

Q4 2021

Fourth quarter 2021 report

GROUP RESULTS ¹⁾	Q4 2021	Q4 2020	Percent change	FY 2021	FY 2020	Percent change
(NOK million)						
Revenue	259	33	690 %	508	180	182 %
Operating profit before depreciation (EBITDA)	-54	-52	n/a	-265	-141	n/a
Operating profit (EBIT)	-73	-60	n/a	-318	-168	n/a
Profit before tax	-75	-126	n/a	-340	-273	n/a
Profit after tax (before discontinued operations)	-74	-146	n/a	-338	-308	n/a
Profit from discontinued operations, after tax	23	12	n/a	-9	-35	n/a
Profit for the period	-50	-134	n/a	-347	-343	n/a

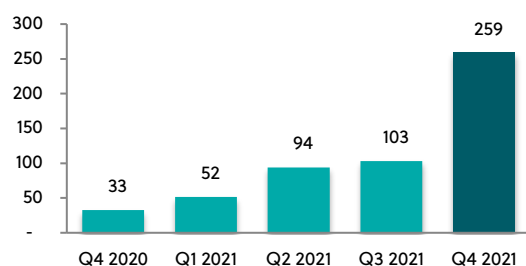
1) The income statement represents Purus/e-mobility as continuing operations for all periods

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.

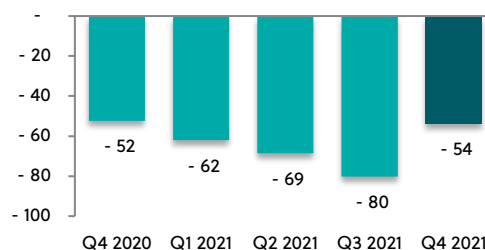
Highlights of Q4 2021

- Revenue grew 690 % year over year to NOK 259 million, including strong contribution from Wystrach. Revenue excluding Wystrach on a pro forma basis was NOK 130 million, representing organic year over year growth of approximately 4x
- Successfully completed the acquisition of Wystrach, a leading European systems and solutions provider for storage and transport of compressed gases with strong exposure to hydrogen applications. Wystrach revenue during November and December was NOK 142 million with EBITDA of NOK 17 million (12% margin)
- Robust hydrogen distribution and transit bus trends continue
- Signed an exclusive long-term supply agreement with a leading European bus OEM for hydrogen storage systems with an estimated sales value of EUR 30 million for deliveries between 2021 and 2024

Revenue
NOK million



EBITDA
NOK million



Financial results

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

In the fourth quarter of 2021, Hexagon Purus Group ("the Company") generated NOK 259 (33) million in revenue and recorded operating profit before depreciation (EBITDA) of NOK -54 (-52) million. Revenue growth of 690 % was driven primarily by continued strength in hydrogen distribution as well as the acquisition of Wystrach which contributed NOK 142 million in sales and NOK 17 million in EBITDA.

Reported revenue for the twelve months of 2021 grew 182 % to NOK 508 (180) million driven by increased distribution and transit bus business as well as Wystrach contribution, while EBITDA was NOK -265 (-141) million.

Continued investments in personnel and infrastructure to support and accelerate Hexagon Purus' future growth drive negative profitability.

Hexagon Purus recorded a net loss after tax (before profit from discontinued operations) of NOK -74 (-146) million in the fourth quarter of 2021. Net financial items were NOK 2 (-65) million driven by reduction in interest on intercompany debt positions and foreign exchange fluctuations. Tax items were NOK -1 (20) million.

Net loss after tax (before profit from discontinued operations) in the twelve months of 2021 was NOK -338 (-308) million. Net financial items were NOK -19 (-104) million driven by reduction in interest on intercompany debt positions and foreign exchange fluctuations. Tax items were NOK -2 (35) million.

