

Q3

2020 THIRD QUARTER



HEXAGON

THIRD QUARTER 2020 REPORT

NOK MILLION	Q3 2020	Q3 2019	PERCENT CHANGE	30.09.2020	30.09.2019	PERCENT CHANGE
GROUP RESULTS						
Revenue	770	770	0%	2 278	2 474	-8%
Operating profit before depreciation (EBITDA)	65	49	32%	121	262	-54%
Operating profit (EBIT)	4	-11	140%	-66	85	-178%
Profit before tax	-7	72	-110%	-11	107	-110%
Profit after tax	-46	56	-183%	-61	97	-163%
SEGMENT RESULTS						
AGILITY FUEL SOLUTIONS						
Revenue	540	410	32%	1 409	1 304	8%
EBITDA	92	37	151%	157	128	22%
EBIT	66	9	668%	75	45	67%
HEXAGON PURUS						
Revenue	97	113	-14%	271	353	-23%
EBITDA	-41	-5	-692%	-108	-21	-407%
EBIT	-56	-17	-231%	-156	-56	-178%
HEXAGON MOBILE PIPELINE & OTHER						
Revenue	57	142	-60%	243	416	-42%
EBITDA	-13	15	-187%	-23	33	-170%
EBIT	-20	8	-353%	-44	11	-489%
HEXAGON RAGASCO LPG						
Revenue	116	118	-2%	442	460	-4%
EBITDA	18	12	55%	90	70	29%
EBIT	9	3	214%	63	43	44%

All subsequent numbers in parentheses refer to comparative figures for the same period last year. All figures in NOK are rounded to the nearest million. All percentages are rounded to the nearest one percent.

In the third quarter of 2020, Hexagon Group generated NOK 770 (770) million in revenues and recorded an operating profit before depreciation (EBITDA) of NOK 65 (49) million. Hexagon Ragasco results remained robust and Agility experienced a record strong quarter as it recovered from the sharp impacts of the global pandemic in the previous quarter. Hexagon Mobile Pipeline, however, remained impacted by the pandemic and resulting macro factors, as well as lower North American onshore oil and gas activity.

Thirty-four confirmed cases of COVID-19 infection year-to-date have been reported among Hexagon personnel, all of which have recovered or are recovering. All production facilities have remained open and only marginally affected during the quarter. For more detail on the Company's risks, responses, impacts and resilience in relation to the COVID-19 pandemic, please refer to the Outlook section and the company presentation accompanying this report.

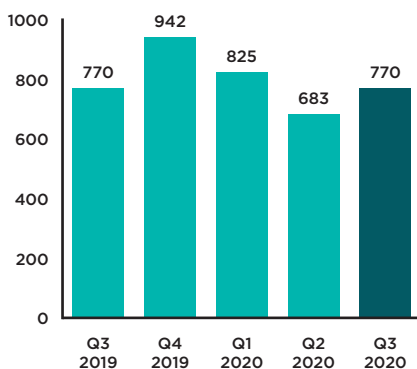
Key developments

- Agility received an order for USD 8.0 million (approx. NOK 72 million) to expand Anheuser-Busch's CNG fleet
- A key Northeast Asian automotive leader for Fuel Cell Vehicles (FCEVs) nominated Hexagon Purus for the serial supply of composite cylinders for their current zero-emission Fuel Cell Electric SUV. The scope of the nomination is over a two-year period with an estimated sales value of 25 million Euro (approx. NOK 230 million)
- Hexagon Composites ASA raised approximately NOK 907 million in gross proceeds through a private placement on 24 August 2020
- Hexagon Composites ASA announced the intention to spin-off Hexagon Purus through a listing on the Merkur market within end 2020, with Hexagon retaining majority ownership after the distribution
- The H2Bus Consortium, for which Hexagon Purus is a member supplier of its on-board storage solutions, announced an agreement with Wrightbus for the supply of hydrogen fuel cell electric buses in Europe. The H2Bus Consortium is now on track to deploy 1,000 hydrogen fuel cell electric buses, along with supporting infrastructure, in European cities at commercially competitive rates

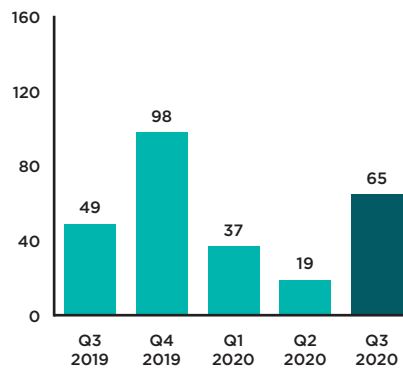
Key developments after balance sheet date

- Hexagon Purus was awarded a contract by Hino Trucks, a Toyota Motors Company, to provide battery packs and powertrain integration for the development of Hino's "Project Z" path to zero emission vehicles.
- Hexagon Purus has signed a contract with Stadler Rail to develop and supply a hydrogen cylinder storage system for the first hydrogen commuter train in the U.S.
- The announced plan to sign a joint venture agreement with CIMC ENRIC, a leading Chinese manufacturer of energy equipment for market entry into China is behind schedule due to travel restrictions, but the parties remain committed to the process and expect to reach a final agreement by year-end.

