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AGENDA

- Group Highlights
- Group Financials & Segment overview
- Outlook
- Q & A
ON TRACK TO RECORD YEAR

OPERATING REVENUES
NOK Million

2010 2011 2012 2013 LTM
719 820 854 1,272 1,458

NO. 1 GLOBAL POSITION
HIGHLIGHTS Q3 2014

• Continued strong margins
• Highly satisfactory operational performance
• Temporary softening of US Heavy Duty Truck market entailed lower sales in Q3
• Strong Gas Distribution Products order intake
• Acquisition of MasterWorks at the beginning of Q4
GAS DISTRIBUTION PRODUCTS (GDP)
”VIRTUAL PIPELINE”

• Satisfactory sales of TITAN™ and SMARSTORE™ in Q3
• Strong order intake during the quarter
• Market development in South America and South East Asia remains positive
HEAVY DUTY VEHICLES

- Heavy Duty truck sales in North America relatively soft in Q3 but order intake is increasing
- Underlying fundamentals remain positive
- Bus markets in the US and Europe softened in Q3 after record Q1 and Q2
  - Demand outside Europe remains volatile
  - Back-log for Q4 is relatively strong
LIGHT-DUTY VEHICLES

- Orders for the passenger vehicle market in Europe declined in Q3
LOW PRESSURE CYLINDERS (LPG)

- Full utilization
  - Exceptionally low scrap and high up-time in Q3
- Deliveries to Iraq and Qatar on schedule
- Record margins and EBIT
<table>
<thead>
<tr>
<th>NOK THOUSAND</th>
<th>THREE MONTHS ENDING*</th>
<th>TWELVE MONTHS ENDING*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>349 272</td>
<td>339 313</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(274 208)</td>
<td>(282 907)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>75 064</td>
<td>56 406</td>
</tr>
<tr>
<td>Depreciation and impairment</td>
<td>(19 594)</td>
<td>(15 735)</td>
</tr>
<tr>
<td>EBIT</td>
<td>55 470</td>
<td>40 671</td>
</tr>
<tr>
<td>Share of profit/(loss) from associates</td>
<td>(1 150)</td>
<td>(18)</td>
</tr>
<tr>
<td>Other financial items (net)</td>
<td>5 374</td>
<td>(5 581)</td>
</tr>
<tr>
<td>Profit before tax from cont. operations</td>
<td>59 694</td>
<td>35 072</td>
</tr>
<tr>
<td>Tax expense</td>
<td>(18 018)</td>
<td>(12 267)</td>
</tr>
<tr>
<td>Profit after tax from cont. operations</td>
<td>41 676</td>
<td>22 805</td>
</tr>
<tr>
<td>Profit/(loss) from companies held for sale</td>
<td>-</td>
<td>(32)</td>
</tr>
<tr>
<td>Profit/(loss) for the year</td>
<td>41 676</td>
<td>22 773</td>
</tr>
<tr>
<td>EBITDA %</td>
<td>21.5%</td>
<td>16.6%</td>
</tr>
<tr>
<td>EBIT %</td>
<td>15.9%</td>
<td>12.0%</td>
</tr>
</tbody>
</table>

*Figures have been restated according to the Equity accounting method for Joint Ventures as of 1st January 2014
## Q3 ’14* V ’13* INCOME STATEMENT HIGHLIGHTS

<table>
<thead>
<tr>
<th></th>
<th>Q3 2013</th>
<th>Q3 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong> (NOK million)</td>
<td>339</td>
<td>349</td>
</tr>
<tr>
<td><strong>EBITDA</strong> (NOK million)</td>
<td>56</td>
<td>75</td>
</tr>
<tr>
<td><strong>EBIT</strong> (NOK million)</td>
<td>40</td>
<td>55</td>
</tr>
<tr>
<td><strong>Net profit</strong> (NOK million)</td>
<td>23</td>
<td>42</td>
</tr>
</tbody>
</table>

### Key Highlights:
- **High-pressure declined** NOK 56 million (-20%)
- **Low-pressure drives** 65 million growth (97%)
- High-pressure at 17.5% margin
- Low-pressure at 33.5% margin
- NOK 4 million depreciation effect (mainly driven by volume method in Low-pressure)
- Finance and other contributions effect of +NOK 11 million (FX +12; Interest -1)
- Tax effect of -NOK 6 million
- Share from Rugasco JV NOK -1 million

*Figures have been restated according to the Equity accounting method for Joint Ventures as of 1st January 2014.

