Integrated annual report

2024

HEXAGON PURUS

The future is now

Climate change is a severe threat to humanity, to our planet and our ecosystems. Our decades of experience, innovative mindset and strong culture allow us to believe that we can answer the highest-pressure challenge on earth. This belief motivates our employees and drives our business forward.

A driving force for a sustainable planet

Our team is the cornerstone of our success. We are dedicated to fostering an environment where our team members can deliver their best. Hexagon Purus' strong values-based culture drives our performance and guides our decision-making processes and behavior. Guided by our common core values of Integrity and Drive, and our behaviors, we have dedicated employees who are a driving force for a more sustainable planet. Our team works hard at turning our purpose into reality because we strongly believe that technology is no longer a barrier and that the need for change is urgent. We hold ourselves accountable for our interactions internally, as well as externally with our customers, suppliers, shareholders and communities.

PURPOSE

To be a driving force for a sustainable planet

VALUES

Integrity and Drive

BEHAVIORS

Work for each other's success

Take responsibility

Build trust and be inclusive

Embrace challenges and failures

Hexagon Purus at a glance

OUR RESULTS

Revenue
1 876 MNOK

EBITDA
-348 MNOK

Cash
1 028 MNOK

YoY revenue growth
42%

EBITDA Margin
-19%

Total assets
4 934 MNOK

OUR ORGANIZATION

Global footprint
8 locations across 3 continents

Workforce[1]
848 Employees

[1] Including temporary workers, excluding agency workers

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This is Hexagon Purus' Integrated Annual Report 2024, presenting our financial statements, notes to the financial statements, the Board of Directors report, and the sustainability statements prepared in accordance with the European Sustainability Reporting Standards (ESRS). The report also includes information about Hexagon Purus' strategy, business model, and approach to sustainable value creation. Unless otherwise specified, the information covers the Hexagon Purus Group and its subsidiaries. An overview of the various ESRS topics and disclosure requirements we report on, in addition to any references, comments, or omissions, can be found in the ESRS index in this report. Hexagon Purus has engaged our financial auditor to perform external assurance on our ESRS reporting and/or sustainability reporting.

A WORD FROM THE CEO

Shifting focus from growth to tackling consequences of geopolitical shifts

We continued our strong growth journey in 2024, increasing annual revenue by 42%. We also delivered a significant improvement in EBITDA margin as targeted. As in previous years, hydrogen infrastructure was a sizable contributor to revenue growth, but hydrogen mobility also grew substantially in 2024, driven mainly by increased demand from our transit bus customers.

When I view 2024 in light of our five-year plan, I see that we have achieved a lot of what we set out to do. We have moved the Company forward by significantly growing revenue, further strengthening our leading position with customers and continuing to build a strong and diversified customer portfolio that will provide a solid base for Hexagon Purus in the years to come. Equally important, we have also substantially improved the Group's EBITDA performance, almost achieving break-even full year EBITDA in the Hydrogen Mobility and Infrastructure segment. And we have all but completed the multi-year capacity expansion program which gives us a global manufacturing footprint that solidifies our leading industry position globally. Looking in the rear-view mirror, four years into our five-year plan, we are largely where we had planned to be at this point in our development.

Looking forward, though, the market appears more challenging. The energy transition is moving forward, but at a slower pace than needed and expected. While there have been notable advancements in the adoption of renewable energy, the overall progress for hydrogen has been dampened by cost inflation, regulatory uncertainty and growing geopolitical tensions.

The near-term market outlook deteriorated significantly following the U.S. presidential election, where the sudden uncertainty around policy has resulted in customers delaying purchasing decisions. Several individual states in the US, including California, remain committed to the decarbonization of the transportation sector. And while some regulations and programs will be impacted by the views of the federal government, it's likely that the market for zero-emission trucks will continue

"We are committed to taking the necessary measures to navigate through a challenging industry and market environment"

With a weaker near-term outlook and lower demand visibility, we needed to take appropriate measures to reduce our cost base. Hexagon Purus has been rigged for growth and carries a cost base that requires higher revenue to break-even. As a significant part of 2025 revenue growth was expected to come from North America, it became necessary to revise our planning and reduce our capacity costs. We therefore took the decision to reduce our costs by approximately NOK 200 million on an annualized basis, including an approximate 15% reduction in workforce. We also launched a review of our overall business portfolio to make further adjustments needed to secure the Company's cash runway to EBITDA and cash flow break-even.

We are committed to taking the necessary measures to navigate through a challenging industry and market environment. The Company is a highly relevant solutions provider for the energy transition. We have a solid and diversified customer portfolio, with significant exposure to market segments that are less impacted by the delayed energy transition. With a solid balance sheet, a flexible manufacturing footprint with limited need for additional investments and by continuously adapting the cost structure to market conditions, I believe that we are well positioned for the years ahead.

Morten Holum
President & CEO

Highlights 2024

Opened new and expanded hydrogen infrastructure and systems manufacturing hub in Weeze, Germany, significantly increasing capacity of Type 4 high-pressure hydrogen infrastructure solutions

Launched the Tern RC8 battery electric heavy-duty truck for the US market, in partnership with Hino Motors, at the ACT Expo show in Las Vegas

Confirmed by Toyota Motor North America (TMNA) as supplier of components for its heavy-duty fuel cell electric powertrain kits for hydrogen powered heavy-duty vehicles

Secured up to CAD 8.5 million in funding from the Commercial Vehicle Innovation Challenge (CVIC) in Canada to further develop the Company's battery electric vehicle technology

Signed a multi-year supply agreement with GILLIG, a leading designer and manufacturer of heavy-duty transit buses in the United States, for supply of hydrogen fuel storage systems for their new fuel cell powered transit buses

Secured an order from Freire Shipyard for a hydrogen fuel system for a Greenpeace vessel

Successfully raised approximately NOK 1 billion in equity

Selected by New Flyer, North America's largest mass mobility solutions provider, to supply Type 4 hydrogen cylinders for the fifth consecutive year for their next generation, zero-emission hydrogen fuel cell-electric transit bus, the Xcelsior CHARGE FC™

Objectives for 2025

The broader energy transition is developing slower than expected in Europe and North America, creating a challenging market backdrop and limited forward visibility on customer demand for 2025. With a weaker near-term demand outlook, capital discipline is now the key priority as we enter 2025. The Company is taking appropriate actions to reduce its cost base and secure the cash runway.

Cut annualized costs by approximately NOK 200 million

Review of overall business portfolio to make further cost adjustments

Secure cash runway and shorten time to profitability

INPUT[1]

Production capacity
We are present with production facilities in eight locations across three continents ready to serve any customer with ambitions for a sustainable planet.

Innovation
We use our extensive engineering and technological knowledge and capabilities to innovate and improve zero-emission[2] technologies for tomorrow.

Workforce
Our workforce of dedicated and competent employees are the cornerstones of our current and future success, contributing significantly to ensure the quality and safety of our products.

Relationships and business partners
Our zero-emission technology solutions rely on close and proactive cooperation with our suppliers and business partners, and we are proud to work together with them for a more sustainable planet.

Financial capital
We are backed by world-class strategic partners, such as Mitsui & Co., Hexagon Composites, and Hy24, contributing to a robust and financial foundation for long-term growth.

Natural capital
Our products and solutions rely on natural resources either as unrefined materials or derivatives. We must optimize the use of our resources, integrating sustainability in decision making.

VALUE CREATION

PURPOSE

Be a driving force for a sustainable planet

STRATEGIC FOCUS AREAS

Improve quality
- Robust supply chain
- Continuous product development
- Learn and improve

Increase efficiency
- Health & safety
- Operations
- Lean structure

Drive down costs
- Scale
- Supply chain & procurement
- Innovation & development

PRODUCTS AND SOLUTIONS

Hydrogen storage cylinders

Hydrogen fuel storage systems

Hydrogen storage systems

Battery systems

Vehicle integration

OUTPUT

Operational growth
We grew revenue in 2024 by 42%, driven by solid momentum in hydrogen infrastructure and mobility solutions. EBITDA margin improved significantly year-over-year.

Financial support
We successfully raised NOK 1 billion in equity, supported by our strategic partners Mitsui & Co. and Hexagon Composites.

Customer growth
We continue to grow our customer base with new faces such as GILLIG, a leading designer and manufacturer of heavy-duty transit buses in the United States, while at the same time ensuring that we nurture our existing customers.

Workforce development
We continue to upskill our employees. In 2024, we took a major step by committing to a company-wide learning management system to further formalize and structure our employee training.

Health & safety
Our facilities in Weeze and Kassel are now ISO 14001 and ISO 45001 certified, a testament to our commitment to environmental and occupational health & safety performance.

[1] SBM-1 42
[2] By "zero-emission" we refer to "zero-tailpipe carbon emission". "Zero-emission" or "zero emission" will be used throughout the report.

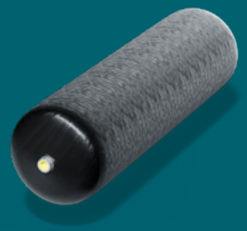
GO BACK

OUR BUSINESS | HYDROGEN AND BATTERY STORAGE OFFERING[1]

Core component and systems technology offering

Hexagon Purus is a leading player in the hydrogen infrastructure and zero-emission mobility space offering hydrogen and battery energy storage solutions. The company's hydrogen systems based on Type 4 cylinder technology and battery systems and vehicle-level software enable safe and efficient use of hydrogen and battery electricity in a variety of zero-emission infrastructure and mobility applications.

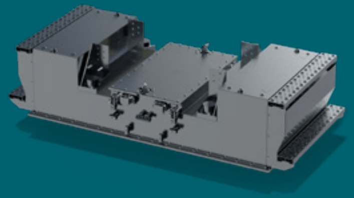
Hexagon Purus' Type 4 hydrogen cylinders and systems



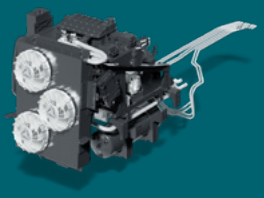
Type 4 cylinder

Hydrogen fuel storage systems

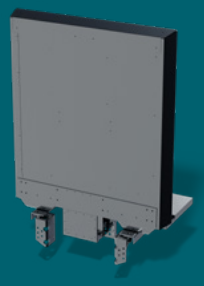
Hexagon Purus' proprietary battery systems for heavy-duty trucks



Battery systems



Auxiliary module



Power module (eBTC)

[1] 1 SBM-1 40ai

OUR BUSINESS | HYDROGEN AND BATTERY STORAGE OFFERING[1]

Hydrogen Mobility and Infrastructure

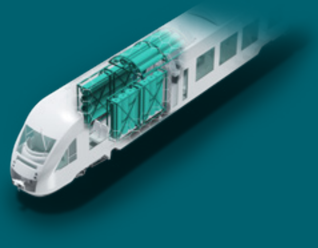
Hexagon Purus' core hydrogen cylinder and systems technology enables energy to be stored and consumed across multiple applications including hydrogen distribution, hydrogen mobile refueling, transit bus, heavy-duty trucking, rail and maritime.

Our technology offering is a key enabler to decarbonize hard-to-abate industries.

Highlighted hydrogen mobility applications

Hydrogen electric heavy-duty trucking

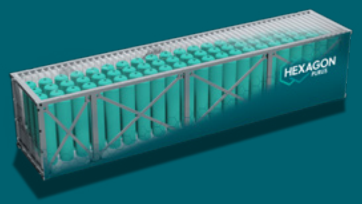
Transit bus



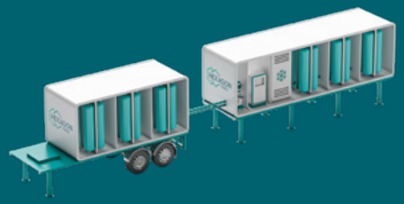
Rail

Maritime

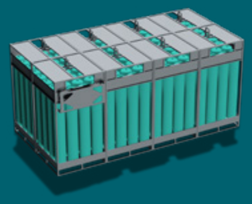
Highlighted infrastructure applications



Hydrogen distribution



Mobile refueling



Stationary storage

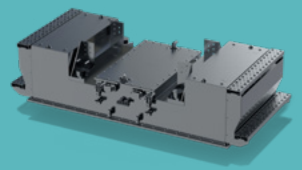
[1] 1SBM-1 40aii, 40e

OUR BUSINESS | VEHICLE INTEGRATION OFFERING[1]

Complete vehicle integration capabilities in North America

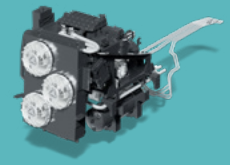
Our unique vehicle integration capabilities coupled with our proprietary product portfolio of key components and technologies required for electrification of heavy-duty trucking, make us an attractive partner for truck OEMs.

Overview of Hexagon Purus' proprietary portfolio technology

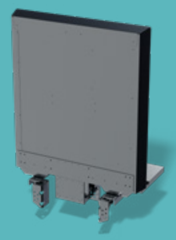


Battery systems

Hydrogen fuel storage systems



Auxiliary modules



Power modules (eBTC)

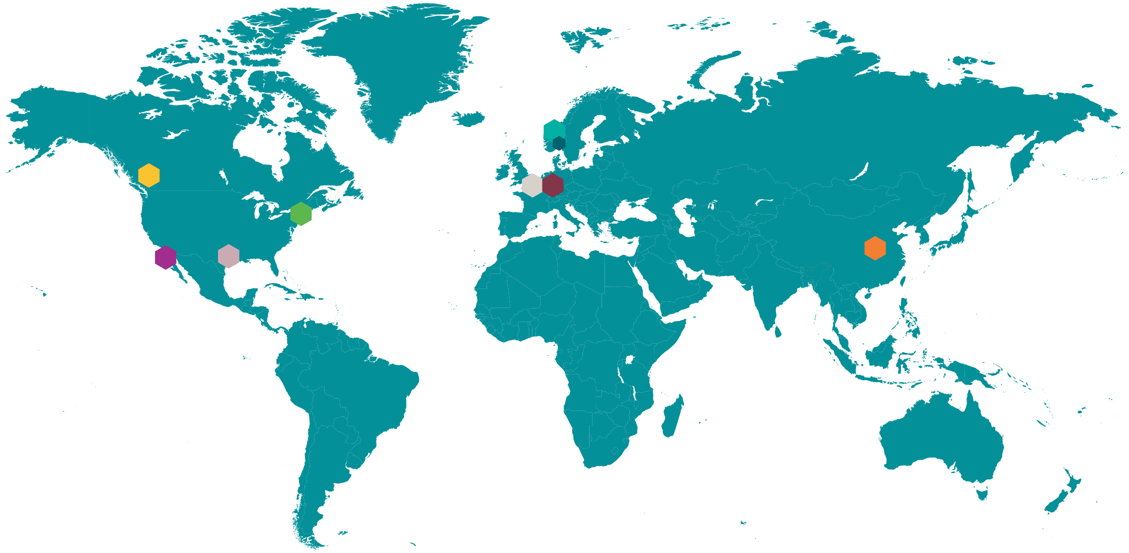
Complete vehicle integration for hydrogen electric heavy-duty trucks

Complete vehicle integration for battery electric heavy-duty trucks

[1] SBM-1 40ai, 40aii, 40e

Manufacturing footprint

In 2024, Hexagon Purus finalized its two-year long capacity expansion program, with ramp-up now completed in seven new locations on three continents.



BATTERY SYSTEMS AND VEHICLE INTEGRATION

Ontario USA

Prototype integration and service facility

Kelowna Canada

Battery systems and auxiliary modules

Dallas USA

Vehicle integration facility

HYDROGEN MOBILITY AND INFRASTRUCTURE

Westminster USA

Hydrogen cylinders and specialty storage solutions

Kassel Germany

Hydrogen cylinders and systems

Weeze Germany

Infrastructure systems

MARITIME

Ålesund Norway

Maritime systems

CHINA JOINT-VENTURE

Shijiazhuang China

Hydrogen cylinders and systems

HYDROGEN MOBILITY AND INFRASTRUCTURE

Kassel Germany

Footprint: Approximately 22 000 square meter facility
Capacity: Up to 20 000 cylinders annually
Status: In operation

Westminster USA

Footprint: 60 000 square foot facility
Capacity: Up to 10 000 cylinders annually
Status: In operation

Weeze Germany

Footprint: Approximately 20 000 square meter facility
Capacity: Up to 200 hydrogen distribution modules (40 ft equivalent)
Status: In operation

BATTERY SYSTEMS AND VEHICLE INTEGRATION

Kelowna Canada

Footprint: Approximately 64 000 square foot facility
Capacity: Production of up to 1 300 battery systems annually
Status: In operation

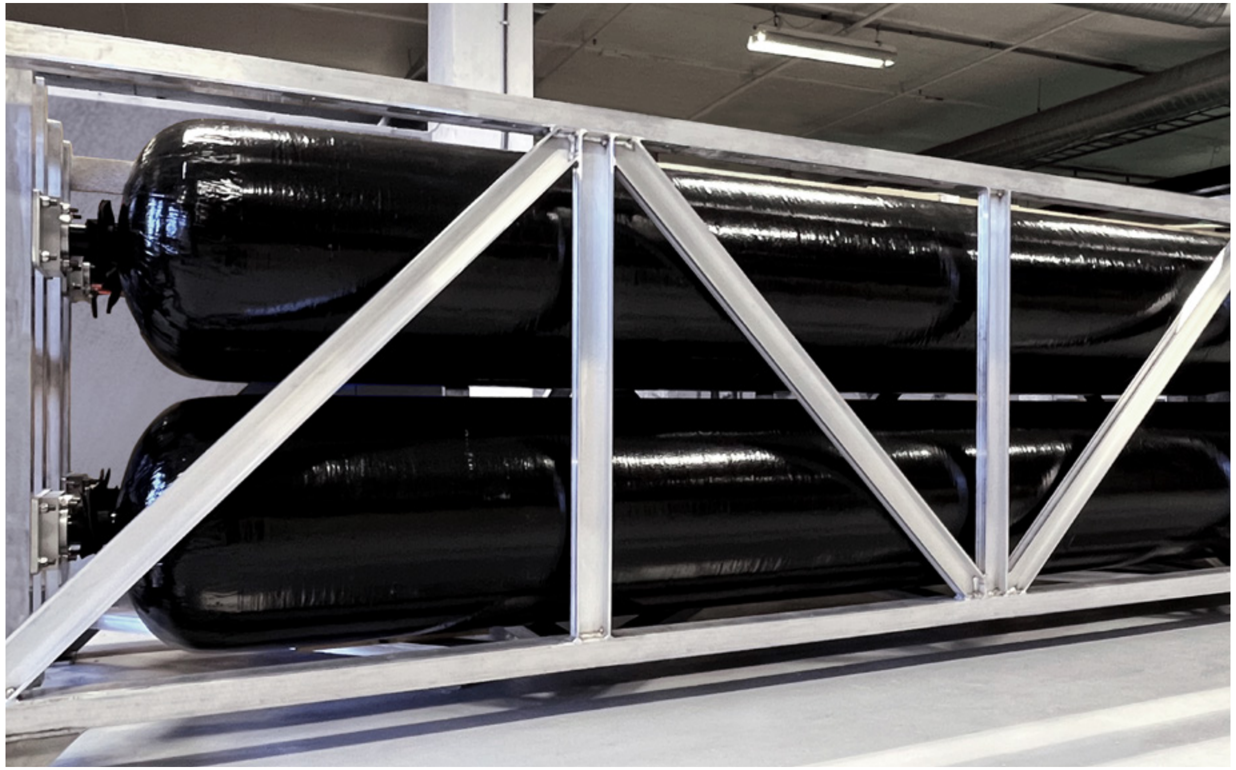
Ontario USA

Footprint: Approximately 12 000 square foot facility
Capacity: Transitioning in 2024 to a service center for battery and hydrogen electric trucks
Status: In operation

Dallas USA

Footprint: Approximately 200 000 square foot facility
Capacity: Up to 1 000 vehicles annually
Status: In operation

HEXAGON PURUS MARITIME



Ålesund Norway

Footprint: Approximately 600 square meter facility
Status: In operation

CHINA JOINT VENTURE MANUFACTURING

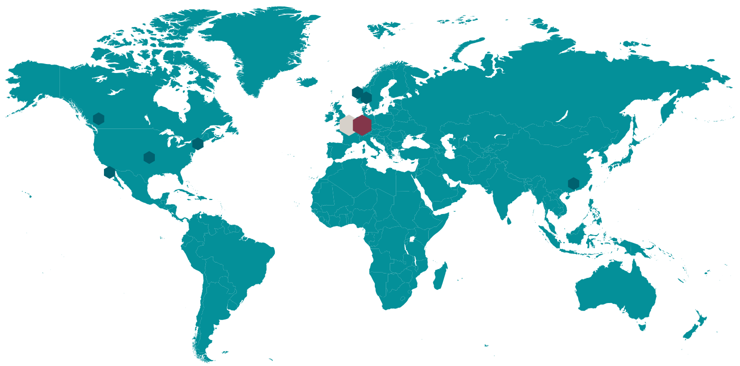
Shijiazhuang China

Footprint: Approximately 22 000 square meter facility
Capacity: Up to 20 000 cylinders annually
Status: Construction completed

INFRASTRUCTURE APPLICATIONS[1]

Hydrogen distribution

Our hydrogen distribution systems, built on Type 4 high-pressure cylinders offer a superior combination of weight and payload, enabling greater hydrogen capacity compared to Type 1 cylinders and a lower total cost of ownership. Today, Type 4 cylinders have become the preferred technology for transporting hydrogen from point of production to end-use location.



Weeze Germany **Kassel** Germany

MARKET OUTLOOK

Hexagon Purus addresses the need to transport hydrogen for industrial and mobility use through its hydrogen distribution system by allowing cost effective transportation from point of production to point of consumption. Hexagon Purus' hydrogen distribution technology is agnostic to the color of the hydrogen molecule, and is equally relevant and competitive for grey hydrogen, which is widely used in several industrial applications today.

The market for transportation of hydrogen has historically been dominated by major industrial gas players such as Air Liquide and Linde. Over the recent years, several emerging green hydrogen producers such as Lhyfe and Norwegian Hydrogen have been established targeting the ongoing energy transition. Both sets of customers rely on Hexagon Purus's Type 4 distribution modules for efficient transport of hydrogen for use in both mobility- and industrial applications. Industrial applications include, amongst other chemical processing, semiconductors, and food production. The major industrial gas players have traditionally transported hydrogen using older Type 1 technology but are replacing it with the newer Type 4 technology offering a lower total cost of ownership. The Type 4 technology also allows for higher pressure compared to Type 1 technology, which makes it ideal for transportation of hydrogen to certain industrial and mobility applications.

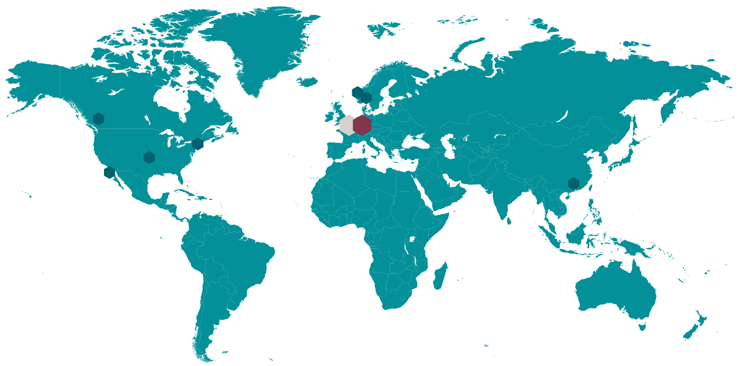
The Company believes that the market for hydrogen distribution systems will continue to be an attractive long-term market for Hexagon Purus as more hydrogen becomes available. The Company is well positioned for future market opportunities with a diverse customer base of both traditional and emerging hydrogen producers, combined with a market leading manufacturing capacity footprint in Kassel and Weeze (Germany).

[1] SBM-1 40aii, 40e, 40f, 40g

INFRASTRUCTURE APPLICATIONS[1]

Mobile hydrogen refueling

Hexagon Purus delivers mobile refueling solutions for hydrogen mobility applications. A mobile refueling unit is essentially a distribution unit with dispensing technology added on board and can be modified to serve both on-and off-road mobility. The lack of developed hydrogen refueling infrastructure presents a significant barrier to the widespread adoption of hydrogen electric vehicles. Mobile hydrogen refueling stations address this gap by offering a flexible, cost-effective solution for customers not yet ready to invest in permanent refueling infrastructure, enabling lower initial capital costs compared to fixed hydrogen refueling stations and allowing for gradual build-up of hydrogen mobility fleets.

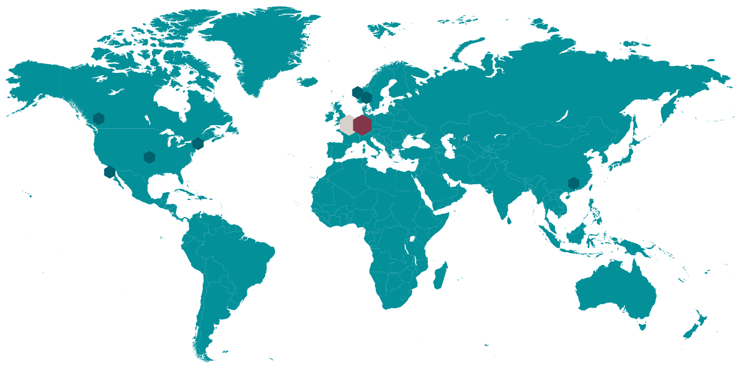


Weeze Germany **Kassel** Germany

INFRASTRUCTURE APPLICATIONS

Stationary hydrogen storage

Hexagon Purus delivers stationary ground storage solutions for hydrogen based on a modular and flexible design. A stationary ground storage unit is a flexible and scalable solution allowing for further expansion after initial installation. The units come in a range of pressure levels (200-1 000 bar) and are stackable to ensure optimal use of available floor space. Stationary ground storage is optimal for storing large quantities of hydrogen at refueling stations or close to industrial applications.



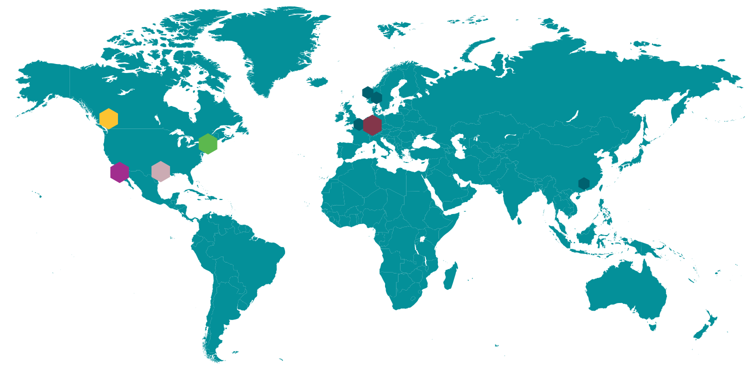
Weeze Germany **Kassel** Germany

[1] SBM-1 40aii, 40e, 40f, 40g

MOBILITY APPLICATIONS[1]

Heavy-duty trucking

Hexagon Purus delivers hydrogen storage cylinders and systems for heavy-duty trucking in Europe and North America, in addition to battery systems and complete vehicle integration of battery electric and fuel-cell electric vehicles in North America. Hexagon Purus has more than 20 years' experience working with OEMs integrating energy storage systems and offers best-in-class electric drivetrain components and storage technology for battery and hydrogen electric trucking.



Kelowna Canada **Ontario** USA **Dallas** USA

Westminster USA **Kassel** Germany

MARKET OUTLOOK

Zero-emission heavy-duty trucking plays a substantial role in reducing emissions within the transportation sector, however, the broader energy transition is facing increasing headwinds in Europe and North America. The market for zero-emission heavy-duty is consequently developing slower than anticipated, and the near-term market outlook has become increasingly uncertain following the US presidential election as customers are delaying purchasing decisions. Successful adoption of both battery- and hydrogen electric technologies will require continued regulatory schemes as well as improved availability of charging and refueling infrastructure.

For hydrogen trucking, there are limited expectations for meaningful volumes in the near to medium term as most incumbent OEMs target hydrogen model introductions towards the end of this decade. In the longer term, Hexagon Purus is well positioned as a key component and system supplier for hydrogen trucking with a leading technology offering as well as a newly established manufacturing capacity footprint in Kassel (Germany) and Westminster (US).

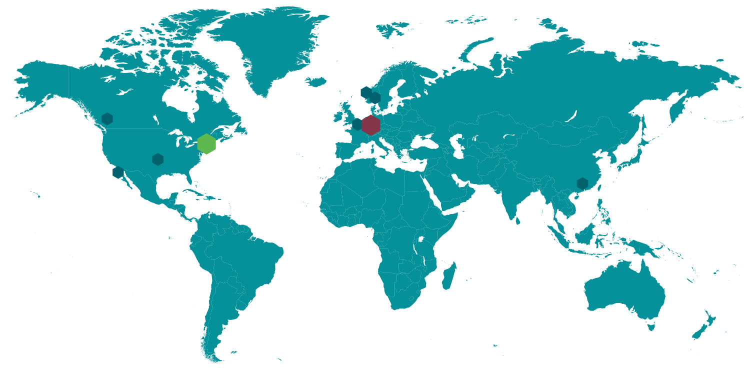
For battery electric trucking in North America, following the US presidential election, there is limited forward visibility on timing for customer demand and a slower ramp-up curve is now expected. Hexagon Purus is well positioned to serve the battery electric heavy-duty trucking market in North America through its comprehensive know-how and technology solutions as well as newly established manufacturing footprint in Dallas (US) and Kelowna (Canada).

[1] SBM-1 40aii, 40e, 40f, 40g

MOBILITY APPLICATIONS[1]

Transit bus

Hexagon Purus delivers hydrogen cylinders and storage systems to transit bus manufacturers globally. Our flexible and customizable range of high-pressure cylinders systems is perfectly suited for installation in buses and can help reduce noise and harmful emissions into the environment.



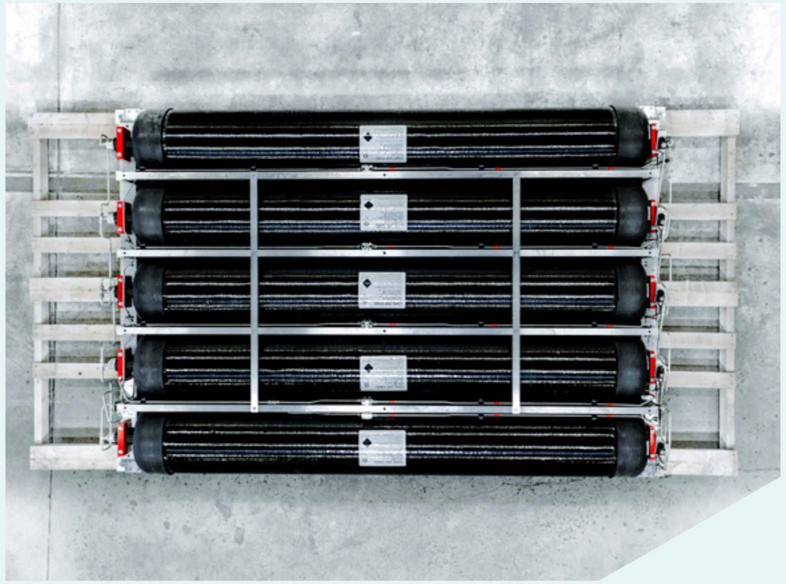
Westminster USA **Kassel** Germany

MARKET OUTLOOK

The push for zero-emission fleets continues in cities and local municipalities and for transit authorities seeking alternatives to battery-electric buses, hydrogen buses offer a complementary solution. Several thousand hydrogen buses are already in operation with many operators, particularly public ones, planning to transition their fleets to zero emission. A hydrogen bus has several unique advantages in terms of extended range, high operational frequency, rapid refueling and performance in both hot and cold climates where significant onboard energy is needed for heating and cooling. Additionally, hydrogen buses can refuel at centralized depots, making them less dependent on widespread public refueling infrastructure like heavy-duty trucks.

In Europe, hydrogen buses have gained momentum on the back of strong regulatory support and increasing numbers of ambitious transit bus manufacturers introducing hydrogen platforms as part of their zero-emission offerings. Leading European manufacturers, including Solaris and CaetanoBus are pushing adoption across European cities. The EU is also supporting adoption through ambitious policies including 100% zero-emission city bus sales by 2035 and a 90% emissions reduction for most new trucks and buses by 2040. In North America, the demand for hydrogen buses remains more localized with California spearheading the adoption of public zero-emission transportation. This is largely due to state-level policies, such as California Air Resource Board (CARB) requirement that all new transit bus purchases must be zero-emission by 2029. New Flyer, the leading North American transit bus manufacturer, already has hydrogen buses on the road and is serving a growing demand in North America.

Hexagon Purus is well positioned to serve a growing demand for hydrogen transit bus and to capitalize on future market opportunities with a strong customer base in both Europe and North America, as well as newly established manufacturing capacity footprint in Kassel (Germany) and Westminster (US).

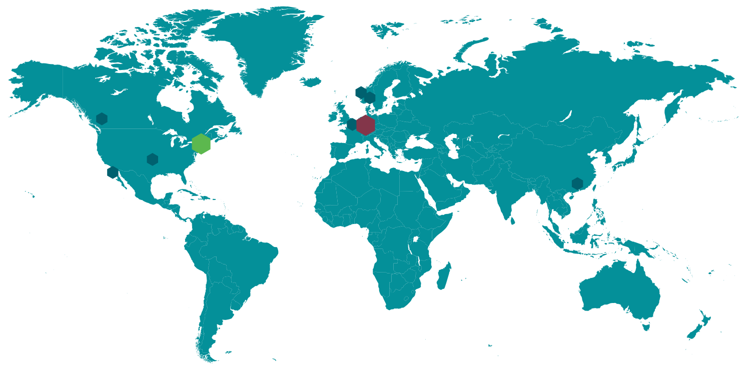


[1] SBM-1 40aii, 40e, 40f, 40g

OTHER MOBILITY APPLICATIONS[1]

Rail

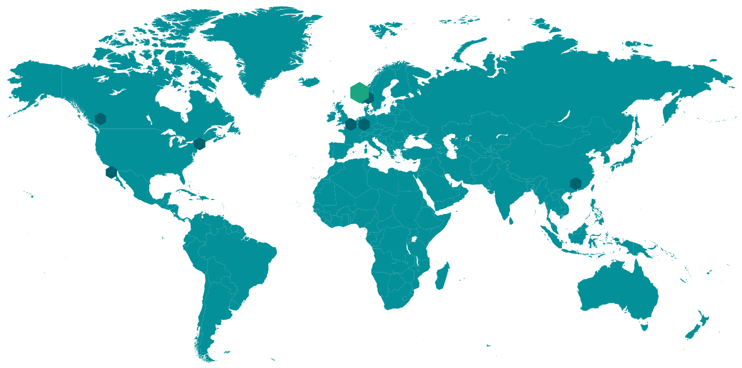
Hexagon Purus delivers on-board hydrogen storage solutions to rail applications. Our Type 4 high-pressure cylinders are designed for hydrogen-powered trains, offering high energy density and long-range capability. Hydrogen is an attractive solution to decarbonize rail transport, especially for regions where direct electrification is not viable. Hydrogen based rail transport does not require massive track overhauls and can be achieved also by retrofitting existing diesel trains. Hexagon Purus storage technology help support shift to zero-emission rail applications by providing a reliable, efficient, and safe solution.



Kassel Germany

Maritime

Hexagon Purus combines extensive hydrogen storage and maritime expertise to provide a holistic approach to zero emission maritime solutions. Hydrogen's energy density and range make it particularly suitable for scenarios requiring continuous operations that would not suit regular charging. Hydrogen is especially attractive for inland or coastal cargo vessels, offshore oil and gas service vessels, wind farm support ships, fish farming boats, and passenger ferries. Hexagon Purus plays a key role in developing maritime industry standards for onboard fuel storage of hydrogen and are working closely with class societies on setting industry safety standards. Strong focus on safety and performance is critical for hydrogen fueled shipping maritime to succeed in the longer term.



Ålesund Norway

[1] SBM-1 40aii, 40e, 40f, 40g

Executive management[1,2]

Morten Holum
President & CEO

Birth year: 1967
Nationality: Norwegian
No. of shares: 349 630[3]
Tenure: 2020

Experience
Morten Holum was appointed President of Hexagon Purus in March 2020. He joined Hexagon Composites in 2019 as Executive Vice President and Chief Operating Officer. Prior to joining Hexagon, he was CFO and then CEO of Saferoad Group, a leading European supplier of road safety and road infrastructure solutions. He has also held management positions in Norske Skog, Norsk Hydro and American Airlines.

Education
Morten has a BSc in Finance and Psychology from Østfold University College and the University of Oslo and an MBA from the University of North Carolina.

Board positions in other companies
Chair of the Board of Jets Vacuum AS

Relevant skills and competencies
Management: General · CEO / large scale leadership · CFO, finance and audit committee · Investor and capital market relationships · Mergers and acquisitions · Strategy
Other: Safety · Manufacturing operations
ESG: Environmental · Social · Governance

Salman Alam
CFO

Birth year: 1991
Nationality: Norwegian
No. of shares: 140 711
Tenure: 2020

Experience
Salman Alam joined Hexagon Purus in 2020 and was appointed CFO in March 2023. Prior to that, he served as SVP, Corporate Development of the Company. Before to joining Hexagon Purus, he was Director of Finance at Hexagon Composites. Salman has broad international experience within financial services, including from investment banking at Goldman Sachs in London and equity research at Carnegie in Oslo.

Education
Salman holds a BSc in Business and Economics from BI Norwegian Business School and an MSc in Finance from London Business School.

Board positions in other companies
Chairman, Hexagon Technology H2 AS
Board member, Hexagon Purus HK Holding AS

Relevant skills and competencies
Management: CFO, finance and audit committee · Investor and capital market relationships · Financing · Mergers and acquisitions · Strategy · Legal and public affairs · Risk management
Other: Energy sector · Manufacturing operations

Anne Lise Hjelseth
EVP, People & Culture

Birth year: 1969
Nationality: Norwegian
No. of shares: 84 715
Tenure: 2022

Experience
Anne Lise Hjelseth joined Hexagon Purus in January 2022 as Executive Vice President and has the responsibility for People & Culture, Sustainability & Communication. She is a seasoned executive with extensive international experience from a variety of industries within HR, Culture, Organizational Development, Communication, and Sustainability. Prior to Hexagon Purus, she was part of the executive teams at Wallenius Wilhelmsen, Kitron and Cambi and held several international leadership roles within Eli Lilly & Co.

Education
Anne Lise holds an MSc in Engineering, Organic Chemistry, from the Norwegian University of Science and Technology (NTNU).

Board positions in other companies
Not applicable.

Relevant skills and competencies
Management: Global leadership · Organizational development, incl. change management · Mergers and acquisitions · Strategy · HR / remuneration
Other: Technology · Innovation · Manufacturing · Sales · Marketing · Communication
ESG: Environmental · Social · Governance

[1] Per 31.12.2024
[2] GOV-1 20a, 20c
[3] Includes shares owned by related parties

Executive management cont.

Michael Kleschinski
EVP, Hydrogen Mobility & Infrastructure

Birth year: 1975
Nationality: German
No. of shares: 247 025
Tenure: 2014

Experience
Michael Kleschinski was appointed Executive Vice President in March 2020. From 2016, Michael was President of Hexagon Purus and has previously held different management positions within production and engineering in Hexagon Composites. Before joining Hexagon Composites he was the Managing Director of Xperion Energy & Environment.

Education
Michael has a BSc with Honors in Mechanical Engineering from the University of Glasgow, Dipl.-Ing. general engineering and a Ph.D. in composite materials from Darmstadt University.

Board positions in other companies
Not applicable.

Relevant skills and competencies
Management: General · CEO / large scale leadership · Strategy
Other: Safety · Quality · Energy sector · Innovation · Manufacturing operations

Todd Sloan
EVP, Battery Systems & Vehicle Integration

Birth year: 1970
Nationality: Canadian
No. of shares: 204 811
Tenure: 2001

Experience
Todd Sloan was appointed Executive Vice President in February 2019. Previously he was Senior Vice President Innovation and Global Business Development at Agility Fuel Solutions. Todd is one of the founders of Agility Fuel Solutions, now part of Hexagon Composites. He is a 25-year veteran in the clean vehicle technology industry and holds multiple patents.

