



Q4 2023

## Key figures

(NOK million)

	Q4 2023	Q4 2022	Change	FY 2023	FY 2022	Change
Revenue	366	372	-2 %	1,320	964	37 %
Operating profit before depreciation (EBITDA)	-129	-109	-	-445	-406	-
Operating profit (EBIT)	-181	-134	-	-595	-501	-
Profit/loss before tax	-187	-133	-	-691	-441	-
Profit/loss for the period	-185	-131	-	-684	-432	-

## Key developments in Q4 2023 and after balance sheet date

- Revenue of NOK 366 million in the fourth quarter of 2023. Full-year 2023 revenue ended at NOK 1,320 million, up 37% year-over-year;
- EBITDA ended at NOK -129 million in the fourth quarter of 2023. Full-year 2023 EBITDA ended at NOK -445 million, translating to a relative EBITDA margin of -34%, up from -42% for the full-year 2022 and 54% for the full-year 2021;
- Raised approximately NOK 1,000 million in gross proceeds from a convertible bond issue announced in December 2023, supported by Mitsui & Co., Ltd., Hy24 and Hexagon Composites. Added Hy24, the world's largest clean hydrogen pure-play investor, as a new strategic investor in the Company;
- Extended framework agreement with leading European producer of green hydrogen for delivery of hydrogen distribution modules with minimum value of approx. EUR 17 million;
- Received purchase orders for delivery of hydrogen distribution systems to a leading player within the green hydrogen ecosystem worth approx. EUR 9.6 million;
- Awarded purchase order by Ford Trucks to deliver a complete hydrogen fuel storage system for a prototype heavy-duty fuel cell electric truck;
- Selected by New Flyer for the fourth time as partner for the hydrogen bus market in North America with an estimated contract value of approximately USD 4 million;
- Opened new hydrogen infrastructure and systems manufacturing hub in Weeze, Germany, which significantly increases production capacity for hydrogen infrastructure solutions and;
- Exited the quarter with order backlog consisting of firm purchase orders of approximately NOK 1.3 billion.

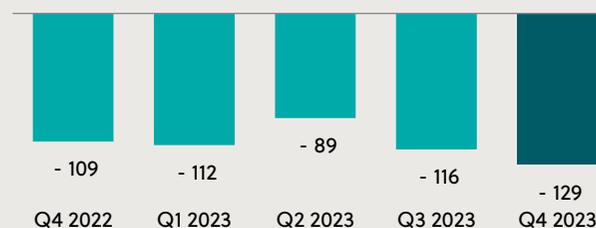
### Revenue

NOK million



### EBITDA

NOK million



## A word from the CEO

2023 has been an exciting and eventful year for Hexagon Purus, where we achieved significant growth from last year and continued to make positive progress in developing and preparing the company for the future. We have opened five brand new manufacturing facilities in the last twelve months, and we are in the process of preparing another two facilities that are scheduled to open in 2024. Simultaneously, we have scaled up our organizational capacity to ensure we have sufficient competence and capacity to deliver in our ramp up phase. I am pleased that we have been able to continue delivering on our customer commitments and operational targets in parallel with executing complex and capital-intensive construction projects.

While 2023 has been a great success, not everything has gone according to plan. In the fourth quarter we expected the ramp-up in capacity to give us a strong end to the year, but this didn't materialize due to several months' delay in equipment deliveries and ramp-up challenges related to our new manufacturing facility in Kassel. This puts us behind the ramp-up curve, and we expect to use the first half of 2024 to secure sufficient stability and efficiency in production. Although disappointing in the short run, it is not a cause for long-term concern. Customer demand remains strong, and we have been capacity constrained in our European hydrogen business throughout 2023. With significant additional capacity coming online in 2024 and a solid order book in our hydrogen distribution business, I expect 2024 to be another year of strong growth.

The energy transition appears to be going slower than most people expected a few years ago. The availability of green hydrogen is significantly lower than needed, and a large portion of new hydrogen capacity is directed towards industrial uses. This has delayed the inflection point for hydrogen in the mobility space. However, there is already a large existing market for hydrogen in industries such as pharmaceuticals and food production, and this needs to be transported from source to site. Our distribution modules can transport any color of hydrogen, and we are experiencing significant growth in demand since our modules are more cost-efficient than existing solutions. This demand is here and now, which means that we are less impacted by the delay in the scale-up of green hydrogen production. With sufficient scale and capacity utilization in our existing facilities, the hydrogen infrastructure part of our business is already running at high single-digit EBITDA margins. That makes us uniquely well positioned for the years ahead.

At the end of the fourth quarter, we raised another NOK 1 billion in convertible debt, supported mainly by strong anchor investors, to finalize the last parts of the investment program and support the capacity ramp-up. The proceeds were received in February 2024. In addition to our existing strategic partners Mitsui and Hexagon Composites, I am proud that we were able to add Hy24, the world's first investment manager fully dedicated to scaling up the hydrogen economy, as a new strategic partner. Having the support of these three strong partners is a major benefit and a testament to our continued progress and to the attractiveness of our business and outlook.

As we close out 2023, the lion's share of the investment program is completed, and we are now moving into the ramp-up and operational execution phase. With positive gross margins on customer deliveries, the EBITDA margin will continue to improve as the utilization of the new capacity increases. Hydrogen distribution will continue to be the main source of revenue growth over the next 12 months, and we expect our hydrogen business segment (excluding the China joint venture) to be EBITDA positive already this year. We will also start deliveries on the two heavy-duty battery electric truck programs with Hino and Daimler in North America in the fourth quarter of 2024, with a significant volume ramp in 2025. This makes me confident that the target to break-even on EBITDA for the Group in 2025 is well within reach.

Over the past few years, we have successfully secured a unique market position and delivered transformational growth quarter-over-quarter and year-over-year, with revenue the last twelve months now more than six times higher than in 2020. We have a strong and diversified pool of customers, sizeable new manufacturing capacity coming online, and a growing order book. This provides a solid foundation for the coming year. We will continue to focus on executing well on our customer programs, and I remain confident that we will continue to deliver on our short- and medium-term targets.



**Morten Holm**  
Chief Executive Officer

# Hexagon Purus Q4 2023 consolidated financials

## Profit and loss

In the fourth quarter of 2023, Hexagon Purus ("the Company" or "the Group") generated NOK 366 million in revenue. About NOK 40 million of revenue was pushed out from the fourth quarter of 2023 to the first quarter of 2024 due to technicalities related to revenue recognition. Hydrogen infrastructure solutions continues to be the main driver of growth, coupled with increasing activity within mobility applications, including heavy-duty vehicles and transit bus as well as aerospace. For the full-year 2023, revenue ended at NOK 1,320 million, up 37% compared to full-year 2022.

On average, the NOK weakened 12% against EUR and 6% against USD in the fourth quarter of 2023 compared to the fourth quarter of 2022. This has impacted the reported figures in the fourth quarter of 2023.

