

Q2 2023

Jon Erik Engeset, CEO
David Bandele, CFO

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Driving Energy Transformation

In the first half of 2023, our solutions enabled the avoidance of

727,540

metric tons of CO₂ equivalents

Equal to taking 150,000 petroleum cars off the road for one year



Key highlights

- **Record-high revenues and improved profitability**
- **25% of outstanding Hexagon Purus' shares, NOK 1.4 billion, distributed as dividend-in-kind to shareholders**
 - Hexagon Purus deconsolidated with an accounting gain of NOK 2.35 billion
- **Significant orders announced for Hexagon Agility**
 - NOK 410 million in Q2
 - NOK ~1 billion in July & August



Q2 2023 Key financials

Hexagon Group (excluding Hexagon Purus)

Revenues

NOK 1,368 million
(NOK 1,034 million)

EBITDA

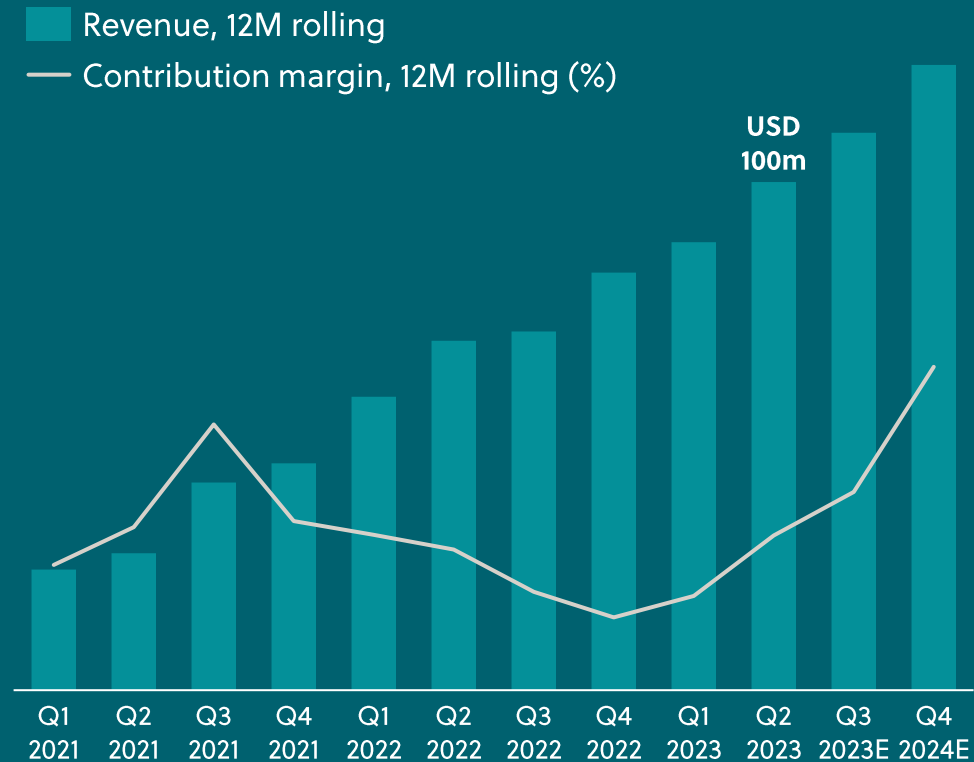
NOK 148 million
(NOK 90 million)

EBITDA margin

11%
(9%)



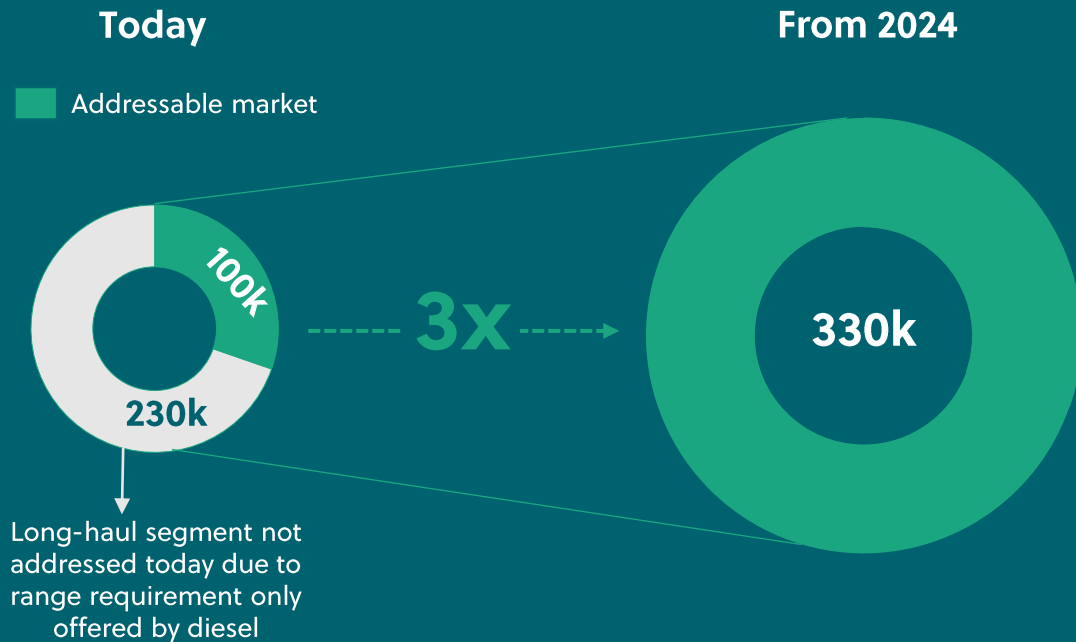
Strong development and outlook for Mobile Pipeline



- Sustainability targets, financial incentives and energy shortages are fueling demand for stranded natural gas, including RNG
- Pricing actions, supply chain easing and scale benefits driving profitability to healthy levels
- **USD 54 million order from Certarus** - the largest single order for Mobile Pipeline ever received
- All-time high order intake supporting strong development for 2024 and beyond

