

Q3 2021



Third quarter 2021 report

| GROUP RESULTS ¹⁾ | Q3 2021 | Q3 2020 | Percent change | The nine months ended 30.09.2021 | The nine months ended 30.09.2020 | Percent change | 31.12.2020 |
|---|---------|---------|----------------|----------------------------------|----------------------------------|----------------|------------|
| (NOK million) | | | | | | | |
| Revenue | 103 | 53 | 96 % | 249 | 147 | 69 % | 180 |
| Operating profit before depreciation (EBITDA) | -80 | -25 | n/a | -211 | -88 | n/a | -141 |
| Operating profit (EBIT) | -96 | -31 | n/a | -245 | -108 | n/a | -168 |
| Profit before tax | -97 | -43 | n/a | -266 | -148 | n/a | -273 |
| Profit after tax (before discontinued operations) | -96 | -43 | n/a | -264 | -163 | n/a | -308 |
| Profit from discontinued operations, after tax | -13 | -18 | n/a | -32 | -46 | n/a | -35 |
| Profit for the period | -109 | -61 | n/a | -296 | -209 | n/a | -343 |

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

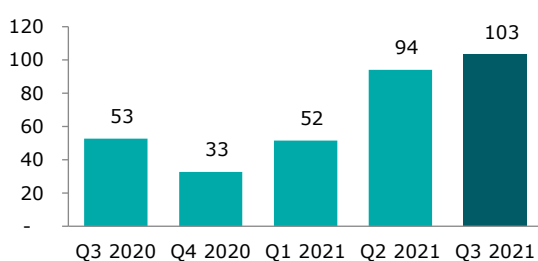
All subsequent numbers in parentheses refer to comparative figures for the same period last year. All figures in NOK are rounded to the nearest million. All percentages are rounded to the nearest one percent.

Highlights of Q3 2021

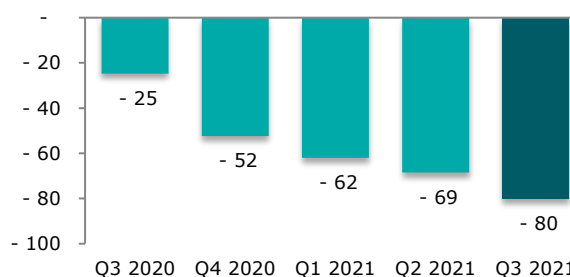
Hexagon Purus delivered strong year-over-year revenue growth and announced the transformative acquisition of Wystrach GmbH ("Wystrach").

- Revenue grew 96% year over year to NOK 103m
- Robust hydrogen distribution and transit bus activity
- Entered into an agreement to acquire 100% of Wystrach, a leading European systems and solutions provider for compressed industrial gases with strong exposure to hydrogen applications. Wystrach is recognized as a leader in the industrial and transportation segments serving blue chip customers like Air Liquide, Linde, Alstom and Daimler. Wystrach recorded revenue of EUR 24.1m and EBITDA of EUR 2.1m in FY 2020. The acquisition will approximately double Hexagon Purus' revenue (on a pro forma basis) and headcount in FY 2020
- Broke ground on a new 60,000 square foot manufacturing facility in Kelowna, Canada for the production of battery packs and hydrogen fuel storage systems for medium and heavy-duty vehicle applications

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 September 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 third quarter of 2021, Hexagon Purus Group ("the Company") generated NOK 103 (53) million in revenue and recorded operating profit before depreciation (EBITDA) of NOK -80 (-25) million. Revenue growth of 96% was driven by increased activity in hydrogen distribution and transit bus applications.

Reported revenue for the first nine months of 2021 grew 69% to NOK 249 (147) million driven by increased distribution, transit bus and aerospace business, while EBITDA was NOK -211 (-88) million.

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

Hexagon Purus recorded a net loss after tax (before profit from discontinued operations) of NOK -96 (-43) million in the third quarter of 2021. Net financial items were NOK -1 (-12) million mainly driven by foreign exchange fluctuation effects. Tax items were NOK -1(-0.4) million.

Net loss after tax (before profit from discontinued operations) in the first nine months of 2021 was NOK -264 (-163) million. Net financial items were NOK -21 (-39) million driven by interest on intercompany debt positions and foreign exchange fluctuations.

