



HEXAGON

Q2

2017 SECOND QUARTER AND
HALF YEAR INTERIM REPORT

SECOND QUARTER 2017 REPORT

In the second quarter 2017 Hexagon Composites generated NOK 372.0 (315.6) million in operating income and made an operating profit before depreciation (EBITDA) of NOK 47.8 (37.0) million. Operating profit (EBIT) was NOK 29.1 (19.7) million and profit/loss before tax came to NOK 18.0 (18.4) million.

The financial statements include the Group's fifty-percent share of Agility Fuel Solutions ("Agility") results accounted for under the equity method. In addition, the fully consolidated financial results of the acquired xperion Energy & Environment ("xperion") and related group subsidiaries are included. There are no restatements to previously reported figures as a result of these transactions which occurred, and were first reported, in the fourth quarter 2016.

Overall, Group operating profit has markedly improved versus the second quarter 2016, and the previous quarter. Operating results in the second quarter were impacted positively by an 18% growth in revenues versus the same period last year. The Low-Pressure segment continued profitable growth. However, sales volumes were not strong enough within Mobile Pipeline[®] and Light-Duty Vehicles to generate overall profit within the High-Pressure segment.

The first half year of 2017 provided an operating income of NOK 718.2 (607.2) million and had an operating profit before depreciation (EBITDA) of NOK 82.9 (55.6) million. The operating profit (EBIT) was NOK 45.8 (22.9) million and profit before tax was NOK 24.2 (15.8) million. The results are not comparable due to the impacts of the M&A transactions occurring in the fourth quarter 2016, as earlier referenced. Therefore, the underlying improvements are stronger than as is visible in the reported numbers.

Key developments

- Consecutive quarter of record high sales and record EBITDA for a single quarter in the Low-Pressure segment
- Agility expands new Powertrain Systems business unit through acquisition, accelerating product sales
- Sales volumes within Light-Duty Vehicles were negatively impacted by a delayed customer acceptance; acceptance was achieved towards the end of the quarter
- Significant sales orders received for composite CNG cylinder vehicle conversions in Indonesia.

Key developments after balance sheet date

- Received a major development award for hydrogen cylinders for new fuel cell electric vehicle (FCEV) models
- Hexagon Ragasco LPG received a major order from Iraq with a total value of approximately NOK 120 million
- Expanded into the fuel cell heavy-duty truck market with deliveries to Toyota and ASKO.

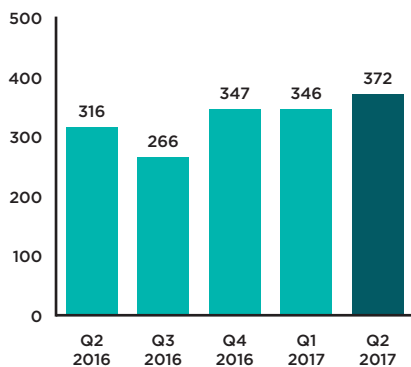
Other important events in the half-year reported previously

- Record high sales in the Low-Pressure segment
- Strong Mobile Pipeline[®] order intake
- Entered into long-term agreement with Certarus and received a TITAN[®] order worth USD 20.6 million (around NOK 177 million)
- Received an order for Mobile Pipeline[®] modules from EGAS in Pakistan with a total estimated value of EUR 2.6 million (around NOK 21 million)
- Awarded a substantial order for cylinders from Air Products for hydrogen transportation in Germany
- Finalized the joint venture agreement with Nel ASA and PowerCell Sweden AB for integrated hydrogen projects initially focused on the maritime and marine segments.