Next generation natural gas engine on track for 2024 launch

US heavy-duty truck addressable market for natural gas solutions
(# trucks sold per year)



NATURAL GAS

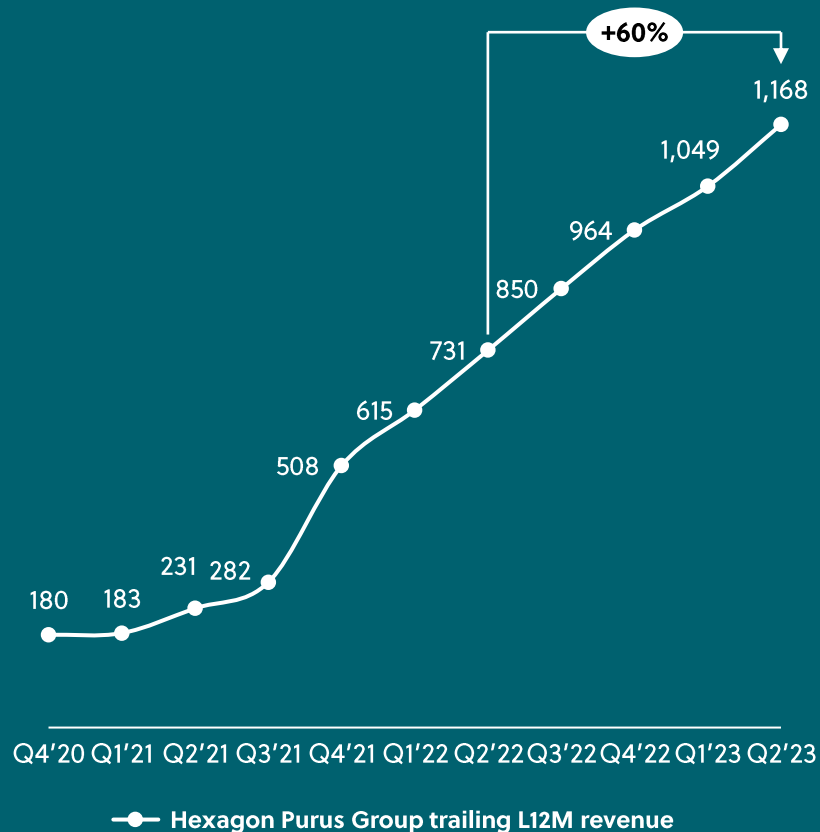
Destination Zero™



Hexagon Purus key highlights

Delivering on revenue growth, supported by strong order book

Last 12 months revenue is up 60% YoY



Highlights

- Multi-year agreement with major North American OEM for complete vehicle integration of battery electric trucks
- Multi-year agreement with a leading global energy company for supply of hydrogen distribution in Europe

Dividend-in-Kind & Financial deconsolidation of Hexagon Purus



Dividend-in-Kind of 25% of outstanding shares in Hexagon Purus for the benefit of shareholders of both companies



- Financial deconsolidation of Hexagon Purus
- Increasing the free float in the Hexagon Purus share
- Enabling both businesses to fully leverage their growth potential independently

Financial deconsolidation of Hexagon Purus

Accounting effects Q2

- Hexagon Purus' Net Asset book value of **NOK 1.5 billion** derecognized from the group balance sheet:
 - Assets NOK 3.8 billion
 - Liabilities NOK 1.5 billion
 - Equity (minority interest) NOK 0.8 billion
- Hexagon Purus profit/losses up to and including Q2 2023 presented as **discontinued operations**, including prior period comparative figures
- Accounting gain¹⁾ of **NOK 2.4 billion** presented as part of profit/losses from discontinued operations
- Classified as investment in associated company at fair value²⁾ of **NOK 2.1 billion**
- Hexagon will use equity method to account for **38.4%** of the profit/losses in Hexagon Purus from Q3 onwards

1) Total fair value of consideration of NOK 3.8 bn less Net Assets of Purus derecognised of NOK 1.5bn plus FX translation differences previously booked through OCI of NOK 0.1 bn

2) Fair value at derecognition of NOK 2.4 bn less value of concurrent shares sold in total return swap of NOK 0.3 bn

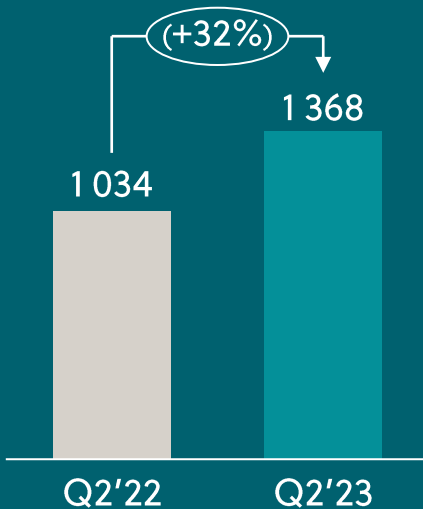
Financials



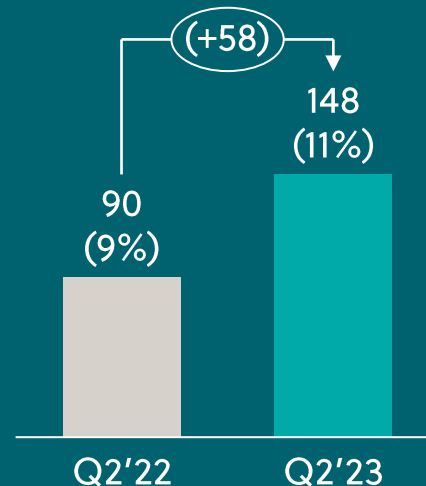
Financial highlights | Q2 2023

Hexagon Group (excluding Hexagon Purus)