Education
Todd holds a Bachelor of Engineering in Mechanical Engineering industry.

Board positions in other companies
Not applicable.

Relevant skills and competencies
Management: General · Large scale leadership · Strategy · Innovation · Sales & Marketing
Other: Safety · Quality · Innovation · Manufacturing operations
ESG: Environmental

BOARD OF DIRECTORS' REPORT

Board of Directors' report

Hexagon Purus is a global leader in the hydrogen infrastructure and zero-emission mobility space offering leading hydrogen and battery energy storage solutions and heavy-duty vehicle integration. Our solutions enable the safe and effective use of hydrogen and battery electric systems in a variety of applications including hydrogen distribution, mobile refueling, industrial manufacturing, transit bus, heavy-duty trucking and maritime. Hexagon Purus ASA is headquartered in Oslo, Norway with business activities mainly located in Germany, USA, Canada and China.

Key developments of 2024

- Opened new and expanded hydrogen infrastructure and systems manufacturing hub in Weeze, Germany, significantly increasing capacity of Type 4 high-pressure hydrogen infrastructure solutions

- Launched the Tern RC8 battery electric heavy-duty truck for the US market, in partnership with Hino Motors, at the ACT Expo show in Las Vegas

- Confirmed by Toyota Motor North America (TMNA) as supplier of components for its heavy-duty fuel cell electric powertrain kits for hydrogen powered heavy-duty vehicles

- Secured up to CAD 8.5 million in funding from the Commercial Vehicle Innovation Challenge (CVIC) in Canada to further develop the battery electric vehicle technology

- Signed a multi-year supply agreement with GILLIG, a leading designer and manufacturer of heavy-duty transit buses in the United States, for supply of hydrogen fuel storage systems for their new fuel cell powered transit buses

- Secured an order from Freire Shipyard for a hydrogen fuel system for a Greenpeace vessel

- Successfully raised approximately NOK 1 billion in equity

- Selected by New Flyer, North America's largest mass mobility solutions provider, to supply Type 4 hydrogen cylinders for the fifth consecutive year for their next generation, zero-emission hydrogen fuel cell-electric transit bus, the Xcelsior CHARGE FC™

- Daimler Truck North America and Hexagon Purus end supply agreement for battery electric vocational vehicles

Financial results

Profit/loss

In 2024, Hexagon Purus ("the Company" or "the Group") generated NOK 1 876 million in revenue, up 42 per cent compared to the full-year revenue in 2023. Hydrogen infrastructure solutions and hydrogen mobility were the main drivers of growth, coupled with revenue from vehicle integration following the delivery of the first trucks to Hino.

Cost of materials as % of revenue was 58 per cent for the full-year 2024, compared to 59 per cent for the full-year 2023. In relative terms, as a % of revenue, payroll expenses for the full-year 2024 were 40 per cent (47 per cent) and increased on an absolute basis as a function of increased headcount. Total operating expenses for the full-year 2024 ended at NOK 2 224 (1 765) million, leading to an operating profit before depreciation (EBITDA) of NOK -348 (-445) million. Depreciation and impairment for the full-year 2024 was NOK 562 million, up from NOK 150 million for the full-year 2023 with the increase driven mainly by impairment of fixed assets and goodwill of NOK 355 million coupled with a higher base of depreciable assets. Operating profit (EBIT) for the full-year 2024 consequently ended at NOK -911 (-595) million.

Share of income from investments in associates, which reflects Hexagon Purus' minority shareholdings in Cryoshelter H2 GmbH and CIMC Hexagon Hydrogen Energy Systems td., was NOK -36 (-13) million for the full-year 2024. Given the decision to cease funding to Cryoshelter LH2 GmbH, an impairment charge of NOK 19 million related to the Company's shareholding in Cryoshelter was recognized in 2024. Finance income for the full-year 2024 was NOK 100 (104) million, of which approximately NOK 76 million relates to foreign exchange fluctuations and approximately NOK 24 million relates to interest income on bank deposits. Finance costs for the full-year 2024 were NOK 365 (187) million, of which approximately NOK 210 million relates to non-cash interest on the 2023/2028 and 2024/2029 convertible bonds. Approximately NOK 39 million stems from interest on lease liabilities and other interest-bearing debt and NOK 59 million relates to foreign exchange fluctuations. The remaining relates mainly to an impairment charge of outstanding debt to Cryoshelter LH2 GmbH of NOK 55 million. Tax expense for the full-year 2024 was NOK-9 (-8) million, and net profit after tax ended at NOK -1 202 (-684) million.

Cash flow

Net cash flow from operating activities for the full-year 2024 was NOK -682 (-713) million, of which NOK -288 (-249) million was due to an increase in net working capital.

Net cash flow from investing activities was NOK -535 (-597) million for the full-year 2024, of which NOK 428 (443) million relates to investments in production equipment and facilities related to the capacity expansion program. Capitalized product development expenditure was NOK 49 (40) million for the full-year 2024. The final settlement of the contingent earn-out related to the Wystrach acquisition was also made in 2024, amounting to NOK 43 million. Additionally, during 2024, NOK 17 million was contributed to Cryoshelter H2 GmbH for development work related to developing liquid

hydrogen storage solutions, and NOK 15 million to Norwegian Hydrogen AS. Interest received on deposits for the full-year 2024 amounted to NOK 21 (30) million.

Net cash flow from financing for the full-year 2024 was NOK 1 907 (1 261) million, mainly driven by issuance of NOK 1 000 million (gross) in new equity and approximately NOK 1 000 million (gross) in convertible bonds during 2024. The majority of the outflow from financing is related to lease payments, which for the full-year 2024 amounted to NOK -82 (-52) million. Cash interest payments for the full-year 2024 amounted to NOK -3 (-21) million.

Net change in cash and cash equivalents for the full-year 2024 was NOK 690 (-49) million, and currency exchange differences on cash was NOK 30 (-25) million. Cash and cash equivalents ended at NOK 1 028 (307) million.

Balance sheet

Total assets at year-end 2024 amounted to NOK 4 934 (3 773) million. The year-over-year increase in total assets is mainly driven by increases to property, plant and equipment to NOK 1 204 (867) million and right-of-use assets to NOK 561 (545) million as a result of the Company's capacity expansion program, combined with an increase in working capital to cater for higher revenue. The cash balance increased following the Company's equity capital raise in October 2024. Trade receivables increased to NOK 351 (275) million at year-end 2024 and inventory stood at NOK 694 (482) million. Increases in equity and non-current liabilities in 2024 are mainly driven by issuance of NOK 1 000 million (gross) in new equity and NOK 1 000 million (gross) in convertible bond in combination with an increase in lease liabilities related to production facilities and equipment as part of the Company's capacity expansion program. At year-end 2024, the Company had an equity ratio of 43 per cent (51 per cent).

Hydrogen mobility and infrastructure

Hexagon Purus' hydrogen storage solutions are based on its leading Type 4 cylinder technology and enable the safe and efficient use of hydrogen in a variety of zero-emission mobility and hydrogen infrastructure applications. The Hydrogen Mobility and Infrastructure (HMI) segment covers Hexagon Purus' hydrogen cylinder and systems manufacturing activities in Europe and North America, as well as its aerospace and industrial gas business.

Financial update

In 2024, the HMI segment generated NOK 1 782 (1 275) million, up 40 per cent compared to the full-year 2023. A key driver of HMI's revenue growth in

2024 was hydrogen infrastructure solutions, which for the full-year 2024 amounted to NOK 1 058 (771) million. Within hydrogen infrastructure solutions, sale of hydrogen distribution modules made up most of revenue during year with product deliveries to customers like Air Liquide, Linde, Lhyfe and Plug Power.

Revenue from HMI's hydrogen mobility solutions for the full-year 2024 amounted to NOK 470 (197) million, of which NOK 311 (111) million relates to the sale of hydrogen storage cylinders- and systems to transit bus customers in Europe and North America. The remaining revenue from hydrogen mobility solutions mainly relates to hydrogen heavy-duty trucking in North America.

Revenue from HMI's industrial gas business, delivering solutions for stationary storage of primarily air gases such as nitrogen and oxygen to industrial customers, for the full-year 2024 amounted to NOK 175 (192) million. Lastly, revenue from the segment's aerospace activities, which supports privately held space exploration companies in North America with storage solutions for space expeditions, for the full-year 2024 amounted to NOK 56 (66) million.

EBITDA for the HMI segment for the full-year 2024 ended at NOK -12 million, equal to an EBITDA margin of -1%, representing a significant improvement compared to EBITDA of NOK -94 million (-7% margin) for the full-year 2023.

Operational update

The majority of the Company's capacity expansion program for hydrogen cylinder production and hydrogen infrastructure solutions assembly in Kassel, Westminster and Weeze has been completed, with some spill-over of final CAPEX payments into 2025.

Given an uncertain near-term demand outlook going into 2025, measures to reduce costs across the Group are being implemented. For HMI, short-time work has been implemented for the Company's hydrogen distribution assembly site in Weeze, Germany and approximately 25% of the Company's employees at its Kassel facility are expected to be laid off during the first half of 2025.

As mass adoption of hydrogen mobility for heavy-duty vehicles is pushed out, wide-spread adoption of liquid hydrogen storage solutions for heavy-duty mobility is no longer expected in the current decade. Consequently, the Company is ceasing funding to Cryoshelter and ending the development of liquid hydrogen storage solutions for heavy-duty mobility.

Battery systems and vehicle integration

The Battery Systems and Vehicle Integration (BVI) segment covers Hexagon Purus' industry-leading battery storage systems technology and complete vehicle integration services for medium- and heavy-duty trucks in North America.

Financial update

In 2024, the BVI segment generated NOK 97 (40) million, where the year-over-year revenue growth relates mainly by vehicle integration deliveries of the Tern RC8 to Hino as well as deliveries to Toyota Motors North America. Certain one-off payments from customers were also received in 2024.

EBITDA for the BVI segment for the full-year 2024 ended at NOK -139 (-140) million.

Operational update

The significantly increased political risk for the Company's North American operations following the US presidential election in November is leading to a slower ramp-up curve for the Company's battery electric vehicle program with Hino. Given the continued regulatory and market uncertainty, the Company is expecting to lay off approximately 40% of its employees in the BVI business unit during the first half of 2025.

Organization

At the end of 2024, the total number of employees in Hexagon Purus was 848 (including temporary workers, excluding agency workers). The female workforce grew by 37%. Crucial competencies were acquired at all sites. The company remains committed to cultivating a diverse, inclusive, and respectful workplace and will continue to advance its efforts in this regard.

Share price development and dividends

At the end of 2024 the total number of shares in Hexagon Purus ASA was 428 486 108 (par value NOK 0.10). The share price moved between NOK 11.88 and NOK 4.85, ending the year at NOK 5.60 and representing a market value of approximately NOK 2.4 billion. The Board of Directors does not recommend a dividend for the year 2024.

Financial risk

The Group has a centralized finance function with overall responsibility for accounting, cash management, capital management, financing arrangements and management of the Group's financial risk factors. In addition, the operating subsidiaries have local finance functions that perform similar tasks at the subsidiary level.
The Group is exposed to credit risk related to counterparty default on contractual agreements

and trade, and other current receivables. The Company has policies and procedures to ensure that sales are made to customers with appropriate credit profiles within defined limits. No material losses on outstanding receivables were recorded in 2024 or 2023. The trade receivables at the end of 2024 amounted to NOK 351 million.

Liquidity risk is the risk of the Group not being able to fulfil its financial liabilities when they fall due. The Group's strategy for managing liquidity risk is to set a level of available liquidity to enable it to discharge its financial liabilities when they fall due, both under normal and unexpected circumstances, without risking unacceptable losses or damaging the group's reputation. 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 on its strategy and to fund capital expenditures. Adequate sources of capital funding might not be available when needed or may only be available at unfavorable terms. If funding is insufficient at any time in the future, the Group may be unable to, inter alia, fund acquisitions, take advantage of business opportunities correspond to competitive pressures, any of which could adversely impact the Group's growth plans, financial condition and results of operations. As the Group has production and sales in different countries with different functional currencies, it is exposed to currency risk associated with movements of the Norwegian krone (its presentation currency) against other currencies. The Group's profit after tax is also affected by currency movements, as the results of foreign companies are translated to Norwegian kroner using the weighted average exchange rate for the period. The most important foreign currencies to the Company are the Euro and US Dollar. The Group currently does not use financial instruments to manage foreign exchange risk. Please see Note 18 to the consolidated financial statements for further information related to financial risk factors and mitigating actions.

Governance framework

Hexagon Purus ASA is committed to following the Norwegian Code of Practice for Corporate Governance. We aim to secure a clear division of roles and responsibilities between shareholders, the Board of Directors and executive management to ensure appropriate corporate governance. We believe that good corporate governance and high ethical standards contribute to value creation for all interest groups and strengthens trust in the Company among shareholders, in the capital markets and with other key stakeholders.

Board of Directors

Together with Hexagon Purus Group Executive Management, the Board of Directors are responsible for the management of the company. The CEO is selected by the Board of Directors.

The Board is responsible for ensuring that the Group is managed in accordance with its corporate objectives, values and ethical guidelines, in addition to strategic management of the Group. The Board has an annual plan with particular emphasis on objectives, strategy and implementation and submits an evaluation of its work, including a self-assessment, to the nomination committee annually. The Board makes decisions concerning risk management, investment strategy, control and audit matters, in addition to ad-hoc significant operational issues. We have included a summary of the most important sustainability tasks overseen by the Board in 2024:

- Health & safety awareness and reporting
- Sustainability, including double materiality assessment, CSRD reporting readiness and KPI
- Risk and compliance review[1]

The Board has two separate committees: The remuneration committee and the audit committee. The remuneration committee is responsible for remuneration to the Executive Management. The audit committee reviews the overall risk management policy and procedures and the Group's internal control routines. The committee functions as a preparatory and advisory committee for the Group's Board and provides support for exercising its responsibilities relating to risk, corporate governance management, financial reporting, financial information and auditing. The responsibilities also include oversight of impacts, risks, and opportunities concerning sustainability.

[1] GOV-2 26c

Risk and Impact Management[1]

Operating in a global environment and across three continents, we are exposed to internal and external risks and opportunities. We aim to mitigate risk and seize opportunities by integrating risk management and internal controls in our business processes. When we are developing goals, strategies, and business plans aiming for sustainable value creation, we must balance expansive opportunities and growth with business risk and profitability.

We aim to improve our enterprise risk management processes to further understand and review risks and opportunities in the shorter term and in the longer run. The Board of Directors is reviewing our enterprise risk annually, also suggesting risk mitigating procedures. Our risk management platform is an integrated part of our overall business processes and decisions.

We are actively monitoring our exposure to strategy, operational, financial, reputational, and sustainability risks by relying on our first and second line of defense. Our third line of defense, the Board of Directors and the Audit Committee, are solely responsible for reviewing and concluding on the overall risk exposure for the company. This allows us to implement any risk mitigating measures efficiently to ensure that risk is at an acceptable level while we can still reach our business objectives.

	FIRST LINE OF DEFENSE	SECOND LINE OF DEFENSE	THIRD LINE OF DEFENSE
WHO	Subsidiaries Corporate Staff	External resources Company Internal Controls Function CEO	Auditor Board / Audit Committee
WHAT	First line of defense acts on company culture and attitudes. Responsible for day-to-day incidents, in addition to taking necessary action to report, monitor, control, mitigate, and escalate risk.	Second line of defense works with internal controls to ensure that company policies and guidelines are properly followed. Second line of defense is also in charge of new policies and procedures, in addition to monitoring compliance with company policies and guidelines. Company Internal Controls Function and the CEO have the main responsibility for understanding and monitoring risks, including financial, strategic, and sustainability risks.	
HOW	• Performing internal controls • Ad hoc responses to risk related incidents • Escalating incidents based on severity	• Building internal controls to mitigate risk • Implementing policies and guidelines • Using enterprise management risks • Escalating incidents based on severity • Answering to both the first and third line of defense • Building the bridge between Executive Management, subsidiaries/corporate, and Board/Audit Committee	• Reviewing enterprise management risks continuously • Engaging third-party assessments of internal controls

[1] GOV-1 20b, 22, GOV-2 26a, 26b, SBM-2 45d

Business risks are communicated by the local entities and assessed by the Executive Team on a monthly basis. An aggregated risk assessment is reviewed by the Board of Directors quarterly, including suggested risk mitigating procedures.

Sustainability risks and opportunities do not form a part of the process described above, but follows a dedicated and separate process. Sustainability risks and opportunities are longer term, where the scale, scope, and likelihood can potentially be incomparable to more present financial and operational risks, which again could lead to an underestimation of such risks and opportunities. Sustainability-related risks are therefore prioritized and integrated with financial and operational risks when they could have a direct impact on one or the combination of the two. The dedicated process allows the Sustainability function to assess sustainability risks and opportunities in conjunction with the Executive Team twice a year and escalate sustainability risks and opportunities in the business risk assessment. The process and results from this assessment are ultimately reviewed by the Board of Directors through the Audit Committee. One of the assessments, with subsequent review, coincides with the double materiality assessment performed annually. The list of material impacts, risks, and opportunities addressed by the governing bodies can be found in the Double materiality assessment section in the sustainability statements.

Seizing opportunities and mitigating risks are foundational factors to sustainable growth. However, we must acknowledge the impact our business operations have on the planet. For impact management we are also relying on the first line of defense to work with impact reductions during our operations. In case impacts are assessed as severe, they are escalated to the second line of defense. The Board of Directors are involved in case there are any impacts, whether potential or actual, that might lead to strategic, operational, financial, or reputational risks on an aggregated business level.

Applying terms and methodology from sustainability due diligence, we connect identified impacts, risks, and opportunities to relevant policies and actions. Policies are approved by the Board of Directors and adopted by relevant stakeholders in the Executive Team. The policies are used to inform the organization about Hexagon Purus' aspirations and to instigate action concerning our impact, risks, and opportunities.

After the deconsolidation from Hexagon Composites Group in June 2023, Hexagon Purus is still utilizing certain policies of Hexagon Composites Group, where it is applicable, until Hexagon Purus develops its own standalone policies.

Policies and actions are also used to communicate sustainability KPIs and targets, and the Company's progress in these areas. KPIs and progress on the KPIs are reported to the Executive Management and the Board of Directors on a regular basis, based on nature of the respective KPIs. An overview of the most material sustainability KPIs can be found on page 45.

Risk management and internal controls for sustainability reporting[1]

The sustainability statements in the annual report are reviewed by the Executive Team and the Board of Directors prior to the release of the annual report. With the adoption of CSRD and its accompanying reporting standards ESRS, 2024 will be the first year where the auditor provides limited assurance on the sustainability statements. This is reflected in the risk management and internal controls for sustainability reporting, where we have yet to establish these processes and controls. There is no risk assessment or prioritization or formalized internal controls, and thus no assessment of operating effectiveness for risks and controls covering the sustainability

Hexagon Purus' Policies	Published or last updated on
Human Rights and Working Conditions Hexagon Purus	19 March 2024
Policy on Diversity, Equity and Inclusion Hexagon Purus	19 March 2024
Hexagon Purus Code of Conduct	3 December 2024
Supplier and Business Partner Code of Conduct Hexagon Purus	10 February 2025
Whistleblowing Policies	19 March 2024

Hexagon Composites' policies that are still adopted by Hexagon Purus	Published or last updated on
Environmental, Health and Safety Policy	December 2024
Supply Chain Management Policy	December 2023
Product Safety Policy	2021
Anti-Corruption Policy and Guidelines	July 2024

[1] GOV-5 36

reporting for the financial year 2024, apart from the annual review of the sustainability statements. Hexagon Purus will assess sustainability reporting risk management and internal controls in 2025, incorporating findings addressed by the auditor provided on an annual basis.

Executive Remuneration

As a leading, international company within the zero-emission mobility industry, Hexagon Purus must offer a level of total remuneration that ensures that it can attract and retain its Executives. The individual remuneration components and total remuneration that Purus offers strive to support Purus' competitiveness as an employer at all locations. Remuneration for Executives has been designed to comply with established local practice and mandatory rules in the jurisdiction of their employment, considering, to the extent possible, the overall purpose of the remuneration policy. The remuneration policy, with its terms of incentive schemes, was approved by the Annual General Meeting in April 2021. There have been no changes to the remuneration policy since its approval. The guidelines for remuneration of the Executive Management of Hexagon Purus can be found on the Company's website.

The Remuneration Policy balances short-term and long-term performance, taking into consideration business strategy, purpose and values, and aim to deliver value for shareholders over time. In addition to short-term and long-term performance incentive schemes, remuneration of the Executive Team includes fixed salary, pension or retirement schemes, and other benefits facilitating the duties as Executives, such as costs related to e.g. internet access and company phone.

Bonuses, variable cash salary, Short-term Incentive Program ("STIP")[1]

The short-term incentive program (STIP) is based on a set of pre-determined and measurable performance criteria. From the remuneration policy these criteria can include both financial and non-financial parameters, where the latter may include a range of strategic objectives, including sustainability targets.

Variable cash salary for Executives in 2024 was based on a set of pre-determined and measurable performance criteria. The STIP parameters in 2024 were:

- EBITDA (40%)
- Revenue (30%)
- Execution milestones (30%)

Sustainability-related targets were included in the variable remuneration for 2024, where achieving ISO 14001 and ISO 45001 certifications in Weeze and Kassel were part of the execution milestones. Climate-related considerations were not factored into the remuneration of members of the administrative, management and supervisory bodies.

All participants in the program are measured on overall company results. Determination of the extent to which the criteria for the STIP are fulfilled is determined upon expiry of the relevant measurement period by measuring criteria against actual performance.

Bonuses, variable share-based incentive programs: Long-Term Incentive Program ("LTIP")

Share-based payments are used as part of Hexagon Purus' incentive schemes. The Board of Directors views share-based long-term incentive programs as an important part of the total compensation for Executives. The purpose of the LTIP is to ensure shareholder mindset, and retention and attraction of competence and talent. According to the Remuneration Policy, LTIP programs shall be linked to value creation of shareholders and is therefore tied to share price.

Directors and Officers insurance

The Board of Directors and key management personnel of Hexagon Purus ASA are covered by the Company's Directors and Officers liability insurance policy. The insurance covers personal legal liabilities including defense and legal costs of the directors and officers of the parent company and all controlled subsidiaries globally. In addition, cover is also extended to personnel that serve at the request or direction of the Company who may be sitting on the boards of jointly or non-controlled entities.

After the balance sheet date

Hexagon Purus renews long-term agreement for supply of hydrogen fuel storage systems with a transit bus customer.

Outlook

The new administration following the US presidential election has significantly increased uncertainty around the near-term outlook for the energy transition and zero emission mobility in North America. Customers, especially in California, are awaiting clarification around legislation and funding mechanisms. In addition, the hydrogen industry and project realization is developing slower than expected in Europe, impacting the Company's customers.

With an uncertain near-term outlook and lower visibility, the Company is launching a program targeting annualized cost reduction

[1] GOV-3 29

of approximately NOK 200 million, including an approximate 15% reduction in workforce. The Company is also launching a review of its overall business portfolio to make additional adjustments to secure the Company's cash runway to EBITDA and cash break-even.

The Company has a well-diversified customer base and are exposed to a range of attractive end-use applications at varying stages of maturity. The Company's hydrogen infrastructure business is EBITDA profitable and is mainly based on large industrial gas companies' need to cost efficiently transport gray hydrogen for industrial use cases. A delay in roll-out of green hydrogen projects will impact near-term growth for the hydrogen infrastructure business, but the Company continues to expect a base level of demand for its distribution solutions for industrial use-cases from its existing customer base of blue-chip industrial gas companies. The Company's hydrogen transit bus business is experiencing strong growth as end-user demand is mainly made up of public authorities with local decarbonization agendas, both in Europe and North America. The Company's hydrogen and battery electric heavy-duty vehicle business, centered around the US market, is on the other hand experiencing uncertainty and low demand visibility following the US presidential election.

Year-over-year, the battery electric business is expected to grow in 2025, but with a slower ramp-up curve compared to earlier expectations.

The Company's order backlog, consisting of firm customer purchase orders, stood at NOK 726 million by the end the fourth quarter of 2024, with about 90% due for execution in 2025 and the remaining 10% due for execution in 2026. The Company is expecting a slow start to 2025 revenue-wise and is currently projecting a significant sequential decline in Q1 2025 revenue.

Given the recent chain of events, it is no longer deemed realistic that the market will grow as previously guided in the near-term, and the Company has decided to postpone further guiding until better visibility is gained. The Company will first and foremost focus on making the current cash balance last until EBITDA and cash break-even.

Going concern

In accordance with the Norwegian Accounting Act Section 3-3a, we confirm that the conditions for continued operations are present and that the annual report has been prepared under the assumption of going concern. This assumption is based on financial forecasts for 2025 as well as the Company's long-term strategic forecasts. At the date of this report the Company has a solid financial position with sufficient liquidity.

The Parent Company Hexagon Purus ASA incurred a loss for the year after tax of NOK 1 921.3 million in 2024. The Board of Directors of Hexagon Purus ASA propose the loss for the year is allocated as follows:

(NOK 1 000)	2024
Share premium	(1 921 251)
Total allocation	(1 921 251)

Corporate governance

CREATING VALUE FOR OUR STAKEHOLDERS

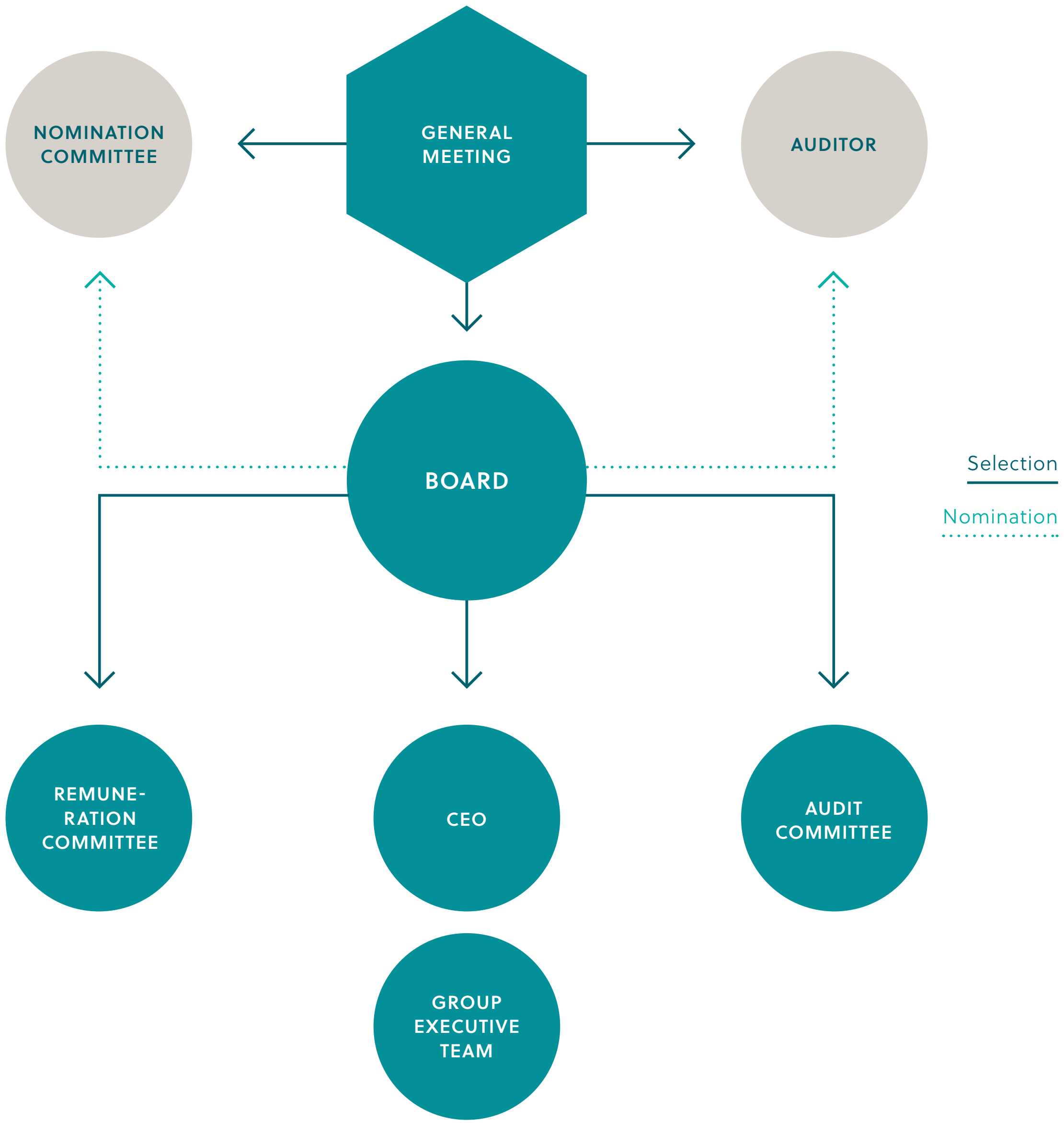
Hexagon Purus ASA is committed to following the Norwegian Code of Practice for Corporate Governance. We aim to secure a clear division of roles and responsibilities between shareholders, the Board of Directors and executive management to ensure appropriate corporate management. We believe that good corporate governance and high ethical standards contribute to value creation for all interest groups and strengthens trust in the Company among shareholders, in the capital markets and with other key stakeholders.

The Company is subject to reporting requirements for corporate governance under the Accounting Act section 3-3b (available at www.lovdata.no) as well as Oslo Børs' "Oslo rule book II - Issuer Rules" section 4.4 (available at Oslo Børs' website, www.euronext.com).

The principal purpose of the Corporate Governance Code is to ensure (i) that listed companies implement corporate governance practices that regulate the division of responsibilities between the shareholders, the Board of Directors and Executive Management more comprehensively than the legislation requires, and (ii) effective management and control over activities with the aim of securing value creation over time in the best interest of shareholders, employees and other stakeholders.

1. Implementation and reporting of Corporate Governance

The Company has adopted a corporate governance regime which is based on, and complies with, the Norwegian Code of Practice for Corporate



Governance, dated 14 October 2021 (the "Corporate Governance Code"), with the following exeptions:

- The Company encourages shareholders to attend the general meeting. It is also the intention to have representatives of the Board of Directors and the Chair of the nomination committee to attend the general meeting. The Company will, however, normally not have the entire board attend the meeting as this is considered unnecessary. This represents a deviation from the Corporate Governance Code which states that arrangements shall be made to ensure participation by all directors. The Board is spread over several geographical areas, and it may be impractical for all board members to attend the general meeting. In the Company's experience, the general meetings have historically proven satisfactory although not all board members have been present.

- In 2024, the Company entered into a consultancy agreement with board member Rick Rashilla in order to capitalize on his vast knowledge and experience with pressure cylinders, thereby deviating from the Corporate Governance Code item 11. Said engagement secures access to industrial competence of significant value to the Company, and is therefore in the Board of Directors' view firmly in the Company's and shareholders' interests.

Neither the Board of Directors nor the Company's general meeting of shareholders have adopted any resolutions which are deemed to have a material impact on the Group's corporate governance regime

2. Business

Hexagon Purus is a leading player in the hydrogen infrastructure and zero-emission mobility space offering hydrogen and battery energy storage solutions. The company's hydrogen systems based on Type 4 cylinder technology and battery systems enable safe and efficient use of hydrogen and battery electricity in a variety of zero-emission infrastructure and mobility applications. The scope and objectives of our business are defined in the Company's articles of association §3: "The purpose of the company is to conduct business within development of solutions in the field of clean fuels, and everything connected therewith, including investment in other companies." A more comprehensive discussion and analysis of our business activities, strategic priorities and operating results are included in the Integrated Annual Report and the Company's website www.hexagonpurus.com.

The Board has defined clear objectives, strategies and risk profiles for the Company's business activities such that the Company creates value for shareholders in a sustainable manner. When carrying out this work, the Board of Directors takes into account financial, social and environmental considerations. These objectives, strategies and risk profiles are subject to annual review by the Board. Sustainability, including social responsibility, is an integral part of Hexagon Purus's corporate governance process. Formal guidelines for corporate sustainability have been approved by the Board and integrated into the Group's management systems. The Company strives for diversity across its Board, board committees, and the executive team with regards to age, backgrounds, nationalities, educational backgrounds, competencies and genders. Presently, the Board has a 43 per cent female representation and represents a variety of backgrounds. The executive team showcases diversity in age and backgrounds, with female representation standing at 20 per cent. Guided by a robust diversity, equity, and inclusion policy, the Company diligently advances efforts to enhance diversity. For further insights, please refer to the sustainability section of the Integrated Annual Report.

3. Equity and dividends

The Company aims to maintain a capital structure considered appropriate to the Group's objectives, strategies and risk profile. At the end of 2024 the total number of shares in Hexagon Purus ASA was 428 486 108 (par value NOK 0.10). The share price moved between NOK 11.88 and NOK 4.85 ending the year at NOK 5.60, which represented a market value of approximately NOK 2.4 billion. The Board of Directors does not recommend a dividend for the year 2024.

Authorization to the Board for capital transactions is normally restricted to defined objectives and time limitations that do not exceed the next ordinary general meeting. This applies to the issuance of new shares as well as the purchase of own shares. The board is currently and until the General Meeting of 2025, but no later than 30 June 2025, authorized to acquire own shares on one or more occasions. The Board is also granted authorization for increases in share capital relating to general corporate purposes and share issues in connection with share incentive programs. The Company will propose that these authorizations are renewed.

4. Equal treatment of shareholders

Hexagon Purus has one class of shares with equal rights, and its policy is to comply with the equal treatment principles of applicable law in capital transactions. Where circumstances require deviation from the main rule of equal treatment of shareholders, the reasoning for such deviations will be included in the stock exchange announcement made in connection with the transaction. Any transactions in own shares will be carried out in compliance with applicable law and reflecting prices quoted on the exchange.

5. Shares and negotiability

All shares in Hexagon Purus are freely negotiable shares with full voting rights. No form of transfer or voting restrictions have been stipulated in the articles of association.

6. General meetings

Hexagon Purus has well-established procedures for publicly announcing and issuing information regarding the general meeting, and all relevant information is published through newsweb.no, and the Company's website. Notice of the general meeting and supporting documents, including the recommendations from the nomination committee, are distributed and published 21 days in advance of the meeting date. The Board will ensure that the Company's shareholders can participate in the general meeting, that the resolutions and supporting information distributed are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting. Deadline for shareholders to give notice of their intention to attend the meeting is set close to the date of the meeting, and as per applicable regulations. Normally, shareholders will be able to vote on each individual matter, including on individual candidates nominated for election to the Company's corporate bodies. Hexagon Purus will aim to prepare and facilitate the use of proxy forms that allows for separate voting instructions to be given for each item on the agenda and should nominate a person who will be available to vote on behalf of shareholders as their proxy. The Company has routines for ensuring that the shareholders may elect an independent chairperson for its general meetings.

7. Nomination committee

The Company's nomination committee is regulated by the articles of association. The nomination committee's main responsibility is to evaluate the work and expertise profile of the Board of Directors and to propose suitable candidates. The nomination committee also proposes the fees to be paid to members of the Board. Proposals for candidates, including the reasons for selection and other relevant information are distributed with other documentation related to the annual general meeting. The nomination committee is currently comprised of two members, none of whom are board members. The composition of the committee is intended to reflect the interests of all shareholders, and the members are independent of the Board and other executive management. Members are elected at the annual general meeting.

8. Board of Directors: composition and independence

The Board is composed of individuals with sufficient competence and expertise, capacity and diversity to enable independent evaluations of the Group's operations in the common interests of all shareholders and to ensure its effectiveness as a governing body. The composition of the Board ensures that it can operate independently of any special interests. The majority of the shareholder elected board members are independent of the Company's executive personnel, material business contacts and the Company's major shareholders. Four of the shareholder-elected board members are independent of the Company's major shareholders. The Board does not include members of the Company's executive management. The general meeting elects the chair of the Board and the term of office for members of the Board is no longer than two years at a time. The Annual Report and Hexagon Purus' website provide information about the expertise of the members of the Board of Directors, information on their record of attendance at board meetings, as well as identifying which members are considered to be independent. Members of the Board are encouraged to own shares in the Company. The Board intends to assess its work annually, and has scheduled a self-assessment for 1H 2025 covering 2024

9. The work of the Board of Directors

The composition of the Board of Directors is specified in the annual accounts. The Board of Directors works with the Chief Executive Officer and external auditors to ensure that the Group is managed in accordance with its corporate objectives, values and ethical guidelines. The Board has an annual plan with particular emphasis on objectives, strategy and implementation and submits an evaluation of its work to the nomination committee annually, and also conducts a self-assessment annually. Clear guidelines require board members and executive management to notify the Board of any significant direct or indirect interest in transactions executed by the Company. These guidelines are incorporated into the board's instructions and instructions for the Chief Executive Officer. These instructions state how agreements with related parties are handled, including whether an independent valuation must be obtained. The Board of Directors will present any such agreements in the Board of Directors' report. The Board ensures that members of the Board and executive management make the Company aware of any material interests that they may have in items to be considered by the Board. In the event that the Board Chair has been actively engaged in such interests, the Chair will recuse himself and appoint a Deputy Chair that will assume responsibility for the matter in question. The Company's audit committee is governed by the Norwegian Public Limited Liability Companies Act as well as separate instruction adopted by the Board of Directors. The Board's audit committee is comprised of members that are independent of the Company's executive personnel, material business contacts and the major shareholders. In 2024, the audit committee held five meetings and at year-end the committee comprised of Espen Gundersen (Chair), Liv Fiksdahl and Martha Kold Monclair. The remuneration committee is governed by a separate instruction adopted by the Board of Directors. The remuneration committee is independent of the Company's executive management and is currently composed of Espen Gundersen (Chair), Hidetomo Araki and Rick Rashilla. The committee held five meetings in 2024. The participation in both the audit- and compensation committee was 100 per cent.

10. Risk management and internal controls

Hexagon Purus works systematically to identify and manage the specific risks facing its business. Risk management is executed by Group management and management of business areas and subsidiaries. The Group finance department is responsible for ensuring that the Group has an adequate system of internal controls, including controls over financial reporting. The department reports to the CFO and has overall responsibility for ensuring compliance with the Group's accounting principles and financial controls. Hexagon Purus believes that its overall strategy, management principles and organizational structure provides a good control environment. The Group's ethical guidelines include considerations related to the Company's stakeholders in value creation and contribute to a culture and values that support this environment. The Board ensures that the Group has appropriate internal controls and appropriate systems for risk management in relation to the scope and type of our business operation. This includes ensuring that the Group's risk management and internal controls are adequate and systematic and that processes are established in accordance with laws and regulations, articles of association, instructions and external and internal guidelines. At least annually, the Board assesses strategies and guidelines for risk management. The Board's audit committee reviews the overall risk management policy and procedures and the Group's internal control routines. The committee functions as a preparatory and advisory committee for the Group's Board and provides support for exercising its responsibilities relating to risk, corporate governance management, financial reporting, financial information and auditing. Please see Risk and Impact Management (see page 31) section of the Board of Directors' report in the Integrated Annual Report for further information on the Group's main risks.

11. Remuneration to the Board

The remuneration of the Board of Directors is approved by the Company's general meeting based on a recommendation from the nomination committee, and is intended to reflect the Board's responsibility, expertise, time commitment and the complexity of the Company's activities.

Fees are fixed and are not linked to the Company's performance. Board members are not eligible for share option programs. Members of the Board of Directors and/or companies with which they are associated should not take on specific assignments for the Company in addition to their appointment as a member of the Board. If they do nonetheless take on such assignments this should be disclosed to the full board. The remuneration for such additional duties should be approved by the Board of Directors and specified in the Annual Report.

