

# Q1 2021



# First quarter 2021 report

NOK million	Q1 2021	Q1 2020
<b>Hexagon (excl. Purus) results</b>		
Revenue	690	802
EBITDA	87	82
EBIT	32	27
<b>Hexagon g-mobility (Hexagon Agility* &amp; CNG LDV)</b>		
Revenue	527	625
EBITDA	58	51
EBIT	16	10
<b>Hexagon Digital Wave</b>		
Revenue	11	13
EBITDA	-3	-1
EBIT	-4	-2
<b>Hexagon Ragasco</b>		
Revenue	147	153
EBITDA	34	30
EBIT	25	21
<b>Hexagon Purus</b>		
Revenue	57	48
EBITDA	-62	-43
EBIT	-70	-49
<b>Hexagon Group results (after eliminations)</b>		
Revenue	692	825
Operating profit before depreciation (EBITDA)	25	37
Operating profit (EBIT)	-38	-24
Profit before tax	-88	81
Profit after tax	-93	62

All figures in NOK are rounded to the nearest million. \*Hexagon Agility for 2021 onwards comprises Agility Fuel Solutions and Mobile Pipeline.

**In the first quarter of 2021, Hexagon (excl. Purus) generated NOK 690 (802) million in revenues and recorded an operating profit before depreciation (EBITDA) of NOK 87 (82) million. The US Truck and European Transit bus business had a strong start to the year while it was a light quarter in Mobile Pipeline. Headwinds from the global semi-conductor shortage impacted the Light-Duty sector negatively. Hexagon Ragasco had a strong start with sales volumes primarily to European markets, while Hexagon Digital Wave started the year with modest sales volumes. However, development of a pipeline for digital products/services, strengthened the positioning of the Hexagon Digital Wave business.**

Hexagon Purus generated NOK 57 million in revenues and recorded EBITDA of NOK -62 million. Revenues have increased by close to 20% year-over-year driven by European hydrogen distribution and North American aerospace activities, and by over 75% since the fourth quarter 2020. Total Hexagon Group results after eliminations were NOK 692 (825) million in revenues and EBITDA of NOK 25 (37) million.

Effective start of 2021, the CNG Light-Duty business (previously reported as part of Hexagon Purus), was transferred to Hexagon g-mobility. Hexagon Purus remains fully consolidated in the Hexagon Group accounts after its spin-off in December 2020, with Hexagon retaining a 75% ownership.

One hundred twenty-two confirmed cases of COVID-19 infection to-date have been reported among Hexagon personnel including one fatality. All production facilities have remained open and only marginally affected during the quarter.

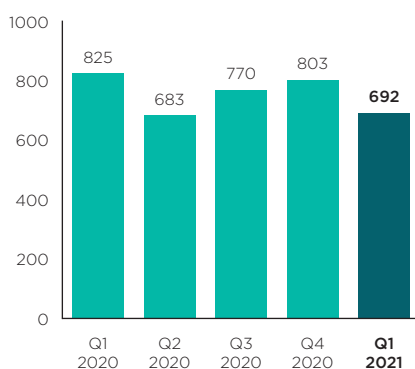
#### Key developments in the quarter

- Hexagon Purus selected for hydrogen fuel cell project for construction equipment
- Hexagon Agility received orders from major global logistics customer with an estimated total value of USD 19 million (approx. NOK 165 million).
- Hexagon Agility received orders from UPS for CNG trucks with a value of USD 8 million (approx. NOK 68 million)
- Hexagon Purus signed Joint Venture agreements with CIMC Enric for China and South East Asia
- Hexagon Agility and Hexagon Purus signed long-term agreement with Certarus for CNG, RNG and hydrogen solutions for a total value of up to USD 85 million (approx. NOK 718 million)
- Hexagon Purus' received hydrogen cylinder orders for leading gas distributors in new markets in Europe
- Hexagon and Mitsui expanded and extended their strategic alliance
- Hexagon Digital Wave selected by the Antarctic Fire Department for continued service life testing of SCBA cylinders

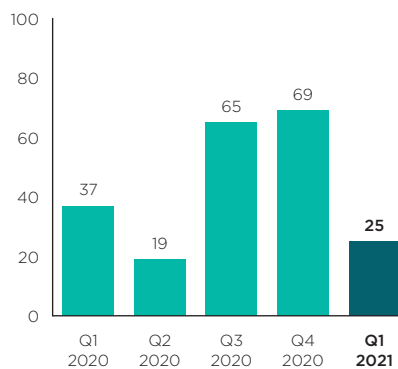
#### Key developments after balance sheet date

- Hexagon Purus selected by Nikola Corporation to supply hydrogen cylinders for serial production with an estimated sales value in excess of EUR 200 million
- Hexagon Agility received additional orders from major global logistics customer for RNG/CNG trucks with a combined value of USD 25 million (approx. NOK 199 million)
- Hexagon Ragasco received first order in 2021 from key customer in South-Asia
- Hexagon Purus to deliver high performance cylinders to Wystrach for industrial and mobility applications