At quarter-end, the balance sheet amounted to NOK 1,894 (991) million and the Group's equity ratio was 71%. The year-over-year increase in equity was driven 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 1 340 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 nine months 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 nine months of 2021

- Entered into an agreement to acquire 100% of Wystrach, a leading European systems and solutions provider for storage and transport of compressed gases. The transaction is expected to close in Q4 2021 subject to customary closing conditions and regulatory approval
- 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 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
- 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
- Broke ground on new construction of a new 60,000 square foot manufacturing facility to house the production of battery packs and hydrogen fuel storage systems
- 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
- 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 an order for hydrogen fuel cell electric yard trucks from a North American customer. The order has a value of approximately USD 2.1 million
- Subsequently received an order from the same customer for a hydrogen fuel cell drayage truck, including a service and support program that incorporates performance monitoring and reporting. The order has a value of approximately USD 1.2 million
- 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. While revenue contribution from heavy-duty vehicle applications has declined in recent quarters due to OEM program timing, it is expected that revenue contribution from this key segment will grow in the coming years as battery and fuel cell electric vehicle platforms transition to commercial start of production.

Through the recent acquisition of Wystrach (expected to close in Q4 2021), Hexagon Purus will expand its product portfolio and increase 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. The transaction is expected to close in Q4 2021 (subject to customary closing conditions and regulatory approval) following which Hexagon Purus will start to consolidate the financial results of Wystrach.

The COVID-19 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 these effects, but the Company will remain vigilant and committed to employing further counter measures to mitigate such effects, if required. These supply chain uncertainties are not expected to impact the Company's outlook for 2021. Hexagon Purus expects Q4 2021 revenue to develop at least in-line with revenue in Q3 2021 (prior to the impact of the Wystrach acquisition).

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 developments. Such investments are expected to impact profitability over the near-to-medium term.

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 September 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

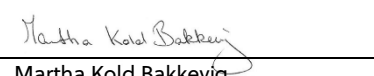
Oslo, 1 November 2021

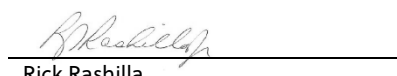
The Board of Directors of Hexagon Purus ASA

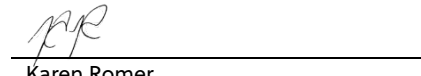

Jon Erik Engeset
Chairman of the Board


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 ¹⁾ | The nine months ended 30.09.2021 | Q3 2021 | The nine months ended 30.09.2020 | Q3 2020 | The twelve months ended 31.12.2020 |
|---|-------------------------------------|-----------------|--|----------------|--|
| (NOK 1 000) | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Continuing operations (Purus e-mobility) | | | | | |
| Revenue from contracts with customers | 248 082 | 102 743 | 145 666 | 52 446 | 178 121 |
| Other operating income | 802 | 532 | 1 399 | 258 | 1 693 |
| Total revenue | 248 884 | 103 275 | 147 065 | 52 704 | 179 814 |
| Cost of materials | 148 522 | 64 360 | 76 377 | 27 361 | 86 717 |
| Payroll and social security expenses | 140 198 | 53 788 | 82 778 | 28 138 | 123 497 |
| Other operating expenses | 170 847 | 65 283 | 76 229 | 21 970 | 110 322 |
| Total operating expenses before depreciation | 459 567 | 183 431 | 235 383 | 77 469 | 320 536 |
| Operating profit before depreciation (EBITDA) | -210 682 | -80 156 | -88 318 | -24 766 | -140 722 |
| Depreciation and impairment | 33 944 | 15 806 | 19 655 | 6 558 | 26 906 |
| Operating profit (EBIT) | -244 626 | -95 962 | -107 973 | -31 324 | -167 628 |
| Profit/loss from investments in associates and joint ventures | 51 | 178 | -778 | -207 | -1 885 |
| Finance income | 8 624 | 3 247 | 8 902 | 4 625 | 10 110 |
| Finance costs | -29 691 | -4 054 | -47 739 | -16 373 | -113 969 |
| Profit/loss before tax | -265 643 | -96 590 | -147 587 | -43 278 | -273 373 |
| Tax | -1 220 | -651 | 15 327 | -423 | 34 654 |
| Profit/loss after tax | -264 422 | -95 940 | -162 915 | -42 855 | -308 026 |
| Discontinued operations (CNG LDV) | | | | | |
| Profit/loss after tax for the period from discontinued operations | -31 757 | -13 330 | -46 141 | -18 443 | -34 602 |
| Profit/loss after tax | -296 180 | -109 269 | -209 056 | -61 298 | -342 628 |
| Earnings per share | | | | | |
| Ordinary (NOK) | -1,29 | | -633,50 | | -1,50 |
| Diluted (NOK) | -1,30 | | -633,50 | | -1,50 |
| Earnings per share from continuing operations | | | | | |
| Ordinary (NOK) | -1,15 | | -493,68 | | -1,34 |
| Diluted (NOK) | -1,16 | | -493,68 | | -1,34 |

