Q1 2016

OSLO, 12 MAY 2016

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AGENDA

• Group highlights
• Group financials & segment overview
• Outlook
• Q & A
LOW VOLUME IN THE QUARTER
- UPTICK EXPECTED

OPERATING REVENUES
NOK Million

2011 2012 2013 2014 2015 LTM (31.03.2016)
820 854 1,272 1,651 1,444 1,334
HIGHLIGHTS Q1 2016

• Weak sales volumes in Mobile Pipeline™
• Strong growth in the LPG segment
• Hydrogen "on everybody’s lips"
• Executed investment agreement and strategic alliance agreement with Mitsui & Co., Ltd.
• Agreed to acquire 67% of Brazilian bus systems builder
• Enhanced SMARTSTORE® approved by US DOT
• Cost reduction program completed and delivering above target
FINANCIAL HIGHLIGHTS Q1 2016

• Key factor impacting profits this quarter:
  - Mobile Pipeline™ weakness

• Strong transit bus but softer refuse and truck sales in CNG North America

• Growing order book in Mobile Pipeline™

• Strong recurring sales base in LPG

• EBIT level profit in European Light-Duty Vehicles

• Positive operational cash generation

• Receipt of new equity proceeds at end of period

<table>
<thead>
<tr>
<th>Group key figures</th>
<th>NOK million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>292</td>
</tr>
<tr>
<td>EBITDA</td>
<td>19</td>
</tr>
<tr>
<td>Net profit</td>
<td>--</td>
</tr>
</tbody>
</table>
Q1 2016 SUMMARY GROUP INCOME STATEMENT

<table>
<thead>
<tr>
<th>NOK MILLION</th>
<th>THREE MONTHS ENDING</th>
<th>TWELVE MONTHS ENDING</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.3.16</td>
<td>31.3.15</td>
</tr>
<tr>
<td>Operating Income</td>
<td>291.6</td>
<td>401.6</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(273.0)</td>
<td>(348.7)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>18.6</td>
<td>52.9</td>
</tr>
<tr>
<td>Depreciation and impairment</td>
<td>(15.4)</td>
<td>(13.4)</td>
</tr>
<tr>
<td>EBIT</td>
<td>3.2</td>
<td>39.5</td>
</tr>
<tr>
<td>Share of profit/(loss) from associates</td>
<td>(0.0)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Other financial items (net)</td>
<td>(5.8)</td>
<td>13.8</td>
</tr>
<tr>
<td>Profit/(loss) before tax</td>
<td>(2.6)</td>
<td>53.2</td>
</tr>
<tr>
<td>Tax expense</td>
<td>3.0</td>
<td>(15.6)</td>
</tr>
<tr>
<td>Profit/(loss) after tax</td>
<td>0.4</td>
<td>37.6</td>
</tr>
</tbody>
</table>

EBITDA %  
6.4%  13.2%  6.9%

EBIT %  
1.1%  9.8%  2.6%

NET PROFIT%  
0.2%  9.4%  0.3%
### Q1 ’16 V ’15 INCOME STATEMENT HIGHLIGHTS

<table>
<thead>
<tr>
<th>Operating income</th>
<th>EBITDA</th>
<th>EBIT</th>
<th>Net profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOK million</td>
<td>NOK million</td>
<td>NOK million</td>
<td>NOK million</td>
</tr>
<tr>
<td>Q1 2015</td>
<td>Q1 2016</td>
<td>Q1 2015</td>
<td>Q1 2016</td>
</tr>
<tr>
<td>402</td>
<td>292</td>
<td>53</td>
<td>19</td>
</tr>
</tbody>
</table>

- **Operating income**
  - **EBITDA**
    - -27% Growth NOK -110 million
  - **EBIT**
    - -65% Growth NOK -34 million
  - **Net profit**
    - -92% Growth NOK -36 million

- **High-Pressure decline**
  - NOK 127 million (-42%)
    - Includes positive USD FX impacts of c. NOK 29 million
- **Low-Pressure increase**
  - NOK 17 million (+17%)

- **EBITDA**
  - High-Pressure decline NOK 41 million (-4.0% margin)
  - Low-Pressure increase NOK 6 million (21.4% margin)
- **EBIT**
  - Higher depreciation in Low-Pressure following increased asset base in 2015
- **Net profit**
  - Financial items effect NOK -20 million (FX -21; Interest +2; Other -1)
  - Tax effect of NOK +19 million

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**Cost initiatives helped partially offset lower volumes in Mobile Pipeline™**
SEGMEN T SHARES Q1 2016
BEFORE GROUP ELIMINATIONS*