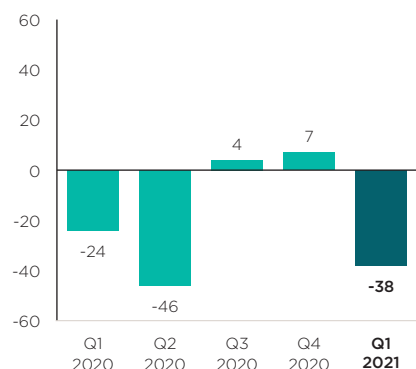
**Revenue**  
MNOK



**EBITDA**  
MNOK

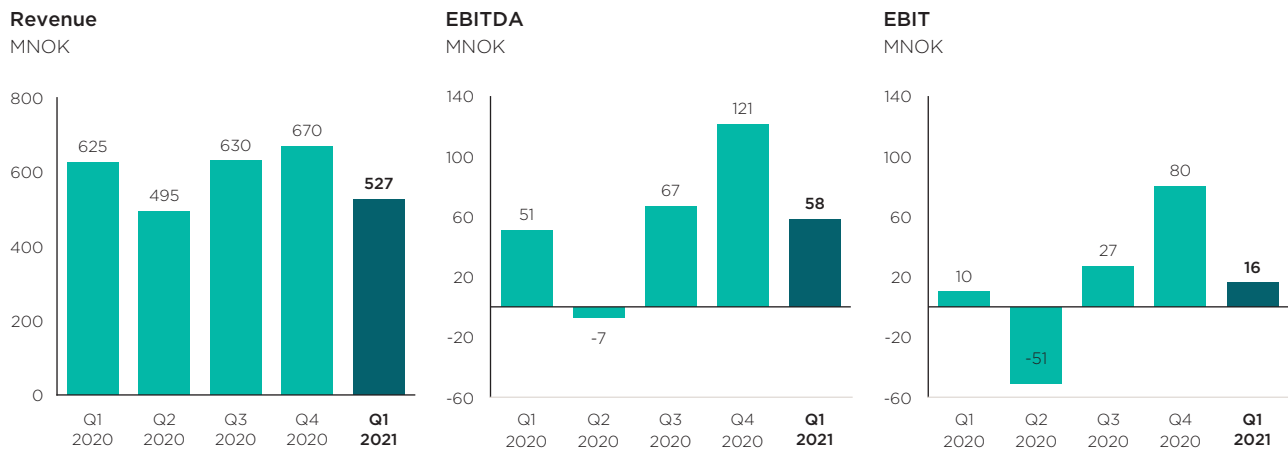


**EBIT**  
MNOK



## Segment results

### Hexagon g-mobility (Hexagon Agility & CNG LDV)



Hexagon g-mobility recorded combined revenues for the quarter of NOK 527 million compared with proforma NOK 625 million the corresponding period last year. EBITDA generated was NOK 58 million compared with NOK 51 million the corresponding period last year. Revenues, before eliminations, in the quarter for the constituent business units were: Hexagon Agility Medium and Heavy-Duty Vehicles NOK 420 (460) million, Hexagon Agility Mobile Pipeline NOK 55 (117) million and Light-Duty Vehicles NOK 63 (49) million.

Automotive revenues continue to be driven by strong sustainability driven demand in Heavy-Duty Truck and European Transit bus. Increasing compressed natural gas (CNG) and renewable natural gas (RNG) adoption in Europe is driven by tough EU clean air directives requiring compliance within 2025.

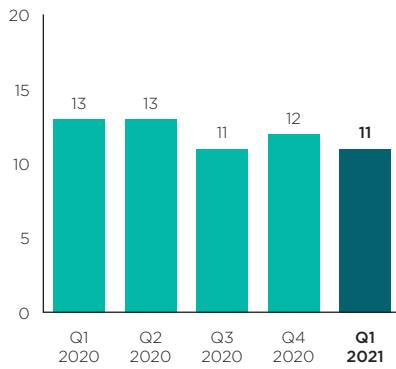
In the US, adoption of RNG fuel continued to rise in 2020. 53% of all on-road fuel used in CNG vehicles in the US was RNG. The Refuse and Medium-Duty truck sector had a slower start to the year versus the same quarter in 2020, while North American transit bus volumes remained on par with 2020 levels.

Light-duty automotive external customer revenues were at levels lower than the same quarter in 2020 due to the effects of the global semi-conductor shortage. However, overall revenues were higher due to increased manufacturing and services contracts to Hexagon Purus primarily for hydrogen distribution cylinders.

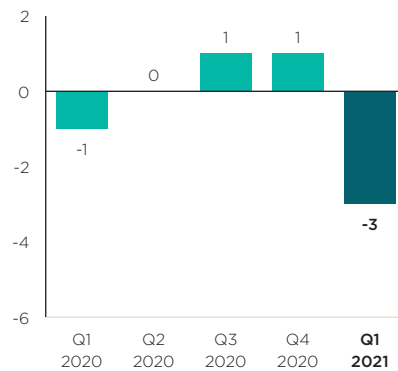
In Hexagon Agility's Mobile Pipeline business, the quarter was lighter on volumes than the same quarter in 2020. This was due to the general overhang of the COVID-19 macro-related factors impacting customers' project spend. However, the quarter ended on a positive note with a USD 18.5 million (approximately NOK 156 million) order received for modules with delivery commencing in the second quarter.

## Hexagon Digital Wave

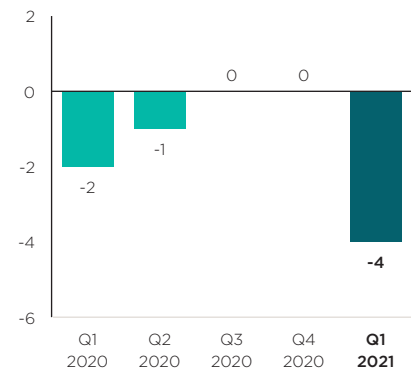
**Revenue**  
MNOK



**EBITDA**  
MNOK



**EBIT**  
MNOK

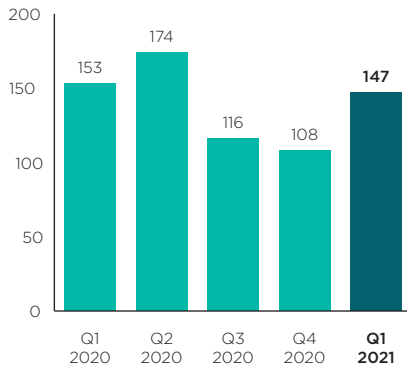


Revenues amounted to NOK 11 (13) million with EBITDA of NOK -3 (-1) million in the first quarter. The bulk of sales are currently for Ultrasonic Emissions (UE) testing machines, parts and licensing. Modal Acoustic Emissions (MAE) testing and life extension make up the other portion of sales in the quarter which are mainly related to requalification of composite cylinders/systems. The business area has been somewhat affected by the global semi-conductor shortage, leading to delays but no major impacts to date.

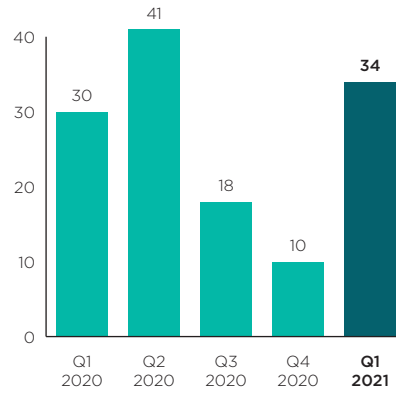
Hexagon Digital Wave is currently investing in its organization and focusing on product development for the next generation of digitalization involving effective real-time health monitoring and connected services, preparing the business for significant growth.