Cost of materials as % of revenue was 56% in the fourth quarter of 2023 and 59% for the full-year 2023, compared to 71% in the fourth quarter of 2022 and 61% for the full-year 2022. The variability in materials cost continues to be influenced by product mix and inventory movements. In relative terms, as a % of revenue, payroll expenses in the fourth quarter of 2023 were 45% (36%) and increased on an absolute basis as a function of the continued investments in organizational scale-up. Total operating expenses in the fourth quarter of 2023 ended at NOK 494 (481) million, leading to an operating profit before depreciation (EBITDA) of NOK -129 (-109) million. Depreciation in the fourth quarter of 2023 was NOK 52 million, up from NOK 25 million in the fourth quarter of 2022 with the increase driven by a higher balance of depreciable assets due to the Company's ongoing capacity expansion program. Operating profit (EBIT) in the fourth quarter of 2023 consequently ended at NOK -181 (-134) million.

Share of income from investments in associates, which reflects Hexagon Purus' minority shareholdings in Cryoshelter LH2 GmbH and CIMC Hexagon Hydrogen Energy Systems Ltd., was NOK -5 (-7) million in the fourth quarter of 2023. Finance income in the fourth quarter of 2023 was NOK 38 (11) million, of which approximately NOK 11 million relates to foreign exchange fluctuations and approximately NOK 10 million relates to interest income on bank deposits. The remaining approximately NOK 18 million is related to a revaluation of the Company's ownership interest in Norwegian Hydrogen AS ("NH2"), following NH2's capital raise from Fortescue in October 2023 that valued NH2 at NOK 750 million. Hexagon Purus has a 12.7% ownership interest in NH2.

Finance costs in the fourth quarter of 2023 were NOK 39 (3) million, of which approximately NOK 21 million relates to non-cash interest on the 2023/2028 convertible bond. Approximately NOK 9 million stems from interest on lease liabilities and other interest-bearing debt and the remainder relates to foreign exchange fluctuations. Tax expense in the fourth quarter of 2023 was NOK -2 (-2) million, and net profit after tax ended at NOK -185 (-131) million.

## Cash flow

Net cash flow from operating activities in the fourth quarter of 2023 was NOK -138 (16) million, of which NOK -7 (142) million was due to an increase in net working capital.

Net cash flow from investing activities was NOK -111 (-118) million in the fourth quarter of 2023, of which NOK -105 million relates to investments in production equipment and facilities related to the ongoing capacity expansion program. Capitalized product development expenditure was NOK 9 (19) million in the quarter, and funding to Cryoshelter LH2 GmbH for development of liquid hydrogen storage technology accumulated to NOK 6 (5) million in the fourth quarter of 2023. Interest received on deposits in the fourth quarter of 2023 amounted to NOK 10 (5) million.

Net cash flow from financing in the fourth quarter of 2023 was NOK -18 (10) million. The majority of the outflow from financing is related to lease payments, which in the fourth quarter of 2023 amounted to NOK -17 (-9) million. Payments related to lease liabilities is expected to increase in 2024 as the new facilities developed under the capacity expansion program comes online. Cash interest payments in the fourth quarter of 2023 amounted to NOK -1 (-6) million.

Net change in cash and cash equivalents in the fourth quarter of 2023 was NOK -266 (-91) million, and currency exchange differences on cash was NOK 7 (-8) million. Cash and cash equivalents ended at NOK 307 (382) million. The cash balance at the end of the fourth quarter does not take into account the approximately NOK 1,000 million (gross) convertible bond offering that was announced in December 2023 and issued in February 2024.

## Balance sheet

The weakened NOK during the fourth quarter of 2023 has had an impact on balance sheet positions in the Company's subsidiaries that is recognized in EUR and USD and other foreign currencies.

Total assets at the end of the fourth quarter of 2023 amounted to NOK 3,773 (2,655) million. The year-over-year increase in total assets is mainly driven by increases to property, plant and equipment and right-of-use assets as a result of the Company's ongoing capacity expansion program, combined with an increase in working capital to cater for a higher activity level. Trade receivables increased to NOK 275 (229) million in the fourth quarter of 2023 and inventory stood at NOK 482 (332) million. The Company's working capital position reflects growth throughout 2023, which is expected to continue into 2024.

Increases in equity and non-current liabilities in the fourth quarter of 2023 compared to the fourth quarter of 2022 is mainly driven by the NOK 800 million (gross) convertible bond issuance in March 2023, and an increase in lease liabilities related to production facilities and equipment as part of the Company's ongoing capacity expansion program. The new 10-year lease for the vehicle integration facility in Dallas, Texas, was recognized on the balance sheet during the quarter and repayment of lease liabilities is expected to commence during the first quarter of 2024. At quarter-end, the Company had a satisfactory equity ratio of 51% (64%).

## Hydrogen infrastructure and mobility

Hexagon Purus' hydrogen storage solutions is based on its leading type 4 cylinder technology and enables the safe and efficient use of hydrogen in a variety of zero-emission mobility and hydrogen infrastructure applications.

The majority of Hexagon Purus' revenue in the fourth quarter of 2023 was driven by its suite of hydrogen infrastructure solutions, such as hydrogen distribution modules, stationary storage and mobile refueling units. Hydrogen infrastructure customers in the quarter included blue-chip industrial gas companies like Air Liquide and Linde, and green hydrogen producers such as Lhyfe.

There is a growing need to transport hydrogen, and Hexagon Purus' type 4 distribution modules are significantly more cost-effective than existing hydrogen transportation solutions. The Company's commercial pipeline and customer dialogues for hydrogen

infrastructure solutions remains strong. For instance, in December 2023, the Company extended an existing framework agreement with a leading European producer of green hydrogen for delivery of hydrogen distribution systems. Hexagon Purus' hydrogen distribution systems will be used to deliver green hydrogen for mobility and industrial applications in Europe. The framework agreement is extended to now also cover the delivery of hydrogen distribution systems for 2024 and has a minimum value of approximately EUR 17 million. Furthermore, Hexagon Purus received purchase orders for the delivery of hydrogen distribution systems to a leading player within the green hydrogen ecosystem, worth approximately EUR 9.6 million. The distribution systems will be used to deliver green hydrogen to industrial applications in Central Europe.

Mobility applications contributed positively to revenue in the quarter, mainly driven by deliveries of hydrogen cylinders for Nikola's fuel cell electric heavy-duty truck and deliveries of hydrogen storage for transit bus applications to customers like Solaris and New Flyer. Hexagon Purus was also recently awarded a purchase order by Ford to deliver a complete hydrogen fuel storage system for Ford's development project on fuel-cell electric heavy-duty trucks for the European market. The fuel-cell electric F-MAX prototype that Ford is developing will operate as part of a larger fleet of zero-emission trucks collecting data from real-world operations as part of the ZEFES project, a pan-European project specifically targeting decarbonization of long-haul heavy-duty trucking in Europe.

The Company's aerospace business continues to contribute positively, both from a revenue and profitability perspective. There continues to be active customer dialogues for development programs and long-term agreements for on-board hydrogen storage for commercial aviation and maritime applications.

## Capacity expansion update

In January, Hexagon Purus opened its new hydrogen infrastructure and systems manufacturing hub in Weeze, Germany. Hydrogen infrastructure is a highly important and profitable market segment for Hexagon Purus, and this expansion more than doubles (at run rate) the Company's annual production capacity of type 4 high-pressure hydrogen infrastructure solutions and is a key enabler for continued profitable revenue growth in 2024 and 2025.