SHARE OF OPERATING INCOME

Q1 2015
- High-Pressure: CNG Automotive (Global) 100
- High-Pressure: Mobile Pipeline™ 104
- Low-Pressure: LPG (Propane) 199

NOK 403* million

Q1 2016
- High-Pressure: CNG Automotive (Global) 20
- High-Pressure: Mobile Pipeline™ 122
- High-Pressure: Hydrogen 149
- Low-Pressure: LPG (Propane) 10

NOK 295* million

* Before group eliminations
SEGMENT SHARES Q1 2016
BEFORE GROUP ELIMINATIONS*

SHARE OF EBIT

Q1 2015

- High-Pressure: CNG Automotive and Mobile Pipeline™
- Low-Pressure: LPG (Propane)

SHARE OF EBIT

Q1 2016

- High-Pressure: CNG Automotive, H2 and Mobile Pipeline™
- Low-Pressure: LPG (Propane)

NOK 42* million

NOK 4* million

-17
Q1: HIGH-PRESSURE CYLINDERS

• Very weak Mobile Pipeline™ sales; however stronger order book

• Strong transit bus demand in North America; somewhat slow in Rest of the World

• Somewhat slower Heavy-Duty and Refuse sales; One large expected order pushed out to Q3

• Profits in European Light-Duty Vehicles

• Hydrogen sales to ground storage applications

<table>
<thead>
<tr>
<th>NOK MILLION</th>
<th>SUMMARY FINANCIALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 2016</td>
</tr>
<tr>
<td>Operating Income</td>
<td>172.7</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(179.6)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(6.9)</td>
</tr>
<tr>
<td>Depreciation and impairment</td>
<td>(10.6)</td>
</tr>
<tr>
<td>EBIT</td>
<td>(17.5)</td>
</tr>
</tbody>
</table>
Q1: LOW-PRESSURE CYLINDERS

• Recurring revenue growth mainly in European markets
• Continual penetration in Africa and South-America
• Real capacity improvements through targeted investments in 2015
• Continued focus on customised product offerings

<table>
<thead>
<tr>
<th></th>
<th>SUMMARY FINANCIALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 2016</td>
</tr>
<tr>
<td>Operating Income</td>
<td>121.8</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(95.8)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>26.0</td>
</tr>
<tr>
<td>Depreciation and impairment</td>
<td>(4.7)</td>
</tr>
<tr>
<td>EBIT</td>
<td>21.3</td>
</tr>
</tbody>
</table>
Positive operational cash generation; New equity proceeds received at end of Q1
### FINANCIAL POSITION V PREVIOUS QUARTER

<table>
<thead>
<tr>
<th>NOK MILLION</th>
<th>31.3.2016</th>
<th>31.12.2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>97.5</td>
<td>99.6</td>
<td>(2.1)</td>
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<tr>
<td>Tangible fixed assets</td>
<td>386.8</td>
<td>410.0</td>
<td>(23.2)</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>6.7</td>
<td>3.2</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Total Non-current Assets</strong></td>
<td><strong>491.0</strong></td>
<td><strong>512.8</strong></td>
<td><strong>(21.8)</strong></td>
</tr>
<tr>
<td>Inventories</td>
<td>403.0</td>
<td>332.4</td>
<td>70.6</td>
</tr>
<tr>
<td>Receivables</td>
<td>230.4</td>
<td>242.4</td>
<td>(12.0)</td>
</tr>
<tr>
<td>Bank deposits, cash and similar</td>
<td>762.9</td>
<td>93.2</td>
<td>669.7</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>1 396.3</td>
<td>668.0</td>
<td>728.3</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1 887.3</td>
<td>1 180.8</td>
<td>706.5</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>1 100.1</td>
<td>470.1</td>
<td>630.0</td>
</tr>
<tr>
<td>Long-term interest-bearing debt</td>
<td>383.2</td>
<td>382.9</td>
<td>0.3</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>23.4</td>
<td>24.5</td>
<td>(1.1)</td>
</tr>
<tr>
<td><strong>Total Non-current Liabilities</strong></td>
<td><strong>406.6</strong></td>
<td><strong>407.4</strong></td>
<td><strong>(0.8)</strong></td>
</tr>
<tr>
<td>Short-term interest-bearing debt</td>
<td>0.0</td>
<td>10.7</td>
<td>(10.7)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>380.6</td>
<td>292.6</td>
<td>88.0</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>380.6</strong></td>
<td><strong>303.3</strong></td>
<td><strong>77.3</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>787.2</td>
<td>710.7</td>
<td>76.5</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td><strong>1 887.3</strong></td>
<td><strong>1 180.8</strong></td>
<td><strong>706.5</strong></td>
</tr>
</tbody>
</table>

