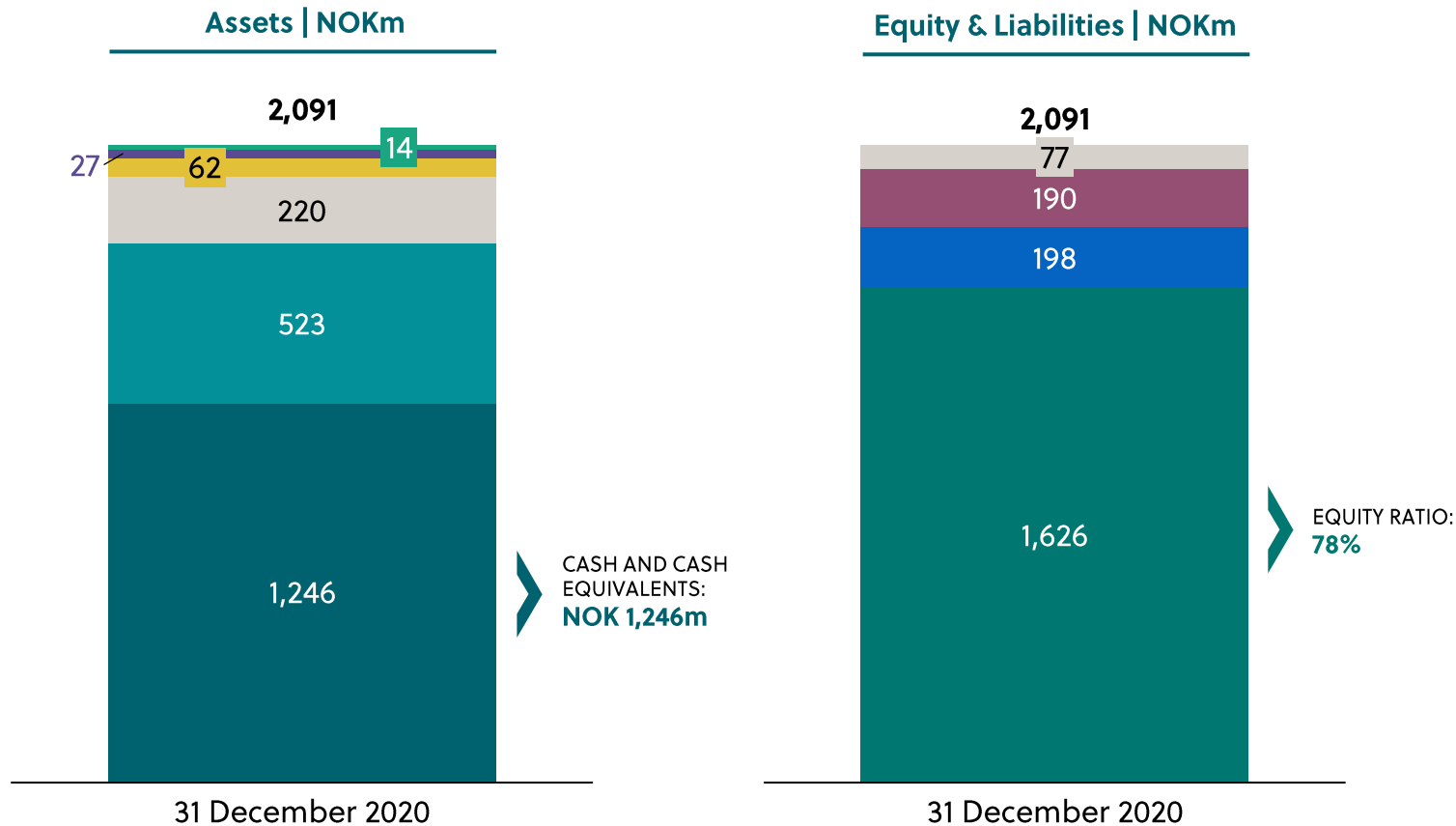


Ground storage, rail and marine development projects



Hydrogen cylinders and storage systems

Balance sheet | FY 2020



■ Fixed assets ■ Receivables ■ Other current assets
■ Cash ■ Inventory ■ Assets held for sale

