

Q2

2021



## Second quarter 2021 report

GROUP RESULTS <sup>1) 2)</sup>	Q2 2021	Q2 2020	Percent change	First half-year 2021	First half-year 2020	Percent change	FY 2020
(NOK million)							
Revenue	94	46	104 %	146	94	54 %	180
Operating profit before depreciation (EBITDA)	-69	-20	na	-131	-64	na	-141
Operating profit (EBIT)	-78	-27	na	-149	-77	na	-168
Profit before tax	-65	-38	na	-169	-104	na	-273
Profit after tax (before discontinued operations)	-64	-60	na	-168	-120	na	-308
Profit from discontinued operations, after tax	-19	-19	na	-18	-28	na	-35
Profit for the period	-83	-79	na	-187	-148	na	-343

1) The income statement represents Purus/e-mobility as continuing operations for all periods

2) Q1 2021 revenue restated to NOK 52 million from NOK 57 million; no change to net income for the period

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

### Highlights of Q2 2021

**Hexagon Purus delivers strong year-over-year revenue growth and enjoys continued commercial success with key customers in the zero emission mobility space.**

- Revenue more than doubled year over year to NOK 94m
- Robust hydrogen distribution activity with Air Liquide global supply agreement as well as several purchase orders for cylinders and modules from industrial gas companies
- Signed agreements with Nikola Corporation for the development and supply of hydrogen cylinders and with Velocity Vehicle Group to supply integrated drivetrains and battery packs for medium duty commercial electric vehicles
- Established Hexagon Purus Maritime as a separate business area to accelerate development efforts in the maritime segment
- Preparing and executing on several expansion and investment initiatives

## Financial results

Unless otherwise stated, the income statements for the periods in 2021 and 2020 and the balance sheet as of June 30, 2021 and December 31, 2020 presented in this document relate to Hexagon Purus' e-mobility business. The results of Hexagon Purus' CNG LDV business (primarily light duty vehicles) are reported as discontinued operations following the successful spin-off of Hexagon Purus from the Hexagon Composites ASA group and the intended transfer of Hexagon Purus' CNG LDV business to new entities under the ownership of Hexagon Composites ASA outside Purus.

In the second quarter of 2021, Hexagon Purus Group ("the Company") generated NOK 94 (46) million in revenue and recorded operating profit before depreciation (EBITDA) of NOK -69 (-20) million. Revenue growth of 104% was driven by increased activity in hydrogen distribution and transit bus applications.

Reported revenue for the first half of 2021 grew 54% to NOK 146 (94) million driven by increased distribution, transit bus and aerospace business while EBITDA was NOK -131 (-64) million.

Continued investments in personnel and infrastructure to support and accelerate Hexagon Purus' future growth impact profitability in the near-term, as planned.

Hexagon Purus recorded a net loss after tax (before profit from discontinued operations) of NOK -64 (-60) million in the second quarter of 2021. Net financial items were NOK 13(-10) million mainly driven by foreign exchange fluctuation effects. Tax items were NOK -1(22) million.

Net loss after tax (before profit from discontinued operations) in the first half of 2021 was NOK -168 (-120) million. Net financial items were NOK -20 (-27) million driven by interest on intercompany debt positions and foreign exchange fluctuations.

At quarter-end, the balance sheet amounted to NOK 1,955(999) million and the Group's equity ratio was 74%. The year-over-year increase in equity was driven primarily by a NOK 750 million (gross) capital raise completed in conjunction with the listing of the Company on Euronext Growth Oslo as well as the conversion to equity of intercompany debt of NOK 1340 million between Hexagon Purus and Hexagon Composites in the fourth quarter of 2020.

Nine confirmed cases of COVID-19 infection were reported among Hexagon Purus personnel in the first half of 2021, all of whom have recovered or are recovering. All production facilities have remained open and only marginally affected during the quarter. For more detail on the Company's risks, responses, impacts and resilience in relation to the COVID-19 pandemic, please refer to the Outlook section of this report

