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CIMC – Hexagon
Hydrogen Joint venture briefing

March 2021


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HEXAGON
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Agenda

- Snapshot of the JV agreements
- Presentation of JV products and services
- Compelling industrial partnership
- Market prospects
- Strategic significance

Snapshot of Joint Venture agreement

- Chinese market for Fuel Cell Electric Vehicles (FCEV) is expected to grow rapidly to become **the largest global market over the next decade**
- **CIMC Enric and Hexagon Purus** have signed Joint Venture (JV) agreements to provide **safe, lightweight and cost-efficient compressed hydrogen fuel storage for vehicles and distribution solutions** to meet the fast-growing market demand in China and Southeast Asia.
- JVs will have two dedicated operating entities**: a cylinder JV and a system JV**
- Type 3 (T3) cylinder capacity will be built through upgrading of existing production facilities - **revenues expected from T3 fuel storage in 2021.**
- Construction of the T4 cylinder facilities are expected to commence as early as the second quarter 2021.
- Manufacturing lines designed for approximately **100,000 cylinders per annum in a first stage**, towards the middle of the decade

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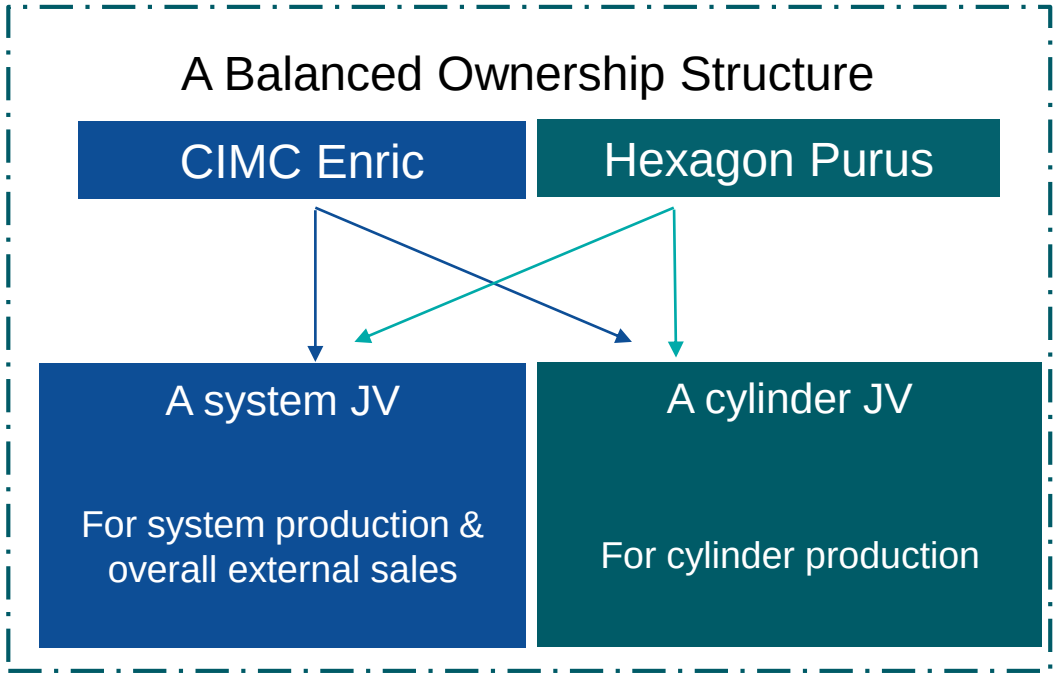


Products presentation

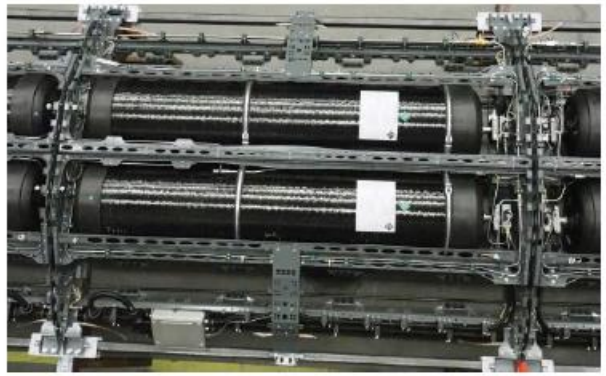
From Type IV tank manufacturer to solutions provider

Fiberglass/carbon full wrap, plastic liner

T4 high-pressure vessels for hydrogen are made of carbon fiber.