**Continuing profitable growth**
GROUP EBITDA Q3 ‘14* V Q3’13*

Low-pressure contribution offsets relatively soft High-pressure quarter

*NFigures have been restated according to the Equity accounting method for Joint Ventures as of 1st January 2014*
## FINANCIAL POSITION V PREVIOUS QUARTER

### NOK THOUSAND

<table>
<thead>
<tr>
<th></th>
<th>30.9.2014*</th>
<th>30.6.2014*</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>82 965</td>
<td>92 700</td>
<td>(9 735)</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>246 734</td>
<td>239 847</td>
<td>6 887</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>2 613</td>
<td>3 940</td>
<td>(1 327)</td>
</tr>
<tr>
<td><strong>Total Non-current Assets</strong></td>
<td><strong>332 312</strong></td>
<td><strong>336 487</strong></td>
<td><strong>(4 175)</strong></td>
</tr>
<tr>
<td>Inventories</td>
<td>337 410</td>
<td>249 056</td>
<td>88 354</td>
</tr>
<tr>
<td>Receivables</td>
<td>216 003</td>
<td>200 077</td>
<td>15 926</td>
</tr>
<tr>
<td>Bank deposits, cash and similar</td>
<td>123 403</td>
<td>168 912</td>
<td>(45 509)</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>676 816</strong></td>
<td><strong>618 045</strong></td>
<td><strong>58 771</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>1 009 128</strong></td>
<td><strong>954 532</strong></td>
<td><strong>54 596</strong></td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td><strong>429 157</strong></td>
<td><strong>388 786</strong></td>
<td><strong>40 371</strong></td>
</tr>
<tr>
<td>Provisions</td>
<td>23 988</td>
<td>18 512</td>
<td>5 476</td>
</tr>
<tr>
<td>Long-term interest-bearing debt</td>
<td>297 130</td>
<td>296 903</td>
<td>227</td>
</tr>
<tr>
<td><strong>Total Non-current Liabilities</strong></td>
<td><strong>321 118</strong></td>
<td><strong>315 415</strong></td>
<td><strong>5 703</strong></td>
</tr>
<tr>
<td>Short-term interest-bearing debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>258 853</td>
<td>250 331</td>
<td>8 522</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>258 853</strong></td>
<td><strong>250 331</strong></td>
<td><strong>8 522</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>579 971</strong></td>
<td><strong>565 746</strong></td>
<td><strong>14 225</strong></td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td><strong>1 009 128</strong></td>
<td><strong>954 532</strong></td>
<td><strong>54 596</strong></td>
</tr>
</tbody>
</table>

*Figures have been restated according to the Equity accounting method for Joint Ventures as of 1st January 2014*

- Additional Liquidity reserves are NOK 390 million
- Net Interest-bearing debt increased by NOK 46 million (Q2 2014: 128 v Q3 2014: 174)
- Increase driven by working capital expansion of NOK 91 million primarily inventory driven
CAPITAL STRUCTURE

ASSETS
NOK Million

LIABILITIES AND EQUITY
NOK Million

Strong Equity position; Working capital to be optimised in Q4
SEGMENT SHARES Q3 2014
BEFORE INTERCOMPANY ELIMINATIONS AND GROUP CHARGES*

SHARE OF OPERATING INCOME
Percent

SHARE OF EBIT
Percent

NOK 351* million
High Pressure: CNG Automotive
High Pressure: Gas Distribution Products
High Pressure: Light Duty ROW
Low Pressure: LPG (Propane)

NOK 82* million
High Pressure: CNG Automotive and Gas Distribution Products
Low Pressure: LPG (Propane)
Q3: HIGH-PRESSURE CYLINDERS

- CNG Automotive revenues for TUFFSHELL™ relatively weak across all sectors
- Solid Global revenues for TITAN™ and SMARTSTORE™ transportation and storage systems

<table>
<thead>
<tr>
<th>NOK THOUSAND</th>
<th>SUMMARY FINANCIALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q3 2014</td>
</tr>
<tr>
<td>Operating Income</td>
<td>218 425</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(180 244)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>38 181</td>
</tr>
<tr>
<td>Margin</td>
<td>17.5%</td>
</tr>
<tr>
<td>Depreciation and impairment</td>
<td>(8 216)</td>
</tr>
<tr>
<td>EBIT</td>
<td>29 965</td>
</tr>
<tr>
<td>Margin</td>
<td>13.7%</td>
</tr>
</tbody>
</table>
Q3: LOW-PRESSURE LPG CYLINDERS

- Strong sales to Middle East
- High capacity utilization
- Efficiencies gained from management focus on productivity and impact from long-series production runs