## Key developments in first half of 2021

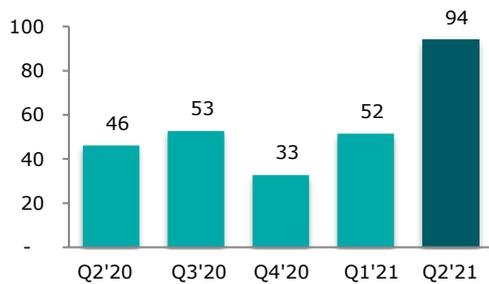
- Signed joint venture agreements with CIMC Enric to enter China which is expected to be the world's largest zero emission hydrogen vehicle and distribution market
- Signed a long-term agreement with Nikola Corporation, a global leader in zero-emissions transportation and infrastructure solutions to develop and supply its high-performance type 4 hydrogen cylinders. The scope of the agreement is over a multi-year period with an estimated sales value in excess of EUR 200 million
- Signed a global supply agreement with Air Liquide, a world leader in gases, technologies and services for Industry and Health. The agreement covers the supply of Type 4 hydrogen cylinders to Air Liquide Group and its affiliates around the world. In conjunction, Hexagon Purus has entered its first local supply agreement with an Air Liquide affiliate in a key region that is adopting hydrogen as a major part of its energy transition
- Entered a partnership with Velocity Vehicle Group, a leading group of commercial vehicle dealers in the US to deliver battery packs and powertrain integration for medium-duty battery electric trucks in California based on Freightliner's class 6 M2 platform
- Signed a multi-year agreement (as part of a broader agreement together with Hexagon Agility encompassing CNG solutions) to supply hydrogen distribution modules to Certarus. Under the agreement, Hexagon Purus received an initial order for SMARTSTORE® hydrogen distribution modules with an estimated value of USD 3.2 million
- Received multiple orders for several leading European gas distributors for X-STORE 300 bar cylinders and for its new X-STORE 381 bar version with a total estimated value of EUR 1.9 million. These cylinders will be used for transportation of hydrogen for industrial and mobility purposes
- New Flyer, North America's largest mass mobility solutions provider, placed an order with Hexagon Purus for the supply of high-pressure hydrogen tanks for their zero-emission Xcelsior CHARGE H2™ hydrogen fuel cell electric transit buses. The contract value is approximately NOK 7.7 million and deliveries commenced in Q1 2021
- Selected by Talgo S.A., a leading manufacturer of intercity, standard and high-speed passenger trains, to deliver high pressure cylinders for its first prototype hydrogen train. The cylinders are expected to be delivered in the second half of 2021
- Selected to deliver a 700 bar hydrogen fuel storage system for a demonstration project to develop a fuel cell powered construction machine
- Signed a contract with Wystrach GmbH, a leading systems provider for high pressure solutions, to supply Type 4, 300 bar pressure vessels at a value of approximately EUR 2.5 million. The cylinders are destined for industrial and mobility applications in France and Germany
- Established a new business area, Hexagon Purus Maritime to accelerate commercial efforts to bring zero emission technology to the maritime industry. Concurrently, Hexagon Purus exited its direct ownership position in the Hyon AS JV but remains invested in the consortium through its shareholding in Norwegian Hydrogen AS

## Key developments after balance sheet date

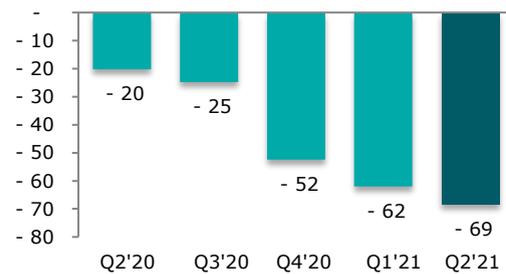
- Received new orders from a leading gas distributor to deliver Type 4 hydrogen cylinders for industrial and mobility applications. The orders have a value of approximately EUR 2 million

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

**Revenue**  
NOK million



**EBITDA**  
NOK million



## Outlook

Decarbonization initiatives around the world continue to gain momentum which in turn are resulting in growing regulatory support for zero emission mobility solutions. Recently, as an intermediate step towards achieving climate neutrality by 2050, the EU raised its climate ambition, committing to cutting emissions by at least 55% by 2030 through "Fit for 55" climate, energy and transport-related legislation proposals. Hexagon Purus is well positioned as a key technology provider.

Hexagon Purus' capabilities in both zero-emission hydrogen and battery powered mobility applications are generating new growth opportunities as evidenced in recent contract wins with Nikola, Air Liquide and Velocity Vehicle Group as well as recent purchase orders for hydrogen distribution modules from industrial gas players.