## Hexagon Ragasco (LPG)

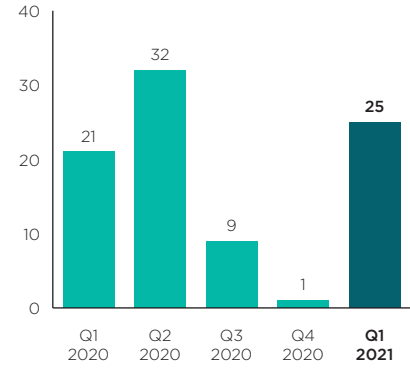
**Revenue**  
MNOK



**EBITDA**  
MNOK



**EBIT**  
MNOK

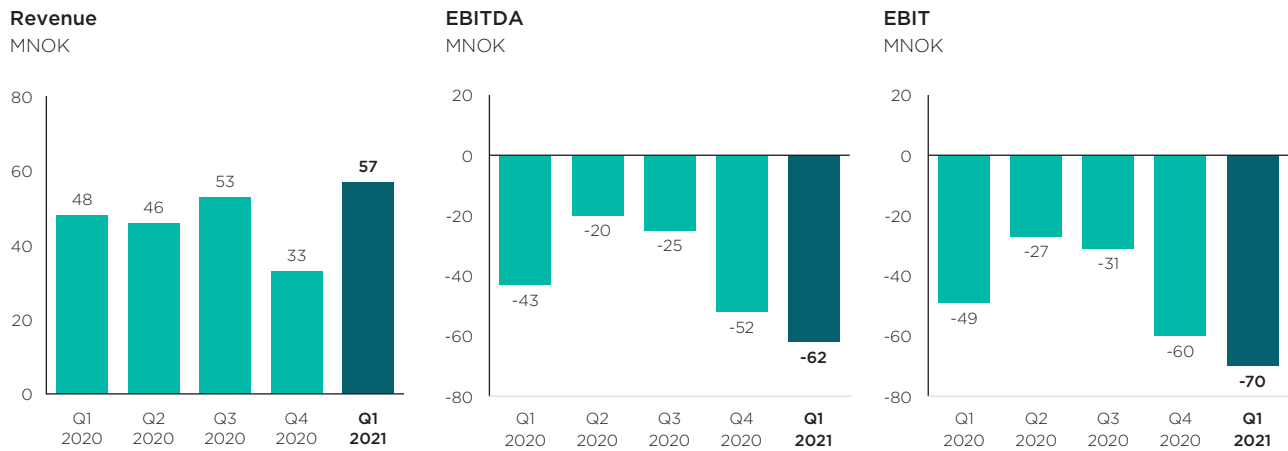


Revenues were NOK 147 (153) million with an EBITDA of NOK 34 (30) million in the first quarter of 2021. A solid start for the year with revenues and geographic mix similar to the same quarter in 2020. Almost 90% of sales volumes in the first quarter 2021 were to European customers in the Nordics and UK. The remaining sales were of smaller volumes to Middle Eastern, African, Russian, Latin and North American customers.

Raw material supplies have been somewhat impacted by recent global supply-chain challenges, and their knock-on-effects, which have led to temporary increases in prices and transportation costs for some materials. To date, these have been well managed and absorbed without any material impact. Good production efficiencies have led to an overall improvement in earnings.

Progress is being made on finalizing the technology and initiating pilot programs for the new SMART cylinder concept with major customers in Europe.

## Hexagon Purus (Zero Emission Hydrogen & Battery electric solutions)



In the first quarter of 2021, Hexagon Purus generated NOK 57 (48) million in revenue and recorded operating profit before depreciation (EBITDA) of NOK -62 (-43) million. Revenue growth was driven by increased activity in hydrogen distribution applications as well as aerospace with slightly lower revenue contribution from heavy duty vehicle applications due to the completion of a battery electric (BEV) truck demonstration program in Q1 2020.

Continued investments in personnel and infrastructure to support and accelerate Hexagon Purus' future growth, drive negative profitability. This has resulted in significant order intake and long-term agreements such as with the Nikola Corporation.

At quarter-end, the balance sheet of Hexagon Purus Group amounted to NOK 2,146 (1,136) million and the equity ratio was 71%.

Please refer to the separate Q1 2021 Board of Directors report for Hexagon Purus.

## The Group

In the first quarter of 2021, Hexagon Group, including Hexagon Purus, generated NOK 692 (825) million in revenues and recorded an operating profit before depreciation (EBITDA) of NOK 25 (37) million. Hexagon Group recorded a net loss after tax of NOK -93 (62) million in the quarter. Net financial items were NOK -49 (106) million driven by negative foreign exchange fluctuation effects of NOK -26 (153) million, and interest and other charges or credits of NOK -23 (-47) million. Tax charges were NOK -5 million. This does not include any credits for carried-forward tax losses within Hexagon Purus as conditions for deferred tax asset recognition are, prudently, not yet deemed to be met. These carried forward losses remain available for use against future profits by Hexagon Purus.

The balance sheet is mainly exposed to non-cash effects of translation to NOK of USD/EUR positions. In this quarter movement in the EUR has been more significant. The bond currency swap (from NOK to USD) was employed to mitigate a significant part of the USD currency exposure. Movements in the quarter have been NOK 1m positive, with an ending balance of NOK 74 million positive.

At quarter-end the Group balance sheet amounted to NOK 5,923 (5,498) million and the Group's equity ratio was 59% (43%). The year-over-year increase in equity ratio was driven primarily by the issue of NOK 907 million of new share capital in the third quarter and the listing and private placement of NOK 750 million in Hexagon Purus recognized in the fourth quarter 2020.

## After Balance Sheet date

There have been no other significant events after the balance sheet date that have not already been disclosed in this report.



## Outlook

Both the g-mobility and e-mobility businesses are on track to deliver on their short- and long-term growth ambitions and plans. The EU Taxonomy and the renewed US commitment to the Paris Agreement will give additional momentum to the energy transformation already well under way. Renewable Natural Gas represents the fuel alternative with the highest CO2 mitigating potential in the transportation sector in this decade and is expected to drive strong growth of Hexagon's g-mobility business while Hexagon Purus continues to gain momentum as the global hydrogen cylinders and systems market leader.

The negative demand effects of the Covid pandemic are for the most part behind us while supply chain disruptions, especially for semi-conductors and battery cells, remain a short-term concern. Hexagon will remain vigilant with regards to the Covid pandemic and employ further counter measures to mitigate negative effects, if required.

Despite a growing renewable share, the energy transition is nowhere near fast enough to deliver on The Paris Agreement. In order to escalate the energy transition, a lot more renewable power, decarbonization, energy-efficiency improvements, and carbon capture is needed.