■ Equity ■ Current liabilities
■ Non-current liabilities ■ Liabilities related to assets held for sale

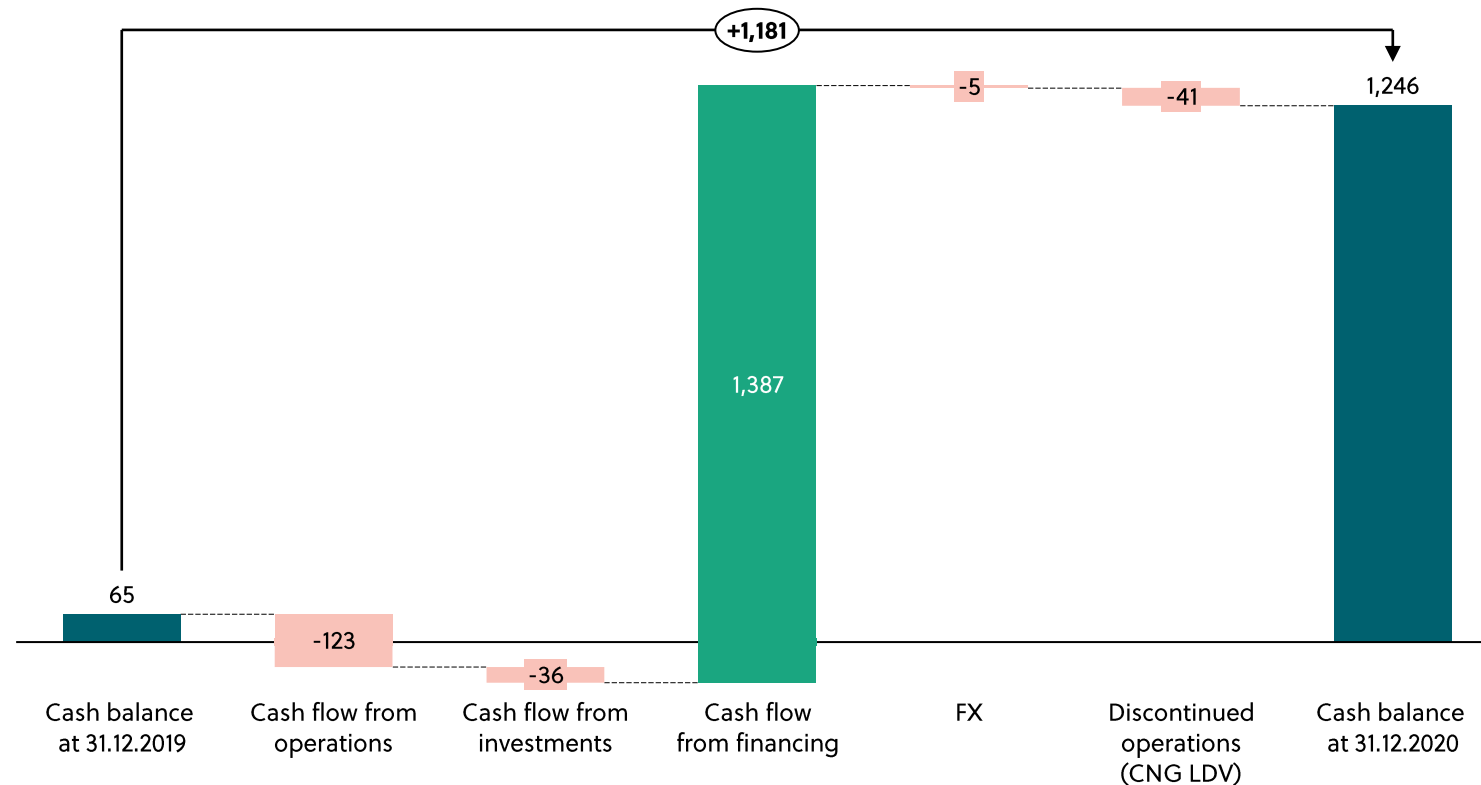
Solid balance sheet at year-end

Cash as of 31 December 2020 exceeded NOK 1.2bn and equity ratio stood at 78%

Substantially debt free; modest intercompany debt (NOK 161m) offset by pending transfer of net assets of CNG LDV business