Hexagon Purus is taking the steps needed to transition to a high volume manufacturer as it gears up for start of serial production for its Northeast Asian light duty vehicle OEM customer and Nikola over the near-to-medium term in addition to readying itself for expected market demand in North America, Europe and China across mobility applications. As such, investments in personnel, production capacity, product development and R&D will continue to impact profitability and cash flow for the foreseeable future.

Hexagon Purus is closely monitoring the COVID-19 situation and has prepared contingency plans at each site. The pandemic has made global supply chains more uncertain and has extended the lead times for certain components, including battery cells. It is not possible to accurately predict the final outcome from COVID-19 related effects but the Company will remain vigilant and committed to employing further counter measures to mitigate such effects, if required. These supply chain uncertainties do not impact the Company's outlook for 2021. Hexagon Purus continues to expect more than 50% revenue growth year-over-year and EBITDA losses to widen in 2021.

Following the signing of the joint venture agreements with CIMC Enric to enter the Chinese and Southeast Asian markets, both parties continue to progress discussions and activities towards a successful close and joint venture formation in 2021. The Chinese market for Fuel Cell Electric Vehicles (FCEVs) is expected to grow to become the largest global market over the next decade and beyond.

*These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. For further information please refer to the section "Forward-Looking Statements" at the end of this report.*

## Risks and uncertainties

Hexagon Purus 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 most significant financial risk factor and the Company can employ forward currency contracts in addition to natural hedges to mitigate these risks.

In the Board's view there are no major changes to the risk composition for the Group compared with 2020, including those specifically concerning the COVID-19 pandemic. It is not possible to know the precise impacts to the global macro economy of the pandemic and to which extent these may or may not persist.

The Group is by nature also exposed to the movements in oil and diesel prices and how these directly or indirectly impact the business positively or negatively.

For additional information about risks and uncertainties we refer to Hexagon Purus' 2020 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.

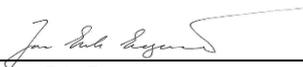
## Statement from the Board and CEO

To the best of our knowledge, we confirm that:

- The consolidated financial statements for the period 1 January to 30 June 2021 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

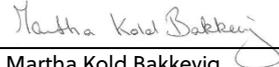
Oslo, 9 August 2021

The Board of Directors of Hexagon Purus ASA

  
 Jon Erik Engeset  
 Chairman of the Board

  
 Espen Gundersen  
 Board member

  
 Jannicke Hilland  
 Board member

  
 Martha Kold Bakkevig  
 Board member

  
 Rick Rashilla  
 Board member

  
 Karen Romer  
 Board member

  
 Morten Holum  
 President & CEO

  
 Knut Flakk  
 Board member

# Financial Statements Group

INCOME STATEMENT <sup>1)</sup>	First half-year 2021	Q2 2021	First half-year 2020	Q2 2020	FY 2020
(NOK 1 000)	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Continuing operations (Purus e-mobility)					
Revenue from contracts with customers	145 339	93 921	93 220	45 101	178 121
Other operating income	270	156	1 141	992	1 693
<b>Total revenue</b>	<b>145 609</b>	<b>94 077</b>	<b>94 362</b>	<b>46 093</b>	<b>179 814</b>
Cost of materials	84 162	55 223	49 016	22 233	86 717
Payroll and social security expenses	86 410	41 838	54 639	27 318	123 497
Other operating expenses	105 564	65 556	54 259	16 822	110 322
<b>Total operating expenses before depreciation</b>	<b>276 136</b>	<b>162 617</b>	<b>157 914</b>	<b>66 373</b>	<b>320 536</b>
<b>Operating profit before depreciation (EBITDA)</b>	<b>-130 527</b>	<b>-68 540</b>	<b>-63 552</b>	<b>-20 280</b>	<b>-140 722</b>
Depreciation and impairment	18 138	9 713	13 097	7 144	26 906
<b>Operating profit (EBIT)</b>	<b>-148 665</b>	<b>-78 254</b>	<b>-76 649</b>	<b>-27 425</b>	<b>-167 628</b>
Profit/loss from investments in associates and joint ventures	-127	575	-571	-134	-1 885
Finance income	5 376	2 956	4 278	3 848	10 110
Finance costs	-25 637	10 000	-31 367	-14 273	-113 969
<b>Profit/loss before tax</b>	<b>-169 053</b>	<b>-64 723</b>	<b>-104 309</b>	<b>-37 984</b>	<b>-273 373</b>
Tax	-570	-765	15 750	21 903	34 654
<b>Profit/loss after tax</b>	<b>-168 483</b>	<b>-63 957</b>	<b>-120 059</b>	<b>-59 888</b>	<b>-308 026</b>
Discontinued operations (CNG LDV)					
Profit/loss after tax for the period from discontinued operations	-18 427	-18 945	-27 698	-18 762	-34 602
<b>Profit/loss after tax</b>	<b>-186 910</b>	<b>-82 902</b>	<b>-147 757</b>	<b>-78 649</b>	<b>-342 628</b>
Earnings per share					
Ordinary (NOK)	-0,82		-447,75		-1,50
Diluted (NOK)	-0,82		-447,75		-1,50
Earnings per share from continuing operations					
Ordinary (NOK)	-0,74		-363,82		-1,34
Diluted (NOK)	-0,74		-363,82		-1,34