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

| COMPREHENSIVE INCOME STATEMENT ¹⁾ | The nine months ended 30.09.2021 | The nine months ended 30.09.2020 | The twelve months ended 31.12.2020 |
|--|-------------------------------------|--|--|
| (NOK 1 000) | | | |
| Profit/loss after tax | -296 180 | -209 056 | -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 | -2 557 | -10 300 | 12 675 |
| Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax | -2 557 | -10 300 | 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 | -298 737 | -219 356 | -329 954 |

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

| STATEMENT OF FINANCIAL POSITION ¹⁾ | 30.09.2021 | 30.09.2020 | 31.12.2020 |
|---|------------------|------------------|------------------|
| (NOK 1 000) | Unaudited | Unaudited | Audited |
| ASSETS | | | |
| Property, plant and equipment | 130 086 | 108 383 | 76 634 |
| Right-of-use assets | 39 107 | 77 060 | 30 457 |
| Intangible assets | 407 712 | 523 176 | 415 097 |
| Investment in associates and joint ventures | 2 152 | 2 573 | 2 066 |
| Non-current financial assets | 2 476 | 672 | 751 |
| Deferred tax assets | 0 | 22 137 | 0 |
| Total non-current assets | 581 533 | 734 001 | 525 005 |
| Inventories | 145 782 | 106 933 | 61 586 |
| Trade receivables | 132 227 | 113 986 | 26 657 |
| Contract assets (incl. prepayments) | 2 141 | 0 | 814 |
| Other current financial assets | 39 883 | 265 | 14 440 |
| Cash and short-term deposits | 717 428 | 36 069 | 1 246 351 |
| Total current assets continuing operation | 1 037 461 | 257 254 | 1 349 849 |
| Assets held for sale | 275 030 | 0 | 219 771 |
| Total assets | 1 894 024 | 991 255 | 2 094 625 |
| EQUITY AND LIABILITIES | | | |
| Issued capital | 22 909 | 330 | 22 909 |
| Other paid-in capital | 50 915 | 142 008 | 372 |
| Share premium | 1 606 048 | 14 443 | 1 605 739 |
| Other equity | -344 109 | -480 953 | 0 |
| Equity attributable to equity holders of the parent | 1 335 763 | -324 171 | 1 629 021 |
| Non-controlling interests | 0 | 0 | 0 |
| Total equity | 1 335 763 | -324 171 | 1 629 021 |
| Interest-bearing loans and borrowings, related party | 0 | 883 635 | 0 |
| Lease liabilities | 15 459 | 78 309 | 21 795 |
| Provisions | 3 | 585 | 3 |
| Net employee defined benefit liabilities | 74 | 2 340 | 2 635 |
| Deferred tax liabilities | 9 137 | 25 075 | 11 024 |
| Total non-current liabilities | 24 674 | 989 945 | 35 457 |
| Trade and other payables | 84 483 | 194 902 | 83 988 |
| Contract liabilities | 45 041 | 46 085 | 32 068 |
| Interest-bearing loans and borrowings, related party | 164 369 | | 161 016 |
| Lease liabilities, short term | 23 019 | 12 639 | 9 244 |
| Income tax payable | 0 | 19 | 0 |
| Other current liabilities | 27 390 | 71 836 | 49 512 |
| Provisions | 26 479 | 0 | 17 162 |
| Total current liabilities continuing operation | 370 780 | 325 481 | 352 990 |
| Liabilities directly associated with the assets held for sale | 162 806 | 0 | 77 158 |
| Total liabilities | 558 260 | 1 315 426 | 465 604 |
| Total equity and liabilities | 1 894 024 | 991 255 | 2 094 625 |

