

Q4 2023

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Key highlights

NOK 5 billion
revenue mark passed
in 2023

Hexagon Agility
Record year for
Mobile Pipeline – and
growing

Hexagon Ragasco
21 new customers added.

5 year agreement
with Saudi customer,
Gasco

Hexagon Digital Wave
54% growth in 2023.

New long term
UE agreement in
January

Driving Energy Transformation

In 2023, our solutions enabled the
avoidance of

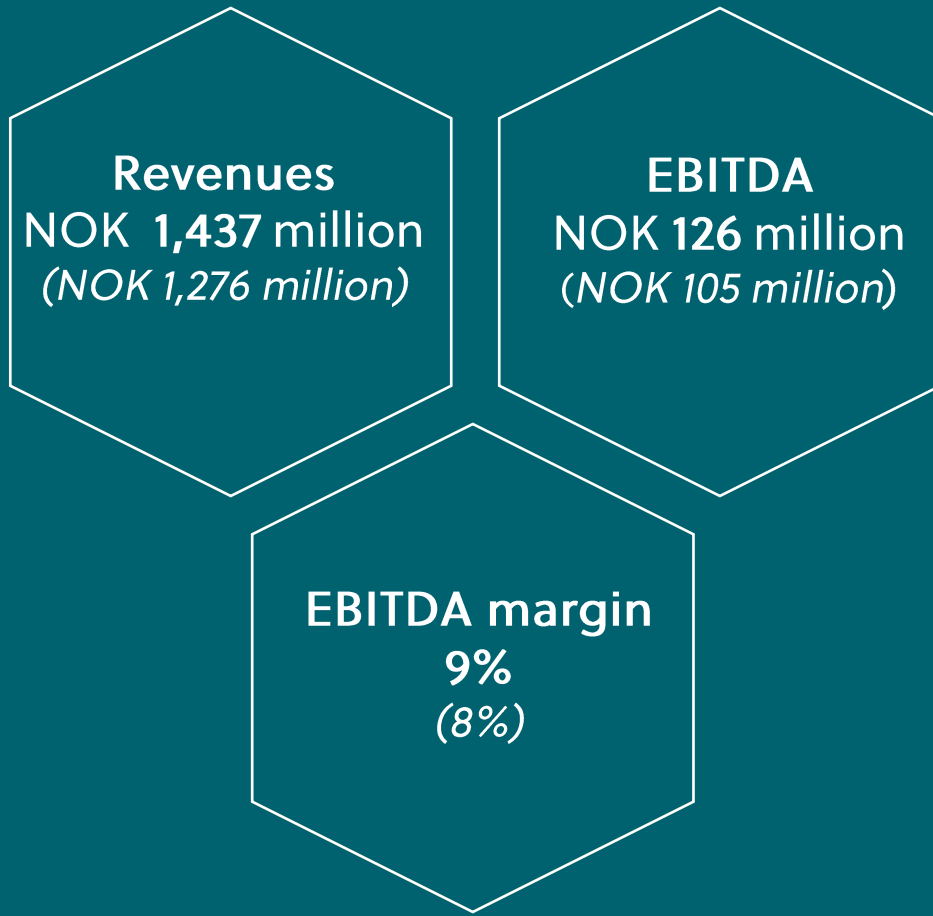
1.5 million

metric tons of CO₂ equivalents

*Equal to 300,000 petroleum cars off
the road for one year*



Q4 financial highlights



Strong revenue growth

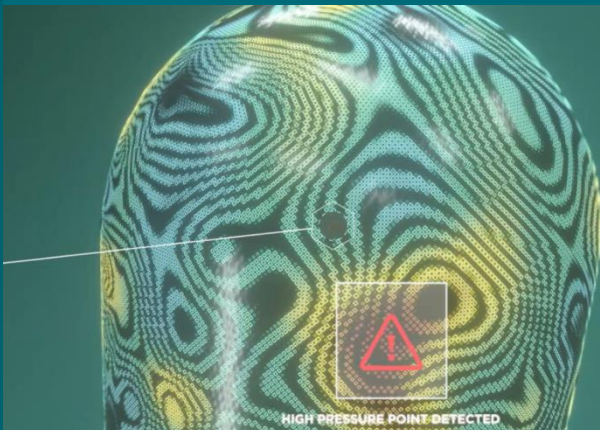


Revenue growth 2023

+24%



Share of
Group revenues



Revenue growth 2023

+54%



Share of
Group revenues



Revenue growth 2023

-4%



Share of
Group revenues

2024 – Transitioning to the X15N natural gas engine

First OEMs opened
order books

Deliveries from Q3

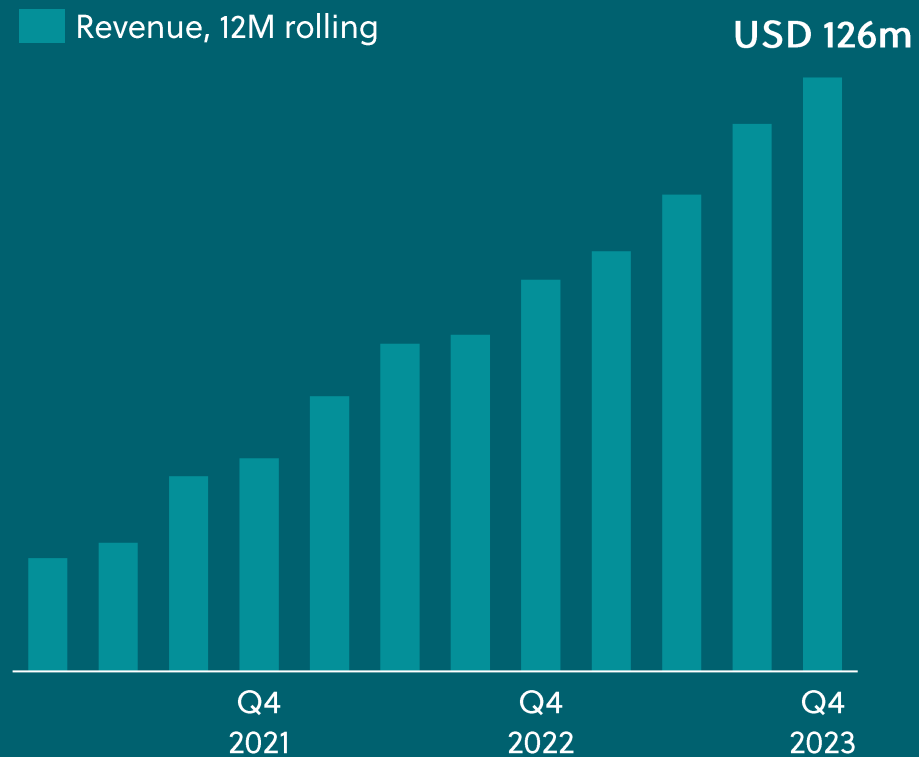
Strong growth
expected from 2025
and onwards



