

# Q4 2021



# A word from the CEO

Dear Shareholders,

## *The future is now*

Policy makers and industry leaders are raising the bar on greenhouse gas (GHG) emission reduction targets. *All* clean energy solutions are needed if we are to achieve the necessary pace - at a reasonable cost.

With this as a backdrop, demand for our technology is accelerating across virtually every sector as energy transformation and major industry trends lead to Hexagon. This includes our (renewable) natural gas (RNG/CNG), renewable LPG, hydrogen, battery electric and digital solutions. Our addressable market is expected to expand by more than four times within the next decade.



## *Our performance*

We are proud to report that our fourth quarter represented a strong finish to the year. Hexagon (excl. Purus) generated revenues of NOK 1013 million with an EBITDA of NOK 112 million. For the full year 2021, we delivered revenues of NOK 3 277 million, with an EBITDA of NOK 381 million – in line with our 2021 guidance.

As global supply chains are still trying to recover from the effects of the pandemic, these results are not just a testament to the demand for our technology, but also the foresight, skill and discipline our team has to navigate supply constraints. I cannot thank them enough for their extraordinary efforts and dedication in these complex times.

## *From vision to reality*

The **logistics industry continues to step up its response** to CO2 emission reduction. RNG as a transportation fuel is an essential component in making an immediate impact. In the fourth quarter, additional orders from a single global logistics provider put us at over NOK 1 billion in sales of our RNG/CNG fuel systems in 2021, and already over NOK 396 million for 2022.

The number of RNG/CNG vehicles on the road in key markets in Europe and North America is increasing, and **greater infrastructure** - including mobile refueling stations – is being developed to support adoption. In the fourth quarter, Hexagon Agility was awarded an order for Mobile Pipeline® units from a major heavy-duty fleet in North America to refuel its growing fleet of clean and renewable natural gas. The contract represents an estimated value of NOK 64 million to be delivered in 2022.

The **global hydrogen market is picking up speed**. The addressable market for hydrogen cylinders and systems is expected to grow by more than 50% annually throughout the current decade. Medium and heavy-duty vehicles are expected to make up about 35% of the hydrogen cylinder market in 2030\*. And, according to the International Energy Association (IEA), global sales of battery electric vehicles (BEV) more than doubled in 2021. This has driven **demand for modules for BEV, which are now being produced at scale**.

Hexagon Purus has industry-leading components and systems for all the major application areas in the market, and a strong delivery track-record in all segments. The market developments have a clear impact on Hexagon Purus as it delivers on its business plan and nearly doubles its year-over-year organic revenue growth in 2021. This growth is nearly doubled again by the acquisition of Wystrach GmbH in Germany. Hexagon Purus is a positive value trigger in Hexagon Group's diverse portfolio of clean fuel solutions, and we are committed to supporting its further sound development.

Hexagon Purus has reached many milestones across various applications: Selected by Nikola as long-term supplier for the industry's first serial production of fuel-cell electric trucks; awarded a long-term supplier contract by Air Liquide for storage and transportation solutions that will expand the infrastructure for hydrogen mobility projects in Europe; selected by CIMC Enric, a leading manufacturer of energy equipment in China, as

joint venture partner in the world's fastest growing hydrogen market; in January 2022, Hexagon Purus received a USD 800 million (~NOK 7 billion) nomination by a major commercial truck OEM to supply battery packs for zero emission heavy-duty vehicles for serial production commencing in 2024; and in February 2022, Hexagon Purus signed a long-term binding letter of intent (LOI) with Hino Motors Manufacturing U.S. Inc. to provide battery packs for serial production of its trucks from 2024 with a total sales value of USD ~1 billion (approx. NOK 9 billion).

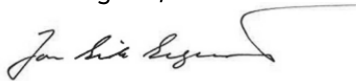
#### *Navigating 2022*

Experts predict **continued supply chain disruptions in the short term**, with challenges around labor shortages and supply and demand imbalances. According to a survey from the Wall Street Journal, 45% of economists believe that it will take until **the second half of 2022 before we see improvement**. Our teams remain focused on identifying alternate sourcing strategies and reducing dependencies on individual suppliers. Inventory optimization, improved collaboration and increased visibility with suppliers are all part of our tool kit.

#### *Progress can't wait*

Hexagon has the vision, the technologies and one of the industry's best teams. As the world transforms, we will continue to move early and quickly to address new opportunities and deliver technologies that enable industries and communities to advance to clean energy solutions.

Best regards,



**Jon Erik Engeset**  
CEO, Hexagon Group

## Key figures Q4 2021

NOK million	Q4 2021	Q4 2020	YTD 2021	YTD 2020
<b>Hexagon (excl. Purus) results</b>				
	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Revenue	1 013	793	3 277	3 055
Operating profit before depreciation (EBITDA)	112	124	381	328
Operating profit (EBIT)	60	68	171	106
<b>Hexagon segment results</b>				
<b>Hexagon Agility<sup>1)</sup> &amp; CNG LDV</b>				
Revenue	812	670	2 618	2 420
EBITDA	93	121	292	232
EBIT	55	80	138	66
<b>Hexagon Ragasco</b>				
Revenue	171	108	578	550
EBITDA	23	10	95	100
EBIT	14	0	60	63
<b>Hexagon Digital Wave</b>				
Revenue	15	12	57	50
EBITDA	-3	1	-11	2
EBIT	-4	0	-15	-2
<b>Central / Eliminations<sup>2)</sup></b>				
Revenue	15	3	24	35
EBITDA	-1	-8	5	-6
EBIT	-5	-12	-12	-21

NOK million				Q4 2021	Q4 2020	YTD 2021	YTD 2020
<b>Hexagon Group</b>							
	Hexagon (excl. Purus)	Hexagon Purus	Eliminations	Hexagon Group <sup>3)</sup>	Hexagon Group <sup>3)</sup>	Hexagon Group <sup>3)</sup>	Hexagon Group <sup>3)</sup>
Revenue	1 013	259	-86	1 186	803	3 542	3 080
Operating profit before depreciation (EBITDA)	112	-54	0	58	69	115	190
Operating profit (EBIT)	60	-73	-1	-14	6	-147	-59
Profit before tax	-14	-75	0	-89	-45	-295	-56
Profit after tax	-24	-74	0	-98	-86	-328	-148

All figures in NOK are rounded to the nearest million.

1) Hexagon Agility for 2021 onwards comprises Agility Fuel Solutions and Mobile Pipeline.