In addition to the above, in 2023 and so far in 2024, the Company has opened two new hydrogen cylinder manufacturing facilities in Kassel, Germany and Westminster, US. The ramp-up of the new Kassel facility is currently ongoing and has taken more time than

expected due to delays in equipment deliveries. The slower ramp-up has led to delays in certain customer deliveries, impacting revenue recognition in the fourth quarter of 2023.

In China, the Company is together with its joint venture partner CIMC Enric constructing a hydrogen cylinder production and systems assembly facility in Shijiazhuang. The facility construction has been completed and production equipment installation is currently taking place.

## Battery systems and vehicle integration

Hexagon Purus delivers industry-leading battery storage systems with complete vehicle integration for medium- and heavy-duty trucks in North America. Additionally, the Company has a suite of IP-protected key components required for heavy-duty vehicle electrification.

In 2023, Hexagon Purus signed two major agreements for complete vehicle integration of battery electric utility and heavy-duty vehicles with Hino Trucks and Daimler Trucks North America for the North American market, potentially worth more than USD 2 billion over the course of most of the current decade. The vehicles will include Hexagon Purus' proprietary and IP protected zero-emission technology, including battery systems, auxiliary modules, power modules and vehicle-level software. These contract awards highlight Hexagon Purus' unique vehicle integration capabilities and the Company's proprietary product portfolio of key components and technologies required for electrification of heavy-duty trucking. It also exemplifies the attractiveness of Hexagon Purus to OEMs looking to go zero-emission.

The battery systems and vehicle integration organization is now actively preparing for expected start of production for both programs towards the end of 2024, including engineering activities, test and validation, and further scale-up of the organization. The supply chain for the Company's electric vehicle integration activities remains complex and dynamic, and the Company is engaging in proactive supplier management to mitigate third-party supply chain risk to the extent possible.

## Capacity expansion update

The engineering hub and automated manufacturing facility for battery systems opened in Kelowna in April 2023, and this facility will produce the battery systems for the Hino and

Daimler programs. The automated battery module assembly line is currently in the ramp-up phase, and the first prototype battery modules which will be used for validation testing were produced in Kelowna during the fourth quarter of 2023. Further equipment installations to the battery module line will take place during the first half of 2024 to achieve the desired level of line integration and automation.

In Dallas, Texas, Hexagon Purus has entered into a lease agreement for a new brownfield facility that will accommodate vehicle integration and assembly for the Hino and Daimler programs. Facility tenant improvement work will commence in the first quarter of 2024, and the facility is expected to open during the third quarter of 2024.

## Outlook

### Market development

The clean hydrogen industry is facing headwinds in terms of higher construction and operating costs and higher cost of capital on the back of rising interest rates. This has resulted in a higher levelized cost of renewable hydrogen, which has slowed down the development of the global clean hydrogen industry compared to previous expectations. However, 1,400 hydrogen projects have been announced world-wide<sup>1</sup>, up more than 35% compared to the number of projects announced in May 2023. The majority of these projects have been added in Europe, and USD 570 billion in direct investments has been announced in total through 2030 of which approximately 7% have passed the final investment decision (FID) stage. Of the 1,400 projects, more than 70% are expected to be in full or partial deployment by 2030.

### Revenue and profitability

For Hexagon Purus, recent market developments have resulted in a slower market for hydrogen mobility than expected a few years ago. This has been offset by a much stronger market for hydrogen infrastructure solutions. Today, Hexagon Purus' business for hydrogen infrastructure is mainly driven by large, multinational customers like Air Liquide and Linde that deploy Hexagon Purus' type 4 hydrogen distribution modules for transportation of grey hydrogen for industrial purposes to sectors such as semiconductors, pharmaceuticals and food production. These are industry verticals where the use of hydrogen, and hence the need for transportation, is expected to grow significantly going forward. The other main customer group for the Company's hydrogen infrastructure solutions is emerging green hydrogen producers as well as energy majors establishing

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<sup>1</sup> Source: Hydrogen Council, December 2023 ([link](#))

hydrogen refueling infrastructure networks, predominantly in Europe. The new hydrogen infrastructure and systems manufacturing hub that Hexagon Purus recently opened in Weeze, Germany will more than double (at run-rate) the Company's production capacity for hydrogen distribution modules and will help meet the growing demand expected for hydrogen infrastructure solutions. This application is expected to be the main contributor of revenue growth to the Group also in 2024.

Hydrogen mobility is expected to contribute positively to revenue growth in 2024. This is driven by expectations of increased cylinder deliveries to heavy-duty hydrogen mobility. Additionally, more than 15% of the current order backlog of approximately NOK 1.3 billion consists of firm purchase orders for delivery of hydrogen storage systems to fuel-cell electric bus OEMs such as Solaris, Caetano and New Flyer. The transit bus segment is thus expected to also contribute positively to revenue growth in 2024. The delayed ramp-up of the new state-of-the-art cylinder facility in Kassel, mainly impacting the delivery of heavy-duty cylinders for mobility applications, are being remedied, and steady-state operation is expected to commence by the end of the second quarter of 2024. In China, following the completion of facility construction, production equipment is currently being installed and final equipment deliveries are expected during the first quarter of 2024. Due to rules and regulations specific to the Chinese market, the JV will spend most of 2024 obtaining facility approval, manufacturing license and type 4 cylinder certification. The external revenue contribution from the Chinese joint venture is therefore expected to be limited in 2024.

For the battery systems and vehicle integration business, 2024 is a ramp-up year with start of production on the Hino and Daimler programs expected in the fourth quarter of 2024. This is expected to contribute positively towards revenue growth towards the end of 2024, and timing of firm purchase orders for the Hino and Daimler programs for execution in 2024 is expected in the second half of the year. The battery modules and pack systems will be produced in Hexagon Purus' facility in Kelowna, Canada, and the other electrification components for the programs and vehicle integration activities will take place in the Company's new Dallas, Texas facility.

Hexagon Purus' order backlog, consisting of firm customer purchase orders, stood at approximately NOK 1.3 billion as of the fourth quarter of 2023, with the vast majority for execution during 2024. The order backlog for execution in 2024 is expected to continue to grow as 2024 progresses, mainly driven by call-offs from already secured long-term agreements with the likes of Air Liquide, Linde, Lhyfe, Solaris, Nikola, Hino and Daimler. For the full-year 2024, Hexagon Purus is expecting revenue growth of at least 50% year-over-year. 2025 is also expected to be a year of significant growth as several long-term

agreements are maturing and in tandem with higher utilization of the production footprint. The Company retains its target of NOK 4-5 billion of revenue in 2025.

Improving profitability and reaching EBITDA break-even in 2025, combined with prudent and restrictive capital deployment is of critical importance to the Company. Several internal initiatives are underway to underpin and build momentum towards reaching profitability by 2025, focusing along three axes:

- **Maximizing capacity utilization:** Ramp-up and high utilization of production capacity footprint and newly installed asset base;
- **Operational improvements:** Operational excellence with focus on quality, reducing scrap and inventory management;
- **Minimizing capital spend:** Complete current capacity expansion program, including new Dallas, Texas facility, but limit new investments beyond already committed investments or initiated capacity expansion programs. Focus on optimizing working capital position.