Pro-forma cash flow | FY 2020 Hexagon Purus e-mobility

NOKm



Cash shored up by NOK 750m (gross) Purus private placement and August NOK 500m proceeds from Hexagon Composites private placement

CNG LDV (discontinued operations) drove NOK 41m cash outflow

Outlook and Q&A

Large and diversified project pipeline



LIGHT-DUTY VEHICLES



MEDIUM & HEAVY DUTY VEHICLES



DISTRIBUTION



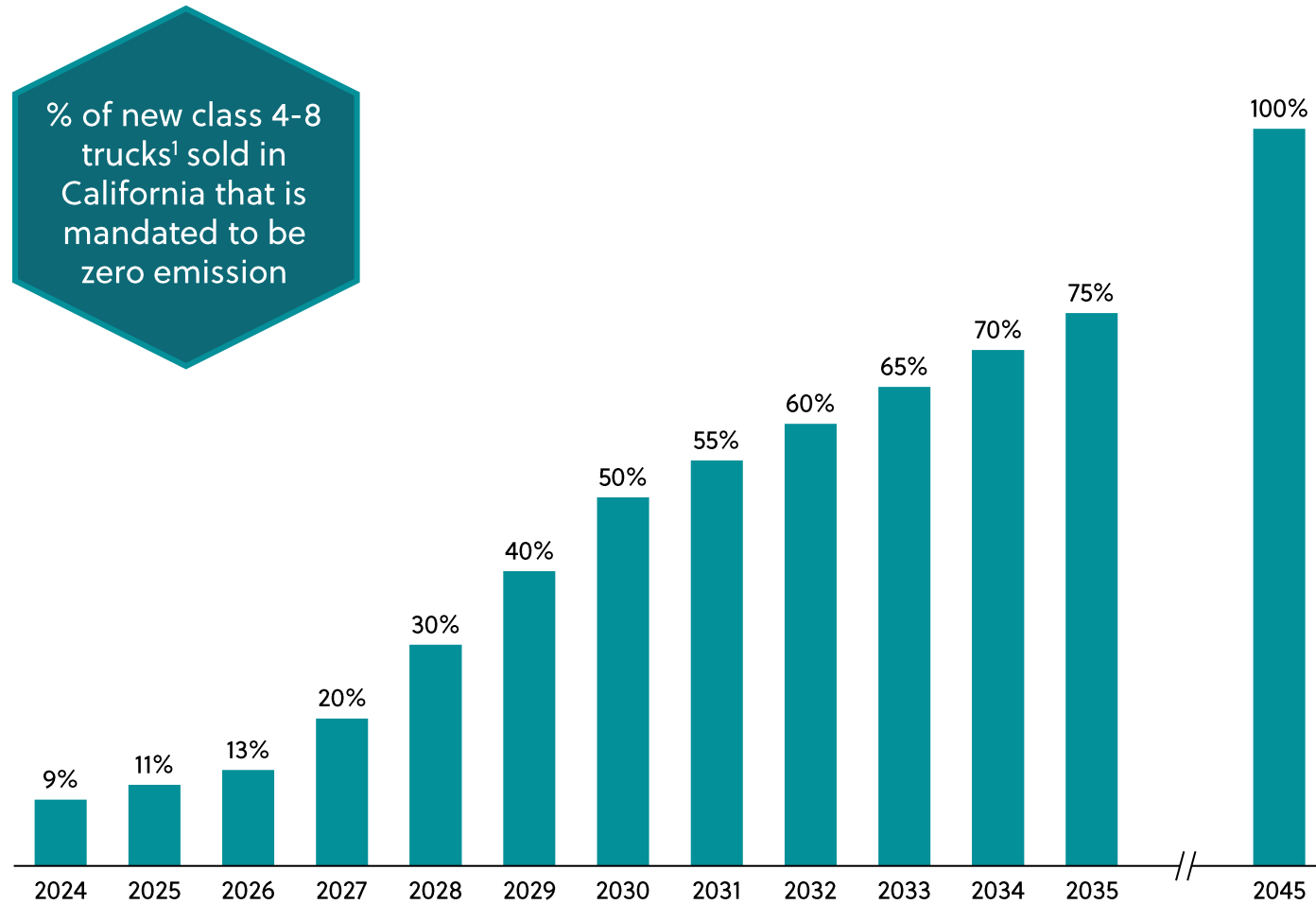
MARINE, RAIL, GROUND STORAGE AND MOBILE REFUELING



OTHER

More than 75 projects

CARB ruling in California is a game-changer for vehicle electrification...