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

22 confirmed cases of COVID-19 infection were reported among Hexagon Purus personnel in 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 of 2021

- Completed the acquisition of Wystrach GmbH, a leading European systems and solutions provider for storage and transport of compressed gases.
- 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
- Signed an exclusive long-term supply agreement ("LTA") with a leading European bus OEM. Under this LTA, Hexagon Purus will supply hydrogen storage systems for the OEM's next generation two axle (12 meter) and articulated (18 meter) fuel cell bus offerings. This OEM has been a long-standing customer of Hexagon Purus. Deliveries under the LTA will take place between 2021 and 2024 with an estimated sales value of approximately EUR 30 million (including some deliveries already made in 2021)
- 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
- 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
- Broke ground on new construction of a new 60,000 square foot manufacturing facility in Kelowna, Canada, to house the production of battery packs and hydrogen fuel storage systems
- 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
- Completed the transfer of the discontinued CNG LDV business to the ownership of Hexagon Composites ASA

Key developments after balance sheet date

- Signed a long-term binding letter of intent with Hino Motors Manufacturing U.S. to provide battery packs for multiple Hino truck platforms with serial production planned from 2024. The total sales value over the life of the agreement is estimated at USD 1 billion
- Nominated by a leading and long-standing commercial truck OEM to provide battery packs for serial production of battery electric heavy-duty vehicles between 2024 and 2027, with an option to extend until 2029. The total sales value for the initial period from 2024-2027 is estimated at approximately USD 800 million, increasing to approximately USD 1.2 billion if the extension option is exercised
- Received orders worth EUR 7.2 million approximately for hydrogen distribution systems from various customers
- Selected to work together with BMW, Robert Bosch and TesTneT Engineering to develop and innovative hydrogen storage system solution for future fuel cell passenger cars
- Received first orders for Type 4 hydrogen cylinders from Reliance Industries Limited, India's largest private sector company. The hydrogen cylinders will be used as prototypes in pilot projects for power solutions and represents Hexagon Purus' first ever orders for hydrogen applications in India
- Signed a 10-year lease for a new 60,000 square foot facility in Westminster, USA for cylinder manufacturing and engineering, expected to be ready for move in during the summer of 2022
- There have been no other significant events after the balance sheet date that have not already been disclosed in this report.

Outlook

Hexagon Purus' revenue growth in the near-term continues to be driven by hydrogen distribution and transit bus applications as evidenced in the revenue trends of 2021 and recent contract awards.

Through the acquisition of Wystrach GmbH, Hexagon Purus has expanded its product portfolio and further increased its exposure to the growing hydrogen infrastructure segment through distribution modules, mobile refueling and stationary storage solutions. The acquisition adds best-in-class hydrogen systems design and assembly capacity, further vertically integrating Hexagon Purus in the hydrogen systems supply chain and leapfrogging its plans to organically grow its systems capabilities.

While revenue contribution from heavy duty vehicle applications has declined in recent quarters due to OEM program timing, development work and project activity in this key application remain high. It is expected that revenue contribution from this application will grow in the coming years as battery and fuel cell electric vehicle platforms transition to commercial start of production. Hexagon Purus has recently entered a binding letter of intent with Hino Motors and been nominated for its first battery system serial production contract by an established and long-standing OEM for deliveries starting in 2024. The total sales value of these contracts is estimated between USD 1.8 and 2.2 billion.

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 continues to extend 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.

With several growth initiatives underway, including building organizational capabilities and production capacity to support customer launch activity as well as expected market demand in the coming years in North America, Europe and Asia, Hexagon Purus is in the investment phase of its development. Such investments are expected to impact profitability over the near-to-medium term.

2022 revenue is expected to grow approximately 75% based on strong backlog and order trends; EBITDA losses are expected to widen by 50%.

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 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 of its raw materials and in particular the cost of carbon fiber and lithium ion batteries. The prices 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.