At Hexagon we have a strategic focus on; g-mobility, e-mobility, world class manufacturing and digitalization. Our spectrum of solutions is already making a difference: In 2020, our Group helped avoid approximately 730,000 tons of CO2 equivalent emission. Hexagon Ragasco continues to sell a substantial volume of its LPG cylinders to least developed countries, bringing safe fuel sources to meet their energy needs. At the same time, Hexagon Ragasco is addressing an increased use of Bio LPG, made from a range of sustainably sourced raw materials in the European market.

We see leading market players in hard-to-abate segments adapting to meet new sustainability targets, e.g.:

- Amazon recently ordered 700 CNG trucks and signed an agreement with Clean Energy Fuel for 27 proprietary refueling stations to secure the supply of RNG to its growing fleet.
- UPS is committed to purchase more than 6000 natural gas vehicles between 2020 - 2022
- Anheuser-Busch plans to convert its entire long-haul dedicated fleet to renewable energy-powered trucks by 2025
- Toyota and Hino are launching zero emissions heavy and medium duty trucks
- Hyundai targets to sell 670,000 electric vehicles annually by 2025, comprising 560,000 BEVs and 110,000 fuel-cell electric vehicles (FCEVs)
- Waste Management intends to cut fleet emissions by 45% by 2038

Digitalization is essential on the road to decarbonization. As the energy transformation gains momentum, new ecosystems are forming, and new technologies are emerging. At Hexagon we have established Hexagon Digital Wave – our center of excellence for Smart Technologies - as a separate business area from 2021. Hexagon Digital Wave is a global leader of Modal Acoustic Emissions and Ultrasonic Examination. It has customers in 15 countries. We will expand Digital Wave's expertise to digitalize Hexagon's products and solutions, including development of new revenue models.

Hexagon's extensive portfolio of gas mobility (g-mobility) and electric mobility (e-mobility) solutions, and its new center of excellence for Smart Technologies, positions it well as a globally leading clean technology provider in this new reality.

With a well-capitalized balance sheet and strong industrial linkage with Hexagon Composites, Hexagon Purus is aggressively pursuing its own strategic and investment priorities and reinforcing its leading position in the rapidly growing e-mobility space. We continue to see strong momentum in several segments, in particular, medium and heavy-duty vehicles as demonstrated by the recently signed EUR 200 million (approx. NOK 2 billion) long-term agreement with Nikola Motor Company.

The 2020 spin-off of Hexagon Purus is viewed as an important step for strengthening both Hexagon's g-mobility and e-mobility (Hexagon Purus) businesses. The stock-listing unlocks further value from an industrial and financial perspective by creating two focused companies, each with its own strategic agenda and investment story. The separation also allows the two businesses to have individual strategies for future funding, capital allocation and dividend policy. Hexagon Purus is attractively positioned to benefit from the tremendous growth that is expected in the e-mobility market.

Hexagon Purus signed joint venture agreements with CIMC Enric for China and Southeast Asia, the world's largest zero emission hydrogen vehicle and distribution market. Initially, the CIMC-HEXAGON JVs will expand CIMC Enric's existing production and systems capacity for Type 3 cylinders and in parallel install Type 4 cylinder production and systems capacity for the Chinese market.

Hexagon Agility is well-positioned to benefit from the increased adoption of cleaner energy alternatives, especially CNG and RNG in the commercial vehicle space. We expect large orders from major global logistics suppliers to continue, as well as increased adoption among smaller fleet owners. European bus business is expected to be strong in 2021- mainly due to its ramp up following the onset of COVID-19, while a slower start of the year is expected in the transit bus sector for North America.

Hexagon Agility's Mobile Pipeline business is expected to experience a strong rebound, driven by increased demand from the onshore oil and gas, RNG and industrial gas sectors.

Automotive manufacturers are affected by the temporary global shortage of semiconductors due to Covid-19 related supply issues. Production by our key customer Volkswagen is expected to be impacted and consequently, revenues in Hexagon's CNG LDV are expected to be negatively impacted short term.

Hexagon Ragasco is expecting seasonally strong demand from the European leisure market in the first half of 2021. Deliveries continue to Bangladesh in 2021 but the recent dramatic increase in Covid infections in the region may impact sales and deliveries later in the year.

Hexagon Ragasco's SMART cylinder pilots are planned for market launch in 2022. Smarter and more digitally interactive products will generate new business models and revenue streams with enhanced value to distributors and end customers alike. With this initiative, among others, Hexagon Ragasco is aiming at increasing the adoption rate of composite cylinders to achieve doubling of turnover by 2025.

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. For further information please refer to the section "Forward -Looking Statements" at the end of this report.

Oslo, 11 May 2021

The Board of Directors of Hexagon Composites ASA



Knut Flakk  
Chairman of the Board



Kristine Landmark  
Deputy Chair



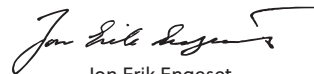
Katsunori Mori  
Board Member



Liv Astri Hovem  
Board Member



Hans Peter Havdal  
Board Member



Jon Erik Engeset  
Group President & CEO

# Financial Statements Group

<b>INCOME STATEMENT</b>	<b>31.03.2021</b>	<b>31.03.2020</b>	<b>31.12.2020</b>
(NOK 1 000)	Unaudited	Unaudited	Audited
Revenue from contracts with customers	692 295	817 870	3 070 865
Rental income	182	7 285	9 511
<b>Total revenue</b>	<b>692 478</b>	<b>825 156</b>	<b>3 080 375</b>
Cost of materials	294 896	405 137	1 502 305
Payroll and social security expenses	254 442	248 906	940 096
Other operating expenses	117 713	134 331	448 034
<b>Total operating expenses before depreciation</b>	<b>667 050</b>	<b>788 374</b>	<b>2 890 436</b>
<b>Operating profit before depreciation (EBITDA)</b>	<b>25 427</b>	<b>36 782</b>	<b>189 940</b>
Depreciation and impairment	63 886	60 766	249 212
<b>Operating profit (EBIT)</b>	<b>-38 459</b>	<b>-23 984</b>	<b>-59 272</b>
Profit/loss from investments in associates and joint ventures	-702	-436	-1 885
Other financial items (net)	-48 949	105 582	5 018
<b>Profit/loss before tax</b>	<b>-88 110</b>	<b>81 162</b>	<b>-56 138</b>
Tax	4 949	19 039	91 643
<b>Profit/loss after tax</b>	<b>-93 059</b>	<b>62 123</b>	<b>-147 781</b>
Attributable to:			
Equity holders of the parent	-66 760	62 123	-140 776
Non-controlling interests	-26 299	0	-7 005
<b>Profit/loss after tax</b>	<b>-93 059</b>	<b>62 123</b>	<b>-147 781</b>
Earnings per share (NOK)	-0.47	0,34	-0.78
Diluted earnings per share (NOK)	-0.47	0,34	-0.78