Revenue
NOKm



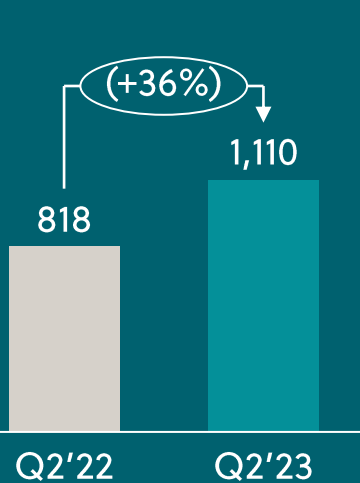
EBITDA
NOKm



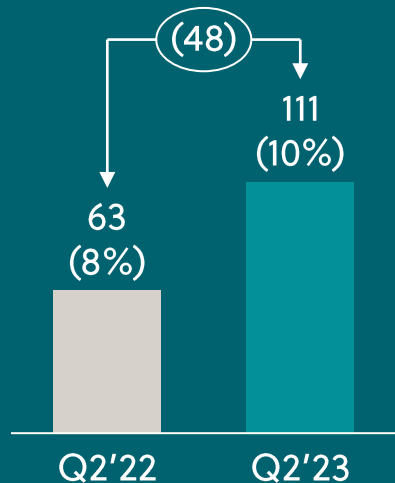
- **32%** revenue growth with strong performance across all segments
- Record high EBITDA of **NOK 148** million
- Significantly improved margins in Hexagon Agility

Hexagon Agility | Q2 2023

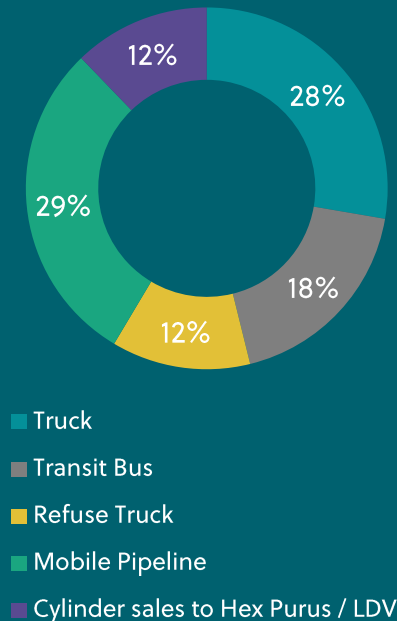
Revenue
NOKm



EBITDA
NOKm



Revenue split



- **36% revenue growth**

- Strong Mobile Pipeline
- Solid Refuse Truck volumes
- Relatively low Heavy-Duty Truck

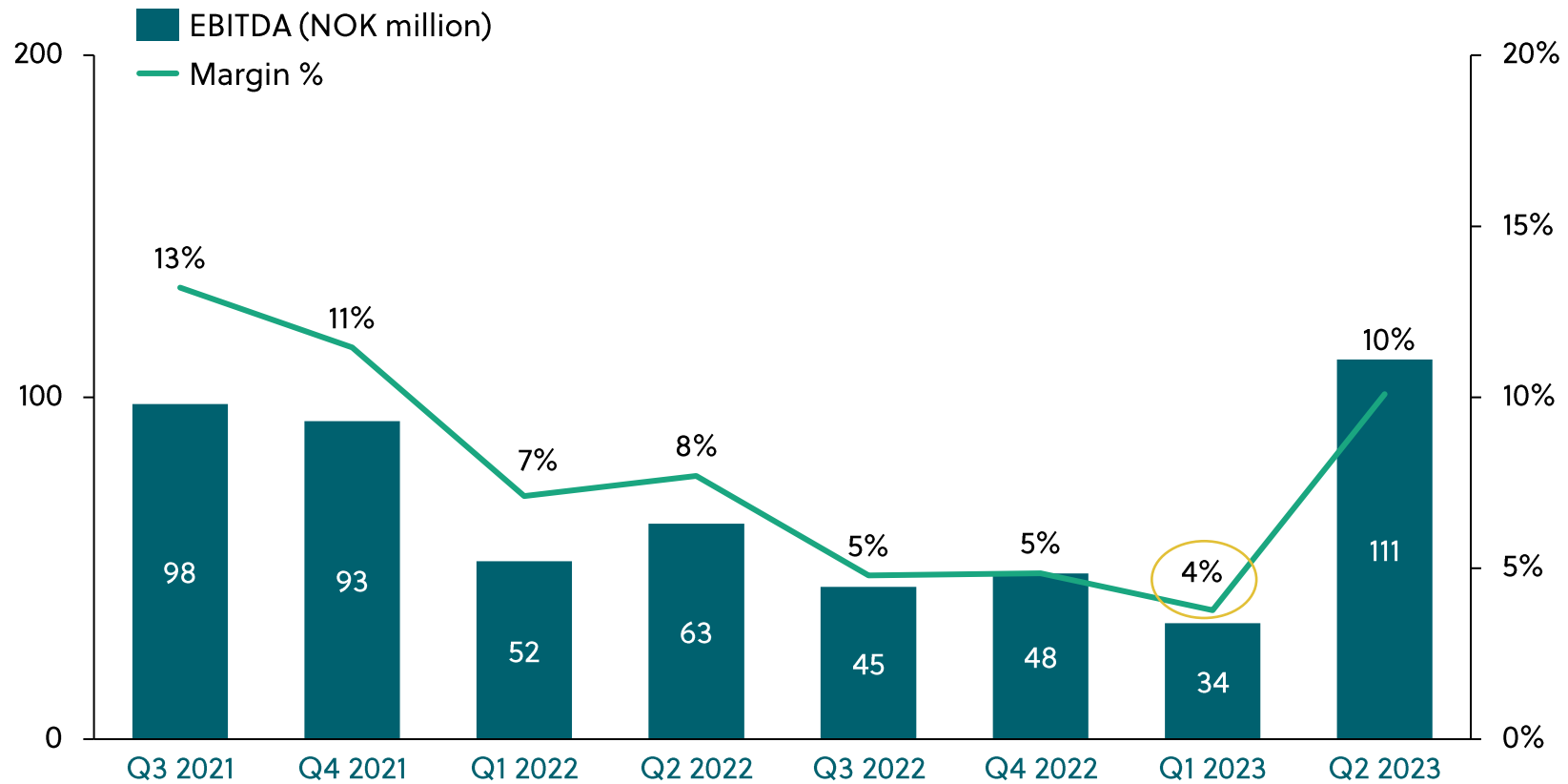
- **Recovering margins**

- Effects of higher pricing realized through P&L
- Normalizing costs in most input materials and components
- Offset by higher carbon fiber input cost effects