The Group's products are subject to governmental laws and regulations, including regulations relating to quality, health and safety. The Group manufactures its products in accordance with, and its products are subject to inspection standards pursuant to, applicable regulation and requisite approvals. However, the Group cannot predict the future costs of complying with applicable regulations, standards and permits as these develop. Adoption of new laws, regulations or public requirements that impose more stringent requirements concerning the safety aspects of Hexagon Purus' products could result in increase of compliance expenditure, suspension of production, product recalls or claims from third parties, which in each case could have a material adverse effect on the Group's business, financial position, results of operations and cash flow.

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 unfavourable 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.

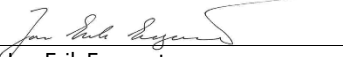
In the Board's view there are no major changes to the risk composition for the Group compared with 2020, including those specifically concerning the COVID-19 pandemic. It is not possible to know the precise impacts to the global macro economy of the pandemic and to which extent these may or may not persist. 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 31 December 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

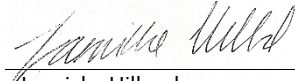
Oslo, 14 February 2022
The Board of Directors of Hexagon Purus ASA



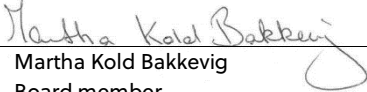
Jon Erik Engeset
Chairman of the Board



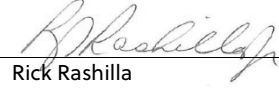
Espen Gundersen
Board member



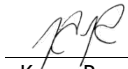
Jannicke Hilland
Board member



Martha Kold Bakkevig
Board member



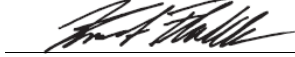
Rick Rashilla
Board member



Karen Romer
Board member



Morten Holum
President & CEO



Knut Flakk
Board member

Financial Statements Group

INCOME STATEMENT ¹⁾	Q4 2021	Q4 2020	FY 2021	FY 2020
(NOK 1 000)				
Continuing operations (Purus e-mobility)				
Revenue from contracts with customers	257 957	32 455	506 039	178 121
Other operating income	877	293	1 679	1 693
Total revenue	258 834	32 749	507 718	179 814
Cost of materials	176 044	10 340	324 566	86 717
Payroll and social security expenses	69 404	40 719	209 602	123 497
Other operating expenses	67 264	34 093	238 111	110 322
Total operating expenses before depreciation	312 713	85 153	772 279	320 536
Operating profit before depreciation (EBITDA)	-53 879	-52 404	-264 561	-140 722
Depreciation and impairment	19 275	7 247	53 219	26 906
Operating profit (EBIT)	-73 154	-59 651	-317 780	-167 628
Profit/loss from investments in associates and joint ventures	-3 008	-1 107	-2 957	-1 885
Finance income	5 626	1 207	14 250	10 110
Finance costs	-4 000	-66 230	-33 691	-113 969
Profit/loss before tax	-74 536	-125 782	-340 178	-273 373
Tax	-900	20 253	-2 120	34 654
Profit/loss after tax	-73 636	-146 035	-338 058	-308 026
Discontinued operations (CNG LDV)				
Profit/loss after tax for the period from discontinued operations	23 205	11 539	-8 552	-34 602
Profit/loss after tax	-50 431	-134 496	-346 611	-342 628
Earnings per share				
Ordinary (NOK)			-1,45	-1,50
Diluted (NOK)			-1,45	-1,50
Earnings per share from continuing operations				
Ordinary (NOK)				-1,34
Diluted (NOK)				-1,34

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

COMPREHENSIVE INCOME STATEMENT ¹⁾	FY 2021	FY 2020
(NOK 1 000)		
Profit/loss after tax	-346 611	-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	-11 535	12 675
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	-11 535	12 675
Total comprehensive income, net of tax	-358 146	-329 954
Attributable to:		
Share premium	-358 146	-329 954
Non-Controlling interest		

