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AGENDA

• Group highlights
• Group financials & segment overview
• Outlook
• Q & A
HIGHLIGHTS FROM Q1 2017

• Growth of 42% in revenue in the LPG segment versus Q1 2016
  – Record high sales for the quarter
  – First delivery of Viseo cylinder design

• Solid Mobile Pipeline® sales in the quarter
  – Deliveries to North American oil & gas industry

• Substantial order received for Hydrogen gas transportation in Germany

• Cash-EBITDA generation on-track within Agility Fuel Solutions
  – Introduced Blue iQ™ natural gas fuel product
FINANCIAL HIGHLIGHTS Q1 2017

• Key factors impacting EBITDA this quarter:
  - Strong LPG performance
  - Solid Mobile Pipeline® Americas sales
  - Stronger Hydrogen sales
  - Relatively weak Light-Duty Vehicles performance

• Steady Agility contribution but weighed down by non-cash accounting entries

• Negative working capital movements
  - though good liquidity maintained through the cycle

*New business combination reporting
### Q1 2017 GROUP INCOME STATEMENT

<table>
<thead>
<tr>
<th>NOK MILLION</th>
<th>THREE MONTHS ENDING</th>
<th>FULL YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.03.2017</td>
<td>31.03.2016</td>
</tr>
<tr>
<td>Operating Income</td>
<td>346,2</td>
<td>291,6</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(311,1)</td>
<td>(273,0)</td>
</tr>
<tr>
<td>Exceptional Gains</td>
<td>0,0</td>
<td>0,0</td>
</tr>
<tr>
<td>EBITDA</td>
<td>35,1</td>
<td>18,6</td>
</tr>
<tr>
<td>Depreciation on tangibles</td>
<td>(13,3)</td>
<td>(14,6)</td>
</tr>
<tr>
<td>Amortisation and impairment</td>
<td>(5,1)</td>
<td>(0,8)</td>
</tr>
<tr>
<td>EBIT</td>
<td>16,6</td>
<td>3,2</td>
</tr>
<tr>
<td>Share of profit/(loss) from associates</td>
<td>(1,2)</td>
<td>0,0</td>
</tr>
<tr>
<td>Amortisation of associates intangibles</td>
<td>(3,5)</td>
<td>0,0</td>
</tr>
<tr>
<td>Other financial items (net)</td>
<td>(5,7)</td>
<td>(5,8)</td>
</tr>
<tr>
<td>Profit/(loss) before tax</td>
<td>6,3</td>
<td>(2,6)</td>
</tr>
<tr>
<td>Tax expense</td>
<td>1,0</td>
<td>3,0</td>
</tr>
<tr>
<td>Profit/(loss) after tax</td>
<td>7,2</td>
<td>0,4</td>
</tr>
<tr>
<td>EBITDA %</td>
<td>10,1 %</td>
<td>6,4 %</td>
</tr>
<tr>
<td>EBIT %</td>
<td>4,8 %</td>
<td>1,1 %</td>
</tr>
<tr>
<td>NET PROFIT / (LOSS)%</td>
<td>2,1 %</td>
<td>0,1 %</td>
</tr>
</tbody>
</table>

*New business combination reporting*
Strong underlying growth in both High and Low-Pressure segments
**EBITDA WALK Q1 2017**

Strong underlying EBITDA growth with focus on High-Pressure segment
SEGMENT SHARES Q1 2017
BEFORE GROUP ELIMINATIONS*

SHARE OF OPERATING INCOME

Q1 2016
NOK 295* million
- High-Pressure: CNG Automotive (Global) ex LDV
- High-Pressure: Light-Duty Vehicles (LDV)
- High-Pressure: Mobile Pipeline®
- High-Pressure: Hydrogen
- High-Pressure: MasterWorks & Other
- Low-Pressure: LPG (Propane)

Q1 2017
NOK 349* million
- High-Pressure: Light-Duty Vehicles (LDV)
- High-Pressure: Mobile Pipeline®
- High-Pressure: Hydrogen
- High-Pressure: MasterWorks & Other
- Low-Pressure: LPG (Propane)