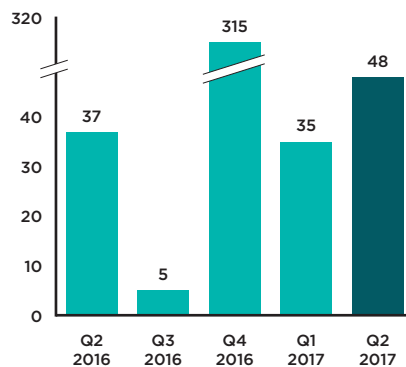
NOK 1 000 EXCEPT PER SHARE DATA	30.06.2017	30.06.2016	PERCENT CHANGE	Q2 2017	Q2 2016	PERCENT CHANGE
GROUP RESULTS						
Operating income	718.2	607.2	18%	372.0	315.6	18%
Operating profit before depreciation (EBITDA)	82.9	55.6	49%	47.8	37.0	29%
Operating profit (EBIT)	45.8	22.9	100%	29.1	19.7	48%
Profit before tax	24.2	15.8	53%	18.0	18.4	-2%
Profit after tax	22.3	15.5	44%	15.1	15.1	0%
SEGMENT RESULTS						
HIGH-PRESSURE CNG & CHG						
Operating income	358.0	333.6	7%	182.7	160.9	14%
EBITDA	-2.4	-7.0	65%	-0.1	-0.1	0%
EBIT	-30.6	-28.9	-6%	-14.2	-11.4	-24%
LOW-PRESSURE LPG						
Operating income	365.5	278.3	31%	192.3	156.5	23%
EBITDA	91.3	65.8	39%	51.1	39.8	29%
EBIT	82.7	55.4	49%	46.7	34.0	37%

* All subsequent numbers in parentheses refer to the comparative figures for the period last year.

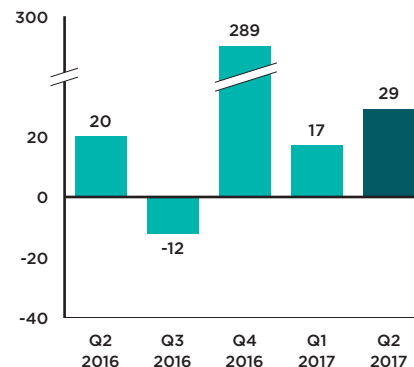
OPERATING INCOME
MNOK



EBITDA
MNOK



EBIT
MNOK



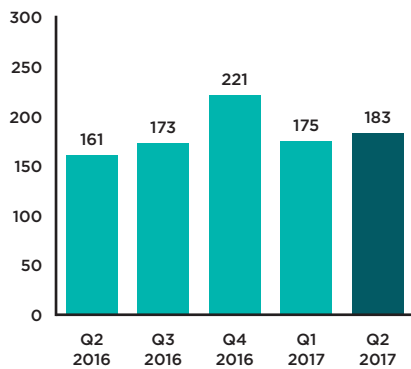
SEGMENT RESULTS

HIGH-PRESSURE CNG, BIOMETHANE AND HYDROGEN

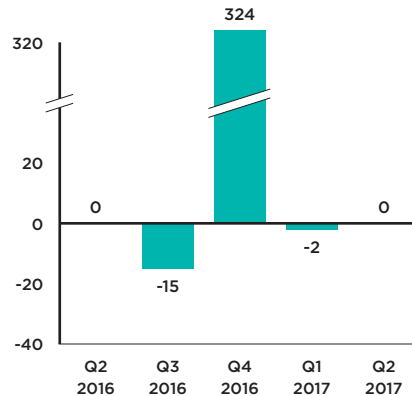
HEXAGON LINCOLN | HEXAGON RAUFOSS | HEXAGON XPERION | AGILITY FUEL SOLUTIONS

Hexagon Composites is the global market leader in high-pressure composite cylinders for compressed natural gas (CNG), biomethane and compressed hydrogen gas (CHG).

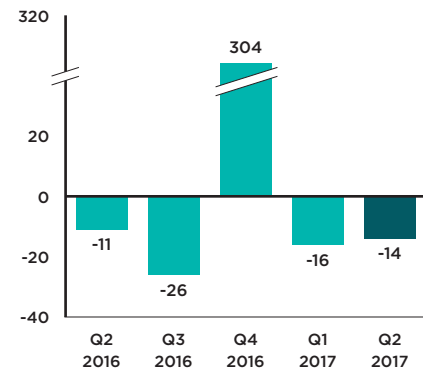
OPERATING INCOME
MNOK



EBITDA
MNOK



EBIT
MNOK



Operating income for the High-Pressure segment increased by 14% to NOK 182.7 (160.9) million in the second quarter of 2017 compared with the same period in 2016. Year-over-year growth is across all business units.

Operating profit (EBIT) in the second quarter for the High-Pressure segment was NOK -14.2 (-11.4) million. EBIT for the first half-year of 2017 was NOK -30.6 (-28.9) million.

Mobile Pipeline® sales volumes were balanced between North American and other geographies, for the TITAN® and X-STORE® products respectively. While sales in North America were low in the quarter, orders received for the second half of the year are at a substantially higher level.