2024

2025

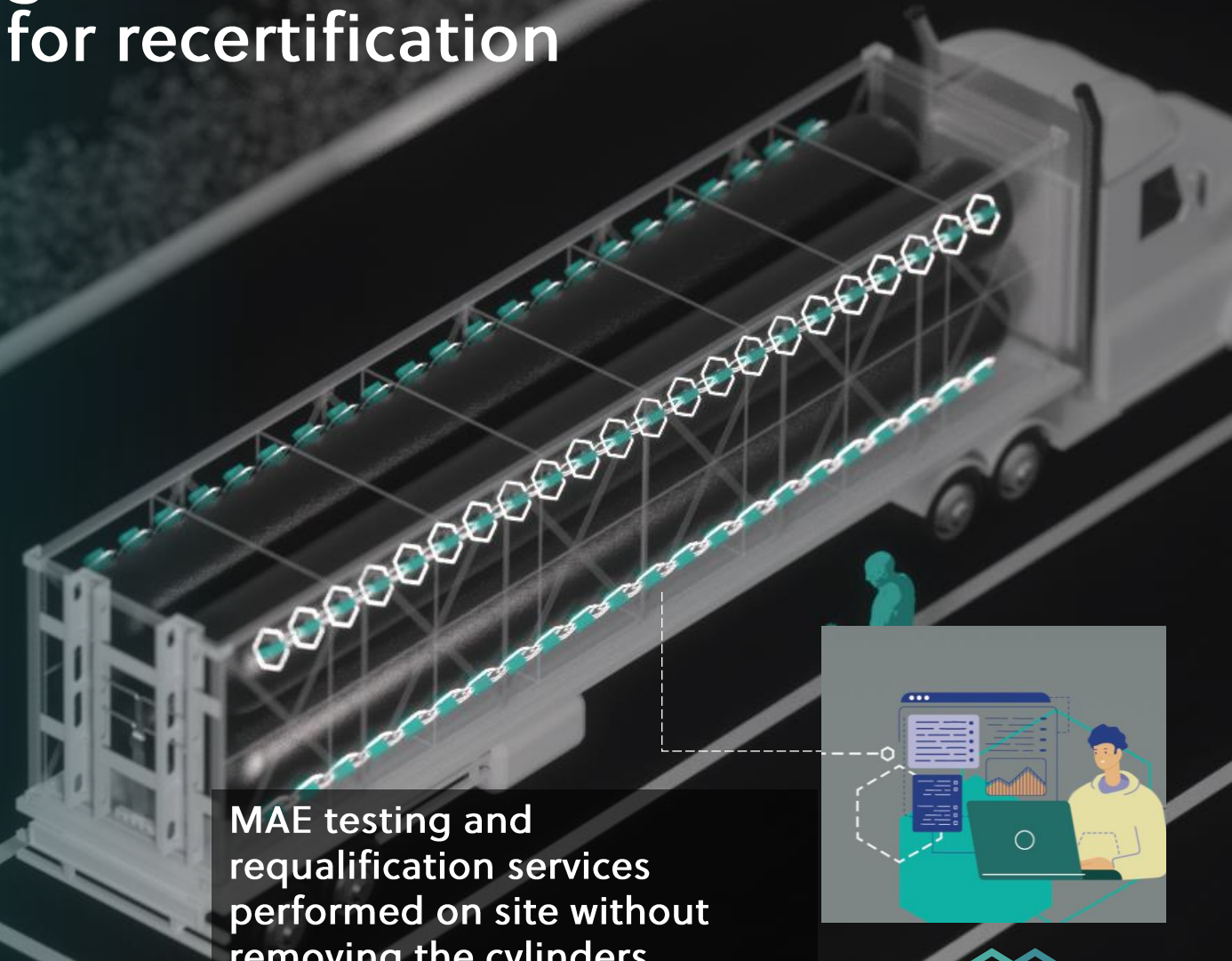
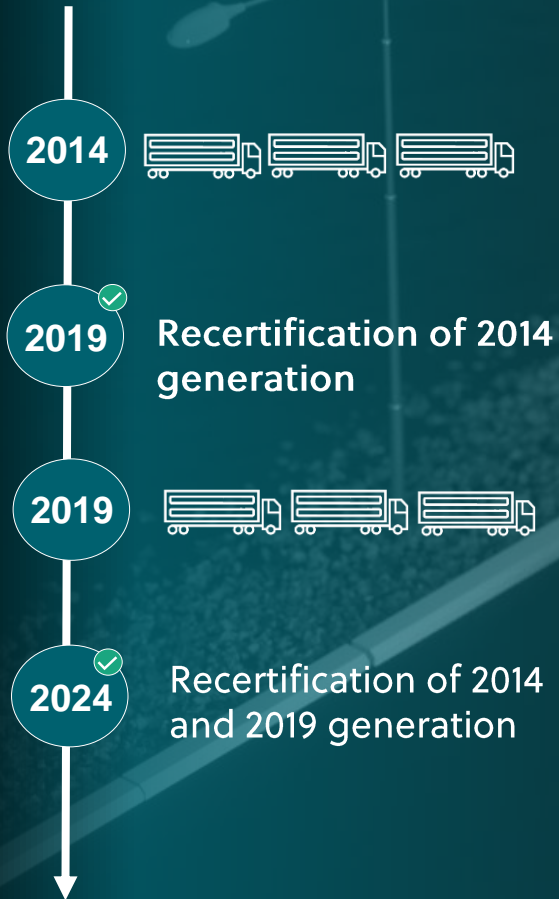
Mobile Pipeline executing on all-time high backlog



- Backlog for 2024 stands at USD ~150 million, up 73% y/y
- Strong growth in North America, Latin America and EMEAA¹
- Capacity upgrades ongoing in Lincoln



Hexagon Digital Wave – two generations of Mobile Pipeline modules up for recertification



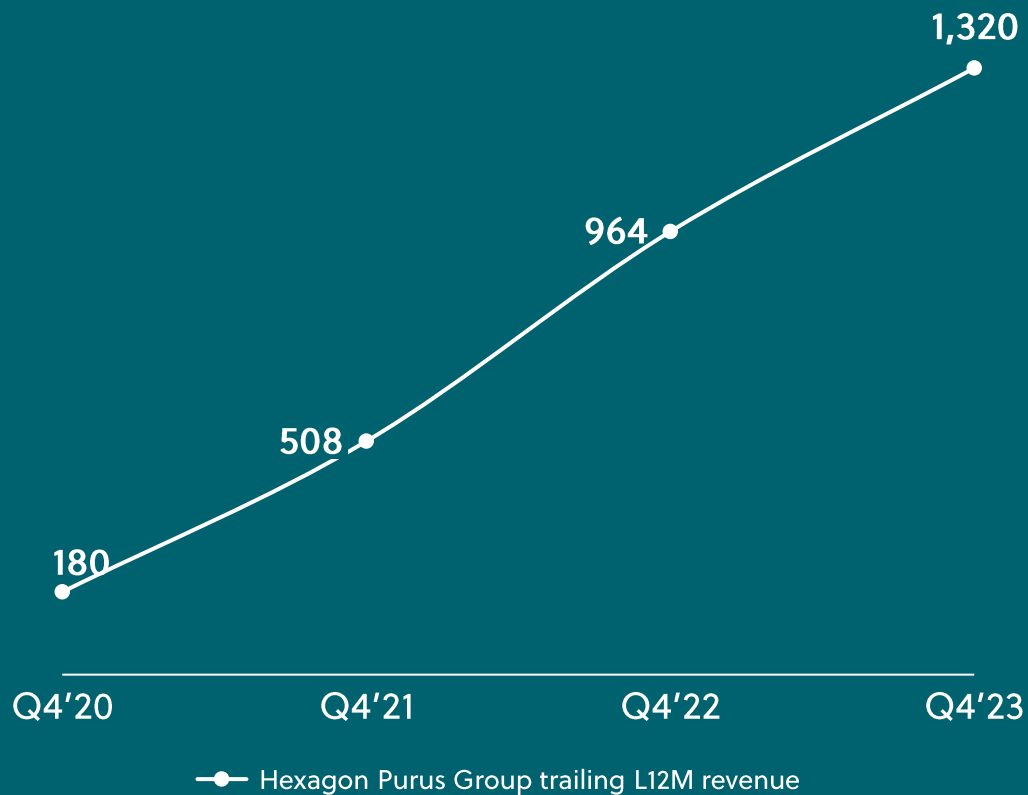
First commercial order for Hexagon Ragasco's smart cylinder - Linktra®

- Pilot successfully completed in 2023
- A Scandinavian LPG distributor has placed its first order of 20,000 Linktra® cylinders for 2024
- Growing interest amongst LPG distributors



Hexagon Purus:

The lion's share of the investment program is completed – now moving into the ramp-up and operational execution phase



- NOK 4-5bn 2025 revenue target largely supported by capacity and organizational investments already made
- Scale effects and cost control expected to bring EBITDA above break-even in 2025
- Hydrogen infrastructure (58% of 2023 revenue) already EBITDA profitable

