



## INFORMATION LETTER - DISTRIBUTION OF SHARES IN HEXAGON PURUS ASA

### Introduction

This information letter (the "**Information Letter**") has been prepared by Hexagon Composites ASA (the "**Company**" or "**Hexagon Composites**") to provide certain information in connection with its planned distribution of shares in Hexagon Purus ASA ("**Hexagon Purus**") as dividend in kind. This Information Letter is dated 6 July 2023.

### Important information

This Information Letter has been prepared by the Company solely for information purposes, and does not constitute an offer to sell or a solicitation of an offer to buy, or a recommendation regarding, any securities of the Company or Hexagon Purus. No representation, warranty or undertaking, express or implied, is made by the Company, its affiliates or representatives as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information contained herein, for any purpose whatsoever. Neither the Company nor any of its affiliates or representatives shall have any responsibility or liability for any loss arising from any use of this Information Letter or its contents or otherwise arising in connection with this Information Letter. This Information Letter speaks as of the date hereof. This Information Letter is not a prospectus and has not been reviewed or approved by any regulatory authority, stock exchange or marketplace. The distribution of this Information Letter or other documentation into jurisdictions other than Norway may be restricted by law. Persons into whose possession this Information Letter comes should inform themselves about and observe any such restrictions. The content of this Information Letter is not to be construed as financial, legal, business, investment, tax or other professional advice. Each recipient must make its own independent assessment of the information in the Information Letter and should take its own professional advice in relation thereto.

### The Share Distribution

As announced by the Company in a stock exchange announcement on 7 June 2023, the Company intends to distribute shares in Hexagon Purus as dividend in kind to shareholders of the Company (the "**Share Distribution**"). As a result of (and subject to completion of) the Share Distribution, the Company's ownership will decrease significantly, and the Company will undertake a non-controlling ownership in Hexagon Purus. The Company believes that the Share Distribution is in the interest of the shareholders of both the Company and Hexagon Purus, and that:

- The Company will achieve financial deconsolidation and increase the free float in the Hexagon Purus share as a result of the Share Distribution.
- The distribution of shares to the Company's existing investors will provide Hexagon Purus with additional direct owners that know and understand Hexagon Purus.
- A deconsolidation will entail a one-off accounting gain for Hexagon Composites, better reflecting the market value of Hexagon Purus.

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Certain transitional agreements with limited duration have been entered into in connection with the Share Distribution. Other than this, the Share Distribution does not entail any allocation of rights, obligations, assets, liabilities or similar.

Pursuant to the Norwegian Public Companies Act section 8-2, the distribution of dividends (including dividend in kind) may be resolved by the general meeting of a company or by the board of directors pursuant to an authorization granted by the general meeting.

### **About Hexagon Composites and Hexagon Purus**

#### *Hexagon Composites*

Hexagon Composites delivers safe and innovative solutions for a cleaner energy future. Its solutions enable storage, transportation, and conversion to clean energy in a wide range of mobility, industrial and consumer applications.

#### *Hexagon Purus*

Hexagon Purus enables zero emission mobility for a cleaner energy future. The company is a world leading provider of hydrogen Type 4 high-pressure cylinders and systems, battery systems and vehicle integration solutions for fuel cell electric and battery electric vehicles. Hexagon Purus' products are used in a variety of applications including light, medium and heavy-duty vehicles, buses, ground storage, distribution, refuelling, maritime, rail and aerospace.

### Financial information

#### *Hexagon Composites*

Hexagon Composites' Q1 2023 report and its annual report for 2022, which include key figures for the relevant periods, are available here:

- Q1 2023 report: [HEX Q1 2023 Report](#)
- 2022 annual report: [Hexagon Composites ASA – Annual report 2022](#)

#### *Hexagon Purus*

Hexagon Purus' Q1 2023 report and its annual report for 2022, which include key figures for the relevant periods, are available here:

- Q1 2023 report: [HPUR-Q1-2023-Report.pdf](#)
- 2022 annual report: [Hexagon Purus ASA – Annual report 2022](#)

Further information about Hexagon Purus is available on [Hexagon Purus | Front Page](#).

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## Appendix 1

### Summary of certain selected risk factors

Set out below is a non-exhaustive summary of certain risks which may be relevant for the business of Hexagon Composites and Hexagon Purus, respectively. If any of the following risks were to materialize, individually or together with other circumstances, this could have a material adverse effect on the business, results of operations, cash flows, financial condition and/or prospects of Hexagon Composites and Hexagon Purus. The below overview is a high-level summary of certain selected risks only, and the risks described are as such not the only risks Hexagon Composites and Hexagon Purus may face. Several other risks and uncertainties may also have a material adverse effect on the business, results of operations, cash flows, financial condition and/or prospects of Hexagon Composites and Hexagon Purus. When the term "**Group**" is used below, it shall mean Hexagon Composites or Hexagon Purus (as applicable) together with consolidated subsidiaries.