The Light-Duty Vehicle business did not realize the expected level of sales volumes and profitability due to product acceptance delays from a European customer, resulting in lower realized sales for the quarter. The product acceptance was achieved towards the end of the quarter, and deliveries to the customer are now ongoing.

The Hydrogen business unit recorded positive EBITDA in the second quarter, mainly due to deliveries of transportation modules. Product sales represent approximately 80% of total revenues recorded, the remainder primarily being funded development. New projects with Toyota and ASKO were recently announced involving the extension of hydrogen technology for trucks.

In August, Hexagon was awarded a development contract for hydrogen cylinders for new fuel cell electric vehicle (FCEV) models. The value of the contract is greater than USD 10 million (approximately NOK 80 million) and is targeted to run until 2020.

The Hydrogen business unit is in a period of exponential growth and will require substantial usage of resources. It is therefore expected to be dilutive to results for the full year 2017.

Hexagon's strategic alliance with Mitsui & Co. continues across all business units. The parties, together with Toray Industries, have conducted a thorough feasibility study for a joint-venture centered around manufacturing of Hydrogen cylinders in Japan. The study has concluded on a two-phase manufacturing strategy supporting hydrogen related opportunities in Japan. In the first phase, opportunities will most efficiently be supported from Hexagon's existing manufacturing facilities and R&D group. In the second phase, it is expected that capacity will be required in Japan, at which time a joint venture will again be considered. The partnership continues to develop the many opportunities related to the Japanese Hydrogen society.

The MasterWorks business unit is still focused on several product portfolio expansion opportunities, including within the aerospace and oil and gas industries. It also continues to supply key manufacturing equipment to Agility. While sales volumes are still modest, the second quarter marked a milestone with near break-even EBITDA. Realization of its pipeline of opportunities should help establish profitability within the end of 2017.

Hexagon RailGas continues its efforts on developing the value proposition of CNG for railways, focusing primarily on North America.

Revenues for Agility, comprising the medium and heavy-duty CNG automotive businesses, showed continued growth of 10% in the second quarter versus the comparable reported first quarter 2017. Heavy-duty truck sales have contributed positively to this development. The

achieved sales volumes so far in 2017 are per modest market growth expectations, while cost efficiencies are helping drive margins towards more satisfactory levels. Year-over-year growth for the second quarter versus pro-forma figures for 2016 is 31% on revenue and 194% on reported EBITDA.

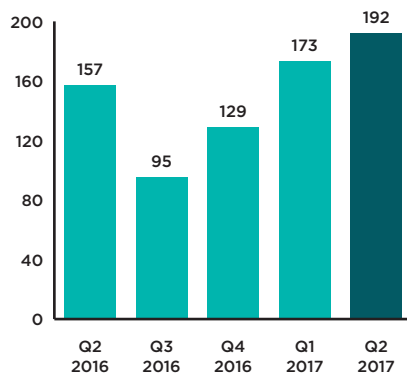
Revenues for Agility were USD 43.9 million (approximately NOK 374 million), reported EBITDA was USD 4.6 million (approximately NOK 39 million) and EBITDA adjusted for non-recurring or non-cash items was USD 5.8 million (approximately NOK 49 million). The largest adjusting item on a US GAAP basis is USD 1.3 million (approximately NOK 11 million) for share-based compensation related to legacy and current management incentivization plans. Hexagon Composites' fifty percent share of net profit before tax, realized in the financial statements after IFRS adjustments, was NOK 9.4 million. This includes depreciation of intangibles of NOK -3.5 million.

LOW-PRESSURE LPG

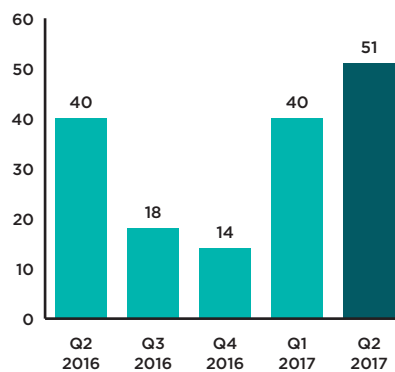
HEXAGON RAGASCO

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

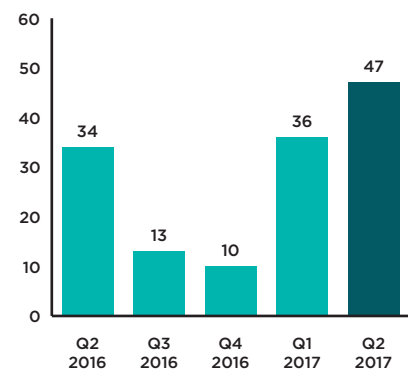
OPERATING INCOME
MNOK



EBITDA
MNOK



EBIT
MNOK



Operating income for the Low-Pressure segment increased to a record NOK 192.3 (156.5) million in the second quarter of 2017 compared with the same period in 2016, a growth of 23%. This was the second consecutive quarter of record sales within this segment.