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

STATEMENT OF FINANCIAL POSITION ¹⁾	31.12.2021	31.12.2020
(NOK 1 000)		
ASSETS		
Property, plant and equipment	274 816	76 634
Right-of-use assets	52 219	30 457
Intangible assets	752 294	415 097
Investment in associates and joint ventures	7 024	2 066
Non-current financial assets	2 476	751
Total non-current assets	1 088 830	525 005
Inventories	261 235	61 586
Trade receivables	220 286	26 657
Contract assets (incl. prepayments)	4 165	814
Other current financial assets	62 416	14 440
Cash and short-term deposits	453 398	1 246 351
Total current assets continuing operation	1 001 499	1 349 849
Assets held for sale	0	219 771
Total assets	2 090 329	2 094 625
EQUITY AND LIABILITIES		
Issued capital	23 354	22 909
Other paid-in capital	8 063	372
Share premium	1 391 092	1 605 739
Total equity	1 422 509	1 629 020
Interest-bearing loans and borrowings	33 316	0
Lease liabilities	31 794	21 795
Non-current provisions	72 851	3
Other non-current financial liabilities	43 490	0
Net employee defined benefit liabilities	1 892	2 635
Deferred tax liabilities	52 231	11 024
Total non-current liabilities	235 574	35 457
Trade and other payables	191 402	83 988
Contract liabilities	106 444	32 068
Interest-bearing loans and borrowings	24 766	161 016
Lease liabilities, short term	21 285	9 244
Income tax payable	8 178	0
Other current liabilities	52 336	49 512
Provisions	27 835	17 162
Total current liabilities	432 245	352 990
Liabilities directly associated with the assets held for sale	0	77 158
Total liabilities	667 819	465 604
Total equity and liabilities	2 090 329	2 094 625

1) In the statement of financial position CNG LDV (discontinued operations) is presented as held for sale as of 31 December 2020.

	Issued capital	Share premium	Other paid-in capital	Other equity and retained earnings	Foreign currency translation reserve	Total equity
STATEMENT OF CHANGES IN EQUITY						
As of 1 January 2020	330	14 443	0	-118 632	-957	-104 816
Profit for the period		-342 628				-342 628
Transferred to share premium		-106 915		118 632	-11 717	0
Other comprehensive income					12 675	12 675
Total comprehensive income	0	-449 543	0	118 632	957	-329 954
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
As of 31 December 2020	22 909	1 605 739	372	0	0	1 629 020

	Issued capital	Share premium	Other paid-in capital	Other equity and retained earnings	Foreign currency translation reserve	Total equity
STATEMENT OF CHANGES IN EQUITY						
As of 1 January 2021	22 909	1 605 739	372	0	0	1 629 020
Profit for the period		-346 611				-346 611
Transferred to share premium		-11 535			11 535	0
Other comprehensive income					-11 535	-11 535
Total comprehensive income	0	-358 146	0	0	0	-358 146
Share-based payments			7 691			7 691
Changes in paid-in capital	444	143 628				144 072
Other changes		-129				-129
As of 31 December 2021	23 354	1 391 092	8 063	0	0	1 422 509

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 27 472 527 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.

On 23 November 2021 related to the closing of the Wystrach acquisition, the company issued 4 444 430 consideration shares to the previous shareholders of Wystrach GmbH.

CONDENSED CASH FLOW STATEMENT	FY 2021	FY 2020
(NOK 1 000)		
Profit before tax	-348 731	-309 439
Depreciation and write-downs	53 219	54 459
Change in net working capital	-163 614	29 518
Net cash flow from operations	-459 125	-225 462
Net cash flow from investment activities	-298 091	-21 561
Net cash flow from financing activities ¹⁾	-37 498	1 433 797
Net change in cash and cash equivalents	-794 714	1 186 775
Net currency exchange differences	483	-5 517
Cash and cash equivalents at start of period	1 246 351	65 093
Cash and cash equivalents from acquisition	1 277	
Cash and cash equivalents at end of period	453 398	1 246 351
Available unused credit facility	-	-

1) Proceeds from disposal of CNG LDV division was NOK 142,6 million and was settled by offsetting intercompany loans towards Hexagon Composites ASA.