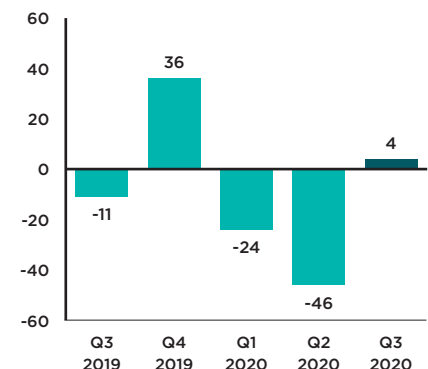
REVENUE
MNOK



EBITDA
MNOK



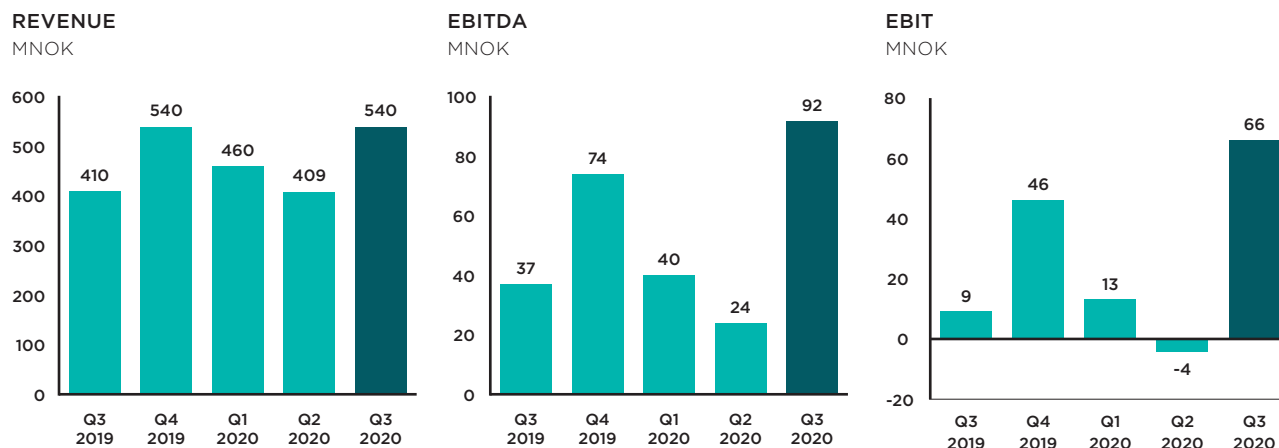
EBIT
MNOK



SEGMENT RESULTS

AGILITY FUEL SOLUTIONS (MEDIUM & HEAVY-DUTY VEHICLES)

Agility Fuel Solutions is a leading global provider of clean fuel solutions for medium- and heavy-duty commercial vehicles.



Agility recorded revenues for the quarter of NOK 540 million compared with NOK 410 million the corresponding period last year. EBITDA was a record high NOK 92 million compared with NOK 37 million the corresponding period last year. Revenues were driven by very strong Truck volumes from large customers accounting for approximately 45% of sales in the quarter. Overall, North American Heavy-Duty Truck orders for 2020 are heavily skewed to the second half of the year with third quarter sales being higher than the first half year in total. European Transit bus revenues continued its strong momentum being nearly three times higher than prior year sales for the quarter. The Medium-Duty sector enjoyed a three-fold increase over prior year in the quarter while Refuse truck and North American Transit bus volumes remain lower on the back of relatively lower customer call-offs and COVID 19 related schedule delays respectively.

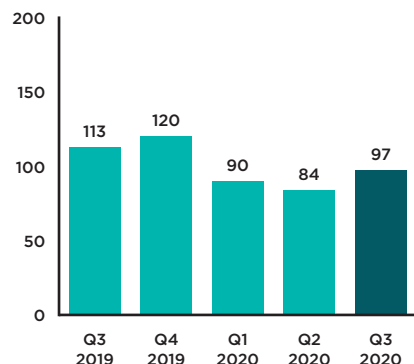
The internal reorganization of e-mobility and g-mobility businesses had a marginal impact to the comparability of results for Agility this quarter, versus the same period last year. The effects of this reorganization in 2020 included the transfer of Hexagon Purus' European bus business into Agility Fuel Solutions, offset by the transfer from Agility's Medium and Heavy-Duty hydrogen and EV systems businesses to Hexagon Purus.

Further deliveries to UPS and a major new global logistics customer, as well as the USD 8.0 million (approx. NOK 72 million) orders received towards expanding Anheuser-Busch's CNG Fleet, contributed to the large up-tick in Heavy-Duty Truck momentum in the quarter. The orders demonstrate both the attractiveness of g-mobility solutions to lower emissions by increased use of natural gas and renewable natural gas (CNG/RNG) and Agility's strong competitive position in this market.

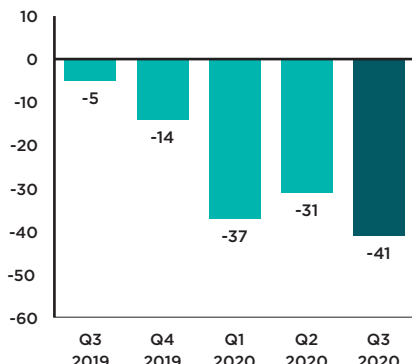
HEXAGON PURUS (HYDROGEN & CNG LIGHT-DUTY VEHICLES)

Hexagon Purus is a leading global provider of high-pressure composite cylinders and solutions for a wide range of hydrogen applications as well as CNG-fueled Light-Duty Vehicles.