12. Salary and other remuneration for executive personnel

The Board has established clear and transparent guidelines on salary and other remuneration of the executive management. Reference is made to the Guidelines for remuneration of executive management of Hexagon Purus ASA approved by the annual general meeting on 27 April 2021. As a leading international company within the zero-emission technology industry, Hexagon Purus must offer a level of total remuneration that ensures that it can attract and retain its Executives. The Company has a global presence with facilities in several locations across several continents, and as such competes for senior management talent worldwide. The individual remuneration components and total remuneration that Hexagon Purus offers strive to support the Company's competitiveness as an employer at all locations. Remuneration for Executives has been adapted to comply with established local practice and mandatory rules in the jurisdiction of their employment and the overall purpose of the remuneration policy. It is Hexagon Purus' policy that base salaries shall reflect the individual Executive's position and degree of responsibility. The size of the total remuneration shall be in line with market conditions, at the relevant location and shall take into account inter alia the scope and responsibility associated with the position, as well as the skills, experience, and performance of each Executive.

Hexagon Purus's arrangements in respect of salary and other remuneration are considered to ensure that the executive management and shareholders have converging interests.

The Board of Directors views short-term incentive programs and share-based long-term incentive programs as important parts of the total compensation for Executives. The purpose of the long-term incentive program is to ensure shareholder mindset and retention of competence and talent.

The Company shall ensure that both the remuneration policy and the remuneration report are approved and made available on the Company's website in accordance with statutory legislation. For further details on remuneration of the executive management, refer to the Remuneration report for 2024. As further described in the Company's remuneration policy, absolute limits shall apply for variable compensation.

13. Information and communication

The Group follows the Oslo Stock Exchange's recommendations for reporting investor information. The Group's information policy is based on openness and equal treatment of all shareholders and participants in the securities market. Hexagon Purus's policy is to provide all shareholders with correct, consistent, relevant and timely information. Efforts are being directed towards developing disclosures on major value drivers and risk factors. The Company believes it is important that employees, shareholders and investors have equal opportunities to monitor the Company's performance and receive sufficient information to value the Company correctly.
The Group seeks to communicate information about its products and markets to central target groups, while ensuring that all stakeholders have equal access to all relevant information provided. All stock exchange releases, financial reports and presentations, other public presentations and press releases are made available on the Company's website www.hexagonpurus.com together with other relevant information. All information distributed to the Company's shareholders will be published on the Company's website at the same time as it is sent to shareholders. Hexagon Purus holds open presentations in connection with its quarterly financial reporting, and these presentations are broadcasted live via webcast.

14. Take-overs

The Company's policy is to comply with NUES' recommendations on take-overs, unless any deviation in the concrete instance would be in the best interests of the shareholder community. The Board acknowledges that it should not prevent or obstruct offers for purchase of the Company's business operations or shares. Agreements that restrict the possibility of obtaining other offers for the Company's shares should only be entered into when clearly justified as being in the joint interests of the Company and its shareholders. Agreements between the Company and an offeror that are important to the market's assessment of the offer will be made public before or at the same time as notice is given that an offer will be made. Any proposed transaction that in reality will involve the divestment of the Company's operations as such will be subject to shareholder vote at a general meeting.

15. Auditor

Each year, the Company's external auditor provides an annual written confirmation of his/her independence and objectivity. The auditor attends board meetings that address the annual accounts and presents to the audit committee the main features of a plan for implementing the auditing work. The auditor holds an annual presentation to the Board with an opinion on the Company's accounting principles, asset management and internal control procedures. The Group's auditor is EY, who was appointed by the general meeting. The auditor has no engagements with the Company that could impair their independence, and the Board, through the audit committee, has established guidelines in respect of the use of the auditor for services other than the audit. See Note 28 to the consolidated annual financial statements for information about remuneration to the auditor, including statutory audit and other services.

Statement from the Board of Directors and Chief Executive Officer

We confirm to the best of our knowledge that:

- the financial statements for the Group for 2024 have been prepared in accordance with applicable accounting standards, and that the information provided in the financial statements gives a true and fair view of the Group's assets, liabilities, financial position and financial performance as a whole, and
- the Board of Directors' Report gives a true and fair overview of the Group's development, profit and financial position, together with a description of the principal risks and uncertainties that they face.

Oslo, Norway, 26 March 2025
The Board of Directors of Hexagon Purus ASA

Espen Gundersen
Chair of the Board

Jon Erik Engeset
Board Member

Martha Kold Monclair
Board Member

Hidetomo Araki
Board Member

Susana Quintana-Plaza
Board Member

Liv Fiksdahl
Board Member

Rick Rashilla
Board Member

Morten Holum
President & CEO

Board of Directors[1]

GOV-1 20a, 20c, 21, 23
Number of executive board members = 0
Number of non-executive board members = 7 (GOV-1 21a)
Gender ratio = 42.86% (GOV-1 21d)
Independent board members = 100% (GOV-1 21e)

Espen Gundersen
Chair of the Board

Birth year: 1964
Nationality: Norwegian
Member of 2 committees
Attendance: 100%
No. of shares: 45 619

Board tenure
December 2020 joined as Board member
May 2023 elected as Chair
April 2024 most recently elected as Chair

Experience
Jon Erik Engeset has been CEO & President of Hexagon Composites since 2013. Prior to joining Hexagon, Jon Erik was the CEO of Saferoad Group, a leading European supplier of road safety solutions. He also has extensive experience from executive positions at Rolls Royce and Norsk Hydro.

Education
Espen is a professional accountant and has an MBA from NHH Norwegian School of Economics.

Executive functions in other enterprises and other board positions
Espen sits on the board and is the head of the audit committee of Scatec ASA, he is a board member and member of the audit committee in Norsk Hydro ASA, and he is chair of the board at Kid ASA, where he also is a member of the audit committee.

Relevant skills and competencies
Management: Large scale leadership · CFO, finance and audit committee · Investor and capital market relationships · Mergers and acquisitions · Strategy · Risk management · HR / remuneration
Other: Energy sector · Manufacturing operations
ESG: Environmental · Social · Governance

Jon Erik Engeset
Board member

Birth year: 1964
Nationality: Norwegian
Attendance: 91%
No. of shares: 310 973[2]

Board tenure
2019 joined as Chair
May 2023 elected as board member
April 2024 most recently elected as board member

Experience
Jon Erik Engeset has been CEO & President of Hexagon Composites since 2013. Prior to joining Hexagon, Jon Erik was the CEO of Saferoad Group, a leading European supplier of road safety solutions. He also has extensive experience from executive positions at Rolls Royce and Norsk Hydro.

Education
Jon Erik holds an MSc and MBA from NHH – Norwegian School of Economics.

Executive functions in other enterprises and other board positions
Jon Erik is chairman of the board of Hotel Alexandra AS, EC Trading AS and Skipsteknisk AS and a board member of Jets Vacuum AS, Loen Skylift AS and Worthington Austria GmbH.

Relevant skills and competencies
Management: General · CEO / large scale leadership · Investor and capital market relationships · Mergers and acquisitions · Strategy · Legal and public affairs · Risk management · HR / remuneration
Other: Innovation
ESG: Environmental · Social · Governance

Martha Kold Monclair
Board member

Birth year: 1962
Nationality: Norwegian
Member of audit committee
Attendance: 100%
No. of shares: 4 124[2]

Board tenure
December 2020 joined as board member
April 2024 most recently elected as board member

Experience
Martha Kold Monclair has extensive board experience from various industries, including Kongsberg and BW Group. She was the CEO of Deepwell from 2007-2017.

Education
Martha holds two PhDs, one of them specializing in Strategies for Commercialization of New Technology from BI.

Executive functions in other enterprises and other board positions
Martha is chair of the board of Fjord1 AS, chair of the board of Ænes Inkubator AS and a board member of Ocean GeoLoop AS, Edda Wind and Reach Subsea.

Relevant skills and competencies
Management: General · CEO / large scale leadership · Investor and capital market relationships · Mergers and acquisitions · Strategy · Risk management · HR / remuneration
Other: Energy sector
ESG: Environmental · Social · Governance

[1] As per 31.12.2024
[2] Includes shares owned by related parties

Hidetomo Araki
Board member

Birth year: 1969
Nationality: Japanese
Member of compensation committee
Attendance: 82%
No. of shares: 0

Board tenure
May 2023 joined as Board member
April 2024 most recently elected as Board member

Experience
Hidetomo Araki is currently Regional Operating Officer of Chemicals Division and Nutrition & Agriculture Business Division in Europe Bloc for Mitsui & Co. Ltd and Senior Vice President for Mitsui & Co. Europe Plc. He joined Mitsui in 2003 and has since held several management positions in Japan, Canada and Germany within the basic and specialty chemicals divisions, performance materials and financial management. Prior to joining Mitsui, Hidetomo Araki worked in investment banking and advised on several cross-border M&A transactions in various industries.

Education
Hidetomo has a BA, Economics from Keio University and an Executive MSc in Innovation and Entrepreneurship from HEC Paris.

Executive functions in other enterprises and other board positions
Hidetomo is a supervisory board member of Nutrinova Netherlands BV, a board member of Aglobis AG, Plalloy MTD BV, and MAIC Europe Ltd.

Relevant skills and competencies
Management: General · Large scale leadership · Mergers and acquisitions · Strategy · Remuneration
Other: Business Development · Innovation · Digitalization · Sustainability Transformation - Intrapreneurship
ESG: Environmental · Social · Governance

Susana Quintana-Plaza
Board member

Birth year: 1974
Nationality: Portuguese
Attendance: 100%
No. of shares: 0

Board tenure
May 2023 joined as Board member
April 2024 most recently elected as Board member

Experience
Susana Quintana Plaza is the CEO and founder of BM2Solar. Susana Quintana Plaza has many years of international experience in aerospace, energy, venture capital, and consulting at top firms such as Boeing, Booz Allen Hamilton, E.ON Siemens and Galp where she held several senior positions. From 2018-2019, Susana was a member of the Board of Directors of Hexagon Composites ASA.

Education
Susana holds a BSc and MSc in Aeronautical and Astronautical Engineering from the University of Washington and an MBA from Harvard Business School.

Executive functions in other enterprises and other board positions
Susana is a supervisory board member for Topsoe and a strategic advisor to several private equity and venture capital funds.

Relevant skills and competencies
Management: General · CEO / large scale leadership · Investor and capital market relationships · Strategy · HR / remuneration
Other: Energy sector · Innovation · Digitalization
ESG: Environmental · Social · Governance

Liv Fiksdahl
Board member

Birth year: 1965
Nationality: Norwegian
Member of audit committee
Attendance: 91%
No. of shares: 0

Board tenure
May 2023 elected as Board member
April 2024 most recently elected as Board member

Experience
Liv Fiksdahl is currently Vice President at Capgemini Invent Norway. Liv Fiksdahl has more than 20 years of experience from the banking sector, in which her primary focus has been transformation, technology and operations. She has held several executive positions, including spending close to 11 years as Group COO/CIO at DNB Bank ASA. She has over years had Board roles at Scandinavian Airline systems (SAS), Intrum AB, Nille AS and Posten Norge.

Education
Liv is educated at Trondheim Business School, BI Norwegian Business School and has completed executive education from INSEAD, Stanford University and Massachusetts Institute of Technology.

Executive functions in other enterprises and other board positions
Liv is a board member of Arion Banki, where she also chairs the Board Remuneration Committee and the Board Tech committee.

Relevant skills and competencies
Management: General · large scale leadership · finance and audit committee · Mergers and acquisitions · Strategy · Risk management · HR / remuneration
Other: Safety · Quality · Energy sector · IT & cybersecurity · Innovation · Digitalization · Manufacturing operations
ESG: Environmental · Social · Governance

Rick Rashilla
Board member

Birth year: 1959
Nationality: United States of America
Member of compensation committee
Attendance: 100%
No. of shares: 117 362

Board tenure
December 2020 joined as Board member
April 2021 elected as Board member
April 2024 most recently elected as Board member

Experience
Rick Rashilla has extensive leadership experience in automotive and aerospace industries. He was a member of the Hexagon Group management team until early 2024, serving as SVP Sustainability, SVP Research & Development and VP Hydrogen Products. Prior to his R&D role, Rick was the VP Hydrogen Automotive at Hexagon Purus' location in Germany. He has 40+ years' experience in composite materials technology applications including filament wound pressure vessels.

Education
Rick has a BS in Industrial Management from the University of Cincinnati.

Executive functions in other enterprises and other board positions
He held CEO & general management positions with General Dynamics, Brunswick Defense and Lincoln Composites. He served as a member of the internal management board for all Hexagon Group companies.

Relevant skills and competencies
Management: General · CEO / large scale leadership · Investor and capital market relationships · Mergers, reverse mergers, divestment, acquisitions · Strategy · Business Development · Legal compliance and public affairs · Risk management
Other: Safety · Quality · Aerospace sector · Sustainability · Technology Innovation & Transfer · Codes and Standards development · Manufacturing operations · Relationship development
ESG: Environmental · Governance

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VALUE CREATION

A driving force for a sustainable planet

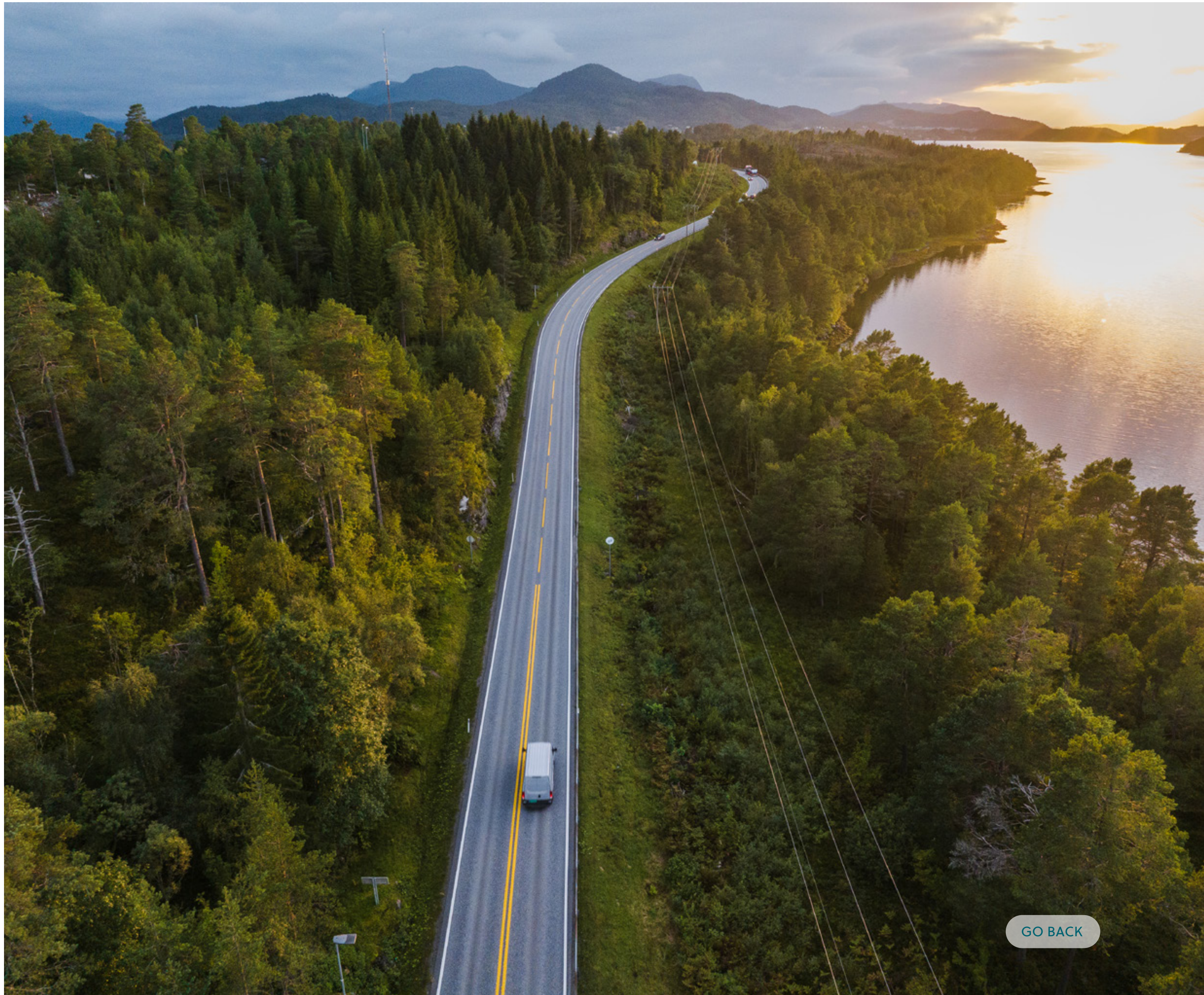
Sustainable value creation starts from identifying and understanding the impact we have on the planet and how the planet impacts us through risks and opportunities.

Focusing on the environmental, social, and governance (ESG) aspects of sustainability, we have identified material impacts, risks, and opportunities within the following topics:

- Climate change
- Resource use and circular economy
- Own workforce
- Workers in the value chain
- Customers and end-users
- Business conduct

From 2025 and onwards our progress with ESG topics will be measured by eight sustainability KPIs, established in 2024. These KPIs will be assessed and reviewed regularly, and revised when necessary.

Our approach, actions, and outcomes for the material topics are elaborated in their respective chapters. How we understand and work with our sustainability strategy is aligned with our purpose to be a driving force for a sustainable planet.



Environmental

APPROACH

Our products and solutions are key technology enablers in the transition towards zero-emission mobility, contributing to lower in-use emissions for our customers.

Our products and solutions require materials with substantial embedded emissions, environmental impacts on air, water, or soil, or with limited or costly applications in a circular economy. We must limit our impacts by reducing material waste and encouraging circularity, and at the same time minimize our own carbon footprint to accelerate the energy transition.

ACTIONS

- Achieved ISO 14001 certification in Kassel and Weeze
- Installed solar PV in Weeze
- Reduced reliance on natural gas by electrification of production process wherever feasible
- Increased the calculation scope of the greenhouse gas (GHG) inventory
- Designed returnable packaging for shipping of battery pack

KPIS

- GHG emissions
- Waste from manufacturing

Social

APPROACH

Our people are the cornerstone of our success. Our value creation relies on our employees and their competence, behaviors and commitment. We will continue to build a safe environment, both physically and psychologically, that allows people to be at their best.

The quality and safety of our products and solutions are essential to our business model and future growth. For this we rely, and thus have an impact, on our value chain workers through our sourcing practices. Our customers trust our ability to provide safe and reliable product.

ACTIONS

- Achieved ISO 45001 certification in Kassel and Weeze
- Introduced Global Safety Rules at all sites
- Implemented a global safety alert mechanism to share incidents and lessons learned across all locations
- Launched the first human rights due diligence report
- Established a global supplier management group
- Updated Supplier and Business Partner Code of Conduct to strengthen commitment to human rights and working conditions
- Achieved ISO 9001 certification in Dallas and Shijiazhuang

KPIS

- Lost time incident frequency rate (LTIFR)
- Environmental and social due diligence of suppliers and business partners
- Product related safety incidents
- Number of training hours per employee
- Gender diversity

Governance

APPROACH

Professional business conduct and solid governance structures are fundamental to our license to operate. Hexagon Purus originates from a proud industrial heritage with a strong culture driving business performance, enabling innovation, and acting with integrity. This represents our core values – integrity and drive.

We are committed to carrying out business fairly, honestly, and openly with no tolerance of business misconduct, neither in our own operations nor in our value chains.

ACTIONS

- Launched Hexagon Purus Code of Conduct, emphasizing our aspirations and expectations to our employees
- Prepared for the global rollout of a company-wide learning management system to further upskill our employees and facilitate learning globally
- Improved our corporate risk assessment procedure

KPIS

- Completion rate of Code of Conduct training

Our value chain

UPSTREAM

SUPPLY CHAIN FOOTPRINT

We depend on raw materials and the energy required to turn them into components for our products and solutions. These processes account for most of our upstream environmental and social impact.

OWN OPERATIONS

HEXAGON PURUS MANUFACTURING SITES

We transform purchased goods and raw materials into our products and solutions, using the capabilities of our people and our machinery. We use energy to produce our products and solutions, generating emissions from our production.

DOWNSTREAM

ZERO-EMISSION MOBILITY

Our zero-emission technologies help customers reduce their in-use GHG emissions. We always strive to ensure responsible handling of our products at the end of their service life.

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Frameworks and data selection

The sustainability statements are prepared in accordance with the European Sustainability Reporting Standards (ESRS), issued by the European Financial Reporting Advisory Group (EFRAG) as a part of the Corporate Sustainability Reporting Directive (CSRD), and the Norwegian Accounting Act §2-3. By completing the double materiality assessment (DMA), another essential aspect to the CSRD, Hexagon Purus has identified relevant environmental (E), social (S), and governance (G) topics and datapoints, of which these statement are based on. The methodology, scope, limitations, process and outcome of the DMA can be read on pages 50-54.

Hexagon Purus reports its greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol (GHG Protocol). Our human rights and working conditions reporting is based on the OECD Guidelines, and is required by the Norwegian Transparency Act.

Hexagon Purus operates in the following high climate impact sectors:

- Manufacture of electrical and electronic equipment for motor vehicles (C29.31)
- Manufacture of other parts and accessories for motor vehicles (C29.31)
- Manufacture of other transport equipment not covered elsewhere (C30.99)
- Manufacture of other fabricated metal products not covered elsewhere (C25.99).

Consolidation and accounting policies

Hexagon Purus' sustainability reporting for 2024 covers the same companies as the financial reporting. A complete overview of which subsidiaries are included for 2024, are listed in Note 1 in the Group Financial Statements. For any future mergers, acquisitions, or disposals, we will adjust historical figures to reflect any such events.

Hexagon Purus has three associated companies as of 2024: CIMC-Hexagon Hydrogen Energy Systems Limited, Cryoshelter LH2 GmbH, and Norwegian Hydrogen, located in China, Austria and Norway, respectively. These companies are treated as investments in accordance with the GHG Protocol. As such Scope 1 and 2 GHG emissions from the associated companies are included in the Scope 3 Category 15, Investments. Other quantitative sustainability data points from the associated companies are not included in the consolidated sustainability statements.

The accounting policies for the sustainability statements have been applied consistently throughout the reporting period and will be specified in the respective quantitative reporting. If applicable, historical and comparative figures have been updated accordingly.

Reporting scope boundaries

The qualitative information presented in the sustainability statements covers our upstream and downstream value chain, thus reflecting the process of identifying material topics from the DMA from a value chain perspective. Apart from the Scope 3 GHG inventory, which will include data from our value chain, our sustainability data points solely include figures aligned with our consolidation and accounting policies. We have not used the option to omit a specific piece of information corresponding to intellectual property, know-how, or the results of innovation.

Key accounting estimates and judgements

Hexagon Purus discloses relevant and topical accounting policies, including accounting estimates and judgements, for all material topics in their respective sections. If we do not have accurate and complete data, we use judgments and estimates for the reporting of some data points. We will on a continuous basis assess the use of estimates and judgements based on the development of ESG reporting, increased data maturity, and using inspiration from peers, among other factors. Changes in estimates are recognized in the period where the estimate in question is revised, and historical figures are updated accordingly.

Relevant value chain data, either from upstream, in our own operations, or downstream, estimated using indirect sources, will be explicitly disclosed in the respective chapters. The information will include level of accuracy, basis for preparation, and planned actions to improve accuracy going forward. If relevant we will also include degree of measurement uncertainty, marked with either "High", "Medium" or "Low" uncertainty. Estimates will primarily be used when calculating our Scope 3 GHG emissions and in our waste reporting.

Restatements

Changes in preparation or presentation of sustainability information are explained with a subsequent revision of comparative figures, in case this is practical. The effects originating from the change will be specified, either in tables, figures, or a combination of both. If we identify that it is impractical to revise these figures, we will disclose this explicitly.

Factual reporting errors in prior periods will first be assessed to understand whether the errors can lead to material changes and would alter the opinion for the user of the sustainability statements. In case we identify that these factual reporting errors are in fact material, we will disclose the nature of the prior period material error. Where practical, we will make corrections for each prior period included in the sustainability statement. In case it is not practical to change comparative figures from prior periods, we will disclose the rationale behind this decision.

For all restatements of comparative figures, this will be clearly indicated. This year we have restatements in the EU Taxonomy CAPEX and OPEX reporting.

Phase-in requirements

ESRS allows for the phase-in of some disclosure requirements or datapoints of disclosure requirements, which may be omitted or are not applicable for the first year(s) of preparation of the sustainability statement under the ESRS. If considered material from our DMA, these disclosure requirements, or datapoints of disclosure requirements, will be reported as "phase-in" in the ESRS Index.

Incorporation by reference

The table below shows where we have presented information concerning a specific disclosure requirement outside of the sustainability statements, referred to as 'incorporated by reference' to either the section about Our strategy, Our business, the Board of Directors Report, or the financial statements within this annual report, or to the remuneration report published separately.

Assurance

The information presented in the sustainability statements have been subject to external assurance performed by our auditor EY. The assurance report can be found on page 193-197.

ESRS Index

An overview of the various disclosures we report on in accordance with ESRS, in addition to any references, comments or omissions, can be found in the ESRS Index. The ESRS Index is disclosed as part of this report, and published separately on www.hexagonpurus.com.

Incorporation by reference

Topic	DR	Reference in AR	Page(s)
GOV-1	20a, 20c	Executive Management - overview Board of Directors - overview	24-25, 41-42
GOV-1	20b	Risk and Impact Management	31-32
GOV-1	21	Board of Directors - overview	41-42
GOV-1	22	Risk and Impact Management	31-32
GOV-1	23	Board of Directors - overview	41-42
GOV-2	26a, 26b	Risk and Impact Management	31-32
GOV-2	26c	Board of Directors	30
GOV-3	29	Bonuses, variable cash salary, Short-term Incentive Program (STIP)	33
GOV-5	36	Risk management and internal controls over sustainability reporting	32-33
SBM-1	40ai, 40aii, 40e, 40f, 40g	Our business | Hydrogen and Battery Storage Offering Our business | Vehicle integration offering Infrastructure applications Mobility Applications	12-13, 14, 19-20, 21-23
SBM-1	40b	Financial Statements - Note 4 Operating segments	133-134
SBM-1	42	Strategy	11
SBM-2	45d	Risk and Impact Management	31-32

Double materiality assessment

Introduction
In 2024, we conducted a double materiality assessment (DMA) in accordance with the ESRS.

During the DMA, we looked at how Hexagon Purus' own operations and its value chain impact the environment and society (impact materiality). We also assessed the financial consequences associated with sustainability-related risks and opportunities our business may face (financial materiality).

The outcome of the DMA not only sets the foundation for the CSRD reporting but also informs the areas that are strategically important for Hexagon Purus.

Methodologies and assumptions

Scope

Following the ESRS guidelines we developed our methodology and defined the process steps to perform the DMA. We started the DMA by mapping our activities in our value chain from upstream, our own operations, to downstream, to identify areas where and when impacts, risks and opportunities (IROs) may arise. The key categories of our value chain activities included material sourcing, product development, manufacturing and application of products, and treatment of end-of-life products. As we operate a global business, the geography of these activities was also considered.

Our value chain analysis was performed based on our internal knowledge to date. This means that our understanding of our value chain beyond our own operations may not be comprehensive. As we continue to collaborate with our business partners and engage with relevant stakeholders, we will update and improve our DMA at least annually and when information becomes available.

Stakeholder engagement

Stakeholder engagement is an essential part of the DMA. We engaged both internal and external stakeholders to gather their perspectives and insights into the sustainability topics and how the topics relate to Hexagon Purus. For this DMA, the members from the Board and the executive management team and the in-house subject matter experts were the main internal stakeholders we

engaged. The external stakeholders included selected key customers, suppliers, and investors.

We interviewed these stakeholders using a pre-defined list of questions to ensure that the interviews were conducted in a structured and consistent manner. Before the interviews, all the invited stakeholders received an introduction material of Hexagon Purus' DMA. The findings from the stakeholder interviews provided input to the IRO identification process as well as the establishment of thresholds for material topics. In addition, workshops were organized with the internal stakeholders in various steps of the DMA to review, calibrate, and validate the identified IROs and their significance.

For this DMA, we have not directly consulted with the affected stakeholders such as employees, value chain workers and others. We mainly relied on Hexagon Purus' own knowledge and the feedback collected from the stakeholders interviewed who may interact with these affected stakeholders. We will continue to identify and engage with our stakeholders and make sure their interest and views are taken into consideration in future materiality assessment.

Timeframes

When assessing the IROs, we consider when the IROs are expected to occur in different time horizons. These horizons align with the definitions in ESRS.

- Short term: Impact, risk or opportunity that currently exists or may arise within 0-1 year
- Medium term: Impact, risk or opportunity that may arise within 2-5 years
- Long term: Impact, risk or opportunity that may arise in >5 years

Scoring materiality and thresholds

We applied the ESRS guidance to rate the significance of the identified IROs. The impacts were scored based on their scale, scope, irremediability (negative impact), and likelihood. For the risks and opportunities, we used the EBITDA-effect as an indicator to assess the financial magnitudes. The product of the financial magnitude and the likelihood gives the significance of the risks and opportunities.

The short-term IROs were scored quantitatively, while for the medium- and long-term IROs, a qualitative assessment was done by commenting on the potential development over time.

The thresholds were established after rating the significance of the identified IROs. This method makes it easy to determine which IROs exceed the threshold, but allows adjustments solely based on judgements. We will assess the methodology for thresholds going forward.

Processes

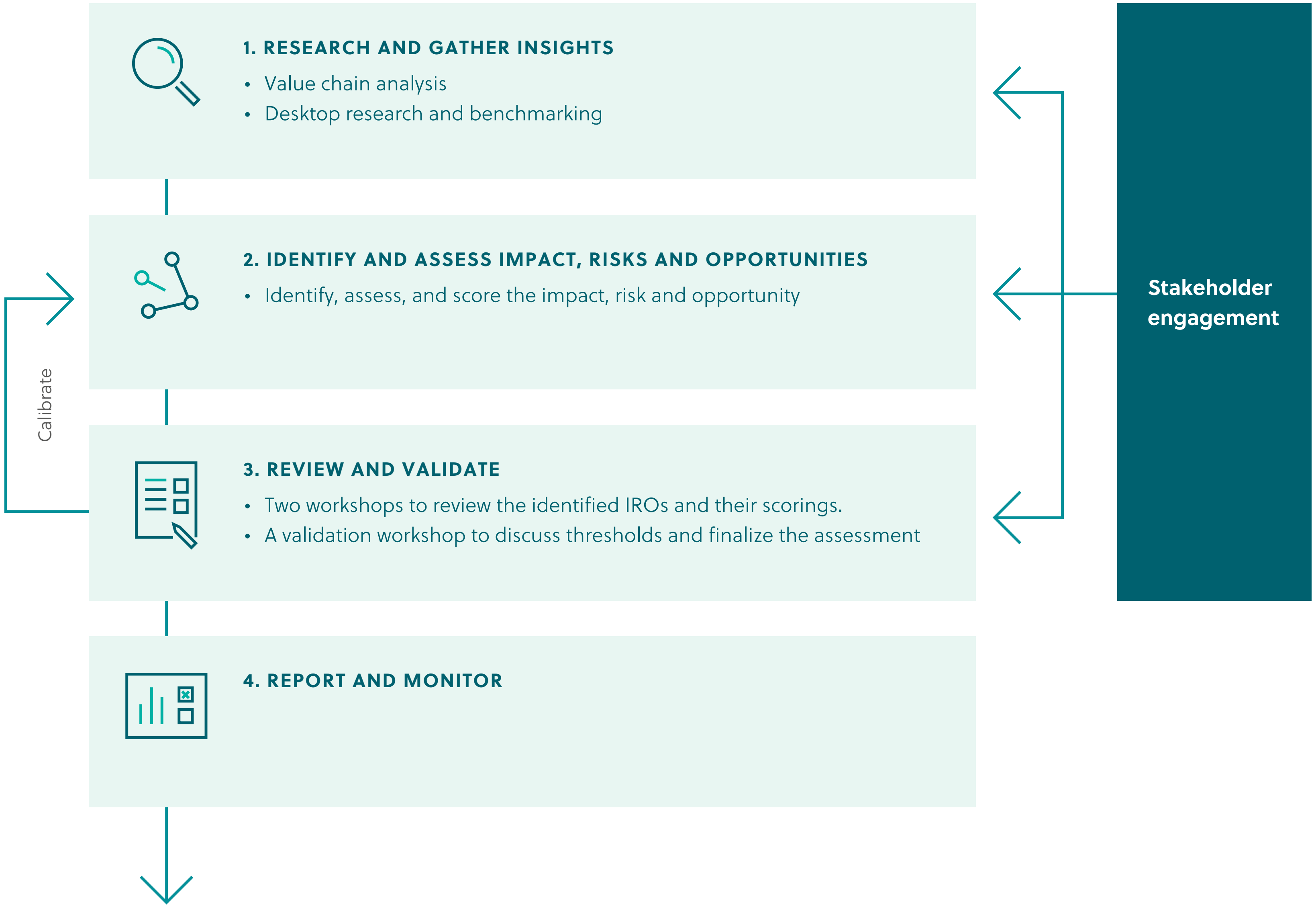
The DMA for 2024 was facilitated by the Global Sustainability and People and Culture functions with support from the executive management team. The DMA comprised four phases. The stakeholder engagement activities provided input throughout the first three phases before the material topics were established. The approaches taken during each phase are summarized below.

1. Research and gather insights

Building on the value chain analysis, we conducted desktop research and reviewed the information from the following sources to analyze and pre-screen potential material topics. The pre-screened topics were further used in the stakeholder interviews to obtain the stakeholders' views on them. The first phase established a comprehensive context for the subsequent phases of the DMA.

- ESG reporting frameworks and ratings
- Peer benchmark
- Media screening
- Previous materiality assessment
- Findings of the environmental and social assessments such as human rights due diligence

The DMA Process Steps



2. Identify and assess impact, risks and opportunities

Based on the insights from the first phase and the stakeholders' input, we identified and assessed the impacts, risks and opportunities (IRO). When assessing impacts during this DMA, we have not considered business activity and/or geography specific factors that may increase the risk of potential adverse impact. Risks or opportunities arising from dependencies are addressed directly in the IRO overviews in the respective chapter. We also have a description of our dependencies in our value chain overview on page 46 and in our value creation on page 11.

3. Review and validate

An iterative process was adopted to review and validate the IROs. The initial IROs identified during the second phase were presented in two internal workshops with members of the executive management team. One workshop focused on the impacts, while the other focused on the financial risks and opportunities. The discussion and feedback from the two workshops were taken to calibrate the IROs and their significance.

The updated IROs were then reviewed in a validation workshop where the executive management and the sustainability team discussed and determined the thresholds, adjusted and finalized the assessment. Finally, the material sustainability topics for Hexagon Purus were established.

4. Report and monitor

We will report on the material topics resulting from the DMA process in accordance with the CSRD on a yearly basis. Appropriate processes and review cycles will be set up to monitor our progress on each material topic, ranging from addressing impacts, assessing strategy, targets, and plans, and to implement internal controls and enhance data quality.

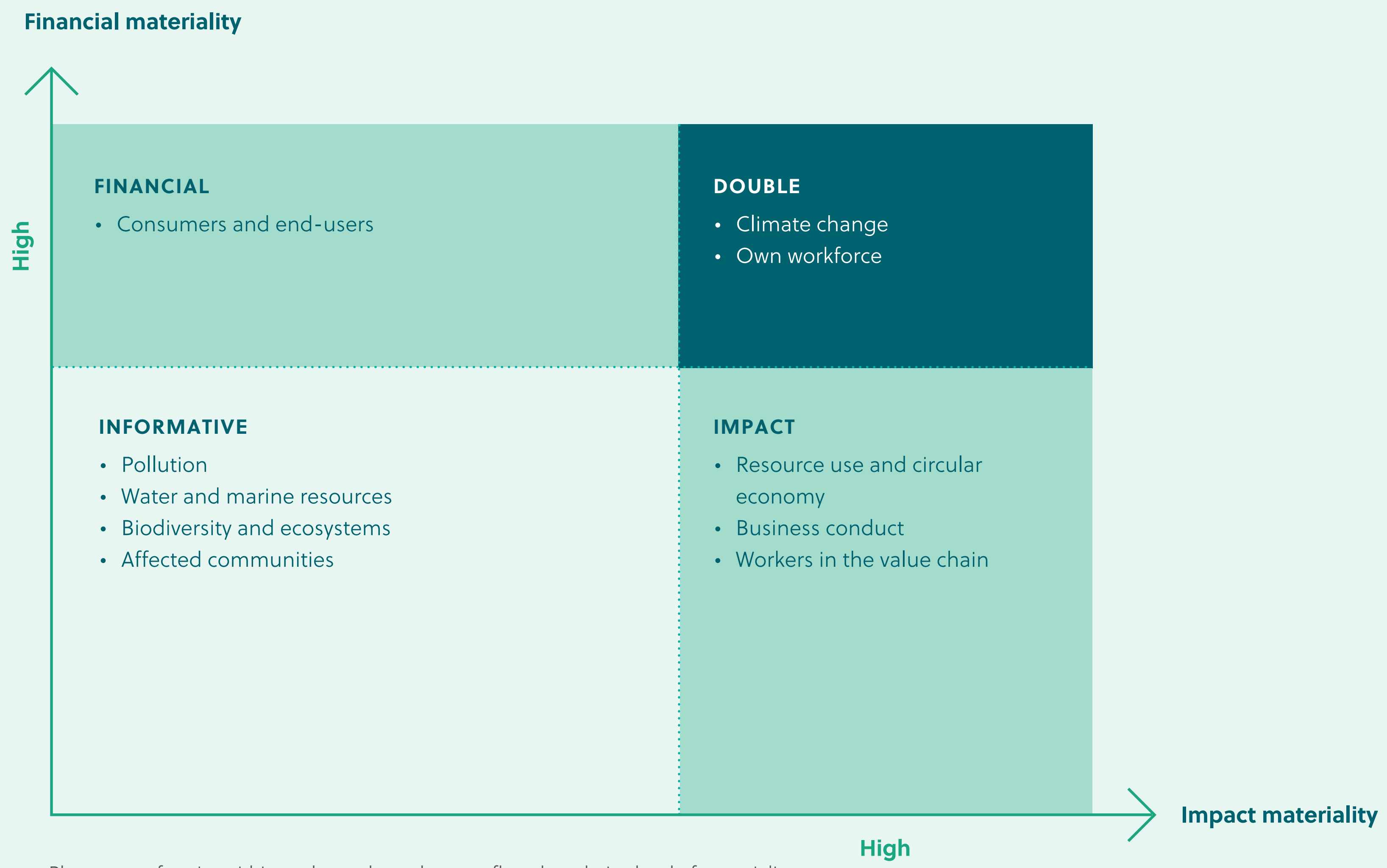
For more information about how sustainability and sustainability impacts, risks, and opportunities, resulting in the DMA, are integrated in management processes, please refer to the Board of Directors' report, with subheadings Risk and Impact Management (page 31) and Risk management and internal controls for sustainability reporting (page 32).

Outcome

The DMA identified six material sustainability topics for Hexagon Purus. For topics where we primarily identified risks and/or opportunities, these were assessed as financially material. For topics where we primarily identified negative and/or positive impacts, these were assessed as material from an impact perspective. Where we identified impacts, risks, and opportunities for specific topics, these were assessed as material from both an impact and a financial perspective.

Further explanations for why these topics are assessed as material, and accompanying impacts, risks, and opportunities in our value chain, can be found in the introduction of each material ESRS topic chapter.

One of the intended outcomes from a DMA is to identify which topics are *not* assessed as material. We have decided to refer to these topics as "Informative" to emphasize that these topics, while not assessed as material, are also important and that they also inform us about how we should work with sustainability. Further, it promotes the dynamic attributes of a DMA, allowing us to consider the materiality of these topics in the annual DMA review.



Placement of topics within each quadrant do not reflect the relative level of materiality

Interests and views of stakeholders

Internal and external stakeholders play a crucial role in shaping Hexagon Purus' operations. We strive for active and regular engagement and collaboration with them. The table below explains why we engage, how we engage, what we discuss, and what we want to achieve when engaging with our stakeholders.