- New equity significantly decreases the Balance Sheet
- Positive net operational cash generation
- Large bulk Carbon fibre purchases effected on extended pay-terms
- Modest Capital expenditures; Asset base reduction driven by currency effects
STRENGTHENED BALANCE SHEET

ASSETS
NOK Million

LIABILITIES AND EQUITY
NOK Million

Cash
Receivables
Inventories
Fixed assets

Cash and cash equivalent
NOK 763 million

Current liabilities
Long term liabilities
Equity


58.3%
FINANCIAL IMPACTS TO Q2

• Paid down NOK 383 million of debt after close of Q1 with proceeds of private placement
  – Reduced net assets
  – Higher equity ratio
  – Realized finance costs of NOK 4.7 million of previously capitalized costs
  – Deal fee estimates of NOK 18.6 million already included in net proceeds

• Exited remaining interest rate hedge – cash impact of NOK 4 million but no P&L impact
OUTLOOK
NORTH AMERICA MARKET DEVELOPMENTS

• The environmental benefits of CNG currently the main market driver
  – Attractive to larger fleets and urban applications
  – Urge to reduce NOx transportation emissions

• Increased oil prices starting to widen the diesel / natural gas price delta

• The North American market outlook for the rest of 2016 remains relatively positive
MOBILE PIPELINE™

• Low sales through Q2, but order backlog and prospect list point to a healthy recovery in second half

• North American market with positive signals for large scale and emission sensitive applications

• Execution of a large TITAN® order in Latin America in 2016

• Mobile filling stations and industrial applications in Asia targeted with new SMARTSTORE® and TITAN®

• Biogas opportunities starting to emerge in Europe
  – First order taken in United Kingdom
CNG AUTOMOTIVE

• US transit bus systems market expected to remain strong for the remainder of the year

• European bus system market expected to pick up after a slow start

• Hexagon Brazil significantly strengthens competitive position for bus projects in the rest of the world

• Healthy refuse truck market expected after a soft Q1

• Other heavy-duty truck relatively flat

• Profitable growth expected from the light-duty segment, with new models being launched late Q3 and 2017 respectively
LPG CYLINDERS

• Sound market development in core European markets
  – Increasing penetration in existing and new markets

• Continued traction in markets outside Europe
  – Leading Pan African distributor considering new markets

• Technology investments executed in 2015 significantly improved productivity and have given more than 10% increased capacity
  – Now offering enhanced design and branding options to existing and new customers

⇒ Business area delivering on growth strategy
2020 TOKYO OLYMPICS – LAUNCH OF THE “HYDROGEN SOCIETY“

• Tokyo Environmental Master Plan 2030*
  – 200,000 Fuel Cell Vehicles (FCVs)
  – 150 Hydrogen Refueling Stations (HRS)

• Japanese OEMs targeting around 40,000 fuel cell vehicles on the roads for the Olympics in 2020

• Hexagon Composites, Mitsui & Co., Ltd. and Toray Industries, Inc. doing feasibility study of a jointly owned company in Japan for manufacturing and sales of hydrogen cylinders for fuel-cell vehicles (FCVs)

* The Tokyo Metropolitan Government (TMG)
FUEL CELL VEHICLES

Toyota Mirai*
Hyundai Tucson*
Mercedes-Benz F-Cell
Mercedes-Benz F 105

Honda FCEV
Honda FCX Clarity
Volkswagen HyMotion
Audi A-7 Sportback

Toyota SUV
General Motors FCEV
Nissan TeRRA FCEV
BMW Grand Turismo 5

* Launched models
## STRATEGIC ALLIANCE WITH MITSUI & CO., LTD.

### MITSUI & CO. KEY FIGURES

<table>
<thead>
<tr>
<th>Category</th>
<th>Figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>YEN 5,404.9 billion (NOK 373 billion)</td>
</tr>
<tr>
<td>EBITDA 2015</td>
<td>YEN 788.3 billion (NOK 54 billion)</td>
</tr>
<tr>
<td>Net Profit 2015</td>
<td>YEN 306.5 billion (NOK 21 billion)</td>
</tr>
<tr>
<td>Offices</td>
<td>141</td>
</tr>
<tr>
<td>Countries</td>
<td>66</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>279</td>
</tr>
<tr>
<td>Associated companies</td>
<td>166</td>
</tr>
<tr>
<td>Employees</td>
<td></td>
</tr>
<tr>
<td>Consolidated Mitsui</td>
<td>47,118</td>
</tr>
<tr>
<td>Mitsui</td>
<td>6,006</td>
</tr>
</tbody>
</table>
QUESTIONS PLEASE

Jon Erik Engeset, CEO
David Bandele, CFO