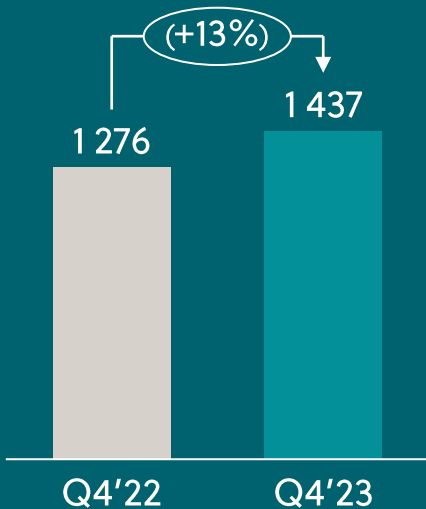
Financials



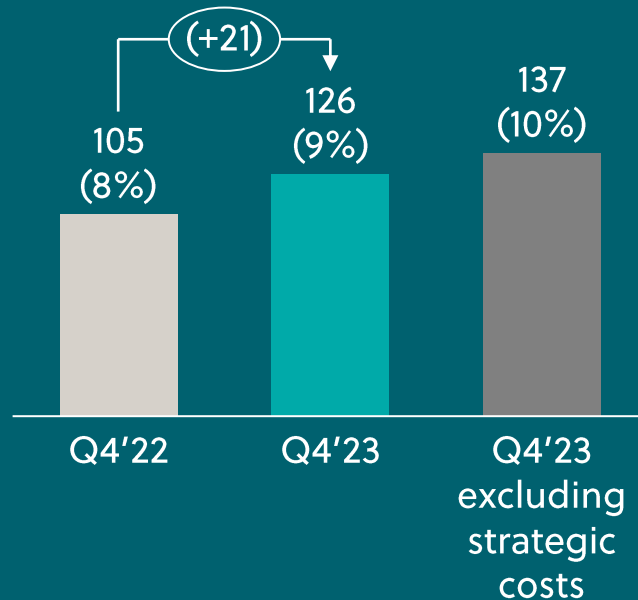
Financial highlights | Q4 2023

Hexagon Group

Revenue
NOKm



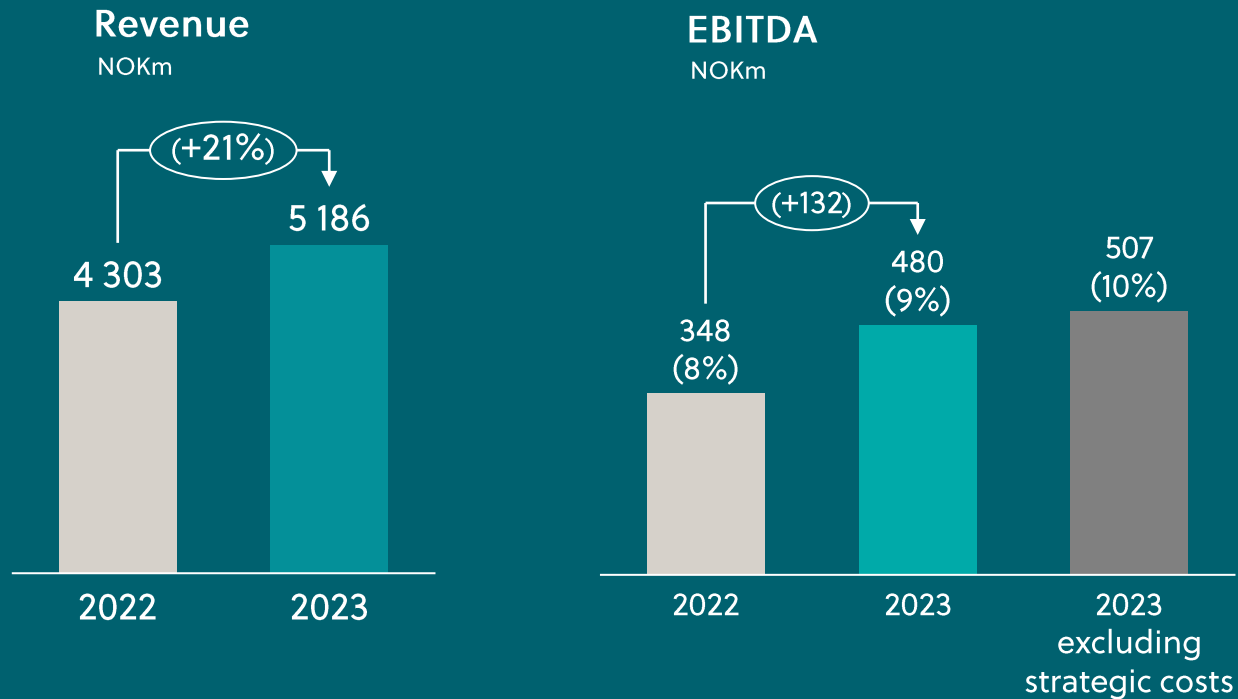
EBITDA
NOKm



- 13% revenue growth driven by Hexagon Agility and Hexagon Digital Wave
- Solid increase in EBITDA
 - Includes NOK 11 million of strategic and restructuring costs

Financial highlights | Full Year 2023*

Hexagon (excl. Purus)



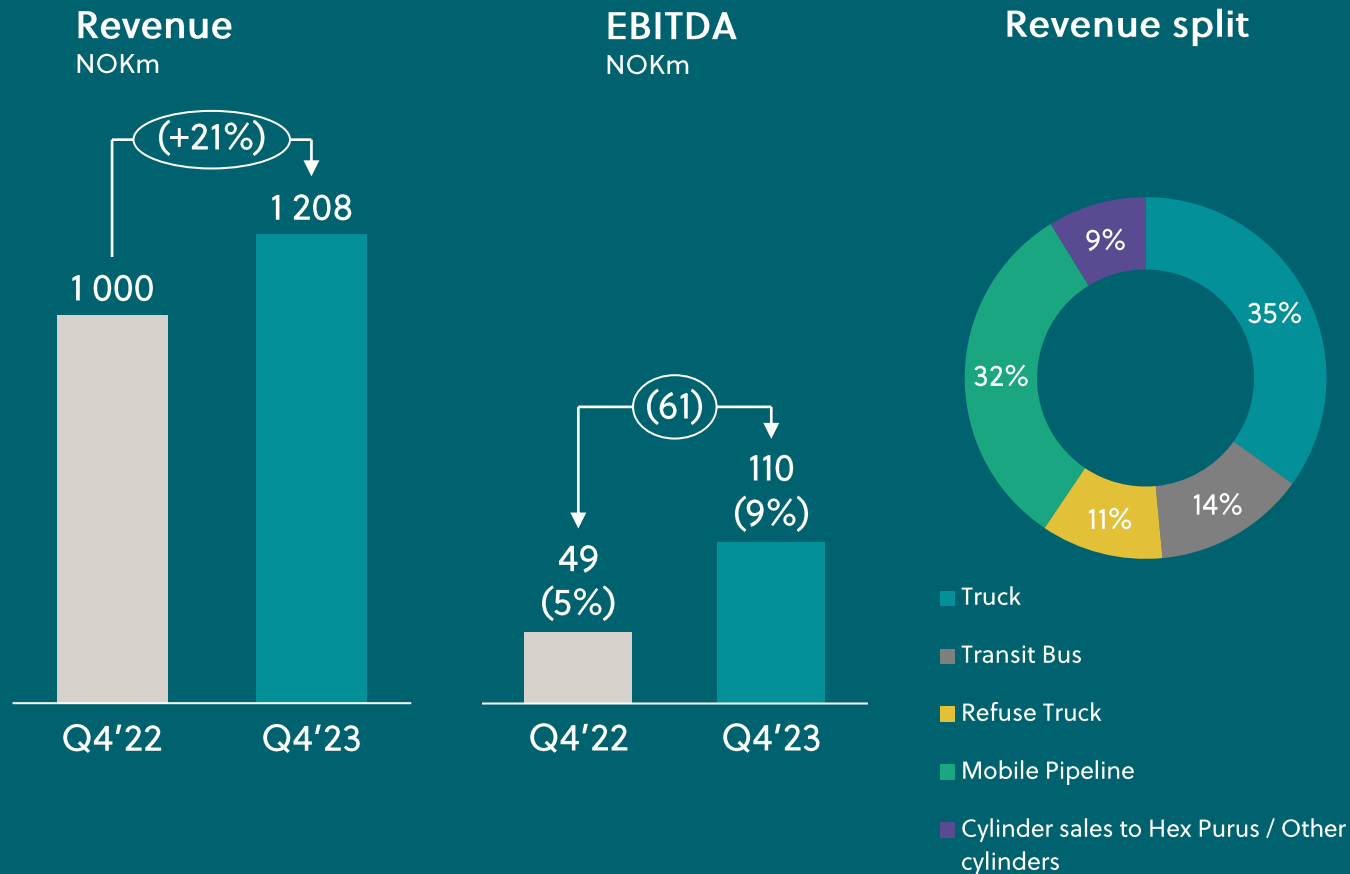
21% revenue growth

- Hexagon Agility Mobile Pipeline business driving growth
- Strong growth in Hexagon Digital Wave

Significant recovery in EBITDA levels:

- Back to double-digit margins when excluding strategic and restructuring costs

Hexagon Agility | Q4 2023



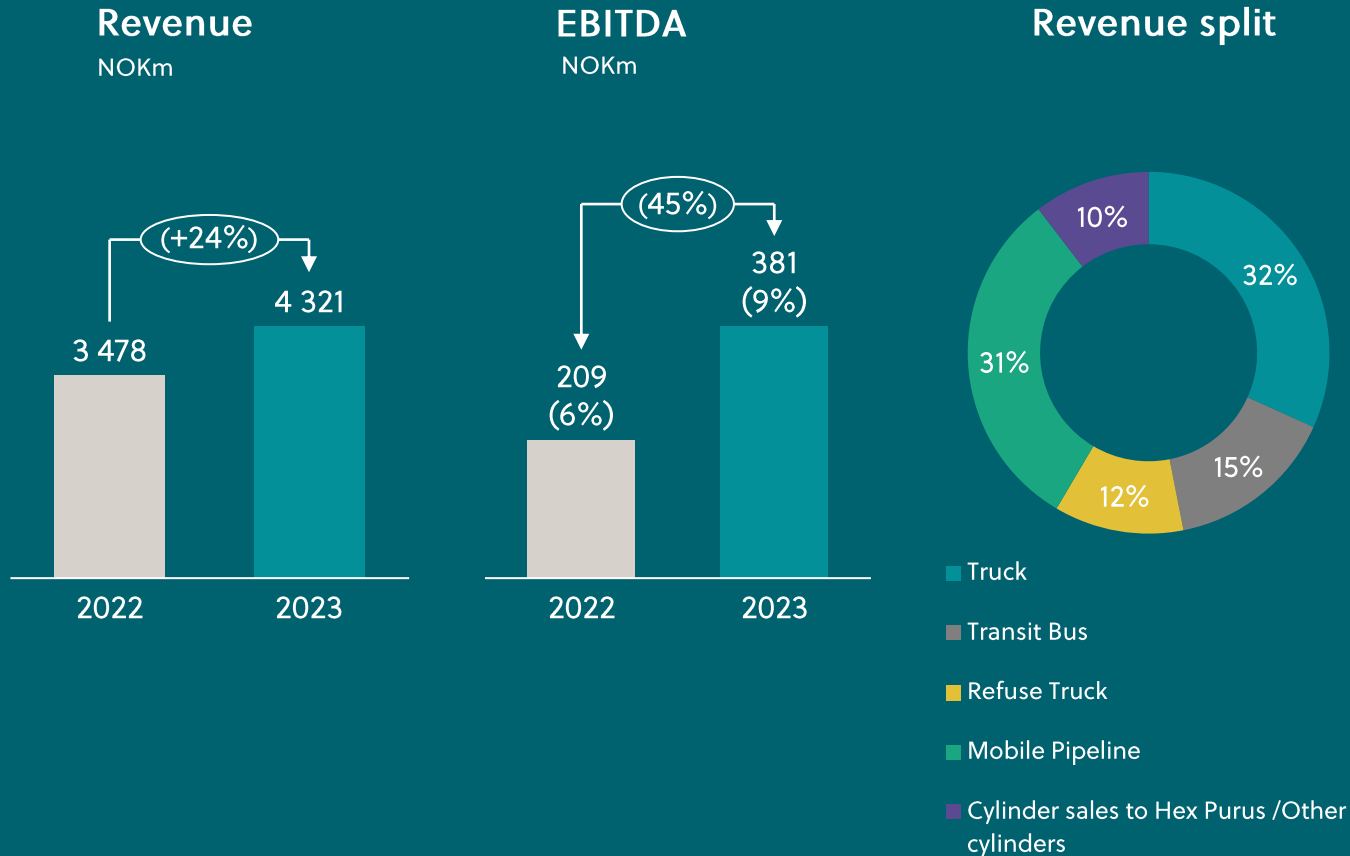
21% revenue growth

- Continued strong Mobile Pipeline performance
- Solid Transit bus volumes
- Higher y-o-y heavy-duty truck; and q-o-q

~2x EBITDA growth

- Major drivers are cost-adjusted pricing and high Mobile Pipeline volume
- Headwinds from mix and planned shop-floor initiatives negatively impacting cylinder production

Hexagon Agility | Full Year 2023*



24% revenue growth

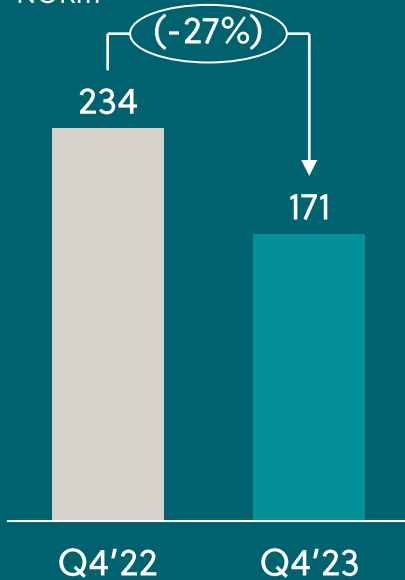
- Record Mobile Pipeline sales
- Lower heavy-duty truck volumes offset partially by higher medium-duty and refuse truck
- Strong growth in sales of cylinders to Hexagon Purus

Margins recovering:

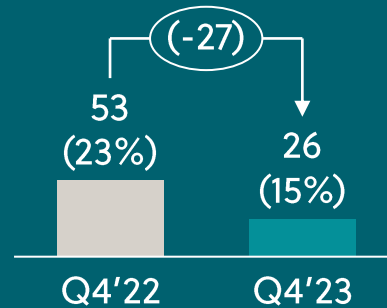
- Cost-adjusted pricing effective
- Pace of recovery slowed by relatively low truck volumes
- Offset partly by Mobile Pipeline volumes

Hexagon Ragasco | Q4 2023

Revenue
NOKm



EBITDA
NOKm



Seasonally typical quarter

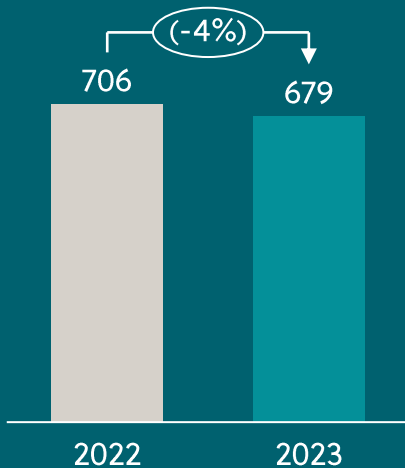
- Unusual quarter last year driven by high stocking requirements
- Lower European volumes offset partially by large new order to Oceania

Profitability:

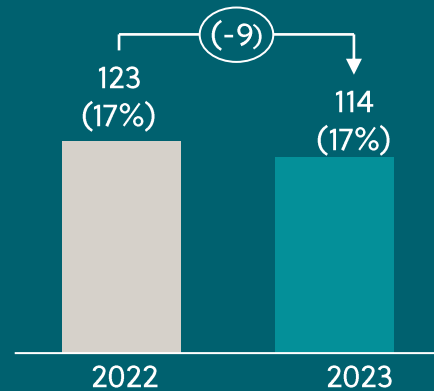
- 15% margin baseline achieved despite volume level

Hexagon Ragasco | Full Year 2023*

Revenue
NOKm



EBITDA
NOKm



Unsatisfactory top-line development

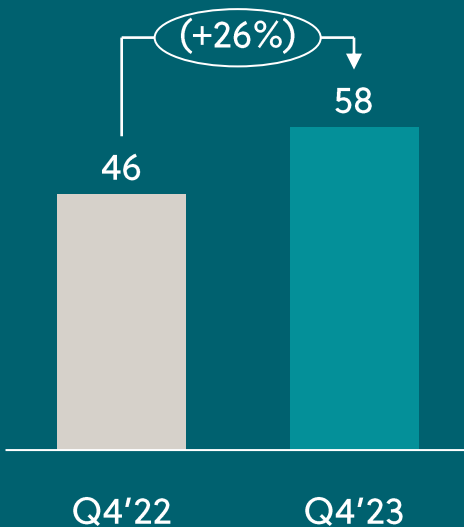
- Not able to fully offset the de-stocking effects in Europe with deliveries to rest of the world
- Strong sales to Middle East and a total of 21 new customers in 2023, 16% of volumes

Resilient margins:

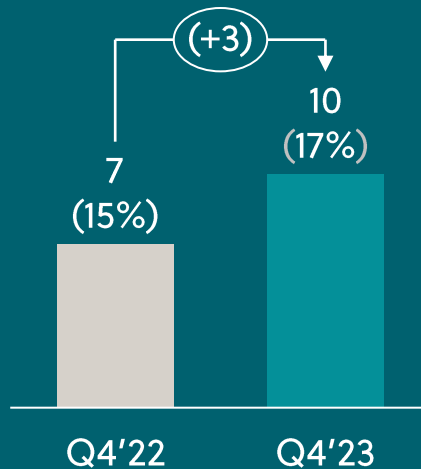
- Lower volumes offset partly by positive currency effects