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

| | 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 | | | | -209 056 | | -209 056 |
| Transferred to share premium | | -106 915 | | 118 632 | -11 717 | 0 |
| Other comprehensive income | | | | | -10 300 | -10 300 |
| Total comprehensive income | 0 | -106 915 | 0 | -90 424 | -22 017 | -219 356 |
| Share-based payments | | | | | | 0 |
| Changes in paid-in capital | | | | | | 0 |
| Other changes | | | | | | 0 |
| As of 30 September 2020 | 330 | -92 472 | 0 | -209 056 | -22 974 | -324 171 |

| | 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 | | | | | 12 674 | 12 674 |
| 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 | 1 629 021 |

| | 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 | 1 629 021 |
| Profit for the period | | | | -296 180 | | -296 180 |
| Other comprehensive income | | | | | -2 557 | -2 557 |
| Total comprehensive income | 0 | 0 | 0 | -296 180 | -2 557 | -298 737 |
| Share-based payments | | | 5 608 | | | 5 608 |
| Changes in paid-in capital | | -129 | | | | -129 |
| Other changes | | | | | | 0 |
| As of 30 September 2021 | 22 909 | 1 605 611 | 5 980 | -296 180 | -2 557 | 1 335 763 |

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.

| CONDENSED CASH FLOW STATEMENT ¹⁾ | The nine months ended 30.09.2021 | The nine months ended 30.09.2020 | The twelve months ended 31.12.2020 |
|--|-------------------------------------|-------------------------------------|---------------------------------------|
| (NOK 1 000) | | | |
| Profit before tax | -297 261 | -194 823 | -309 439 |
| Depreciation and write-downs | 46 113 | 45 515 | 54 459 |
| Change in net working capital | -162 526 | 72 979 | 29 518 |
| Net cash flow from operations | -413 674 | -76 329 | -225 462 |
| Net cash flow from investment activities | -91 618 | -77 565 | -21 561 |
| Net cash flow from financing activities | -24 252 | 119 390 | 1 433 797 |
| Net change in cash and cash equivalents | -529 545 | -34 504 | 1 186 775 |
| Net currency exchange differences | 621 | 5 480 | -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 | 717 428 | 36 069 | 1 246 351 |
| Available unused credit facility | - | - | - |

1) CNG LDV is reported as discontinued operation

Notes

Note 1: Introduction

The condensed consolidated interim financial statements for the third quarter and first nine months of 2021, which ended 30 September 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 three 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 nine months of 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 Q3 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 1 November 2021.

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 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) | The nine months ended 30.09.2021 | The nine months ended 30.09.2020 | The twelve months ended 31.12.2020 |
|---|-------------------------------------|-------------------------------------|---------------------------------------|
| CONDENSED INCOME STATEMENT | | | |
| Revenue | 199 651 | 136 038 | 192 802 |
| Expenses | 212 323 | 157 000 | 201 734 |
| Operating profit before depreciation (EBITDA) | -12 671 | -20 962 | -8 932 |
| Depreciation and impairment | 17 524 | 25 860 | 27 554 |
| Operating profit (EBIT) | -30 195 | -46 822 | -36 486 |

| | | | |
|---|---------|---------|---------|
| Finance costs | 1 423 | 413 | -420 |
| Profit before tax from discontinuing operations | -31 619 | -47 236 | -36 066 |
| Tax | 138 | -1 095 | 1 464 |
| Post-tax profit/(loss) from discontinued operations | -31 757 | -46 141 | -34 602 |

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

| ASSETS AND LIABILITIES | 30.09.2021 | 31.12.2020 |
|--|------------|------------|
| Assets | | |
| Property, plant and equipment | 31 549 | 26 602 |
| Right-of-use assets | 39 848 | 31 002 |
| Intangible assets | 77 048 | 82 161 |
| Total non-current assets | 148 444 | 139 765 |
| Inventories | 85 232 | 60 409 |
| Trade receivables | 19 048 | 19 597 |
| Other currents assets | 21 059 | 0 |
| Cash and short-term deposits | 1 247 | 0 |
| Total current assets continuing operation | 126 586 | 80 006 |
| Total assets held for sale | 275 030 | 219 771 |
| Interest-bearing loans and borrowings, related party | 4 066 | 4 256 |
| Lease liabilities | 33 768 | 26 395 |
| Penson Liabilities | 2 485 | 0 |
| Deferred tax liabilities | 2 775 | 3 930 |
| Total non-current liabilities | 43 094 | 34 581 |
| Trade and other payables | 28 563 | 23 001 |
| Contract liabilities | -618 | -637 |
| Lease liabilities, short term | 63 127 | 5 239 |
| Other current liabilities | 23 710 | 14 974 |
| Provision warranty claims | 4 931 | 0 |
| Total current liabilities continuing operation | 119 713 | 42 577 |
| Total liabilities held for sale | 162 806 | 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 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 5.6 million year-to-date 30 September 2021. The unamortized fair value of all outstanding RSUs and PSUs as of 30 September 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 6: Events after the balance sheet date