WHY WE ENGAGE	HOW WE ENGAGE	KEY TOPICS	INTENDED OUTCOME
Employees and potential employees			
Hexagon Purus' employees are fundamental to our competitive advantage and for our sustainable value creation. They are the cornerstone of our success.	• Internal communication platforms • Global and local town halls • Department meetings • Employee surveys and follow-up processes • Leadership meetings • Training • 1:1s • Social gatherings • Career fairs • Social media	• Workforce development • Occupational health and safety • Diversity, equity and inclusion	Understanding our employees' perception of the working environment in order to develop our workplace further, so that employees can develop, thrive and deliver.
Customers			
Hexagon Purus' customers have a direct impact on our business through the purchase and use of our products. Collaborating with our customers is important to drive sustainable value creation.	• Emails • Meetings • Presentations • Site visits • Conferences • Industry events • Customer surveys	• Operational efficiency • Pricing • Delivery schedules • Financial position • Product safety • Low carbon technology solutions • Climate action • Responsible procurement • Product lifetime • Governance • Human rights	We are in touch with our customers every day, addressing their needs and working together with new solutions. Close dialogue with our customers is key to plan production schedules, ensure operational efficiency, while at the same time maximizing the value from our products.

WHY WE ENGAGE	HOW WE ENGAGE	KEY TOPICS	INTENDED OUTCOME
Investors and strategic partners			
Investors and strategic partners have a direct impact on our company through funding and through their control functions. Our investors are integral to provide the financial and organizational capacity to accommodate sustainable value creation.	• Presentations • Annual General Meeting • Meetings and roadshows • Annual Report • Website	• Financial position • Corporate governance • Compliance • Ethics and anti-corruption • EU taxonomy	Close dialogue with our investors and strategic partners is important to maintain good governance and to discuss short-term and long-term strategies.
Suppliers			
We source complex materials and products to enable a future with zero-emission mobility. Building good and stable relationships with our suppliers is therefore a driving force for our company. We are directly impacted by our suppliers through their procurement methods and ethical practices, and thus seek collaboration with our suppliers and business partners to ensure that they are aligned with our vision of sustainable value creation.	• Presentations • Annual General Meeting • Meetings and roadshows • Annual Report • Website	• Quality • Financial position • Anti-corruption and integrity	As with our customers, we are in touch with our suppliers every day. We have high quality standards for our products and solutions, thus cascading these standards to our suppliers. With close supplier dialogue and collaboration, we can optimize our production schedules and our operational efficiency, while at the same time work together to reduce the sustainability footprint originating from our supply chain.
NGOs, governments, regulators			
Our operations are global, and both national and international regulations and legislation affect our business plans and strategy. NGOs, governments and regulators also have expectations for us which are not mandated by laws and regulations, directly impacting our license to operate and accommodating our sustainable value creation.	• Partnerships • Conferences • Industry events • Community events • Public forums • Industry associations, advisory boards and committees	• Research and development • Product safety • Regulatory development • Anti-corruption and integrity • Health and safety • Diversity and inclusion • Environmental action • Local community	By participating in partnerships, industry associations, and research programs, we can contribute to the energy transition that would be favorable for our business. Simultaneously we are informed of changes to laws and regulations that could affect our business and operations.

Environment

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EU Taxonomy Reporting	73
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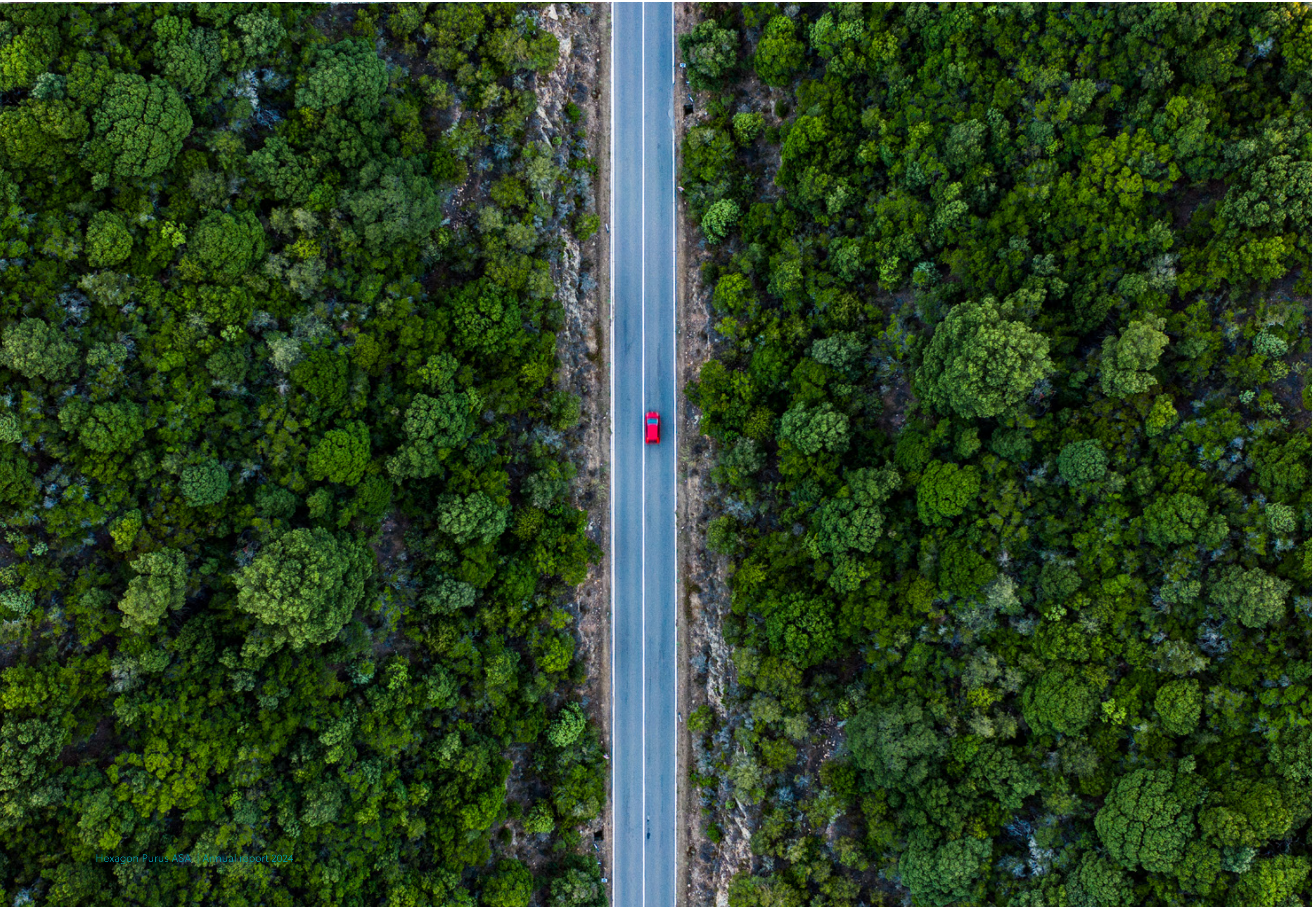
ESRS E1 | Climate change

IRO OVERVIEW

SUB-TOPIC	IRO	VALUE CHAIN	DESCRIPTION	IRO DEVELOPMENT
Climate change mitigation				
Products and solutions with embedded upstream emissions	Negative impact	Upstream	Our products require materials and components that are energy- and material-intensive, e.g. carbon fiber, steel, aluminum, batteries. These materials and components have embedded GHG emissions, contributing to increasing greenhouse gas emissions.	Increase – medium timeframe Increase – long-term timeframe
Products and solutions reduce downstream emissions	Positive impact	Downstream	Our products and solutions enable zero-emission mobility and allow our customers to avoid tailpipe CO_2 emissions.	Increase – medium timeframe Increase – long-term timeframe
Increased speed in green energy transition	Opportunity	Downstream	Positive developments in the green energy transition, regulations, and governments' supporting schemes, increase the demand for alternative technologies and energy in the mobility sector, leading to higher demand for our products and solutions and thus increased growth.	Increase – medium timeframe Increase – long-term timeframe
Reduced speed in green energy transition	Risk	Downstream	Negative developments in the green energy transition, regulations, and governments' supporting schemes, decrease the demand for our products and solutions, leading to reduced growth.	Stable – medium timeframe Stable – long-term timeframe
Inability to decarbonize	Risk	Own operations	Regulations and customer expectations become more stringent, also with regards to companies' carbon footprint and decarbonization ability. Inability to decarbonize own operations might affect our ticket-to-play.	Increase – medium timeframe Increase – long-term timeframe
Energy				
Carbon intensive grid mix	Negative impact	Downstream	Fuel cell electric vehicles (FCEV) and battery electric vehicles (BEV) are powered by hydrogen-to-electricity conversion or electricity, respectively. Hydrogen production and electricity generation emit GHG emissions with the current energy mix.	Increase – medium timeframe Increase – long-term timeframe
Energy-intensive materials and components	Negative impact	Upstream	The materials and components we source are energy-intensive, e.g. carbon fiber, steel, aluminum, batteries, where increased demand for our solutions will increase energy consumption.	Stable – medium timeframe Stable – long-term timeframe
Energy shortage and higher prices	Risk	Upstream	Energy prices may go up, thus increasing the prices of materials and components which are crucial for our products and solutions.	Increase – medium timeframe Increase – long-term timeframe



The world is getting warmer and warmer. 2024 marks the first year where we are exceeding the 1.5°C target laid out in the Paris Agreement.[1] The attention has now been shifted towards limiting every fraction of a degree of warming.

Rising temperatures will exacerbate the physical effects from climate change; effects we are experiencing already. Deadly heatwaves in Saudi Arabia, extensive flooding in Brazil, and heavy rainfall in Southern Europe are just some of this year's tragic consequences of a warmer world with higher frequency of extreme weather events.

To prevent the disastrous effects from happening, we must work together to reduce greenhouse gas (GHG) emissions. We need smart and scalable solutions and products to turn the tide. Our products and solutions are key technology enablers in the transition towards zero-emission mobility. We believe our technologies and capabilities can play an integral role in combating climate change. This is why we exist.

[1] Copernicus Climate Change Service, "Copernicus: 2024 Is the First Year to Exceed 1.5°C above Pre-Industrial Level," January 10, 2025, https://climate.copernicus.eu/copernicus-2024-first-year-exceed-15degc-above-pre-industrial-level.

Climate change mitigation

Our approach

Climate change mitigation is at the core of our business. We are a global leader in the hydrogen infrastructure and zero-emission mobility space offering leading hydrogen and battery energy storage solutions and heavy-duty vehicle integration, providing hydrogen Type 4 high-pressure cylinders and systems, battery systems and vehicle integration solutions for fuel cell electric and battery electric vehicles. Our products and solutions allow our customers to increase the speed of their decarbonization journey.

At the same time, we also acknowledge that our products and solutions require energy- and material-intensive components and materials. Similar to other manufacturing companies, we therefore generate the largest negative sustainability footprint in our upstream value chain. Embedded GHG emissions generated from our sourced materials, such as carbon fiber, batteries, aluminum, and steel, represent some of the largest contributors to our GHG inventory.

Understanding and decarbonizing our upstream value chain footprint is an environmental priority for us. We have a complete inventory for our Scope 1 and 2 GHG emissions in 2024, enabling us to understand what decarbonization actions we can make in our own operations by further streamlining our operations and production. We are also continuously working to improve our Scope 3 reporting, which requires collaboration with our most important suppliers. Regardless of the completeness of our Scope 3 inventory we know what materials, components, and suppliers are the main contributors to our upstream value chain emissions. It is therefore possible to work proactively with reducing our Scope 3 GHG emissions, even without a complete inventory.

We have not used climate change-related scenario analysis such as Representative Concentration Pathways (RCP), or similar representations of future GHG concentrations and its expected changes in radiative forcing, to determine transition risks and opportunities or their magnitude. We can still assess the resilience of our business, since our strategy and business model are largely dependent on the energy transition from fossil fuels to renewables. We are thus exposed to both short- and long-term climate change transition risks and opportunities, such as developments in policy and legal frameworks, emerging technologies, and changes in market demand.

Our most significant climate change transition risks originate from the delayed adoption of zero-emission infrastructure and mobility solutions, where delays can have an impact on the execution of our business strategy and plan. Increased cost of capital and uncertain regulatory support are both contributing factors to this delay. We also experience uncertainty concerning environmental policies in some of our key markets, contributing to the overall transition risks. Our large capital investments in the past two years allow us to have the operational flexibility to scale and scope the production based on market development and the speed of this transition, to some extent mitigating the risks attributed to delayed transition.

More information about market outlook and market development can be found in the CEO letter, the BoD report, and financial statements respectively.

We have conducted a physical climate risk assessment for five of our facilities, indicating that some of our facilities will be increasingly exposed to climate risks in the future. We will monitor the identified risks going forward and continue to assess their potential impact on our business operations.

We do not have global policies addressing identified impacts, risks and opportunities originating from climate change mitigation or adaptation. Our Environmental, Health and Safety Policy, meant for our own operations, addresses emissions, promotion of renewable energy, and energy conservation wherever feasible.

Our facilities in Kassel and Weeze have solar PV on the roof, which contributes to lowering our Scope 2 GHG emissions. The solar PV in Kassel were functional for the full year 2024, while the solar PV in Weeze will go online in 2025.

Our actions

Actions this year

- Replacing the natural gas-powered production equipment with electricity-powered equipment in our Kassel facility. The electricity is sourced from the grid as well as the solar PV panels installed on site. This will reduce our direct GHG emissions. The resulting emission reduction from both actions will be quantified next year when data becomes available. For solar PV the energy consumption was 35 MWh, equivalent to a 13 tCO_2e reduction, all else equal (location-based)
- Improving the GHG inventory compared to previous years, estimating emissions from business commute and investments, in addition to provide a first estimate for emissions originating from purchased goods and services

Planned actions

- For our Battery Systems and Vehicle Integration (BVI) segment, we are planning to co-locate battery pack assembly and finished trucks in 2026 to optimize production and minimize transportation impacts. We are also planning to move overseas suppliers to North America, bringing the main supplier base closer to our Dallas and Kelowna operations. This will further reduce transportation costs
- The solar PV installed in our Weeze facility will go online in 2025 to further reduce our GHG emissions originating from our own operations. We have not assessed the actual reductions relative to any targets. This investment is not seen as significant from an OPEX or CAPEX perspective.

Targets

2025 will be the first full year where our newly built facilities will be operational. We have therefore not set any quantifiable climate-related targets, including GHG emission reduction targets, for 2025 or any future period as of the publication of this report.

Due to the Company's expanded operational footprint, previous years will not be representative of comparisons between previous and future environmental footprint generated from our operations and our value chain. With a complete Scope 1 and 2 GHG inventory, we have sufficient information to establish Scope 1 and 2 GHG emission reduction targets in 2025. This will also apply to all Scope 3 categories in the future when the data quality and completeness are sufficient. As such we have not established a transition plan for climate change mitigation, including any referenced GHG emission reduction targets, actions, or decarbonization levers.

RESULTS | ESRS E1-6 GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

	Retrospective				Milestones and target years			
	2024 (base year)	Comparative	2024	% N / N-1	2025	2030	2050	Annual target % / Base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO_2eq)	681	N/A	681	N/A	N/A	N/A	N/A	N/A
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	N/A	0%	N/A	N/A	N/A	N/A	N/A
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO_2eq)	3 802	N/A	3 802	N/A	N/A	N/A	N/A	N/A
Gross market-based Scope 2 GHG emissions (tCO_2eq)	6 184	N/A	6 184	N/A	N/A	N/A	N/A	N/A
Scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	59 381	N/A	59 381	N/A	N/A	N/A	N/A	N/A
Purchased goods and services	40 701	N/A	40 701	N/A	N/A	N/A	N/A	N/A
Capital goods	15 765	N/A	15 765	N/A	N/A	N/A	N/A	N/A
Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	867	N/A	867	N/A	N/A	N/A	N/A	N/A
Upstream transportation and distribution (not estimated)	-	N/A	-	N/A	N/A	N/A	N/A	N/A
Waste generated in operations	265	N/A	265	N/A	N/A	N/A	N/A	N/A
Business travel	550	N/A	550	N/A	N/A	N/A	N/A	N/A
Employee commuting	872	N/A	872	N/A	N/A	N/A	N/A	N/A
Downstream transportation and distribution (not estimated)	-	N/A	-	N/A	N/A	N/A	N/A	N/A
Use of sold products (not estimated)	-	N/A	-	N/A	N/A	N/A	N/A	N/A
End-of-life treatment of sold products (not estimated)	-	N/A	-	N/A	N/A	N/A	N/A	N/A
Investments	361	N/A	361	N/A	N/A	N/A	N/A	N/A
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2eq)	**63 864**	**N/A**	**63 864**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Total GHG emissions (market-based) (tCO_2eq)	**66 246**	**N/A**	**66 246**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

GHG intensity per net revenue	Comparative	2024	% N / N-1
Total GHG emissions (location-based) per net revenue ($tCO_2eq/tNOK$)	**N/A**	**0.034**	**N/A**
Total GHG emissions (market-based) per net revenue ($tCO_2eq/tNOK$)	**N/A**	**0.035**	**N/A**
Net revenue	N/A	1 875 839	N/A

Net revenue is reconciled with Total revenue in our Income Statement.

Our Scope 1 GHG emissions mainly originate from the combustion of natural gas used for heating in our facilities. Weeze, Shijiazhuang, and Kelowna constitute 32 per cent, 28 per cent, and 16 per cent of the total Scope 1 GHG emissions, respectively. Our facilities in Kassel, Weeze, and Shijiazhuang are the main contributors to our GHG Scope 2 emissions, which is a combination of the grid mix in the respective locations and their use of electricity in production. We do not purchase Guarantees of Origin for any of our sites to reduce market-based emissions.

For our Scope 3 GHG emissions, purchased goods and services constitute 69 per cent of the total, while capital goods constitute 27 per cent. For estimation uncertainty around Scope 3 GHG emissions, please refer to the Methodology for GHG Accounting on the next page. The percentage of emissions calculated using primary data obtained from suppliers or other value chain partners is 1.9 per cent. Applicable categories are Category 3 Fuel-and energy related activities not included in Scope 1 and 2 and Category 5 Waste, which both rely on primary activity data.

Our GHG emission intensity, measured as the ratio of total GHG emissions in tonnes CO_2eq per thousand Norwegian krone in revenue equals 0.034 for market-based emissions (0.035 for location-based). The denominator in the GHG intensity calculation is equivalent to "Total revenue" in our Group Income Statement, found on page 121, and in Note 4 Operating Segments.

Methodology for GHG Accounting

The reported metric tons of CO_2 equivalents (tCO_2eq) are calculated in accordance with the Greenhouse Gas Protocol, its standards, recommendations, and guiding documents. The data used to calculate the GHG account includes internal and external sources and is calculated by the in-house sustainability team. The calculation method, data, and references are summarized in the following table.

Gases included for Scope 3 GHG emissions are CO_2, CH_4, and N_2O. The consolidation approach follows our financial consolidation approach.

METHOD DESCRIPTION BY SCOPE AND CATEGORY

Scope		Method description	Level of measurement uncertainty
Scope 1	Direct emissions	Emissions are calculated using activity data, and by multiplying the applicable fuel consumptions with respective emission factors. Gases included in the calculations are CO_2, CH_4 and N_2O. The UK Government GHG Conversion Factors for Company Reporting (referred to as DEFRA),[1] with references to the IPCC AR5 for GWP rates, are adopted. The activity data also coves consumption for any company-leased and owned vehicles. No direct biogenic emission is generated in 2024.	Low
Scope 2	Energy indirect emissions	The product of the purchased electricity and the corresponding emission factors gives the estimated energy indirect emissions. Gases included in the calculations are CO_2, CH_4 and N_2O. Location-based emission factors used: Ember ; Energy Institute – Statistical Review of World Energy (2024) (Germany, China), US EPA[2] (US), UNFCCC (Canada), and the Norwegian Water Resources and Energy Directorate (NVE)[3] (Norway). Market-based emission factors used: AIB (Germany), Green-e (US), Environment and Climate Change Canada[4] (Canada), I-TRACK Foundation (China), and NVE[5] (Norway). Hexagon Purus has not purchased contractual instruments (e.g. Renewable Energy Certificate or Guarantees of Origin for our Scope 2 GHG market-based emissions.	Low
Scope 3	Category 1 Purchased goods and services	Supplier- or product specific information is not available for purchased goods and services, mainly due to missing information on product level cradle-to-gate GHG data. For many product groups, data on the physical quantity of the purchased good or service is also missing. Average-spend based method is applied to estimate the emissions with the company's spend data during the reporting period. With spend data, emissions are calculated using the US Environmentally-Extended Input-Output (USEEIO) model, which is publicly available and released by US EPA. The version in use for this calculation is USEEIO v2.0.1-411.6 adjusted for changes in price levels. USEEIO v2.0.1-411 refers to economic activities and industry environmental impacts in the US and is most relevant for US entities. Our largest economic and environmental footprint is outside of the US, implying increased level of measurement uncertainty in these calculations. Input to the calculations are a combination of the following: 1) Spend-based figures for our main production facilities for direct materials. For Weeze, Kelowna and Westminster, top 10 suppliers based on spend represents the sample. For Kassel, where direct material costs are highest, we extended the sample to include more suppliers. These suppliers were mapped against the most relevant product categories and industrial activity. 2) Spend-based figures for all facilities for sales, general, and administrative expenses (SG&A), mapped against the most representative product categories and industrial activities. Spend-based method relies on secondary (e.g. industry average) emission factors, which is considered less representative than product- or supplier-specific data. The uncertainty of this category is therefore high.	High

Scope		Method description	Level of measurement uncertainty
Scope 3	**Category 2** Capital goods	Supplier- or product-specific information is not available, average spend-based method is applied to estimate the emissions with the company's capital expenditures during the reporting period. The referenced emission factors are based on 2021 data for average purchases for each category in Norway, with update from 2024, from the Norwegian Agency for Public and Financial Management (DFØ).[7] Emissions from capital goods include spend-based method relies on secondary (e.g., industry average) emission factors, which is considered less representative than product- or supplier-specific data. The uncertainty of this category is therefore high.	High
	Category 3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	Under this category, the upstream emission of purchased fuels and purchased electricity are relevant to Hexagon Purus. The emissions are estimated using the amount of fuel and electricity and the corresponding well-to-tank emission factors from DEFRA and Carbon Footprint.[9]	Low
	Category 4 Upstream transportation and distribution	This category is not estimated for 2024 and represents an omission from ESRS. Current systems and processes do not capture activity data from upstream transportation and distribution. Spend-based data currently do not separate between mode of transportation. We will in 2025 initiate a project to collect spend-based data disaggregated on mode of transportation, or, if possible, activity data directly from our suppliers.	High
	Category 5 Waste generated in operations	Waste-type-specific method is applied. Emissions from disposal activities for waste sent to landfill, incineration, and recycled are calculated by multiplying the quantity of waste treated and the emission factors from DEFRA, except for scrap cylinders, scrap carbon fiber, and chemical containing hazardous waste. For scrap cylinders and scrap carbon fiber recycling, the emission factor reported by the JEC Group[9] is adopted with the assumption that the ultimate product of both recycling activities would be recycled carbon fiber. Estimating the emissions from the hazardous chemical waste relies on ecoinvent v3.9. Emissions data directly from waste treatment companies is currently not available. Using waste-type-specific method with the emission factors from DEFRA means a large degree of generalization. Certain characteristics of waste treatment activities and regional or country differences may be overlooked in this calculation. Hence, the uncertainty of this category's emission estimation is high.	High
	Category 6 Business travel	Only the emissions arising from business air travel are accounted for in this category in 2024. Distance-based method is applied. For the travels undertaken by the employees based in Norway and Germany, the emissions are calculated by multiplying the passenger-kilometers traveled and the DEFRA emission factors capturing non-CO_2 radiative forcing. For the U.S., Canada, and China, the data is currently insufficient to apply either distance- or spend-based method. Emissions originating from business travel for facilities located in these countries are estimated by calculating passenger-kilometers travelled per employee for Norway and Germany, multiplied by number of employees for the respective countries. Conversion factors account for differences between domestic, continental, and inter-continental flights. For simplicity the differences among business and economy classes are not considered due to data limitations.	Low
	Category 7 Employee commuting	A commuting survey was conducted for all our locations early 2025 to capture data about work location, commuting distance to work, main mode of transportation, and percentage of remote working. The distance-based method can therefore be applied to estimate emissions from employee commuting. The survey allowed input of multiple modes of transportation, thus increasing the granularity of data. Calculations include emissions originating from remote working. Emission factors used for each mode of transportation is from DEFRA. N = 354, implying a response rate of 41.7%. Estimates based on this response rate are projected on the remaining population for each location, adding to the level of measurement uncertainty.	Low
	Category 8 Upstream leased assets	Not applicable.	-

Scope		Method description	Level of measurement uncertainty
Scope 3	**Category 9** Downstream transportation and distribution	This category is not estimated for 2024 and represents an omission from ESRS. Current systems and processes do not capture activity data from upstream transportation and distribution. Spend-based data currently do not separate between mode of transportation. We will in 2025 initiate a project to collect spend-based data disaggregated on mode of transportation, or, if possible, activity data directly from our downstream transportation and distribution partners.	-
	Category 10 Processing of sold products	This category is not estimated for 2024 and represents an omission from ESRS. Current systems and processes do not capture activity data from processing of sold products. We will in 2026 initiate a project to assess whether emissions from processing of sold products can be significant to our Scope 3 GHG emissions, and then collaborate with relevant intermediaries to collect site-specific data.	-
	Category 11 Use of sold products	This category is not estimated for 2024 and represents an omission from ESRS. While emissions originating from the use of our sold products should be insignificant in our Scope 3 GHG reporting based on our zero-tailpipe carbon emission technologies, we will nevertheless assess the significance level of emissions originating from use of sold products in 2026.	-
	Category 12 End-of-life treatment of sold products	This category is not estimated for 2024 and represents an omission from ESRS. End-of-life treatment for our products and solutions is expected to improve from an environmental perspective throughout the estimated lifetime of our products and solutions, implying that the end-of-life treatment as of 2024 does not necessarily represent end-of-life treatment when our products and solutions reach this stage. We will assess the significance of emissions originating from end-of-life treatment in 2026.	-
	Category 13 Downstream leased assets	Not applicable.	-
	Category 14 Franchises	Not applicable.	-
	Category 15 Investment	A combination of average-data method and investment specific method is used. For the investment in Norwegian Hydrogen AS and Cryoshelter LH2 GmbH, the average-data method is used, with the following input factors: investment share in the respective companies; most recent available revenue figures; spend-based factors from EXIOBASE 3, specific to countries and industries. For the investment in CIMC-Hexagon Hydrogen Energy Systems Ltd, the investment-specific method was used. Estimates are made by collecting relevant activity data for Scope 1 and 2, e.g. emissions originating from consumption of natural gas and electricity respectively, and multiplying this with Hexagon Purus' share in the company.	High

[1] UK Government, "Greenhouse Gas Reporting: Conversion Factors 2024," July 8, 2024, https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024.

[2] U.S. Environmental Protection Agency, "GHG Emission Factors Hub," 2024, https://www.epa.gov/climateleadership/ghg-emission-factors-hub.

[3] Noregs vassdrags- og energidirektorat, "Hvor Kommer Strømmen Fra?," February 20, 2025, https://www.nve.no/energi/energisystem/kraftproduksjon/hvor-kommer-stroemmen-fra/.

[4] Environment and Climate Change Canada, "Emission Factors and Reference Values Version 2.0," May 2024, https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/output-based-pricing-system/federal-greenhouse-gas-offset-system/emission-factors-reference-values.html#toc7.

[5] Noregs vassdrags- og energidirektorat, "Varedeklarasjon for Strømleverandører," January 10, 2024, https://www.nve.no/energi/virkemidler/opprinnelsesgarantier-og-varedeklarasjon-for-stroemleverandoerer/varedeklarasjon-for-stroemleverandoerer/.

[6] Wesley W. Ingwersen et al., "USEEIO v2.0, The US Environmentally-Extended Input-Output Model v2.0," Scientific Data 9, no. 1 (May 3, 2022): 194, https://doi.org/10.1038/s41597-022-01293-7.

[7] the Norwegian Agency for Public and Financial Management (DFØ), "Utslippsfaktorer for Statlige Innkjøp," 2022, https://dfo.no/nokkeltall-og-statistikk/innkjop-i-offentlig-sektor/utslippsfaktorer-statlige-innkjop.

[8] Carbon Footprint Ltd, "International Electricity Factors," International Electricity Factors, 2024, https://www.carbonfootprint.com/docs/2024_07_international_electricity_factors_1.xlsx.

[9] JEC Group, "Thermolysis Launches Fully Recyclable Products Using Recycled Carbon Fibre at JEC World 2024," 2024, https://www.jeccomposites.com/news/spotted-by-jec/thermolysis-launches-fully-recyclable-products-using-recycled-carbon-fibre-continuing-to-promote-the-carbon-fibre-industry-towards-a-circular-economy/?news_type=announcement,business,process-manufacturing,product-technology&end_use_application=aerospace,automotive-road-transportation,other-composites-end-use-areas,sports-leisure-recreation&tax_product=carbon-fiber,recycling&exceptionaltags=jec-world-2024,sustainability.

Energy

Our approach

The speed of the energy transition is impacted by a balancing act between accommodating for current and future needs. Shifting from fossil fuel sources to renewable energy requires investments in technologies and infrastructure producing, supporting, and converting renewable energy. At the same time, we must optimize the use of the current energy mix to ensure a just energy transition, which will include fossil fuels in the foreseeable future.

This balancing act also affects us. Our main input materials and components, such as carbon fiber, batteries, aluminum, and steel, are energy-intensive both in the extraction and in the processing of raw materials. Increased demand for our zero in-use emission solutions will therefore also increase energy demand from our suppliers, thus increasing energy consumption in our upstream value chain, all else equal.

Increased demand for our products and solutions will also affect energy demand in our downstream value chain. Our battery-electric mobility solutions rely on electrical energy, while our hydrogen infrastructure and mobility applications support the use of hydrogen as a fuel source, the production of which is also energy-intensive.

Both our suppliers and our customers are therefore affected by changes in energy prices. Higher energy prices increase our expenses for important materials and components, and will at the same time also increase cost of ownership for our customers. We mitigate some of our upstream risks with longer-term, strategic agreements with our most important suppliers, thus reducing our exposure to volatile energy prices.

For the solar PV installed in Kassel and Weeze, we will primarily use the generated energy for our own consumption and production. Kassel is the only facility that used solar PV in 2024. We also provide electricity to the grid whenever energy consumption is lower than the energy produced. Most of our facilities have been upgraded the past two years, where energy efficiency has been a priority for the design and planning of the sites.

Our global Environmental, Health and Safety (EHS) policy also promotes the use of renewable energy and energy conservation wherever feasible in our own operations.

Our actions

Actions this year

- Achieved ISO 14001 certifications in in Kassel and Weeze, where intended outcome is to continuously improve our environmental management system
- Increased use of renewable energy from the solar PV in our Kassel facility

Planned actions

- Go online with the solar PV installed in our Weeze facility in 2025 to reduce reliance on external energy sources and to increase use of renewables

Targets

Energy optimization will always be a key priority for Hexagon Purus. In addition to lowering the environmental footprint of our operations, it is also directly linked to our costs. As our capacity expansion program was mostly completed this year, we are now focusing on lowering our energy intensity and achieving higher output in terms of production and revenue per unit energy used.

2024 will act as the baseline year for the calculated energy intensity ratio, measured as total energy consumption per net revenue. While total energy consumption will increase as we go from scale-up to mass production, we should also reap the benefits of more streamlined and efficient operations. We have therefore not set any quantifiable energy-related targets for 2025 or any future period as of the publication of this report.

RESULTS | ESRS E1-5 ENERGY CONSUMPTION AND MIX

Fuel and energy consumption

2024 (MWh)	Total
Coal and coal products	-
Crude oil and petroleum products	190
Natural gas	3 269
Other fossil sources	-
Purchased/acquired energy from fossil sources	4 496
Electricity	4 496
Heat (district heating)	-
Steam	-
Cooling	-
Fossil sources	**7 956**
Nuclear	549
Nuclear sources	**549**
Biomass	-
Biofuels	-
Biogas	-
Green hydrogen	-
Purchased/acquired energy from renewable sources	4 127
Electricity	4 086
Heat (district heating)	41
Steam	-
Cooling	-
Consumption of self-generated non-fuel renewable energy	35
Renewable sources	**4 162**

2024 (MWh)	Total
Total fuel and energy consumption	12 666
Share of fossil sources in total energy consumption (%)	63%
Share of nuclear sources in total energy consumption (%)	4%
Share of renewable sources in total energy consumption (%)	33%

Energy intensity based on net revenue

	Group	Unit
Total fuel and energy consumption	12 666	MWh
Net revenue	1 875 839	tNOK
Energy intensity	**0.00068%**	**MWh/NOK**

Net revenue is reconciled with Total revenue in our Income Statement.

§ - Accounting policies

Hexagon Purus generates electricity from renewable sources on one of our facilities (solar PV). The energy consumed from this generation is reported under consumption of self-generated non-fuel renewable energy, thus avoiding double-counting.

All of Hexagon Purus' activities are in high climate impact sectors as defined in Commission Delegated Regulation (EU) 2022/1288. As such, both total energy and fuel consumption and revenue figures include all consolidated entities. The denominator in the energy intensity calculation is equivalent to "Total revenue" in our Group Income Statement, found on page 121, and in Note 4 Operating Segments and Note 5 Revenue from contracts with customers in the Group Financial Statements.

Estimates

To allocate the share between purchased/acquired/energy from fossil sources, nuclear sources, and renewable sources, the grid mix in the respective countries has been used.

Energy from natural gas has been converted to MWh using suitable conversion factors, following Annex II of the Fifth Assessment IPCC report.

Level of measurement uncertainty: Low

Climate scenario impacts

Operating in the zero-emission technology sector with production facilities in five different countries across three continents makes us exposed and vulnerable to climate change risks and opportunities.

Since our strategy and business model are directly linked to the opportunities in the energy transition from fossil fuels to renewables, we also face equivalent risks in case the transition happens slower than initially expected. Climate-related transition risks and opportunities are therefore an integrated aspect of our business. We regularly monitor changes in regulatory development, innovation and new technology, and consumer preferences in the markets where we operate, ultimately affecting the applicability of our products and solutions.

A slower energy transition will also increase physical climate change risks, where rising temperatures contribute to increased frequency of acute events, such as hurricanes and floods, and chronic effects, such as changes in annual rainfall, frequency of heatwaves, and water availability.

In 2023 a third-party conducted a physical climate change risk assessment of our production facilities in Germany, Canada, and the US. Our facilities in Dallas (U.S.), Shijiazhuang (China), and Norway were not part of this assessment. These facilities will be included when we reassess physical climate change risks for our production facilities. The scope of the risk assessment was limited to our own physical assets. We have not assessed the climate risk exposure of our supply chain and our most critical input factors such as carbon fiber, steel, aluminum, or batteries.

Our exposure to climate-related natural hazards has been evaluated for present-day conditions and 2030 and 2050, using Shared Socioeconomic Pathways (SSP) from IPPC's Sixth Assessment Report on climate change from 2021. SSPs are used to derive GHG scenarios with different climate policies. The pathways used in this assessment are SSP1-2.6 (Paris-aligned below 2°C warming by 2100), and SSP3-7.0 (reasonable worst-case scenario) where the former estimates a temperature increase of 1.8°C and the latter a temperature increase of 3.6°C in 2100.

The climate hazards in the table to the right were included in the screening.

RISK TYPE	TEMPERATURE	WIND	WATER	SOLID MASS
Chronic	Change in temperature patterns ●	Changing wind patterns ●	Changing precipitation patterns ●	Coastal erosion ●
	Heat stress		Hydrological variability ●	Soil degradation ●
	Temperature variability ●		Ocean acidification	Soil erosion ●
	Permafrost thawing ●		Saline intrusion ●	Solifluction ●
			Sea level rise ●	
			Water stress	
Acute	Heatwave	Extreme wind	Drought	Avalanche ●
	Cold wave	Dust and sandstorms ●	Extreme precipitation	Landslide
	Wildfire	Tornado	River flooding	Subsidence ●
		Thunderstorm	Coastal flooding ●	

● Denotes hazards found to be negligible sites in scope of risk assessment

The climate risk exposure assessment has been performed in three time periods: Present (2020), near-term (2030), and long-term (2050). These time horizons deviate from the ones defined by ESRS for short-, medium- and long-term, but align with near-term and long-term milestones set in the Paris Agreement for emissions reductions and aligns with the requirements in the EU Taxonomy stating that the assessment should be performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios, consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments for activities with lifespans exceeding 10 years.

In the table we have summarized all the findings from the climate risk assessment. Risks are only indicated for facilities with existing risk exposure assessed as "High" or above, irrespective of whether risk exposure is expected to change over the years, or with existing risk exposure assessed as "Low" or above, where the risk exposure is likely to change.

RISKS		KASSEL	KELOWNA	ONTARIO	WEEZE	WESTMINSTER
Flooding	**River flood**				High	
	Extreme precipitation	Low ↑	Low ↑	High ↑	Low ↑	High
	Flash flooding terrain			Yes	Yes	Yes
Wildfire	**Wildfire**		High ↑	Very high ↑		
Wind/storm	**Extreme wind**	Medium			High	Medium
	Thunderstorm		Low ↑	Low ↑		Low
Heat	**Heat stress**					Medium
	Heat wave	Low ↑	Medium ↑	High ↑	Medium ↑	Low ↑
Dry	**Water stress**	High	Medium	Very high	High ↑	
	Drought	High	Medium	Very high	High ↑	
Cold	**Ice storm**					High
	Heavy snowfall	Medium	High			High
	Cold wave	Low ↓	Medium ↓	High ↓	Medium ↓	Low ↓

↑ Arrow pointing up represents (likely) increasing exposure over time ↓ Arrow pointing down represents (likely) decreasing exposure over time

Based on the findings from this analysis, our facilities in Ontario, Weeze, and Westminster are the most exposed to acute and chronic climate change risks in the future.

While wildfires are already posing risks to our facility Ontario, the risk is expected to increase in the future. For Weeze, the common risk denominator is water, where the climate risk exposure to river flooding, water stress, and droughts is already high and expected to increase going forward.

Our climate risk assessment is limited to hazard screening and the assessment of exposure of climate-related hazards in the present and the future for the facilities listed above. As such we have not yet evaluated the potential financial implications originating from physical climate risks in each scenario. Going forward we must perform a climate risk assessment for the remaining Hexagon Purus facilities, in addition to assessing vulnerability of the identified exposures and building adaptive actions to increase resilience, if relevant. This quantitative physical climate risk assessment should be supported by a climate transition risk assessment.

EU Taxonomy Reporting

Accounting policies

Taxonomy-eligible turnover (revenue)

Taxonomy-eligible turnover is the revenue associated with taxonomy-eligible economic activities, as a proportion of Hexagon Purus total revenue. The turnover nominator comprises turnover from either taxonomy-eligible activities or taxonomy-aligned activities, while the turnover denominator includes turnover from both eligible and aligned activities, as well as turnover from non-eligible activities.

Hexagon Purus recognizes revenue in compliance with IFRS 15. For further information about our revenue accounting principles, please see significant accounting policies in the Group financial statements.

We have an overview of revenue per application for taxonomy-eligible turnover, ensuring appropriate allocation between the various economic activities and avoiding double counting in the allocation of turnover. The sum of taxonomy-aligned revenue, taxonomy-eligible revenue, and taxonomy non-eligible revenue can be reconciled with Total revenue in our Group Income statement.

Taxonomy-eligible CAPEX

Taxonomy-eligible CAPEX is the capital expenditure related to assets or processes associated with taxonomy-eligible economic activities as a proportion of our total CAPEX accounted for are based on IAS 16 (paragraph 73e (i) and (iii), IAS 38 (paragraph 118e (i), and IFRS 16 (paragraph 53h)). The CAPEX nominator comprises CAPEX from either taxonomy-eligible activities or taxonomy-aligned activities, while the CAPEX denominator includes CAPEX from both eligible and aligned activities, as well as turnover from non-eligible activities.