1) Continuing operations represents Purus (e-mobility) for all periods)

2) Q1 2021 revenue restated to NOK 52 million from NOK 57 million; no change to net income for the period

COMPREHENSIVE INCOME STATEMENT <sup>1)</sup>	First half-year 2021	First half-year 2020	FY 2020
(NOK 1 000)			
Profit/loss after tax	-186 910	-147 757	-342 628
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS (NET OF TAX)			
Exchange differences on translation of foreign operations	-1 332	-12 724	12 675
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	-1 332	-12 724	12 675
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS (NET OF TAX)			
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods, net of tax			
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods, net of tax			
Other comprehensive income/loss, net of tax			
Total comprehensive income, net of tax	-188 242	-160 481	-329 954

1) The comprehensive income statement is presented including CNG LDV (discontinued operations) for all periods

STATEMENT OF FINANCIAL POSITION <sup>1)</sup>	30.06.2021	30.06.2020	31.12.2020
(NOK 1 000)	Unaudited	Unaudited	Audited
<b>ASSETS</b>			
Property, plant and equipment	95 530	105 831	76 634
Right-of-use assets	42 600	77 870	30 457
Intangible assets	410 974	513 994	415 097
Investment in associates and joint ventures	1 974	80	2 066
Non-current financial assets	1 339	149	751
Deferred tax assets	0	20 520	0
<b>Total non-current assets</b>	<b>552 416</b>	<b>718 444</b>	<b>525 005</b>
Inventories	73 882	109 283	61 586
Trade receivables	84 687	88 612	26 657
Contract assets (incl. prepayments)	1 016	7 056	814
Other current financial assets	78 835	21 931	14 440
Cash and short-term deposits	892 186	53 591	1 246 351
<b>Total current assets continuing operation</b>	<b>1 130 606</b>	<b>280 473</b>	<b>1 349 849</b>
Assets held for sale	271 582	0	219 771
<b>Total assets</b>	<b>1 954 604</b>	<b>998 917</b>	<b>2 094 625</b>
<b>EQUITY AND LIABILITIES</b>			
Issued capital	22 909	330	22 909
Other paid-in capital	49 119	230 890	372
Share premium	1 605 802	14 443	1 605 739
Other equity	-233 242	-510 960	0
<b>Equity attributable to equity holders of the parent</b>	<b>1 444 588</b>	<b>-265 297</b>	<b>1 629 021</b>
Non-controlling interests	0	0	0
<b>Total equity</b>	<b>1 444 588</b>	<b>-265 297</b>	<b>1 629 021</b>
Interest-bearing loans and borrowings, related party	0	842 891	0
Lease liabilities	18 678	77 943	21 795
Provisions	3	2 254	3
Net employee defined benefit liabilities	83	2 260	2 635
Deferred tax liabilities	9 678	24 487	11 024
<b>Total non-current liabilities</b>	<b>28 442</b>	<b>949 835</b>	<b>35 457</b>
Trade and other payables	87 533	169 869	83 988
Contract liabilities	32 195	35 220	32 068
Interest-bearing loans and borrowings, related party	166 973		161 016
Lease liabilities, short term	23 269	12 107	9 244
Income tax payable	16	19	0
Other current liabilities	32 596	97 164	49 512
Provisions	23 641	0	17 162
<b>Total current liabilities continuing operation</b>	<b>366 221</b>	<b>314 378</b>	<b>352 990</b>
Liabilities directly associated with the assets held for sale	115 353	0	77 158
<b>Total liabilities</b>	<b>510 016</b>	<b>1 264 214</b>	<b>465 604</b>
<b>Total equity and liabilities</b>	<b>1 954 604</b>	<b>998 917</b>	<b>2 094 625</b>

1) In the statement of financial position CNG LDV (discontinued operations) is presented as held for sale as of 31 March 2021 and 31 Dec 2020. As of 30 June 2020 CNG LDV is reported as part of the continuing operation.