2) Central / Eliminations includes Hexagon (excl. Purus) inter-segment and central transactions

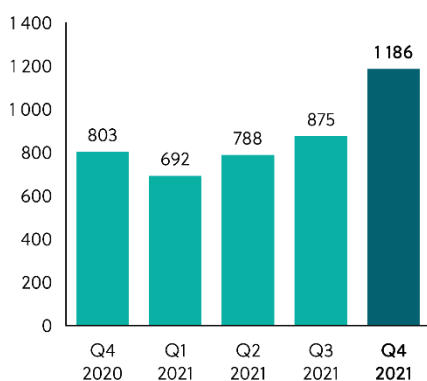
3) After eliminations, between Hexagon (excl. Purus) and Hexagon Purus

# Highlights Q4 2021

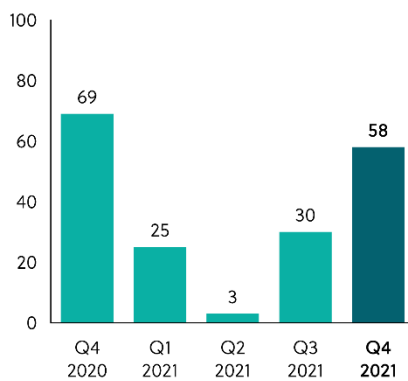
## Demand for Hexagon’s solutions remains high.

- Hexagon Agility received an additional set of orders from a major global logistics customer representing for an estimated value of USD 26.6 million (approx. NOK 242 million). Total orders placed to date by this customer with delivery targeted in 2022 represent an estimated value of USD 43.6 million (approx. NOK 396 million). Overall, orders received in 2021 under the customer agreement represent an estimated value of USD 131.6 million (approx. NOK 1.2 billion)
- Hexagon Agility has been awarded an order for SMARTSTORE™ Mobile Pipeline® units from a major heavy-duty fleet in North America for an estimated total value of USD 7.2 million (approx. NOK 64 million). The SMARTSTORE™ units will be used to refuel the growing fleet of clean and renewable natural gas (CNG/RNG) vehicles. Hexagon Agility has also received orders for RNG/CNG fuel systems from the same heavy-duty fleet customer for delivery in 2022. Total orders received from this customer to date for delivery in 2022 represent an estimated value of USD 32.1 million (approx. NOK 285 million)
- Hexagon Purus has been contracted by two major truck manufacturers in North America to deliver Hydrogen-powered class 8 truck pilots for a total sales value of USD 2.2 million (approx. NOK 20 million)
- Hexagon Purus has signed an exclusive long-term supply agreement with a leading European bus OEM to deliver hydrogen fuel storage systems for fuel cell buses for an estimated sales value of EUR 30 million (approx. NOK 400 million)
- Hexagon Purus has been awarded a contract from a leading designer of hybrid electric and fully electric vehicle propulsion solutions to deliver battery electric trucks for a value of approximately USD 1.7 million (approx. NOK 15 million)
- Hexagon Purus has received an order for hydrogen fuel-cell electric yard trucks from a North American customer. The order has a value of approximately USD 2.1 million (approx. NOK 18 million)
- Hexagon Purus acquired Wystrach GmbH, adding industry leading hydrogen systems capacity to its platform
- Hexagon successfully completed refinancing of its bank financing facilities and on 23<sup>rd</sup> December repurchased the outstanding NOK 1.1 bn listed bond NO0010846280

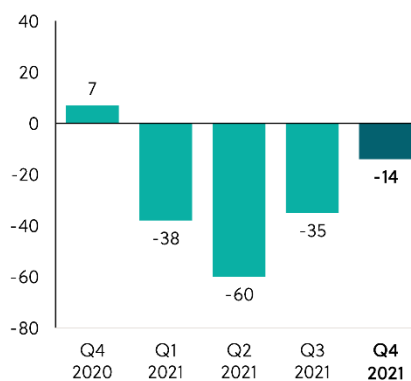
Revenue  
MNOK



EBITDA  
MNOK



EBIT  
MNOK



# Financial results

In the fourth quarter of 2021, Hexagon (excluding Purus) generated NOK 1 013 (793) million in revenues and recorded an operating profit before depreciation (EBITDA) of NOK 112 (124) million. Overall demand remains high with significant order backlog into 2022. The top-line growth, driven by both Hexagon Agility and Hexagon Ragasco, was 34% before negative year-over-year foreign currency translation effects of NOK -37 million. These impacts, mainly driven by US and German based operations, apply also to the cost base of those operations and are therefore less significant at EBITDA level.

The Board is pleased with the performance in the quarter and for the full year, especially in light of the significant on-going global supply chain challenges. The main impacts in the quarter were delays to revenues due to chassis delays within Hexagon Agility, higher prices on inbound raw materials, energy and transport costs across the board, and low sales into the CNG LDV segment due to ongoing shortages of semiconductors at a major OEM customer.

Within Hexagon Agility, the largest year-over-year growth driver in the quarter came from the buoyant US Truck business, despite ongoing supply chain challenges which led to truck chassis delays. As demand continues to be very high, significant order backlog has built up for delivery in 2022. Headwinds from the global semi-conductor shortage continued to impact negatively on CNG LDV volumes from Volkswagen, though available production capacity has been re-purposed to hydrogen cylinders for Hexagon Purus and CNG/RNG cylinders for the bus segment. Hexagon Ragasco had high sales volumes across geographies but primarily to European customers, while Hexagon Digital Wave recorded continued growth.

In the fourth quarter of 2021, Hexagon Purus generated NOK 259 (33) million in revenue and recorded operating profit before depreciation (EBITDA) of NOK -54 (-52) million. The Revenue growth of 690% was driven by increased activity in hydrogen distribution, including sales of new product modules to Certarus, as well as the consolidation of the acquired Wystrach business results for the two months from 1. November 2021. Wystrach contributed NOK 142 million in revenues and 17 million in EBITDA.

Effective start of 2021, the CNG Light-Duty business (previously reported as part of Hexagon Purus), was transferred and combined with Hexagon Agility. Hexagon Purus remains fully consolidated in the Hexagon Group accounts after its spin-off in December 2020, with Hexagon currently retaining a 73% ownership.

For the year 2021, Hexagon (excluding Purus) generated NOK 3 277 (3 055) million in revenues and recorded an operating profit before depreciation (EBITDA) of NOK 381 (328) million. The top-line growth, coming from all segments, was 15% before negative year-over-year foreign currency translation effects of approximately NOK -200 million.

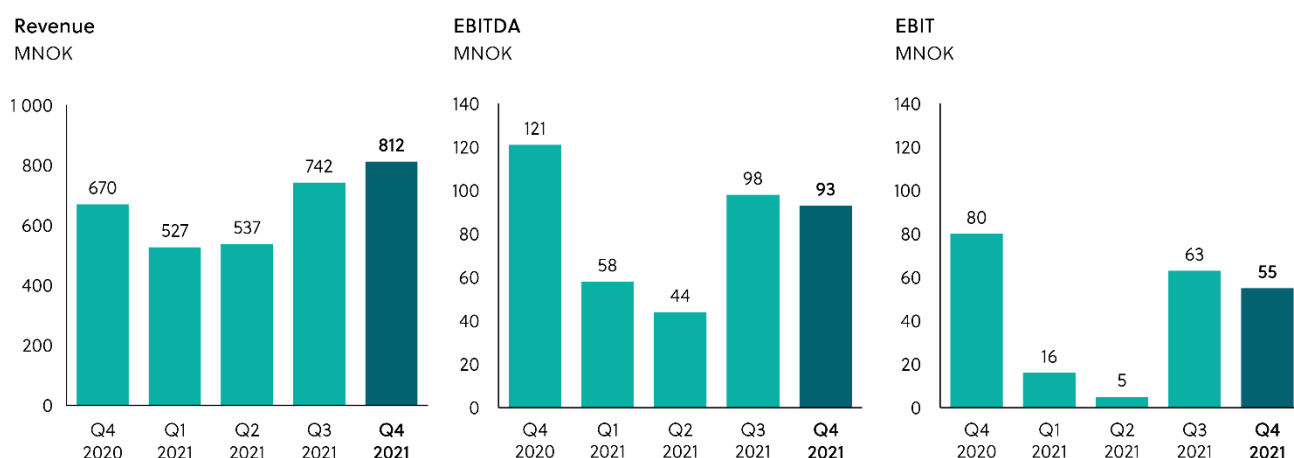
For the year 2021, Hexagon Purus generated NOK 508 (180) million in revenue and recorded operating profit before depreciation (EBITDA) of NOK -265 (-141) million.