Diesel trucks make up 7% of the Californian vehicle fleet but is the largest single source of vehicle air pollution, responsible for **70% of the smog-causing** emissions

Starting from the **2024** model year, **9% of all class 4-8 trucks sold to be zero-emission**, rising to **30-50%** in **2030**

Commercial trucks and vans to be **zero emission by 2045**

...making Purus' vehicle integration capabilities highly relevant



Hexagon Purus was a key supplier to Daimler's Innovation Fleet in 2019 and 2020

- 22 eCascadia class 8 trucks – battery packs
- 7 eM2 class 6 trucks – battery packs and EV drivetrain

Development program underway with Hino and another OEM

In discussions with other OEMs, fleet customers and tier 1 partners to develop customized solutions

EU aims to be the world's leading region for hydrogen

6GW of renewable hydrogen electrolyzers

1 million tons of renewable H2

Today-2024

H2 integrated into the energy system

40GW of renewable H2

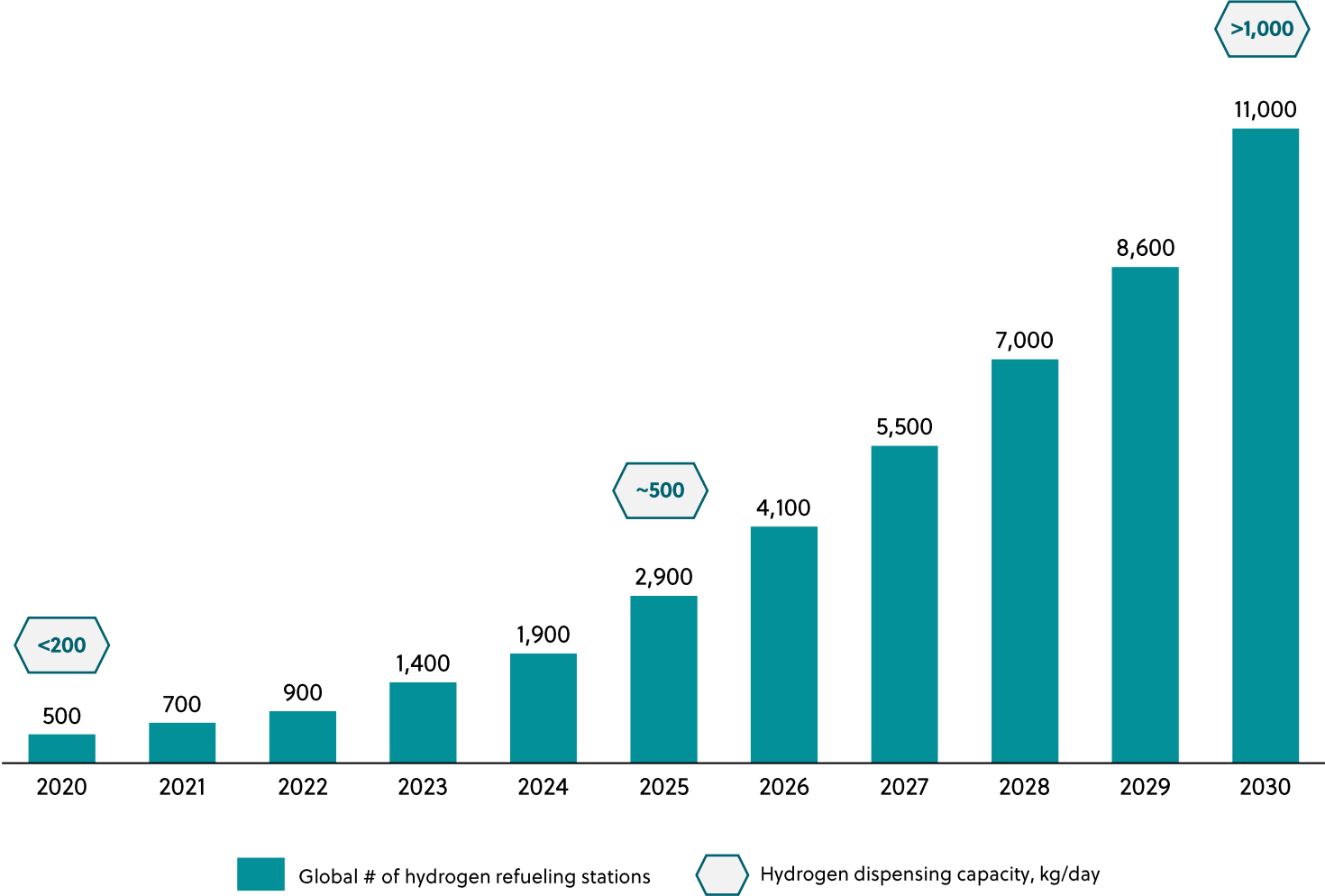
10 million tons renewable H2

2025-2030

Hydrogen deployed at a large scale across all hard-to-decarbonize sectors

≥ 2030

Hydrogen infrastructure to grow manifold during the decade



Number of hydrogen refueling stations is expected to grow by more than 35% per year this decade

Average HRS capacity/day is expected to increase from <200 kg of hydrogen in 2020 to >1,000 kg of hydrogen in 2030

Growth is mainly driven by roll-out of large truck fleets and related infrastructure and a general increase in FCEVs on the road

Source: Nel Hydrogen, third-party consultant



Solid hydrogen distribution momentum in 2021



Hydrogen distribution will be a key revenue driver for Hexagon Purus in 2021, with delivery of hydrogen distribution cylinders and systems to several European and North American customers

China is the world's largest hydrogen market – Hexagon Purus is in the final stages of JV negotiations

Discussions with partner CIMC ENRIC are progressing well, albeit somewhat delayed mainly due to COVID-19 related travel restrictions