Hexagon Digital Wave | Q4 2023

Revenue
NOKm



EBITDA
NOKm

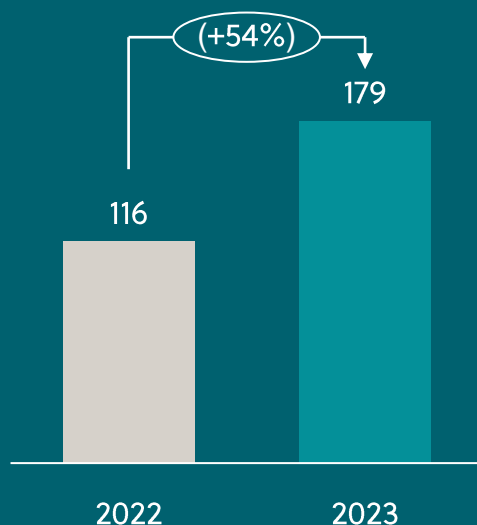


- 2x growth in services (MAE) business¹
- Higher machine sales in UE business¹; included delayed shipments from Q3
- Margin appreciation despite ongoing organization driven opex

Hexagon Digital Wave | Full Year 2023*

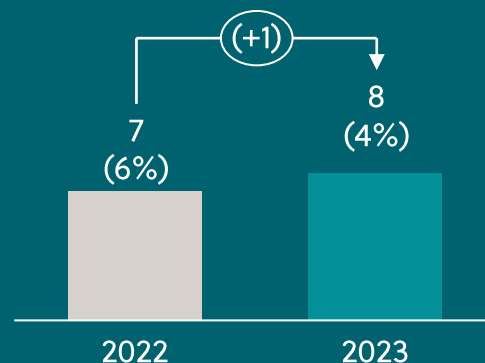
Revenue

NOKm



EBITDA

NOKm



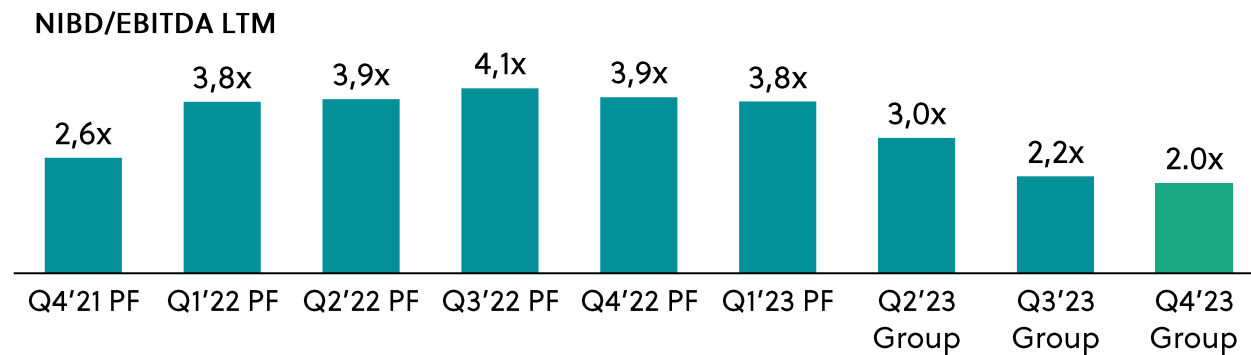
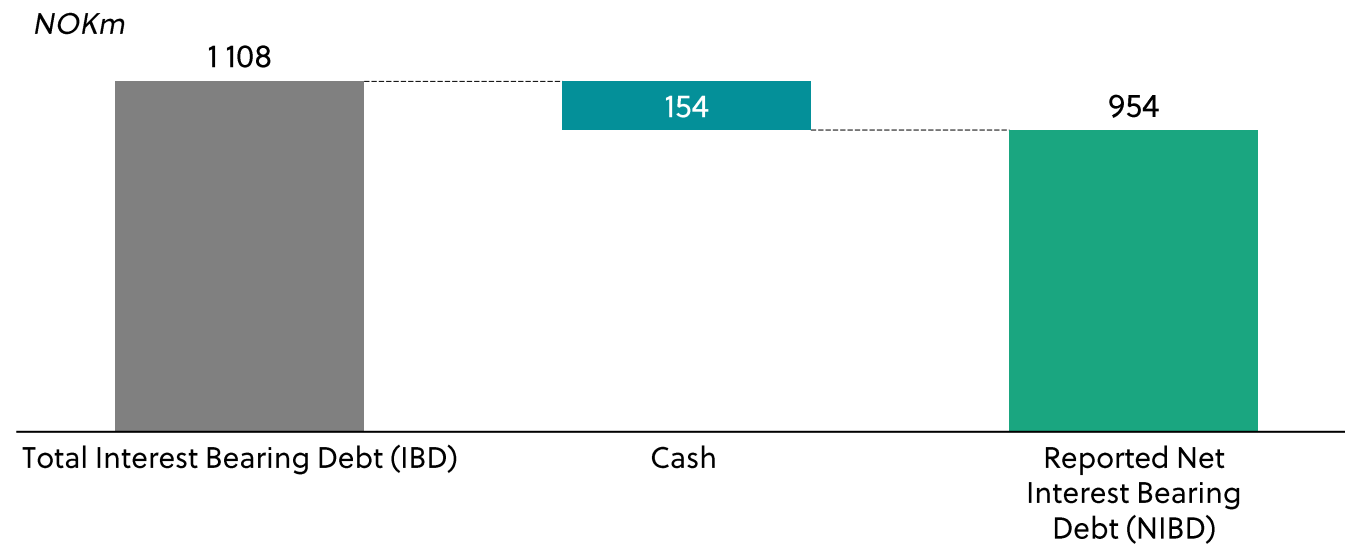
54% revenue growth

- 3x growth in MAE services which are complementary to Hexagon Agility businesses
- Further top-line growth in UE machines

Profitable growth

- Positive margin despite continued ramp-up, weighing down 10 percentage points

Hexagon Group leverage



- At end of Q4, Hexagon Group has NOK 733 million in available liquidity
 - Total NIBD of NOK 954 million
 - NIBD/EBITDA leverage of 2x

Hexagon Purus

- Contributed NOK 0.2 billion in form of Convertible bond
- Support towards break-even EBITDA goal in 2025
 - Hexagon Purus has attracted HY24 and Mitsui as anchor investors
- Accounting driven non-cash impairment of NOK 0.7 billion
 - Net NOK +1.65 billion P&L effect for year, including the gain realized in second quarter



Hexagon Group 2023¹ Financial & ESG Scorecard

Strong demand for our sustainable solutions, solid fundamentals



NOK 5.2bn revenue



NOK 480
million EBITDA



Avoided 1.5 million²
metric tons of CO₂ equivalents

Free cash flow
NOK 465m

Available liquidity
NOK 733m



Equity Ratio



Hexagon Purus
shareholding of 38.4%³

1) 2023 = Preliminary and unaudited

2) CO₂ equivalents. Number is subject to full-year review.. 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

3) As of 15 February 2024.

Outlook

Hexagon Group 2024 outlook

Back-end loaded with truck sales expected to increase significantly after engine launch



Mobile Pipeline & Cylinders other

Strong RNG driven growth with almost full backlog for 2024; Strong sales to Hexagon Purus expected

Transit & Refuse truck

Lumpy transit, steady Refuse truck

Truck

Continued excess capacity in freight sector. Typically low Q1, weak Q2 ahead of new X15N engine launch in Q3; expecting pick-up in second half 2024



LPG cylinders

Stable 2024 expected with major European customer rationalizing capex, offset by larger orders outside Europe



Cylinder testing and inspection technologies
Continued profitable growth

Revenue

- Back-end loaded truck revenues
- Growth on track for 2025 target of NOK >6bn

EBITDA

- Back-end loaded profitability
- Margin appreciation expected in second-half of year, in line with increased truck volumes
- Profitability on track for 2025 target of ~15%

Key takeaways

21% top-line
growth in 2023
with improved
margins

Record Mobile
Pipeline and
Hexagon Digital
Wave sales

Strong RNG* drivers
Introductory orders
for game-changing
15L engine
commenced

On track to hit 2025
targets
Revenue: >NOK 6bn
EBITDA margin: ~15%

Q&A

A woman with long dark hair in a ponytail, wearing a white shirt, is walking away from the camera on a city street. The background is blurred, showing buildings and other pedestrians. A white hexagonal pattern is overlaid on the entire image. The text "Clean air everywhere" is centered in white.