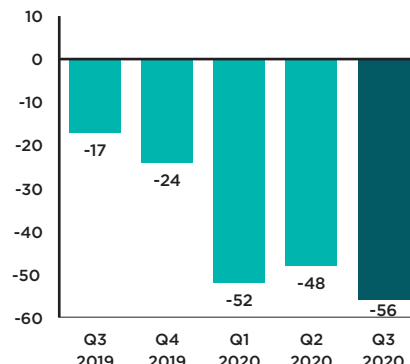
REVENUE
MNOK



EBITDA
MNOK



EBIT
MNOK



Revenues for the Hexagon Purus segment amounted to NOK 97 (113) million and EBITDA was NOK -41 (-5) million in the third quarter of 2020. EBITDA in the segment included a charge of NOK 8 million related to reversal of a gain on a carve-out transaction which was reclassified to group transactions. This has zero effect to EBITDA at group level.

The CNG Light-Duty Vehicle (LDV) business recorded revenues of NOK 43 (129) million and EBITDA of NOK -13 (14) million. VW has completed the relocation of its CNG vehicle assembly line allowing sales volumes to normalize over the coming quarters. The European bus business, which contributed NOK 4 million of revenue in the comparative third quarter 2019 is now reported in Agility.

The Hydrogen and EV business generated NOK 54 (22) million of revenues in the third quarter, which included NOK 28 million from the Heavy-Duty hydrogen and EV systems e-mobility businesses previously reported in Agility during 2019 and NOK 15 million from Hexagon MasterWorks, transferred this year from the Mobile Pipeline & Other segment. The Medium and Heavy-Duty e-mobility revenues included deliveries to five major OEM customers covering both fuel cell hydrogen and battery electric heavy-duty vehicle systems. In addition, there were continued deliveries to development projects within the marine sector. The e-mobility EBITDA for the quarter was NOK -28 (-20) million. The continued OPEX investment ahead of revenues to develop Hexagon's leading position within e-mobility applications is driving the negative results in this phase of the business.

Earlier this year the company announced its intention to sign a joint venture agreement with CIMC ENRIC, a leading Chinese manufacturer of energy equipment, for market entry into China. The joint venture agreement with CIMC ENRIC is behind schedule due to travel restrictions but the parties remain committed to the process and expect to reach a final agreement by year-end.

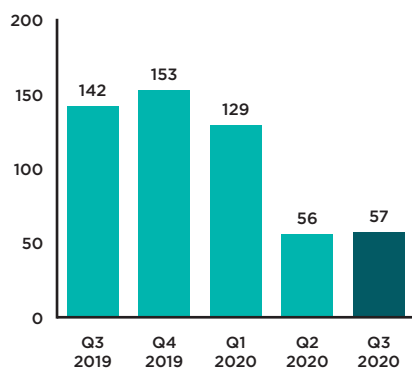
A key Northeast Asian automotive leader for Fuel Cell Vehicles nominated Hexagon Purus for the serial supply of composite cylinders for their current zero-emission Fuel Cell Electric SUV. The scope of the nomination is over a two-year period with an estimated sales value of 25 million Euro (approx. NOK 230 million).

The H2Bus Consortium, for which Hexagon Purus is a member, announced an agreement with Wrightbus for the supply of hydrogen fuel cell electric buses in Europe. The H2Bus Consortium is now on track to deploy 1,000 hydrogen fuel cell electric buses, along with supporting infrastructure, in European cities at commercially competitive rates.

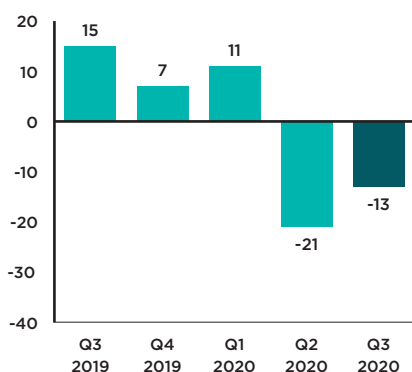
HEXAGON MOBILE PIPELINE & OTHER

Hexagon Mobile Pipeline is the global market leader in high-pressure composite storage and transportation cylinders and modules for compressed natural gas (CNG) and biogas.