<b>CONDENSED CASH FLOW STATEMENT <sup>1)</sup></b>	<b>First half-year 2021</b>	<b>First half-year 2020</b>	<b>FY 2020</b>
(NOK 1 000)			
Profit before tax	-187 390	-132 739	-309 439
Depreciation and write-downs	35 687	30 356	54 459
Change in net working capital	-137 193	-3 869	29 518
Net cash flow from operations	-288 897	-106 252	-225 462
Net cash flow from investment activities	-51 081	-1 914	-21 561
Net cash flow from financing activities	-13 748	89 893	1 433 797
Net change in cash and cash equivalents	-353 726	-18 273	1 186 775
Net currency exchange differences	-439	6 771	-5 517
Cash and cash equivalents at start of period	1 246 351	65 093	65 093
Cash and cash equivalents at end of period	892 186	53 591	1 246 351
Available unused credit facility	-	-	-

1) The cash flow statement is presented including CNG LDV (discontinued operations) for all periods.

	Issued capital	Share premium	Other paid-in capital	Other equity and retained earnings	Foreign currency translation reserve	Total equity
<b>STATEMENT OF CHANGES IN EQUITY</b>						
<b>As at 1 January 2020</b>	<b>330</b>	<b>14 443</b>	<b>0</b>	<b>-118 632</b>	<b>-957</b>	<b>-104 816</b>
Profit for the period				-147 757		-147 757
Transferred to share premium		-106 915		118 632	-11 717	0
Other comprehensive income					-12 724	-12 724
<b>Total comprehensive income</b>	<b>0</b>	<b>-106 915</b>	<b>0</b>	<b>-29 125</b>	<b>-24 441</b>	<b>-160 481</b>
Share-based payments						0
Changes in paid-in capital						0
Other changes						0
<b>At 30 June 2020</b>	<b>330</b>	<b>-92 472</b>	<b>0</b>	<b>-147 758</b>	<b>-25 398</b>	<b>-265 297</b>

	Issued capital	Share premium	Other paid-in capital	Other equity and retained earnings	Foreign currency translation reserve	Total equity
<b>STATEMENT OF CHANGES IN EQUITY</b>						
<b>As at 1 January 2020</b>	<b>330</b>	<b>14 443</b>	<b>0</b>	<b>-118 632</b>	<b>-957</b>	<b>-104 816</b>
Profit for the period		-342 628				-342 628
Transferred to share premium		-106 915		118 632	-11 717	0
Other comprehensive income					12 674	12 674
<b>Total comprehensive income</b>	<b>0</b>	<b>-449 543</b>	<b>0</b>	<b>118 632</b>	<b>957</b>	<b>-329 954</b>
Share-based payments			372			372
Debt conversion	19 832	1 320 168				1 340 000
Changes in paid-in capital	2 747	747 253				750 000
Transaction costs		-26 582				-26 582
<b>At 31 December 2020</b>	<b>22 909</b>	<b>1 605 739</b>	<b>372</b>	<b>0</b>	<b>0</b>	<b>1 629 020</b>

	Issued capital	Share premium	Other paid-in capital	Other equity and retained earnings	Foreign currency translation reserve	Total equity
<b>STATEMENT OF CHANGES IN EQUITY</b>						
<b>As at 1 January 2021</b>	<b>22 909</b>	<b>1 605 739</b>	<b>372</b>	<b>0</b>	<b>0</b>	<b>1 629 020</b>
Profit for the period				-186 910		-186 910
Other comprehensive income					-1 332	-1 332
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-186 910</b>	<b>-1 332</b>	<b>-188 242</b>
Share-based payments			3 747			3 747
Changes in paid-in capital		63				63
Other changes						0
<b>At 30 June 2021</b>	<b>22 909</b>	<b>1 605 802</b>	<b>4 119</b>	<b>-186 910</b>	<b>-1 332</b>	<b>1 444 588</b>

On 30 October 2020 the Company issued 201 289 712 new shares in a share split and debt conversion. On 9 December 2020 the Company issued 27472 527 new shares in a private placement at the price of NOK 27.30 per share. The increase in share capital is presented net after transaction costs.