Clean air everywhere

Appendix

Investor relations information



Exchange

Ticker symbol: HEX
ISIN: NO0003067902
Exchange: Oslo Børs



Market cap

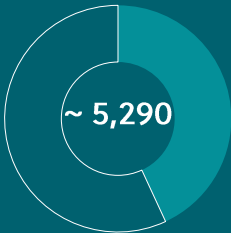
NOK ~4.7 bn¹
Market capitalization



Investor base

Shareholders

~ 60%
International
ownership



Financial calendar 2024

Q4'23	14 February
Annual report	22 March
AGM	17 April
Q1'24	8 May
Q2'24	15 August
Q3'24	7 November



Equity analyst coverage

ABG
Carnegie
Danske Bank
DNB
Nordea
SEB
Sparebank 1

For details, please visit our [website](#)



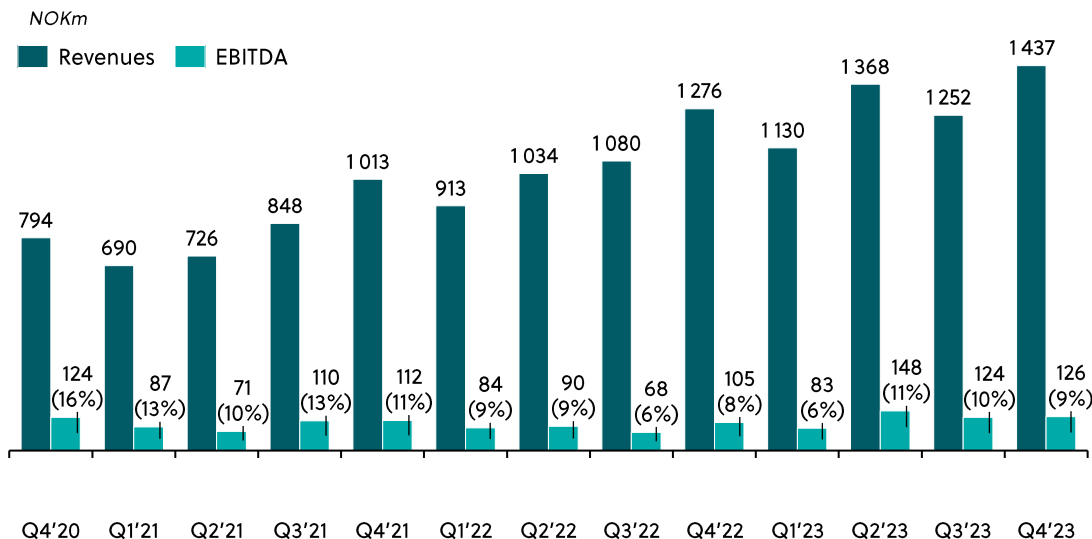
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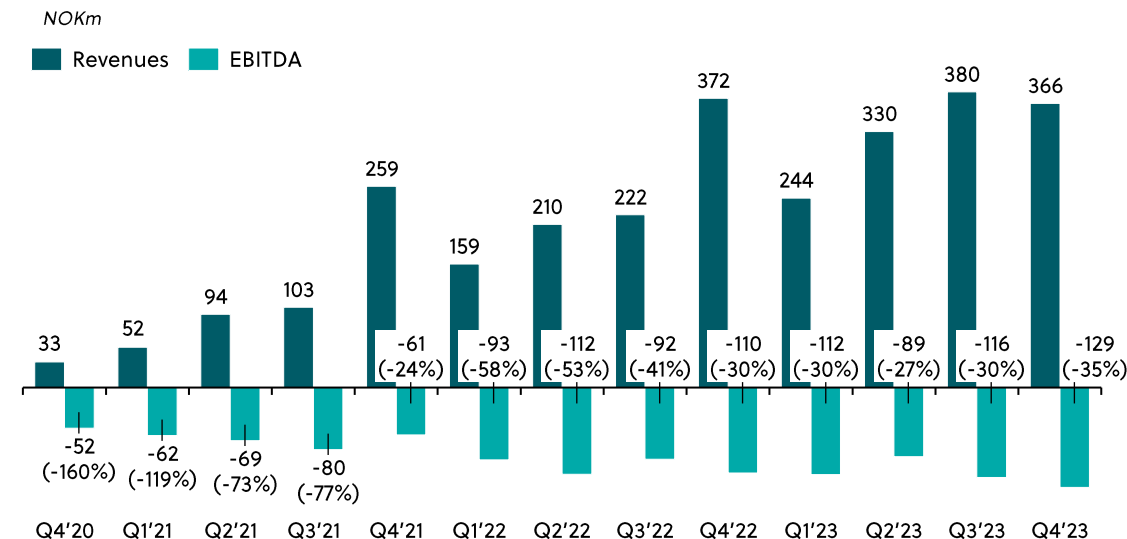
David Bandele
Chief Financial Officer
Email: david.bandele@hexagongroup.com
Direct: +47 920 91 483

Hexagon proforma financial highlights (1/3)

Hexagon Group (excluding Hexagon Purus)*



Hexagon Purus*



- Hexagon (excl. Hexagon Purus) provides clean solutions with strong ESG benefits

- Hexagon Agility**: (renewable) natural gas clean mobility solutions
- Hexagon 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 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

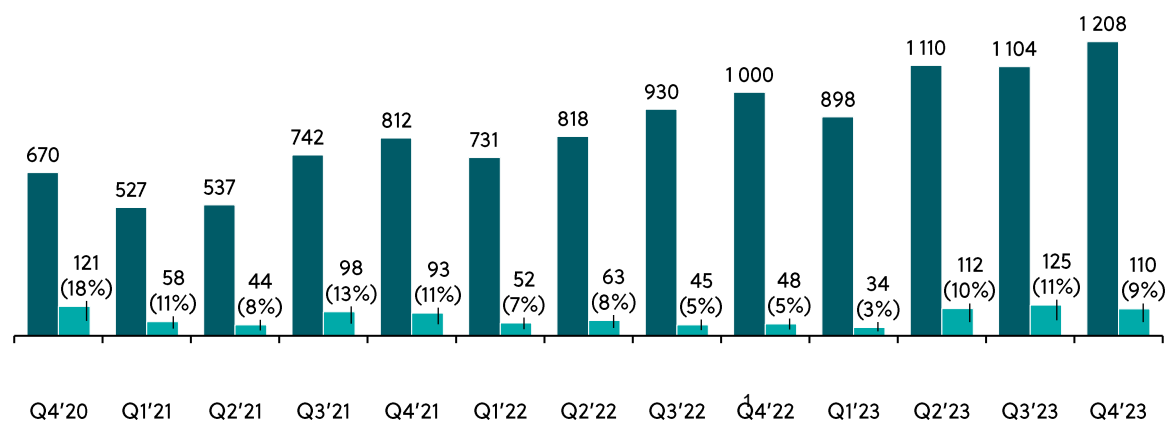


Segment proforma financial highlights (2/3)

Hexagon Agility*

NOKm

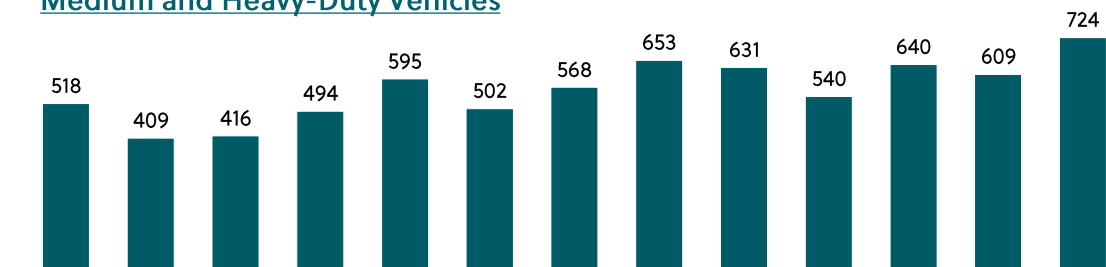
Revenues EBITDA



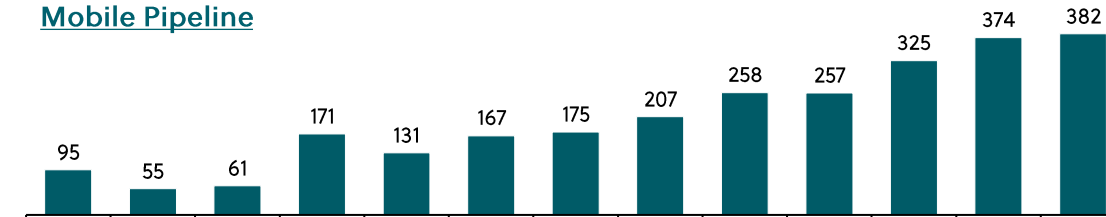
- Hexagon Agility provides (renewable) natural gas clean mobility solutions for Heavy and Medium Duty Vehicles, Mobile Pipeline, and Light-Duty Vehicles
- Global leading provider within markets including Heavy-Duty/ Medium-Duty Trucks, Refuse Truck, Transit Bus, Gas Transportation, Mobile Refueling units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