## Key developments after the quarter

- Hexagon Purus is nominated by a leading and long standing commercial truck OEM, to provide battery packs for serial production of class 8 battery electric heavy-duty vehicles. The total sales value for the initial period from 2024-2027 is estimated at approximately USD 800 million (approx. NOK 7 billion), increasing to approximately USD 1.2 billion (approx. NOK 10 billion) if the extension option is exercised
- Hexagon Purus signed a long-term binding letter of intent (LOI) with Hino Motors Manufacturing U.S. Inc. to provide battery packs for multiple Hino truck platforms with serial production planned from 2024. The total sales value over the life of the agreement is estimated at USD 1 billion (approx. NOK 9 billion).
- Hexagon Purus, BMW AG, Robert Bosch GmbH, and TesTneT Engineering GmbH are working together in research and advanced development of an innovative hydrogen storage system solution for future fuel cell passenger cars.
- Hexagon Purus, through its wholly owned subsidiary, Wystrach GmbH, has received an order for hydrogen distribution systems from a global industrial gas company. The value of the orders is approx. EUR 5.7 million (NOK 58 million)
- Hexagon Purus received first orders for Type 4 hydrogen cylinders from Reliance Industries Limited, India's largest private sector company. The hydrogen cylinders will be used as prototypes in pilot projects for power solutions and represents Hexagon Purus' first orders for hydrogen applications in India

# Segment results

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



Hexagon Agility & CNG LDV recorded combined revenues for the quarter of NOK 812 (670) million. Underlying growth adjusted for NOK -29 million foreign currency effects was 27% year-over-year, driven by sustainability driven demand for CNG/RNG Trucks in North America. EBITDA generated was NOK 93 (121) million. For the full year 2021, revenues for the total segment amounted to NOK 2,618 (2,420) million and EBITDA was NOK 292 (232) million.

Higher material input costs, including a spike in carbon fiber costs, combined with negative mix impacts reduced year-over-year profitability for the quarter. On a full year basis however, overall EBITDA margin has increased by approximately two percentage points.

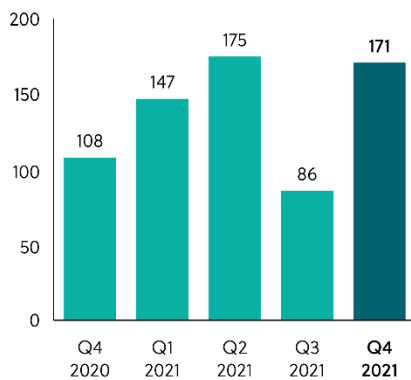
The 79% growth in US CNG/RNG Truck revenues achieved is despite chassis delays which impacted installing and shipping of product. Overall Transit bus volumes remained solid while Refuse and Medium-Duty sales continued to trail behind the prior year quarter's volumes. Backlog at the end of the year supports continued strong momentum overall in the Automotive CNG/RNG sector.

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 & 2030. The 2021 inclusion of RNG as a mitigating technology in the EU taxonomy regulation is expected to fuel significant growth in demand in the EU, while there is expectation that CNG will also be classified favorably, in due course. In the US, adoption of RNG fuel is on the rise and data for 2020 showed that RNG fuel accounted for as much as 53% of all on-road fuel used in CNG vehicles in the US. In California the RNG adoption rate was above 90%.

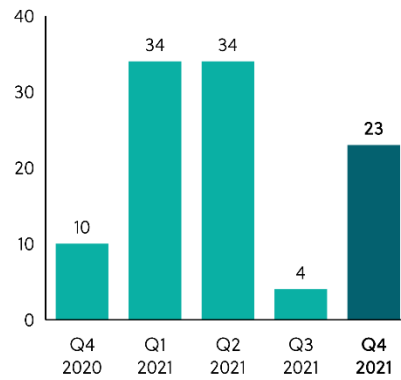
Year-over-year growth in Hexagon Agility's Mobile Pipeline business was a strong 40%, ensuring solid full year profitability at EBITDA level. The recovery in volumes from the pandemic-impacted 2020 has been significant. Backlog as of the end of the quarter supports a healthy 2022.

## Hexagon Ragasco (LPG)

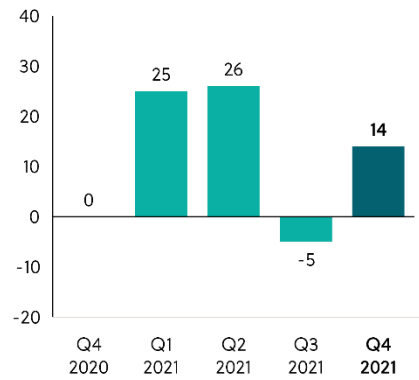
Revenue  
MNOK



EBITDA  
MNOK



EBIT  
MNOK



Revenues were NOK 171 (108) million with an EBITDA of NOK 23 (10) million in the fourth quarter of 2021. The strong quarter revenues helped normalize the second half-year performance after a relatively weak third quarter. For the full year 2021, revenues for the segment amounted to NOK 578 (550) million and EBITDA was NOK 95 (100) million.

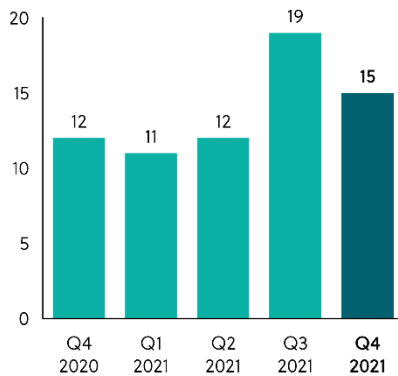
Profitability was impacted negatively by NOK 5 million for the quarter, and NOK 15 million for the year, by higher materials input costs.

Raw material supplies have been impacted by recent global supply-chain challenges and their knock-on-effects, which led to increases in raw material and transportation costs. The raw material prices have somewhat stabilized, though at higher levels than the corresponding period last year. Sales price mitigation efforts will only begin to realize in 2022.