Deconsolidated from Q4 2016 onwards

SEGMENT SHARE Q1 2017
BEFORE GROUP ELIMINATIONS*

SHARE OF OPERATING INCOME

Q1 2016
NOK 295* million
- High-Pressure: CNG Automotive (Global) ex LDV
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- High-Pressure: Hydrogen
- High-Pressure: MasterWorks & Other
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Q1 2017
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- High-Pressure: Light-Duty Vehicles (LDV)
- High-Pressure: Mobile Pipeline®
- High-Pressure: Hydrogen
- High-Pressure: MasterWorks & Other
- Low-Pressure: LPG (Propane)

Deconsolidated from Q4 2016 onwards
Q1: HIGH-PRESSURE CYLINDERS

- Solid Mobile Pipeline® sales
  - Deliveries primarily to oil & gas customer

- Hydrogen is in early growth phase and typically dilutive to results
  - However, solid product sales in quarter drove close to break-even EBITDA effect this quarter

- Light-duty vehicles impacted by product acceptance delays

- Improving profitability is still primary focus for segment

<table>
<thead>
<tr>
<th>NOK MILLION</th>
<th>SUMMARY FINANCIALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 2017</td>
</tr>
<tr>
<td>Operating Income</td>
<td>175,4</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(177,7)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(2,3)</td>
</tr>
<tr>
<td>Depreciation on tangibles</td>
<td>(9,0)</td>
</tr>
<tr>
<td>Amortisation and impairment</td>
<td>(5,1)</td>
</tr>
<tr>
<td>EBIT</td>
<td>(16,4)</td>
</tr>
</tbody>
</table>
Q1: AGILITY FUEL SOLUTIONS

- Revenues USD **40.0** million
- Reported EBITDA of USD **1.4** million; “Adjusted” EBITDA of USD **3.5** million
- Net cash USD **1.7** million
- Strong focus on COGS, plant footprint optimization and vertical synergies has driven reasonable profit levels in stagnant market

- *Results are recorded below the line*
  - *This includes significant non-cash accounting impacts*
Q1: AGILITY FINANCIAL EFFECTS FOR GROUP REPORTING

• Positive operating results from Agility are then diluted by the following:
  – Share-based compensation (non-cash) – **USD 1.3 million***
  – Ordinary depreciation – **USD 2.0 million**
  – Interest cost – **USD 0.4 million**

• Our 50% share of profit/(loss) in Q1 = **NOK -4.7 million** (-11 million in previous quarter Q4 2016) of which:
  – **-1.2 m** is from operations (-7.5 m in Q4 2016)
  – **-3.5 m** is depreciation from related intangible assets

• Tax effects are reported within the Group tax cost line

• Investment value recorded in the Balance Sheet = **NOK 971 million** (976 million in Q4 2016)

*IFRS adjusted figure; USD 1.9 million as reported in US GAAP
Q1: LOW-PRESSURE CYLINDERS

- 42% year-over-year sales growth
- Deliveries primarily to traditional European markets and Qatar in the quarter
- Strong Order book as at end of quarter

<table>
<thead>
<tr>
<th>NOK MILLION</th>
<th>Q1 2017</th>
<th>Q1 2016</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>175,4</td>
<td>121,8</td>
<td>53,6</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(135,3)</td>
<td>(95,8)</td>
<td>(39,5)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>40,1</td>
<td>26,0</td>
<td>14,1</td>
</tr>
<tr>
<td>Depreciation on tangibles</td>
<td>(4,1)</td>
<td>(4,6)</td>
<td>0,5</td>
</tr>
<tr>
<td>Amortisation and impairment</td>
<td>0,0</td>
<td>0,0</td>
<td>0,0</td>
</tr>
<tr>
<td>EBIT</td>
<td>36,0</td>
<td>21,4</td>
<td>14,6</td>
</tr>
</tbody>
</table>
### FINANCIAL POSITION V PREVIOUS QUARTER