These initiatives, combined with the expected revenue growth and mix for 2024, are expected to be gross margin accretive and further improve the Company's gross margins in 2024, compared to 2023. Additionally, with the revenue growth expected for 2024 combined with continued cost consciousness throughout the organization, benefits of further operating leverage to the Company's fixed cost base is also expected in 2024. For instance, the hydrogen infrastructure and mobility business, Hexagon Purus' largest business unit, is expected to reach EBITDA break-even in 2024 (excluding the Chinese joint venture). Additionally, initial revenue from the Hino and Daimler programs in 2024 for the battery systems and vehicle integration business unit will help absorb parts of its cost base.

Consequently, 2023 was the expected trough from a Group EBITDA perspective, and significant improvements to the Group EBITDA margin are expected in 2024. The Company retains its target of reaching EBITDA break-even in 2025.

#### **Capital expenditure**

The main priority from a capital deployment perspective is to complete the current capacity expansion program, including the new vehicle integration facility in Dallas, Texas, but limit new investments beyond this. Of the capacity expansion program that was announced at Hexagon Purus' Capital Markets Day in April 2022, facility construction of all facilities is now almost completed. Most of the production equipment has arrived at the various facilities, but there has been some spill-over from 2023, and the remaining production equipment is expected to arrive and be installed during the first half of 2024.

The automated manufacturing facility for battery systems in Kelowna, Canada, will produce the battery systems that will be integrated onto the battery electric vehicles produced for the Hino and Daimler programs in the new vehicle integration facility in Dallas, Texas. The remaining production equipment for the automated battery module production line is expected to be installed during the first half of 2024. The new vehicle integration facility in Dallas, Texas, is already constructed, allowing for a quicker move-in-date and shorter time to production. Tenant improvements are required to tailor the facility to Hexagon Purus' needs and these improvements, together with the assembly and integration equipment and product development required for delivering on the first phase of the Daimler and Hino programs, are expected to drive approximately USD 20m of CAPEX in 2024.

The second pre-payment installment of USD 6.5m relating to the long-term supply agreement for battery cells with Panasonic is expected to be paid during the first quarter of 2024. The final pre-payments related to the supply agreement of approximately USD 34.4m will be made in 2025.

Given expectations of at least 50% year-over-year revenue growth in 2024, investments in working capital will remain high, especially for the battery systems and vehicle integration business which is moving from small-scale prototyping to serial production. The Company is working to optimize its working capital position, including improving payment terms with customers and suppliers and keeping strong control of inventory.

#### **Segment reporting to be introduced from Q1 2024**

Hexagon Purus consists of two main business areas that have differing levels of maturity and profitability profiles. The more mature and currently more profitable business is the hydrogen storage business that manufactures hydrogen cylinders and systems for hydrogen infrastructure and mobility applications.

The battery systems and vehicle integration business is less mature and not profitable since revenue from contracts will not be recognized until towards the end of 2024. However, this business is currently carrying costs for personnel, product and technical development and facility construction. With two major commercial contracts with blue-chip customers Hino and Daimler, 2024 is a decisive ramp-up year with start of production targeted for the second half of the year.

To quantitatively highlight the differences in business maturity and in an effort to increase transparency to enhance understanding of Hexagon Purus' business, starting from the

financial reporting for Q1 2024, the Company intends to introduce segment reporting with two main segments:

- **Hydrogen Mobility & Infrastructure (HMI):** comprised of Hexagon Purus' hydrogen cylinder and systems manufacturing business in Europe and North America
- **Battery Systems & Vehicle Integration (BVI):** comprised of Hexagon Purus' battery systems and vehicle integration business in North America

#### **Sustainability at Hexagon Purus**

2023 is the first year where Hexagon Purus in its Annual Report will include sustainability performance as a stand-alone entity. As such, our Annual Report 2023 marks the beginning of future sustainability reporting while also providing an update on Hexagon Purus' 2023 development, targets, and measures within sustainability.

This report will be prepared in accordance with the GRI 2021 Universal Standards. Our sustainability reporting will describe our company's sustainability impact, including environment, climate, waste, product safety, worker's health and safety, diversity and inclusion, governance structures, among other topics related to sustainability. The reporting will also describe how we are affected and respond to sustainability risks and opportunities, with either actual or potential financial effects.

The full sustainability report will be made available as part of the Annual Report on 19 March 2024.

### **Forward-looking statements**

The forward-looking statements made above are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that are expected to occur in the future. They are therefore not guarantees of future performance. While the statements reflect the current views and expectations of Hexagon Purus based on information currently available to it, they are subject to various assumptions, in addition to risks and uncertainties that may be outside of its control. Hexagon Purus cannot provide any assurance that the assumptions underlying such forward-looking statements are free from errors nor accept any responsibility for the future accuracy of the opinions expressed herein, or the actual occurrence of the forecasted developments. Actual results could differ materially from those expressed or implied in forward-looking statements. Any forward-looking statements are based only on conditions as of the date on which they are made and we are under no obligation to update or alter such forward-looking statements whether as a result of new information, future events or otherwise.

## **Risks and uncertainties**

Hexagon Purus operates in markets with strict standards for quality and delivery, deviations from which could result in significant additional costs, lost sales and damage to the Group's reputation. The Group is exposed to production-related risks such as production errors or shutdowns of its facilities which could have a material adverse effect on the Group's results of operations, cash flow and financial condition.

The Group is exposed to competing technologies and processes that could have a negative effect on the Group's competitive positioning, and in turn profitability and financial position.

The Group is exposed to developments in the prices and availability of its raw materials and in particular the cost of carbon fiber and lithium-ion batteries. The prices and availability of these raw materials are linked to various factors including developments in the price of oil, precursor commodities and energy and the prevailing market balance where supply is dependent on a limited number of suppliers. To mitigate the risk, the Group will from time to time enter into long-term supply agreements, locking in price and quantity. Even though the contracts are intended to mitigate supply risk, it would also potentially add risk, as they commit the Group on material and components, where actual demand can turn out to be lower than forecasted, market prices can fall, or the development could make the committed volumes technologically less relevant.

To the extent the Group does not generate sufficient cash from operations to fund its existing and future business plans, the Group may need to raise additional funds through public or private debt or equity financing to execute its growth strategy and to fund capital expenditures. Adequate sources of capital funding might not be available when needed or may only be available on unfavorable terms. If funding is insufficient at any time in the future, the Group may be unable to, inter alia, fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Group's financial condition and results of operations.

The Group is also exposed to global macroeconomic developments including the impact of inflation, supply chain constraints and rising interest rates. It is not possible to know the precise impacts of such developments and to what extent these may or may not persist. For additional information about risks and uncertainties we refer to Hexagon Purus' 2022 annual report.