<b>COMPREHENSIVE INCOME STATEMENT</b>	<b>31.03.2021</b>	<b>31.03.2020</b>	<b>31.12.2020</b>
(NOK 1 000)			
Profit/loss after tax	-93 059	62 123	-147 781
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS			
Exchange differences arising from the translation of foreign operations	4 313	154 317	-68 972
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>4 313</b>	<b>154 317</b>	<b>-68 972</b>
OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS			
Actuarial gains/losses for the period	0	0	-636
Income tax effect of actuarial gains/losses for the period	0	0	140
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>0</b>	<b>0</b>	<b>-496</b>
<b>Total comprehensive income, net of tax</b>	<b>-88 746</b>	<b>216 441</b>	<b>-217 249</b>
Attributable to:			
Equity holders of the parent	-63 636	216 441	-210 918
Non-controlling interests	-25 110	0	-6 331

<b>STATEMENT OF FINANCIAL POSITION</b>	<b>31.03.2021</b>	<b>31.03.2020</b>	<b>31.12.2020</b>
(NOK 1 000)	Unaudited	Unaudited	Audited
<b>ASSETS</b>			
Property, plant and equipment	766 691	922 672	747 266
Right-of-use assets	268 303	310 045	266 552
Intangible assets	2 004 261	2 612 661	2 036 130
Investment in associates and joint ventures	2 064	2 506	2 066
Other non-current assets	78 973	29 843	79 924
<b>Total non-current assets</b>	<b>3 120 292</b>	<b>3 877 725</b>	<b>3 131 938</b>
Inventories	830 666	880 996	739 998
Receivables	679 324	617 988	642 305
Contract assets (accrued revenue)	370	6 293	814
Bank deposits, cash and similar	1 292 138	114 814	1 649 882
<b>Total current assets</b>	<b>2 802 498</b>	<b>1 620 091</b>	<b>3 033 000</b>
<b>Total assets</b>	<b>5 922 789</b>	<b>5 497 816</b>	<b>6 164 937</b>
<b>EQUITY AND LIABILITIES</b>			
Paid-in capital	2 171 451	1 273 117	2 165 590
Other equity	959 664	1 099 416	1 018 349
<b>Equity attributable to equity holders of the parent</b>	<b>3 131 116</b>	<b>2 372 533</b>	<b>3 183 939</b>
Non-controlling interests	387 263	0	411 899
<b>Total Equity</b>	<b>3 518 379</b>	<b>2 372 533</b>	<b>3 595 838</b>
Interest-bearing long-term liabilities	1 103 935	1 522 952	1 206 127
Lease liabilities	229 652	298 538	230 559
Other non-current liabilities	189 616	405 723	193 420
<b>Total non-current liabilities</b>	<b>1 523 203</b>	<b>2 227 212</b>	<b>1 630 106</b>
Interest-bearing current liabilities	0	16 101	0
Lease liabilities short-term	47 879	26 038	45 146
Contract liabilities (incl. prepayments from customers)	89 020	63 803	51 665
Other current liabilities	744 309	792 129	842 182
<b>Total current liabilities</b>	<b>881 208</b>	<b>898 071</b>	<b>938 993</b>
<b>Total liabilities</b>	<b>2 404 411</b>	<b>3 125 283</b>	<b>2 569 099</b>
<b>Total equity and liabilities</b>	<b>5 922 789</b>	<b>5 497 816</b>	<b>6 164 937</b>

<b>CONDENSED CASH FLOW STATEMENT</b>	<b>31.03.2021</b>	<b>31.03.2020</b>	<b>31.12.2020</b>
(NOK 1 000)			
Profit before tax	-88 110	81 162	-56 138
Depreciation and write-downs	63 886	60 766	249 212
Change in net working capital	-152 794	-189 344	36 125
<b>Net cash flow from operations</b>	<b>-177 018</b>	<b>-47 416</b>	<b>229 198</b>
Net cash flow from investment activities	-47 383	-36 425	-120 284
Net cash flow from financing activities	-131 743	-10 248	1 363 205
<b>Net change in cash and cash equivalents</b>	<b>-356 144</b>	<b>-94 089</b>	<b>1 472 119</b>
Net currency exchange differences	-1 600	31 252	112
Cash and cash equivalents at start of period	1 649 882	177 651	177 651
<b>Cash and cash equivalents at end of period</b>	<b>1 292 138</b>	<b>114 814</b>	<b>1 649 882</b>
Available unused credit facility	560 018	733 461	453 416

<b>CONDENSED STATEMENT OF CHANGES IN EQUITY</b>	<b>Share capital</b>	<b>Own shares</b>	<b>Share premium</b>	<b>Other paid in capital</b>	<b>Translation differences</b>	<b>Other equity</b>	<b>Total</b>	<b>Non- controlling interests</b>	<b>Total equity</b>
(NOK 1 000)									
<b>Balance 01.01.2020</b>	<b>18 329</b>	<b>-197</b>	<b>1 203 145</b>	<b>48 742</b>	<b>134 552</b>	<b>748 423</b>	<b>2 152 993</b>	<b>0</b>	<b>2 152 993</b>
Profit/loss after tax						62 123	62 123		62 123
Other income and expenses					154 317	0	154 317		154 317
Dividends						0	0		0
Share-based payment				3 099			3 099		3 099
<b>Balance 31.03.2020</b>	<b>18 329</b>	<b>-197</b>	<b>1 203 145</b>	<b>51 841</b>	<b>288 869</b>	<b>810 547</b>	<b>2 372 533</b>	<b>0</b>	<b>2 372 533</b>
<b>Balance 01.01.2020</b>	<b>18 329</b>	<b>-197</b>	<b>1 203 145</b>	<b>48 742</b>	<b>134 551</b>	<b>748 423</b>	<b>2 152 993</b>	<b>0</b>	<b>2 152 993</b>
Profit/loss after tax						-140 776	-140 776	-7 005	-147 781
Other income and expenses					-69 646	-496	-70 142	673	-69 468
Dividends						0	0	0	0
Share-based payment				20 873		278	21 151	94	21 245
Movement in own shares		12				-7 181	-7 169		-7 169
Increase share capital	1 833		905 456				907 289		907 289
Transaction cost			-32 601				-32 601		-32 601
Capital increase subsidiary						540 501	540 501	182 917	723 418
Distributed dividend Hexagon Purus AS						-187 306	-187 306	235 219	47 913
<b>Balance 31.12.2020</b>	<b>20 162</b>	<b>-185</b>	<b>2 075 999</b>	<b>69 615</b>	<b>64 906</b>	<b>953 444</b>	<b>3 183 940</b>	<b>411 899</b>	<b>3 595 838</b>
<b>Balance 01.01.2021</b>	<b>20 162</b>	<b>-185</b>	<b>2 075 999</b>	<b>69 615</b>	<b>64 906</b>	<b>953 444</b>	<b>3 183 940</b>	<b>411 899</b>	<b>3 595 838</b>
Profit/loss after tax						-66 760	-66 760	-26 299	-93 059
Other income and expenses					-1 577	4 701	3 124	1 189	4 313
Dividends						0	0	0	0
Share-based payment				5 824		1 401	7 224	474	7 698
Movement in own shares		37				3 550	3 588		3 588
<b>Balance 31.03.2021</b>	<b>20 162</b>	<b>-148</b>	<b>2 075 999</b>	<b>75 438</b>	<b>63 329</b>	<b>896 336</b>	<b>3 131 116</b>	<b>387 263</b>	<b>3 518 379</b>