Notes

Note 1: Introduction

The condensed consolidated interim financial statements for the fourth quarter, which ended 31 December 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 quarterly 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 2021 with 22 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 Q4 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 14 February 2022.

Note 2: Estimates

The preparation of the interim accounts entails the use of valuations, estimates and assumptions that affect the application of the accounting policies and the amounts recognized as assets and liabilities, income and expenses. The actual results may deviate from these estimates. The material assessments underlying the application of the Group's accounting policy and the main sources of uncertainty are the same as for the consolidated accounts for 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 took place 1 October 2021, and the CNG LDV business unit was effectively sold and derecognized on this date.

The results of the CNG LDV operation are presented below.

(NOK 1 000)	FY 2021	FY 2020
CONDENSED INCOME STATEMENT		
Revenue	199 651	192 802
Expenses	212 323	201 734
Operating profit before depreciation (EBITDA)	-12 671	-8 932
Depreciation and impairment	17 524	27 554
Operating profit (EBIT)	-30 195	-36 486
Finance costs	1 423	-420

Profit before tax from discontinuing operations	-31 619	-36 066
Tax	138	-1 464
Profit after tax from discontinuing operations	-31 757	-34 602
Gain on disposal of discontinued operations (post tax) ¹⁾	23 205	
Post-tax profit/(loss) from discontinued operations	-8 552	-34 602

1) Proceeds from disposal of CNG LDV division was NOK 142,6 million and was settled by offsetting intercompany loans towards Hexagon Composites ASA.

Note 4: Business combinations

ACQUISITION OF WYSTRACH GMBH IN 2021

On 10 November 2021 Hexagon Purus acquired 100 % of the shares of Wystrach and WyRent GmbH ("Wystrach").

Wystrach and WyRent GmbH is reported as a part of the Purus segment in the Hexagon Purus Group from November 2021.

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

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

(NOK 1 000)	Fair value recognized on acquisition
ASSETS	
Non-current assets	
<i>Intangible assets</i>	
Customer relationships	78 657
Technology	64 943
Software and licenses	1 533
<i>Tangible assets</i>	
Land and land rights	22 260
Buildings	66 780
Technical equipment and machines	6 640
Other equipment, factory and office equipment	17 340
Right-of-use Assets	7 683
Current assets	
Inventories	170 560
Trade receivable	49 691
Other assets	59 536
Cash	1 277
Total assets	546 900
LIABILITIES	
Liabilities to banks	48 458
Lease liabilities	7 683
Accruals for pensions and similar obligations	980
Deferred tax liabilities	44 839
Provisions	481
Trade payables	105 542
Payments received on account of orders	58 031
Income tax liabilities	7 436
Other liabilities	60 880
Total liabilities	334 330
Net identifiable assets and liabilities at fair value	212 571
Goodwill *	187 366
Purchase consideration	399 936
Consideration shares issued in Hexagon Purus ASA	144 500
Deferred payment	43 037
Contingent earn-out liabilities	64 933
Purchase consideration paid in cash	147 466

*There may be subsequent adjustments to the purchase price allocation with corresponding adjustment to goodwill prior to 11 November 2022 (1 year after the transaction).

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

In the Group's profit for 2021, Wystrach is included from the 1 November. The difference between 1 November and the acquisition date 11 November is assessed to be immaterial for the Group. Wystrach's contribution to the Group's revenue and EBITDA in 2021 was NOK 142 million and NOK 17 million respectively. If the acquisition had taken place on 1 January 2021, the revenue- and EBITDA contribution to the Group would have amounted to NOK 390 million and NOK 29 million respectively.

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

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

Note 5: 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 was settled in Q4/2021 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, was settled in cash when the demerger process was completed.