Expect to finalize and sign the joint venture agreement in the next few months

China is expected to be the world's largest market for FCEVs and the partnership with CIMC ENRIC will give the company access to this exciting opportunity

Financial targets

2021 REVENUE TARGET

Revenue to grow
by at least 50%

2025 REVENUE TARGET

NOK 4-5 billion

LONG-TERM PROFITABILITY TARGET

Double-digit
EBITDA margins

Solid outlook driven by high activity and secular tailwinds



High activity levels across multiple market segments



Investments into product development, production capacity and organization will accelerate



On track to meet revenue target of >50% YoY growth in 2021

Q&A

Appendix

Financial statements | P&L

Hexagon Purus e-mobility (excl. CNG LDV)

Income Statement (NOK 1 000)	Q4 2020	Q4 2019	31.12.2020	31.12.2019
Revenue from contracts with customers	32 455	69 072	178 121	207 154
Other operating income	293	3 529	1 693	4 140
Total revenue	32 749	72 601	179 814	211 294
Cost of materials	10 340	45 589	86 717	128 232
Payroll and social security expenses	40 719	42 354	123 497	143 157
Other operating expenses	34 093	22 724	110 322	83 167
Total operating expenses before depreciation	85 153	110 668	320 536	354 556
Operating profit before depreciation (EBITDA)	- 52 404	- 38 067	- 140 722	-143 261
Depreciation and impairment	7 247	5 286	26 906	25 508
Operating profit (EBIT)	- 59 652	- 43 353	- 167 628	-168 769
Profit/loss from investments in associates and joint ventures	- 1 107	90	- 1 885	-749
Finance income	1 207	-	10 110	3 243
Finance costs	- 66 230	- 8 596	- 113 969	-27 397
Profit/loss before tax	- 125 782	- 51 859	- 273 373	-193 672
Tax	20 253	- 11 316	35 579	-25 777
Profit/loss after tax before discontinued operations	- 146 035	- 40 544	- 308 952	-167 895
Profit/loss after tax for the period from discontinued operations	11 537	17 479	- 34 602	69 279
Profit/loss after tax	- 134 498	- 23 065	- 343 554	-98 616

