

PRESS RELEASE

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Hexagon to acquire Agility Fuel Solutions

Hexagon Composites (OSE:HEX) ("Hexagon") has signed an agreement to acquire the remaining 50% of Agility Fuel Solutions ("Agility"). This investment strengthens Hexagon's position as the globally leading gas fuel solutions provider.

"We are really happy to have reached this milestone", says Jon Erik Engeset, CEO and President of Hexagon. "We believe the timing to be optimal. Fuel price spreads are back at attractive levels, payback times are favorable, and the global focus on the environment has never been stronger. Our combined solutions portfolio and expert teams represent a unique value proposition to the markets."

The increasing alignment of economic and environmental benefits is driving market adoption of cleaner drivetrain alternatives. Heavy-duty truck, transit bus and refuse truck fleet owners are acting on their emissions reduction strategies with greater investment in alternative fuel vehicles and infrastructure. In turn, vehicle manufacturers are motivated to provide more offerings, including bio- and natural gas, propane, battery electric and hydrogen fuel cell electric vehicles.

"Hexagon has been a strong, supportive investor in Agility for the last two years. We share a common vision, values and strategic goals and look forward to an exciting future together," stated Kathleen Ligocki, CEO of Agility. "For our customers, this will provide Agility access to greater global resources and scale across a broad portfolio of sustainable energy technologies."

Agility Fuel Systems and Hexagon's medium and heavy duty CNG automotive businesses merged in 2016 to create Agility, resulting in Hexagon owning 50% of Agility. The companies have delivered more than half a million cylinders and over forty thousand fuel systems to customers around the globe.

Agility has production facilities in Salisbury, North Carolina, Lincoln, Nebraska, Fontana, California and Raufoss, Norway with technology centers in Lincoln, Nebraska, Wixom, Michigan and Kelowna, British Columbia. Agility maintains sales offices in North America, South America, India, the United Kingdom and Norway. The Company will report Agility's financial results as a separate business area, fully consolidated into Hexagon's accounts.

Agility reported revenues of USD 157.3 million (NOK 1.3 billion) in 2017, with adjusted EBITDA of USD 14.7 (NOK 122) million and reported EBITDA of USD 9.5 (NOK 79) million. The fiscal year 2018 financial results are expected to exceed those of 2017, with a strong uptick in the second half of 2018. The positive trajectory is also expected to continue in 2019.

"This acquisition is significantly accretive to our consolidated results and, accordingly, it should be simpler for investors to value Hexagon," says David Bandele, CFO of Hexagon.

The transaction values Agility's equity at USD 250 million (NOK 2.1 billion) on a 100% basis. The signing of the agreement took place on 8 November with closing expected in January 2019.



The acquisition is fully financed through a secured facility with DNB Bank ASA. The Company intends, however, to issue an unsecured bond for the long-term financing of the group and has mandated DNB Markets for this purpose.

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About Agility Fuel Solutions

Agility Fuel Solutions is a leading global provider of clean fuel solutions for medium- and heavy-duty commercial vehicles. Its product offerings include natural gas, hydrogen, and battery electric energy storage and delivery systems, Type 4 composite natural gas cylinders, propane and natural gas fuel systems, and propane dispensers. Agility offers solutions for a variety of vehicle types, including Class 8 trucks, refuse trucks, transit buses, school buses, concrete mixers, and delivery trucks. Agility has been manufacturing and servicing safe and reliable clean fuel solutions for commercial vehicle fleets and OEMs for more than 20 years, logging billions of kilometers on the road per year.

About Hexagon Composites ASA

Hexagon Composites delivers safe and innovative solutions for a cleaner energy future. We are adapting our leading composite pressure vessel technology for a wide range of mobility and storage applications.

For more information, please visit www.hexagon.no

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