Operating profit (EBIT) for the Low-Pressure segment increased to NOK 46.7 (34.1) million in the second quarter. EBIT for the first half-year of 2017 was NOK 82.7 (55.4) million.

The growth is attributed to greater flexibility within the product offering and market penetration initiatives. This has been in conjunction with productivity initiatives allowing faster cycle-times and capacity improvements.

Production uptime was strong for the quarter. Hexagon Ragasco is continuing investments into processes and technologies that can further enhance manufacturing efficiency and product differentiation.

The Low-Pressure segment recently received a significant new order to a current customer in Iraq, as well as breakthrough introductory orders to two new countries within the same region. All these orders are expected to start deliveries within 2017.

THE GROUP

Hexagon Composites Group recorded operating profit before depreciation (EBITDA) of NOK 47.8 (37.0) million and a net profit after tax of NOK 15.1 (15.1) million in the second quarter after negative foreign exchange effects recorded in other financial items of NOK 19 million. Underlying contribution to net profit after tax from Agility under the equity method is NOK 9.4 million.

In general, a strong USD relative to NOK has a positive impact on Group equity due to the US operations. The acquisition of xperion has increased the proportion of EUR denominated transactions and cashflows. The acquisition was financed through loans drawn in EUR to naturally manage the balance sheet exposure.

At quarter-end the statement of financial position totaled NOK 2,482.7 (1,413.4) million and the Group's equity ratio was 55.1% (79.1%). This expansion is primarily a consequence of the M&A transactions executed in the fourth quarter of 2016.

The Group recorded a first half-year profit after tax of NOK 22.3 (15.5) million after negative foreign exchange effects recorded in other financial items of NOK 23 million.

AFTER BALANCE SHEET DATE

There have been no significant events after the balance sheet date that have not already been reported above.

OUTLOOK

The Board views the continued growth and profitability in Low-Pressure very positively. This segment is unaffected by the oil price volatility experienced in the High-Pressure segment, and continued double digit growth is expected.

As guided, Mobile Pipeline® sales volumes have been softer this quarter than the first quarter 2017, however with a healthier balance between North America and other geographies. There does continue to be a risk of delays to projects, especially in geographies outside North America. The project funnel remains sound for the second half of the year despite the tougher competitive landscape in the US. Hexagon is countering this development by continued focus on business solutions to achieve the lowest cost per delivered gas volume for customers. New product variants are expected to be in service beginning of 2018, while tailored financial solutions are available where appropriate.

The market development for CNG Light-Duty Vehicles seems very promising, and the combination of the Hexagon Composites and xperion businesses has created a global market leader within this market segment. The Board is pleased that the reported product acceptance delays in Europe now have been solved and normal deliveries have resumed.

Agility Fuel Solutions' strong focus on cost, plant optimization and vertical synergies are expected to continue to drive sound profit levels despite the still relatively soft market. The pro-forma year-over-year development in profitability is significant. The Board is pleased about the marked performance improvement of Agility, while acknowledging that the underlying financial contribution from this investment is somewhat filtered, due to the equity accounting method and non-cash impacts.

Many exciting opportunities are presenting themselves in the Hydrogen business unit, including prospects in the automotive, maritime, rail, Mobile Pipeline® and ground storage applications. The Board is especially pleased with the substantial development contract for new fuel cell electric vehicle (FCEV) models. This both highlights the increasing commitment for hydrogen solutions within the automotive industry and demonstrates Hexagon's strong position in this market. Growth is significant in this area and requires continued investment in human and capital resources to fully realize available opportunities. The Board expects the Company to adopt an accelerated expansion plan, acknowledging significant dilutive impact to short and medium term profitability.

RISKS AND UNCERTAINTIES

The Hexagon Composites Group is active in sales and purchasing in many geographies and markets. Export represents a considerable part of the Group's sales. Currency risk is the Group's largest financial risk factor and the Company employs forward currency contracts, in addition to natural hedges, to mitigate the exposure to these risks.