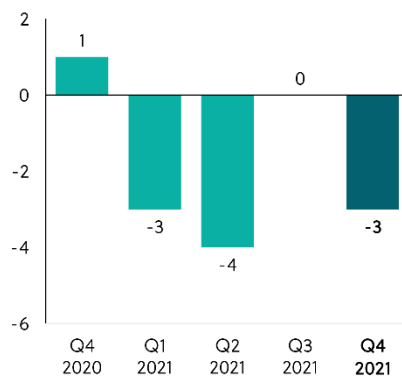


## Hexagon Digital Wave (Digitizing cylinder systems)

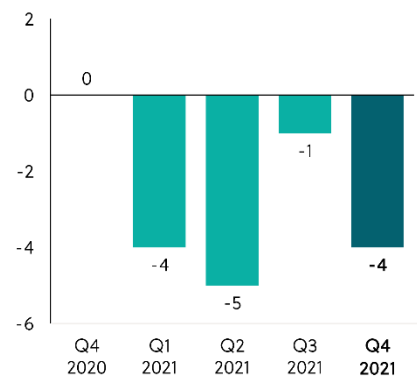
Revenue  
MNOK



EBITDA  
MNOK



EBIT  
MNOK

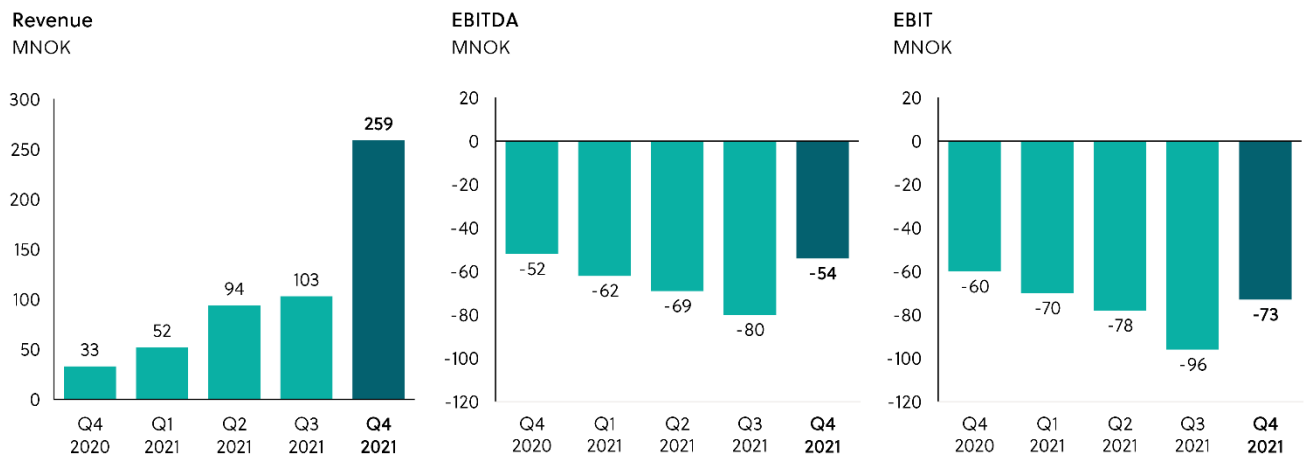


Revenues amounted to NOK 15 (12) million with EBITDA of NOK -3 (1) million in the quarter. The 25% growth in revenues has been achieved despite pandemic related supply-chain challenges impacting semiconductor availability as well as lengthening inbound and outbound logistics timelines. For the full year 2021, revenues for the segment amounted to NOK 57 (50) million and EBITDA was NOK -11 (2) million. The losses are as a result of ramping up the organisation for future growth and ensuring accelerated development of key technology.

Hexagon Digital Wave has reached the early stage of an expected significant growth phase as Hexagon takes lead in digitalizing its industry. This involves effective real-time health monitoring of cylinder systems and connected services. Investments in organization, processes product development will be continued and further intensified.

Progress continues on the technology development for the new SMART cylinder concept. Pilot program launch is targeted for second half 2022.

## Hexagon Purus (E-mobility)



In the fourth quarter of 2021, Hexagon Purus generated NOK 259 (33) million in revenue and recorded operating profit before depreciation (EBITDA) of NOK -54 (-52) million. The Revenue growth of 502% was driven by increased activity in hydrogen distribution, including sales of new product modules to Certarus, as well as the consolidation of the results of the Wystrach acquisition from the 1. November 2021.

Hexagon Purus completed the acquisition of Wystrach, a leading European systems and solutions provider for compressed industrial gases with strong exposure to hydrogen applications. Wystrach is recognized as a leader in the industrial and transportation segments serving blue chip customers like Air Liquide, Linde and Alstom. The acquisition will approximately double Hexagon Purus' revenue (on a pro forma basis) and headcount in FY 2021.

At quarter-end, the balance sheet amounted to NOK 2,090 (2,095) million and the equity ratio was 68%.

Please refer to the separate Q4 2021 Board of Directors Report for Hexagon Purus ASA.

For the full year 2021, revenues for the segment amounted to NOK 508 (180) million and EBITDA was NOK -265(-141) million.

## The Group

In the fourth quarter of 2021, Hexagon Group, including Hexagon Purus, generated NOK 1,186 (803) million in revenues and recorded an operating profit before depreciation (EBITDA) of NOK 58 (69) million. Due to the consolidation of the 73% ownership of Hexagon Purus, Hexagon Group recorded a net loss after tax of NOK -98 (-86) million in the quarter. Net financial items were NOK -72 (-51) million driven by positive balance sheet related foreign exchange fluctuation effects of NOK +1 (-41) million, ordinary interest of NOK -10 (-13) million and other items of NOK -63 (3) million. Other items included exceptional financial costs triggered by the redemption of the bond in December 2021 being NOK 23 million on the call premium and a non-cash NOK 27 million charge from accelerated historically amortized bond financing costs. Tax charges were NOK -9 (-41) million. The tax charges do 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. However, these carried forward losses remain available for use against future profits by Hexagon Purus.

For the full year 2021, revenues for Hexagon Group, including Hexagon Purus, generated NOK 3,542 (3,080) million in revenues and recorded an operating profit before depreciation (EBITDA) of NOK 115 (190) million. Hexagon Group recorded a net loss after tax of NOK -328 (-148) million for the year. Net financial items were NOK -145 (5) million driven by negative balance sheet related foreign exchange fluctuation effects of NOK -15 (84) million, interest of NOK -43 (-65) million and other items of NOK -87 (-14) million. Tax charges were NOK -52 (-92) million.

The balance sheet is mainly exposed to non-cash effects of translation to NOK of USD/EUR positions. In this quarter movement in both the USD and EUR have not been significant. The Parent company employs a currency swap (from NOK to USD) to mitigate a significant part of the USD currency exposure.

At quarter-end the Group balance sheet amounted to NOK 6,569 (6,165) million and the Group's equity ratio was 53% (58%). The year-over-year increase in equity ratio was driven primarily by the acquisition of Wystrach by Hexagon Purus and higher working capital related to growth and pandemic related impacts to global supply chains.

## After balance sheet date

On 15th February 2022, Hexagon Composites ASA subscribed for, and was allocated, their pro-rata 73.29% share of the Offer Shares in the private placement of its listed subsidiary Hexagon Purus ASA. The participation amounted to NOK 440m.