Note 6: 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 561 000 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 8.5 million year-to-date 31 December 2021. The unamortized fair value of all outstanding RSUs and PSUs as of 31 December 2021 is estimated to be NOK 18.8 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 7: Events after the balance sheet date

- Signed a long-term binding letter of intent with Hino Motors Manufacturing U.S. to provide battery packs for multiple Hino truck platforms with serial production planned from 2024. The total sales value over the life of the agreement is estimated at USD 1 billion
- Nominated by a leading and long-standing commercial truck OEM to provide battery packs for serial production of battery electric heavy-duty vehicles between 2024 and 2027, with an option to extend until 2029. The total sales value for the initial period from 2024-2027 is estimated at approximately USD 800 million, increasing to approximately USD 1.2 billion if the extension option is exercised.
- Received orders worth EUR 7.2 million approximately for hydrogen distribution systems from various customers
- Received inaugural orders for hydrogen cylinders from Reliance Industries Limited in India
- Selected to work together with BMW, Robert Bosch and TesTneT Engineering to develop and innovative hydrogen storage system solution for future fuel cell passenger cars
- Signed a 10-year lease for a new 60,000 square foot facility in Westminister, USA for cylinder manufacturing and engineering, expected to be ready for move in during the summer of 2022

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 14 818 529 (n.a.) shares in Hexagon Purus ASA (HPUR) were traded on Euronext Growth Oslo during the fourth quarter of 2021. The total number of shares in Hexagon Purus ASA as of 31 December 2021 was 233 536 669 (par value NOK 0.10). In the quarter, the share price moved between NOK 21.6 and NOK 32.1, ending the quarter at NOK 21.6. The price as of 31 December 2021 implies a market capitalization of NOK 5.0 billion for the Company.

20 largest shareholders as per 31 December 2021	Number of shares	Share of 20 largest	Share of total	Type	Citizenship
Hexagon Composites ASA	171 166 135	78,7 %	73,3 %	Ordinary	Norway
Clearstream Banking S.A.	14 326 271	6,6 %	6,1 %	Nominee	Luxembourg
Mitsui & Co LTD	5 204 029	2,4 %	2,2 %	Ordinary	Japan
Deutsche Bank Aktiengesellschaft	4 699 768	2,2 %	2,0 %	Nominee	Germany
Flakk Composites AS	3 027 799	1,4 %	1,3 %	Ordinary	Norway
J.P. Morgan Bank Luxembourg S.A.	2 713 589	1,2 %	1,2 %	Nominee	Sweden
State Street Bank and Trust Comp	2 273 831	1,0 %	1,0 %	Nominee	United States
MP Pensjon PK	2 112 605	1,0 %	0,9 %	Ordinary	Norway
Citibank Europe PLC	2 068 865	1,0 %	0,9 %	Nominee	Ireland
Nordnet Bank AB	1 678 511	0,8 %	0,7 %	Nominee	Sweden
Brødr. Bøckmann AS	1 323 120	0,6 %	0,6 %	Ordinary	Norway
UBS AG London Branch	1 111 646	0,5 %	0,5 %	Ordinary	United Kingdom
Verdipapirfondet Storebrand Norge	1 024 173	0,5 %	0,4 %	Ordinary	Norway
The Bank of New York Mellon	852 963	0,4 %	0,4 %	Nominee	United States
Nødingen AS	787 288	0,4 %	0,3 %	Ordinary	Norway
Skandinaviska Enskilda Banken AB	763 723	0,4 %	0,3 %	Ordinary	Sweden
KTF Finans AS	756 950	0,3 %	0,3 %	Ordinary	Norway
Morgan Stanley & Co. International	660 675	0,3 %	0,3 %	Ordinary	United Kingdom
J.P. Morgan Securities PLC	567 945	0,3 %	0,2 %	Ordinary	United Kingdom
Saxo Bank A/S	506 508	0,2 %	0,2 %	Nominee	Denmark
Total of 20 largest shareholders	217 626 334	100,0 %	93,2 %		
Remainder	15 910 335		6,8 %		
Total	233 536 669		100,0 %		

Forward looking statements

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