- Hexagon Purus has received an order for hydrogen fuel-cell electric yard trucks from a North American customer. The order has a value of approximately USD 2.1 million.
- Subsequently received an order from the same customer for a hydrogen fuel cell drayage truck, including a service and support program that incorporates performance monitoring and reporting. The order has a value of approximately USD 1.2 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 11 538 597 (n.a.) shares in Hexagon Purus ASA (HPUR) were traded on Euronext Growth Oslo during the third quarter of 2021. The total number of shares in Hexagon Purus ASA as of 30 September 2021 was 229 092 239 (par value NOK 0.10). In the quarter, the share price moved between NOK 27.4 and NOK 42.4, ending the quarter at NOK 28.9. The price as of 30 September 2021 implies a market capitalization of NOK 6.6 billion for the Company.

| 20 largest shareholders as per 30 September 2021 | Number of shares | Share of 20 largest | Share of total | Type | Citizenship |
|--|--------------------|---------------------|----------------|----------|----------------|
| HEXAGON COMPOSITES ASA | 171 166 135 | 80,2 % | 74,7 % | Ordinary | Norway |
| CLEARSTREAM BANKING S.A. | 13 342 730 | 6,3 % | 5,8 % | Nominee | Luxembourg |
| MITSUI & CO LTD | 5 204 029 | 2,4 % | 2,3 % | Ordinary | Japan |
| State Street Bank and Trust Comp | 3 427 742 | 1,6 % | 1,5 % | Nominee | United States |
| FLAKK COMPOSITES AS | 3 027 799 | 1,4 % | 1,3 % | Ordinary | Norway |
| J.P. Morgan Bank Luxembourg S.A. | 2 641 601 | 1,2 % | 1,2 % | Nominee | Sweden |
| MP PENSIJON PK | 2 184 865 | 1,0 % | 1,0 % | Ordinary | Norway |
| Citibank Europe plc | 1 667 092 | 0,8 % | 0,7 % | Nominee | Ireland |
| Nordnet Bank AB | 1 605 885 | 0,8 % | 0,7 % | Nominee | Sweden |
| BRØDR. BØCKMANN AS | 1 323 120 | 0,6 % | 0,6 % | Ordinary | Norway |
| STOREBRAND NORGE I VERDIPAPIRFOND | 1 130 286 | 0,5 % | 0,5 % | Ordinary | Norway |
| The Bank of New York Mellon | 901 752 | 0,4 % | 0,4 % | Nominee | United States |
| J.P. MORGAN SECURITIES PLC | 887 118 | 0,4 % | 0,4 % | Ordinary | United Kingdom |
| The Bank of New York Mellon SA/NV | 813 163 | 0,4 % | 0,4 % | Nominee | United Kingdom |
| NØDINGEN AS | 787 228 | 0,4 % | 0,3 % | Ordinary | Norway |
| KTF FINANS AS | 756 950 | 0,4 % | 0,3 % | Ordinary | Norway |
| Morgan Stanley & Co. International | 699 493 | 0,3 % | 0,3 % | Ordinary | United Kingdom |
| Skandinaviska Enskilda Banken AB | 652 387 | 0,3 % | 0,3 % | Ordinary | Sweden |
| UBS Switzerland | 558 971 | 0,3 % | 0,2 % | Nominee | Luxembourg |
| Nordea Bank Abp | 529 360 | 0,2 % | 0,2 % | Nominee | Denmark |
| Total of 20 largest shareholders | 213 307 706 | 100,0 % | 93,1 % | | |
| Remainder | 15 784 533 | | 6,9 % | | |
| Total | 229 092 239 | | 100,0 % | | |

Forward looking statements

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