Diversified revenue streams supporting critical infrastructure and decarbonization targets

Hexagon Agility EBITDA margin progression

Quarterly EBITDA and Margin

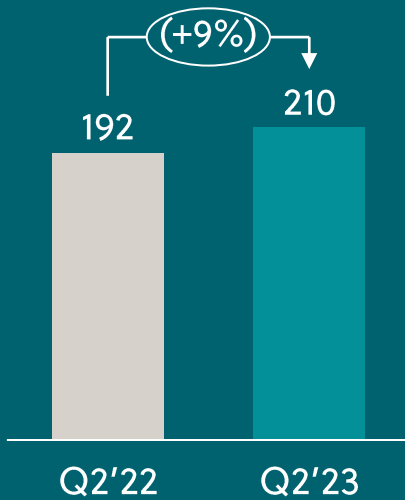


Pricing effects closing the gap on inflation

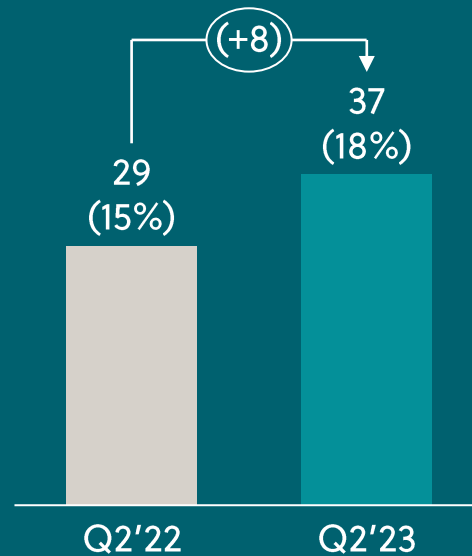
Margin recovery from Q2 onwards

Hexagon Ragasco | Q2 2023

Revenue
NOKm



EBITDA
NOKm

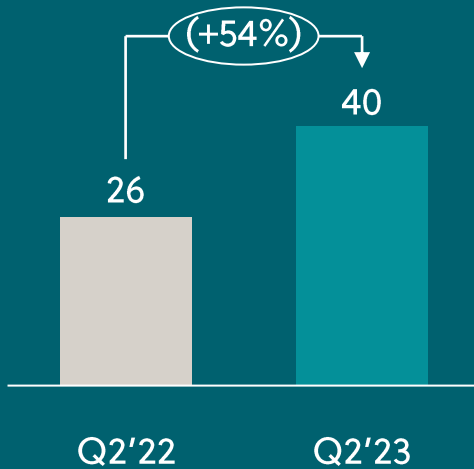


- **9% revenue growth:**
 - Additional Middle-East and Africa volumes
 - Strong growth in new customers globally
- **Solid margins:**
 - Seasonably strong volumes
 - Favorable currency effects

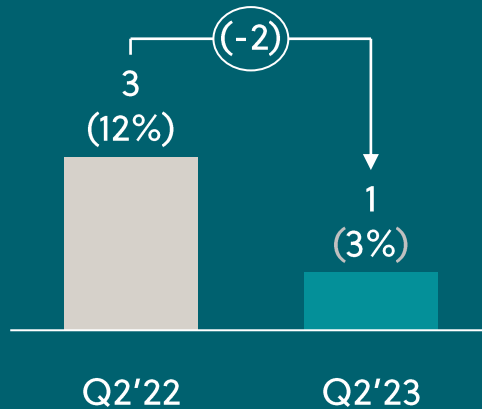
Resilient business with growing global customer base

Hexagon Digital Wave | Q2 2023

Revenue
NOKm



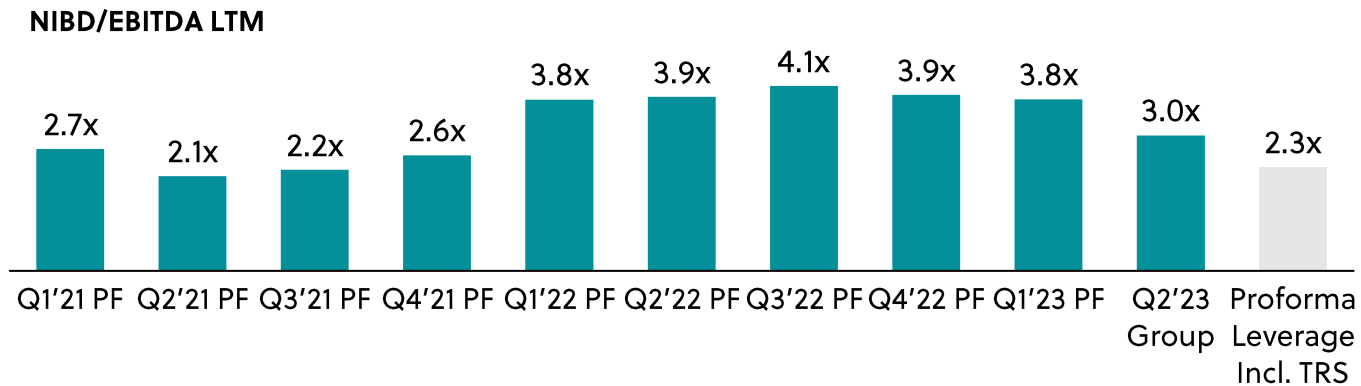
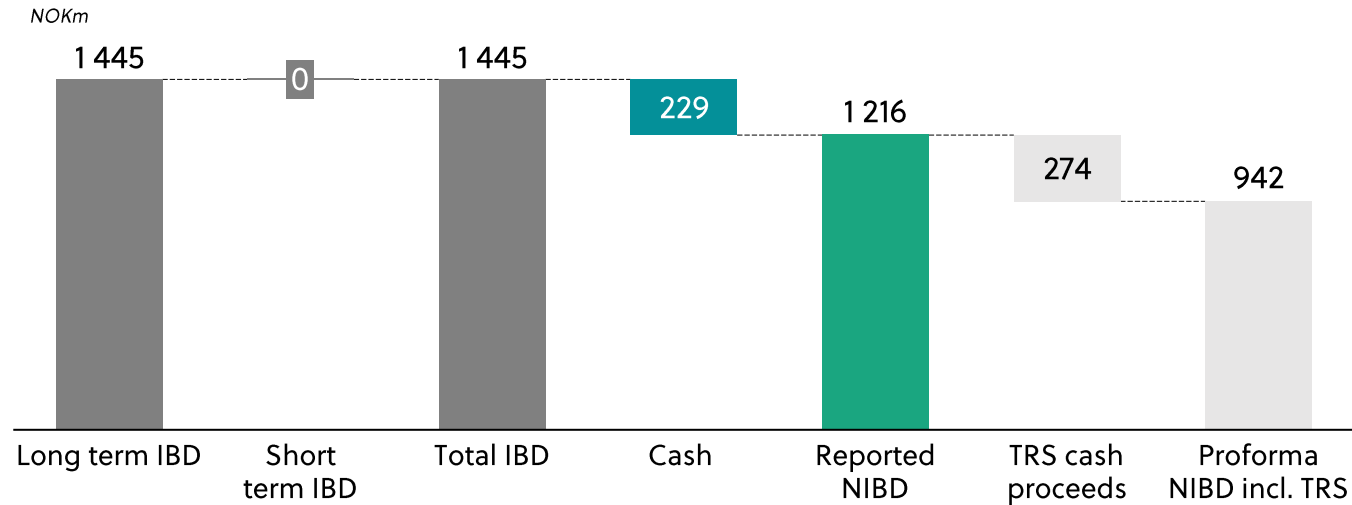
EBITDA
NOKm