Some of our facilities manufacture products and solutions for multiple taxonomy-eligible activities. It is therefore necessary to separate capital expenditure for each taxonomy-eligible activity. For these facilities we will allocate capital expenditure between these activities based on proportion of revenue per application, thus avoiding double counting. The sum of taxonomy-aligned CAPEX, taxonomy-eligible CAPEX, and taxonomy non-eligible CAPEX can be reconciled with the sum of Additions this year at cost price in Note 7 Property, plant and equipment, Net additions this year at cost price in Note 8 Intangible assets, and Additions this year at cost price in Note 10 Leases.

The table below demonstrates the quantitative breakdown at the economic activity level of the figures included in the CAPEX reporting.

More information about Hexagon Purus CAPEX alignment and eligibility is explained in the sections Taxonomy-eligible activities, Taxonomy-aligned activities and Substantial contribution.

Activity	PPE (tNOK)	Intangibles (tNOK)	RoU (tNOK)
3.2 Manufacture of equipment for the production and use of hydrogen	42 490	614	5 501
3.3 Manufacture of low carbon tech-nologies for transport	1 470	3 087	0
3.4 Manufacture of batteries	196 081	31 048	4 427
3.6 Manufacture of other low carbon technologies	6 820		921
3.18 Manufacture of automotive and mobility components	223 562	38 709	318 317
3.19 Manufacture of rail rolling stock constituents	202	52	261
Non-eligible activities	17 057	8 270	25 434
Total	**487 683**	**81 779**	**67 008**

Taxonomy-eligible OpEx

Taxonomy-eligible OPEX is the operating expenditure related to non-capitalized costs related to research and development, building renovation measures, short-term leases, maintenance and repair and any other direct expenditures relating to day-to-day servicing of assets of PPE associated with taxonomy-eligible economic activities. The OPEX nominator comprises OPEX from either taxonomy-eligible activities or taxonomy-aligned activities, while the OPEX denominator includes OPEX from both eligible and aligned activities, as well as OPEX from non-eligible activities.

Some of our facilities manufacture products and solutions for multiple taxonomy-eligible activities. It is therefore necessary to separate operational expenditure for each taxonomy-eligible activity. For these facilities we will allocate operational expenditure between these activities based on proportion of revenue per application, thus avoiding double counting.

The table below demonstrates the quantitative breakdown at the economic activity level of the figures included in the OPEX reporting.

Activity	Plant/equipment maintenance and repair (tNOK)	Engineering and technical product (tNOK)
3.2 Manufacture of equipment for the production and use of hydrogen	5 556	7 636
3.3 Manufacture of low carbon tech-nologies for transport	0	0
3.4 Manufacture of batteries	6 683	10 455
3.6 Manufacture of other low carbon technologies	777	899
3.18 Manufacture of automotive and mobility components	16 880	38 612
3.19 Manufacture of rail rolling stock constituents	83	199
Non-eligible activities	1 031	758
Total	**29 979**	**58 360**

Hexagon Purus has a conservative approach for both taxonomy-aligned and eligible OPEX figures, only including OPEX related to non-capitalized costs research and development.

Taxonomy non-eligible KPIs

Turnover, CAPEX, and OPEX associated with non-eligible activities (not included in the Delegated Acts) have been determined. Hexagon Purus has a conservative approach for taxonomy non-eligible KPIs, not including turnover, CAPEX, and/or OPEX where there might be uncertainties related to eligibility and/or alignment. In cases where we identify incidents requiring historical restatement, these restatements will be addressed in a separate section.

Non-eligible activities are either classified as Aerospace or Other where the former is not defined in the EU Taxonomy and the latter represents the conservative approach.

Restatements

We are continuously working to improve our financial reporting to disaggregate the various revenue streams originating from each of our facilities. With future deliveries of battery-electric trucks to the Hino program, revenue generation from facilities with operations in Dallas, Kelowna, and Ontario will be separated between activity 3.4 Manufacture of batteries and activity 3.6 Manufacture of low carbon technologies for transport going forward. We expect this change to be reflected in the Annual Report 2025, when revenue from the Hino program is expected to represent a higher share of total revenue from the battery-electric vehicle integration segment of our business.

Hexagon Purus' taxonomy-aligned figures for CAPEX and OPEX for 2023 were based on a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible activities to become taxonomy-aligned under conditions specified in the Delegated Act (where turnover is eligible but not aligned). Following the reduction of capacity costs and overall cost reduction for Hexagon Purus going forward, this plan has been postponed in the foreseeable future.

As such, prior year's taxonomy-aligned CAPEX and OPEX figures have been updated in the EU Taxonomy Reporting for 2024 and are now stated as taxonomy-eligible CAPEX and OPEX for 2023.

GLOSSARY

CCM: Climate Change Mitigation

Y: Yes (taxonomy-eligible and taxonomy-aligned with relevant environmental objective)

N: No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)

N/EL: Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)

E: Enabling

T: Transitional Revenue

GO BACK

Taxonomy-aligned turnover

				Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	Turnover 2024 (tNOK) (3)	Proportion of Turnover, year 2024 (%)(4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned or -eligible turnover, 2023 (18)	Category enabling activity (E) (19)	Category transitional activity (T) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Manufacture of low carbon technologies for transport	CCM 3.3	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Manufacture of batteries	CCM 3.4	-	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Manufacture of other low carbon technologies	CCM 3.6	-	0%	N	N	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Manufacture of automotive and mobility components	CCM 3.18	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Manufacture of rail rolling stock constituents	CCM 3.19	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%	-	-	-	-	n.a	N	Y	N	N	N	N	0%	E	-
Of which enabling		-	0%	0%	0%	-	-	-	-	n.a	N	Y	N	N	N	N	0%	E	-
Of which transitional		-	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	1 057 848	56.4%	E	E	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	56.9%	-	-
Manufacture of low carbon technologies for transport	CCM 3.3	2 228	0.1%	E	E	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	1.1%	-	-
Manufacture of batteries	CCM 3.4	91 583	4.9%	E	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	2.3%	-	-
Manufacture of other low carbon technologies	CCM 3.6	175 108	9.3%	E	E	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	14.3%	-	-
Manufacture of automotive and mobility components	CCM 3.18	467 557	24.9%	E	E	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	12.8%	-	-
Manufacture of rail rolling stock constituents	CCM 3.19	2 408	0.1%	E	E	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	2.0%	-	-
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1 796 733	95.8%	95.8%	0%	-	-	-	-	-	-	-	-	-	-	-	89.5%	-	-
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		1 796 733	95.8%	95.8%	0%	-	-	-	-	-	-	-	-	-	-	-	89.5%	-	-
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		79 106	4.2%																
TOTAL		1 875 839	100.0%																

Taxonomy-aligned CapEx

				Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	CapEx 2024 (tNOK) (3)	Proportion of CapEx, year 2024 (%)(4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned or -eligible CapEx, 2023 (18)	Category enabling activity (E) (19)	Category transitional activity (T) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Manufacture of low carbon technologies for transport	CCM 3.3	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Manufacture of batteries	CCM 3.4	-	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Manufacture of other low carbon technologies	CCM 3.6	-	0%	N	N	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Manufacture of automotive and mobility components	CCM 3.18	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Manufacture of rail rolling stock constituents	CCM 3.19	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%	-	-	-	-	n.a	N	Y	N	N	N	N	0%	E	-
Of which enabling		-	0%	0%	0%	-	-	-	-	n.a	N	Y	N	N	N	N	0%	E	-
Of which transitional		-	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	48 605	7.6%	E	E	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	23.1%	-	-
Manufacture of low carbon technologies for transport	CCM 3.3	4 556	0.7%	E	E	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.1%	-	-
Manufacture of batteries	CCM 3.4	231 556	36.4%	E	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	11.2%	-	-
Manufacture of other low carbon technologies	CCM 3.6	7 742	1.2%	E	E	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.0%	-	-
Manufacture of automotive and mobility components	CCM 3.18	318 317	50.0%	E	E	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	64.6%	-	-
Manufacture of rail rolling stock constituents	CCM 3.19	261	0.0%	E	E	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.0%	-	-
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		611 037	96.0%	96.0%	0%	-	-	-	-	-	-	-	-	-	-	-	99.1%	-	-
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		611 037	96.0%	96.0%	0%	-	-	-	-	-	-	-	-	-	-	-	99.1%	-	-
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities		25 434	4.0%																
TOTAL		636 470	100.0%																

Taxonomy-aligned OpEx

				Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	OpEx 2024 (tNOK) (3)	Proportion of OpEx, year 2024 (%)(4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned or -eligible OpEx, 2023 (18)	Category enabling activity (E) (19)	Category transitional activity (T) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Manufacture of low carbon technologies for transport	CCM 3.3	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Manufacture of batteries	CCM 3.4	-	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Manufacture of other low carbon technologies	CCM 3.6	-	0%	N	N	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Manufacture of automotive and mobility components	CCM 3.18	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
Manufacture of rail rolling stock constituents	CCM 3.19	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a	N	Y	N	N	N	N	0%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%	-	-	-	-	n.a	N	Y	N	N	N	N	0%	E	-
Of which enabling		-	0%	0%	0%	-	-	-	-	n.a	N	Y	N	N	N	N	0%	E	-
Of which transitional		-	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	13 192	15.4%	E	E	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	8.6%	-	-
Manufacture of low carbon technologies for transport	CCM 3.3	-	0.0%	E	E	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.0%	-	-
Manufacture of batteries	CCM 3.4	13 602	15.9%	E	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	2.1%	-	-
Manufacture of other low carbon technologies	CCM 3.6	1 676	2.0%	E	E	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	6.0%	-	-
Manufacture of automotive and mobility components	CCM 3.18	55 384	64.8%	E	E	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	82.5%	-	-
Manufacture of rail rolling stock constituents	CCM 3.19	282	0.3%	E	E	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.0%	-	-
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		84 137	98.4%	98.4%	0%	-	-	-	-	-	-	-	-	-	-	-	99.2%	-	-
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		84 137	98.4%	98.4%	0%	-	-	-	-	-	-	-	-	-	-	-	99.2%	-	-
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activities		1 346	1.6%																
TOTAL		85 483	100.0%																

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Taxonomy-eligible activities

Hexagon Purus has identified taxonomy-eligible activities by screening the economic activities in the Climate Delegated Act, the Complementary Climate Delegated Act, the Environmental Delegated Act, and the amendments to the Climate Delegated Act. In total six activities in the Climate Delegated Act have been identified as eligible for Hexagon Purus:

- 3.2 Manufacture of equipment for the production and use of hydrogen
- 3.3 Manufacture of low carbon technologies for transport
- 3.4 Manufacture of batteries
- 3.6 Manufacture of other low carbon technologies
- 3.18 Manufacture of automotive and mobility components
- 3.19 Manufacture of rail rolling stock constituents

Taxonomy-aligned activities

For an economic activity to qualify as a sustainable economic activity (taxonomy-aligned) certain requirements must be met. The activity must:

- Substantially contribute to one or more of the six environmental objectives (Climate change mitigation; climate change adaptation; water; pollution; circular economy; and/or biodiversity)
- Not do any significant harm (DNSH) to the other five objectives
- Comply with minimum safeguards covering social and governance standards
- Comply with the technical screening criteria (TSC) for the environmental objectives

Taxonomy-alignment of Hexagon Purus' eligible activities has been assessed against Annex I of the Climate Delegated Act. The technical screening criteria has been assessed per activity, while the minimum safeguards have been assessed on Group level.

Substantial contribution

Climate change mitigation

Hexagon Purus has assessed whether any of our taxonomy-eligible activities fulfil the substantial contribution criteria to climate change mitigation. While climate change adaptation could be applicable for activity 3.2, 3.3, 3.4, and 3.6, it is not applicable for activity 3.18 and 3.19. We have therefore not assessed the substantial contribution criteria for other environmental targets, including climate change adaptation.

For activity 3.2 Manufacture of equipment for the production and use of hydrogen, the production of the hydrogen distribution modules, hydrogen ground storage solutions, and hydrogen refuelers have been included. The relevant criteria for substantial contribution for activity 3.2 is that the economic activity manufactures equipment for the use of hydrogen. Our facilities in Weeze and Kassel manufacture equipment for the production and use of hydrogen.

For activity 3.3 Manufacture of low carbon technologies for transport, the upgrading of water transport vessels and revenue related to the maritime business of Hexagon Purus has been included. The relevant criteria for substantial contribution for activity 3.3 depends on the type of vessel. As such future alignment must be assessed per vessel.

For activity 3.4 Manufacture of batteries, the assembly of battery packs has been included. The relevant criteria for substantial contribution for activity 3.4 is that the economic activity manufactures battery packs that result in substantial GHG emission reductions in transport, stationary and off-grid energy storage and other industrial applications. This activity is primarily performed in the Kelowna facility.

For activity 3.6 Manufacture of other low carbon technologies, the manufacturing of industrial gas distribution and ground storage solutions have been included. While our industrial gas and ground storage solutions are currently used for a variety of gases, including hydrogen, the technology supports activities aimed at substantial GHG emission reductions in several sectors. As such future alignment must be assessed per customer's application. The relevant criteria for substantial contribution for activity 3.6 is that the economic activity manufactures technologies aimed at and demonstrate substantial life-cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market, using quantified life-cycle GHG emission savings verified by and independent third-party. We have yet to perform a life-cycle analysis demonstrating substantial life-cycle GHG emission savings compared to best alternative technologies. This activity is primarily performed in Weeze.

For activity 3.18 Manufacture of automotive and mobility components, the manufacturing of the type 4-cylinders designated for vehicles and vehicle integration facility for battery-electric heavy-duty trucks have been included. The relevant criteria for substantial contribution for activity 3.18 is that the manufacturing of components is essential for delivering and improving the environmental performance of various vehicles where tailpipe CO_2 emissions of the vehicles are zero. This activity is primarily performed in Dallas, Kassel, Shijiazhuang, and Westminster.

For activity 3.19 Manufacture of rolling stock constituents, the manufacturing of products, equipment, and systems related to rail constituents has been included. The relevant criteria for substantial contribution for activity 3.19 is that the manufacturing of products, equipment, and systems are essential to the environmental performance, operation, and functioning over the lifetime of trains, passenger coaches, and wagons where tailpipe CO_2 emissions are zero. This activity is primarily performed in Kassel, Weeze, and Westminster.

Do no significant harm

Climate change adaptation

We have assessed and documented how our assets are resilient toward various current and future chronic and acute climate hazards for all operational sites apart from Ålesund, Dallas, and Shijiazhuang, see Climate scenario impacts (page 69-72). We have yet to conclude that our assets are resilient and able to withstand projected climate changes during the assets' lifetime, complying with Criteria I (c) in Appendix A to Annex I of the Climate Delegated Act.

Sustainable use and protection of water and marine resources

We have assessed whether our activities lead to environmental degradation risks related to preserving water quality and avoiding water stress. Our current operations on our current locations require insignificant water use relative to the identified water quality and water stress, using both a 2030 and 2050 scenario. For operational activities that require some water usage, we rely on closed-loop water systems.

Transition to a circular economy

All our economic activities assess the availability of and, where feasible and applicable, adopt techniques that support

a. design for high durability, recyclability, easy disassembly and adaptability of products manufactured
b. waste management prioritizing recycling over disposal in the manufacturing process
c. For a) reuse and use of secondary raw materials, and re-used components in products manufactured and d) information on and traceability of substances of concern throughout the life-cycle of the manufactured products we are yet to assess and/or adopt techniques that support the above.

Pollution prevention and control

While we are obligated to follow all regulations listed in Appendix C to Annex I of the Climate Delegated Act, we are currently compiling the relevant documentation to ensure that potential pollution impacts are avoided, mitigated, and addressed appropriately, and that pollution requirements are integrated into our environmental permit conditions in line with the regulations listed in Appendix C to Annex I of the Climate Delegated Act. As such we cannot conclude that we do no significant harm for pollution prevention and control.

Protection and restoration of biodiversity and ecosystems

Our facilities in Kassel, Kelowna, Weeze, and Ålesund are located within 50-kilometer proximity of biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other known protected areas). With these areas in the proximity of our operations, we are yet to conclude that our relative operational footprint and its impact requires us to implement any mitigation procedures.

Minimum safeguards

Our Human Rights and Working Conditions Policy sets out our commitment to respect human rights. The policy lives up to the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises, including the principles in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work (ILO) and the International Bill of Human Rights throughout our own operations and in our supply chain.

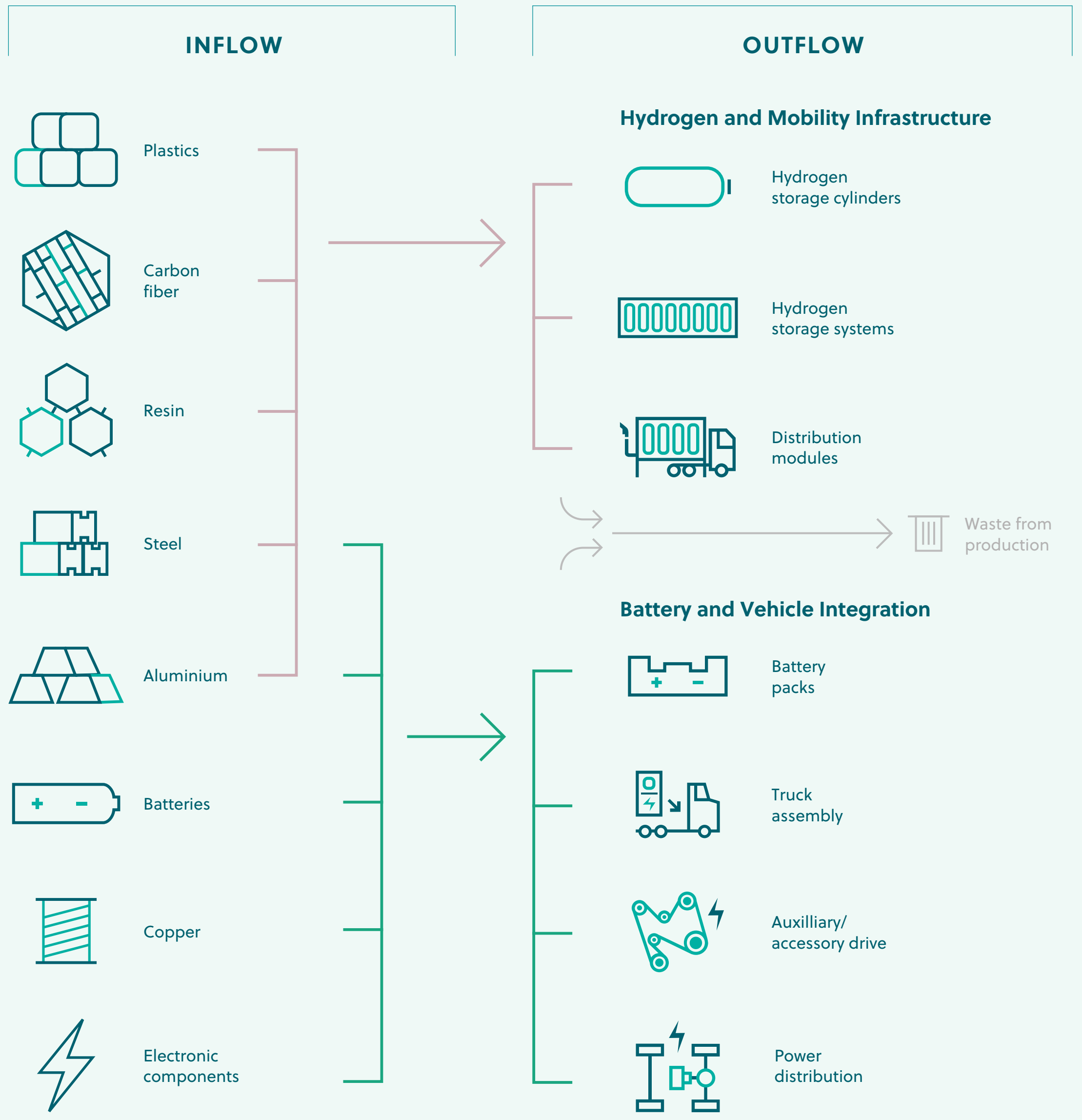
We conducted our first human rights risk screening in 2024, in line with the Norwegian Transparency Act and using the aforementioned OECD Guidelines, and identified that we are exposed to salient human rights issues in our supply chain.

We will explore our identified human rights risks and further operationalize our supply chain due diligence processes in 2025. We can therefore not conclude that we are compliant with the minimum social safeguards as of 2024.

ESRS E5 | Resource use and circular economy

IRO OVERVIEW

SUB-TOPIC	IRO	VALUE CHAIN	DESCRIPTION	IRO DEVELOPMENT
Resource inflows, including resource use				
Resource-intensive materials and components	Negative impact	Upstream	Our products and solutions require material and components causing environmental burden by using energy and natural and industrial resources. Carbon fiber, steel, aluminum, and batteries are all crucial materials and components for our business, and are all energy- and resource-intensive.	Increase – medium timeframe Increase – long-term timeframe
Use of virgin materials	Negative impact	Own operations	Use of recycled materials is not yet feasible due to quality constraints. None of our materials and components are currently from recycled sources, which contributes to resource use and depletion.	Increase – medium timeframe Increase – long-term timeframe
Material efficiency in operations	Negative impact	Own operations	The material efficiency in our production processes has a direct effect and impact on resource use.	Increase – medium timeframe Increase – long-term timeframe
Lack of circularity measures and design	Risk	Own operations	Very few feasible solutions exist today to properly recycle composite materials and batteries, which makes designing and implementing circularity measures very difficult. Lack of circularity measures and design may make our products less favorable.	Increase – medium timeframe Stable – long-term timeframe
Resource outflows related to products and services				
Lack of circularity measures and design	Negative impact	Downstream	Composite materials and batteries are very difficult to recycle, especially end-of-life products. Treatment often involves energy-intensive and/or chemical processes.	Increase – medium timeframe Increase – long-term timeframe
Resource-efficient products	Positive impact	Downstream	Our Type 4 cylinders are lighter than alternatives, thus providing better energy efficiency.	Increase – medium timeframe Increase – long-term timeframe
Waste				
Waste handling requiring energy and resources	Own operations	Own operations	Waste generated from our production activities are incinerated, chemically or physically treated, sent to landfill, or recycled (when possible). These waste disposal activities require energy and resources, leading to environmental impacts.	Increase – medium timeframe Increase – long-term timeframe



Hexagon Purus' cylinders, hydrogen storage and distribution systems, and fuel cell and battery electric systems are key technology enablers in the transition towards zero-emission mobility. We also acknowledge that our products require materials and components with substantial embedded emissions and environmental impact, and the challenge of treating end-of-life products given the feasible solutions today.

We are responsible for the environmental burden associated with our activities throughout our value chain. We all have a role to play in understanding and minimizing impacts by reducing material waste and encouraging circularity in our entire value chain. This would rely on our continuous operational improvement, engineering innovation, and close collaborations with key suppliers and customers.

A screening of our assets and activities at business unit level was conducted as part of the identification of our impacts, risks and opportunities related to resource use and circular economy, utilizing the knowledge and experience from selective internal representatives and the feedback from the stakeholder interviews. Direct consultation with affected communities have not been conducted.

Our approach

Guided by our EHS policy, we are committed to minimizing resource use for our products and solutions where feasible in our own operations. The production of the composite material, metal parts and components required for our Type 4 cylinders and battery systems is both resource- and energy-intensive. When our products reach end-of-life, the nature of materials used, such as composite material and substances contained, makes it difficult to recycle or dispose in an environmentally friendly and efficient manner. This means responsible and effective design and use of materials and components in the manufacturing activities is crucial to minimizing our environmental impact as we continue to grow our business.

Resource inflow

We are still at the early stage of integrating circular design in our product development. For our Type 4 cylinders, we are increasingly working on using material with higher mechanical specifications, combined with experience on exploiting higher material utilization. This leads to reduced material consumption, processing time, product weight and waste. Currently none of our materials are from secondary (recycled) sources. We try to source our materials with a focus on lowering the environmental footprint where possible, although some material groups have limited possibilities for alternatives. At the design and engineering stage, the data sampled during testing and the use of Finite Element Analysis model response allow us to achieve more optimal safety design with more efficient material usage.

For our battery packs, we are identifying opportunities to eliminate existing parts while maintaining functionality through our design. We are also investigating pack remanufacturing solutions in collaboration with a third-party.

For our battery systems, we strive to utilize materials with high recyclability, such as aluminum and copper, where ever possible. As our product designs mature and stabilize, we will be looking into removing product weight. In addition, we are also looking into localized supply as much as feasible for our entire supply chain, including our battery cells with our Panasonic agreement. For our battery packs and systems, the focus has been on engineering and designing our products so that they will last the entire life of our target application.

Resource outflow - product

Our products and solutions do not generate waste during the use-stage. However, the handling of our end-of-life products is technically challenging due to the material types and compositions. While we are exploring better end-of-life treatment solutions, we also work to identify ways of enabling extended use of our products.

Our Type 4 high-pressure cylinders are light and have high durability. A typical lifetime for our cylinders is at least 15 years or more, depending on the application and standards. Development of integrated sensors will allow us to have full track of the usage and handling of the cylinders during their first life. All cylinders that have been used within the specifications can be re-qualified for lower pressure levels for recommissioning in new application with an approved history and specified lifespan. This can be repeated until maximum pressure levels are too low for efficient use, potentially giving a cylinder multiple decades of extended life.

Cylinders reaching end-of-life after repurposing can be recycled through qualified state-of-the-art technologies. Once these technologies pass the required tests in the coming years, the regained carbon fiber material is envisaged to be reused as new secondary structural parts, which could be used in our storage and distribution system when qualified.

Resource outflow - waste

Process optimization is one of the keys to reducing waste generated from manufacturing activities. Improved production processes will elevate material efficiency and increase precision on waste monitoring, allowing a more precise assessment to identify areas of improvement.

Materials such as carbon fiber, metal, resin, and plastic are significant contributors to the total waste generated from our production, in addition to general waste from our employee activities. All our production sites identify opportunities to conserve natural resources and reduce our environmental footprint by prioritizing directing waste to recycle where possible. We also have a particular focus on hazardous waste, which requires specialized contractors for safe disposal. We adhere to any local or national environmental laws and regulations and expect that our specialized waste handling contractors do the same.

In North America we work with a specialized company to recycle scrapped composites materials. In Europe our scrap cylinders are sent to a recycler.

Battery packs and our electric powertrain components can be recycled at end of life. We will be looking into second life applications in the upcoming years to prolong the usage phase of our products before recycling.

Our actions

Actions this year

- Our battery systems and vehicle integration operations have designed returnable packaging to ship our battery packs from Kelowna to Dallas, commencing in 2025.

Planned actions

- We plan to install a mill baler in our Kelowna facility for recyclable cardboard package to minimize waste volume and outgoing transportation.
- We plan to map out waste hotspots in our facilities, making sure that we direct waste reduction initiatives to materials with the most environmental and/or financial impact

Targets

Understanding our material flows and waste profiles is fundamental for establishing actionable and measurable targets in relation to circularity and waste minimization. We plan to focus on completing material and waste inventory and analysis for 2024 - 2025, which will serve as a foundation for us to set meaningful targets on resource use and circular economy in the future. This aligns with a key sustainability priority for 2025, where measuring waste from production will give us insights into how we can save costs while simultaneously reduce our environmental footprint.

ESRS E5-5 RESOURCE OUTFLOWS

Waste type	Total	Unit
Total waste generated	1 605.94	tonne
Total non-hazardous waste diverted from disposal	**1 193.88**	**tonne**
Non-hazardous waste diverted from disposal due to preparation for reuse	-	tonne
Non-hazardous waste diverted from disposal due to recycling	1 193.88	tonne
Non-hazardous waste diverted from disposal due to other recovery options	-	tonne
Total hazardous waste diverted from disposal	**0.37**	**tonne**
Hazardous waste diverted from disposal due to preparation for reuse	-	tonne
Hazardous waste diverted from disposal due to recycling	0.37	tonne
Hazardous waste diverted from disposal due to other recovery options	-	tonne
Total non-hazardous waste directed to disposal	**324.44**	**tonne**
Non-hazardous waste directed to disposal by incineration	166.12	tonne
Non-hazardous waste directed to disposal by landfill	158.32	tonne
Non-hazardous waste directed to disposal by other disposal operations	-	tonne
Total hazardous waste directed to disposal	**87.25**	**tonne**
Hazardous waste directed to disposal by incineration	7.08	tonne
Hazardous waste directed to disposal by landfill	-	tonne
Hazardous waste directed to disposal by other disposal operations	80.17	tonne
Total amount of non-recycled waste	**411.69**	**tonne**
Percentage of non-recycled waste	**25.6%**	**%**

For non-hazardous waste, the main materials present in the waste are general metal, liners, plastic, and wood. For hazardous waste, the main materials present in the waste are abrasives, resin, and solvents.

§ - Accounting policies

Waste is handled in accordance with national legislations, and will therefore differ between the various entities in the Group. We use a conservative approach when reporting treatment types, and always assume that waste is directed to landfill unless otherwise specified from the waste management companies.

Estimates

Where figures from local entities are reported in e.g. cubic feet, gallons, etc., they are converted to tonnes using suitable conversion factors.

Level of measurement uncertainty: Low

Social

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ESRS S1 | Own Workforce

IRO OVERVIEW

SUB-TOPIC	IRO	VALUE CHAIN	DESCRIPTION	IRO DEVELOPMENT
Working conditions				
Working time and work-life balance	Negative impact	Own operations	The Company is in a scale-up phase. We are growing fast and establishing processes and routines along the way. This can be a demanding period with regards to working time, where people might need to work many hours or at inconvenient times. This can have a negative impact on people's well-being, safety, and productivity.	Stable – medium timeframe Stable – long-term timeframe
Health and safety	Negative impact	Own operations	Our employees are exposed to hazards in our production environment, such as metal works and work in heights. This may lead to risk of injury or damage to health of our workers. Our health and safety management is put in place to mitigate risks.	Stable – medium timeframe Stable – long-term timeframe
Secure employment	Positive impact	Own operations	Some of our facilities are in rural small communities, where we are among the larger employers in the area.	Increase – medium timeframe Increase – long-term timeframe
Adequate wages	Positive impact	Own operations	The Company competes for competence and talents on all our sites. This competition affects the terms and conditions for our employees positively.	Increase – medium timeframe Increase – long-term timeframe
Freedom of association the existence of works councils and the information consultation and participation rights of workers	Positive impact	Own operations	The Company impacts its interaction with its employees and works council.	Stable – medium timeframe Increase – long-term timeframe
Equal treatment and opportunities for all				
Training and skills development	Positive impact	Own operations	We are a competence-based company, making sure that our people are continuously developing their skills. This contributes to the quality of our employees and thus our products and solutions.	Increase – medium timeframe Increase – long-term timeframe
Diversity	Positive impact	Own operations	We have an impact on all employees working in our company. We also influence the society by actively recruiting, developing and retaining a diverse workforce. Our policies and practices impact equal treatment and opportunities for all.	Increase – medium timeframe Increase – long-term timeframe
Recruitment, development and retention	Opportunity	Own operations	Employee safety, development and well-being are crucial factors for our success. We see talent attraction, development, and retention as opportunities and the foundation to enable successful scale up and delivery on commitments to customers.	Increase – medium timeframe Increase – long-term timeframe
Recruitment, development and retention	Risk	Own operations	Our value creation depends on our workforce, its competence, commitment, and output. We need to be able to attract, develop and retain the competence needed to deliver on our ambitious growth plans. There is risk related to our ability to attract certain engineering competence as well as enough capacity and competence for production	Increase – medium timeframe Increase – long-term timeframe

Our people are the driving force behind our success and our value creation relies on them and their competence, behaviors and commitment. We are fortunate to have a global team of highly skilled and dedicated employees across our sites. We remain committed to fostering a safe environment, both physically and psychologically, that allows people to be at their best.

Combining substantial growth in number of employees and facilities the past years and at the same time establishing new processes and procedures, requires significant efforts from our employees. While extensive growth can be exciting, we also acknowledge the related challenges like unpredictability, high workload, and steep learning curves. As a responsible employer, we are also aware that potential negative impacts may be systematically present given the nature of our own operations. We are working hard to continue building robust processes and further develop new or update policies to address our impacts, risks and opportunities.

We believe that shaping our workplace and further building our culture is best done in collaboration, across sites and countries, with leaders and employees, guided by our values and desired behaviors.

Work for each other's success	• We invest in each other's success, working together towards a common purpose and celebrating our wins as a team
Take responsibility	• We take initiative, proactively seek solutions and follow through • We champion safety and quality, caring for people and the planet
Build trust and be inclusive	• We act with integrity and transparency • We embrace diversity of individuals, ideas, and perspectives
Embrace challenges and failures	• We adapt to change and embrace challenges with a positive mindset • We learn from failures and use them as opportunities for growth

Working conditions

Our approach

The safety of our people is our highest priority. This is especially important for employees who are exposed to hazards in our production environment, such as metal processing and work at height. Our health and safety standards aim to prevent hazards and incidents for all our employees and parties working on behalf of Hexagon Purus, and for everyone inside our premises. Everyone working for or representing Hexagon Purus must follow our policy on Environment, Health and Safety (EHS).

Our senior management team has the overall responsibility for safety and sets the tone for the rest of the company. The role modelling of top management is essential to lead, promote, and develop a culture where everyone works towards a zero-injury work environment. This is operationalized by every employee and guided by our EHS, Operations, and People & Culture teams.

All sites follow local EHS regulations and standards, where we have had site specific guidelines. Our goal is to continue implementing global health and safety management systems in accordance with ISO 45001, and we have certified our locations in Kassel and Weeze. To mitigate any fear of retribution when reporting, we have a conscious approach to implementing an open reporting culture and practice. To align our priorities across our sites we have launched common Golden Safety Rules. We are encouraging reporting of both near misses and incidents. We deliberately avoid having targets for incidents and near misses, although reduction is a long-term goal.

Hexagon Purus requires reporting of any work-related hazards and unsafe situations. It is the duty of all employees and business partners to report health and safety incidents, concerns, violations, or potential violations of any applicable law or Hexagon Purus' policies and/or procedures.

Our Whistleblowing Policies support the protection of the whistleblower. The local People & Culture teams track and monitor reported concerns at each site, the numbers are consolidated annually at corporate level. With most employees based in Germany, the majority of our employees are supported by a works council, which represent an additional channel for reporting concerns, helping to ensure the effectiveness of our communication pathways. There is also established other ways to report concerns which also includes an external whistleblowing channel that complies with national and international standards and is monitored and managed by an external party. This external whistleblowing channel is also open to any external grievances.

Standard approach for handling concerns is to seek external legal advice locally, unless it is obvious how to address the concern. Each case is unique and complex, requiring individual process, assessment and remedy. If the company has caused or contributed to a significant negative impact on our workforce, it is handled according to relevant legislation. For more information, see chapter ESRS G1-1 Protection of whistleblowers.

Our commitment to human rights and decent working conditions for our own workforce can be found in our Human Rights and Working Conditions Policy. This policy also covers suppliers, business partners, and communities affected by our business activities. Here we state, among others, our aspirations for working hours, benefits, and wages, employee development, and freedom of association and collective bargaining.

We actively support employees' rights to representation and participation in decision-making processes. In 2024, employees in Weeze initiated the formation of a works council, and we provided support throughout the process. With an already established works council in Kassel, we have seen the benefits of structured collaboration. We already built a similar working relationship with the newly formed works council in Weeze and will continue to improve the working conditions together with the works councils at both sites. Employees are raising concerns through the works councils, and the works councils liaise with the management on a regular basis. The works councils meets with our People and Culture team on a weekly basis and the management team monthly.

Listening to our employees is a key priority. In addition to having established works councils, our ambition is to conduct the Great Place to Work (GPTW) survey annually, to gather structured feedback and measure progress within organizational development. Our most recent survey took place in November 2023 where we had a participation rate of 77%; however, due to operational demands, we did not conduct the survey in 2024. We remained committed to gathering employee feedback by organizing GPTW focus groups at all manufacturing sites, providing an open platform for all employees to participate.

Our employees are also encouraged to voice their opinions through dialogue with their leaders, and forums such as Q&A sessions in local and global townhalls.

Also contributing to the working conditions among our employees is our local presence. Some of our facilities are in small communities, where we are among the larger employers in the area. We recognize the importance of giving back to the communities where our employees work and live, which we believe contributes positively to our employees' mental well-being. Some examples of initiatives we are doing: organizing blood-donations on site, and organizing group volunteering activities such as river clean-ups, assisting local seniors with winter garden preparations and coordinating food donations.

Hexagon Purus pays all employees and workers at least the minimum legal wage and aims to exceed this. In geographies where minimum legal wage has not been set through legislation or binding collective agreements, we commit to paying living wage. Our compensation approach follows our global policy and local regulations. compensation policy. In 2024, we completed annual salary reviews for positions at our main sites, based on levels, salary groups and market conditions.

Our actions

Actions this year

- Reduction of full-time working hours in Weeze from 40 to 37.5 hours for non-exempt employees to further improve working conditions and align with local industry standards.
- In 2024, employees in Weeze initiated the formation of a works council, and we provided support throughout the process.
- Golden Safety Rules introduced globally at all sites, to improve the safety of our employees and ensure a unified approach to safety. These rules were communicated through multiple channels, including digital screens, our internal communication platform, and other targeted outreach initiatives.
- Implemented a global safety alert mechanism to share incidents and lessons learned across all locations
- We established and implemented a global process for health and safety reporting to ensure consistent tracking and better risk management across all sites, in line with our commitment to a safe work environment.
- Certified according to ISO 45001 in Kassel and Weeze
- We introduced a company pension scheme (Betriebliche Krankenversicherung) and introduced "The Allianz Langzeitkonto" in Weeze, allowing employees to accumulate overtime hours for additional vacation time—enhancing flexibility and improving working conditions.

Planned actions

- In 2025, we will continue to strengthen our safety culture and leadership through senior leader safety walks and integrating health and safety topics in leadership meetings
- From 2025, initiate regular review and analysis of near misses and unsafe conditions or behaviors
- Implement a learning management system (Learn365), to expand and improve tracking of health and safety training from 2025 and onwards
- Further expand training and development of leaders in 2025, e.g. feedback training - to continue improve the interaction between employees and leaders and continue strengthening our working environment in general.
- We will continue to monitor the perception of our employees through Great Place to Work survey (or similar) to understand the effectiveness of our initiatives

Targets

The introduction of Golden Safety Rules, and our ISO 45001 certifications in Kassel and Weeze mark our continued efforts on health and safety. We acknowledge that fostering health and safety awareness must be a daily practice and a gradual cultural shift requiring long-term dedication. For 2025, the target is to increase the number of reported near-misses, to make sure that we further raise awareness and build a positive and open safety culture in the organization.

Equal treatment and opportunities for all

Our approach
As a competence-based organization, we see training and skills development as integral to our success. The overarching goal of our People and Culture department is to Attract, Develop, and Retain the talent and expertise required to deliver on the ambitious Hexagon Purus business plan.

In order to get direct feedback, suggestions and prioritize actions to address material impacts, we utilize the Great Place to Work focus groups at our local sites (see more in previous chapter).

In 2024, we made important progress in expanding training opportunities for our employees and laying the groundwork for future development, by purchasing a learning management system for the whole organization. We have also continued utilizing our performance management platform, Performance, Development and Drive.

Diversity, Equity and Inclusion (DEI) is important for Hexagon Purus, which we see as a key part of the ESRS topic "equal treatment and opportunities for all". We are eager to increase representation among underrepresented groups and strengthen a culture of inclusion. We are committed to fostering an environment where our people can be their authentic selves, guided by our values of Integrity and Drive.

For us, diverse organizations produce better results and outcomes, and diversity includes many factors in addition to gender, such as age, social and cultural background, sexual orientation, religion, nationality etc. We have an impact on all employees working in our company. We also influence society by actively recruiting, developing and retaining a diverse workforce.