BUSINESS SEGMENT DATA	First half-year 2021	Q2 2021	First half-year 2020	Q2 2020	FY 2020
<b>PURUS</b>					
Sales of goods external customers	142 913	93 760	85 801	38 133	178 121
Internal transactions	2 696	317	8 561	7 960	1 693
Total revenue from contracts with customers	145 609	94 077	94 362	46 093	179 814
Segment operating profit before depreciation (EBITDA)	-130 527	-68 540	-63 552	-20 280	-140 722
Segment operating profit (EBIT)	-148 665	-78 254	-76 649	-27 425	-167 628
Segment assets	1 683 022		848 257		1 874 854
Segment liabilities	394 663		1 173 694		388 446
<b>CNG LDV <sup>1)</sup></b>					
Sales of goods external customers	61 058	28 084	64 187	20 580	189 202
Internal transactions	61 050	31 975	28 544	22 933	3 601
Total revenue from contract with customers	122 108	60 059	92 731	43 512	192 802
Segment operating profit before depreciation (EBITDA)	-1 707	-12 347	-10 948	-9 708	-8 932
Segment operating profit (EBIT)	-17 117	-18 704	-28 210	-19 006	-36 486
Segment assets	271 582		190 672		219 771
Segment liabilities	115 353		133 060		77 158

1) CNG LDV is reported as discontinued operation

# Notes

## Note 1: Introduction

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The condensed consolidated interim financial statements for the second quarter and first half-year 2021, which ended 30 June 2021, comprise Hexagon Purus ASA and its subsidiaries (together referred to as "the Group").

Hexagon Purus ASA (previously Hexagon Purus AS and Hexagon Purus Holding AS), the parent of Hexagon Purus Group, is a public limited liability company with its registered office in Norway. The company's headquarters are at Korsegata 4B, 6002 Aalesund, Norway. Hexagon Purus ASA was listed 14 December 2020 on Euronext Growth, Oslo, under the ticker HPUR.

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 interim consolidated financial statements of the Group for the full year 2020 which ended 31 December 2020. For a more detailed description of accounting principles see the consolidated financial statements for the year ended 31 December 2020.

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. Where relevant, additional accounting principles are included in this interim quarter one report. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The coronavirus has had a modest impact on our business in the first half-year 2021 with nine confirmed cases in our facilities. No significant disruption to activities was experienced. The effects are described in more detail in the Board of Director's report for Q2 2021. We have concluded that so far as we can see at the time of preparation and resolution of these interim accounts, there is no need for impairments to balance sheet items as a result of the global pandemic.

These condensed consolidated interim financial statements were approved by the Board of Directors on 9 August 2021.

## Note 2: Estimates

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The preparation of the interim accounts entails the use of valuations, estimates and assumptions that affect the application of the accounting policies and the amounts recognized as assets and liabilities, income and expenses. The actual results may deviate from these estimates. The material assessments underlying the application of the Group's accounting policy and the main sources of uncertainty are the same as for the consolidated accounts for 2020.

### Note 3: Discontinued operation

#### CNG LDV as discontinued operation

On 19 August 2020, Hexagon Composites announced the decision of its Board of Directors to transfer its Compressed Natural Gas Light Duty Vehicle (CNG LDV) activities from Hexagon Purus to Hexagon Composites' natural gas-mobility (g-mobility) business. This transfer will establish Hexagon Purus as a pure e-mobility business. The decision was made by relevant management levels and the financial elements of the transactions are concluded. The completion of the demerger process in Germany is expected to take place during 2021. It is unlikely that any changes will be made to the planned transition.

The results of the CNG LDV operation are presented below.

(NOK 1 000)	First half-year 2021	First half-year 2020	FY 2020
<b>CONDENSED INCOME STATEMENT</b>			
Revenue	122 108	92 731	192 802
Expenses	123 815	103 679	201 734
Operating profit before depreciation (EBITDA)	-1 707	-10 948	-8 932
Depreciation and impairment	15 409	17 262	27 554
Operating profit (EBIT)	-17 117	-28 210	-36 486
Finance costs	1 221	221	-420
Profit before tax from discontinuing operations	-18 338	-28 431	-36 066
Tax	90	-733	1 464
Post-tax profit/(loss) from discontinued operations	-18 427	-27 698	-34 602

The major classes of assets and liabilities of the CNG LDV operation, classified as held for sale as of 30 June 2021 and 31 December 2020 are presented below.