On 7 December 2020 the Hexagon Purus Group issued 27,472,527 new shares in a private placement at the price of NOK 27.30 per share. The increase in capital was MNOK 750.0. The increase in share capital is presented net after transaction costs of MNOK 26.6.

On 24 August 2020 the Company issued 18,329,064 new shares in a private placement at the price of NOK 49.50 per share.

<b>BUSINESS SEGMENT DATA</b>	<b>31.03.2021</b>	<b>31.03.2020</b>	<b>31.12.2020</b>
(NOK 1 000)	Unaudited	Proforma	Proforma
<b>HEXAGON G-MOBILITY</b>			
Sales of goods external customers	458 499	568 357	2 195 832
Sales of services and funded development	29 388	30 498	110 943
Internal transactions	38 671	19 123	104 215
<b>Total revenue from contracts with customers</b>	<b>526 558</b>	<b>617 978</b>	<b>2 410 990</b>
Rental income	0	7 102	8 799
<b>Total revenue</b>	<b>526 558</b>	<b>625 080</b>	<b>2 419 789</b>
Segment operating profit before depreciation (EBITDA)	57 817	51 175	231 502
Segment operating profit (EBIT)	16 175	10 251	66 304
Segment assets	3 419 503	4 153 596	3 340 642
Segment liabilities	1 440 127	1 786 639	1 389 145
<b>HEXAGON DIGITAL WAVE</b>			
Sales of goods external customers	2 416	5 272	17 318
Sales of services and funded development	7 489	7 076	28 922
Internal transactions	1 139	1 073	3 476
<b>Total revenue from contract with customers</b>	<b>11 044</b>	<b>13 421</b>	<b>49 716</b>
Segment operating profit before depreciation (EBITDA)	-3 333	-760	2 410
Segment operating profit (EBIT)	-4 303	-1 823	-1 811
Segment assets	76 856	92 197	76 792
Segment liabilities	89 463	97 930	85 324
<b>HEXAGON RAGASCO LPG</b>			
Sales of goods external customers	146 394	152 672	549 190
Sales of services and funded development	133	0	855
Internal transactions	317	49	61
<b>Total revenue from contract with customers</b>	<b>146 843</b>	<b>152 721</b>	<b>550 105</b>
Segment operating profit before depreciation (EBITDA)	33 884	30 127	99 538
Segment operating profit (EBIT)	25 456	21 147	63 113
Segment assets	562 279	555 905	484 994
Segment liabilities	450 876	431 780	394 037
<b>HEXAGON PURUS</b>			
Sales of goods external customers	46 252	44 394	117 615
Sales of services and funded development	2 901	3 274	28 680
Internal transactions	8 156	601	33 520
<b>Total revenue from contract with customers</b>	<b>57 309</b>	<b>48 269</b>	<b>179 814</b>
Segment operating profit before depreciation (EBITDA)	- 61 986	-43 272	-140 722
Segment operating profit (EBIT)	- 70 411	-49 225	-167 628
Segment assets	1 998 339	883 565	1 874 854
Segment liabilities	395 188	1 159 949	388 446

# Notes

## Note 1: Introduction

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The condensed consolidated interim financial statements for first quarter 2021, which ended 31 March 2021, comprise Hexagon Composites ASA and its subsidiaries (together referred to as “The Group”).

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS), IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of The Group for the year which ended 31 December 2020.

For a more detailed description of accounting principles see the consolidated financial statements for 2020.

Hexagon Composites was until 2020 comprised of four business segments:

- Hexagon Purus
- Hexagon Agility
- Hexagon Mobile Pipeline & Other
- Hexagon Ragasco LPG

From 2021 Agility Fuel Solutions and Hexagon Mobile Pipeline incl. CNG/LDV joined forces to create Hexagon G-Mobility. The combination enables improved operational flexibility and the pursuit of combined global market opportunities. As a result of the growing market opportunities for cylinder testing technology Hexagon Digital Wave is a new business segment from 2021. The new segment and reporting structure from first quarter 2021 is:

- Hexagon G-Mobility
- Hexagon Purus
- Hexagon Ragasco LPG
- Hexagon Digital Wave

Comparable figures for the new segments are prepared on proforma basis.

The accounting principles used in the preparation of these interim accounts are the same as those applied to the consolidated financial statements for 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The coronavirus has had some effects to our business in the first quarter 2021. We have experienced lower demand than previously expected in some areas of our business segments. The effects are described in more detail by segment in the Board of Director’s report for Q1. Most of the lowered activity is expected to be postponed sales rather than lost sales, and hence limited long-term consequences from the pandemic have so far been observed. The short-term impacts to revenues are accompanied by some off-setting cost reduction through furlough programs, reduced travelling and other expenditures in general. We have concluded that so far as we can see at the time of preparation and resolution of these interim accounts, there is no need for impairments to balance sheet items as a result of the global pandemic.

These condensed consolidated interim financial statements were approved by the Board of Directors on 11 May 2021.

## Note 2: Estimates

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The preparation of the interim accounts entails the use of valuations, estimates and assumptions that affect the application of the accounting policies and the amounts recognized as assets and liabilities, income and expenses. The actual results may deviate from these estimates. The material assessments underlying the application of the Group’s accounting policy and the main sources of uncertainty are the same as for the consolidated accounts for 2020.