- Growth in both product (UE) and services (MAE) businesses¹
- Investment in operational capacity weigh on margins

Modal Acoustic Emission is core to Hexagon's product differentiation and certified pre-owned strategies

Hexagon Group (excl. Purus) leverage



- As at Q2, Hexagon Group (excluding Hexagon Purus) has NOK 484 million in available liquidity
 - Total NIBD of NOK 1,216 million
- End of June, Hexagon completed a total return swap (TRS) transaction for 5% of shares in Hexagon Purus
 - Cash proceeds of NOK 274 million received after the balance sheet date

Outlook

Hexagon Group (excl. Hexagon Purus) 2023 outlook

Solid backlog and focus on operational output to deliver on rest of year



Mobile Pipeline

Strong RNG driven growth with healthy backlog well into 2024

Transit & Refuse

Resilient volumes

Heavy-Duty Truck

2nd half of 2023 order book healthy; backlog extends into 2024



LPG cylinders

Expecting usual seasonally lower 2nd half of the year



Cylinder testing and inspection technologies

Continued growth of Ultrasonic Examination products and Modal Acoustic Emission trailer requalification services expected

Revenue

Solid 2nd half of the year expected with overall healthy growth for most segments in 2023

EBITDA

Expecting margin improvement, driven by Hexagon Agility, for the remainder of the year

Key takeaways

Strong top-line growth

Margin improvement through 2023

Hexagon Purus deconsolidated as at end Q2 2023

**2025 Targets
Hexagon Group¹⁾**

**Revenue: >NOK 6bn
EBITDA margin: ~15%**

Q&A

Appendix

Investor relations information



Exchange

Ticker symbol: HEX
ISIN: NO0003067902
Exchange: Oslo Børs



Market cap

NOK ~5.7 bn
Market capitalization



Investor base

~ 5,470
Shareholders



Financial calendar 2023

Q2'23	17 August
Q3'23	9 November
Q4'23	14 February



Equity analyst coverage

ABG
Carnegie
Danske Bank
DNB
Nordea
SEB
Sparebank 1

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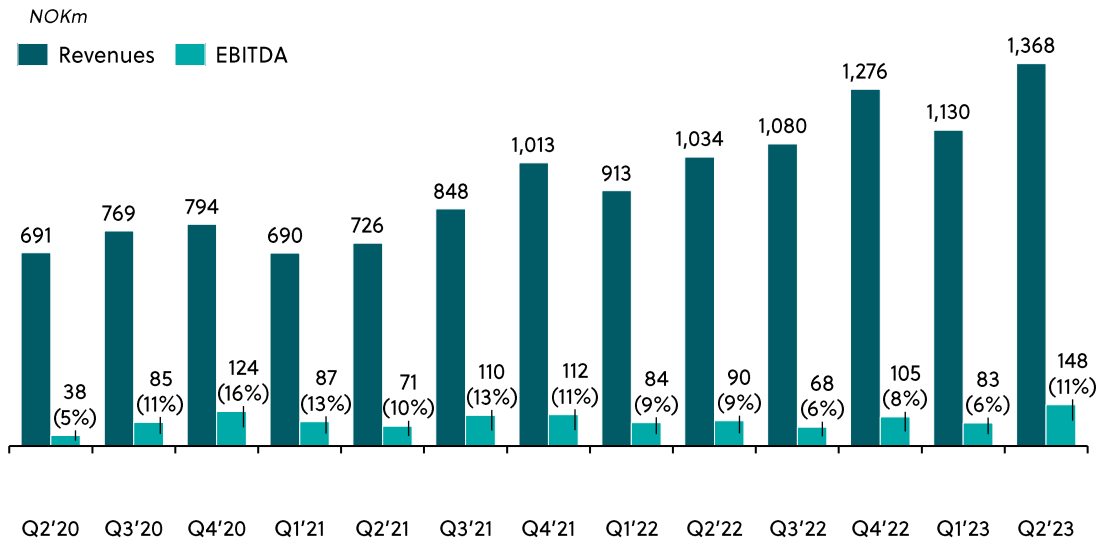
Investor relations contacts

Ingrid Aarsnes
Vice President, IR & ESG
Email: ingrid.aarsnes@hexagongroup.com
Direct: +47 950 38 364