ASSETS AND LIABILITIES	30.06.2021	31.12.2020
Assets		
Property, plant and equipment	30 703	26 602
Right-of-use assets	35 143	31 002
Intangible assets	78 236	82 161
Total non-current assets	144 083	139 765
Inventories	79 277	60 409
Trade receivables	35 684	19 597
Other current assets	11 355	0
Cash and short-term deposits	1 183	0
Total current assets continuing operation	127 499	80 006
Total assets held for sale	271 582	219 771
Interest-bearing loans and borrowings, related party	2 034	4 256
Lease liabilities	31 781	26 395
Pension Liabilities	2 486	0
Deferred tax liabilities	3 130	3 930
Total non-current liabilities	39 431	34 581
Trade and other payables	49 456	23 001
Contract liabilities	-618	-637
Lease liabilities, short term	5 410	5 239
Other current liabilities	14 905	14 974
Provision warranty claims	6 769	0
Total current liabilities continuing operation	75 922	42 577
Total liabilities held for sale	115 353	77 158

*There have been no cash proceeds at the balance sheet date related to accomplishment of the sale transactions. The settlement of the sale transaction will take place in 2021*

#### Note 4: Interest-bearing debt

Hexagon Purus was funded by Hexagon Composites up until December 2020. Movements in loan from Hexagon Composites is due to funding of operations, including investments in tangible and intangible assets, in addition to effects from changes in currency exchange rates. Funding related to operations have been made interest bearing either at time of transfer of cash or by being added to loan principal by end of each quarter. Terms of the interest-bearing positions have been at fair value floating quarterly.

At end of third quarter 2020, net debt positions in Hexagon Purus against Hexagon Composites were converted to interest bearing debt. On 30 October 2020, the net debt position was converted to equity. The residual loan balance will be settled against a share purchase agreement where Hexagon Composites acquires the CNG LDV entities from Hexagon Composites Germany GmbH. The remaining residual intercompany debt after the completion of this share purchase agreement, will be settled in cash as soon as the demerger process is completed.

#### Note 5: Share-based payments

The Company has two share-based long-term incentive plans. The first plan is a management investment program with Performance Share Units ("PSUs") matching. This plan is limited to five members of the executive management team. Each eligible employee will in 2024 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. One criterion is tied to increase in share price, one is tied to Company performance criteria, and one is tied to continued employment.

On 14 December 2020, the Company announced that key members of Hexagon Purus' executive management team exercised

their right to purchase the maximum number of shares allowable in the management investment program, equal to a total number of 210 621 shares. As part of this management investment program, the Company awarded up to 421 242 related PSUs and 210 621 Restricted Stock Units ("RSUs") to the executives. The instruments are non-transferable and will vest in 2024 when the Board of Directors approve the annual accounts for 2023, subject to satisfaction of the applicable vesting conditions. Each vested instrument will give the holder the right to receive one share in the Company.

The second share-based long term incentive plan is an employee RSU program, where 488 500 RSUs are currently issued to key personnel and management employees of the Group. Subject to satisfaction of the applicable vesting conditions, each RSU entitles eligible employees to receive such number of Hexagon Purus shares as corresponds to the number of RSUs vested at the date on which the Company's Board of Directors approves the Company's annual accounts for the financial year of 2023.

The fair value of the RSUs and PSUs are calculated on the grant date, using the Black-Scholes model 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 3.7 million year-to-date 30 June 2021. The unamortized fair value of all outstanding RSUs and PSUs as of 30 June 2021 is estimated to be NOK 20.9 million.

There are no cash settlement obligations. As these programs do not have a precedent in the Group, the Group does not have a past practice of cash settlement for outstanding instruments.

## Note 6: Events after the balance sheet date

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- Received new orders from a leading gas distributor to deliver Type 4 hydrogen cylinders for industrial and mobility applications. The orders have a value of approximately Euro 2 million

There have not been any other significant events after the balance sheet date that have not been previously disclosed in this report.

## Shareholder information

A total of 18 136 747 (n.a.) shares in Hexagon Purus ASA (HPUR) were traded on Euronext Growth Oslo during the second quarter of 2021. The total number of shares in Hexagon Purus ASA as of 30 June 2021 was 229 092 239 (par value NOK 0.10). In the quarter, the share price moved between NOK 31.3 and NOK 54.8, ending the quarter at NOK 38.7. The price as of 30 June 2021 implies a market capitalization of NOK 8.9 billion for the Company.