REVENUE
MNOK



EBITDA
MNOK



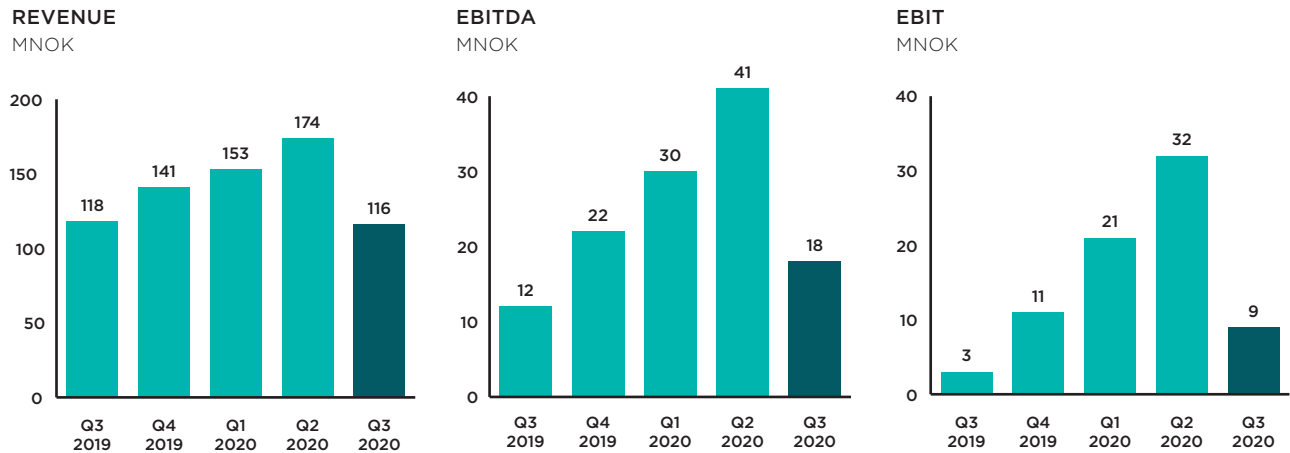
EBIT
MNOK



Revenues amounted to NOK 57 (142) million with EBITDA of NOK -13 (15) million in the third quarter. These low volumes were due to reduced onshore oil and gas activity and the impact of COVID -19 slowing some customers' project financing. Revenues are diversified in terms of customers, applications and geographies including North America, Mexico and Europe. A program of cost initiatives implemented in the second half of 2019 has taken full effect in 2020, in addition to temporary furloughing in the quarter.

HEXAGON RAGASCO LPG

Hexagon Ragasco is the global market leader in composite cylinders for propane (LPG).



Revenues were NOK 116 (118) million with an EBITDA of NOK 18 (12) million in the third quarter of 2020.

Almost 80% of sales volumes were to European and Asia Pacific customers in the third quarter 2020. This included a significant level of sales to Bangladesh, being the first orders under the COVID-19 pandemic, which has had a significant impact on the country's ability to trade. North and Central European markets primarily consist of leisure segments, which were favorably impacted by COVID-19. Sales in the quarter were also to Middle Eastern, African, Latin and North American customers demonstrating the breadth of the Ragasco portfolio of customers and products. Ragasco celebrated market entry into Argentina.

THE GROUP

Hexagon recorded a net loss after tax of NOK -46 (56) million in the third quarter of 2020. Net financial items were NOK -11 (83) million driven by positive foreign exchange fluctuation effects of NOK 9 (103) million, and interest and other charges or credits of NOK -20 (-20) million. Tax charges of NOK 39 million included net reductions in deferred tax positions in the quarter. These were non-cash movements.

The non-cash effects of translation to NOK of USD/EUR positions on the balance sheet, including the bond currency swap (from NOK to USD), have been modest this quarter.

At quarter-end the balance sheet amounted to NOK 5,989 (4,745) million and the Group's equity ratio was 50% (46%). The year-over-year increase in equity ratio was driven primarily by the issue of NOK 907 million of new share capital in the quarter as well as movements in foreign currency rates.

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

Hexagon has prepared COVID-19 contingency plans by site, based on local requirements and we are closely monitoring the COVID-19 situation, including developments and decisions being made in areas where we do business.

The Company is not able to accurately predict the final outcome from COVID-19 related effects but will remain vigilant and employ further counter measures to mitigate such effects, if required.

COVID-19 will most likely reduce global energy demand by around 8% this year. Pandemic-linked behavioral shifts, like remote working and reduced commuting, may have a lasting effect lowering energy use. Despite flat energy demand and a growing renewable share, the energy transition is nowhere near fast enough to deliver on the Paris Agreement. A lot more renewable power, decarbonization, energy-efficiency improvement, and carbon capture is needed. Hexagon is well positioned as leading clean technology provider to help drive this energy transformation.

At Hexagon we are focusing our efforts along three axes; g-mobility, e-mobility and world class manufacturing. Our spectrum of solutions is already making a difference: Agility's clean solutions have over the last three years cumulatively contributed over 400,000 tons of CO₂ emissions saved, equivalent to taking 80,000 cars off the road for a year;

In 2019, Hexagon's CNG tanks for light-duty vehicles helped save over 12,000 tons of CO₂; and in 2019, 40% of our LPG cylinders were sold to underdeveloped countries, bringing safe fuel sources to meet their energy needs.

We see our customers adapting to meet new targets:

- UPS is planning 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
- Waste Management intends to cut fleet emissions by 45% by 2038

Agility continues to benefit from increased adoption of cleaner energy alternatives, especially natural and renewable gas. This is mainly driven by a large number of deliveries to a major logistics supplier. European bus business is expected to become stronger moving into the fourth quarter - mainly due to its ramp up after COVID-19, while a slower year is expected in the transit bus sector for North America.

The ramp up of Volkswagen's production continues strong into the fourth quarter as expected following the relocation of its CNG car assembly line from Zwickau to Wolfsburg, Germany.

Low activity in onshore oil and gas sector in North America has led to postponement of capital spend for many to 2021. With this backdrop, demand for the company's Mobile Pipeline products is driven by conversion from petroleum fuels to cleaner CNG and RNG and lack of pipeline infrastructure to support growing NG demand in Q4. We expect a solid Q4 with deliveries of units for virtual interconnect, RNG and energy intensive applications. However, activity in the industrial gas segment is expected to be slow as many in this segment are still recovering from COVID-19 related shutdowns earlier this year and are postponing capital spend to 2021.

We are seeing the demand for LPG for domestic use recovering in the era of COVID-19. Deliveries to a large customer in Bangladesh will continue in Q4. A stable demand from Europe is also expected to continue into Q4.