<table>
<thead>
<tr>
<th>NOK MILLION</th>
<th>Balance sheet per</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>549,0</td>
<td>548,5</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>254,9</td>
<td>260,6</td>
</tr>
<tr>
<td>Investments in JVs and associates</td>
<td>970,8</td>
<td>976,0</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>2,4</td>
<td>2,6</td>
</tr>
<tr>
<td><strong>Total Non-current Assets</strong></td>
<td><strong>1 777,1</strong></td>
<td><strong>1 787,6</strong></td>
</tr>
<tr>
<td>Inventories</td>
<td>264,4</td>
<td>227,5</td>
</tr>
<tr>
<td>Receivables</td>
<td>235,0</td>
<td>201,7</td>
</tr>
<tr>
<td>Bank deposits, cash and similar</td>
<td>135,2</td>
<td>208,1</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>634,6</strong></td>
<td><strong>637,2</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>2 411,7</strong></td>
<td><strong>2 424,8</strong></td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td><strong>1 344,9</strong></td>
<td><strong>1 333,2</strong></td>
</tr>
<tr>
<td>Long-term interest-bearing debt</td>
<td>432,8</td>
<td>431,7</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>300,0</td>
<td>305,3</td>
</tr>
<tr>
<td><strong>Total Non-current Liabilities</strong></td>
<td><strong>732,9</strong></td>
<td><strong>737,0</strong></td>
</tr>
<tr>
<td>Short-term interest-bearing debt</td>
<td>14,2</td>
<td>14,1</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>319,9</td>
<td>340,6</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>334,0</strong></td>
<td><strong>354,7</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>1 066,9</strong></td>
<td><strong>1 091,7</strong></td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td><strong>2 411,7</strong></td>
<td><strong>2 424,8</strong></td>
</tr>
</tbody>
</table>

• Working capital increases driven by:
  - Inventory build-up for conversion in Q3
  - Effect of expansion in receivables driven by record LPG sales
  - Reduced payables and deferred income in USA

• Cash therefore impacted negatively in the quarter

• Otherwise stable movements in balance sheet

*Preliminary unaudited financials*
SOLID BALANCE SHEET

Assets
NOKm

31.12.2016 2,425
31.03.2017 2,412

Fixed assets
Cash
Inventory
Receivables

Liabilities & Equity
NOKm

31.12.2016 2,425
31.03.2017 2,412

CASH AND CASH EQUIVALENT NOK 135 million

EQUITY RATIO: 56%
NET INTEREST BEARING DEBT: NOK 312 million

EQUITY

Interest bearing debt
Other long term liabilities
Other Current liabilities
Cash
Receivables
Inventory
Fixed assets

www.hexagon.no
Negative working capital effects reduce cash levels; mainly cyclical
MOBILE PIPELINE®
US ONSHORE RIG COUNT CONTINUES THE UPWARD TREND

Source: Baker Hughes (Data per 28 April 2017)
• The project funnel remains sound
  – North American oil & gas activity strong driver
  – Most opportunities expected to materialize in 2nd half of 2017

• Some risk that Q2 will be softer than Q1, but capacity in the quarter will be fully utilized for later deliveries
  – Q3 and Q4 expected to be healthy

• Long-term agreement with Certarus
  – TITAN® order worth MUSD 20.6 (around MNOK 177)

• Ready to meet aggressive competition in North America
  – Major cost reductions accomplished
  – Continuous product development
  – Unmatched after sales service
  – Leasing and other financial support
    • Global footprint enables efficient residual value management
HYDROGEN

• Continued substantial growth

• Focus widening from Light-Duty Vehicles to numerous other segments
  – Ground storage
  – Distribution
  – Heavy-Duty Trucks & Buses
  – Rail
  – Maritime

• Infrastructure development required to enable growth in transportation applications
MARITIME APPLICATIONS EMERGING AS A MAJOR OPPORTUNITY – NORWAY TAKING THE LEAD

Energy efficiency passenger transport

<table>
<thead>
<tr>
<th>Mode</th>
<th>Efficiency (liter/per passenger/100 km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catamaran</td>
<td>20</td>
</tr>
<tr>
<td>Aircraft</td>
<td>30</td>
</tr>
<tr>
<td>Cars</td>
<td>40</td>
</tr>
</tbody>
</table>