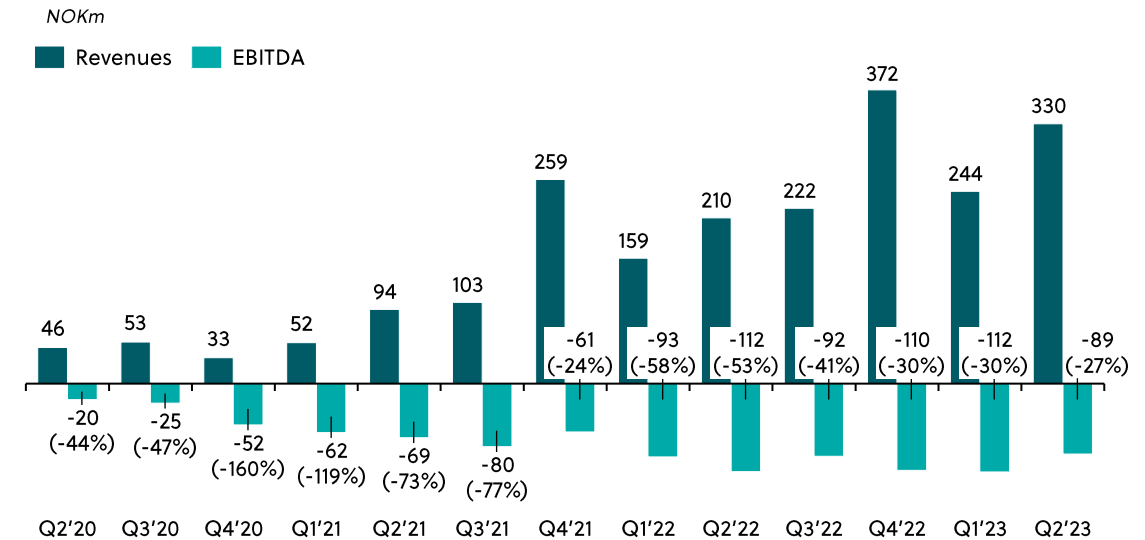
David Bandele
Chief Financial Officer
Email: david.bandele@hexagongroup.com
Direct: +47 920 91 483

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**

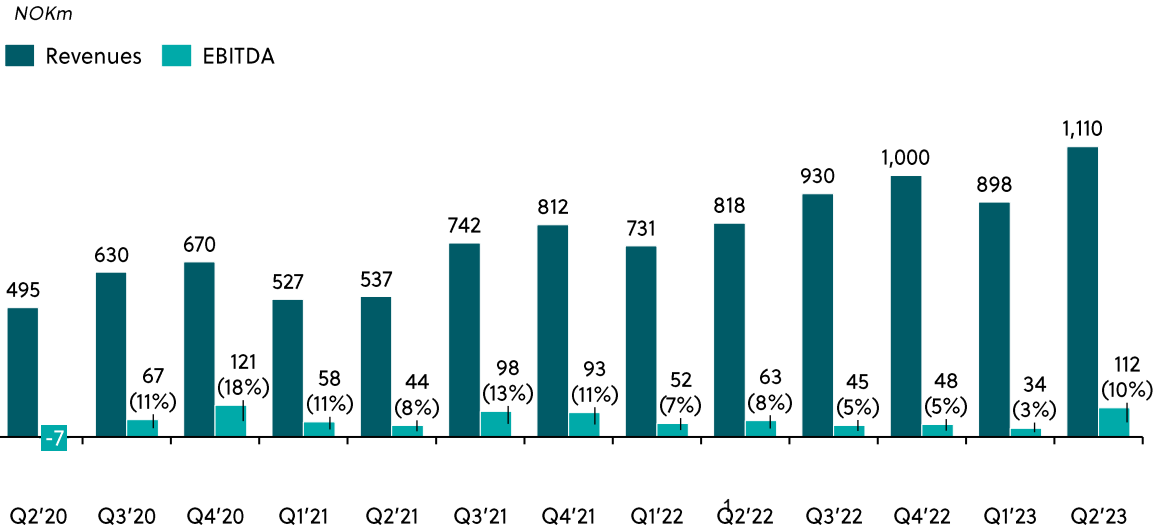
*2020: preliminary unaudited pro-forma figures after adjusting for reorganizations; 2021 segment reported and is after central/corporate and eliminations within the segments

** 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



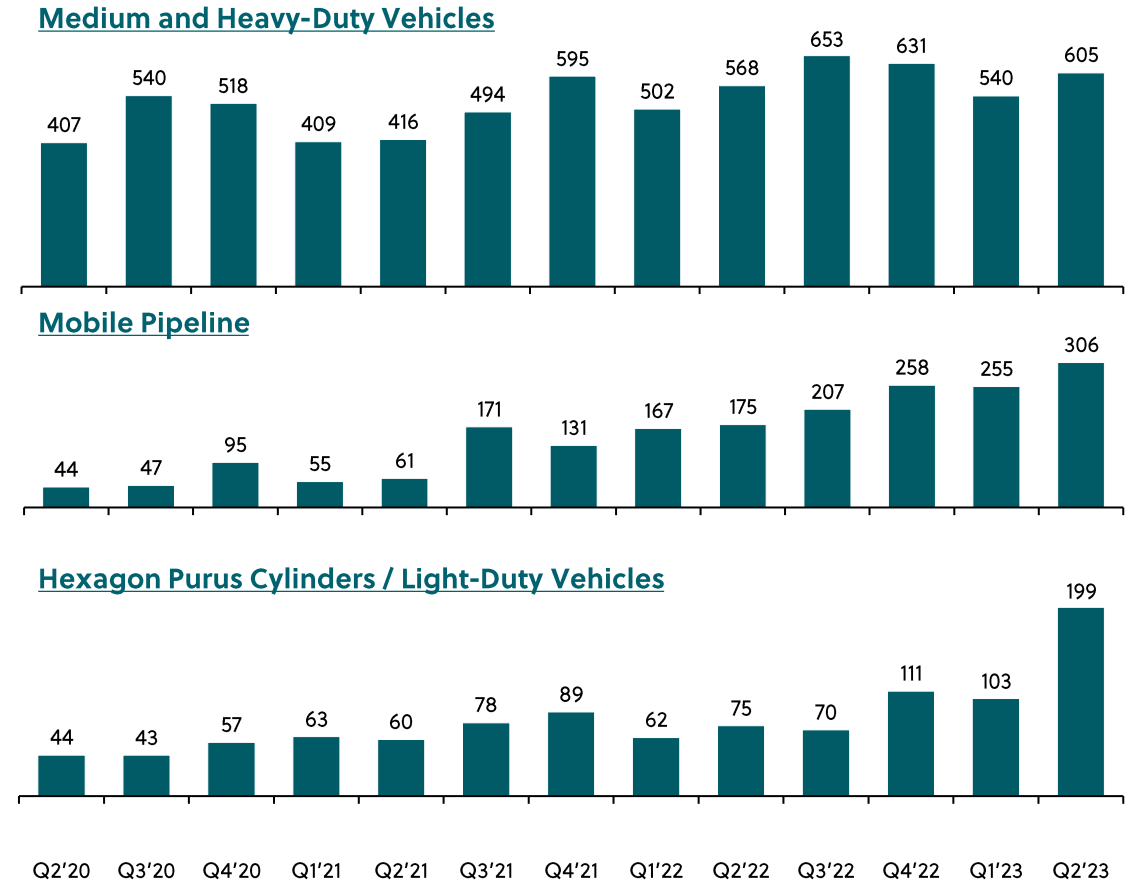
Segment proforma financial highlights (2/3)