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 will establish 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 non-destructive testing. 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.

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

Since January 2020, the company has combined all its e-mobility activities in Hexagon Purus to develop its leading position and pursue zero-emission opportunities in the growing e-mobility market. This includes more than 80 diversified zero-emission development projects, including all combined e-mobility businesses. We continue to see strong momentum in several segments, in particular medium and heavy-duty vehicles and distribution modules.

The intended 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 Spin Off will unlock further value from an industrial and financial perspective by creating two focused companies, each with its own strategic agenda and investment story. The separation will also allow the two businesses to have individual strategies for future funding, capital allocation and dividend policy. Hexagon Purus will be a pure-play attractively positioned to benefit from the tremendous growth that is expected in the e-mobility market.

Hexagon Purus' continues to grow in Q4. Recently, Hexagon Purus was awarded a contract by Hino Trucks, a Toyota Motors Company, for the development of Hino's "Project Z" path to zero emission vehicles. Hexagon Purus will provide battery packs and powertrain integration on multiple Hino Battery Electric Vehicles (BEV). Deliveries will be in the first half of 2021, customer demonstrations in 2022, and production prior to 2024. Hexagon Purus was also selected by Stadler Rail to develop and supply an onboard fuel storage tank system for the first hydrogen powered commuter train in the U.S.

Additionally, Hexagon Purus plans to enter the world's largest hydrogen market, China, together with its partner CIMC ENRIC.

Agility continues to benefit from increased adoption of cleaner energy alternatives, especially natural and renewable gas. This is mainly driven by a large number of deliveries to a major logistics supplier. European bus business is expected to become stronger moving into the fourth quarter – mainly due to its ramp up following the onset of COVID-19, while a slower year is expected in the transit bus sector for North America.

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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.

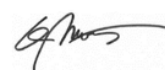
Oslo, 5 November 2020
The Board of Directors of Hexagon Composites ASA



Knut T. Flakk
Chairman of the Board



Kristine Landmark
Deputy Chair



Katsunori Mori
Board Member



Hans Peter Havdal
Board Member



Liv Astri Hovem
Board Member

FINANCIAL STATEMENTS GROUP

INCOME STATEMENT	30.09.2020	Q3 2020	30.09.2019	Q3 2019	31.12.2019
(NOK 1 000)	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from contracts with customers	2 268 304	769 149	2 465 514	768 619	3 404 209
Rental income	9 269	390	8 687	1 666	11 915
Total revenue	2 277 573	769 538	2 474 201	770 285	3 416 124
Cost of materials	1 230 961	397 910	1 212 718	381 474	1 673 120
Payroll and social security expenses	697 008	218 867	609 935	200 689	853 706
Other operating expenses	229 065	87 806	459 584	139 045	599 209
Gain / Fair value adjustment earn-out	0	0	-69 625	-238	-69 625
Total operating expenses before depreciation	2 157 033	704 583	2 212 611	720 970	3 056 409
Operating profit before depreciation (EBITDA)	120 539	64 955	261 589	49 316	359 715
Depreciation and impairment	186 269	60 765	176 989	59 875	239 606
Operating profit (EBIT)	-65 729	4 190	84 601	-10 559	120 109
Profit/loss from investments in associates and joint ventures	-778	-207	-839	-163	-749
Other financial items (net)	55 567	-10 969	23 178	82 865	-8 114
Profit/loss before tax	-10 940	-6 985	106 940	72 143	111 246
Tax	50 408	39 344	10 295	16 637	3 755
Profit/loss after tax	-61 348	-46 329	96 645	55 507	107 491
Earnings per share (NOK)	-0.32		0.56		0.62
Diluted earnings per share (NOK)	-0.25		0.63		0.71

COMPREHENSIVE INCOME STATEMENT	30.09.2020	30.09.2019	31.12.2019
(NOK 1 000)			
Profit/loss after tax	-61 348	96 645	107 491
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS			
Exchange differences arising from the translation of foreign operations	39 797	31 520	7 964
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	39 797	31 520	7 964
OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS			
Actuarial gains/losses for the period	0	0	-899
Income tax effect of actuarial gains/losses for the period	0	0	198
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	0	0	-701
Total comprehensive income, net of tax	-21 551	128 165	114 754

STATEMENT OF FINANCIAL POSITION	30.09.2020	30.09.2019	31.12.2019
(NOK 1 000)	Unaudited	Unaudited	Audited
ASSETS			
Property, plant and equipment	833 532	820 247	804 099
Right-of-use assets	266 632	299 021	283 817
Intangible assets	2 363 309	2 115 983	2 204 253
Investment in associates and joint ventures	7 931	561	651
Other non-current assets	75 285	1 008	48 992
Total non-current assets	3 546 689	3 236 819	3 341 811
Inventories	831 610	797 283	783 669
Receivables	653 184	540 142	520 426
Contract assets (accrued revenue)	0	6 221	3 962
Bank deposits, cash and similar	957 323	164 359	177 651
Total current assets	2 442 117	1 508 005	1 485 708
Total assets	5 988 806	4 744 825	4 827 519
EQUITY AND LIABILITIES			
Paid-in capital	2 157 819	1 265 237	1 270 018
Other equity	854 243	896 385	882 975
Total equity	3 012 062	2 161 622	2 152 993
Interest-bearing long-term liabilities	1 479 485	1 299 917	1 298 058
Lease liabilities	289 915	260 407	246 929
Other non-current liabilities	353 279	210 087	285 512
Total non-current liabilities	2 122 679	1 770 410	1 830 499
Interest-bearing current liabilities	0	0	2 857
Lease liabilities short-term	23 851	48 415	47 703
Contract liabilities (incl. prepayments from customers)	75 342	104 552	94 540
Other current liabilities	754 872	659 826	698 927
Total current liabilities	854 066	812 792	844 027
Total liabilities	2 976 744	2 583 203	2 674 526
Total equity and liabilities	5 988 806	4 744 825	4 827 519