Oslo, 12 February 2024

The Board of Directors of Hexagon Purus ASA



**Espen Gundersen**  
Chair



**Jon Erik Engeset**  
Board member



**Martha Kold Bakkevig**  
Board member



**Rick Rashilla**  
Board member



**Hidetomo Araki**  
Board member



**Susana Quintana-Plaza**  
Board member



**Liv Fiksdahl**  
Board member



**Morten Holum**  
Group President & CEO

# Hexagon Purus Group Financial Statements

## Income statement

(NOK 1000)	Note	Q4 2023	Q4 2022	FY 2023	FY 2022
		Unaudited	Unaudited	Unaudited	Audited
Revenue from contracts with customers	3,4	362 904	368 550	1 311 811	958 636
Rental income	3,4	11	350	957	1 255
Other operating revenue	3,4	2 702	3 499	6 847	4 034
<b>Total revenue</b>		<b>365 616</b>	<b>372 399</b>	<b>1 319 614</b>	<b>963 925</b>
Cost of materials		206 208	265 595	776 841	588 525
Payroll and social security expenses	9	165 572	134 338	621 436	443 496
Other operating expenses		122 481	81 420	366 810	337 408
<b>Total operating expenses before depreciation</b>		<b>494 361</b>	<b>481 353</b>	<b>1 765 087</b>	<b>1 369 430</b>
<b>Operating profit before depreciation (EBITDA)</b>	4	<b>-128 745</b>	<b>-108 954</b>	<b>-445 473</b>	<b>-405 505</b>
Depreciation and impairment	5	52 471	25 436	149 785	95 089
<b>Operating profit (EBIT)</b>	4	<b>-181 216</b>	<b>-134 390</b>	<b>-595 258</b>	<b>-500 594</b>
Share of profit/loss from investments in associates and joint ventures	10	-5 035	-7 227	-12 503	51 888
Finance income		38 159	11 192	103 673	37 356
Finance expense	6,7	39 238	2 722	187 223	29 548
<b>Profit/loss before tax</b>		<b>-187 330</b>	<b>-133 147</b>	<b>-691 310</b>	<b>-440 898</b>
Tax expense		-2 414	-2 034	-7 793	-9 380
<b>Profit/loss after tax</b>		<b>-184 916</b>	<b>-131 113</b>	<b>-683 517</b>	<b>-431 518</b>
Attributable to:					
Equity holders of the parent		-181 085	-131 923	-672 703	-432 328
Non-controlling interest		-3 831	810	-10 815	810
<b>Earnings per share</b>					
Ordinary (NOK)		-0,65	-0,27	-2,43	-1,67
Diluted (NOK) <sup>1)</sup>		-0,65	-0,27	-2,43	-1,67

1) The Company has potential dilutive shares through convertible bond instruments as well as share-based payment incentive plans. Diluted EPS is however set equal to ordinary EPS due to negative profit after tax.

## Comprehensive income statement

(NOK 1000)

	Q4 2023	Q4 2022	FY 2023	FY 2022
	Unaudited	Unaudited	Unaudited	Audited
Profit/loss after tax	-184 916	-131 113	-683 517	-431 518
<b>OTHER COMPREHENSIVE INCOME:</b>				
<b>Items that will be reclassified through profit or loss in subsequent periods</b>				
Exchange differences on translation of foreign operations	-22 963	-15 009	44 157	59 164
<b>Net of total items that will be reclassified through profit and loss in subsequent periods</b>	<b>-22 963</b>	<b>-15 009</b>	<b>44 157</b>	<b>59 164</b>
Total comprehensive income, net of tax	-207 879	-146 121	-639 360	-372 354
<b>Attributable to:</b>				
Share premium	-192 485	-146 917	-622 890	-373 150
Non-controlling interest	-15 394	796	-16 470	796

(NOK 1000)	Note	31.12.2023	31.12.2022
		Unaudited	Audited
<b>ASSETS</b>			
Property, plant, and equipment	5	867 212	494 990
Right-of-use assets	5	544 768	152 300
Intangible assets		841 672	802 654
Investment in associates and joint ventures	10	50 143	33 029
Non-current financial assets		129 651	80 531
Non-current assets		33 767	2 499
<b>Total non-current assets</b>		<b>2 467 213</b>	<b>1 566 003</b>
Inventories		481 695	332 218
Trade receivables		274 974	228 930
Contracts assets (accrued revenue)		11 168	9 488
Other current assets		230 474	136 560
Cash and short-term deposits		307 485	381 705
<b>Total current assets</b>		<b>1 305 797</b>	<b>1 088 901</b>
<b>Total assets</b>		<b>3 773 007</b>	<b>2 654 903</b>

(NOK 1000)	Note	31.12.2023	31.12.2022
		Unaudited	Audited
<b>EQUITY AND LIABILITIES</b>			
Issued capital and share premium		1 369 987	1 568 709
Other equity		427 681	83 182
<b>Equity attributable to holders of the parent</b>		<b>1 797 668</b>	<b>1 651 891</b>
Non-controlling interests		121 459	35 731
<b>Total equity</b>		<b>1 919 127</b>	<b>1 687 621</b>
Interest-bearing loans and borrowings	6	596 482	39 358
Lease liabilities	7	518 138	132 479
Other non-current financial liabilities	8	-	39 789
Net employee defined benefit liabilities		1 717	1 439
Deferred tax liabilities		38 510	45 543
<b>Total non-current liabilities from</b>		<b>1 154 847</b>	<b>258 609</b>
Trade and other payables		220 457	255 712
Contract liabilities		196 327	212 792
Interest-bearing loans and borrowings	6	2 317	4 673
Lease liabilities, short term	7	39 930	22 230
Income tax payable		509	3 290
Other current financial liabilities	8	42 539	75 052
Other current liabilities		131 712	96 699
Provisions		65 782	38 227
<b>Total current liabilities</b>		<b>699 032</b>	<b>708 673</b>
<b>Total liabilities</b>		<b>1 853 880</b>	<b>967 282</b>
<b>Total equity and liabilities</b>		<b>3 773 007</b>	<b>2 654 903</b>

# Cash flow statement

(NOK 1000)

	Q4 2023	Q4 2022	FY 2023	FY 2022
	Unaudited	Unaudited	Unaudited	Audited
<b>Profit before tax (incl. discontinued operations)</b>	<b>-187 330</b>	<b>-133 147</b>	<b>-691 310</b>	<b>-440 898</b>
Depreciation, amortization, and impairment	52 471	25 435	149 785	95 089
Net interest expense	-303	3 960	13 236	4 501
Changes in net working capital <sup>1)</sup>	-7 474	142 047	-248 922	70 318
Other adjustments to operating cash flows	4 407	-22 242	64 295	-54 322
<b>Net cash flow from operating activities</b>	<b>-138 229</b>	<b>-16 053</b>	<b>-712 916</b>	<b>-325 313</b>
Purchase of property, plant, and equipment	-104 917	-91 652	-442 644	-240 030
Purchase and development of intangible assets	-9 247	-18 952	-39 628	-52 625
Settlement of contingent considerations and deferred payment related to acquisitions	-	-	-85 693	-
Investments in associated companies	-	-7 026	-29 305	-41 481
Loans to associated companies	-5 863	-4 682	-29 373	-11 989
Interest received	9 520	4 582	29 564	8 111
<b>Net cash flow from investing activities</b>	<b>-110 506</b>	<b>-117 730</b>	<b>-597 079</b>	<b>-338 014</b>
Net repayment (-) / proceeds (+) from interest bearing loans and convertible bonds	0	-5 894	756 909	-11 731
Interest payments	-587	-6 071	-20 539	-10 141
Repayment of lease liabilities (incl. interests)	-17 080	-8 795	-51 798	-26 127
Net proceeds from share capital increase in parent company	-	-	473 982	593 866
Net proceeds from share capital increase in subsidiary (NCI contribution)	-	31 227	102 198	34 935
<b>Net cash flow from financing activities</b>	<b>-17 667</b>	<b>10 466</b>	<b>1 260 752</b>	<b>580 802</b>
<b>Net change in cash and cash equivalents</b>	<b>-266 402</b>	<b>-91 211</b>	<b>-49 243</b>	<b>-82 525</b>
Net currency exchange differences on cash	7 427	-6 111	-24 977	10 832
Cash and cash equivalents beginning of period	566 461	481 026	381 705	453 398
<b>Cash and cash equivalents end of period</b>	<b>307 485</b>	<b>381 705</b>	<b>307 485</b>	<b>381 705</b>