In the Board's view, there are no major changes to the risk composition for the Group compared with that reported for 2016. Major uncertainty continues regarding the movements in oil and diesel prices, and how these continue to directly or indirectly impact the business positively or negatively.

For additional information about risks and uncertainties we refer to Hexagon Composites' 2016 annual report. It is not expected that the above exposures and risks will have a material effect on the Group or its financial position in the next reporting period.

STATEMENT FROM THE BOARD AND CEO

To the best of our knowledge, we confirm that:

- the consolidated financial statements for the period 1 January to 30 June 2017, have been prepared in accordance with "IAS 34 Interim Financial Reporting".
- the information provided in the financial statements gives a true and fair view of the Company's and Group's assets, liabilities, financial position and results for the period viewed in their entirety, and that
- the information presented in the financial statements gives a true and fair view of important events of the period, financial position, material related party transactions and principal risks and uncertainties of the Group for the next quarter.

Oslo, 15 August 2017

The Board of Directors of Hexagon Composites ASA



Knut Flakk
Chairman



Kristine Landmark
Deputy Chair



Sverre Narvesen
Board Member



Kathrine Duun Moen
Board Member



Katsunori Mori
Board Member



Elisabeth Heggelund Tørstad
Board Member



Jon Erik Engeset
Group President

FINANCIAL STATEMENTS GROUP

INCOME STATEMENT	30.06.2017	Q2 2017	30.06.2016	Q2 2016	31.12.2016
(NOK 1 000)	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Operating income	718 191	371 979	607 199	315 556	1 220 511
Cost of materials	320 171	162 885	299 075	149 814	643 803
Payroll and social security expenses	180 056	88 393	184 233	93 357	365 622
Other operating expenses	135 066	72 874	68 301	35 426	184 404
Gain on carve-out	0	0	0	0	-348 196
Total operating expenses before depreciation	635 293	324 151	551 608	278 597	845 634
Operating profit before depreciation (EBITDA)	82 898	47 828	55 591	36 959	374 877
Depreciation and impairment	37 112	18 689	32 646	17 245	75 611
Operating profit (EBIT)	45 786	29 139	22 945	19 714	299 266
Profit/loss from investments in associates and joint ventures	4 647	9 364	0	0	-1 450
Other financial items (net)	-26 192	-20 530	-7 127	-1 325	14 050
Profit/loss before tax	24 241	17 973	15 818	18 389	311 866
Tax	-1 903	-2 882	-272	-3 280	-103 563
Profit/loss after tax	22 337	15 091	15 546	15 109	208 303
Earnings per share	0.13		0.10		1.40
Diluted earnings per share	0.16		0.12		1.42

COMPREHENSIVE INCOME STATEMENT	30.06.2017	30.06.2016	31.12.2016
(NOK 1 000)			
Profit/loss after tax	22 337	15 546	208 303
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS			
Exchange differences arising from the translation of foreign operations	-4 847	-17 677	-5 391
Fair value adjustments for cash flow hedging instruments	0	0	0
Income tax effect of fair value adjustments for cash flow hedging instruments	0	0	0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	-4 847	-17 677	-5 391
OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS			
Actuarial gains/losses for the period	0	0	-23
Income tax effect of actuarial gains/losses for the period	0	0	6
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	0	0	-17
Total comprehensive income, net of tax	17 490	-2 131	202 894

STATEMENT OF FINANCIAL POSITION	30.06.2017	30.06.2016	31.12.2016
(NOK 1 000)	Unaudited	Unaudited	Audited
ASSETS			
Intangible assets	567 637	108 105	548 482
Tangible fixed assets	252 855	389 356	260 550
Investment in associates and joint ventures	960 359	0	975 963
Other financial fixed assets	2 011	4 384	2 606
Total non-current assets	1 782 863	501 846	1 787 601
Inventories	264 032	379 115	227 481
Receivables	278 802	241 648	201 691
Bank deposits, cash and similar	156 955	290 807	208 073
Total current assets	699 788	911 570	637 245
Total assets	2 482 651	1 413 416	2 424 847
EQUITY AND LIABILITIES			
Paid-in capital	755 016	755 724	750 937
Other equity	612 340	362 318	582 233
Total equity	1 367 356	1 118 042	1 333 170
Interest-bearing long-term liabilities	445 648	0	431 681
Other non-current liabilities	305 862	26 486	305 275
Total non-current liabilities	751 510	26 486	736 956
Interest-bearing current liabilities	14 477	0	14 095
Other current liabilities	349 307	268 888	340 625
Total current liabilities	363 785	268 888	354 721
Total liabilities	1 115 295	295 374	1 091 677
Total equity and liabilities	2 482 651	1 413 416	2 424 847