Our commitment to DEI is stated in our Diversity, Equity, and Inclusion Policy and sets clear expectations and requirements for all Hexagon Purus personnel or workers whose work is controlled by us. This has been put into practice through various initiatives and processes throughout 2024. Our DEI policy influences how we attract, grow, and retain talent across our organization.

Currently we do not have the desired gender balance in our workforce, and will continue to focus on increasing female representation in the whole organization. The competition for talent is getting tougher and the demand for female representation among manufacturing companies is high.

Our actions

Actions this year

- We continued the learning management system (LMS) pilot at our BVI sites and conducted proof-of-concept testing to ensure it meets the needs of all locations. Based on the results, we have chosen this system for a global rollout.
- To further enhance the positive impact on our employees' development and retention, we have improved onboarding processes and strengthened internal communication channels, e.g. by introducing global town halls and updated local intranet pages.
- The recruitment process has been enhanced, with improvements in internal recruitment and the adoption of an Applicant Tracking System in Weeze
- We strengthened our focus on diversity in recruitment, hired and onboarded several women in new leadership positions, and launched local inclusive initiatives like anti-bullying and harassment training.

Planned actions

- We have a conscious approach to building our culture – as this is a fundament for both delivering on our commitments to customers and to develop and retain our people. To reinforce the behaviors that we want our leaders to encompass, we will continue with targeted initiatives– such as ongoing internal communication initiatives and leadership development.
- Roll out our LMS to all remaining sites, and re-launch a new and improved LMS – making training and development more accessible to our employees.
- Further improve our performance management platform, Performance, Development and Drive. For 2025 we aim to improve system support and conduct more feedback training for our leaders.

Targets

Learning and development is a key focus area for us in 2025. To further enhance training and development, we see the introduction of our LMS as a key milestone. This will give us the ability to track training hours per employee. Our goal is that the majority of our employees globally have utilized our LMS during 2025. We have not yet set specific targets, as 2025 will be used to establish our baseline.

RESULTS

ESRS S1-6 CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

1) Employees by contract type and gender

Headcount	Total	Unit
Number of permanent employees	822	#
of these male	683	#
of these female	139	#
of these gender unspecified	-	#
Number of temporary employees	26	#
of these male	21	#
of these female	5	#
of these gender unspecified	-	#

2) Part-time and full-time employees per gender

Headcount	Total	Unit
Number of permanent employees	807	#
of these male	686	#
of these female	121	#
of these gender unspecified	-	#
Number of temporary employees	41	#
of these male	17	#
of these female	24	#
of these gender unspecified	-	#
Total number of employees per site	848	#

Hexagon Purus does not have any non-guaranteed hours employees in 2024, and as such this is not applicable.

Turnover

Headcount	Total	Unit
Number of employees who have left the Company in 2024	100	#
Employee turnover rate	13	%

For headcount by country: Norway (25), Germany (582), Canada (102), US (86), China (53).

§ - Accounting policies
The numbers in this S1 chapter represent headcount as of December 31 2024. Our payroll systems at each location serve as the primary source of information. The data has therefore been collected at the local level and consolidated globally.

Our workforce is composed of a diverse range of professions, reflecting the complexity of our operations. A significant portion of our employees work in production. Additionally, our workforce consist of functions such as Engineering, R&D, Finance, People & Culture, Sales & Marketing, and IT.

When reporting data for S1 we generally do not use estimates, unless otherwise specified in the respective reporting requirements.

ESRS S1-7 CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKING'S OWN WORKFORCE

Non-employees

Headcount	Total	Unit
Number of non-employees	20	#
of these male	20	#
of these female	-	#
of these gender unspecified	-	#

§ - Accounting policies

The majority of our non-employees are agency workers, brought in to provide extra capacity during busy periods, and they are paid by their agencies. The numbers represent headcount as of December 31 2024. Our local time recording systems serve as the primary source of information about our non-employees. The data has been consolidated globally in preparation for this report.

ESRS S1-9 DIVERSITY METRICS

Headcount	Company				
Rank	<30y	30y-50y	>50y	Total	Unit
Executive Management	-	2	3	5	#
of these male	-	2	2	4	#
of these female	-	-	1	1	#
of these gender unspecified	-	-	-	-	#
Directors (M5) and above	-	38	14	52	#
of these male	-	25	13	38	#
of these female	-	13	1	14	#
of these gender unspecified	-	-	-	-	#
Staff	205	418	168	791	#
of these male	161	352	147	660	#
of these female	44	65	21	130	#
of these gender unspecified	-	-	-	-	#

Headcount		
Rank	Total	Unit
Executive Management		
of these male	80%	%
of these female	20%	%
of these gender unspecified	0%	%

ESRS S1-10 ADEQUATE WAGES

Headcount	Total	Unit
Number of employees who are paid an adequate wage	848	#
Percentage of employees who are paid an adequate wage	100%	#

The majority of our non-employees are agency workers. More than 90% of our non-employees are based in Germany, where agencies must offer wages equal to those of our employees, regulated by law. In the US and Canada, agencies are required to follow local labor laws and regulations. To further promote ethical employment standards, we will start distributing our Supplier and Business Partner Code of Conduct to all agencies we work with.

ESRS S1-11 SOCIAL PROTECTION

Headcount	Total	Unit
Number of employees covered by social protection	848	#
Percentage of employees covered by social protection	100%	%

To our knowledge the non-employees are covered by social protection.

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ESRS S1-14 HEALTH AND SAFETY METRICS

Employees

Headcount	Total	Unit
Number of people covered by the H&S management system	848	#
Percentage of people covered by the H&S management system	100%	%
No. of hours worked	1 216 462	#
Number of fatalities	-	#
Number of recordable work-related injuries	29	#
Rate of recordable work-related injuries (TRIF)	24	%
Number of recordable work-related ill health	-	#
Number of lost days	479	#

Non-employees

Headcount	Total	Unit
Number of people covered by the H&S management system	20	#
Percentage of people covered by the H&S management system	100%	%
Number of hours worked	51 984	#
Number of fatalities	-	#
Number of recordable work-related injuries	1	#
Rate of recordable work-related injuries (TRIF)	26	%
Number of recordable work-related ill health	-	#
Number of lost days	3	#

§ - Accounting policies

When computing the rate of work-related injuries, the respective number of cases is divided by the number of total hours worked by people in its own workforce and multiplied by 1 000 000. In the table above we are reporting recordable work-related injuries, meaning any injuries occurring when our employees are doing their work.

We are still working to improve the recording of the incidents of our non-employees.

ESRS S1-15 WORK-LIFE BALANCE METRICS

Family-related leave

Headcount	Total	Unit
Number of employees entitled to take family-related leave	848	#
of these male	704	#
of these female	144	#
of these gender unspecified	-	#
Percentage of employees entitled to take family-related leave	100%	%
Number of entitled employees that took family-related leave	30	#
of these male	19	#
of these female	11	#
of these gender unspecified	-	#
Percentage of entitled employees that took family-related leave, male	3%	%
Percentage of entitled employees that took family-related leave, female	8%	%
Percentage of entitled employees that took family-related leave, gender unpsecified	0%	%

§ - Accounting policies

Family-related leave includes maternity, paternity, and parental leave but excludes short-term absences due to sick children. The data has been collected from local payroll and HR systems and consolidated at a global level. No estimates were used in the preparation of this data.

ESRS S1-17 INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

	Total	Unit
Number of reported working environment related complaints, such as allegations of discrimination and harassment	7	#
The total amount of fines, penalties, and compensation for damages	0	$

The list above is extensive. All cases have been investigated; action was taken where appropriate. There has been 0 (zero) severe human rights incidents reported. The local People & Culture teams track and monitor reported concerns at each site, the numbers are consolidated annually at corporate level.

ESRS S2 | Workers in the value chain

IRO OVERVIEW

SUB-TOPIC	IRO	VALUE CHAIN	DESCRIPTION	IRO DEVELOPMENT
Working conditions				
Health and safety	Negative impact	Upstream	Workers are exposed to a variety of risks such as heat, chemicals, and hazardous materials. We have an impact through our Supplier and Business Partner Code of Conduct	Stable – medium timeframe Increase – long-term timeframe
Forced and child labor	Negative impact	Upstream	We have suppliers that are supplying products and solutions where materials such as cobalt and steel are integral. This metal extraction might be happening in areas where there is high probability of forced and/or child labor.	Increase – medium timeframe Increase – long-term timeframe
Availability of competence for our suppliers	Risk	Upstream	We are currently primarily relying on single-source suppliers, where there is a risk that low availability of sufficient competence can affect available volume or quality of parts and materials that we need, thus affecting our ability to deliver products and solutions meeting customer demands and expectations.	Increase – medium timeframe Increase – long-term timeframe

Acknowledging integrity and drive in our entire value chain is essential to the impact we have in the transition to zero-emission mobility. As a manufacturing company where raw materials and components such as batteries and steel are integral to our business, we are aware of the potential impact we might have in our supply chain. This is why human and labor rights are an important part of how we want to operate.

Compliance with our own standards and applicable regulations is important to secure the quality of our products and the future of our business. We continuously work to protect human and labor rights throughout our own operations, among our business partners, and our value chain, especially among our suppliers. Hexagon Purus' current approach to managing our impact, risk and opportunities associated with value chain workers is solely based on the generic nature of manufacturing industries. Given the long and complex supply chain of our materials and components, we are still in the early process of understanding the workers in the value chain. Mapping the value chain workers against the industries and geographies and identifying potential environmental and social risks that vulnerable groups, if any, may be exposed to, would strengthen our future impact management.

Working conditions

Our approach

We have a responsibility to ensure the quality and safety of our product and solutions throughout the value chain. This responsibility begins with the sourcing of materials and components used in our product portfolio. We can only manufacture products and solutions with the desired quality if our suppliers are equipped with the appropriate management systems, workforce, and the same dedication to quality and safety as we have. This is also why we work proactively with our suppliers to collaborate on these topics. Information about workers in the downstream part of our value chain and how we work with impacts, risks, and opportunities for this stakeholder group can be found in the chapter ESRS S4 Consumers and end-users (page 102).

Our expectations for our suppliers are described in our Supplier and Business Partner Code of Conduct ("Supplier CoC"). This Supplier CoC sets out our approach to supplier due diligence, and our expectations concerning business ethics, human rights and working conditions, occupational health and safety, environment, and management systems for our suppliers and business partners. The Supplier CoC also describes our approach to managing non-compliance. Formal procedures to communicate and monitor the implementation of the Supplier CoC have not yet been established in 2024.

The Code is supported by our Human Rights and Working Conditions Policy, which emphasizes our human rights policy commitments relevant to our own workforce and the workers in our value chain. The current Human Rights and Working Conditions Policy refers to the Norwegian Transparency Act, the International Covenant on Economic, Social and Cultural Rights (ICESCR), the International Covenant on Civil and Political Rights of 1966 (ICCPR), and the ILO core conventions. These policies, both in isolation and in combination, address trafficking in human beings, forced or compulsory labor, and child labor. Not all elements from the United Nations Guiding Principles on Business and Human Rights (UNGPs) are included in the current policy.

As a part of our management system processes, we perform on-site supplier audits with particular attention to quality. Currently we do not yet have a general process to engage proactively with workers in the value chain, nor its legitimate representatives or credible proxies, focusing on sustainability and EHS topics. As we gain more information and knowledge from our suppliers and value chain in the future, we also expect these engagement processes, together with our Supplier CoC and Human Rights and Working Conditions Policy, to be further developed and/or updated.

Workers in the value chain can use Hexagon Purus' external whistleblowing channel to raise concerns or needs. This channel, managed by an external party, is publicly accessible on our website and open for external grievances. Currently, the mechanisms cannot guarantee users to use channels anonymously. Information about the protection against retaliation of individuals who files an external grievance can be found in the Business conduct chapter (page 111). Through this channel and through this process, we have not received any reports concerning non-respect of the UNGP, the ILO conventions, nor the OECD Guidelines for Multinational Enterprises that involve value chain workers in 2024. Should we receive any such reports, our frameworks and processes will be rigorously assessed to ensure that any such incidents will not occur again. With no reports of non-respect we have not yet had a chance to review the effectiveness of the channels, or assess whether remedy provided can be effective.

For more information about our processes and progress to address and engage with workers in the value chain, we have elaborated our due diligence practices concerning human rights in a separate part of this chapter (page 100-101).

Our actions

Actions this year

- We launched our first human rights due diligence report following the requirements of the Norwegian Transparency Act, using an external advisor to support us in the human rights due diligence risk screening. This assessment provided a high-level understanding of potential human rights risk in our upstream value chain and own operations and informed our focused areas for the next assessment in 2025 as well as improvement. See Human Rights Due Diligence on page 100-101 for more information about the forementioned due diligence process and findings.
- We updated our Supplier CoC to further emphasize our commitment to human rights and working conditions. This revision communicates higher expectations to our suppliers and business partners, and aims to foster our business relationships.

Planned actions

- Building on the updated Supplier CoC, we plan to further harmonize our supplier audits in 2026, leveraging our internal quality, sustainability and EHS capabilities. This harmonization aims to promote collaboration with our upstream suppliers and increase both quality and efficiency in our communication and engagement with suppliers. This would help us identify, mitigate or prevent potential impact on human rights and social risk in the supply chain. For this purpose, a supplier management group with representatives from each business unit and/or facility has been formed.

Targets

We plan to seek closer collaboration with suppliers of our main materials and components. These suppliers also represent materials and geographies where salient human rights issues can be most prevalent.

This collaboration can be presented in various ways. In 2025 we will incorporate sustainability inquiries in supplier qualification processes and self-assessments, perform remote or on-site audit of selected suppliers with a particular focus on sustainability topics including human rights. Sustainability assessments will also be incorporated in our procurement activities. These activities would allow us to engage directly and indirectly with workers in our supply chain. Quantifiable targets for engagement with workers in the value chain have not yet been set in 2024. From 2025, we will measure and monitor the number of environmental and social due diligence on suppliers and business partners. These due diligence activities and engagement with value chain workers will inform and guide us in establishing meaningful and actionable targets going forward.

Human rights due diligence

Understanding the risks and impacts on the environment and human rights and decent working conditions and where these lie in our value chain is the preliminary action in the due diligence system. The form of due diligence and the level of review detail are determined based on any known geographical and industry risks associated with environmental and human rights and decent working conditions, the saliency of such risks, the scale of potential business impact, and strategic importance of suppliers.

While Hexagon Purus is in the process of establishing and systemizing its human rights due diligence and management procedures, we follow the OECD Due Diligence Guidance for Responsible Business Conduct ("the Guidance"). In accordance with the Guidance, Hexagon Purus conducted in 2024 its first human rights and working conditions due diligence to identify and evaluate whether impacts or risks to human rights and workers conditions exist in the Hexagon Purus Group and in relation to its supply chain and business partners. This exercise will be performed annually to comply with the Norwegian Transparency Act. For any risks identified, we evaluate what actions could be taken to mitigate such risks and assess any residual risks. Going forward we will also assess the necessity of environmental due diligence, which follows the same methodology as human rights and working conditions due diligence.

Communication of how our impacts are addressed is found in this Annual Report and in our Transparency Act Statement. We also continuously work to address the potential risks identified and comply with the following steps from the Guidance:

1. **Embedding responsible business conduct into policies and management systems**

Hexagon Purus' Board of Directors is responsible for ensuring that sustainability, including human rights and decent working conditions, is an integral part of Hexagon Purus's corporate governance process. The executive management is responsible for establishing and implementing policies and procedures in line with the applicable standards and Hexagon Purus' commitment. Continuous involvement and oversight of the Board of Directors and the executive management strengthens Hexagon Purus' work with human rights in our own

operations as well as in relation to our business partners, particularly our supply chain.

2. **Identifying and assessing adverse impacts in operations, supply chains, and business relationships**

We conducted our first human rights due diligence process during the first half of 2024, and published a report prior to June 30, which is in line with the reporting requirements of the Norwegian Transparency Act. The supply chain human rights risks were reviewed and evaluated based on contextual information of the main procurement streams, the regions or countries from which key materials or components are sourced, and the locations of our own facilities. The forementioned geographies span across continents as we operate a global business, so do our value chains. Internationally recognized human rights indices and databases were referenced to perform the assessment.

Our high-level assessment indicated that the main risks related to Hexagon Purus Group's supply chain lie in the procurement of batteries and the purchase of steel.

3. **Ceasing, preventing or mitigating adverse impacts**

Hexagon Purus strives to proactively collaborate with business partners, suppliers, and communities to ensure appropriate and proportional actions and measures. In the absence of necessary effort taken by our business partners or suppliers to mitigate adverse impacts on human rights and decent working conditions that was identified, we may reassess or consider ceasing the business relationships.

No actual adverse impact has been identified or reported in 2024. A formalized process with allocated resources and ownership will need to be established to mitigate and prevent any potential adverse impacts in the future.

Our battery supplier is a member of the Responsible Minerals Initiative and is committed to conducting human rights due diligence based on the United Nations' Guiding Principles on Business and Human Rights and OECD Due Diligence Guidance for Responsible Business Conduct. Our supplier reports that it systematically addresses issues that have been identified (none of these issues related to forced labour or child/juvenile labour events in 2023). The key risks related to the procurement of batteries are thus related to sub-suppliers to our supplier. Hexagon Purus is currently a small customer of the battery supplier and thus has limited visibility and influence on such risks.

Steel parts and components are mainly procured by our business unit in Germany from various European companies. Some of our primary suppliers are involved in the steel and metal processing industries.

The contextual human rights and working conditions due diligence performed in 2024 has not identified anything that would indicate actual adverse impacts in our supply chain. The risks identified in 2024 will guide our focus towards our focus on the battery and steel suppliers in 2025.

Tracking implementation and results

For each update of our compliance with the Norwegian Transparency Act, we will publish planned measures and actions to improve our understanding of human rights and working conditions impacts and risks and to ensure that any adverse impacts, if identified, are dealt with accordingly. Although mechanisms to track the effectiveness of the measures and actions are yet to be established, the implementation progress and results of these measures will naturally be reviewed and published as part of our Norwegian Transparency Act Statement.

In 2024 the planned improvement measures and actions include:

- Updating the Group's third-party risk management framework, including improving and streamlining procurement management
- Dialogue with and audits of selected suppliers
- Implementing an adequate governance structure and mapping of key risks related to human rights and decent working conditions for joint venture operations in China
- Raising human rights awareness of all employees through the internal learning management system
- Review and revision of policies and procedures related to human rights and decent working conditions (to the extent deemed necessary)

ESRS S4 | Consumers and end-users

IRO OVERVIEW

SUB-TOPIC	IRO	VALUE CHAIN	DESCRIPTION	IRO DEVELOPMENT
Information-related impacts for consumers and/or end-users				
Access to quality information	Positive impact	Downstream	We are responsible for providing the necessary and correct information and relevant trainings to ensure that customers choose the appropriate products or solution, and that the products are used safely as they are designed for.	Stable – medium timeframe Stable – long-term timeframe
Personal safety of consumers and end-users				
Health and safety	Positive impact	Downstream	Hexagon Purus set product quality as a top priority, and by providing safe products to end-users, we ensure safe operations for end-users	Stable – medium timeframe Stable – long-term timeframe
Product safety risk for own products and solutions	Risk	Downstream	If a major accident occurs, due to issues with our products and solutions, we can be financially liable for the damaged caused. Any such accidents will also damage our reputation in the market.	Increase – medium timeframe Increase – long-term timeframe
Product safety in the hydrogen industry	Risk	Downstream	The hydrogen industry is rapidly evolving with many newcomers. If a major accident occurs within the industry, the public might re-assess the safety when using products and solutions involving hydrogen.	Increase – medium timeframe Increase – long-term timeframe

We acknowledge the inherent risk factors throughout the entire value chain when operating with high-pressure cylinders, fuel storage systems, and distribution systems for hydrogen, in addition to battery electric vehicles. The quality and safety of our products and solutions are essential to our business model and future growth.

Our customers trust our ability to provide safe and reliable products. We must ensure that when products leave our factory, we have done everything we can to ensure the safety of all stakeholders in the downstream part of our value chain, minimizing the risks of safety incidents. We sell business-to-business, but the end-users of our products and solutions are vehicle and vessel operators and, where relevant, passengers. All our products and solutions are therefore tested according to appropriate internal, local, national, industrial, and international requirements and standards before being shipped to the customer, built into fuel systems, or installed on vehicles.

Information-related impacts for consumers and/or end-users

Our approach

The safety of people operating our products, such as drivers, operators, passengers, and potential bystanders is of the utmost importance for both us and our customers. It is therefore essential that everyone involved with our products and solutions, all the way from raw material sourcing to end-of-life treatment, understands the specific risks associated with our products and solutions.

We exert our influence and assess the quality of raw materials and components used in our products and solutions. If these raw materials and components do not meet our quality standards, we will look for better and safer alternatives. We also carry out internal audits of our facilities to identify potential issues, supporting a rigorous testing regime for our products and solutions. We will not send out products from our factories unless these quality standards are met. Should we identify anything during these audits or tests, we will engage in corrective actions. This approach to product safety is described in our Product Safety Policy. The intention behind this policy is to ensure the safety of our customers and end-users.

Control of ownership is transferred from us to the customer on delivery of the products and solutions. At this stage in the value chain, we are responsible for providing the necessary and correct information and relevant training to ensure that customers choose the appropriate products or solution, and that the products are used safely as they are designed for. Proactive collaboration with our customers during the design, production, and the use stage of our products is important to increase knowledge about product safety. This collaborative approach is not mandated in a group-wide procedure and is handled case-by-case and facility-by-facility.

We offer training courses for our customers and end-users to ensure the safe handling of our products. Proper operation, regular maintenance, diagnostics, and repair procedures are all critical elements to ensure that our products are handled properly to deliver the safety and quality we promise. For infrastructure solutions we provide service engineers on-site to commission the first containers together with the customer, including presentations on how to safely operate the equipment. For our cylinders and systems we provide the customers with information about safe handling, integration, operation, and services and inspections, including safety data sheets.

We closely monitor all warranty claims to gather valuable user feedback regarding product performance. This feedback is also valuable for us to tailor or update information that would be relevant for our customers and the safety associated with our products. We have also provided our customers with feedback templates to inform us about potential issues. This feedback is reviewed by the Quality department, who assess the necessary action based on the nature and potential consequence of the issue. Representatives from the executive team are always included in this communication. All issues are closed and concluded with reports shared internally and with the customer. In case any of the issues should lead to changes in our production process, these changes in production processes are also documented.

The process for raising concerns vary case-by-case, and depends on the severity of the complaint. As such the timeframe and remedy, if required, between the cases will vary. The number of complaints are consolidated on an aggregated basis, and consists of all types of smaller and more significant complaints. Going forward we will calculate and monitor number of complaints as a ratio of total shipments, which will indicate the number of complaints relative to our operational footprint and thus also address effectiveness of our actions in mitigating any actual or potential risks arising from impacts and dependencies on consumers and end-users.

Our actions

Actions this year

- We purchased a Learning Management System, which will improve facilitation and quality of existing employee training
- Our facilities in Shijiazhuang and Dallas received ISO 9001 certifications, communicating our commitment to quality
- We launched our "World Quality Week", including a series of events and engagement activities, held in November 2024 to raise quality awareness at our facilities globally

Planned actions

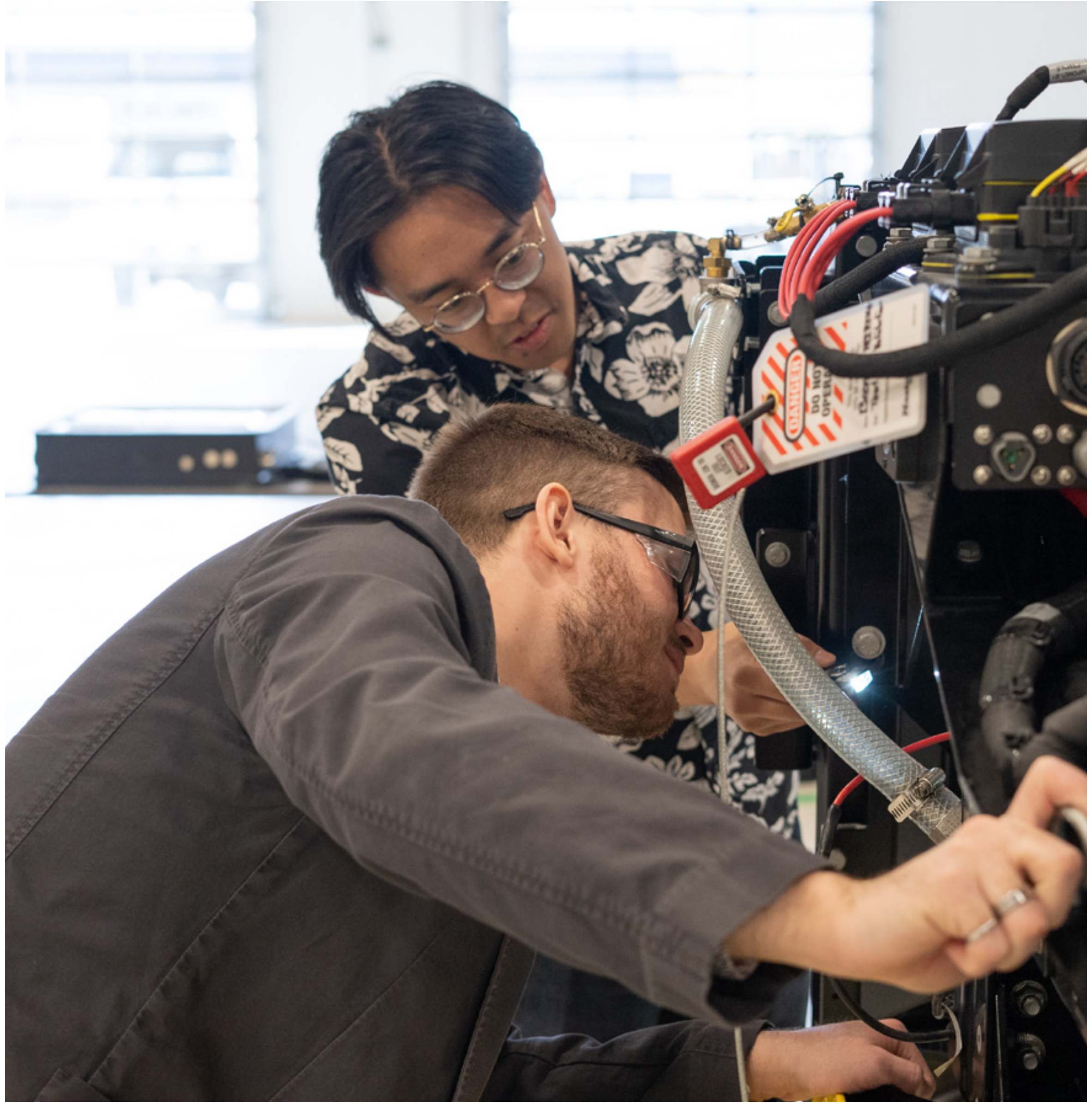
- We plan to further develop safety trainings in 2025 for our customers and intended users within the hydrogen mobility and infrastructure business to ensure proper handling of our products and services
- We plan for ISO 9001 certification in our Ålesund facility next year. If this is successful, all our sites will be ISO 9001 certified by the end of 2025

Targets

We will never compromise on product safety. Our license to operate with hydrogen storage and distribution solutions and both fuel cell and battery electric vehicles demand quality in everything we do. We focus on product safety at all stages, from quality of raw materials through to assembly and ultimately provide our customers with the right set of tools to operate our products safely and in the way they are intended. We have not set any targets related to information-related impacts for consumers and/or end-users, as this is an on-going process and represents our license to operate.

Going forward we will professionalize the training we give to our customers to further promote the safety of our products and solutions. Together with our customers, we always aim to ensure that relevant training must be completed by the intended users to be allowed to handle our products and solutions.

While there is currently no quantitative target, our ultimate goal for product safety is always zero incidents or complaints. Customers have not been directly involved in setting any objectives. The customers' feedback is, however, relevant to inform us about how we can improve the quality of our products and our processes.



Personal safety of consumers and end-users

Our approach

Our product portfolio can be split into two: Hydrogen Mobility & Infrastructure (HMI), and Battery Systems and Vehicle Integration (BVI). We have the same rigorous and holistic approach to safety and compliance for our portfolio, with safety measures tailored and adapted to the uniqueness of our hydrogen solutions and battery systems. Our focus on product and process quality contributes positively to safe operations for our end-users.

Working with both hydrogen infrastructure and hydrogen and battery electric mobility solutions, the personal safety of consumers and end-users is paramount. Both industries are closely monitored from a safety perspective and face substantial existential risks in case there are any major incidents within the industry. Any incidents, either in the industries or customers' application of our products and solutions, can also have direct and indirect financial effects for us, from financial liability or through damaged market reputation, respectively.

This is also why safety considerations are an integral part of our product development process, and they are systematically addressed at every stage, particularly during design review procedures. We adhere to the most rigorous automotive methodologies, utilizing tools like Advanced Product Quality Planning and Design Failure Modes and Effects Analysis.

Our products are subject to stringent regulations, and they are required to demonstrate compliance with global standards through a combination of actual test results, qualification based on similarity, and analytical modeling. We also go beyond regulatory requirements, where our design and development processes include tests such as vehicle crash testing, rollover, and durability testing. Once the validation testing is successfully completed, our products and solutions receive the necessary certifications for operation.

All hydrogen cylinders are designed, tested, and qualified to strict codes and regulations defined for the different segments the specific cylinder is designed for. The quality of our products is assured through internal test, verification, and qualification program, involving the raw material, process technology and related parameters, as well as external third-party qualification of the final cylinder product.

All vehicle sub-assemblies and battery systems comply with SAE (Society of Automotive Engineers) standards. Suppliers that are critical to the part functionality are onboarded through a production part approval process (PPAP). Through this process, we verify a supplier's ability to reliably and repeatedly produce a part or components for mass production. Parts are always inspected before, during and after a production run.

For BVI, we conduct assessments in the end-of-life stage on products that have exceeded their initial expected lifespan to gain insights into aging effects and the remaining performance capabilities, which can be used for continuous development of the safety of our products and solutions.

In case of any incidents where our products and solutions are involved, we provide information and, if possible, participate in any investigations and root cause analysis together with our customers and relevant authorities. In 2024, there were no reports about specific material negative impacts affecting the personal safety of our consumers and end-users, as we are not aware of any injuries related to the use of our products. Should Hexagon Purus be a responsible party to any incident, necessary action will be taken based on the nature and potential consequence. Representatives from the executive management team are always included in this communication. In case we need to provide or enable remedy in any such event, including product liability cases, the Group prepares an estimate of this remedy based on experience, professional judgment of legal counsel, and other assumptions it believes to be reasonable. This is in line with how we make provisions for warranties.

Our actions

Actions this year

- Conducted quality audits of selected BVI suppliers, with particular focus on product quality and safety, to support a zero-vision for serious incidents involving our products and solutions and mitigate potential material negative impacts on our consumers and end-users.

Planned actions

- Completion of UN ECE R100 testing for the Gen 3 battery pack, which addresses the safety requirements specific to BVI and to electric powertrain of road vehicles, including rechargeable battery systems.
- Plan compliance in 2026 with the new FMVSS[1] 305a for BVI before mandated implementation date (1 September 2029).

Targets

Our product portfolio consists of technology with high requirements for safety and quality. We emphasize the responsibility and importance we put on all ourselves to ensure that the risk is eliminated or minimized as low as possible. All our products and solutions delivered are certified. Third-party verifications are essential to communicate the safety and quality of our products to customers and other stakeholders. Our ambition is to maintain any such certifications going forward.

While quantifiable target related to personal safety of consumer and end-users has not been set, we continue to have a zero-vision for serious incidents involving our products and solutions. We share the responsibility of our customers and end-users to meet this vision. We must work proactively with safety, and our proactive approach will also contribute to limiting any potential or actual damage in the event where the safety and quality of our products are questioned in the future.

[1] FMVSS No. 305a Electric-Powered Vehicles: Electric Powertrain Integrity Global Technical Regulation No. 20 Incorporation by Reference

Governance

ESRS G1 | Business Conduct 108

ESRS G1 | Business Conduct

IRO OVERVIEW

SUB-TOPIC	IRO	VALUE CHAIN	DESCRIPTION	IRO DEVELOPMENT
Corporate culture				
Corporate culture	Positive impact	Own operations	A conscious approach to people and culture is a critical success factor for reaching the company's objectives. Our corporate culture contributes positively to this.	Increase – medium timeframe Increase – long-term timeframe
Protection of whistleblowers				
Open and informal channels	Positive impact	Own operations	We believe that transparency and good communication throughout the organization promotes a better working culture. Reports from our employees and stakeholders are our most important mechanism to uncovering and understanding when things are not as they should be at Hexagon Purus.	Increase – medium timeframeStable – long-term timeframe

Professional business conduct and solid governance structures are fundamental to our license to operate. Hexagon Purus has a proud industrial heritage with a strong corporate culture driving business performance, enabling innovation integrity. Guided by our common core values of Integrity and Drive, we have dedicated employees across the Group who are a driving force for a sustainable planet living out these values.

GO BACK

Corporate culture

Our approach

We communicate our commitment to governance through our purpose and values, combined with responsible business conduct and company policies, guiding us on how to act in accordance with our governing principles. We trust all our internal stakeholders to act with integrity and in compliance with laws and regulations, as well as our internal policies. We strongly encourage all our external stakeholders to do the same. While we currently do not have a global system for tracking or monitoring adherence to these policies proactively, we encourage all our employees and business partners to disclose information regarding dishonest, fraudulent or illegal behavior or violations or potential violation of any applicable law or Hexagon Purus' policies and/or procedures. Any such reporting will be treated in accordance with our Whistleblowing Policy.

The Hexagon Purus Code of Conduct, which is the overarching guiding governance document, helps us navigate situations and dilemmas that may arise during our business operations. The Code of Conduct sets clear guidelines and principles on behavior in important governance areas, including human and labor rights, anti-corruption and bribery, sanctions and export controls, data privacy, among others. The Board of Directors has the ultimate responsibility to ensure that Hexagon Purus operates in line with the requirements for ethical business conduct and supervises the management and business operations of Hexagon Purus. The CEO is the owner of the Code of Conduct and responsible for its implementation in the organization on a day-to-day basis.

Our purpose, values, and policy commitments are available to all stakeholders via our policy repository on our web pages. While we have developed several policies for Hexagon Purus specifically, we are still utilizing a selection of Hexagon Group policies post deconsolidation, where applicable. An overview of our own policies and the policies we are utilizing from Hexagon Composites can be found in the Board of Directors report (page 32).

Conducting business in a responsible manner is an inherent part of Hexagon Purus' organizational culture. At Hexagon Purus we have no tolerance for corruption, and we work to proactively and continuously improve our management practice and oversight to prevent any form of corruption. The Anti-Corruption Policy supplements our Code of Conduct.

Together with the creation of Hexagon Purus' Code of Conduct, we have also purchased a learning management system (LMS) to improve and develop our employees. This system will help to increase knowledge and awareness concerning the Code of Conduct and business ethics. The system also allows us to tailor training on business conduct for our organization, including, but not limited to, the frequency of training and depth of coverage. While we require all our employees to undertake training in business conduct, the potential dilemmas our functions meet every day might differ. This should also be reflected in their training. The functions most exposed to corruption and bribery risks are sales, procurement, finance, engineering, and senior management as a result of the nature of their job. The risk is thus far considered limited.

Our actions

Actions this year

- Developed and published Hexagon Purus Code of Conduct, laying out the aspirations and expectations to our employees
- Purchased a learning management system, establishing the foundation for upskilling our employees and supporting our desired behaviors and corporate culture

Planned actions

- Establish a Hexagon Purus specific Anti-corruption and Bribery Policy to state our commitment to responsible business conduct.
- Develop and roll-out training on Code of Conduct and Supplier and Business Partner Code of Conduct to increase knowledge in our organization about desired behaviors and corporate governance from our employees and from our suppliers and business partners.

Targets

With the implementation of the learning management system and the newly developed Hexagon Purus Code of Conduct, we now have the tools to communicate our commitment to business conduct and track our employees' understanding of proper business conduct in Hexagon Purus.

Going forward our target is to have 100 per cent rolling completion rate of Code of Conduct training. This means that all our active employees must have completed the Code of Conduct training at least once a year. To complete training on Code of Conduct employees must have read and understood the Code, where employees will be tested on their understanding in the learning management system.

The training will be implemented from 2025 and onwards as part of the standard employee curriculum and as part of the Hexagon Purus mandatory onboarding process, and will be updated on an as-needed basis or if there are changes to the Code of Conduct. This will also ensure that all employees must have completed the training prior to partaking any professional service for Hexagon Purus.

Protection of whistleblowers

Our approach

As stated in our Code of Conduct and in our Whistleblowing Policy, we encourage our employees to speak up about actual and potential misconduct in the Company. Whistleblowing is an important method for uncovering illegal conditions and unwanted business culture within Hexagon Purus and allows us to rectify problems and prevent the problems from growing. Both external and internal stakeholders can report concerns, either internally or by using an external whistleblowing channel through Hexagon Purus' legal representative, Advokatfirmaet Schjødt AS. Employees are encouraged to report and resolve matters internally but are always entitled to external reporting in cases where reporting to direct management is undesirable or difficult, or where internal reporting has not been handled adequately.

The mechanisms for identifying, reporting, and investigating concerns are described in our Whistleblowing Policy. The Policy also includes a non-exhaustive list of potential violations acting as guidance for the reporting parties. Notifications will be handled with confidentiality, ensuring that the whistleblower's identity and the information about the content of the report will only be disclosed on a need-to-know basis, or as required by applicable law. Whistleblowers reporting in a responsible way and in good faith will also be protected against any adverse act or omission as a consequence of, or a reaction to, reporting the matter. Hexagon Purus is responsible for ensuring that whistleblowers have a safe and proper working environment.

To date, all reported whistleblowing concerns have been about working environment matters. We are consistently striving to enhance our work environment and promote collaboration. As people come together to work, conflicts may arise. Our goal is to cultivate a healthy culture where feedback is exchanged openly, and disagreements are resolved constructively in the workplace.

We have adapted our Whistleblowing Policy to international and national legislations that Hexagon Purus is subject to in various locations. The Whistleblowing Policy is specific to our German (in accordance with the Directive (EU) 2019/1937), US, Canadian, and Norwegian (following the Norwegian Working Environment Act) entities. Information about whistleblowing to our stakeholders is therefore communicated locally. With our new learning management system we will also provide training locally.

Our actions

Actions this year

- Monitored and investigated reported complaints.

Planned actions

- Training for employees and for staff receiving whistleblowing reports

Targets

We believe that transparency and good communication throughout the organization promotes a better working culture. Feedback from our employees and stakeholders are our most important mechanism to uncover and understand when things are not as they should be at Hexagon Purus.

We do not have a quantitative target concerning reported concerns. Our objective is to ensure that all reporting concerns are taken seriously and handled appropriately, and we will disclose the number of reported concerns resolved in the financial year 2025.