There are no other subsequent events not disclosed earlier in the report.

# Outlook

Hexagon's businesses are on track to deliver on their short- and long-term growth ambitions and plans. In 2021, Hexagon's mobility solutions enabled a wide range of transportation, industrial and consumer applications to convert to cleaner energy – collectively avoiding the release of 1,100,000 metric tons of CO2 equivalents<sup>1</sup>. To put it in perspective, this amount of CO2 avoidance equates to removing 240,000 petroleum cars from the road for a year. In addition, Hexagon Ragasco continued to provide substantial volumes of LPG cylinders to lesser developed countries, bringing cleaner and safer fuel sources to meet vital domestic energy needs in those markets.

The EU Taxonomy and its relevant delegated acts, as well as the renewed US commitment to the Paris Agreement have given additional momentum to the energy transformation. However, despite a growing renewable share, the energy transition is nowhere near fast enough to deliver on The Paris Agreement goals. To escalate the pace of the energy transition, a lot more renewable power, decarbonization actions, energy-efficiency improvements, and carbon capture are needed.

Renewable Natural Gas (RNG) represents the fuel alternative with the highest CO2 mitigating potential in the transportation sector in this decade, and it is expected to drive strong growth in Hexagon Agility.

Meanwhile, Hexagon Purus continues to gain momentum as the global market leader in cylinders and systems for storage and transportation of hydrogen. Through its recent acquisition of Wystrach, Hexagon Purus expanded its product portfolio with hydrogen refueling capabilities – both stationary and mobile. This increases its exposure to the hydrogen infrastructure segment, which is expected to grow 30% annually through 2028. The acquisition adds best-in-class hydrogen systems design and assembly capacity further vertically integrating Hexagon Purus into the hydrogen systems supply chain and expediting its plans to grow its systems capabilities.

At the same time, Hexagon Purus continues to strengthen its position within battery electric, providing battery packs and systems for serial production of medium and heavy-duty vehicles. According to the International Energy Association (IEA), global sales of battery electric vehicles (BEV) more than doubled in 2021 and continues to grow.

Hexagon's extensive portfolio of (renewable) natural gas (RNG/CNG), LPG/bioLPG, hydrogen and digital solutions, position the company as a global leading clean technology provider.

We see leading OEMs, fleets and other market players adapting to meet ambitious sustainability targets, e.g.:

- 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.
- Amazon has ordered 700 CNG trucks and signed an agreement with Clean Energy Fuel for 27 proprietary re-fueling stations to secure the supply of RNG to its growing fleet.
- Deutsche Post DHL Group is expanding its liquified natural gas green truck fleet in Europe, which will reduce CO2 greenhouse gas emissions by 187tons per year
- 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

Hexagon Agility is experiencing strong demand in all segments. In the first quarter, the medium & heavy-duty truck business in North America continues to experience a strong orderbook supported by orders from leading global logistics customers and truck OEMs. The Transit bus segment in North America is expected to remain stable whilst the European bus business is expected to deliver growth. A bounce back is anticipated for the Refuse truck business

Hexagon Agility's Mobile Pipeline business is experiencing a strong rebound that can be attributed to its diversified customer mix, which includes RNG, industrial gases and mobile refueling units in North America as well as new orders from Latin America and the Middle East.

We expect production by our key customer Volkswagen to continue to be impacted and consequently, revenues in Hexagon's CNG LDV are expected to be negatively affected in the short term. Recovery is expected in the second half of 2022. Meanwhile, existing capacity is being shifted to meet increased intercompany demand from Mobile Pipeline, RNG/CNG and hydrogen bus customers.

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1) *The Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) tool from the Greenhouse gases, Regulated Emissions, and Energy use in Technologies (GREET®) model has been used for estimating emission reductions*

Hexagon Ragasco is expecting a seasonally strong first quarter driven by solid demand from its recurring European customers.


The demand-reducing effects of the COVID-19 pandemic are behind us. However, supply chain shortages for key components and materials continue to be a short-term concern and will entail margin compression in parts of the business in the first half of the year. Hexagon remains vigilant with regards to mitigating the effects of the COVID-19 pandemic. In this unprecedented climate, sales price adjustments have been made in addition to inventory optimization, and improved collaboration with suppliers.

In November 2021, Hexagon further strengthened its commercial presence by opening a new Commercial Center of Excellence in Munich, Germany. Strategically located near a large number of our OEM customers, this center enhances our support footprint in Europe and simplifies OEM integration. While the investment for this facility is minimal, the customer value creation will be significant.

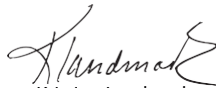
The strong demand for all Hexagon's products, combined with the tightening market supports our foresight and the capacity expansion projects we set in motion last year, positioning us to reap the benefits of the market momentum.

Oslo, 16 February 2022

The Board of Directors of Hexagon Composites ASA



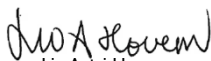
Knut Flakk  
Chairman of the Board



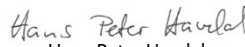
Kristine Landmark  
Deputy Chair




Katsunori Mori  
Board member



Liv Astri Hovem  
Board member



Hans Peter Havdal  
Board member



Jon Erik Engeset  
Group president & CEO

# Financial Statements Group

INCOME STATEMENT	Q4 2021	Q4 2020	31.12.2021	31.12.2020
(NOK 1 000)	Unaudited	Unaudited	Unaudited	Audited
Revenue from contracts with customers	1 185 117	802 560	3 539 488	3 070 865
Rental income	1 127	242	2 473	9 511
<b>Total revenue</b>	<b>1 186 244</b>	<b>802 802</b>	<b>3 541 962</b>	<b>3 080 375</b>
Cost of materials	619 252	412 822	1 695 497	1 502 305
Payroll and social security expenses	323 207	243 089	1 101 665	940 096
Other operating expenses	185 947	77 491	629 368	448 034
<b>Total operating expenses before depreciation</b>	<b>1 128 406</b>	<b>733 402</b>	<b>3 426 530</b>	<b>2 890 436</b>
<b>Operating profit before depreciation (EBITDA)</b>	<b>57 838</b>	<b>69 400</b>	<b>115 432</b>	<b>189 940</b>
Depreciation and impairment	71 647	62 943	262 801	249 212
<b>Operating profit (EBIT)</b>	<b>-13 809</b>	<b>6 457</b>	<b>-147 369</b>	<b>-59 272</b>
Profit/loss from investments in associates and joint ventures	-3 008	-1 107	-2 957	-1 885
Other financial items (net)	-72 142	-50 549	-144 692	5 018
<b>Profit/loss before tax</b>	<b>-88 959</b>	<b>-45 199</b>	<b>-295 019</b>	<b>-56 138</b>
Tax	9 311	41 234	33 397	91 643
<b>Profit/loss after tax</b>	<b>-98 271</b>	<b>-86 433</b>	<b>-328 416</b>	<b>-147 781</b>
Attributable to:				
Equity holders of the parent	-84 802	-79 428	-240 058	-140 776
Non-controlling interests	-13 469	-7 005	-88 358	-7 005
<b>Profit/loss after tax</b>	<b>-98 271</b>	<b>86 433</b>	<b>-328 416</b>	<b>-147 781</b>
Earnings per share (NOK)			-1.64	-0.78
Diluted earnings per share (NOK)			-1.64	-0.78