Hexagon Agility*



- 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



*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) Correction due to reclassification

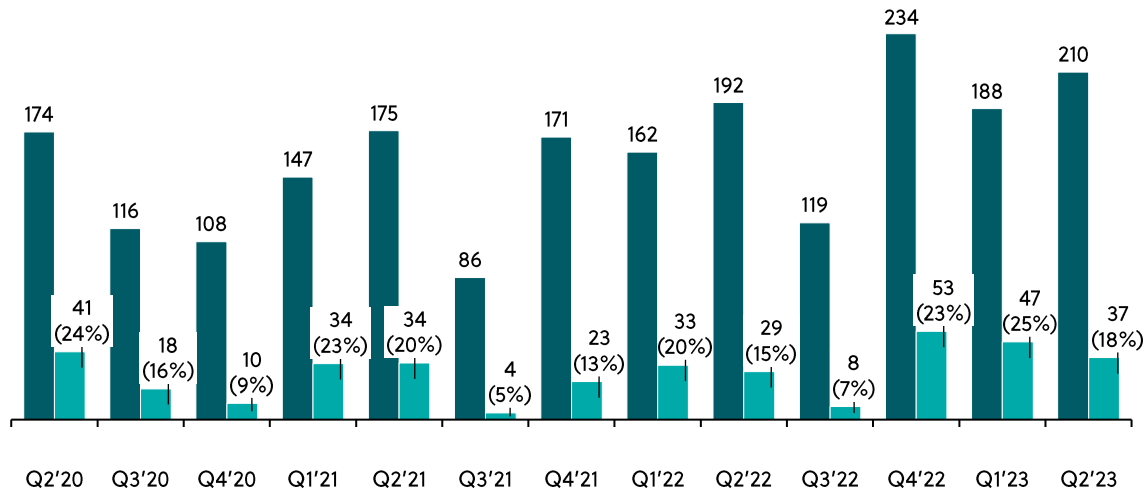


Segment proforma financial highlights (3/3)

Hexagon Ragasco

NOKm

Revenues EBITDA

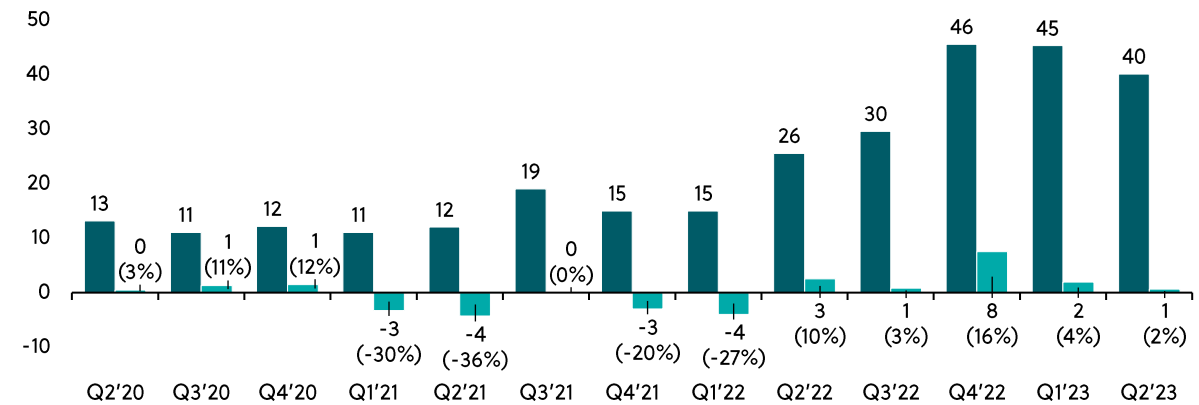


- World leading provider of LPG composite cylinders
- Delivered over 20 million cylinders worldwide
- Strategic agenda include IoT and digitalization providing connectivity and driving value chain transformation