ESRS index

DISCLOSURE REQUIREMENT		OMISSION	COMMENT/REASON FOR OMISSION	REFERENCE IN REPORT	PAGE(S)
BP-1	General basis for preparation of the sustainability statement			Sustainability statement	48-49
BP-2	Disclosures in relation to specific circumstances			Sustainability statements	48-49
GOV-1	The role of the administrative, management and supervisory bodies			Board of Directors report	31-32, 41-42
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies			Board of Directors report	31-32
GOV-3	Integration of sustainability-related performance in incentive schemes			Board of Directors report	33
GOV-4	Statement on sustainability due diligence			Sustainability statement	100-101
GOV-5	Risk management and internal controls over sustainability reporting			Sustainability statement	31-33
SBM-1	Strategy, business model and value chain (products, markets, customers)			Sustainability statement	11, 46
SBM-1	Strategy, business model and value chain (headcount by country)			Sustainability statement	92
SBM-1	Strategy, business model and value chain (breakdown of revenue)			Financial statements	134
SBM-2	Interests and views of stakeholders			Sustainability statement	55-56
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		Covered in each of the respective ESRS material topics	Sustainability statement	
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities			Sustainability statement	50-54
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's Reference in report		This table	Sustainability statement	112-116

DISCLOSURE REQUIREMENT		OMISSION	COMMENT/REASON FOR OMISSION	REFERENCE IN REPORT	PAGE(S)
ESRS E1 Climate change					
E1-1	Transition plan for climate change mitigation	16-17	We do not have a transition plan. We have not yet decided whether and, if so, we will adopt a transition plan.	Sustainability statement	
SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	19, AR 7(b), AR 8(b)	Our climate risk assessment does not include a resilience analysis of our strategy and business model in relation to climate change.	Sustainability statement	58
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	AR 11 (c), AR 12 (c)	Our climate risk assessment does not include a resilience analysis of our strategy and business model in relation to climate change with particular focus on transition risks or risks specific to our supply chain.	Sustainability statement	69-72
E1-2	Policies related to climate change mitigation and adaptation	24-25	We do not have a specific policy in place to manage material impacts, risks, and opportunities related to climate change mitigation and adaptation.	Sustainability statement	60
E1-3	Actions and resources in relation to climate change policies	28-29, AR 21	We do not present key climate change mitgation actions by decarbonization levers and/or including nature-based solutions. We do not report the expected GHG emission reductions. The presented climate change mitigation action do not constitute significant monetary amounts of CapEx and OpEx.	Sustainability statement	61
E1-4	Targets related to climate change mitigation and adaptation	16 (a)-(b), 32, 34 (a)-(b), 34 (e)-(f), AR 25 (a)-(b), AR 30 (c)	We do not have any specific targets related to climate change mitigation and adaptation.	Sustainability statement	
E1-5	Energy consumption and mix			Sustainability statement	68
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions			Sustainability statement	62-63
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	66-69, AR 72 (a) (b), AR 73 (a)-(b), AR 76 (b),	Phase-in requirement		
ESRS E5 Resource use and circular economy					
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities			Sustainability statement	50-54, 82
E5-1	Policies related to resource use and circular economy	14, 15 (a)-(b)	We do not have a specific policy in place to manage material impacts, risks, and opportunities related to resource use and circular economy, addressing the transition away from use of virgin resources or sustainable sourcing and use of renewable resources.	Sustainability statement	32, 82
E5-2	Actions and resources related to resource use and circular economy	19-20, AR 11-12	We do not have specific actions related to resource use and circular economy.	Sustainability statement	83
E5-3	Targets related to resource use and circular economy	23, 24 (a)-(d), 24 (e)-(f), 25, 27	We do not have any specific targets related to resource use and circular economy.	Sustainability statement	83

DISCLOSURE REQUIREMENT		OMISSION	COMMENT/REASON FOR OMISSION	REFERENCE IN REPORT	PAGE(S)
E5-4	Resource inflows	31	The current internal systems and processes do not fully capture quantity (weight) data of purchased goods including inflow materials and packaging. The plan to incorporate weight information in the inventory systems, and the anticipated timeframes for implementation and reporting will be reviewed and discussed in 2025 or later.	Sustainability statement	82-83
E5-5	Resource outflows			Sustainability statement	83-84
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	43	Phase-in requirement		
ESRS S1 Own workforce					
SBM-2	Interests and views of stakeholders			Sustainability statement	55-56
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	15-16	For the double materiality assessment, we have not directly consulted with the affected stakeholders such as employees, value chain workers and others. As such the understanding of how people with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm was based on the knowledge of the engaged stakeholders (described in General - Double materiality assessment - Stakeholder engagement).	Sustainability statement	86
S1-1	Policies related to own workforce	20 (c)	We do not have a general approach to providing or enabling remedy for human rights impacts.	Sustainability statement	32, 88
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	27 (e), 28	We have not assessed the effectiveness of engagement with own workforce in 2024.	Sustainability statement	88-89
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns			Sustainability statement	88-89
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	38 (b)	We do not have a general approach to providing or enabling remedy for human rights impacts. We have not taken action to provide or enable remedy in relation to an actual material impact in 2024, as no such impacts have been identified.	Sustainability statement	88-91
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities			Sustainability statement	89-91
S1-6	Characteristics of the undertaking's employees			Sustainability statement	92
S1-7	Characteristics of non-employees in the undertaking's own workforce			Sustainability statement	93
S1-9	Diversity metrics			Sustainability statement	93
S1-10	Adequate wages			Sustainability statement	94
S1-11	Social Protection			Sustainability statement	94

DISCLOSURE REQUIREMENT		OMISSION	COMMENT/REASON FOR OMISSION	REFERENCE IN REPORT	PAGE(S)
S1-13	Training and skills development metrics	83	Phase-in requirement	Sustainability statement	91
S1-14	Health and safety metrics			Sustainability statement	95
S1-15	Work-life balance metrics			Sustainability statement	96
S1-16	Remuneration metrics (pay gap and total remuneration)	97	We have not assessed the gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees, in 2024. This will be assessed in 2025 and presented in a context suited to our operations and employment levels. We have not calculated the annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual). Information about the executive remuneration can be found in Hexagon Purus Remuneration Report 2024.	Sustainability statement	
S1-17	Incidents, complaints and severe human rights impacts			Sustainability statement	96
ESRS S2 Workers in the value chain					
SBM-2	Interests and views of stakeholders		Workers in the value chain have not been assessed as key stakeholders in 2024	Sustainability statement	55-56
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		For the double materiality assessment, we have not directly consulted with the affected stakeholders such as employees, value chain workers and others. As such the understanding of how people with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm was based on the knowledge of the engaged stakeholders (described in General - Double materiality assessment - Stakeholder engagement).	Sustainability statement	97
S2-1	Policies related to value chain workers	17 (b)-(c)	We do not have a policy describing our engagement with value chain workers and/or measures to provide and/or enable remedy for human rights impacts.	Sustainability statement	98
S2-2	Processes for engaging with value chain workers about impacts	22-24	We do not have a process for engaging with value chain workers and their legitimate representatives, or with credible proxies, material actual and potential positive and/or negative impacts.	Sustainability statement	98-101
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	27 (a), 27 (c)-(d), 28	We do not have a process for providing or facilitating remedy for a material negative impact we have caused or contributed to. While we have a whistleblowing channel open to our value chain workers, the availability of this channel is not communicated. We have not received any issues raised and addressed from our value chain workers, and as such, the trust in, or the effectiveness of the channels, remain unknown.	Sustainability statement	98-101
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	35	We do not have any actions to avoid causing or contributing to material negative impacts on value chain workers through its own practices.	Sustainability statement	98-101
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	42 (b)-(c)	We do not have any specific targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities for workers in the value chain.	Sustainability statement	99-101

DISCLOSURE REQUIREMENT		OMISSION	COMMENT/REASON FOR OMISSION	REFERENCE IN REPORT	PAGE(S)
ESRS S4 Consumers and end-users					
SBM-2	Interests and views of stakeholders			Sustainability statement	55-56
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		For the double materiality assessment, we have not directly consulted with the affected stakeholders such as employees, value chain workers and others. As such the understanding of how people with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm was based on the knowledge of the engaged stakeholders (described in General - Double materiality assessment - Stakeholder engagement).	Sustainability statement	102
S4-1	Policies related to consumers and end-users	16, 17	Our Product Safety Policy does not specify our general approach to respect for the human rights of consumers and/or end-users, engagement with consumers and/or end-users, and/or measures to provide and/or enable remedy for human rights impacts.	Sustainability statement	103-106
S4-2	Processes for engaging with consumers and end-users about impacts			Sustainability statement	103-106
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	25 (a)	We do not have a general approach to and processes for providing or contributing to remedy where it has identified that it has caused or contributed to a material negative impact on consumers and/or end-users.	Sustainability statement	103-106
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	31 (d)	We do not have a process for tracking and assessing the effectiveness of actions and initiatives directed towards consumers and end-users in delivering intended outcomes for consumers and/or end-users.	Sustainability statement	104, 106
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		We do not have any specific targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities for personal safety of consumer and end-users	Sustainability statement	104, 106
ESRS G1 Business conduct					
GOV-1	The role of the administrative, supervisory and management bodies			Board of Directors report Sustainability statement	31, 41-42 109
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities			Sustainability statement	50-55
G1-1	Business conduct policies and corporate culture			Sustainability statement	108-111

ESRS data points from other EU Legislation

Legislation	
SFDR	Sustainable Finance Disclosure Regulation
P3	EBA Pillar 3 disclosure requirements
BRR	Climate Benchmark Standards Regulation
EUCL	EU Climate Law

Other short forms	
NR	Not relevant
O	Omission
NM	Not material
P	Phase-in

Disclosure Requirement	Data point	Legislation	Page(s)
ESRS 2 GOV-1	21 (d) Board's gender diversity	SFDR/BRR	41
ESRS 2 GOV-1	21 (e) Percentage of board members who are independent	BRR	41
ESRS 2 GOV-4	30 Statement on due diligence	SFDR	100-101
ESRS 2 SBM-1	40 (d) (i) Involvement in activities related to fossil fuel activities	SFDR/P3/BRR	NR
ESRS 2 SBM-1	40 (d) (ii) Involvement in activities related to chemical production	SFDR/BRR	NR
ESRS 2 SBM-1	40 (d) (iii) Involvement in activities related to controversial weapons	SFDR/BRR	NR
ESRS 2 SBM-1	40 (d) (iv) Involvement in activities related to cultivation and production of tobacco	BRR	NR
ESRS E1-1	14 Transition plan to reach climate neutrality by 2050	EUCL	O
ESRS E1-1	16 (g) Undertakings excluded from Paris-aligned Benchmarks	P3/BRR	NR
ESRS E1-4	34 GHG emission reduction targets	SFDR/P3/BRR	61
ESRS E1-5	37 Energy consumption and mix	SFDR	68
ESRS E1-5	38 Energy consumption from fossil sources disaggregated by sources	SFDR	68
ESRS E1-5	40 - 43 Energy intensity associated with activities in high climate impact sectors	SFDR	68
ESRS E1-6	44 Gross Scope 1, 2, 3 and Total GHG emissions	SFDR/P3/BRR	62
ESRS E1-6	53 - 55 Gross GHG emissions intensity	SFDR/P3/BRR	63
ESRS E1-6	56 Gross GHG removals and carbon credits	EUCL	NM
ESRS E1-9	66 Exposure of the benchmark portfolio to climate-related physical risks	BRR	P
ESRS E1-9	66 (a) Disaggregation of monetary amounts by acute and chronic physical risk	P3	P
ESRS E1-9	66 (c) Location of significant assets at material physical risk	P3	P
ESRS E1-9	67 (c) Breakdown of the carrying value of its real estate assets by energy-efficiency classes	P3	P
ESRS E1-9	69 Degree of exposure of the portfolio to climate-related opportunities	BRR	P
ESRS E2-4	28 Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water, and soil	SFDR	NM
ESRS E3-1	9 Water and marine resources	SFDR	NM
ESRS E3-1	13 Dedicated policy	SFDR	NM
ESRS E3-1	14 Sustainable oceans and seas	SFDR	NM
ESRS E3-4	28 (c) Total water recycled and reused	SFDR	NM
ESRS E3-4	29 Total water consumption in m³ per net revenue in own operations	SFDR	NM
ESRS E4 - SBM-3 (ESRS 2)	16 (a) Activities negatively affecting biodiversity-sensitive areas	SFDR	NM
ESRS E4 - SBM-3 (ESRS 2)	16 (b) Land degradation, desertification, or soil sealing	SFDR	NM
ESRS E4 - SBM-3 (ESRS 2)	16 (c) Threatened species	SFDR	NM

Disclosure Requirement	Data point	Legislation	Page(s)
ESRS E4-2	24 (b) Sustainable land/agriculture practices or policies	SFDR	NM
ESRS E4-2	24 (c) Sustainable oceans/seas practices or policies	SFDR	NM
ESRS E4-2	24 (d) Policies to address deforestation	SFDR	NM
ESRS E5-5	37 (d) Non-recycled waste	SFDR	84
ESRS E5-5	39 Hazardous waste and radioactive waste	SFDR	84
ESRS S1 - SBM-3 (ESRS 2)	14 (f) Risk of incidents of forced labor paragraph 14f)	SFDR	NR
ESRS S1 - SBM-3 (ESRS 2)	14 (g) Risk of incidents of child labor paragraph 14g)	SFDR	NR
ESRS S1-1	20 Human rights policy commitments	SFDR	88
ESRS S1-1	21 Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8	BRR	100-101
ESRS S1-1	22 Processes and measures for preventing trafficking in human beings	SFDR	88
ESRS S1-1	23 Workplace accident prevention policy or management system	SFDR	88-89
ESRS S1-3	32 (c) Grievance/complaints handling mechanisms	SFDR	88-89
ESRS S1-14	88 (b) Number of fatalities of work-related accidents	SFDR/BRR	95
ESRS S1-14	88 (c) Number and rate of work-related accidents	SFDR/BRR	95
ESRS S1-14	88 (e) Number of days lost to injuries, accidents, fatalities or illness	SFDR	95
ESRS S1-16	97 (a) Unadjusted gender pay gap	SFDR/BRR	O
ESRS S1-16	97 (b) Excessive CEO pay ratio	SFDR	O
ESRS S1-17	103 (a) Incidents of discrimination	SFDR	96
ESRS S1-17	104 (a) Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	SFDR	96

Disclosure Requirement	Data point	Legislation	Page(s)
ESRS S2 - SBM-3 (ESRS 2)	11 (b) Significant risk of child labour or forced labour in the value chain	SFDR/BRR	99
ESRS S2-1	17 Human rights policy commitments	SFDR	32, 98-99
ESRS S2-1	18 Policies related to value chain workers	SFDR	32, 98-99
ESRS S2-1	19 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	SFDR/BRR	99
ESRS S2-1	19 Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8	SFDR/BRR	100-101
ESRS S2-4	36 Human rights issues and incidents connected to its upstream and downstream value chain	SFDR	97-101
ESRS S3-1	16 Human rights policy commitments	SFDR	NM
ESRS S3-1	17 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	SFDR/BRR	NM
ESRS S3-4	36 Human rights issues and incidents	SFDR	NM
ESRS S4-1	16 Policies related to consumers and end-users	SFDR	32, 103-104,
ESRS S4-1	17 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	SFDR/BRR	NM
ESRS S4-4	35 Human rights issues and incidents	SFDR	NM
ESRS G1-1	10 (b) United Nations Convention against Corruption	SFDR	109-110
ESRS G1-1	10 (d) Protection of whistleblowers	SFDR	111
ESRS G1-4	24 (a) Fines for violation of anti-corruption and anti-bribery laws	SFDR/BRR	NM
ESRS G1-4	24 (b) Standards of anti- corruption and anti- bribery	SFDR/BRR	NM

Statement from the Board of Directors and Chief Executive Officer

We confirm to the best of our knowledge that:

- the sustainability statements have been prepared in accordance with sustainability reporting standards established in accordance with the Accounting Act Section 2-6, and in accordance with rules established pursuant to Article 8(4) of the Taxonomy Regulation.

Oslo, Norway, 26 March 2025
The Board of Directors of Hexagon Purus ASA

Espen Gundersen
Chair of the Board

Jon Erik Engeset
Board Member

Martha Kold Monclair
Board Member

Hidetomo Araki
Board Member

Susana Quintana-Plaza
Board Member

Liv Fiksdahl
Board Member

Rick Rashilla
Board Member

Morten Holum
President & CEO

Financial statements

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Income statement Group

1 JANUARY – 31 DECEMBER

(NOK 1 000)	Note	2024	2023
Revenue from contracts with customers	3, 4	1 843 525	1 311 811
Other operating revenue	3, 4	32 314	7 804
Total revenue		**1 875 839**	**1 319 614**
Cost of materials	13	1 081 574	776 841
Payroll expenses	5, 21, 23, 28	752 335	621 436
Other operating expenses	6	390 291	366 810
Total operating expenses before depreciation		**2 224 200**	**1 765 087**
Operating profit before depreciation (EBITDA)	4	**(348 361)**	**(445 473)**
Depreciation, amortization and impairment	7, 8, 10	562 213	149 785
Operating profit (EBIT)		**(910 575)**	**(595 258)**
Share of profit (loss) from investments in associates	11	(35 722)	(12 503)
Finance income	17, 18	100 032	103 673
Finance costs	17, 25	365 404	187 223
Profit/loss before tax		**(1 211 669)**	**(691 310)**
Tax	29	(9 277)	(7 793)
Profit/loss after tax		**(1 202 392)**	**(683 517)**

(NOK 1 000)	Note	2024	2023
Attributable to:			
Equity holders of the parent	22, 24	(1 109 795)	(672 703)
Non-Controlling interests		(92 597)	(10 815)
Earnings per share			
Ordinary (NOK)	24	(3.67)	(2.46)
Diluted (NOK)	24	(3.67)	(2.46)

Statement of comprehensive income

1 JANUARY – 31 DECEMBER

(NOK 1 000)	2024	2023
Profit/loss after tax	(1 202 392)	(683 517)
OTHER COMPREHENSIVE INCOME:		
Items that will be reclassified through profit or loss in subsequent periods		
Exchange differences on translation of foreign operations	141 785	44 157
Total comprehensive income, net of tax	**(1 060 607)**	**(639 360)**
Attributable to:		
Equity holders of the parent	(987 455)	(622 890)
Non-controlling interests	(73 152)	(16 470)

Statement of financial position Group

(NOK 1 000)	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Property, plant and equipment	7	1 203 777	867 212
Right-of-use assets	10	561 162	544 765
Intangible assets	8	679 534	841 672
Investment in associates	11	22 968	50 143
Non-current financial assets	12,18	110 403	129 651
Other non-current assets	12	132 150	33 767
Total non-current assets		2 709 993	2 467 210
Inventories	13	694 062	481 695
Trade receivables	14,18	351 432	274 974
Contract assets		-	11 168
Other current assets	15	150 561	230 474
Cash and short-term deposits	16	1 027 732	307 485
Total current assets		2 223 787	1 305 797
Total assets		**4 933 780**	**3 773 007**

(NOK 1 000)	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Issued capital	22	42 849	27 680
Share premium	22	2 297 019	1 342 308
Other equity		(324 373)	427 681
Equity attributable to holders of the parent		**2 015 495**	**1 797 668**
Non-controlling interests		106 300	121 459
Total equity		**2 121 795**	**1 919 127**
Interest-bearing loans and borrowings	18,19,25	1 569 251	596 482
Lease liabilities	10,25	542 842	518 138
Net employee defined benefit liabilities	21	1 696	1 717
Deferred tax liabilities	29	31 131	38 510
Total non-current liabilities		**2 144 920**	**1 154 847**
Trade and other payables	18	260 153	220 457
Contract liabilities		159 179	196 326
Interest-bearing loans and borrowings	18,19,25,26	3 346	2 317
Lease liabilities, short term	10,25,26	49 994	39 930
Income tax payable	29	346	509
Other current financial liabilities	18	-	42 540
Other current liabilities	27	124 611	131 170
Provisions	20	69 435	65 782
Total current liabilities		**667 063**	**699 032**
Total liabilities		**2 811 984**	**1 853 880**
Total equity and liabilities		**4 933 780**	**3 773 007**

Oslo, Norway, 26 March 2025
The Board of Directors of Hexagon Purus ASA

Espen Gundersen
Chair of the Board

Jon Erik Engeset
Board Member

Martha Kold Monclair
Board Member

Hidetomo Araki
Board Member

Susana Quintana-Plaza
Board Member

Liv Fiksdahl
Board Member

Rick Rashilla
Board Member

Morten Holum
President & CEO

Cash flow statement Group

(NOK 1 000)	Note	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		(1 211 669)	(691 310)
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and impairment of property, plant and equipment	7	220 227	61 272
Depreciation and impairment of right-of-use assets	10	63 874	40 489
Amortization and impairment of intangible assets	8	278 113	48 024
Share-based payment expense	23	31 363	24 368
Share of net profit of associates	11	(35 722)	12 503
Movements in pensions	21	(21)	278
Working capital adjustments			
Change in trade receivables and contract assets	14	(65 290)	(47 725)
Change in inventories	13	(225 290)	(149 477)
Change in trade and other payables, contract liabilities	27	2 548	(51 720)
Change in other accrual accounting entries	12, 26	34 100	27 145
Other adjustments to reconcile to operating cash flow			
Interest income	17	(24 282)	(29 564)
Interest expense	17	249 732	42 800
Net cash flow from operating activities		**(682 317)**	**(712 916)**

(NOK 1 000)	Note	2024	2023
CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchase of property, plant and equipment	7	(428 093)	(442 643)
Purchase and development of intangible assets	8	(48 518)	(39 628)
Settlement of contingent consideration of business combination		(42 539)	(85 693)
Investments in associated companies	11	(4 502)	(29 305)
Interest received	17	20 967	29 564
Loans to associated companies		(32 589)	(29 373)
Net cash flow used in investing activities		**(535 275)**	**(597 078)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from loans	25	999 950	800 000
Transaction costs on issue of loans		(21 193)	(23 091)
Repayment of loans	25	(5 260)	(20 000)
Interest payments	17	(2 626)	(20 539)
Repayment of principal portion of lease liabilities	10, 25	(43 022)	(29 537)
Interest on lease liabilities	10, 25	(38 851)	(22 261)
Proceeds from new equity	22	1 001 169	499 828
Transaction costs on issue of equity instruments	22	(36 911)	(25 846)
Proceeds from share capital increase in subsidiary		54 089	102 198
Net cash flow (used in)/from financing activities		**1 907 347**	**1 260 752**
Net decrease/increase in cash and cash equivalents		**689 754**	**(49 242)**
Net foreign exchange difference		30 492	(24 977)
Cash and cash equivalents at 1 January	16	307 485	381 705
Cash & cash equivalents outgoing balance		**1 027 732**	**307 485**

Statement of changes in equity

(NOK 1 000)	Note	Issued capital	Share premium	Other paid-in capital	Foreign currency translation reserve	Equity attributable to holders of the parent	Non-controlling interest	Total equity
As of 1 January 2024		27 680	1 342 308	318 524	109 156	1 797 668	121 459	1 919 127
Profit for the period		-	-	(1 109 795)	-	(1 109 795)	(92 597)	(1 202 392)
Other comprehensive income		-	-		122 340	122 340	19 445	141 785
Total comprehensive income		-	-	(1 109 795)	122 340	(987 455)	(73 152)	(1 060 607)
Share-based payments	22	-	-	31 363	-	31 363	-	31 363
Share capital increase		15 169	986 000	-	-	1 001 169	-	1 001 169
Share capital increase in subsidiary		-	-	-	-	-	57 993	57 993
Equity portion of convertible debt	24	-	-	209 660	-	209 660	-	209 660
Transaction cost		-	(31 289)	(5 622)	-	(36 911)	-	(36 911)
As of 31 December 2024		42 849	2 297 019	(555 869)	231 496	2 015 495	106 300	2 121 795
As of 1 January 2023		25 828	1 542 880	23 839	59 344	1 651 890	35 731	1 687 621
Profit for the period		-	(672 703)	-	-	(672 703)	(10 815)	(683 517)
Other comprehensive income		-	-	-	49 813	49 813	(5 656)	44 157
Total comprehensive income		-	(672 703)	-	49 813	(622 890)	(16 470)	(639 360)
Share-based payments	22	-	-	24 368	-	24 368	-	24 368
Share capital increase		1 852	497 976	-	-	499 828	-	499 828
Share capital increase in subsidiary		-	-	-	-	-	102 198	102 198
Equity portion of convertible debt	24	-	-	278 352	-	278 352	-	278 352
Transaction cost		-	(25 846)	(8 034)	-	(33 880)	-	(33 880)
As of 31 December 2023		27 680	1 342 308	318 524	109 156	1 797 668	121 459	1 919 127

Notes

Note 1 Corporate information

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

Company information

Hexagon Purus ASA, the parent of Hexagon Purus Group, is a public limited liability company with its registered office in Norway. The company's headquarters is at Haakon VII gate 2, 0161 Oslo, Norway. Morten Holum is President & CEO of Hexagon Purus Group and General Manager of Hexagon Purus ASA.

The Board of Directors authorized the annual report for publication on 26 March 2025.

Group information

In addition to the parent Hexagon Purus ASA, the following companies are included in the consolidated financial statements of Hexagon Purus Group:

Company	Home country	Registered office	Ownership	Votes
Hexagon Technology H2 AS	Norway	Oslo	100%	100%
Hexagon Purus HK Holding AS	Norway	Oslo	100%	100%
Hexagon Purus Maritime AS	Norway	Langevag	100%	100%
Hexagon Purus Germany Holding GmbH	Germany	Herford	100%	100%
Hexagon Purus GmbH	Germany	Kassel	100%	100%
Hexagon Purus Real Estate GmbH	Germany	Kassel	100%	100%
Wystrach GmbH	Germany	Weeze	100%	100%
Wyrent GmbH	Germany	Weeze	100%	100%
xperion E&E US Holding Inc.	USA	Heath, OH	100%	100%
xperion E&E USA LLC	USA	Heath, OH	100%	100%
Hexagon Purus North America Holdings Inc.	USA	Lincoln, NE	100%	100%
Hexagon Purus LLC	USA	Lincoln, NE	100%	100%
Hexagon MasterWorks Inc.	USA	Lincoln, NE	100%	100%
Hexagon Purus Systems USA, LLC	USA	Costa Mesa, CA	100%	100%
Hexagon Purus Systems Canada Ltd	Canada	Vancover	100%	100%
CIMC- Hexagon Hydrogen Energy Technologies Limited	China	Hong Kong	51%	51%
CIMC- Hexagon Hydrogen Energy Technologies (Beijing) Co,, Ltd	China	Beijing	100%	100%
CIMC- Hexagon Hydrogen Energy Technologies (Heibei) Co,, Ltd	China	Heibei	100%	100%
Hexagon Purus (Beijing) Ltd.	China	Beijing	100%	100%
Associates				
CIMC- Hexagon Hydrogen Energy Systems Limited	China	Hong Kong	49%	49%
Cryoshelter LH2 GmbH	Austria	Dobl-Zwaring	40%	40%

Note 2 Basis of preparation

Basis of preparation of annual financial statements

The consolidated annual financial statements of the Group have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) which have been adopted by the EU and are mandatory for financial years beginning on or after 1 January 2024, and Norwegian disclosure requirements listed in the Norwegian Accounting Act as of 31 December 2024.

The consolidated financial statements have been prepared on a historical cost basis, with the exception for contingent considerations from business combinations and investment in Norwegian Hydrogen AS that have been measured at fair value over profit and loss.

The consolidated financial statements have been prepared based on uniform accounting principles for similar transactions and events under otherwise similar circumstances.

Functional currency and presentation currency

The Group's presentation currency is NOK. This is also the Parent Company's functional currency. The statement of financial position figures of entities with a different functional currency are translated at the exchange rate prevailing at the end of the reporting period for balance sheet items, including goodwill, and the exchange rate at the date of the transaction for profit and loss items. The monthly average exchange rates are used as an approximation of the transaction exchange rate. Translation differences are recognized in other comprehensive income ("OCI").

The functional currency is determined in each entity in the Group based on the currency within the entity's primary economic environment. Transactions in foreign currency are translated into functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Changes in the exchange rate are recognized continuously in the accounting period.

Basis of consolidation

The Group's consolidated financial statements comprise Hexagon Purus ASA and its subsidiaries as of 31 December 2024. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. An entity has been assessed as being controlled by the Group when the Group is exposed to or has the right to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the Group's returns.

Thus, the Group controls an entity if, and only if, the Group has all the following:

- power over the entity;
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of the group's returns.

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the entity, including ownership interests, voting rights, ownership structure and relative power, as well as options controlled by the Group and shareholder's agreement or other contractual agreements. Reference is made to Note 1 which contains a list of the subsidiaries and also a list of associates.

The assessments are made for each individual investment. The Group reassesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests are presented separately under equity in the Group's balance sheet.

Estimation uncertainty and significant judgments

Management has used judgements, estimates and assumptions that have affected assets, liabilities, income, expenses and information on potential liabilities. Future events may lead to changes to these estimates. Estimates and their underlying assumptions are reviewed on a regular basis and are based on best estimates and historical experience and other factors, including forecast events that are considered probable under current circumstances. Changes in accounting estimates are recognized during the period when the changes take place. If the changes also apply to future periods, the effect is divided among the present and future periods.

The Group prepares estimates and makes assumptions about the future. The accounting estimates based on this process are, by definition, rarely completely in line with the final outcome. The Group's most important accounting estimates and judgements are related to the following items:

- Impairment of goodwill, note 9

- Depreciation and impairment of property, plant & equipment and intangible assets, note 7 and 8
- Capitalized development cost, note 8
- Revenue from contracts with customers, note 4
- Leases, note 10
- Provisions, Contingent Liabilities and Contingent Assets, note 20

New accounting standards, interpretations and amendments adopted by the group
The Group has not early adopted any standard, interpretation or amendments that has been issued but is not yet effective. Standards, interpretations and amendments that are issued up to the date of issuance of the consolidated financial statements, but not yet effective are considered not relevant and not to have an impact on the consolidated financial statements of the Group. In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Note 3 Revenue from contracts with customers

The Group's revenue mainly relates to the production and sale of hydrogen cylinders and systems, as well as its aerospace and industrial gas business, and related engineering services. In addition, revenue is related to battery systems for medium and heavy-duty trucks and delivery of complete battery electric trucks in North America, and related engineering services.

Accounting policies

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The products are mainly sold in relation to separately identifiable contracts with customers.

Cylinders and systems

Revenue from sale of cylinders and cylinder systems is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. The time of delivery is normally in accordance with the incoterms in the contracts. Payment terms can vary, including advanced and secured payment, but the normal credit term is 30 to 60 days upon delivery.

The performance obligations in the contracts are normally separately identifiable items with fixed prices and one contract normally consist of a series of identical deliverables. The Group considers whether there are other obligations in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components and warranties.

(i) Variable Consideration

Some customer contracts are eligible for trade discounts or volume rebates. For trade discounts and volume rebates the sale of goods are measured at the fair value of the consideration received or receivable, net of allowances for trade discounts and volume rebates. If revenue cannot be reliably measured, the Group defers revenue recognition until sufficient clarity is achieved. The Group performs the assessment on individual contracts to determine the estimated variable consideration and if the variable consideration is highly probable.

(ii) Significant financing component

Sometimes, the Group receives short-term advances from its customers. The advances are not considered significant financing components as the period between the payment and the transfer of the promised good or service to the customer is normally one year or less.

(iii) Warranty provision

The Group typically provides warranties for general repairs and does not provide extended warranties or maintenance services in its contracts with customers. Such warranties are evaluated as assurance-type warranties which are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Sale of services and funded development contracts

To some extent, the Group provides other services in relation to reinspection and testing of products, in addition to non- recurring engineering and design or development of certain types of products. These services and products are normally sold on their own and based on relative stand-alone selling prices. The Group recognizes revenue from these types of contracts over time using an input method to measure progress towards completion of the contract, as this is an increase in the value of the customers assets or have no alternative use.

The Group has entered into and will enter into funded development contracts with some customers for development services. The Group recognizes revenue over time as the services are performed. Progress is measured using an input method to measure progress towards certain project milestones as the customer simultaneously receives and consumes the benefits provided by the Group.

Cost to obtain a contract

The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense such costs when the related revenue is expected to be recognized within one year. When revenue will be recognized over several reporting periods the Group recognizes incremental costs of obtaining a contract with a customer as an asset, provided that the costs are expected to be recovered throughout the contract. The costs are amortized on a systematic basis that is consistent with the transfer of the related goods or services to the customer and subsequently re-assessed at the end of each reporting period.

Set out below is the disaggregation of the Group’s revenue from contracts with customers.

Revenue recognition

(NOK 1 000)	2024	2023
Sale of cylinders and systems	1 773 589	1 194 637
Sale of services and funded development	49 354	61 193
Contracts with customers at a point in time	**1 822 943**	**1 255 829**
Sale of cylinders and systems	20 582	55 981
Contracts with customers over time	**20 582**	**55 981**
Total revenue from contracts with customers	**1 843 525**	**1 311 810**
Type of goods or service		
Sale of cylinders and systems	1 794 171	1 250 618
Sale of services and funded development	49 354	61 193
Other revenues	31 256	6 846
Rental income	1 059	957
Total revenue from contracts with customers	**1 875 839**	**1 319 615**

The Group's customer base is relatively fragmented in terms of size and concentration. In 2024, Hexagon Purus’ three largest customers represented in sum NOK 743.9 million (39.7%) of total revenue. Revenue from each customer was NOK 326.6 million, NOK 220.2 million and NOK 197.1 million respectively.

Accounting Policy

Contract balances

(i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

(ii) Trade receivable

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(iii) Contract liability

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Contract balances

(NOK 1 000)	2024	2023
Trade receivable	351 432	274 974
Contracts assets (accrued revenue)	-	11 168
Contract liabilities	159 179	196 327

Note 4 Operating segments

In 2024, Hexagon Purus divided its operations into two segments, Hydrogen Mobility and Infrastructure (HMI) and Battery Systems and Vehicle Integration (BVI). The operating and reportable segments are based on the different products the Group offer and the financial segment information is used for assessing performance and allocating resources in the Group. The chief operating decision maker of Hexagon Purus is the CEO and the Board of Directors.

Segments

Hydrogen Mobility & Infrastructure (HMI): Comprised of Hexagon Purus' hydrogen cylinder and systems manufacturing business in Europe and North America, as well as the Company's aerospace and industrial gas business.

Battery systems and vehicle integration (BVI): Comprised of the Company's battery storage systems technology and complete vehicle integration services for medium- and heavy-duty trucks in North America.

Other and eliminations: Comprised of China operations and maritime activities, and corporate overhead.

The following tables present revenue and profit information as well as balance sheet information for Hexagon Purus' operating segments. Historical figures have been restated to reflect the new segments.

	2024				2023			
(NOK 1 000)	Hydrogen Mobility & Infrastructure	Battery Systems & Vehicle Integration	Other and eliminations	Total	Hydrogen Mobility & Infrastructure	Battery Systems & Vehicle Integration	Other and eliminations	Total
Revenues from contracts with customers	1 780 382	68 236	(5 094)	1 843 525	1 268 493	30 817	12 501	1 311 811
Other operating revenue	2 073	29 103	1 139	32 314	6 396	9 564	(8 156)	7 804
Total revenue	**1 782 455**	**97 339**	**(3 955)**	**1 875 839**	**1 274 889**	**40 381**	**4 345**	**1 319 614**
EBITDA	(11 856)	(139 129)	(197 376)	(348 361)	(94 047)	(139 719)	(211 706)	(445 472)
Depreciation & impairment	389 782	44 230	128 202	562 213	124 126	21 282	4 376	149 784
EBIT	(401 638)	(183 359)	(325 578)	(910 575)	(218 173)	(161 001)	(216 082)	(595 256)
Segment assets	2 692 351	933 699	1 307 729	4 933 780	2 462 331	616 561	694 115	3 773 007
Segment investments in the period[1]	131 381	217 178	128 053	476 612	310 852	50 839	87 865	449 556
Segment liabilities	910 076	451 403	1 450 504	2 811 984	1 341 535	281 232	231 114	1 853 880

[1] Investments comprise of investments in PPE, intangible assets, and prepayment of assets in the period.

Revenue by region

(NOK 1 000)	2024	2023
Geographical regions		
Norway	5 501	4 161
Europe, excluding Norway	1 531 015	1 090 261
North America	328 038	196 700
Asia	4 560	9 520
Australia/Oceania		3 499
Others	6 724	15 474
Total	1 875 839	1 319 614

Non-current assets by region

(NOK 1 000)	2024	2023
Geographical regions		
Norway	155 305	145 404
Europe, excluding Norway	1 381 104	1 572 144
North America	692 024	439 207
Asia	216 039	96 892
Total external	2 444 472	2 253 649

Non-current assets for this purpose consists of Property, Plant & Equipment, Right of use Assets and Intangible Assets.

Investments by region

(NOK 1 000)	Property, plant and equipment 2024	Intangible assets 2024	Property, plant and equipment 2023	Intangible assets 2023
Geographical regions				
Norway	1 492	17 011	503	31 967
Europe, excluding Norway	101 219	11 884	254 154	-
North America	215 607	45 195	78 072	1 111
Asia	169 364	7 690	109 914	6 550
Total	487 683	81 779	442 643	39 628

Note 5 Payroll costs and number of employees

(NOK 1 000)	Note	2024	2023
Salaries/fees		633 168	516 752
Contractors/hired personnel		23 067	19 934
Board remuneration		2 724	2 668
Share-based payments		31 363	24 368
Bonuses and incentive programs	22	22 227	27 179
Pension expense, defined-benefit plans	20	218	109
Pension expense, defined-contribution plans	20	11 281	9 031
Other personnel related expenses		7 077	13 622
Other social security costs		31 934	24 681
Capitalized personnel costs (development projects)		(10 724)	(16 908)
Payroll costs		**752 335**	**621 436**

Average number of full-time equivalents

	2024	2023
Canada	97	82
China	36	17
Norway	27	29
Germany	518	457
USA	72	53
Total number of full-time equivalents	**749**	**638**

Note 6 Other operating expenses

(NOK 1 000)	2024	2023
IT and communication cost	40 541	27 311
Operating and maintenance for property, plant and machines	117 811	73 081
Professional fees	150 275	123 345
Indirect costs of sales	21 532	47 195
Travel and living	29 034	29 614
Other	31 099	66 264
Other operating expeses	**390 292**	**366 810**

Note 7 Property, plant and equipment

Judgements and estimates

Group management estimates the useful lives and depreciation rates for items of property, plant and equipment. The expected useful life of the Group's production equipment is largely dependent on technological development, and estimates may change due to this development. Physical climate risk such as changes to weather patterns and severity of rain, wind, flooding, and other events may impact our assessment. The Group has not identified material assets expected to have a significantly shorter life due to climate-related risks.

Impairment indicators are assessed at each reporting date and impairment tests are performed if indicators are identified. In 2024 indicators were identified and impairment assessment performed. The assessment showed a need for impairment of assets under construction of NOK 121.3. See note 9 for more information.

(NOK 1 000)	Buildings and real estate properties	Machinery and equipment	Assets under construction	2024 total
Fixed assets				
Opening balance at cost price	161 601	643 906	321 614	1 127 120
Opening balance accumulated depreciations	(56 704)	(203 204)	-	(259 909)
Opening balance book value	104 897	440 701	321 614	867 212
Additions	33 258	211 418	243 006	487 683
Transfers from assets under construction	83 052	63 208	(146 260)	-
Depreciations	(8 567)	(84 302)	-	(92 869)
Impairments	-	(6 021)	(121 337)	(127 358)
Translation differences	2 888	51 454	22 333	76 675
Disposals	-	(7 556)	(10)	(7 566)
Closing balance 31.12.2024	**215 528**	**668 903**	**319 346**	**1 203 777**
Closing balance at cost price	280 799	962 430	440 683	1 683 912
Closing balance accumulated depreciations	(65 271)	(293 527)	(121 337)	(358 798)
Useful life	10-20 years	3-15 years		
Depreciation method	Straight-line	Straight-line		

(NOK 1 000)	Buildings and real estate properties	Machinery and equipment	Assets under construction	2023 total
Fixed assets				
Opening balance at cost price	144 496	309 847	239 284	693 627
Opening balance accumulated depreciations	(45 863)	(152 774)	-	(198 637)
Opening balance book value	98 633	157 073	239 284	494 990
Additions	12 414	211 586	189 540	413 540
Transfers from assets under construction	-	117 969	(117 969)	-
Depreciations	(10 841)	(50 430)	-	(61 272)
Impairments	-	-	-	-
Translation differences	6 853	7 379	10 759	24 991
Disposals	(2 162)	(2 876)	-	(5 037)
Closing balance 31.12.2023	**104 897**	**440 701**	**321 614**	**867 212**
Closing balance at cost price	161 601	643 906	321 614	1 127 120
Closing balance accumulated depreciations	(56 704)	(203 204)	-	(259 909)
Useful life	10-20 years	3-15 years		
Depreciation method	Straight-line	Straight-line		

Note 8 Intangible assets

Accounting Policy

Research and development cost

Research cost is expensed as incurred. Expenses relating to development activities (relating to the design and testing of new or improved products) are capitalized to the extent that the product or process is commercially viable, and the Group has sufficient resources to complete the development work. Development projects usually consist of seven phases. The phases are:

1. Planning and design
2. Product design and design freeze
3. Process design
4. Prototype assembly
5. Product validations and testing
6. Prototype to customer
7. Functional testing prototype

Cost is expensed as incurred until the project has finished phase two, which is when the design of the product is frozen and development of the product starts. Expenses that are capitalized include the cost of materials, direct salary costs and a share of the directly attributable shared expenses. The assets are ready for its intended use when the product has passed the functional tests and certifications obtained if necessary. Capitalized development costs are recognized at their cost minus accumulated amortization and impairment losses.