Source: input from NTNU

Photo: GKP7H2/Brødrene Aa
JOINT VENTURE WITH NEL AND POWERCELL TAILOR-MADE TO ADDRESS MARITIME OPPORTUNITIES

The JV will combine specialized H2 know-how with integration capabilities to support complex configurations.
LIGHT-DUTY VEHICLES CNG

• “Its short-term availability makes natural gas an important component of our overall strategy for eco-friendly mobility of the future.”
  Dr. Ulrich Eichhorn, Head of R&D at Volkswagen

• Volkswagen signed LoI with among others E.ON, TOTAL and Gazprom to promote CNG mobility
  – Increase CNG vehicle fleet in Germany tenfold to 1 million by 2025
  – Expand filling station network to 2,000 locations

“Gas-fuelled mobility is environmental protection that is immediately available.”
Volkswagen Group
CNG ENVIRONMENTAL VALUE PROPOSITION ENHANCED BY BIOGAS AND “E-GAS”

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>Life-cycle carbon intensity in gram CO2-equivalents / MJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel</td>
<td>107</td>
</tr>
<tr>
<td>Natural gas</td>
<td>78</td>
</tr>
<tr>
<td>Biogas (landfill gas)</td>
<td>46</td>
</tr>
<tr>
<td>Audi e-gas</td>
<td>0</td>
</tr>
<tr>
<td>Biogas (dairy digester)</td>
<td>-276</td>
</tr>
</tbody>
</table>

Source: EU Fuel Quality Directive; EU Renewable Energy Directive; California Air Resources Board; Audi
LIGHT-DUTY VEHICLES CNG

• Renewed interest in CNG as important component in clean energy mix
  – Electrification alone does not solve the CO2 challenge

• Healthy underlying growth

• Q2 will be negatively impacted by product acceptance delay from one LDV program
  – Relaunch planned for early Q3
  – Much of the lost volume is expected to be recovered in second half of 2017
AGILITY FUEL SOLUTIONS

• 2017 Heavy-Duty market relatively flat

• Expansion into new markets and geographies

• Manufacturing optimization initiatives expected to improve profitability and competitiveness

• Established new Propane business unit
  – Focus on the global LPG commercial vehicle market
  – Broader portfolio of clean fuel solutions
  – Leveraging capabilities, technologies and footprint
LPG COMPARED TO CNG

• Propane & CNG are complimentary fuels
  – CNG core in heavy-duty class 8 trucks and urban buses
  – Propane core in medium-duty class 4 & 5 school buses, step vans and delivery trucks

• LPG offers several advantages over conventional fuels within the medium-duty markets:
  – Lower fuel price for fleets
  – Less expensive fueling stations
  – Nationwide availability
  – Low cost conversions
LPG

• Q2 is sold out
  – Order backlog for 2nd half of 2017 at satisfactory level

• New drive in America
  – Introduction of the cylinder by regional North American LPG marketers in Q2
  – Targeting the BBQ market

• Continued strong growth from European core markets and customers
TUNED FOR FUTURE GROWTH

75 million NOK investment program to further enhance manufacturing efficiency and product improvements

• New machineries and tools for further reduction of cycle time
  – Increase production capacity by 200,000 cylinders by mid 2019

• Meet increasing global demand and specific design requirements
  – Enhanced product properties through branding, design and features

• Investment and market program expected to improve capacity utilization, profitability and competitiveness

Reduced cycle time

- 2004: 74 sec
- 2016: 12 sec
- 2019: 10 sec (equals 1.8-1.9 mill)
OUTLOOK – SUMMARY

• Positive Mobile Pipeline® outlook

• Sound market growth expected for Light-Duty Vehicles in 2017
  – Product acceptance delays from one program

• Low-Pressure LPG remains very strong

• Significant Hydrogen growth continues

• Relatively flat short term market for Agility but better market signals towards end of 2017

• Integration of xperion according to plan – harvesting of synergies has begun

→ Growth and profit management main priorities short term
QUESTIONS PLEASE

Jon Erik Engeset, CEO
David Bandele, CFO