### Note 3: Share-based payments

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22 May 2018 Hexagon Composites ASA issued 1 200 000 call options to senior executives and managers in the Group at NOK 20.85 per share, provided that the share price on the date of exercise is minimum NOK 25.36 per share. The options may be exercised in part or in full within three weeks following the official announcement of the financial results for the fourth quarter of 2020, first quarter of 2021 or second quarter of 2021. During first quarter of 2021, 420 000 of these options have been exercised at the weighted average share price of NOK 54.04.

20 December 2018 Hexagon Composites ASA issued 100 000 Restricted Stock Units (RSUs) to certain employees of the Group. Subject to continued employment three years after date of grant, each employee will at such time receive such number of Hexagon shares as corresponds to the number of RSUs allocated.

12 April 2019 Hexagon Composites ASA decided to provisionally award up to 2 492 438 Performance Share Units ("PSUs") to executives. Of these, up to maximum 2 422 476 PSUs were provisionally awarded. The PSUs are non-transferable and will vest on 11 February 2022 subject to satisfaction of the applicable vesting conditions. Performance period ended in 2019, and the actual number of PSUs to be allotted concluded to be 1 002 425. Each vested PSU will give the holder the right to receive one share in the Company at an exercise price corresponding to the par value of the shares being NOK 0.10.

20 September 2019 Hexagon Composites ASA issued 49 994 Restricted Stock Units (RSUs) to certain employees of the Group. Subject to continued employment three years after date of grant, each employee will at such time receive such number of Hexagon shares as corresponds to the number of RSUs allocated.

22 April 2020 Hexagon Composites ASA decided to provisionally award up to 3 711 634 Performance Share Units ("PSUs") to executives. The PSUs are non-transferable and will vest in Q1 2023 subject to satisfaction of the applicable vesting conditions. Each vested PSU will give the holder the right to receive one share in the Company at an exercise price corresponding to the par value of the shares being NOK 0.10.

29 July 2020 Hexagon Composites ASA issued 70 000 Restricted Stock Units (RSUs) to certain employees of the Group. Subject to continued employment three years after date of grant, each employee will at such time receive such number of Hexagon shares as corresponds to the number of RSUs allocated.

2 May 2021 Hexagon Composites ASA decided to provisionally award up to 1 734 990 Performance Share Units ("PSUs") to executives. The PSUs are non-transferable and will vest in Q1 2024 subject to satisfaction of the applicable vesting conditions. Each vested PSU will give the holder the right to receive one share in the Company at an exercise price corresponding to the par value of the shares being NOK 0.10.

The fair value of the options, RSUs and PSUs are calculated on the grant date, based on the Black-Scholes model, and the cost is recognized over the service period. Cost of the share options, RSUs and PSUs schemes, including social security, was NOK 5.1 million in Q1 2021 March. The unamortized fair value of all outstanding instruments, share options (720 000), RSUs (219 994) and PSUs (maximum 5 035 216), at 31 March 2021 is estimated to NOK 29.9 million.

There are no cash settlement obligations. The Group does not have a past practice of cash settlement for outstanding share options, PSUs and RSUs.



## Note 4: Interest-bearing debt

The following shows material changes in interest-bearing debt during 2021 (NOK 1 000):

	Long-term bank loan	Bond loan	Short-term loan	Total interest-bearing debt
<b>Balance 01.01.2021</b>	<b>106 127</b>	<b>1 100 000</b>	<b>0</b>	<b>1 206 127</b>
Secured bank loans	-106 602	0	0	-106 602
Bond HEX	0	0	0	0
Other	4 410	0	0	4 410
<b>Balance 31.03.2021</b>	<b>3 935</b>	<b>1 100 000</b>	<b>0</b>	<b>1 103 935</b>

The loan financing facility is a Senior Secured bilateral facility with DNB Bank. The overall size of the facility is NOK 600 million, comprising a main multi-currency revolving credit and overdraft facility of NOK 600 million.

The unsecured bond for NOK 1 100 million was issued to complete the long-term financing of the Agility transaction. The bond is listed on the Oslo Stock Exchange. The company entered into a cross-currency swap to effectively convert the NOK denominated bond loan into USD. The fixed USD denominated balance on entering into the swap was USD 120.3 million. The swap has a term concurrent with the bond loan.

Movements in the quarter on Long-term Secured bank loans and Other loans were primarily due to downpayments of bank loans by MEUR 10.0 and non-cash foreign exchange translation impacts. Changes to the cross-currency swap applied to the Bond is included in the line Other.

There are no breaches of the financial covenants under the financing facility agreements.

## Note 5: Events after the balance sheet date

- Regarding new Performance Share Units see note 4.
- Hexagon Purus selected by Nikola Corporation to supply hydrogen cylinders for serial production with an estimated sales value in excess of EUR 200 million
- Hexagon Agility received additional orders from major global logistics customer for CNG trucks with a combined value USD 25 million (approx. NOK 199 million)
- Hexagon Ragasco receives first order in 2021 from key customer in South-Asia
- Hexagon Purus to deliver high performance cylinders to Wystrach for industrial and mobility applications

There have not been any other significant events after the balance sheet date.

## Key figures Group

KEY FIGURES GROUP	31.03.2021	31.03.2020	31.12.2020
EBITDA in % of total revenue	3.7 %	4.5 %	6.2 %
EBIT in % of total revenue	-5.6 %	-2.9 %	-1.9 %
EBITDA <sup>4</sup> (rolling last 4 quarters) / Capital Employed %	3.9 %	6.6 %	3.9 %
EBIT <sup>4</sup> (rolling last 4 quarters) / Capital Employed %	-1.6 %	0.1 %	-1.2 %
Net working capital / Operating revenue <sup>4</sup> (rolling last 4 quarters) %	33.2%	29.5 %	29.2 %
Interest coverage I <sup>1)</sup>	-4.4	4.5	0.3
Interest coverage II <sup>2)</sup>	2.5	3.6	2.4
NIBD / EBITDA <sup>4</sup> (rolling last 4 quarters)	-1.5	5.0	-1.7
Equity ratio	59.4 %	43.2 %	58.3 %
Equity / Capital employed	77.4 %	63.9 %	73.1 %
Return on equity (annualised)	-0.7 %	0.7 %	-5.1 %
Total return (annualised)	-0.3 %	0.5 %	0.5 %
Liquidity ratio I	3.2	1.8	3.2
Liquidity reserve (NOK 1 000) <sup>3)</sup>	1 852 156	848 275	2 103 298
Liquidity reserve <sup>3)</sup> / Operating revenue <sup>4</sup> (rolling last 4 quarters) %	62.8 %	24.8	68.3 %
Earnings per share (NOK)	-0.47	0.34	-0.78
Diluted earnings per share (NOK)	-0.47	0.34	-0.78
Cash flow from operations per share (NOK)	-0.89	0.26	1.20
Equity per share (NOK)	17.45	12.94	17.83

1) (Profit before tax + interest expenses) / Interest expenses.