COMPREHENSIVE INCOME STATEMENT	31.12.2021	31.12.2020
(NOK 1 000)		
Profit/loss after tax	-328 416	-147 781
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		
Exchange differences arising from the translation of foreign operations	26 559	-68 972
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>26 559</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	-368	-636
Income tax effect of actuarial gains/losses for the period	81	140
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>-287</b>	<b>-496</b>
<b>Total comprehensive income, net of tax</b>	<b>-302 144</b>	<b>-217 249</b>
Attributable to:		
Equity holders of the parent	-210 710	-210 918
Non-controlling interests	-91 434	-6 331

<b>STATEMENT OF FINANCIAL POSITION</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
(NOK 1 000)	Unaudited	Audited
<b>ASSETS</b>		
Property, plant, and equipment	1 017 736	747 266
Right-of-use assets	282 309	266 552
Intangible assets	2 394 310	2 036 130
Investment in associates and joint ventures	7 024	2 066
Other non-current financial assets	2 869	79 924
<b>Total non-current assets</b>	<b>3 704 248</b>	<b>3 131 938</b>
Inventories	1 147 004	739 998
Receivables	1 113 553	642 305
Contract assets (accrued revenue)	4 165	814
Bank deposits, cash and similar	600 209	1 649 882
<b>Total current assets</b>	<b>2 864 930</b>	<b>3 033 000</b>
<b>Total assets</b>	<b>6 569 178</b>	<b>6 164 937</b>
<b>EQUITY AND LIABILITIES</b>		
Paid-in capital	2 194 303	2 165 590
Other equity	909 399	1 018 349
<b>Equity attributable to equity holders of the parent</b>	<b>3 103 702</b>	<b>3 183 939</b>
Non-controlling interests	379 909	411 899
<b>Total Equity</b>	<b>3 483 611</b>	<b>3 595 838</b>
Interest-bearing long-term liabilities	1 154 926	1 206 127
Lease liabilities	230 277	230 559
Other non-current financial liabilities	124 913	0
Other non-current liabilities	325 576	193 420
<b>Total non-current liabilities</b>	<b>1 835 692</b>	<b>1 630 106</b>
Interest-bearing current liabilities	24 766	0
Lease liabilities short-term	62 455	45 146
Contract liabilities (incl. prepayments from customers)	254 326	51 665
Other current liabilities	908 329	842 182
<b>Total current liabilities</b>	<b>1 249 875</b>	<b>938 993</b>
<b>Total liabilities</b>	<b>3 085 568</b>	<b>2 569 099</b>
<b>Total equity and liabilities</b>	<b>6 569 178</b>	<b>6 164 937</b>

<b>CONDENSED CASH FLOW STATEMENT</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
(NOK 1 000)		
Profit before tax	-295 019	-56 138
Depreciation and write-downs	262 801	249 212
Change in net working capital	-307 838	36 125
<b>Net cash flow from operations</b>	<b>-340 056</b>	<b>229 198</b>
Net cash flow from investment activities	-482 747	-120 284
Net cash flow from financing activities	-236 102	1 363 205
<b>Net change in cash and cash equivalents</b>	<b>-1 058 905</b>	<b>1 472 119</b>
Net currency exchange differences	7 954	112
Cash and cash equivalents at start of period	1 649 882	177 651
Net cash and cash from acquisitions	1 277	0
<b>Cash and cash equivalents at end of period</b>	<b>600 209</b>	<b>1 649 882</b>
Available unused credit facility	568 268	453 416

CONDENSED STATEMENT OF CHANGES IN EQUITY	Share capital	Own shares	Share premium	Other paid in capital	Translation differences	Other equity	Total	Non-controlling interests	Total equity
(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>134 551</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>

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>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						-240 058	-240 058	-88 358	-328 416
Other income and expenses					38 363	-9 015	29 348	-3 077	26 271
Dividends						0	0	0	0
Share-based payment				28 612		5 716	34 328	1 974	36 302
Movement in own shares		100				9 442	9 543		9 543
Consideration shares issued in subsidiary in business combination						86 602	86 602	57 470	144 072
<b>Balance 31.12.2021</b>	<b>20 162</b>	<b>-85</b>	<b>2 075 999</b>	<b>98 226</b>	<b>103 269</b>	<b>806 130</b>	<b>3 103 702</b>	<b>379 909</b>	<b>3 483 611</b>

On 23 November 2021 Hexagon Purus issued 4 444 430 consideration shares related to the acquisition of Wystrach. The share capital increase in Hexagon Purus ASA amounted to MNOK 144,1 in which controlling and non-controlling interests' relative share amounted to MNOK 86,2 and MNOK 57,5 respectively.



<b>BUSINESS SEGMENT DATA</b>	<b>Q4 2021</b>	<b>Q4 2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
(NOK 1 000)	Unaudited	Unaudited	Unaudited	Unaudited
<b>HEXAGON AGILITY &amp; CNG LDV</b>				
Sales of goods external customers	705 990	623 238	2 290 726	2 195 832
Sales of services and funded development	40 388	28 262	122 421	110 943
Internal transactions	65 026	18 604	202 693	104 215
<b>Total revenue from contracts with customers</b>	<b>811 403</b>	<b>670 104</b>	<b>2 615 840</b>	<b>2 410 990</b>
Rental income	895	62	1 695	8 799
<b>Total revenue</b>	<b>812 298</b>	<b>670 166</b>	<b>2 617 535</b>	<b>2 419 789</b>
Segment operating profit before depreciation (EBITDA)	92 915	120 906	292 288	231 502
Segment operating profit (EBIT)	54 502	80 013	138 141	66 304
Segment assets			3 819 260	3 340 642
Segment liabilities			1 648 810	1 389 145
<b>HEXAGON DIGITAL WAVE</b>				
Sales of goods external customers	7 546	6 295	30 221	17 318
Sales of services and funded development	4 741	4 565	17 935	28 922
Internal transactions	2 763	1 268	9 029	3 476
<b>Total revenue from contract with customers</b>	<b>15 050</b>	<b>12 128</b>	<b>57 184</b>	<b>49 716</b>
Segment operating profit before depreciation (EBITDA)	-2 781	1 457	-10 677	2 410
Segment operating profit (EBIT)	-3 946	442	-14 826	-1 811
Segment assets			83 882	76 792
Segment liabilities			113 015	85 324
<b>HEXAGON RAGASCO LPG</b>				
Sales of goods external customers	168 680	107 117	573 495	549 190
Sales of services and funded development	1 294	583	2 148	855
Internal transactions	671	2	2 495	61
<b>Total revenue from contract with customers</b>	<b>170 645</b>	<b>107 702</b>	<b>578 138</b>	<b>550 105</b>
Segment operating profit before depreciation (EBITDA)	22 850	9 858	94 972	99 538
Segment operating profit (EBIT)	13 885	457	60 325	63 113
Segment assets			516 251	484 994
Segment liabilities			392 111	394 037
<b>HEXAGON PURUS</b>				
Sales of goods external customers	213 394	11 875	444 928	117 615
Sales of services and funded development	40 614	8 704	54 496	28 680
Internal transactions	4 426	12 170	7 495	33 520
<b>Total revenue from contract with customers</b>	<b>258 435</b>	<b>32 749</b>	<b>506 919</b>	<b>179 814</b>
Rental revenue	399	0	799	0
<b>Total revenue</b>	<b>258 834</b>	<b>32 749</b>	<b>507 718</b>	<b>179 814</b>
Segment operating profit before depreciation (EBITDA)	-53 879	-52 404	-264 561	-140 722
Segment operating profit (EBIT)	-73 154	-59 655	-317 780	-167 628
Segment assets			2 090 329	1 874 854
Segment liabilities			667 819	388 446