CONDENSED CASH FLOW STATEMENT	30.06.2017	30.06.2016	31.12.2016
(NOK 1 000)			
Profit before tax	24 241	15 818	311 866
Depreciation and write-downs	37 112	32 646	75 611
Change in net working capital	-88 310	-48 456	-391 511
Net cash flow from operations	-26 957	8	-4 034
Net cash flow from investment activities	-14 776	-35 362	-547 450
Net cash flow from financing activities	-8 985	236 927	644 125
Net change in cash and cash equivalents	-50 718	201 573	92 641
Net currency exchange differences	-400	-3 944	-1 728
Cash and equivalents acquisition	0	0	23 983
Cash and cash equivalents at start of period	208 073	93 177	93 177
Cash and cash equivalents at end of period	156 955	290 806	208 073
Available unused credit facility	569 292	1 000 000	591 117

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 01.01.2016	13 329	-117	82 955	9 520	111 358	253 091	470 138
Profit/loss after tax						15 546	15 546
Other income and expenses					-17 677		-17 677
Share-based payment				2 018		0	2 018
Increase share capital	3 333		644 684				648 017
Balance 30.06.2016	16 663	-117	727 639	11 538	93 681	268 637	1 118 042
Balance 01.01.2016	13 329	-117	82 955	9 520	111 358	253 091	470 138
Profit/loss after tax						208 303	208 303
Other income and expenses					-5 391	-17	-5 408
Share-based payment				4 833		7 114	11 948
Increase share capital	3 333		644 684			172	648 190
Transfer / allocation				-7 602		7 602	0
Balance 31.12.2016	16 663	-117	727 639	6 752	105 967	476 266	1 333 170
Balance 01.01.2017	16 663	-117	727 639	6 752	105 967	476 266	1 333 170
Profit/loss after tax						22 337	22 337
Other income and expenses					-4 847		-4 847
Share-based payment				4 079		12 617	16 696
Balance 30.06.2017	16 663	-117	727 639	10 831	101 120	511 220	1 367 356

On 21 March 2016 the Company issued 33,333,000 new shares to Mitsui & Co., Ltd at the price of NOK 20 per share. The increase in share capital is presented net after transaction costs.

BUSINESS SEGMENT DATA	30.06.2017	Q2 2017	30.06.2016	Q2 2016	31.12.2016
(NOK 1 000)	Unaudited	Unaudited	Unaudited	Unaudited	Audited
HIGH-PRESSURE CNG AND CHG					
Operating income external customers	357 482	182 257	333 475	160 861	727 081
Internal transactions	557	406	133	19	1 219
Total operating income	358 039	182 663	333 608	160 880	728 300
Segment operating profit before depreciation (EBITDA)	-2 423	-124	-6 988	-81	302 400
Segment operating profit (EBIT)	-30 616	-14 237	-28 910	-11 443	248 430
Segment assets	2 086 276		875 378		2 082 797
Segment liabilities	1 567 698		497 547		1 533 370
LOW-PRESSURE LPG					
Operating income external customers	360 310	189 498	273 724	154 275	493 206
Internal transactions	5 178	2 842	4 604	2 267	8 964
Total operating income	365 488	192 341	278 328	156 542	502 170
Segment operating profit before depreciation (EBITDA)	91 263	51 120	65 805	39 758	98 385
Segment operating profit (EBIT)	82 684	46 708	55 441	34 055	77 935
Segment assets	472 831		375 561		389 571
Segment liabilities	296 341		242 095		274 883

NOTES

NOTE 1: INTRODUCTION

The condensed consolidated interim financial statements for 1st half-year 2017 which ended 30 June, 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 2016.

The accounting principles used in the preparation of these interim accounts are the same as those applied to the consolidated financial statements for 2016. For a more detailed description of accounting principles see the consolidated financial statements for 2016.

These condensed consolidated interim financial statements were approved by the Board of Directors on 15 August 2017.