CONDENSED CASH FLOW STATEMENT	30.09.2020	30.09.2019	31.12.2019
(NOK 1 000)			
Profit before tax	-10 940	106 940	111 246
Depreciation and write-downs	186 269	176 989	239 606
Change in net working capital	-203 969	-251 239	-202 923
Net cash flow from operations	-28 639	32 690	147 929
Net cash flow from investment activities	-116 677	-1 188 991	-1 274 430
Net cash flow from financing activities	910 473	1 142 273	1 128 868
Net change in cash and cash equivalents	765 156	-14 029	2 367
Net currency exchange differences	14 516	3 581	478
Cash and cash equivalents at start of period	177 651	138 531	138 531
Cash and cash equivalents acquisition	0	36 275	36 275
Cash and cash equivalents at end of period	957 323	164 359	177 651
Available unused credit facility	652 989	784 223	784 320

CONDENSED STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	OWN SHARES	SHARE PREMIUM	OTHER PAID IN CAPITAL	TRANSLATION DIFFERENCES	OTHER EQUITY	TOTAL
(NOK 1 000)							
Balance 01.01.2019	16 663	-237	727 639	29 738	126 587	639 673	1 540 063
Profit/loss after tax						96 645	96 645
Other income and expenses					31 520		31 520
Share-based payment				14 223			14 223
Movement in own shares		39				1 961	2 000
Increase share capital	1 666		475 505				477 172
Balance 30.09.2019	18 329	-197	1 203 145	43 960	158 107	738 279	2 161 622
Balance 01.01.2019	16 663	-237	727 639	29 738	126 587	639 673	1 540 063
Profit/loss after tax						107 491	107 491
Other income and expenses					7 964	-701	7 263
Dividends						0	0
Share-based payment				19 005			19 005
Increase share capital	1 666		475 505				477 172
Movement in own shares		39				1 961	2 000
Balance 31.12.2019	18 329	-197	1 203 145	48 742	134 551	748 423	2 152 993
Balance 01.01.2020	18 329	-197	1 203 145	48 742	134 551	748 423	2 152 993
Profit/loss after tax						-61 348	-61 348
Other income and expenses					39 797		39 797
Share-based payment				13 101			13 101
Movement in own shares		12				-7 181	-7 169
Increase share capital	1 833		872 854				874 687
Balance 30.09.2020	20 162	-185	2 075 999	61 843	174 348	679 895	3 012 062

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. The increase in share capital is presented net after transaction costs.

On 27 February 2019 the Company issued 16,662,780 new shares in a private placement at the price of NOK 29.60 per share. The increase in share capital is presented net after transaction costs.

BUSINESS SEGMENT DATA	30.09.2020	Q3 2020	30.09.2019	Q3 2019	31.12.2019
(NOK 1 000)					
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
AGILITY FUEL SOLUTIONS					
Sales of goods external customers	1 395 011	526 443	1 289 084	407 567	1 822 994
Internal transactions	13 627	13 478	15 380	2 899	21 193
Total revenue from contracts with customers	1 408 638	539 921	1 304 464	410 466	1 844 187
Segment operating profit before depreciation (EBITDA)	156 523	92 270	128 351	36 748	202 160
Segment operating profit (EBIT)	75 464	66 383	45 251	8 648	91 329
Segment assets	3 135 428		2 839 490		2 796 506
Segment liabilities	642 689		555 634		541 845
HEXAGON PURUS (HYDROGEN & CNG LDV)					
Sales of goods external customers	208 474	75 191	311 438	104 453	414 012
Sales of services and funded development	13 608	9 331	26 909	3 802	43 475
Internal transactions	48 426	12 182	14 268	4 588	15 176
Total revenue from contract with customers	270 507	96 704	352 615	112 843	472 664
Segment operating profit before depreciation (EBITDA)	-108 302	-40 542	-21 348	-5 117	-35 168
Segment operating profit (EBIT)	-155 162	-55 559	-55 739	-16 801	-80 221
Segment assets	1 007 636		943 169		964 741
Segment liabilities	1 310 074		947 174		1 015 463