# Notes

## Note 1: Introduction

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The condensed consolidated interim financial statements for the fourth quarter 2021, which ended 31 December 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 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 Agility & CNG LDV. 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 2021 is:

- Hexagon Agility & CNG LDV
- Hexagon Ragasco LPG
- Hexagon Digital Wave
- Hexagon Purus

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 2021. We have experienced lower demand than previously expected in some areas of our business segments. The effects are described in more details by segment in the Board of Director's report for Q4. 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 in 2021 were 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 direct result of the global pandemic

These condensed consolidated interim financial statements were approved by the Board of Directors on 16 February 2022.

## 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 was minimum NOK 25.36 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 2020, first quarter of 2021 or second quarter of 2021. The exercise period was extended to 14 December 2021. During 2021, 1 140 000 of the options have been exercised at the weighted average share price of NOK 41.96.

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 would at such time receive such number of Hexagon shares as corresponds to the number of RSUs allocated. During 2021, 100 000 of the RSU's have been exercised at the weighted average share price of NOK 35.42.

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 vested on 11 February 2022. Performance period ended in 2019, and the actual number of PSUs to be allotted was concluded to be 1 078 628. 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.

20 August 2021 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.

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 25.5 million. The cost in the fourth quarter was NOK 11.8 million. The unamortized fair value of all outstanding instruments, share options (0), RSUs (212 852) and PSUs (6 243 552), on 31 December 2021 is estimated to NOK 40.5 million.

There are no cash settlement obligations for the above. 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 table 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>
Secured bank loans	-39 982	0	0	-39 982
Bond HEX	0	0	0	0
Other	4 433	0	0	4 433
<b>Balance 30.06.2021</b>	<b>-31 614</b>	<b>1 100 000</b>	<b>0</b>	<b>1 068 386</b>
Secured bank loans	0	0	0	0
Bond HEX	0	0	0	0
Other	4 529	0	0	4 529
<b>Balance 30.09.2021</b>	<b>-27 085</b>	<b>1 100 000</b>	<b>0</b>	<b>1 072 915</b>
Secured bank loans	1 162 746	0	24 766	1 187 512
Bond HEX	0	-1 100 000	0	-1 100 000
Other	19 265	0	0	19 265
<b>Balance 31.12.2021</b>	<b>1 154 926</b>	<b>0</b>	<b>24 766</b>	<b>1 179 692</b>

On December 9, 2021, Hexagon Composites ASA entered into new loan facility agreement for a combined NOK 1,700 million, comprising an overdraft facility, a multi-currency revolving credit facility (RCF) and a Term Loan. In addition to a NOK 250 million bilateral overdraft facility with the Company's existing corporate bank partner, the new agreement introduced a second bank together covering a NOK 350 million RCF for a term of 3 years with two 1-year extension options (3+1+1), and a NOK 1,100 million Term Loan with a tenor of 3 years. The Term loan was used to refinance the outstanding bond which was repurchased on 23 December 2021.

The Company concurrently extended its cross-currency swap to effectively convert the NOK denominated bond loan into USD. The swap has a term concurrent with the Term loan.

Movements in the quarter on Long-term Secured bank loans, Bond loans and short-term loans were primarily due to the repurchase and refinancing activities explained earlier, as well as the effects of acquired debt within Wystrach GmbH as explained in Note 5. Movements on other are primarily amortization of loan balances.

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

## Note 5: Business combinations

On November 10, 2021, Hexagon Purus acquired 100% of the shares of Wystrach GmbH and Wyrent GmbH ("Wystrach"). Wystrach is reported as a part of the Purus segment in the Hexagon Group from November 2021.

Wystrach is a leading European systems and solutions provider for storage and transport of compressed gases, headquartered in Weeze Germany with approximately 185 employees. The Company specializes in the design, manufacturing and assembly of hydrogen systems including steel system structures and high-pressure piping and has its production facilities in Weeze, Germany.

The fair value of the identifiable assets and liabilities of Wystrach as at the date of acquisition were:

**WYSTRACH (NOK 1 000)**

(NOK 1 000)

**Fair value  
recognized on  
acquisition****ASSETS****Non-current assets***Intangible assets*

Customer relationships

78 657

Technology

64 943

Software and licenses

1 533

*Tangible assets*

Land and land rights

22 260

Buildings

66 780

Technical equipment and machines

6 640

Other equipment, factory, and office equipment

17 340

Right-of-use Assets

7 683

**Current assets**

Inventories

170 560

Trade receivable

49 691

Other assets

59 536

Cash

1 277

**Total assets****546 900****Liabilities**

Liabilities to banks

48 458

Lease liabilities

7 683

Accruals for pensions and similar obligations

980

Deferred tax liabilities

44 839

Provisions

481

Trade payables

105 542

Payments received on account of orders

58 031

Income tax liabilities

7 436

Other liabilities

60 880

**Total liabilities****334 330****Net identifiable assets and liabilities at fair value****212 571**

Goodwill \*

187 366

**Purchase consideration****399 936**

Consideration shares issued in Hexagon Purus ASA

144 500

Deferred payment

43 037

Contingent earn-out liabilities

64 933

**Purchase consideration paid in cash****147 466**

\* There may be subsequent adjustments to the purchase price allocation with corresponding adjustment to goodwill prior to 10 November 2022 (1 year after the transaction).

The fair value of Wystrach was NOK 399,9 million. The acquisition is settled with MNOK 147,5 million in cash, NOK 144,5 million in consideration shares in Hexagon Purus ASA, NOK 43,0 million in deferred payment and contingent earn-out liabilities of NOK 64,9 million expected to be settled in cash in 2023 and 2024. Earn-out amounts are dependent upon revenue- and EBITDA targets of Wystrach in 2021, 2022 and 2023 and is recognized as a best estimate of target achievement.

In the Group's profit for 2021, Wystrach is included from 1 November. The difference between 1 November and the acquisition date 11 November is assessed to be immaterial for the Group. Wystrach's contribution to the Group's revenue and EBITDA in 2021 was NOK 140 million and NOK 18 million respectively. If the acquisition had taken place on 1 January 2021, the revenue- and EBITDA contribution to the Group would have amounted to NOK 390 million and NOK 29 million respectively.