#### *Summary of certain selected risk factors - Hexagon Composites Group:*

- The markets in which the Group operates are highly competitive, and the Group may not be able to compete effectively.
- The Group is exposed to operational and technological risk, and competing technologies and processes could have a negative effect on the Group.
- The Group is exposed to production risk, and any deviations from applicable quality and delivery standards could result in significant costs, loss of sales revenue and damage to the Group's reputation.
- Uncertainty relating to global economic conditions and development may reduce demand for the Group's services or result in contract delays or cancellations.
- Any infringement of third parties' patent rights and intellectual rights, either actual or alleged, could have a material adverse effect on the Group.
- The Group is exposed to raw material risks and volatility and price levels of oil.
- Labor unrest or other labor issues could have a material adverse effect on the Group.
- New technologies and/or products may cause the Group to become less competitive.
- Failure to employ a sufficient number of skilled workers or an increase in labor costs could hurt the Group's operations.
- The Group's business involves numerous operating hazards.
- The international operations of the Group is subject to a number of risks inherent in operating a business in foreign countries, including with respect to political, social and economic instability, war and acts of terrorism.
- The Group's insurance may not be adequate to cover the Group's losses.
- Customers may be unable or unwilling to indemnify the Group for consequential damages and risks.

- The Group is exposed to risks associated with upgrades, refurbishments and repairs.
- Hidden defects may have a material adverse effect on the Group.
- Failure to comply with anti-bribery laws could adversely affect the Group.
- The Group's business is subject to numerous governmental laws and regulations, including those that may impose sanctions and/or significant costs and liability on it for environmental and natural resource damages, as well as agreements governed by foreign law.
- Failure by the Group's counterparties to meet their obligations could have a material adverse effect on the Group.
- Adoption of new laws, regulations or public requirements that impose more stringent requirements concerning the safety aspects of the Group's products could result in increase of compliance expenditure, suspension of production, product recalls or claims from third parties.
- The Group may become subject to legal, governmental, regulatory or arbitration proceedings.
- Changes in tax laws, treaties, regulations or tax rates or adverse outcomes resulting from examination of the Group's tax returns could adversely affect the Group's financial results.
- The Group may be unable to generate sufficient cash flow to satisfy its debt obligations.
- The Group is affected by the general global economic and financial market situation.
- The Group is exposed to interest rate risk from its financing activities.
- The Group is exposed to currency risk associated with movements of the Norwegian krone against other currencies.

*Summary of certain selected risk factors - Hexagon Purus Group:*

- The markets in which the Group operates are highly competitive, and the Group may not be able to compete effectively.
- The Group operates in a rapidly changing technological environment, and is exposed to competing and substitutional technologies and processes as well as changes to the regulatory environment.
- The Group is subject to production and operating risks, and deviations from standards applicable to its products could lead to defects or other issues which could have severe consequences.
- Increased prices, global shortages of raw materials and components or port/delivery delays could have a material adverse effect on the Group.
- The Group is exposed to changes in the global economic situation and development in its customer markets.
- The Group may not be able to successfully protect its intellectual property rights or successfully prevent or restrict infringing activities by third parties in the future.



- The Group is exposed to risks of investing in China, including economic, political and social risk.
- The loss of qualified employees or inability to attract and retain skilled employees could have a material adverse effect on the Group.
- Failure by the Group's counterparties to meet their obligations could have a material adverse effect on the Group.
- Any failure to comply with the laws, regulations, standards, permits and other requirements to which the Group is subject could have a material adverse effect on the Group.
- Adoption of new laws, regulations or public requirements that impose more stringent requirements concerning the safety aspects of the Group's products could result in increase of compliance expenditure, suspension of production, product recalls or claims from third parties.
- The Group is exposed to risk relating to data protection and data privacy regulations.
- The Group may become subject to legal, governmental, regulatory or arbitration proceedings.
- Should social dumping, human rights violations or similar breaches occur in relation to the Group's operations, either actual or alleged, or should the Group otherwise be associated with such breaches, this could have a material adverse effect on the Group.
- Adequate sources of capital funding might not be available when needed or may only be available at unfavourable terms, which in turn could negatively affect the Group.
- The Group is exposed to currency risk associated with movements of the Norwegian krone against other currencies.