1) Net working capital refers to inventory, trade receivables, contract assets, trade payables and contract liabilities

## Statement of changes in equity

(NOK 1000)

	Note	Issued capital	Share premium	Other paid-in capital	Foreign currency translation reserve	Equity attributable to holders of the parent	Non-controlling interest	Total equity
<b>As of 1 January 2023</b>		<b>25 828</b>	<b>1 542 880</b>	<b>23 839</b>	<b>59 344</b>	<b>1 651 891</b>	<b>35 731</b>	<b>1 687 621</b>
Profit for the period			-672 703			-672 703	-10 815	-683 517
Other comprehensive income					49 813	49 813	-5 656	44 157
<b>Total comprehensive income</b>		<b>0</b>	<b>-672 703</b>	<b>0</b>	<b>49 813</b>	<b>-622 890</b>	<b>-16 470</b>	<b>-639 360</b>
Share-based payments				24 368		24 368		24 368
Share capital increase		1 852	497 976			499 828		499 828
Share capital increase in subsidiary							102 198	102 198
Convertible bonds - equity component				278 352		278 352		278 352
Transaction cost			-25 846	-8 034		-33 880		-33 880
<b>As of 31 December 2023</b>		<b>27 680</b>	<b>1 342 308</b>	<b>318 524</b>	<b>109 156</b>	<b>1 797 668</b>	<b>121 459</b>	<b>1 919 127</b>

		Issued capital	Share premium	Other paid-in capital	Foreign currency translation reserve	Equity attributable to holders of the parent	Non-controlling interest	Total equity
<b>As of 1 January 2022</b>		<b>23 354</b>	<b>1 383 817</b>	<b>8 063</b>	<b>165</b>	<b>1 415 398</b>		<b>1 415 398</b>
Profit for the period			-432 328			-432 328	810	-431 518
Other comprehensive income					59 179	59 179	-14	59 164
<b>Total comprehensive income</b>			<b>-432 328</b>		<b>59 179</b>	<b>-373 150</b>	<b>796</b>	<b>-372 381</b>
Share-based payments				15 776		15 776		15 776
Share capital increase		2 474	597 526			600 000		600 000
Share capital increase in subsidiary							34 935	34 935
Transaction costs			-6 134			-6 134		-6 134
<b>As of 31 December 2022</b>		<b>25 828</b>	<b>1 542 880</b>	<b>23 839</b>	<b>59 344</b>	<b>1 651 891</b>	<b>35 731</b>	<b>1 687 621</b>

## Note 1: General information and basis for preparation

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The condensed consolidated interim financial statements for the fourth quarter 2023, which ended 31 December, comprise Hexagon Purus ASA and its subsidiaries (together referred to as “the Group”). Hexagon Purus ASA, the parent of Hexagon Purus Group, is a public limited liability company with its registered office in Norway. The company’s headquarters are at Haakon VII's gate 2, 0161 Oslo, Norway. Hexagon Purus ASA is listed on Oslo Stock Exchange, under the ticker HPUR.

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. For a more detailed description of accounting principles, reference is made to the consolidated financial statements for the year ended 31 December 2022, available on the Company’s website [www.hexagonpurus.com/investors](http://www.hexagonpurus.com/investors).

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

These condensed consolidated interim financial statements were approved by the Board of Directors on 12 February 2024.

## 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 2022.

## Note 3: Revenue from contracts with customers

(NOK 1000)	Q4 2023	Q4 2022	FY 2023	FY 2022
<b>EXTERNAL CUSTOMERS</b>				
Sale of cylinders and systems	327 525	263 442	1 165 670	768 008
Sale of services and funded development	18 279	61 996	61 131	141 706
Other revenues	2 702	3 240	6 847	4 034
<b>Contracts with customers at a point in time</b>	<b>348 506</b>	<b>328 677</b>	<b>1 233 648</b>	<b>913 748</b>
Sale of cylinders and systems	12 216	2 302	55 981	4 882
Sale of services and funded development	-	-	-	-
Other revenues	-	-	-	-
<b>Contracts with customers over time</b>	<b>12 216</b>	<b>2 302</b>	<b>55 981</b>	<b>4 882</b>
<b>Revenue from contracts with external customers</b>	<b>360 722</b>	<b>330 979</b>	<b>1 289 629</b>	<b>918 630</b>
Sale of cylinders and systems	4 884	40 849	28 965	42 351
Sale of services and funded development	-	221	62	1 689
Other revenues	-	-	-	-
Rental income	11	350	957	1 255
<b>Contracts with related parties</b>	<b>4 894</b>	<b>41 420</b>	<b>29 984</b>	<b>45 295</b>
<b>Total revenue</b>	<b>365 616</b>	<b>372 399</b>	<b>1 319 614</b>	<b>963 925</b>
<b>TYPE OF GOODS OR SERVICE</b>				
Sale of cylinders and systems	344 624	306 593	1 250 617	815 241
Sale of services and funded development	18 279	62 216	61 193	143 395
Other revenues	2 702	3 240	6 847	4 034
Rental income	11	350	957	1 255
<b>Total revenue from contracts with customers</b>	<b>365 616</b>	<b>372 399</b>	<b>1 319 613</b>	<b>963 925</b>
<b>TIMING OF REVENUE RECOGNITION</b>				
Goods transferred at a point in time	348 506	328 677	1 233 648	913 748
Services transferred over time	12 216	2 302	55 981	4 882
Transactions with related parties	4 884	41 070	29 028	44 040
Rental income	11	350	957	1 255
<b>Total revenue from contracts with customers</b>	<b>365 616</b>	<b>372 399</b>	<b>1 319 613</b>	<b>963 925</b>

## Note 4: Operating segments

(NOK 1000)	Q4 2023	Q4 2022	FY 2023	FY 2022
<b>Purus</b>				
Revenues from contracts with customers	362 904	368 550	1 311 811	958 636
Rental income	11	350	957	1 255
Other operating revenue	2 702	3 499	6 847	4 034
<b>Total revenue</b>	<b>365 616</b>	<b>372 399</b>	<b>1 319 614</b>	<b>963 925</b>
Segment operating profit before depreciation (EBITDA)	-128 745	-108 954	-445 473	-405 505
Segment operating profit (EBIT)	-181 216	-134 390	-595 258	-500 594
Segment assets	3 773 007	2 654 903	3 773 007	2 654 903
Segment liabilities	1 853 880	967 282	1 853 880	967 282