<table>
<thead>
<tr>
<th>NOK THOUSAND</th>
<th>SUMMARY FINANCIALS</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q3 2014</td>
<td>Q3 2013</td>
<td>Variance</td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>132 727</td>
<td>67 535</td>
<td>65 192</td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(88 296)</td>
<td>(57 598)</td>
<td>(30 698)</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>44 431</td>
<td>9 937</td>
<td>34 494</td>
<td></td>
</tr>
<tr>
<td>Margin</td>
<td>33.5%</td>
<td>14.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and impairment</td>
<td>(10 782)</td>
<td>(5 557)</td>
<td>(5 225)</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>33 649</td>
<td>4 380</td>
<td>29 269</td>
<td></td>
</tr>
<tr>
<td>Margin</td>
<td>25.4%</td>
<td>6.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PUMP PRICES STILL FAVORABLE TO CNG DESPITE RECENT DROP IN OIL PRICES

Source: Transport Topics, Bloomberg, U.S. Energy Information Administration (EIA), ACT Research, Hexagon Composites analysis
ACT* FORECAST OF 23% ADOPTION IN 2020

* Americas Commercial Transportation Research Company
INFRASTRUCTURE AND CNG/LNG

- **Westport** suspended 15L HPDI engine (LNG)
- **Volvo's** suspended 13L HPDI Engine (LNG)
- **Clean Energy** focus on CNG
BUILDING STRONG MOMENTUM FOR TITAN™

TITAN™ 5 trailer Lego model

Operating revenues GDP
NOK Million

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>86</td>
<td>83</td>
<td>140</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>438</td>
<td></td>
</tr>
</tbody>
</table>

* At YTD 2014 FX Rates
INCREASED U.S. OIL AND GAS PRODUCTION

Oil production US 2000-13 & 2014E-20E

Million barrels per day (5-yr CAGR 2008-13)
GAS DISTRIBUTION PRODUCTS
“VIRTUAL PIPELINE”

- High Horse Power Oil & Gas applications
  - Fueling of fracking installations
  - Fueling of drilling rigs
  - Fueling of pond heating

- Other High Horse Power applications
  - Industrial
  - Municipal
  - Marine
  - Trains

Pay-Back even better than for Heavy Duty vehicles
North Dakota

- As of June 2014 all new drilling permits require gas-capture plans

- From 30 September 2014 Oil producers must reduce their flaring to:
  - 23% of gas produced by January 2015
  - 10% of gas produced by 2020
  - 5% of gas produced beyond 2020
RUGASCO (RUSSIA)
JV 49/51

- Unprofitable
- Depreciation of Rouble entails higher cost of imported raw materials
- Future market potential remains attractive
  - Strategic options will be assessed
STEPPING UP INNOVATION AND BUSINESS DEVELOPMENT

• Engineering and R&D
  - 16 additional heads in High Pressure
  - 6 in Low Pressure

• Business development
  - 6 heads added

• Acquisition of MasterWorks

• Further build-up in 2015
MASTERWORKS ACQUISITION SECURES KEY TECHNOLOGY AND ENGINEERING CAPABILITY

• Enhanced engineering capacity and capability

• Innovative design and manufacturing solutions
  - Curing Ovens
  - Tension Systems
  - Winder Technology
  - Resin Bath Technology

• Transaction value USD 1.7 million (= enterprise value)

• Located in Maryland on the US East Coast
  - 29 employees
Carmakers prepare to shift to hydrogen fuel cells

Los Angeles Times

Los Angeles Times 27.10.2014

USA Today 19.09.2014

Nå forbereder bilprodusenter seg på hydrogenbølgen

Artikkel av: Erling Hjermstad (Hegnar.no - 27.10.14 10:47)

Hegnar.no 27.10.2014
THE RACE HAS STARTED

- Leading players:
  - Toyota
  - Honda and GM Partnership
  - Daimler, Ford and Nissan Partnership
  - Hyundai

- Leaders in Infrastructure development:
  - Japan
  - California
  - Germany
  - Scandinavia

- Driven by environmental concerns
  - Alternative to electric cars

- Launch of the next generation H-cars 2015-2018
  - Toyota in Q1 2015
  - Honda in 2015

- 25,000-40,000 vehicles p.a. expected from 2017

- Significant paradigm shift coming?
HEXAGON IN LEADING POSITION AS T4 TANK SUPPLIER FOR TRANSPORTATION, STORAGE AND FUEL SYSTEMS

Renewable energy → Solar → Power grid → Electrolysis

H2O → Hydrogen production → Compression → Hydrogen Distribution

Decomposition → Gasification biomass → Reformation biogass

Ground storage → Filling station → Fuel Tanks

= Compression of hydrogen gas (bar)
LOOKING GOOD!

• Gas Distribution Products business set for strong growth
  - Opportunities materializing

• Investing in R&D and business development / M&A capacity to enable long term growth

• The economics for natural gas remain compelling, despite falling oil prices

• Hydrogen emerging as a major long term opportunity
QUESTIONS PLEASE

Jon Erik Engeset, CEO
David Bandele, CFO