The goodwill recognized is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Wystrach with the Hexagon Purus Group. The goodwill is not deductible for income tax purposes.

Transaction costs of NOK 5.2 million are expensed as other operating expenses in the income statement and are part of operating cash flows in the statement of cash flows.

## Note 6: Events after the balance sheet date

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- On 15th February 2022, Hexagon Composites ASA subscribed for, and was allocated, their pro-rata 73.29% share of the Offer Shares in the private placement of its listed subsidiary Hexagon Purus ASA. The participation amounted to NOK 440m
- Hexagon Purus is nominated by a leading and long standing commercial truck OEM, to provide battery packs for serial production of class 8 battery electric heavy-duty vehicles. The total sales value for the initial period from 2024-2027 is estimated at approximately USD 800 million (approx. NOK 7 billion), increasing to approximately USD 1.2 billion (approx. NOK 10 billion) if the extension option is exercised
- Purus signed a long-term binding letter of intent (LOI) with Hino Motors Manufacturing U.S. Inc. to provide battery packs for multiple Hino truck platforms with serial production planned from 2024. The total sales value over the life of the agreement is estimated at USD 1 billion (approx. NOK 9 billion).
- Hexagon Purus, BMW AG, Robert Bosch GmbH, and TesTneT Engineering GmbH are working together in research and advanced development of an innovative hydrogen storage system solution for future fuel cell passenger cars.
- Hexagon Purus, through its wholly owned subsidiary, Wystrach GmbH, has received an order for hydrogen distribution systems from a global industrial gas company. The value of the orders is approx. EUR 5.7 million (NOK 58 million)
- Hexagon Purus received first orders for Type 4 hydrogen cylinders from Reliance Industries Limited, India's largest private sector company. The hydrogen cylinders will be used as prototypes in pilot projects for power solutions and represents Hexagon Purus' first orders for hydrogen applications in India

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

# Key figures Group

KEY FIGURES GROUP	31.12.2021	31.12.2020
EBITDA in % of total revenue	3.3 %	6.2 %
EBIT in % of total revenue	-4.2 %	-1.9 %
EBITDA <sup>4</sup> (rolling last 4 quarters) / Capital Employed %	2.5 %	3.9 %
EBIT <sup>4</sup> (rolling last 4 quarters) / Capital Employed %	-3.2 %	-1.2 %
Net working capital / Operating revenue <sup>4</sup> (rolling last 4 quarters) %	46.1 %	29.2 %
Interest coverage I <sup>1)</sup>	-5.1	0.3
Interest coverage II <sup>2)</sup>	2.6	2.4
NIBD / EBITDA <sup>4</sup> (rolling last 4 quarters)	5.0	-2.5
Equity ratio	53.0 %	58.3 %
Equity / Capital employed	74.6 %	74.9 %
Return on equity (annualised)	-9.3 %	-5.1 %
Total return (annualised)	-3.9 %	0.5 %
Liquidity ratio I	2.3	3.2
Liquidity reserve (NOK 1 000) <sup>3)</sup>	1 168 476	2 103 298
Liquidity reserve <sup>3)</sup> / Operating revenue <sup>4</sup> (rolling last 4 quarters) %	33.0%	68.3%
Earnings per share (NOK)	-1.64	-0.78
Diluted earnings per share (NOK)	-1.64	-0.78
Cash flow from operations per share (NOK)	-1.69	1.20
Equity per share (NOK)	17.28	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	31.12.2021	31.12.2020
<b>HEXAGON AGILITY &amp; CNG LDV</b>		
EBITDA in % of total revenue	11.2 %	9.6 %
EBIT in % of total revenue	5.3 %	2.7 %
<b>HEXAGON DIGITAL WAVE</b>		
EBITDA in % of total revenue	-18.7 %	4.8 %
EBIT in % of total revenue	-25.9 %	-3.6 %
<b>HEXAGON RAGASCO LPG</b>		
EBITDA in % of total revenue	16.4 %	18.1 %
EBIT in % of total revenue	10.4 %	11.5 %
<b>HEXAGON PURUS</b>		
EBITDA in % of total revenue	-52.1 %	-78.3 %
EBIT in % of total revenue	-62.6 %	-93.2 %

# Shareholder information

The total number of shares in Hexagon Composites ASA as of 31 December 2021 was 201,619,712 (par value NOK 0.10). In the quarter, the share price moved between NOK 30.5 and NOK 40.6, ending the quarter at NOK 32.7. The price as of 31 December 2021 implies a market capitalization of NOK 6.6 billion for the Company.

20 largest shareholders as per 31 December 2021	Number of shares	Share of 20 largest	Share of total	Type	Citizenship
MITSUI & CO LTD	45 833 321	32,89 %	22,73 %	Ordinary	JPN
FLAKK COMPOSITES AS	20 000 000	14,35 %	9,92 %	Ordinary	NOR
CLEARSTREAM BANKING S.A.	17 4693 67	12,54 %	8,66 %	Nominee	LUX
MP PENSJON PK	11 762 777	8,44 %	5,83 %	Ordinary	NOR
BRØDR. BØCKMANN AS	5 554 663	3,99 %	2,76 %	Ordinary	NOR
NØDINGEN AS	5 283 879	3,79 %	2,62 %	Ordinary	NOR
KTF FINANS AS	5 000 000	3,59 %	2,48 %	Ordinary	NOR
FOLKETRYGDFONDET	3 840 921	2,76 %	1,91 %	Ordinary	NOR
Brown Brothers Harriman & Co.	3 054 500	2,19 %	1,51 %	Nominee	USA
Skandinaviska Enskilda Banken AB	2 871 128	2,06 %	1,42 %	Ordinary	SWE
RBC INVESTOR SERVICES TRUST	2 784 258	2,00 %	1,38 %	Nominee	CAD
State Street Bank and Trust Comp	2 648 656	1,90 %	1,31 %	Nominee	USA
JPMorgan Chase Bank, N.A., London	1 994 276	1,43 %	0,99 %	Nominee	USA
VERDIPAPIRFONDET STOREBRAND NORGE	1 882 788	1,35 %	0,93 %	Ordinary	NOR
Nordnet Bank AB	1 878 857	1,35 %	0,93 %	Nominee	SWE
HEXAGON COMPOSITES ASA	1 771 898	1,27 %	0,88 %	Ordinary	NOR
The Northern Trust Comp, London Br	1 666 105	1,20 %	0,83 %	Nominee	GB
VERDIPAPIRFONDET NORDEA KAPITAL	1 415 216	1,02 %	0,70 %	Ordinary	NOR
VERDIPAPIRFONDET KLP AKSJENORGE IN	1 337 984	0,96 %	0,66 %	Ordinary	NOR
Credit Suisse (Luxembourg) S.A.	1 300 000	0,93 %	0,64 %	Nominee	LUX
<b>Total of 20 largest shareholders</b>	<b>139 359 594</b>	<b>100,00%</b>	<b>69,12%</b>		
Remainder	62 269 118		30,88%		
<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 16 February 2022, 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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