Hexagon Agility split (after eliminations)* NOKm

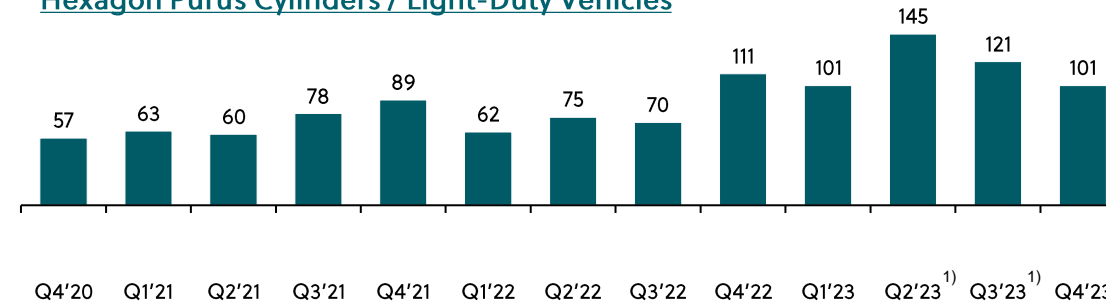
Medium and Heavy-Duty Vehicles



Mobile Pipeline



Hexagon Purus Cylinders / Light-Duty Vehicles



*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;

2020: preliminary unaudited pro-forma figures after adjusting for reorganizations; 2021 segment reported

1) Corrected compared to previous quarters due to reclassifications.

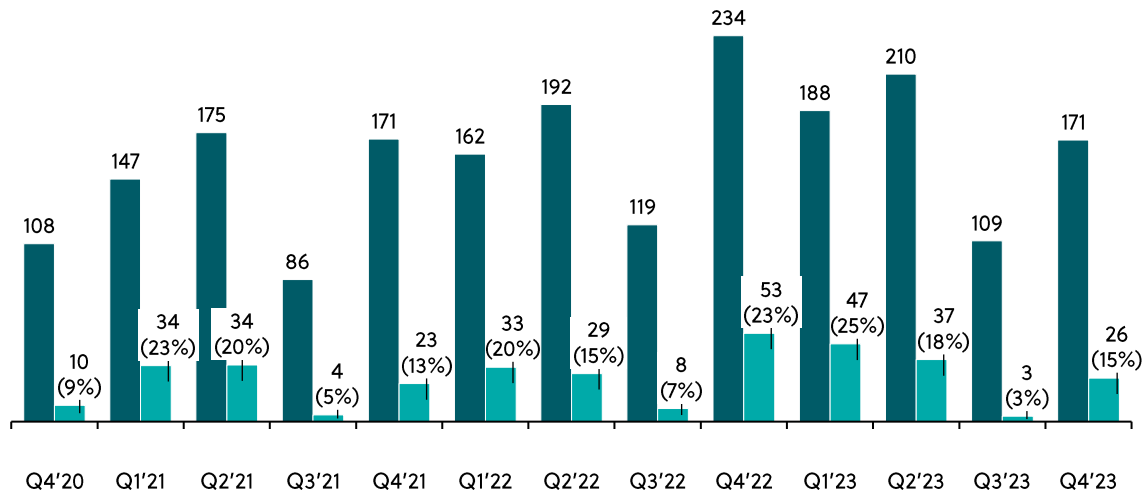


Segment proforma financial highlights (3/3)

Hexagon Ragasco

NOKm

Revenues EBITDA

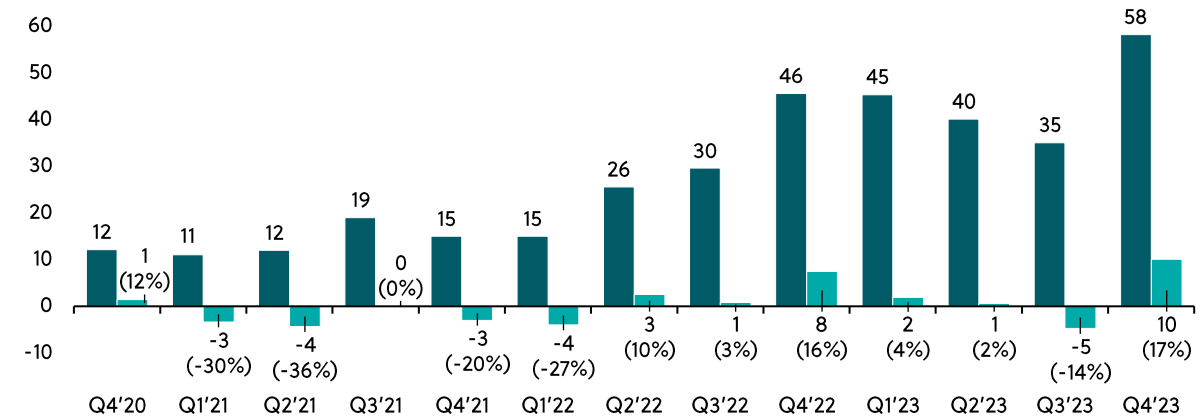


- World leading provider of LPG composite cylinders
- Delivered over 20 million cylinders worldwide
- Strategic agenda include IoT and digitalization providing connectivity and driving value chain transformation