They are available in the pressure levels 250, 300, 350, 500, 700 and 950 bar.

Fuel storage and delivery systems

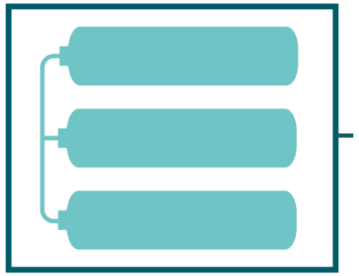


Products and services

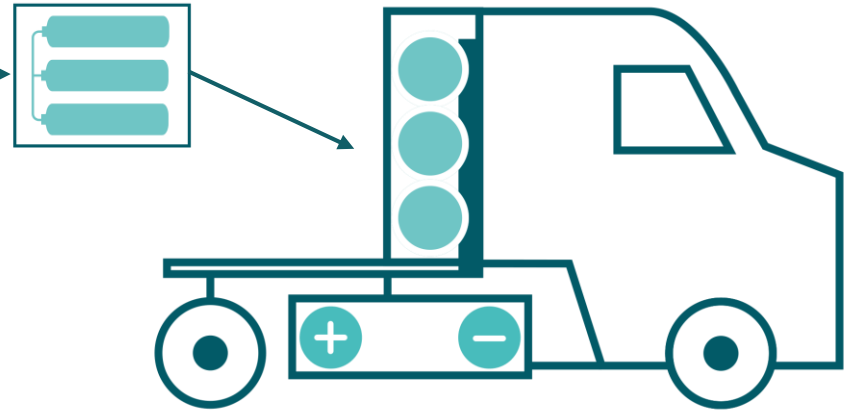
Hydrogen storage cylinders and cylinder systems