BUSINESS SEGMENT DATA	30.09.2020	Q3 2020	30.09.2019	Q3 2019	31.12.2019
(NOK 1 000)	Unaudited	Unaudited	Unaudited	Unaudited	Audited
HEXAGON MOBILE PIPELINE & OTHER					
Sales of goods external customers	161 407	13 622	343 040	120 599	474 091
Sales of services and funded development	31 742	12 646	42 892	16 476	57 816
Internal transactions	40 733	30 708	21 582	3 255	26 210
Total revenue from contract with customers	233 882	56 976	407 514	140 330	558 117
Rental income	8 737	209	8 154	1 486	10 854
Total revenue	242 619	57 185	415 667	141 815	568 971
Segment operating profit before depreciation (EBITDA)	-23 107	-13 231	33 210	15 195	39 748
Segment operating profit (EBIT)	-43 699	-19 654	11 229	7 774	10 109
Segment assets	635 620		700 784		663 576
Segment liabilities	1 065 142		1 095 069		1 054 537
HEXAGON RAGASCO LPG					
Sales of goods external customers	442 073	115 383	453 253	116 224	592 099
Sales of services and funded development	272	156	52	1	67
Internal transactions	59	3	6 422	1 572	8 313
Total revenue from contract with customers	442 403	115 541	459 727	117 796	600 479
Segment operating profit before depreciation (EBITDA)	89 680	18 492	69 679	11 962	91 875
Segment operating profit (EBIT)	62 656	9 494	43 372	3 026	54 501
Segment assets	469 446		461 069		486 571
Segment liabilities	324 022		321 642		388 715

NOTES

NOTE 1: INTRODUCTION

The condensed consolidated interim financial statements for third quarter 2020, which ended 30 September 2020, 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 2019.

For a more detailed description of accounting principles see the consolidated financial statements for 2019.

The accounting principles used in the preparation of these interim accounts are the same as those applied to the consolidated financial statements for 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applied IFRS 16 Leases for the first time in 2019. As required by IAS 34, the nature and effect of these changes were disclosed in 2019 reporting.

The coronavirus has had some effects to our business in the third quarter 2020. 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 Q3. 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 5 November 2020.

NOTE 2: ESTIMATES

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 2019.

NOTE 3: SHARE-BASED PAYMENTS

1 April 2016 Hexagon Composites ASA issued 925 000 call options to senior executives and managers in the Group at NOK 20 per share. The options could be exercised in part or in full within three weeks following the official announcement of the financial results for the fourth quarter of 2018, first quarter of 2019 or second quarter of 2019. The company decided to extend the exercise period and all these options were exercised in first quarter 2019. The options were exercised at weighted average share price of NOK 32.22.

5 April 2017 Hexagon Composites ASA issued 1 450 000 call options to senior executives and managers in the Group at NOK 27 per share. 7 September 2017 additional 190 000 call options were added to this program. 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 2019, first quarter of 2020 or second quarter of 2020. During 2020, 1 565 000 of these options have been exercised at weighted average share price of NOK 37.16.

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.

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.

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 15.1 million YTD 30 September. The cost in the third quarter was NOK 7.6 million. The unamortized fair value of all outstanding instruments, share options (1 140 000), RSUs (219 994) and PSUs (maximum 4 582 675), at 30 September 2020 is estimated to NOK 33.6 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 2020 (NOK 1 000):

	LONG-TERM BANK LOAN	BOND LOAN	SHORT-TERM LOAN	TOTAL INTEREST- BEARING DEBT
Balance 01.01.2020	198 058	1 100 000	2 857	1 300 915
Secured bank loans	37 720	0	13 244	50 964
Bond HEX	0	0	0	0
Other	187 174	0	0	187 174
Balance 31.03.2020	422 952	1 100 000	16 101	1 539 053
Secured bank loans	94 387	0	-16 101	78 285
Bond HEX	0	0	0	0
Other	-109 318	0	0	-109 318
Balance 30.06.2020	408 020	1 100 000	0	1 508 020
Secured bank loans	2 389	0	0	2 389
Bond HEX	0	0	0	0
Other	-30 924	0	0	-30 924
Balance 30.09.2020	379 485	1 100 000	0	1 479 485

The loan financing facility is a Senior Secured bilateral facility with DNB Bank. The overall size of the facility is NOK 1 billion, comprising a main multi-currency revolving credit and overdraft facility of NOK 600 million and a committed ancillary facility of NOK 400 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. The value of the swap as of 30 September 2020 was NOK -43,8 million and is included in the line Long-term bank loans.

Movements in the quarter on Long-term Secured bank loans and Other loans were primarily due to non-cash foreign exchange translation impacts. Changes in 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

- Hexagon Purus was awarded a contract by Hino Trucks, a Toyota Motors Company, to provide battery packs and powertrain integration for the development of Hino's "Project Z" path to zero emission vehicles.
- Hexagon Purus has signed a contract with Stadler Rail to develop and supply a hydrogen cylinder storage system for the first hydrogen commuter train in the U.S.
- The announced plan to sign a joint venture agreement with CIMC ENRIC, a leading Chinese manufacturer of energy equipment for market entry into China is behind schedule due to travel restrictions, but the parties remain committed to the process and expect to reach a final agreement by year-end.

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

KEY FIGURES GROUP

KEY FIGURES GROUP	30.09.2020	30.09.2019	31.12.2019
EBITDA in % of total revenue	5.3 %	10.6 %	10.5 %
EBIT in % of total revenue	-2.9 %	3.4 %	3.5 %
EBITDA ⁴ (rolling last 4 quarters) / Capital Employed %	4.9 %	10.6 %	10.4 %
EBIT ⁴ (rolling last 4 quarters) / Capital Employed %	-0.7 %	3.9 %	3.5 %
Net working capital / Operating revenue ⁴ (rolling last 4 quarters) %	33.4 %	28.3 %	26.8 %
Interest coverage I ¹⁾	0.8	3.0	2.6
Interest coverage II ²⁾	3.4	6.3	5.7
NIBD / EBITDA ⁴ (rolling last 4 quarters)	2.2	3.1	3.1
Equity ratio	50.3 %	45.6 %	44.6 %
Equity / Capital employed	67.6 %	62.3 %	62.4 %
Return on equity (annualised)	-1.8 %	7.0 %	5.8 %
Total return (annualised)	0.8 %	5.8 %	4.8 %
Liquidity ratio I	2.9	1.9	1.8
Liquidity reserve (NOK 1 000) ³⁾	1 610 312	948 582	961 971
Liquidity reserve ³⁾ / Operating revenue ⁴ (rolling last 4 quarters) %	50.0 %	28.6 %	28.2 %
Earnings per share (NOK)	-0.32	0.56	0.63
Diluted earnings per share (NOK)	-0.25	0.63	0.71
Cash flow from operations per share (NOK)	-0.15	0.19	0.82
Equity per share (NOK)	14.94	11.79	11.75