Hexagon Digital Wave

NOKm

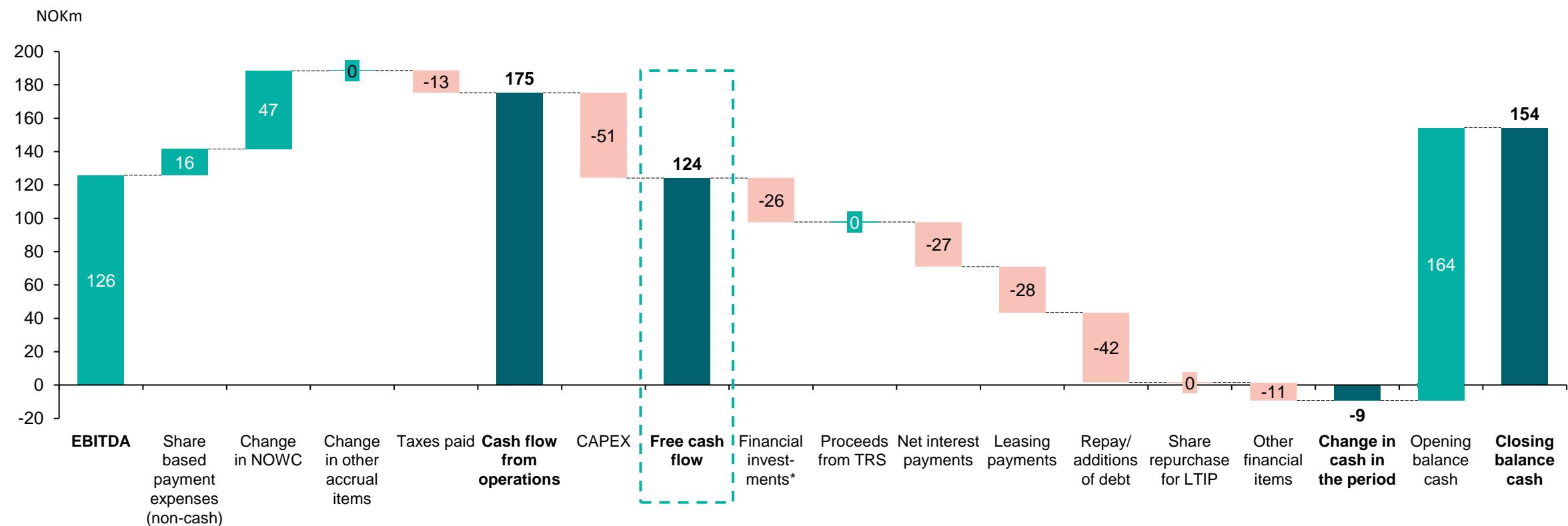
Revenues EBITDA



- 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



Cash flow Q4 2023

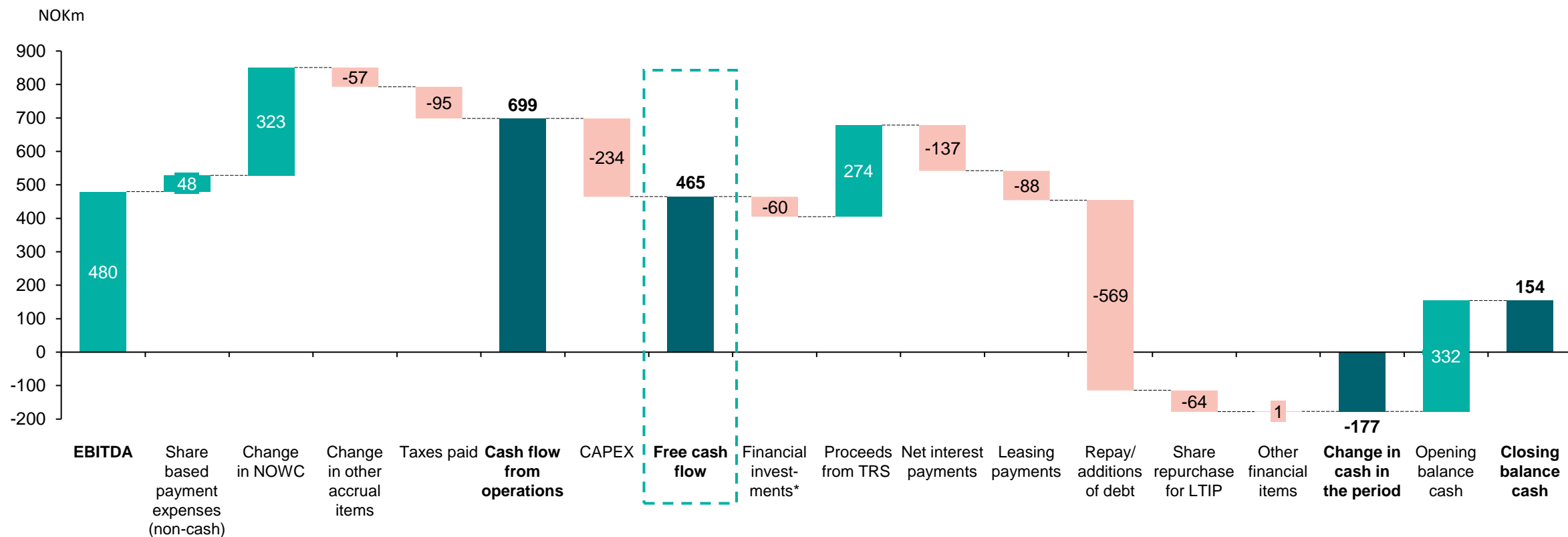


Strong free cash flow in Q4 driven by sound underlying performance in Agility coupled with some favorable release of working capital compared to end Q3.

* Financial investments relate to loans to Cryoshelter



Cash flow FY 2023 (excl. Hexagon Purus)

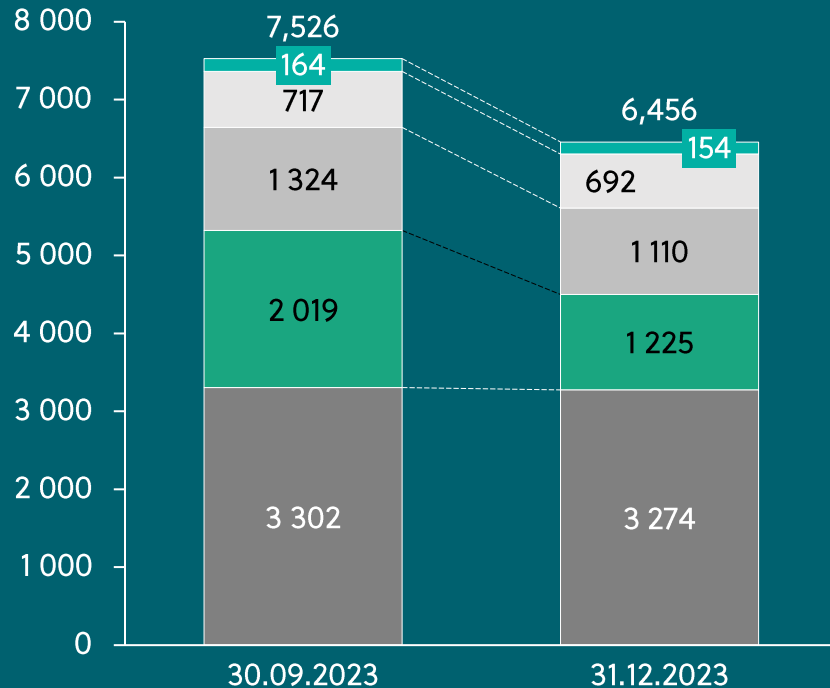


Strong free cash flow positively affected by targeted lowering of working capital, following recovery from pandemic related supply-chain disruptions. Cash position further improved by sale of 5% outstanding Purus shares through a TRS agreement, enabling deleverage and strengthening balance sheet.

* Financial investments relate to loans to Cryoshelter

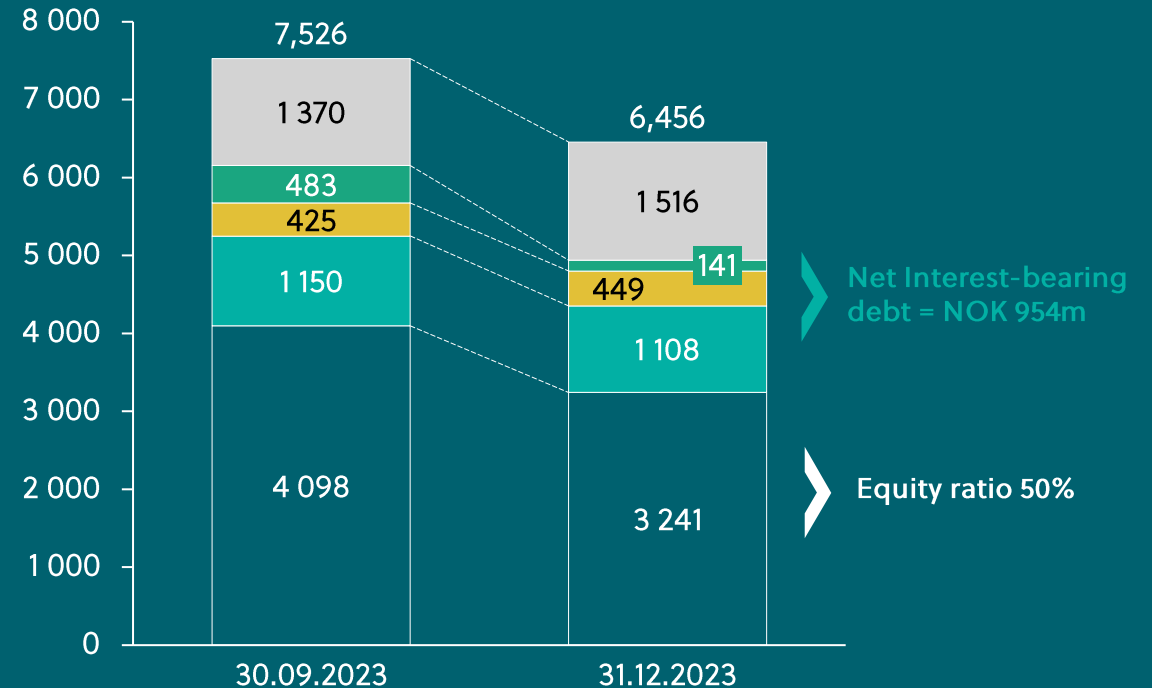
Hexagon Group Balance sheet | Q4 2023 vs Q3 2023

Assets NOKm



- Cash
- Receivables & other current assets
- Inventory
- Investment in Hexagon Purus
- Non-current assets

Liabilities & Equity NOKm



- Other current liabilities
- Other long term liabilities
- Lease liabilities
- Interest bearing debt
- Equity

A woman with a ponytail, seen from behind, is walking on a city street during sunset. The scene is overlaid with a white hexagonal pattern. The text "Clean air everywhere" is centered in white.

Clean air everywhere