Compressed hydrogen Type 4 cylinders

Cylinder systems



Example of cylinder systems integrated onto a fuel cell truck



Selection of applications for hydrogen cylinders and cylinder systems

Heavy-duty vehicles

Light commercial vehicles

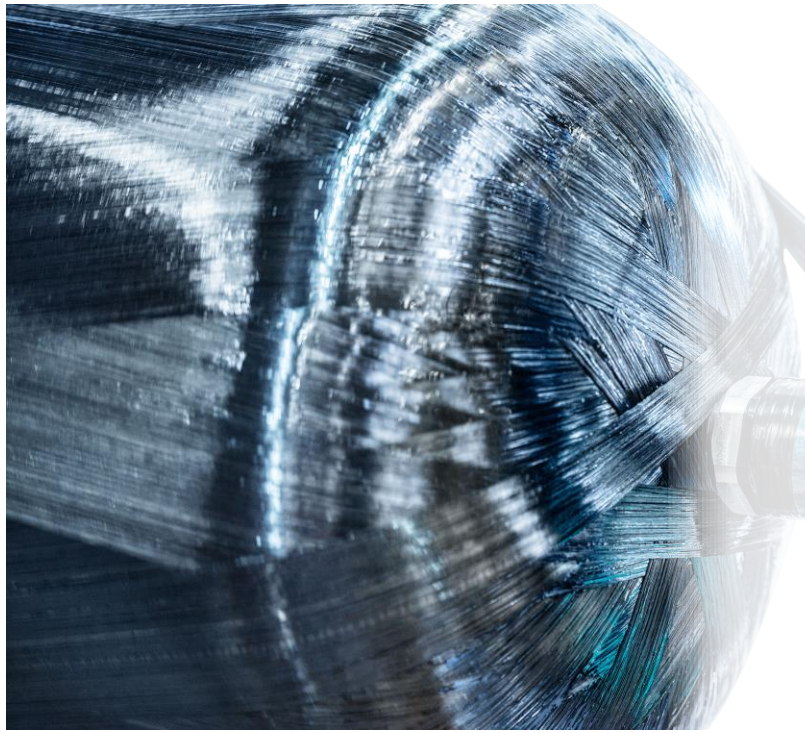
Transit buses

Light-duty vehicles

Distribution modules

Local production of advanced T4 cylinders in China

Hexagon Purus delivers state-of-the art Type 4 technology

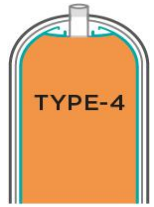


NON-CORROSIVE:
Polymer liner is corrosion free

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

Cylinder technologies	 All carbon full wrap metallic liner	 Fiberglass/carbon full wrap, plastic liner
Description	Fiber composite cylinder with aluminum lining	Fiber composite cylinder with plastic lining
Total cost of ownership		Lower
Storage density		Higher
Mobility applications	✓	✓

Type 4 cylinders - safer, lighter, higher density, lower cost

Source: Company, third-party consultant

Compelling industrial partnership

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- Advanced intelligent manufacturer in clean energy industry.
- Trusted and reliable energy equipment brand in China, involved in hydrogen storage and distribution sector since 2006.
- Chinese leader in LNG cylinders
- Strong relationships with vehicle OEMs, gas distributors and regulators in China.
- Successful track record of international alliances
- SEHK listed company (3899.HK)
- http://enricgroup.com/

HEXAGON PURUS

- Global leader in Type 4 pressure vessel technology, a key enabler for growth in the Chinese FCEV market
- State-of-the-art design of fuel systems for hydrogen, battery electric and hybrid mobility applications
- Expertise spans light, medium and heavy-duty vehicles, ground storage, distribution, marine, rail and backup power solutions
- Solid track record of innovating with global vehicle OEMs on FCEV projects
- Oslo Stock Exchange listed company (stock ticker: HPUR)
- https://hexagonpurus.com

CIMC - Hexagon goals

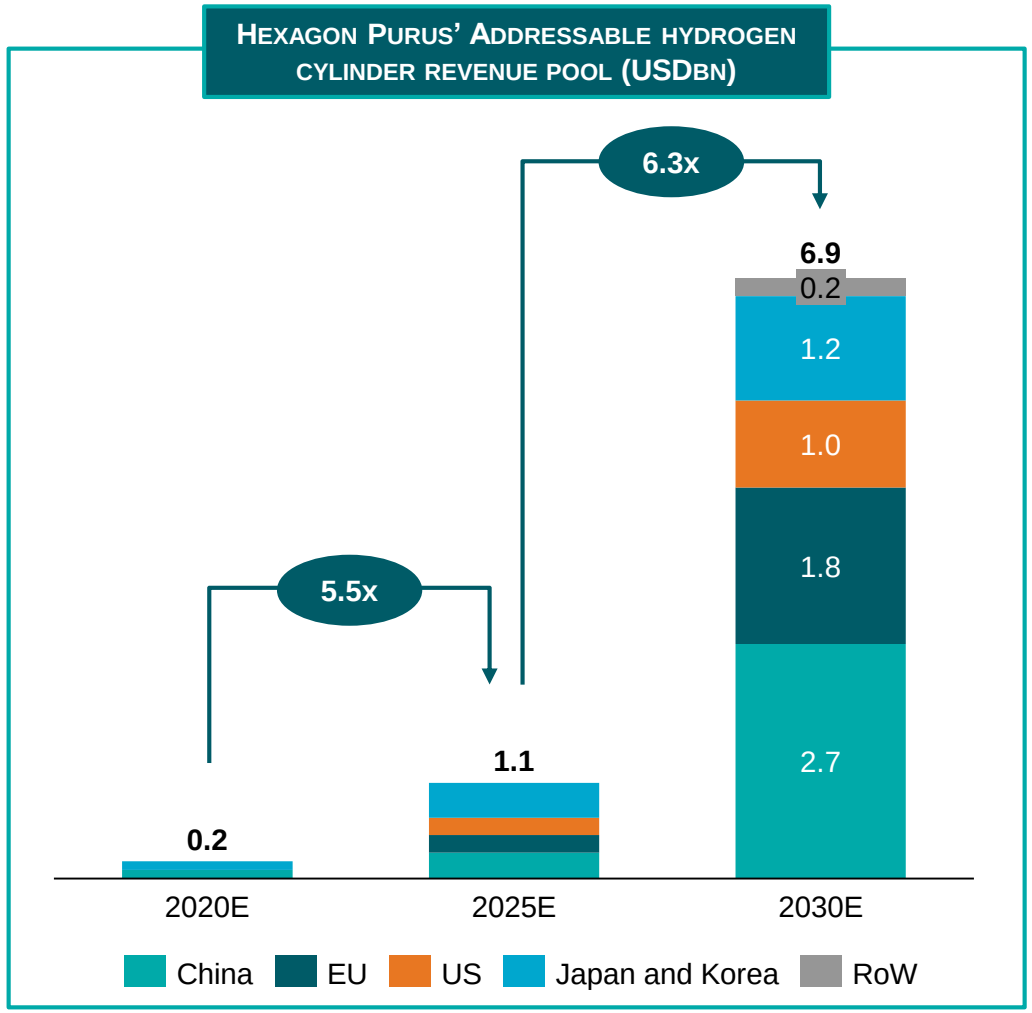
- **Accelerate** the adoption of zero emission mobility
- **Reduce greenhouse gas emissions** and **improve** air quality
- **Together** become the **largest provider of hydrogen storage for Fuel Cell Electric Vehicles (FCEVs)** and **distribution solutions** in China and Southeast Asia