20 largest shareholders as per 30 June 2021	Number of shares	Share of 20 largest	Share of total	Type	Citizenship
HEXAGON COMPOSITES ASA	171 166 135	80,6 %	74,7 %	Ordinary	Norway
CLEARSTREAM BANKING S.A.	12 241 399	5,8 %	5,3 %	Nominee	Luxembourg
MITSUI & CO LTD	5 204 029	2,5 %	2,3 %	Ordinary	Japan
State Street Bank and Trust Comp	4 046 452	1,9 %	1,8 %	Nominee	United States
FLAKK COMPOSITES AS	3 027 799	1,4 %	1,3 %	Ordinary	Norway
J.P. Morgan Bank Luxembourg S.A.	2 681 680	1,3 %	1,2 %	Nominee	Sweden
MP PENSJON PK	2 184 865	1,0 %	1,0 %	Ordinary	Norway
Nordnet Bank AB	1 600 110	0,8 %	0,7 %	Nominee	Sweden
Citibank Europe plc	1 368 592	0,6 %	0,6 %	Nominee	Ireland
BRØDR. BØCKMANN AS	1 323 120	0,6 %	0,6 %	Ordinary	Norway
STOREBRAND NORGE IVERDIPAPIRFOND	1 123 829	0,5 %	0,5 %	Ordinary	Norway
J.P. MORGAN SECURITIES PLC	1 022 624	0,5 %	0,4 %	Ordinary	United Kingdom
BNP PARIBAS SECURITIES SERVICES	958 905	0,5 %	0,4 %	Nominee	Luxembourg
NØDINGEN AS	787 228	0,4 %	0,3 %	Ordinary	Norway
KTF FINANS AS	756 950	0,4 %	0,3 %	Ordinary	Norway
The Bank of New York Mellon SA/NV	681 160	0,3 %	0,3 %	Nominee	United Kingdom
The Bank of New York Mellon	637 932	0,3 %	0,3 %	Nominee	United States
Skandinaviska Enskilda Banken AB	622 387	0,3 %	0,3 %	Ordinary	Sweden
CACEIS Bank	484 866	0,2 %	0,2 %	Nominee	Luxembourg
Morgan Stanley & Co. International	482 006	0,2 %	0,2 %	Ordinary	United Kingdom
<b>Total of 20 largest shareholders</b>	<b>212 402 068</b>	<b>100,0 %</b>	<b>92,7 %</b>		
Remainder	16 690 171		7,3 %		
<b>Total</b>	<b>229 092 239</b>		<b>100,0 %</b>		

## Forward-looking statements

This quarterly report (the "Report") has been prepared by Hexagon Purus ASA ("Hexagon Purus" or the "Company"). The Report has not been reviewed or registered with, or approved by, any public authority, stock exchange or regulated marketplace. The Company makes no representation or warranty (whether express or implied) as to the correctness or completeness of the information contained herein, and neither the Company nor any of its subsidiaries, directors, employees or advisors assume any liability connected to the Report and/or the statements set out herein. This Report is not and does not purport to be complete in any way. The information included in this Report may contain certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Report, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of the Company or its advisors or any of their parent or subsidiary undertakings or any such person's affiliates, officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Report or the actual occurrence of the forecasted developments. The Company and its advisors assume no obligation to update any forward-looking statements or to conform these forward-looking statements to the Company's actual results. Investors are advised, however, to inform themselves about any further public disclosures made by the Company, such as filings made with the Euronext Growth or press releases. This Report has been prepared for information purposes only. This Report does not constitute any solicitation for any offer to purchase or subscribe any securities and is not an offer or invitation to sell or issue securities for sale in any jurisdiction, including the United States. Distribution of the Report in or into any jurisdiction where such distribution may be unlawful, is prohibited. This Report speaks as of 9 August 2021, and there may have been changes in matters which affect the Company subsequent to the date of this Report. Neither the issue nor delivery of this Report shall under any circumstance create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that the affairs of the Company have not since changed, and the Company does not intend, and does not assume any obligation, to update or correct any information included in this Report. This Report is subject to Norwegian law, and any dispute arising in respect of this Report is subject to the exclusive jurisdiction of Norwegian courts with Oslo City Court as exclusive venue. By receiving this Report, you accept to be bound by the terms above.

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