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	30.09.2020	30.09.2019	31.12.2019
AGILITY FUEL SOLUTIONS			
EBITDA in % of total revenue	11.1 %	9.8 %	11.0 %
EBIT in % of total revenue	5.4 %	3.5 %	5.0 %
HEXAGON PURUS (HYDROGEN & CNG LDV)			
EBITDA in % of total revenue	-40.0 %	-5.1 %	-7.4 %
EBIT in % of total revenue	-57.4 %	-13.4 %	-17.0 %
HEXAGON MOBILE PIPELINE & OTHER			
EBITDA in % of total revenue	-9.5 %	8.0 %	7.0 %
EBIT in % of total revenue	-18.0 %	2.7 %	1.8 %
HEXAGON RAGASCO LPG			
EBITDA in % of total revenue	20.3 %	15.2 %	15.3 %
EBIT in % of total revenue	14.2 %	9.4 %	9.1 %

SHAREHOLDER INFORMATION

A total of 44 247 869 (30 907 609) shares in Hexagon Composites ASA (HEX.OL) were traded on Oslo Børs (OSE) during third quarter of 2020. The total number of shares in Hexagon Composites ASA at 30 September 2020 was 201,619,712 (par value NOK 0.10). In the quarter, the share price moved between NOK 41.28 and NOK 54.25, ending the quarter on NOK 51.50. The price at 30 September gives a market capitalization of NOK 10 383.4 million for the Company.

20 LARGEST SHAREHOLDERS PER 4 NOVEMBER 2020	NUMBER OF SHARES	SHARE OF 20 LARGEST	SHARE OF TOTAL	TYPE	COUNTRY
mitsui & co ltd	45 833 321	32 %	23 %	Ordinary	Japan
FLAKK COMPOSITES AS	20 000 000	14 %	10 %	Ordinary	Norway
CLEARSTREAM BANKING S.A.	16 751 524	12 %	8 %	Nominee	Luxembourg
MP PENSJON PK	11 874 306	8 %	6 %	Ordinary	Norway
BRØDR. BØCKMANN AS	8 000 000	6 %	4 %	Ordinary	Norway
NØDINGEN AS	5 200 000	4 %	3 %	Ordinary	Norway
KTF FINANS AS	5 000 000	3 %	2 %	Ordinary	Norway
VERDIPAPIRFONDET ALFRED BERG GAMBA	4 708 274	3 %	2 %	Ordinary	Sweden
State Street Bank and Trust Comp	3 205 559	2 %	2 %	Nominee	United States
Skandinaviska Enskilda Banken AB	3 100 000	2 %	2 %	Nominee	Sweden
FOLKETRYGDFONDET	2 985 951	2 %	1 %	Ordinary	Sweden
Skandinaviska Enskilda Banken AB	2 735 396	2 %	1 %	Ordinary	Sweden
FLAKK ROLLON AS	2 340 504	2 %	1 %	Ordinary	Norway
STOREBRAND NORGE I VERDIPAPIRFOND	2 195 955	2 %	1 %	Ordinary	United Kingdom
VERDIPAPIRFONDET ALFRED BERG NORGE	1 909 645	1 %	1 %	Ordinary	Sweden
HEXAGON COMPOSITES ASA	1 851 723	1 %	1 %	Ordinary	Norway
VERDIPAPIRFONDET DELPHI NORDIC	1 609 303	1 %	1 %	Ordinary	United Kingdom
VERDIPAPIRFONDET NORDEA KAPITAL	1 476 968	1 %	1 %	Ordinary	United Kingdom
FLAKK INVEST AS	1 300 000	1 %	1 %	Ordinary	Norway
VERDIPAPIRFONDET ALFRED BERG AKTIV	1 289 499	1 %	1 %	Ordinary	Sweden
Total 20 largest shareholders	143 367 928	100%	71%		
	58 251 784		29%		
Total	201 619 712		100.00 %		

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 **6 November 2020**, 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.



HEXAGON PURUS

HYDROGEN APPLICATIONS, CNG LIGHT-DUTY VEHICLES AND BATTERY ELECTRIC DRIVETRAIN



CNG Light-Duty Vehicles



Fuel Cell Electric Vehicles



Transit Buses



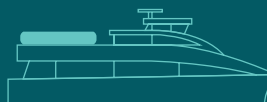
Heavy-Duty Trucks



Distribution



Ground storage



Marine & other

AGILITY FUEL SOLUTIONS



Heavy-Duty Trucks



Transit Buses



Refuse Trucks

MOBILE PIPELINE & OTHER



Distribution



Hexagon Digital Wave

HEXAGON RAGASCO

Leisure activities,
household and
industrial
applications