Industry policies and planning in China

Hydrogen defined as energy	In April 2020, hydrogen defined **as an energy source by** "Energy Law of the PRC (Draft)" published by the NEA. **The energy status of hydrogen was solidified in the top-level design.**
FCEV reward incentive policy released	on April 23, 2020 by the Ministry of Finance, the Ministry of Industry and Information Technology, the Ministry of Science and Technology, and NDRC jointly release the **"Hydrogen Incentive policy", using reward instead of subsidy**
The group standard for T4 cylinder implemented	The China Association for Technical Supervision and Information issued **T/CATSI02007-2020 "Carbon Fibre Fully Wrapping Cylinders with Compressed Hydrogen Plastic Liner for Vehicles"** in OCT. 2020, which stipulates the type, parameters, technical requirements, and transportation of T4 cylinders. National standard under developing now.
10 provinces and Shanghai 14th "Five-Year Plan" cover H2 development	Including Guangdong, Shanghai, Hebei, Shaanxi, Jilin, Liaoning, Shandong, Guizhou, Guangxi, Inner Mongolia and Gansu). There have **been 7 related policies issued by the central government, and a total of 30 related policies issued by 22 provinces and cities**
China to be the largest global FCEV market	**China to be the largest FCEV market with exponential growth over the next decade and beyond.** 2035 – planned 1.3 m FCEV and 1,000 hydrogen refuelling stations in China* 2020 - only 7,355 FCEVS and 118 hydrogen refuelling stations in China by the end of 2020.

*According to the "White Paper on China's Hydrogen Energy and Fuel Cell Industry"

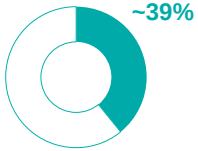
China is expected to be the largest market, followed by EU and the US



Source: Company, third-party consultant

% of addressable market in 2030E

Represents the main driver of FCEV truck volumes because of large truck fleet, despite having similar adopting rates as e.g. Japan and South Korea

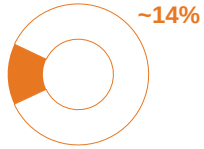


Large domestic automotive industry increasingly active in FCEVs

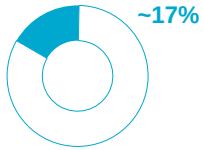
Europe expected to be a frontrunner market (within FCEV) because of government regulations to reach emission reduction targets in commercial applications

US addressable market significantly lower than EU due to less ambitious states assumed to have lower hydrogen adoption rates than e.g. California, and 70% of US car sales are in less climate ambitious states