NOTE 2: INTEREST-BEARING DEBT

The following shows material changes in interest-bearing debt during 2017:

AMOUNTS IN NOK THOUSAND	LONG-TERM BANK LOAN	LONG-TERM FINANCIAL LEASES AND OTHER	SHORT-TERM FINANCIAL LEASES AND OTHER	TOTAL INTEREST- BEARING DEBT
Balance 01.01.2017	406 924	24 758	14 095	445 776
Unsecured bank loans	3 790	0	0	3 790
Financial leases and other loans	0	-2 644	62	-2 582
Balance 31.03.2017	410 714	22 114	14 157	446 985
Unsecured bank loans	18 236	0	0	18 236
Financial leases and other loans	0	-5 415	320	-5 095
Balance 30.06.2017	428 950	16 698	14 477	460 126

The financing facility is a bilateral facility with DNB Bank. The overall size of the facility at NOK 1 billion, comprising a main revolving credit with overdraft facility of NOK 600 million and an optional ancillary facility of NOK 400 million.

Movements in the quarter were primarily due to foreign exchange translation differences and instalments for the period.

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

NOTE 3: 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 2016.

NOTE 4: SHARE-BASED PAYMENTS

3 March 2015 Hexagon Composites ASA issued 975,000 call options to senior executives and managers in the Group. The share options give rights to buy shares in Hexagon Composites ASA at NOK 25 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 2017, first quarter of 2018 or second quarter of 2018.

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 may 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.

5 April 2017 Hexagon Composites ASA issued 1,450,000 new call options to senior executives and managers in the Group at NOK 27 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 2019, first quarter of 2020 or second quarter of 2020.

The fair value of the options was calculated on the grant date, based on the Black-Scholes model, and the cost is recognized over the service period. Cost associated with the share option scheme were NOK 4.1 million YTD 30 June. The cost in the second quarter were NOK 2.6 million. The fair value of all outstanding share options (3 275) is estimated to NOK 20.9 million per 30 June 2017.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for outstanding share options

NOTE 5: EVENTS AFTER THE BALANCE SHEET DATE

On 7 August, Hexagon Composites wholly-owned subsidiary Hexagon Ragasco received a major order with a total value of approximately NOK 120 million. The deliveries are scheduled to commence in fourth quarter of 2017 and continue through first quarter of 2018.

On 15 August, Hexagon was awarded a development contract for hydrogen cylinders for new fuel cell electric vehicle (FCEV) models. The value of the contract is greater than USD 10 million (approximately NOK 80 million) and is targeted to run until 2020.

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

KEY FIGURES GROUP

KEY FIGURES GROUP	30.06.2017	30.06.2016	31.12.2016
EBITDA in % of operating income	11.5 %	9.2 %	30.7 %
EBIT in % of operating income	6.4 %	3.8 %	24.5 %
EBITDA (rolling last 4 quarters) / Capital Employed %	22.0 %	5.9 %	21.1 %
EBIT (rolling last 4 quarters) / Capital Employed %	17.6 %	-0.2 %	16.8 %
Net working capital / Operating income (rolling last 4 quarters) %	23.8 %	28.7 %	10.3 %
Interest coverage I ¹⁾	5.0	3.5	31.1
Interest coverage II ²⁾	40.1	4.7	36.2
NIBD / EBITDA (rolling last 4 quarters)	0.8	-4.4	0.6
Equity ratio	55.1 %	79.1 %	55.0 %
Equity / Capital employed	74.7 %	100.0 %	74.9 %
Return on equity (annualised)	3.3 %	3.9 %	23.1 %
Total return (annualised)	2.5 %	3.4 %	17.9 %
Liquidity ratio I	1.9	3.4	1.8
Liquidity reserve ³⁾	726 247	1 290 807	799 190
Liquidity reserve ³⁾ / Operating income (rolling last 4 quarters) %	54.5 %	104.5 %	65.5 %
Earnings per share	0.13	0.10	1.40
Diluted earnings per share	0.16	0.12	1.42
Cash flow from operations per share	-0.16	0.00	-0.03
Equity per share	8.21	6.71	8.00