## Note 5: Tangible assets

(NOK 1000)	2023			2022		
	Property, plant, and equipment	Right of use assets	Total	Property, plant, and equipment	Right of use assets	Total
Carrying value as of 01.01	494 990	152 300	647 290	267 705	52 219	319 924
Additions	413 540	436 618	850 158	240 030	122 472	362 502
Disposal	-	-	-	-2 806	-2 520	-5 327
Depreciations	-61 272	-40 489	-101 761	-33 630	-24 404	-58 034
Impairments	-	-	-	-149	-	-149
Currency translation differences	19 954	-3 662	16 291	23 839	4 533	28 374
<b>Carrying value as of 31.12</b>	<b>867 212</b>	<b>544 768</b>	<b>1 411 979</b>	<b>494 990</b>	<b>152 300</b>	<b>647 290</b>

## Note 6: Interest bearing liabilities

(NOK 1000)	2023				2022		
	Non-current bond loan	Non-current bank loan	Current bank loan	Total 2023	Non-current bank loan	Current bank loan	Total 2022
<b>Liabilities 1 January</b>	<b>0</b>	<b>39 358</b>	<b>4 673</b>	<b>44 030</b>	<b>42 126</b>	<b>13 635</b>	<b>55 761</b>
<b>Financing activities with cash settlement</b>							
New liabilities	800 000	-	-	<b>800 000</b>	-	-	-
Transaction costs	-23 091	-	-	<b>-23 091</b>	-	-	-
Settlements in the period		-15 004		<b>-15 004</b>			
Repayment of liabilities	-	-	-4 996	<b>-4 996</b>	-	-13 635	<b>-13 635</b>
<b>Financing activities without cash settlement</b>							
Reclassification 1st year's instalments	-	-2 317	2 317	-	-4 673	4 673	-
Exchange differences	-	5 020	323	<b>5 344</b>	1 905	-	<b>1 905</b>
Equity components	-270 318	-	-	<b>-270 318</b>	-	-	-
Other transactions without cash settlement	62 834	-	-	<b>62 834</b>	-	-	-
<b>Liabilities as at 31.12</b>	<b>569 425</b>	<b>27 057</b>	<b>2 317</b>	<b>598 800</b>	<b>39 358</b>	<b>4 673</b>	<b>44 031</b>

### Convertible bond

In March 2023, Hexagon Purus ASA issued a 5-year unsecured convertible bond of NOK 800,000,000 with 6% fixed interest rate paid semi-annually in kind, through issuance of additional bonds. The conversion price of the bond is set at NOK 33.75, and the conversion right can be exercised at any time between the loan issue and the last conversion date, which is set to 16 March 2028, being the date which is 5 years after the Shareholders' Meeting that resolved the convertible bond.

The convertible bond is a compound financial instrument which contains an equity component and a debt component. Upon initial recognition, the debt component is calculated as the discounted value of the bond assuming no conversion with an approximate market interest rate for similar loans without the conversion feature as the discount rate. For calculation purposes, a 15% discount rate has been applied, yielding a fair value of the debt component of NOK 521.6 million. The equity component equals the residual difference between the fair value of the convertible bond at issuance of NOK 800.0 million and the fair value of the debt component and amounts thus to NOK 278.4 million. Transaction costs related to the bond issue amounted to NOK 23.1 million and have been capitalized pro rata between the debt and equity component. See summarized table related to the convertible bond below.

Convertible bond accounting reconciliation	Principal amount	Transaction costs	Amount at initial recognition	Accumulated interests	Accumulated amortized transaction costs	Carrying amount 31.12.2023
Liability component	521 648	-15 087	506 591	61 225	1 609	569 425
Equity component	278 352	-8 034	270 318	-	-	270 318
<b>Total</b>	<b>800 000</b>	<b>-23 091</b>	<b>776 909</b>	<b>61 225</b>	<b>1 609</b>	<b>839 743</b>

The 5-year unsecured convertible bond of NOK 999,995,000 announced on 20 December 2023 was issued on 1 February 2024, and will be reflected in the Company's financial statements starting from Q1 2024.

## Note 7: Lease liabilities

(NOK 1000)	2023	2022
<b>Carrying value as of 01.01</b>	<b>154 710</b>	<b>53 079</b>
New lease liabilities recognized in the period	436 618	122 472
Derecognition	-	-2 547
Cash payments for the principal portion of the lease liability	-29 537	-23 656
Cash payments for the interest portion of the lease liability	-22 261	-2 471
Interest on lease liabilities	22 261	2 471
Currency translation differences	-3 720	5 362
<b>Carrying value as of 31.12</b>	<b>558 071</b>	<b>154 710</b>

Lease liabilities are to a large extent related to lease agreements for office- and production premises, as well as leases related to vehicles, machinery, and equipment.

## Note 8: Other financial liabilities

(NOK 1000)	Carrying value 01.01.2023	Settlements in the period	Reclassifications non-current to current	Currency translation differences	Carrying value 31.12.2023
Deferred payment from business combination (amortized cost)	-	-	-	-	-
Contingent consideration from business combinations (fair value)	39 789	-	-43 120	3 331	-
<b>Total other non-current financial liabilities</b>	<b>39 789</b>	<b>-</b>	<b>-43 120</b>	<b>3 331</b>	<b>-</b>
Deferred payment from business combination (amortized cost)	45 776	-52 267	-	6 491	-
Contingent consideration from business combinations (fair value)	29 275	-33 426	43 120	3 570	42 539
<b>Total other current financial liabilities</b>	<b>75 051</b>	<b>-85 693</b>	<b>43 120</b>	<b>10 061</b>	<b>42 539</b>

(NOK 1000)	Carrying value 01.01.2022	Settlements in the period	Reclassifications non-current to current	Currency translation differences	Carrying value 31.12.2022
Deferred payment from business combination (amortized cost)	43 490	-	-42 280	-1 209	-
Contingent consideration from business combinations (fair value)	65 616	-	-27 040	1 213	39 789
<b>Total other non-current financial liabilities</b>	<b>109 106</b>	<b>-</b>	<b>-69 321</b>	<b>4</b>	<b>39 789</b>
Deferred payment from business combination (amortized cost)	-	-	42 280	3 496	45 775
Contingent consideration from business combinations (fair value)	-	-	27 040	2 235	29 275
<b>Total other current financial liabilities</b>	<b>-</b>	<b>-</b>	<b>69 321</b>	<b>5 731</b>	<b>75 051</b>

Deferred payments and contingent consideration are mainly related to the acquisition of Wystrach GmbH in November 2021. The remaining contingent consideration, with a carrying value of NOK 42.5m as of 31 December 2023, is expected to be settled in cash in 2024 based on Wystrach's 2023 revenue and EBITDA performance.

The fair value of the contingent liabilities is assessed each quarter. At the end of the reporting period, there have been no changes to the fair value assessment.

The Group recognizes other non-current financial liabilities and current financial liabilities at fair value. All other financial assets and liabilities are recognized at amortized cost.

## Note 9: Share-based payments

As of 30 September 2023, the Company had four share-based long-term incentive plans outstanding consisting of performance share units (PSU) and restricted share units (RSU).