Hexagon Digital Wave

NOKm

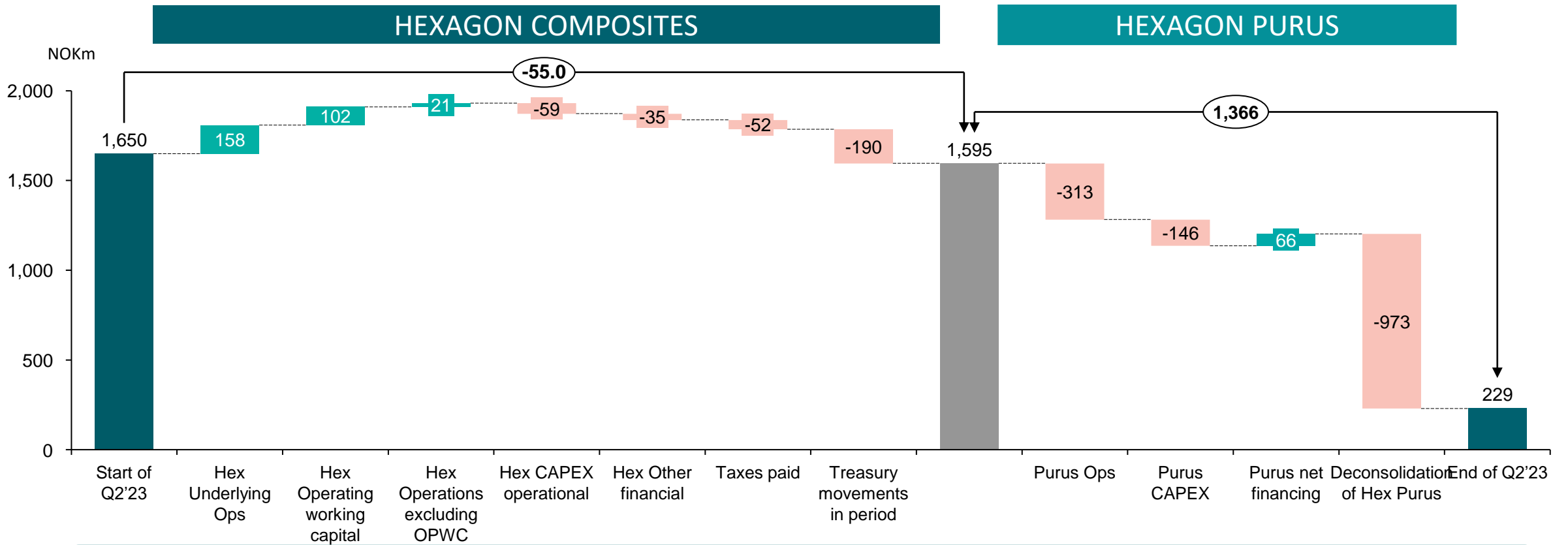
Revenues EBITDA



- 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



Group cash Q2 2023

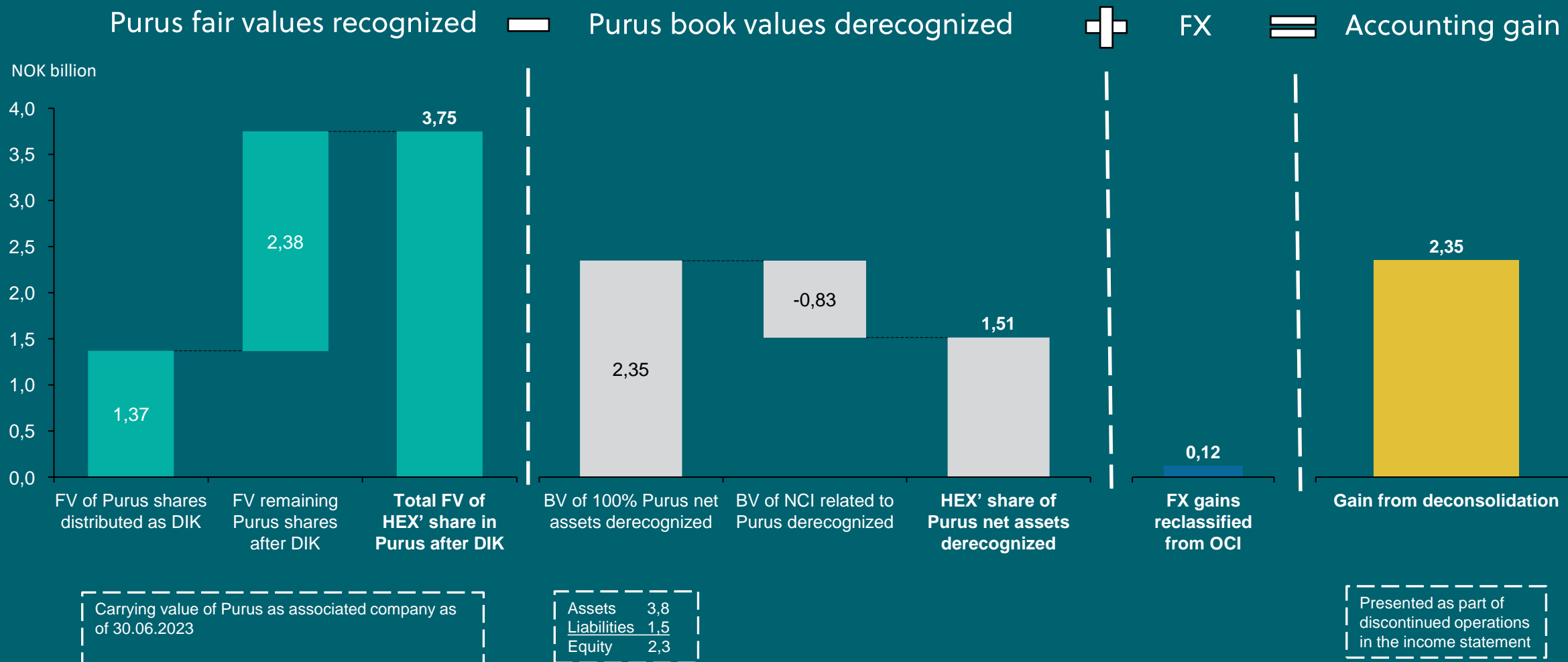


Hexagon (excl. Purus) cash down NOK 55m to NOK 229m due to rebalancing group treasury after strong cash generation in quarter.

Hexagon Purus cash balance closed at NOK 973m before being derecognized within the Hexagon Composites Group accounts



Gain from deconsolidation at end Q2



Abbreviations

FV: Fair values | BV: Book values | NCI: Non-controlling interests | OCI: Other comprehensive income | P&L: Profit & loss | Net assets: Equity



Clean air everywhere