Positive traction in the truck market driven by the automotive industry

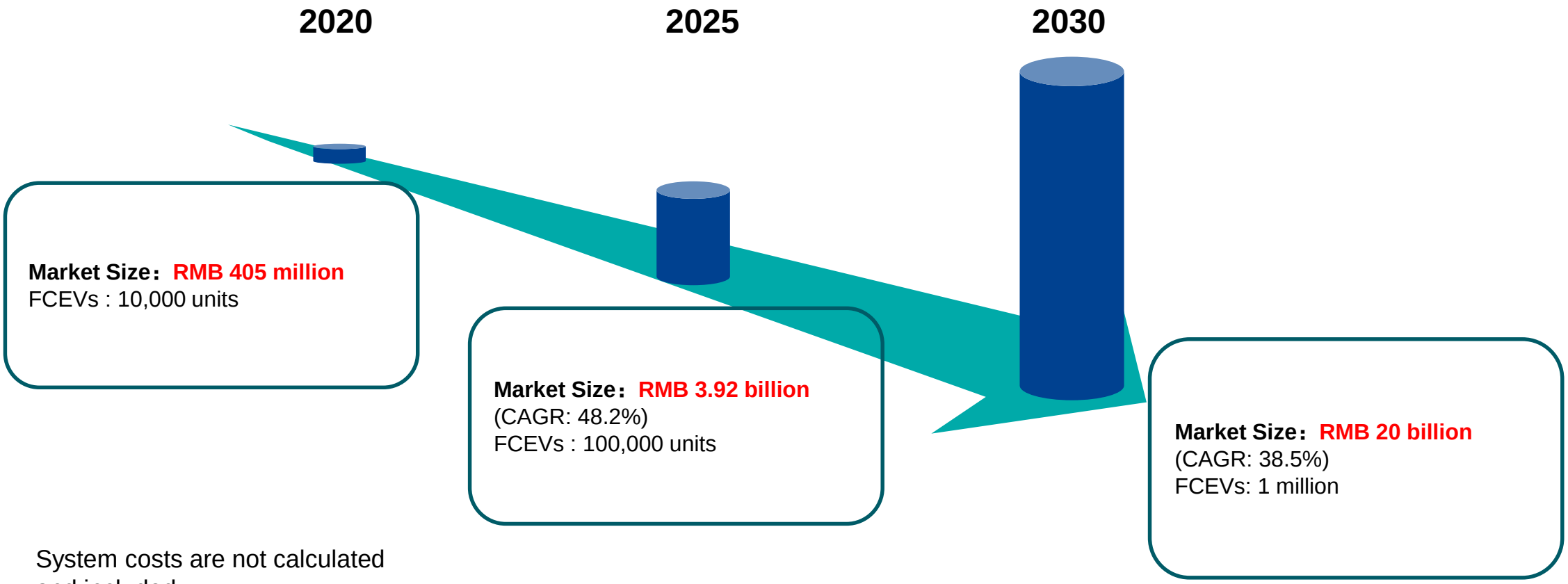


Large domestic automotive industry increasingly active in FCEVs Japan and South Korea expected to have high hydrogen adoption rate due to strong government support for hydrogen mobility



Market prospects

Promising market size of on-vehicle high-pressure hydrogen cylinders in China



- System costs are not calculated and included
- Source: Trend Bank

JVs' business scope in CIMC Enric's hydrogen roadmap

Driving China's clean energy transformation

Hydrogen business as one of major growth drivers for CIMC Enric in the future

Localization of world-advanced T4 cylinder technology & production

First-mover advantages upon China's huge FCEV opportunities

Hydrogen production	Refuelling station	**Storage & transportation**	**Vehicle fuel storage**	Distributed energy storage application
• Focus on the R&D of equipment used in hydrogen production, purification and other processing, taking natural gas and unconventional gas exploitation as the entry point • Seize other hydrogen production opportunity	Strengthen the market development of hydrogen refueling stations and explore new business models for one stop solutions with key equipment for hydrogen refueling stations	• Introduce T4 gas transportation solution through JV and vigorously develop the existing hydrogen storage and transportation equipment business • Aim to be a leading integrated supplier of upstream hydrogen storage and transportation	• Introduce T4 vehicle fuel storage through JV • Cooperate with leading OEMs in supplying vehicle fuel storage, benefiting from technological advantages in JV	Vigorously explore applications of distributed energy storage in downstream market

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