2) Rolling Earnings Before Interest, Tax, Depreciation and Amortization the last 12 months to rolling Net Interest Costs

3) Undrawn overdraft facility + bank deposits and cash. Use of undrawn overdraft facility can be limited by financial covenants

## Key figures segments

KEY FIGURES SEGMENTS	31.03.2021	31.03.2020	31.12.2020
<b>HEXAGON G-MOBILITY</b>			
EBITDA in % of total revenue	11.0 %	8.2 %	9.6 %
EBIT in % of total revenue	3.1 %	1.6 %	2.7 %
<b>HEXAGON DIGITAL WAVE</b>			
EBITDA in % of total revenue	-30.2 %	-5.7 %	4.8 %
EBIT in % of total revenue	-39.0 %	-13.6 %	-3.6 %
<b>HEXAGON RAGASCO LPG</b>			
EBITDA in % of total revenue	23.1 %	19.7 %	18.1 %
EBIT in % of total revenue	17.3 %	13.8 %	11.5 %
<b>HEXAGON PURUS (HYDROGEN &amp; CNG LDV)</b>			
EBITDA in % of total revenue	-108.2 %	-89.6 %	-78.3 %
EBIT in % of total revenue	-122.9 %	-102.0 %	-93.2 %

## Shareholder information

The total number of shares in Hexagon Composites ASA at 31 March was 201,619,712 (par value NOK 0.10). During the quarter, the share price moved between NOK 42.00 and NOK 74.5, ending the quarter on NOK 47.40. The price at 31 March gave a market capitalization of NOK 9,557 million for the Company.

20 Largest shareholders per 31 March 2021	Number of shares	Share of 20 largest	Share of total	Type	Country
mitsui & co ltd	45 833 321	34,9 %	22,7 %	Ordinary	JPN
FLAKK COMPOSITES AS	20 000 000	15,2 %	9,9 %	Ordinær	NOR
CLEARSTREAM BANKING S.A.	17 644 195	13,4 %	8,8 %	Nominee	LUX
MP PENSJON PK	11 140 543	8,5 %	5,5 %	Ordinær	NOR
BRØDR. BØCKMANN AS	554 663	0,4 %	0,3 %	Ordinær	NOR
NØDINGEN AS	5 350 000	4,1 %	2,7 %	Ordinær	NOR
KTF FINANS AS	5 000 000	3,8 %	2,5 %	Ordinær	NOR
FOLKETRYGDFONDET	3 635 921	2,8 %	1,8 %	Ordinær	NOR
VERDIPAPIRFONDET ALFRED BERG GAMBA	2 864 083	2,2 %	1,4 %	Ordinær	NOR
FLAKK ROLLON AS	2 340 504	1,8 %	1,2 %	Ordinær	NOR
Skandinaviska Enskilda Banken AB	2 200 000	1,7 %	1,1 %	Nominee	SWE
The Bank of New York Mellon SA/NV	2 021 625	1,5 %	1,0 %	Nominee	IRL
STOREBRAND NORGE I VERDIPAPIRFOND	2 001 304	1,5 %	1,0 %	Ordinær	NOR
Skandinaviska Enskilda Banken AB	1 808 191	1,4 %	0,9 %	Ordinær	SWE
State Street Bank and Trust Comp	1 561 504	1,2 %	0,8 %	Nominee	USA
VERDIPAPIRFONDET NORDEA KAPITAL	1 545 609	1,2 %	0,8 %	Ordinær	NOR
HEXAGON COMPOSITES ASA	1 477 153	1,1 %	0,7 %	Ordinær	NOR
JPMorgan Chase Bank, N.A., London	1 472 872	1,1 %	0,7 %	Nominee	USA
JPMorgan Chase Bank, N.A., London	1 418 500	1,1 %	0,7 %	Nominee	LUX
RBC INVESTOR SERVICES TRUST	1 376 999	1,0 %	0,7 %	Nominee	CAN
<b>Total 20 largest shareholders</b>	<b>131 246 987</b>	<b>100,0 %</b>	<b>65,1 %</b>		
Remaining	70 372 725		34,9 %		
<b>Total</b>	<b>201 619 712</b>		<b>100,00 %</b>		

## Forward looking statements

This quarterly report (the "Report") has been prepared by Hexagon Composites ASA ("Hexagon" or the "Company"). The Report has not been reviewed or registered with, or approved by, any public authority, stock exchange or regulated market place. The Company makes no representation or warranty (whether express or implied) as to the correctness or completeness of the information contained herein, and neither the Company nor any of its subsidiaries, directors, employees or advisors assume any liability connected to the Report and/or the statements set out herein. This Report is not and does not purport to be complete in any way. The information included in this Report may contain certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Report, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of the Company or its advisors or any of their parent or subsidiary undertakings or any such person's affiliates, officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Report or the actual occurrence of the forecasted developments. The Company and its advisors assume no obligation to update any forward-looking statements or to conform these forward-looking statements to the Company's actual results. Investors are advised, however, to inform themselves about any further public disclosures made by the Company, such as filings made with the Oslo Stock Exchange or press releases. This Report has been prepared for information purposes only. This Report does not constitute any solicitation for any offer to purchase or subscribe any securities and is not an offer or invitation to sell or issue securities for sale in any jurisdiction, including the United States. Distribution of the Report in or into any jurisdiction where such distribution may be unlawful, is prohibited. This Report speaks as of 11 May 2021, and there may have been changes in matters which affect the Company subsequent to the date of this Report. Neither the issue nor delivery of this Report shall under any circumstance create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that the affairs of the Company have not since changed, and the Company does not intend, and does not assume any obligation, to update or correct any information included in this Report. This Report is subject to Norwegian law, and any dispute arising in respect of this Report is subject to the exclusive jurisdiction of Norwegian courts with Oslo City Court as exclusive venue. By receiving this Report, you accept to be bound by the terms above.

# Clean air everywhere

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