	Issued 2023	Issued 2022	Issued 2020
<b>Performance share units' programs (PSU)</b>			
<b>As of 1 January 2023, number of instruments</b>	-	<b>988 686</b>	<b>421 242</b>
Grants	1 724 946	-	-
Lapsed/cancelled	-87 123	-	-
<b>As of 30 September 2023, number of instruments</b>	<b>1 637 823</b>	<b>988 686</b>	<b>421 242</b>
Fair value – at grant date (NOK)	22.57	33.99	20.83
Vesting period	3 years	3 years	3 years
Expiry	Q1 2026	Q1 2025	Q1 2024
<b>Restricted share units' programs (RSU)</b>			
<b>As of 1 January 2023, number of instruments</b>	-	<b>85 260</b>	<b>695 621</b>
Grants	117 090	-	91 000
Lapsed/cancelled	-7 806	-12 180	-47 500
<b>As of 30 September 2023, number of instruments</b>	<b>109 284</b>	<b>73 080</b>	<b>739 121</b>
Fair value – at grant date (NOK)	22,04	27,76	27,30
Vesting period	3 years	3 years	3 years
Expiry	Q1 2026	Q1 2025	Q1 2024

### Performance share units programs

All PSUs are non-transferable and will vest subject to satisfaction of the applicable vesting conditions. The actual number of PSUs vested will depend on performance and can vary from zero to the maximum awarded PSUs in each program.

One of the three PSU programs is an executive management investment program awarded at the time of the Company's listing on Euronext Growth in 2020. Each eligible employee will at vesting date be entitled to up to three new shares in the Company per share invested, at no consideration, provided he or she is still employed in the Company at such date. The entitlement depends on fulfilment of three criteria, one per matching share.

The two other PSU programs give eligible employees the right to receive up to twice the number of Hexagon Purus shares as corresponds to the number of PSUs vested on grant date, subject to satisfaction of the applicable vesting conditions and share price development.

### Restricted share units program

All RSUs are non-transferable and will vest subject to satisfaction of the applicable vesting conditions. The RSUs are subject to continued employment three years after date of grant, and each participant will at such time receive such number of Hexagon Purus shares as corresponds to the number of RSUs allocated to them.

The fair value of the RSUs and PSUs are calculated on the grant date, using Black-Scholes and Monte Carlo simulation, and the cost is recognized over the service period. Cost of the RSU and PSU schemes, including social security, was NOK 24.8 million full year in 2023 (NOK 15.8 million as of 31 December 2022).

The unamortized fair value of all outstanding RSUs and PSUs as of 31 December 2023 is estimated to be NOK 42 million (NOK 38 million as of 31 December 2022). There are no cash settlement obligations.

## Note 10: Financial investments and investments in associated companies

Company	Country	Business segment	Ownership share 31.12.2023	Ownership share 31.12.2022	Accounting method
Norwegian Hydrogen AS	Norway	Purus	12.7%	14.2%	Equity method / fair value
Cryoshelter LH2 GmbH	Austria	Purus	40.0%	40.0%	Equity method
CIMC Hexagon Hydrogen Energy Systems Ltd.	Hong Kong	Purus	49.0%	49.0%	Equity method

### Norwegian Hydrogen AS

Norwegian Hydrogen AS was reclassified from investment in associate to equity investment at fair value on 1 September 2022. Fair value is derived according to level 3 of the Group's fair value hierarchy, based on significant unobservable inputs. In October 2023, a capital raise in Norwegian Hydrogen AS valued the company to NOK 750 million. The Group's valuation of the holding in Norwegian Hydrogen AS was revalued accordingly and a gain of NOK 18 million was recognized.

## Note 11: Events after the balance sheet date

- Selected by New Flyer for the fourth time as partner for the hydrogen bus market in North America with an estimated contract value of approximately USD 4 million;
- Opened new hydrogen infrastructure and systems manufacturing hub in Weeze, Germany, which significantly increases production capacity for hydrogen infrastructure solutions and;
- On 20 December 2023, the Group announced the completion of a private placement of Convertible Bonds, raising total gross proceeds of approximately NOK 1,000 million (the "Convertible Bonds"). The Convertible Bonds are structured as a 5-year senior unsecured convertible bond with a 10% fixed interest rate payable semi-annually in kind (i.e. through issuance of additional bonds). The conversion price per common share in the Company for the Convertible Bonds has been set to NOK 12.61, which is a 25% premium to the volume-weighted average price of the Hexagon Purus share on the Oslo Stock Exchange over the 45 trading days up to and including 20 December 2023. The raise of the Convertible Bond was approved on an extraordinary general meeting on 11 January 2024, and the Convertible Bond was issued on 1 February 2024.

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

## Shareholder information

The total number of shares in Hexagon Purus ASA as of 31 December 2023 was 276 797 456 (par value NOK 0.10). In the quarter, the share price moved between NOK 8.81 and NOK 13.20, ending the quarter at NOK 11.14. The share price as of 31 December 2023 implies a market capitalization of NOK 3.1 billion for the Company.

A total of 36 829 715 shares in Hexagon Purus ASA (HPUR) were traded on Oslo Stock Exchange during the fourth quarter of 2023.

20 largest shareholders as per 31 December 2023	Number of shares	Share of 20 largest	Share of total	Type	Citizenship
HEXAGON COMPOSITES ASA	106 303 905	46.59%	38.40%	Ordinary	Norway
CLEARSTREAM BANKING S.A.	37 583 055	16.47%	13.58%	Nominee	Luxembourg
MITSUI & CO LTD	20 934 815	9.18%	7.56%	Ordinary	Japan
FLAKK COMPOSITES AS	10 268 728	4.5%	3.71%	Ordinary	Norway
MP PENSJON PK	8 589 094	3.76%	3.10%	Ordinary	Norway
The Bank of New York Mellon SA/NV	5 469 001	2.40%	1.98%	Nominee	Belgium
Citibank Europe plc	5 418 303	2.37%	1.96%	Nominee	Ireland
DNB Markets Aksjehandel/-analyse	5 089 052	2.23%	1.84%	Ordinary	Norway
Deutsche Bank Aktiengesellschaft	4 542 152	1.99%	1.64%	Nominee	Germany
DANSKE BANK	3 579 483	1.57%	1.29%	Ordinary	Norway
J.P. MORGAN SECURITIES PLC	3 308 845	1.45%	1.20%	Ordinary	United Kingdom
BRØDR. BØCKMANN AS	2 688 996	1.18%	0.97%	Ordinary	Norway
Nordnet Bank AB	2 088 067	0.92%	0.75%	Nominee	Sweden
The Bank of New York Mellon SA/NV	2 057 142	0.90%	0.74%	Nominee	United Kingdom
BNP Paribas	2 005 485	0.88%	0.72%	Nominee	Canada
VERDIPAPIRFONDET STOREBRAND NORGE	1 982 538	0.87%	0.72%	Ordinary	Norway
NØDINGEN AS	1 727 673	0.76%	0.62%	Ordinary	Norway
UBS Switzerland AG	1 602 336	0.70%	0.58%	Nominee	Switzerland
BNP Paribas	1 479 814	0.65%	0.53%	Nominee	Canada
CACEIS Investor Services Bank S.A.	1 431 472	0.63%	0.52%	Nominee	Luxembourg
<b>Total of 20 largest shareholders</b>	<b>228 149 956</b>	<b>100.00%</b>	<b>82.42%</b>		
Remainder	48 647 500		17.58%		
<b>Total</b>	<b>276 797 456</b>		<b>100.0%</b>		

## Forward-looking statements

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