Financial statements | Balance sheet & cash flow

Hexagon Purus e-mobility (excl. CNG LDV)

BALANCE SHEET (NOK 1 000)	31.12.2020	31.12.2019*
ASSETS		
Property, plant and equipment	76 634	103 359
Right-of-use assets	30 457	53 577
Intangible assets	413 324	475 378
Investment in associates and joint ventures	2 066	651
Non-current financial assets	751	3 226
Deferred tax assets	-	41 213
Total non-current assets	523 232	677 404
Inventories	61 586	100 678
Trade receivables	26 657	125 015
Contract assets (incl. prepayments)	814	3 100
Other current financial assets	12 842	5 941
Cash and short-term deposits	1 246 351	65 093
Total current assets continuing operation	1 348 251	299 827
Assets held for sale	219 771	-
Total assets	2 091 254	977 231
EQUITY AND LIABILITIES		
Issued capital	22 909	330
Other paid-in capital	372	-
Share premium	2 055 282	14 443
Other equity	- 452 223	-119 590
Total equity	1 626 341	-104 816
Interest-bearing loans and borrowings, related party	161 016	729 428
Lease liabilities	21 795	47 828
Provisions	689	1 613
Net employee defined benefit liabilities	2 635	2 076
Deferred tax liabilities	11 930	22 325
Total non-current liabilities	198 065	803 269
Trade and other payables	83 988	139 207
Contract liabilities	32 068	33 276
Lease liabilities, short term	9 244	12 810
Income tax payable	-	20
Other current liabilities	64 390	93 465
Total current liabilities continuing operation	189 690	278 778
Liabilities directly associated with the assets held for sale	77 158	-
Total liabilities	464 913	1 082 047
Total equity and liabilities	2 091 254	977 231

CONDENSED CASH FLOW (NOK 1 000)	31.12.2020
Profit before tax from continuing operations	- 273 373
Depreciation and write-downs	26 906
Change in net working capital and other	123 643
Net cash flow from operations	-122 823
Net cash flow from investment activities	-36 288
Net cash flow from financing activities	1 387 081
Net change in cash and cash equivalents	1 227 969
Net currency exchange differences	-5 395
Discontinued operations	-41 316
Cash and cash equivalents at start of period	65 093
Cash and cash equivalents at end of period	1 246 351

* Note: Balance sheet as of 31 December 2020 is that of Purus' e-mobility business with the CNG LDV business treated as a discontinued operation; balance sheet as of 31 December 2019 includes the CNG LDV business

Investor relations information



EXCHANGE INFORMATION

- TICKER SYMBOL: HPUR
- ISIN: NO0010904923
- EXCHANGE: Euronext Growth Oslo



SHARE TRADING STATISTICS

NOK ~15bn
MARKET CAPITALIZATION¹

NOK ~38m
DAILY TURNOVER²



INVESTOR BASE¹

~5,500
SHAREHOLDERS

74.7%
OWNED BY HEXAGON COMPOSITES



2021 FINANCIAL CALENDAR

	2021												2022		
Annual report 2020															
AGM															
Q1 2021															
Q2 2021															
Q3 2021															
Q4 2021															



EQUITY ANALYST COVERAGE

CARNEGIE
• MIKKEL NYHOLT-SMEDSENG

SEB
• ANDERS ROSENLUND
• HERMAN LIA

SPAREBANK 1 MARKETS
• JONAS MEYER
• THOMAS DOWLING NÆSS



INVESTOR RELATIONS CONTACTS

SALMAN ALAM
VICE PRESIDENT, CORPORATE DEVELOPMENT
E-MAIL: SALMAN.ALAM@HEXAGONPURUS.COM
DIRECT: +47 476 127 13

DILIP WARRIER
CHIEF FINANCIAL OFFICER
E-MAIL: DILIP.WARRIER@HEXAGONPURUS.COM
DIRECT: +1 (949) 236-5528