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	30.06.2017	30.06.2016	31.12.2016
HIGH-PRESSURE CNG & CHG			
EBITDA in % of operating income	-0.7 %	-2.1 %	41.5 %
EBIT in % of operating income	-8.6 %	-8.7 %	34.1 %
EBITDA (rolling last 4 quarters) / Capital Employed %	19.8 %	-2.4 %	20.5 %
EBIT (rolling last 4 quarters) / Capital Employed %	15.9 %	10.0 %	16.9 %
Capital employed / Operating income (rolling last 4 quarters)	2.06	0.82	2.02
LOW-PRESSURE LPG			
EBITDA in % of operating income	25.0 %	23.6 %	19.6 %
EBIT in % of operating income	22.6 %	19.9 %	15.5 %
EBITDA (rolling last 4 quarters) / Capital Employed %	37.4 %	30.5 %	41.1 %
EBIT (rolling last 4 quarters) / Capital Employed %	31.8 %	24.3 %	32.6 %
Capital employed / Operating income (rolling last 4 quarters)	0.56	0.62	0.48

SHAREHOLDER INFORMATION

A total of 4,350,771 (11,980,736) shares in Hexagon Composites ASA (HEX.OL) were traded on Oslo Børs (OSE) during second quarter 2017. The total number of shares in Hexagon Composites ASA at 30 June 2017 was 166,627,868 (par value NOK 0.10). During the quarter, the share price moved between NOK 24.30 and NOK 27.40, ending the quarter on NOK 27.30. The price at 30 June gives a market capitalization of NOK 4,548.9 million for the Company.

20 LARGEST SHAREHOLDERS PER 15 AUGUST 2017	NUMBER OF SHARES	SHARE OF 20 LARGEST	SHARE OF TOTAL	TYPE	COUNTRY
Mitsui & Co., Ltd	41 666 321	31.07 %	25.01 %	Ordinary	JPN
Flakk Composites AS	28 902 667	21.55 %	17.35 %	Ordinary	NOR
MP Pensjon PK	11867614	8.85 %	7.12 %	Ordinary	NOR
Bøckmann Holding AS	10 000 000	7.46 %	6.00 %	Ordinary	NOR
Odin Norge	7 438 064	5.55 %	4.46 %	Ordinary	NOR
JPMorgan Chase Bank, N.A., London, Nordea Treaty Account	6 703 704	5.00 %	4.02 %	Nominee	GBR
Nødingen AS	6 000 000	4.47 %	3.60 %	Ordinary	NOR
Skandinaviska Enskilda Banken AB	3 684 600	2.75 %	2.21 %	Ordinary	SWE
JP Morgan Chase Bank, S/A Escrow Account	3 680 114	2.74 %	2.21 %	Nominee	GBR
Storebrand Norge JP Morgan Europe Ltd.	3 275 827	2.44 %	1.97 %	Ordinary	NOR
The Bank of New York c/o BNYMSANV RE BNYM	1 540 011	1.15 %	0.92 %	Nominee	BEL
Société Générale Paris Lis Bse Nordea Oslo	1 462 470	1.09 %	0.88 %	Ordinary	FRA
Hexagon Composites ASA	1 166 075	0.87 %	0.70 %	Ordinary	NOR
Eika Norge	1 045 016	0.78 %	0.63 %	Ordinary	NOR
VPF Nordea Kapital c/o JP Morgan Europe Ltd.	1 014 924	0.76 %	0.61 %	Ordinary	NOR
Flakk Invest AS	1 000 000	0.75 %	0.60 %	Ordinary	NOR
TR European Growth HSBC Bank Plc	989 525	0.74 %	0.59 %	Ordinary	GBR
Statoil Pensjon c/o JP Morgan Chase	915 047	0.68 %	0.55 %	Ordinary	NOR
Mustad Industrier AS	900 000	0.67 %	0.54 %	Ordinary	NOR
Eika Spar VPF	855 473	0.64 %	0.51 %	Ordinary	NOR
Total 20 largest shareholders	134 107 452	100.00 %	80.48 %		
Remaining	32 520 416		19.52 %		
Total	166 627 868		100.00 %		

2ND QUARTER AND HALF YEAR INTERIM REPORT 2017

HEXAGON COMPOSITES ASA

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HEXAGON

MOBILE PIPELINE[®]



TITAN[®]



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HYDROGEN



Fuel Cell
Electric Vehicles



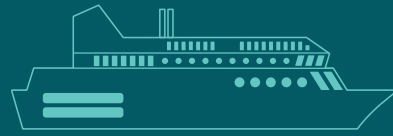
Gas Distribution



Ground
storage



Backup
power



Marine



Rail

AGILITY FUEL SOLUTIONS



Heavy-Duty Trucks



Transit Buses

LOW-PRESSURE CYLINDERS LPG

Cooking, heating,
recreation and
fork-lift trucks