Other development costs are expensed as incurred. Development costs that have previously been expensed are not capitalized in subsequent periods. Capitalized development costs are amortized on a straight-line basis over the estimated useful life of the asset. Capitalized development costs with an indefinite useful life or related to projects under development are tested annually for impairment in accordance with IAS 36.

Patents and licenses

Amounts paid for patents and licenses are recognized in the balance sheet and are amortized on a straight-line basis over their useful life.

Customer relationships

Purchased customer contracts have a finite useful life and are recognized at cost less amortization. Customer contracts and technology are amortized using the straight-line method over its estimated useful lives.

Goodwill

Goodwill represents the consideration paid in excess of identifiable assets and liabilities in business combinations. Goodwill has an indefinite useful life and is tested for impairment annually, or when impairment indicators are identified.

Judgements and estimates

The Group capitalizes development costs for projects in accordance with the Group's accounting policy. Initial capitalization of development costs is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

There is uncertainty about the date for when the criteria for recognition of intangible assets are satisfied and there is uncertainty associated with the valuation and allocation of the cost of acquisition for intangible assets.

Group management determines the useful lives and depreciation rates for items of intangible assets. The expected useful life of the Group's capitalized development cost and customer relationships is largely dependent on technological development and sales to customers.

(NOK 1 000)	Technology and development	Patents and licenses	Customer relationships	Goodwill	2024 total
Intangible assets					
Opening balance at cost price	251 248	15 143	184 810	559 941	1 011 143
Opening balance accumulated amortizations	(49 898)	(11 117)	(108 456)	-	(169 471)
Opening balance book value	201 350	4 026	76 354	559 941	841 671
Additions	75 566	6 213	-	-	81 779
Amortizations	(27 385)	(1 277)	(22 052)	-	(50 714)
Translation differences	3 890	320	3 441	26 545	34 197
Impairment	-	-	(832)	(226 567)	(227 399)
Closing balance 31.12.2024	**253 420**	**9 282**	**56 912**	**359 920**	**679 534**
Closing balance at cost price	330 704	21 676	188 252	586 486	1 127 119
Closing balance accumulated amortizations	(77 284)	(12 394)	(131 340)	(226 567)	(447 584)
Useful life	5-20 years	6-17 years	7-9 years	Indefinite	
Amortization method	Straight-line	Straight-line	Straight-line	None	

(NOK 1 000)	Technology and development	Patents and licenses	Customer relationships	Goodwill	2023 total
Intangible assets					
Opening balance at cost price	206 787	14 050	178 086	523 741	922 664
Opening balance accumulated amortizations	(25 772)	(7 469)	(86 770)	-	(120 010)
Opening balance book value	181 015	6 581	91 316	523 741	802 654
Additions	38 948	680	-	-	39 628
Amortizations	(24 127)	(2 211)	(21 686)	-	(48 024)
Translation differences	5 513	413	6 724	36 200	48 851
Disposals	-	(1 437)	-	-	(1 437)
Closing balance 31.12.2023	**201 350**	**4 026**	**76 354**	**559 941**	**841 671**
Closing balance at cost price	251 248	15 143	184 810	559 941	1 011 143
Closing balance accumulated amortizations	(49 898)	(11 117)	(108 456)	-	(169 471)
Useful life	5-20 years	6-17 years	7-9 years	Indefinite	
Amortization method	Straight-line	Straight-line	Straight-line	None	

Research & development costs totaling NOK 132 million (72) were expensed in 2024. The Group received government grants of NOK 24 million (0) in 2024, to offset against research and development costs.

Note 9 Impairment

Accounting policies

The Group assesses goodwill and fixed assets for impairment in accordance with IAS 36 – Impairment of Assets. Goodwill is tested at least annually or when there are indicators of impairment, while tangible and intangible fixed assets are tested whenever there is an indication of impairment.

Impairment indicators are assessed at each reporting date for individual assets and Cash Generating Units (CGUs), and impairment testing is performed if any indicators are identified. CGUs are defined as the lowest level where a separate external market exists and it is possible to distinguish independent cash inflows, normally defined as separate sites or combination of sites if they operate as one unit. Goodwill arising from acquisitions is allocated to the respective CGUs and assessed annually for impairment. The annual impairment test for goodwill is performed during Q4 each year.

If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Recoverable amounts are calculated based on their value in use. If the recoverable amount is lower than the carrying amount, the difference is recognized as an impairment loss. At each reporting date, the Group considers the possibility of reversing previous impairment losses on non-financial assets. Previously recognized impairment of goodwill will not be reversed in future periods.

Judgements and estimates

There is uncertainty associated with the assumptions used as a basis in the preparation of budgets for the calculation of value in use. These calculations require the use of estimates and assumptions about future income and expense trends. Expected or reasonably possible climate and environmental changes as well as regulatory changes responding to such changes, impacts the assessment of financial viability and remaining useful life of the assets. Such factors are assessed in the same way as uncertainties in future income and expense trends, impacting cash flow estimates used for the tests. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate.

Climate risk

The Group has conducted a physical climate risk assessment for most of the facilities indicating that some of the facilities will be increasingly exposed to climate risks in the future. The Group will monitor the identified risks going forward and continue to assess their potential impact on our business operations. For further information see the Sustainability section. The risk assessment has not had any material financial impact on the impairment tests for 2024.

Basis for impairment testing

When testing for impairment the assets are grouped in CGUs. The Group CGUs are:

- HMI Europe
- HMI North America
- BVI
- China Cylinder Production Company (CPC)

The recoverable amount of each CGU is determined using the value-in-use approach, which is based on discounted cash flows. The basis for the estimated cash flows is the Group's business plan for the period 2025-2029, on which basis different scenarios (high, base and low) have been derived. The scenarios are derived based on an assessment of transition to zero emission infrastructure and mobility solutions. As described in the Sustainability section, the Group's most significant risk is a delay in this transition. In the scenarios, high case is based on a transition rate expected at the time of the preparation of the business plan. The base and low cases are based on different levels of delays in the transition rates. Subsequently, the scenarios have been weighted with 30% for the high case, 50% for the base case and 20% for low case. The net present value is calculated based on a weighted average. The cash flow projections relate to the cash generating unit in the current condition which means future investments not commenced has not been included in the valuation. Therefore, the measured enterprise value calculated does not fully consider the longer-term growth potential in the various markets the Company is active in.

The calculations of value-in-use are sensitive to several assumptions, the following are assessed as key assumptions in the measured value:

- Revenue growth[1]
- EBITDA margin
- Discount rate / weighted average cost of capital (WACC)

[1] Growth in revenue from 2025 to perpetuity

2% revenue growth has been applied in the terminal value year for all CGUs. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC is based on 10-year risk-free interest rates in the market where the CGU operates, while the same market risk premium, size premium, beta factor and equity ratio have been applied across markets. The derived pre-tax nominal discount rate is in the range of 13.0% to 15.6%. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

All recognized goodwill in the Group is allocated to HMI Europe. The goodwill is a result of acquisition of mainly two companies in Germany that are maintained as one operating unit.

Carrying amount of goodwill for the CGU

(NOK 1 000)	2024	2023
HMI Europe	359 920	596 142
Total goodwill	359 920	596 142

Based on the assessment a goodwill impairment of NOK 227 million is recognized in the Company's accounts for the fourth quarter of 2024. The present value of the cash flow in the calculations made is, among other things, sensitive to changes in the discount rate, growth rate, and changes in the EBITDA margin. The sensitivity analysis uses the economic assumptions referred to above as their starting point. Calculations have been made based on one of the estimated economic assumptions being changed and in which the other economic assumptions remain unchanged. The calculations show that an increase in WACC of 0.5 percentage points would increase the recognized impairment with NOK 112 million, a reduction of EBITDA margin in the terminal value with 1% would increase the impairment value with NOK 164 million, and a reduction of revenue growth in terminal value year with 1% increase the impairment value with NOK 153 million.

The Group assesses property, plant, equipment (PPE), and intangible assets for impairment when indicators of impairment exist. Indicators include a more uncertain near-term market outlook and a market capitalization of the Group that has fallen below the book value of equity. Impairment tests have been performed on the following CGUs:

CGU

(NOK 1 000)	Carrying amount
HMI Europe	1 569 920
HMI North America	220 826
BVI	386 937
China Cylinder Production Company (CPC)	222 811

HMI Europe

The HMI Europe CGU covers Hexagon Purus' hydrogen cylinder and systems manufacturing activities in Europe. The table below shows the sensitivity analysis for the range of +/-2 percentage points in WACC and +/-2 percentage points in EBITDA margin in terminal value. The amounts shown are after the impairment of goodwill is recognized.

Sensitivity in headroom

(NOK 1 000)	Change in WACC		
Percentage point change in EBITDA – margin in terminal value	**(2.0%)**	**0.0%**	**2.0%**
2.0%	1 109 492	328 516	(137 025)
-	635 653	0[1]	(379 955)
(2.0%)	161 814	(328 516)	(622 885)

[1] Represents headroom in impairment calculation for the CGU after an impairment of NOK 227 million has been recognized. Negative numbers in the table indicate impairment.

HMI North America

The HMI North America CGU covers Hexagon Purus' hydrogen cylinder and systems manufacturing activities in North America, as well as its aerospace business. The table below shows the sensitivity analysis for the range of +/-2 percentage points in WACC and +/-2 percentage points in EBITDA margin in terminal value.

Sensitivity in headroom		Change in WACC		
(NOK 1 000)		(2.0%)	0.0%	2.0%
Percentage point change in EBITDA – margin in terminal value	2.0%	907 970	635 679	456 320
	-	800 758	556 200[1]	394 953
	(2.0%)	693 546	476 720	333 587

[1] Represents headroom in impairment calculation for the CGU. Negative numbers in the table indicate impairment.

BVI

The BVI CGU covers Hexagon Purus' industry-leading battery storage systems technology and complete vehicle integration services for medium- and heavy-duty trucks in North America. The table below shows the sensitivity analysis for the range of +/-2 percentage points in WACC and +/-2 percentage points in EBITDA margin in terminal value.

Sensitivity in headroom		Change in WACC		
(NOK 1 000)		(2.0%)	0.0%	2.0%
Percentage point change in EBITDA – margin in terminal value	2.0%	845 816	487 608	252 980
	-	610 202	313 407[1]	118 478
	(2.0%)	375 218	139 206	(16 023)

[1] Represents headroom in impairment calculation for the CGU. Negative numbers in the table indicate impairment

China Cylinder Production Company (CPC)

The China CPC CGU covers Hexagon Purus' hydrogen cylinder manufacturing activities in China. The table below shows the sensitivity analysis for the range of +/-2 percentage points in WACC and +/-2 percentage points in EBITDA margin in terminal value. The amounts shown are after the impairment of NOK 121 million related to assets under construction is recognized.

Sensitivity in headroom		Change in WACC		
(NOK 1 000)		(2.0%)	0.0%	2.0%
Percentage point change in EBITDA – margin terminal in value	2.0%	235 806	69 059	(27 761)
	-	134 820	0[1]	(78 407)
	(2.0%)	33 833	(69 059)	(129 052)

[1] Represents headroom in impairment calculation for the CGU after an impairment of NOK 121 million has been recognized. Negative numbers in the table indicate impairment.

The Group has identified the following CGU where impairment was considered necessary:

CGU

(NOK 1 000)	Asset category	Carrying amount before impairment	Impairment recognized	Carrying amount after impairment
China Cylinder Production Company (CPC)	Property, plant and equipment	201 740	121 454	80 286

Additional sensitivity

The sensitivities in the table below show the change in assumptions that results in zero headroom, all else being equal. Additional sensitivities for HMI Europe and China CPC have not been included as the headroom in the evaluation is zero.

(NOK 1 000)	HMI NA	BVI
Revenue in terminal value year	(42.0%)	(4.1%)
Revenue growth in the year 2025-2029	(21.21%)	(15.15%)
EBITDA margin in terminal year	(6.3%)	(2.7%)
Change in WACC (PPS)	14.84%	3.69%

Note 10 Leases

Accounting Principles

The Group has applied IFRS 16 for lease accounting. At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

For contracts that constitute, or contains a lease, the Group separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The Group then accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

At the lease commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

Right-of-use assets

The Group measures the right-of use assets at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities.

The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognized
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group.

The Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset, unless there is an option to purchase the asset which has been determined to be exercised with reasonably certainty, in which case the right of use asset is depreciated over the expected economic life of the underlying asset.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease liabilities

The lease liability is recognized at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date when the interest rate implicit in the lease is not readily determinable.

The lease payments included in the measurement comprise of:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group does not include variable lease payments in the lease liability. Instead, the Group recognizes these variable lease expenses in profit or loss.

The Group presents its lease liabilities as separate line items in the statement of financial position.

Judgements and estimates

The Group has several office and facility leases with extension options. The renewal options have been included in the calculation of the lease liability if management is reasonably certain to exercise the option to renew the contract. Management has used judgment when considering all relevant factors that create an economic incentive to extend the lease. In this assessment Management has considered the original lease term and the significance of the underlying assets, i.e. the offices and other facilities.

When the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Right-of-use assets

(NOK 1 000)	Land and buildings	Machinery and equipment	Fixtures, fittings, vehicles	2024 total
2024				
Opening balance at cost price	609 982	28 434	11 575	649 992
Opening balance accumulated deprecations	(88 812)	(10 873)	(5 541)	(105 227)
Opening balance 1 January	**521 170**	**17 561**	**6 034**	**544 765**
Additions	65 814	-	1 194	67 008
Disposal	(28 116)	-	-	(28 116)
Depreciations	(57 681)	(3 709)	(2 483)	(63 874)
Translation differences	40 584	516	278	41 378
Closing balance 31 December	**541 771**	**14 367**	**5 024**	**561 162**
Useful life	3-10 years	2-7 years	2-5 years	
Depreciation method	Linear	Linear	Linear	

(NOK 1 000)	Land and buildings	Machinery and equipment	Fixtures, fittings, vehicles	2023 total
2023				
Opening balance at cost price	189 794	21 401	5 843	217 038
Opening balance accumulated deprecations	(55 483)	(5 788)	(3 467)	(64 738)
Opening balance 1 January	**134 311**	**15 613**	**2 376**	**152 300**
Additions	425 017	6 796	5 618	437 431
Depreciations	(33 329)	(5 085)	(2 074)	(40 489)
Translation differences	(4 829)	237	114	(4 478)
Closing balance 31 December	**521 170**	**17 561**	**6 034**	**544 765**
Useful life	3-10 years	2-7 years	2-5 years	
Depreciation method	Linear	Linear	Linear	

Lease liabilities

(NOK 1 000)	2024	2023
Summary of lease liabilities		
Opening balance 1 January	**558 068**	**154 710**
New lease liabilities recognized	67 008	437 431
Disposal	(34 782)	-
Lease payments	(81 872)	(51 798)
Interest expense on lease liabilities	38 851	22 261
Currency exchange differences	45 563	(4 536)
Lease liabilities 31 December	**592 836**	**558 068**
hereof:		
Current lease liabilities	49 994	39 930
Non-current lease liabilities	542 842	518 138
Total lease liabilities 31 December	**592 836**	**558 068**

(NOK 1 000)	2024	2023
Lease liability cash flow (excl interests)		
Less than a month	3 633	2 230
1-3 months	8 838	5 789
3-12 months	37 522	31 912
Less than 1 year	49 994	39 930
1-5 years	194 494	172 969
More than 5 years	348 349	345 169
Total discounted lease liabilities 31 December	**592 836**	**558 068**

(NOK 1 000)	2024	2023
Lease interest expense cash flow		
Less than a month	3 256	3 227
1-3 months	6 448	6 434
3-12 months	27 872	28 032
Less than 1 year	37 576	37 693
1-5 years	115 924	120 958
More than 5 years	66 874	90 230
Total lease interests following periods	**220 374**	**248 880**

(NOK 1 000)	2024	2023
Undiscounted cash outflow		
Less than a month	6 889	5 457
1-3 months	15 286	12 222
3-12 months	65 394	59 944
Less than 1 year	87 570	77 623
1-5 years	310 418	293 927
More than 5 years	415 222	435 398
Total undiscounted lease liabilities 31 December	**813 210**	**806 948**

(NOK 1 1000)	2024	2023
Summary of cash outflows leases		
Cash payment for leases accounted for under IFRS 16	81 872	51 798
Variable lease payments	25 545	12 055
Cash payments related to short term leases and leases of low value	7 455	333
Total cash outflow for leases	114 873	64 186

Most of the leases for land and buildings have options to extend the contract beyond the period used in the calculations. The extension period is mostly 5-10 years. For these leases the probability of utilizing such options is not high enough to include options in the calculation of the leases. The leases do not contain any termination options that are considered significant for the calculations.

The leases do not contain any restrictions on the Group's dividend policy or financing, and there are no requirements for financial performance or ratios. The Group does not have significant residual value guarantees related to its leases to disclose. No operational risks related to leases are identified.

Note 11 Investments in associates

Accounting policy

Associates are entities where the Group has significant influence, but not control or joint control, over financial and operating management (normally a holding of between 20% and 50%).

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate and is recognized against profit/loss from investment in associates.

If there is an indication that the investment in the associate is impaired, the Group will perform an impairment test of the carrying amount of the investment. Any impairment losses are recognized as share of profit of an associate in the statement of profit or loss.

	Country	Business segment	Ownership share 31.12.2023	Ownership share 31.12.2024	Accounting method
Companies					
Cryoshelter LH2 Gmb	Austria	Other	40.0%	40.0%	Equity method
CIMC Hexagon Hydrogen Energy Systems Ltd	Hong Kong	Other	49.0%	49.0%	Equity method

Reconciliation of associated companies in the P&L

	Cryoshelter LH2 GmbH		CIMC Hexagon Hydrogen Energy Systems		Total	
(NOK 1000)	2024	2023	2024	2023	2024	2023
Share of profit after tax	(22 599)	(8 330)	(13 123)	(4 172)	(35 722)	(12 503)
PPA amortizations associated companies	-	-	-	-	-	-
Gain on loss of significant influence	-	-	-	-	-	-
Total profit/loss from investments in associated companies as per 31.12	**(22 599)**	**(8 330)**	**(13 123)**	**(4 172)**	**(35 722)**	**(12 503)**

Reconciliation of associated companies in the balance sheet

	Cryoshelter LH2 GmbH		CIMC Hexagon Hydrogen Energy Systems		Total	
(NOK 1000)	2024	2023	2024	2023	2024	2023
Carrying value as at 01.01	**23 062**	**31 258**	**27 082**	**1 771**	**50 144**	**33 029**
Share capital contribution	-	-	4 502	29 305	4 502	29 305
Share of profit after tax	(22 599)	(8 330)	(13 123)	(4 172)	(35 722)	(12 502)
Currency translation effects	(463)	134	4 508	178	4 045	312
Carrying value as per 31.12	**-**	**23 062**	**22 969**	**27 082**	**22 969**	**50 144**

Cryoshelter LH2 GmbH

In April 2022, Hexagon Composites and Hexagon Purus announced an agreement to acquire a 40% stake in Cryoshelter GmbH, an Austria based company specialized in the development of cryogenic tank technology for liquid natural gas (LNG) and liquid hydrogen (LH2). Upon closing, Cryoshelter GmbH were to be demerged into two separate legal entities, Cryoshelter BioLNG GmbH and Cryoshelter LH2 GmbH, in which Hexagon Purus were to acquire the LH2-business.

On 1 August 2022,Hexagon Purus made a EUR 3.4 million investment and acquired 40% of the shares in Cryoshelter LH2 GmbH, with options to acquire the remaining shares over the next 5-10 years. The said options do not give rise to any de-facto control and the investment is consequently accounted for by using the equity method.

During the fourth quarter of 2024, it was decided to seize the funding to Cryoshelter LH2 GmbH and end the development of liquid hydrogen storage technology. The company has initiated insolvency proceedings. Consequently, an impairment charge of NOK 19 million related to the Company's shareholding in Cryoshelter and an impairment charge of NOK 55 million related to outstanding debt to Cryoshelter was taken during the quarter.

CIMC Hexagon Hydrogen Energy Systems Ltd.

In 2021, Hexagon Purus entered into an agreement with CIMC Enric, encompassing cylinder and systems production for Fuel Cell Electric Vehicles (FCEVs) and hydrogen distribution in China and Southeast Asia.

In July 2022, CIMC Hexagon Energy Systems Ltd. was established and registered in Hong Kong, where Hexagon Purus HK Holding AS, a wholly owned subsidiary of Hexagon Purus ASA, subscribed for 49% of the shares and hold an equal amount of voting rights. CIMC Enric holds the remaining 51% of the shares. The entity is classified as an associate company and accounted for via the equity method. CIMC Hexagon Hydrogen Energy Technologies Ltd. was also established and registered in Hong Kong in July 2022. Hexagon Purus HK Holding AS holds a majority shareholding of 51% in this entity while CIMC Enric holds the remaining 49%. As Hexagon Purus controls the entity, the entity is thus consolidated in the Group accounts.

Note 12 Non-current financial assets and other non-current assets

(NOK 1 000)	2024	2023
Loans (as lender)[1]	15 000	34 249
Other shares[2]	95 403	95 403
Other non-current assets[3]	132 150	33 767
Total other non-current assets	**242 552**	**163 419**

[1] As per 31 December 2024 Loans consists of loans to Norwegian Hydrogen AS. As per 31 December 2023 loans consists of loan to Cryoshelter LH2 GmbH. This loan is written down to zero per 31 December 2024.

[2] Other shares represent the fair value of Hexagon Purus' shares in Norwegian Hydrogen AS. See note 10,16 and 17 for further information.

[3] Other non-current assets mainly consist of NOK 97 million prepayment of materials and NOK 27 million in rent deposits.

Note 13 Inventories

Accounting policy

Inventory is recognized at the lower of historical cost and net realizable value. Net realizable value is the estimated selling price (in the normal course of business) less the estimated cost of completion and the estimated cost necessary to make the sale. Cost is based on the weighted average cost formula, and includes the cost incurred in acquiring the goods and the cost of bringing the goods to their current state and location.

Goods produced by the Group itself include variable and fixed costs that can be allocated based on normal capacity utilization. Where inventory items purchased internally in the Group contain an element of profit, this profit element is eliminated until the inventory items are sold from the Group.

(NOK 1 000)	2024	2023
Raw materials and consumables	418 328	265 378
Work in progress	139 784	88 931
Finished goods	135 949	127 387
Total inventories	**694 061**	**481 695**
Provision for obsolete inventory in balance sheet	27 882	24 584
Carrying amount of holdings used as pledged assets	-	-

Provisions for obsolete inventory in the balance sheet are presented net for each category of inventory.

Note 14 Trade receivables

Accounting Policy

Trade receivables are recognized at transaction price and subsequently measured at initial recognized amount less impairment losses.

(NOK 1 000)	2024	2023
Trade receivables	355 399	277 961
Provisions for loss	(3 967)	(2 987)
Trade receivables after provision for losses	351 432	274 974
Carrying amount of trade receivables used as pledged assets	-	-

If losses on trade receivables are incurred it is classified as other operating expenses in the income statement. In the assessment, consideration is made to guaranteed and insured amounts (see note 19 concerning credit risk). Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets:

As of 31 December the company had the following ageing of trade receivables

	Trade receivables						
	Contract assets	Not due	<30 days past due	30–60 days past due	60–90 days past due	>90days past due	Total
2024							
Expected credit loss rate	-	-	-	3.2%	5.2%	12.2%	
Gross carrying amount at default	-	221 619	77 315	30 782	2 230	23 453	355 399
Expected credit loss		-	-	(985)	(115)	(2 867)	(3 967)
Net carrying amount	-	221 619	77 315	29 797	2 115	20 586	351 432
2023							
Expected credit loss rate	-	-	-	3.2%	5.2%	8.1%	
Carrying amount at default	11 168	195 624	32 009	21 041	1 718	27 569	277 961
Expected credit loss				(673)	(89)	(2 225)	(2 987)
Net carrying amount	11 168	195 624	32 009	20 368	1 628	25 344	274 974

Changes in the provision for losses are as follows

(NOK 1 000)	2024	2023
Opening balance 1 January	2 988	1 965
Provision for losses	1 536	911
Actual losses	(751)	-
Translation differences	195	111
Closing balance 31 December	**3 967**	**2 987**

Credit risk and currency risk regarding trade receivables are described in more detail in note 19

Note 15 Other current assets

(NOK 1 000)	2024	2023
Other debtors	-	27 226
Prepaid expenses	77 508	148 781
Prepayment to suppliers	635	27 629
Entitlement to VAT and sales tax	47 998	20 878
Entitlement to income tax refund	-	45
Other	24 421	5 915
Total other current assets	**150 561**	**230 474**

Note 16 Bank deposits, cash and cash equivalents

Accounting policies

Cash consists of cash at hand. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months. Any positive and negative balances against bank overdrafts are included as a component of cash in the cash flow statement.

The cash flow statement has been prepared using the indirect method. Bank overdrafts are reported under short-term loans in the balance sheet. Received interest income is classified as investment activities and interest payments is classified as financing activities in the cash flow statement.

(NOK 1 000)	2024	2023
Cash at bank and in hand	1 027 732	307 485
Undrawn Group overdraft facility	-	8 430
Restricted funds included in cash & cash equivalents[1]	13 606	5 357

[1] Restricted funds represents bank deposits for tax deductions in Norway and short term rent deposit.

Note 17 Net financial items

(NOK 1 000)	2024	2023
Interest income	24 282	29 564
Foreign exchange items	75 738	56 181
Other finance income	12	17 928
Total finance income	**100 032**	**103 673**
Loss on exchange items	58 932	81 491
Cost of interest on loans	210 129	83 373
Cost of interest on lease liabilities	38 851	22 261
Other finance expense	57 492	98
Total finance expense	**365 404**	**187 223**
Net financial items	**(265 372)**	**(83 550)**

Other finance income in 2023 reflects NOK 18 million in revaluation gain of the Company's ownership interest in Norwegian Hydrogen AS. The valuation of the ownership interest in Norwegian Hydrogen AS has not changed in 2024.

Cost of interest on loans includes NOK 203 (NOK 61) million in non-cash interest on the 2023/2028 and 2024/2029 convertible bonds. See note 25 for more information.

Other finance expense includes the impairment of the receivable on the associated company Cryoshelter LH2 GmbH of NOK 55 million. See note 11 for more information.

Note 18 Financial assets and financial liabilities

Accounting policies

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Group's financial assets are mainly trade receivables, cash and cash equivalents, loans to associates and investment in Norwegian Hydrogen AS. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's intention for managing them. The Group classified its financial assets as financial assets at amortized cost, except for the investment in Norwegian Hydrogen AS that it classified at fair value through profit and loss.

Financial assets at amortized cost

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include trade receivables and other short-term deposits. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
  either
- the Group has transferred substantially all the risks and rewards of the asset, or
- the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Financial liabilities

Financial liabilities are subsequently recognized at amortized cost, as loans and borrowings and payables.

Loans, borrowings and payables

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

Contingent consideration in business combinations is recognized and measured to fair value, and changes in fair value is included in the statement for profit and loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Impairment of financial assets

For trade receivables and contract assets, the Group uses a simplified approach to calculating expected credit losses (ECL). Therefore, the Group does not track changes in credit risk but instead recognizes a loss allowance based on ECLs over the life of the trade receivable and the contract asset on each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Further information on any impairment of financial assets is provided in notes 14 and 19

Financial assets

Set out below, is an overview of financial assets, other than cash and short-term deposits, held by the Group as of 31 December 2024 and 31 December 2023.

Financial assets

(NOK 1 000)	2024	2023
Financial assets at amortized costs		
Trade receivables	351 432	274 974
Other non-current financial assets	15 000	34 249
Other current financial assets	-	38 394
Financial assets at fair value		
Investment in Norwegian Hydrogen AS	95 403	95 403
Total	**461 835**	**443 019**
Total current	351 432	313 368
Total non-current	110 403	129 651

Financial liabilities

Set out below is an overview of financial liabilities held by the Group as of 31 December 2024 and 31 December 2023.

Financial liabilities

(NOK 1 000)	2024	2023
Financial liabilities at amortized cost		
Trade and other payables	260 153	220 457
Non-current interest bearing loans and borrowings	1 569 251	596 482
Current interest bearing loans and borrowings	3 346	2 317
Financial liabilities at fair value		
Other current financial liabilities (Contingent liabilities)	-	42 539
Total	**1 832 750**	**861 796**
Total current	263 499	265 313
Total non-current	1 569 251	596 482

Measurement of fair value

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This relates to interest bearing receivables and liabilities and are estimated based on calculating the net present value of future cash flows, using interest rate curves, exchange rates and currency spreads as of the balance sheet date.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. The fair value of unlisted equity investments is estimated by using commonly used valuation techniques or by implicit valuations derived from private placements undertaken in the companies.

Carrying amount and fair value of financial assets and financial liabilities

		2024		2023	
(NOK 1 000)	Level	Book value	Fair value	Book value	Fair value
Financial assets					
Other non-current financial assets	3	95 403	95 403	95 403	95 403
Other non-current assets	2	15 000	15 000	34 249	34 249
Other current financial assets	2	-	-	38 394	38 394
Total financial assets		**110 403**	**110 403**	**168 045**	**168 045**
Total current		-	-	38 394	38 394
Total non-current		110 403	110 403	129 651	129 651
Financial liabilities					
Interest bearing loans and borrowings	2	1 572 597	1 572 597	598 799	598 799
Other current financial liabilities	3	-	-	42 539	42 539
Total financial liabilities		**1 572 597**	**1 572 597**	**641 339**	**641 339**
Total current		3 346	3 346	44 856	44 856
Total non-current		1 569 251	1 569 251	596 482	596 482

Management has assessed that the fair values of bank deposits, cash and cash equivalents, trade receivables, other non- current assets, trade payables, and other current liabilities approximate their carrying amounts. Fair value of interest-bearing loans and borrowings are calculated at the date of capitalization. There are no material changes to this assessment av of 31 December 2024.

Note 19 Financial risk management

Accounting policies

The Group's principal financial liabilities are comprised of interest-bearing loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operation or is derived from its operations. The Group's principal financial assets include trade receivables, cash and cash equivalents that is derived directly from its operations or from external financing.

The Group is amongst other exposed to interest rate risk, liquidity risk, currency risk and credit risk. The Group's management regularly evaluates these risks and defines guidelines on appropriate financial risk governance framework for the Group. Procedures for risk management are adopted by the Board of Directors and carried out by the Chief Financial Officer in close cooperation with the Group's subsidiaries.

The Group may use financial instruments under its strategy to hedge risks associated with interest rates and foreign currency fluctuations. The Group is not using any such instruments for the time being.

Credit risk

The Group is mainly exposed to credit risk associated with trade receivables and contract assets. The Group mitigates its exposure to credit risk by ensuring that all parties requiring credit (primarily trade receivables) are approved and undergo a credit check.

Trade receivables amounted to NOK 351 million (NOK 275 million) as of 31 December 2024. The Group does currently not utilize credit insurance but does on a case-by-case basis use letter of credits and prepayments from customers to mitigate credit risk and finance the purchase of long lead-time inventory.

The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history and that outstanding amounts do not exceed the defined credit limits. Credit information is also used in the Group's regular appraisal of new and existing customers.

The Group has currently not issued guarantees for third party obligations.

The carrying amount of the financial assets in the balance sheet represents the maximum risk exposure. The Group considers its maximum risk exposure to be the carrying amount of its trade receivables, contract assets and other current assets.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provisions are based on days past due for grouping of various customer segments with similar loss patterns (i.e. geographical region, product type, customer type and rating, coverage by letter of credit or prepayments or other forms of credit insurance). The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Note 14 provides information about the credit risk exposure to the Group's trade receivables and contract assets.

Interest rate risk

The Group's interest-bearing liabilities from financial institutions and its convertible bonds have fixed interest rates, which means it is not affected by changes in interest rates. The Group has substantial amounts in bank deposits at year-end, which are exposed to changes in interest rates, but the risk is considered to be limited.

The Group's finance function regularly evaluates the interest rate exposure of Hexagon Purus' assets and liabilities based on a total assessment of interest expectations and risk profile. The Group may use derivatives to adjust its effective interest rate exposure but has considered this unnecessary for the time being.

The average effective interest rate on financial liabilites was as follows

	2024	2023
Loan from related party	na	5.2%
Loan from financial institutions	1.56% - 2.88%	1.56% - 7.50%
Convertible bond	6% and 10%	6%
Leases	2.50% - 10.50%	2.50% - 10.50%

The following table shows the group's sensitivity to potential changes in interest rates for loans from financial institutions. The calculations take into account all interest-bearing instruments and associated interest rate derivatives (if any) as of 31 December.

	Change in interest rates in base points	Effect on profit/loss before tax (NOK 1 000)	Gains or losses on interest rate derivatives in comprehensive income before tax (NOK 1 000)
2024	+100	(222)	-
	(100)	222	-
2023	+100	(212)	-
	(100)	212	-

As of 31 December 2024 all of the outstanding interest-bearing loans have fixed interest, see note 24.

Therefore the table above must be seen as an illustration of how the net effect would have effected the profit/loss before tax.

Liquidity risk

Liquidity risk is the risk of the group not being in a position to fulfil its financial liabilities when they fall due. The Group's strategy for managing liquidity risk is to set a level of available liquidity to enable it to discharge its financial liabilities when they fall due, both under normal and unexpected circumstances, without risking unacceptable losses or damaging the Group's reputation.

Currently, the Group’s excess liquidity is in bank deposits.

Going concern

This assumption is based on financial forecasts for 2025 as well as the Company’s long-term strategic forecasts. At the date of this report the Company has a solid financial position with sufficient liquidity.

31 December 2024 Remaining period

(NOK 1 000)	Less than 1 month	1–3 months	3–12 months	1–5 years	5 years+	Total
Loans from financial institutions	279	836	2 230	9 646	11 757	24 748
Interest on loans from financial institutions	41	122	325	1 715	234	2 437
Leases	3 633	8 838	37 522	194 494	348 349	592 836
Interest on leases	3 256	6 448	27 872	115 924	66 874	220 374
Convertible bond	-	-	-	2 703 946	-	2 703 946
Trade payables	188 617	57 850	13 686	-	-	260 153
Total	**195 826**	**74 095**	**81 635**	**3 025 725**	**427 213**	**3 804 494**

31 December 2023 Remaining period

(NOK 1 000)	Less than 1 month	1–3 months	3–12 months	1–5 years	5 years+	Total
Loans from financial institutions	193	579	1 545	11 720	13 126	27 163
Interest on loans from financial institutions	40	119	317	1 274	846	2 596
Leases	2 230	5 789	31 912	172 969	345 169	558 068
Interest on leases	3 227	6 434	28 032	120 958	90 230	248 880
Convertible bond	-	-	-	1 075 133	-	1 075 133
Other current financial liabilities	-	-	42 540	-	-	42 540
Trade payables	200 380	46 008	6 676	2 366	283	255 712
Total	**203 716**	**53 133**	**110 794**	**1 384 420**	**449 653**	**2 201 716**

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

As the Group has production and sales in different countries with different functional currencies, it is exposed to currency risk associated with movements in NOK against other currencies, while the Group's presentation currency is NOK. The Group's profit after tax is also affected by currency movements, as the results of foreign companies are translated to NOK using the weighted average exchange rate for the period.

Currency risk is calculated for each currency and takes into consideration assets and liabilities, and highly probable purchases and sales in the relevant currency.

The Group can use forward contracts or other hedging instruments to reduce its currency risk from cash flows denominated in foreign currencies. For the time being, the Group has no such contracts.

(NOK 1 000)	Movement of NOK against USD	Effect on profit/ loss before tax	Effect on OCI pre tax
2024	+10%	(22 754)	-
	(10%)	22 754	-
2023	+10%	(19 789)	-
	(10%)	19 789	-

(NOK 1 000)	Movement of NOK against EUR	Effect on profit/ loss before tax	Effect on OCI pre tax
2024	+10%	(53 418)	-
	(10%)	53 418	-
2023	+10%	(38 277)	-
	(10%)	38 277	-

The table explains the effect on the Group's profit/loss from +/- 10% change in EUR or USD.

Capital structure and equity

Hexagon Purus' capital structure management should ensure appropriate levels of equity and debt in relation to the Group's operations. Up until 2023, the Company had primarily been equity funded, but during 2023 the Group announced the issuances of two convertible bonds with a total face value of approximately NOK 1.8 billion, see note 25. Furthermore, in October 2024, the Group announced a NOK 1.0 billion equity capital raise.

The Group manages its capital structure by regularly assessing the Group's operating and financial outlook as well as the prevailing macroeconomic and capital markets conditions. The Board of Directors is granted the power to increase the share capital by maximum NOK 10.568 million in face value. In additions The Board of Directors is granted the power to increase the share capital by maximum NOK 10.050 million in face value for issue of shares in connection with incentive programs for employees. No other changes to guidelines or capital structure are planned at the time of authorization of this report.

It is targeted that the Group's shareholders shall receive a competitive return on their shares, mainly through price increases in the Group's shares. The Group is not expecting to pay dividends in the short to medium-term.

Note 20 Short term provisions

Accounting policies

A provision is a liability of uncertain timing or amount. Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and that the size of the amount can be measured reliably. If the effect is significant, the provision is calculated by discounting estimated future cash flow using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically associated with the obligation.

A provision for guarantees is recognized when the underlying products or services are sold. The provision is based on historical information about guarantees and a weighting of possible outcomes according to the likelihood of their occurrence. A provision for onerous contracts is recognized when the Group's expected economic benefits under the contract are lower than the unavoidable costs of meeting the obligations under the contract.

Judgements and estimates

Estimates related to product warranty provisions

Management estimates warranty provisions using information on historical warranty costs and other relevant information relevant to future warranty claims. Factors that can influence estimated liabilities include the results of productivity and quality initiatives, as well as prices of materials.

Provisions, Contingent Liabilities and Contingent Assets

When selling its products as services, the Group is recognizing a provision for guarantee cost related to these items. The provision is an estimate based on historical information about guarantees and a weighting of possible outcomes according to the likelihood of their occurrence. If there are specific incidents that are outside the normal course of business the Group increases the provision based on the best estimate at the time. In such cases, including product liability cases, the estimates are prepared based on experience, professional judgment of legal counsel, and other assumptions it believes to be reasonable.

A provision for onerous contracts is recognized when the Group's expected economic benefits under the contract are lower than the unavoidable costs of meeting the obligations under the contract.

(NOK 1 000)	2024	2023
Balance 1 January	65 782	38 227
Translation differences	4 099	2 278
Provisions for the year	16 074	28 195
Provisions used (and reversed) during the year	(9 444)	(3 765)
Reversals of provision	(6 770)	-
Warranty provision, other changes	(306)	847
Balance 31 December	**69 435**	**65 782**

The Group seeks to minimize the level of warranty or other claims from third parties through a diligent focus on quality. The Group also seeks to consistently recognize any potential impact of unanticipated events. Provisions are made for both general and, if required, specific warranty claims.

Such provisions are typically based on:

i) historical warranty costs levels for equivalent products and services,

ii) assessment of any ongoing third-party legal disputes or quality related matters in the ordinary course of business. In such cases, including products liability cases, the Group prepares estimates based on experience, professional judgment of legal counsel, and other assumptions it believes to be reasonable. The Group also recognizes an asset if insurance covers all or part of any recorded liability. As additional information becomes available, potential liability related to pending litigation is reassessed and related estimates are updated, and

iii) a forward view based on the changing levels and complexity of business activities.

The warranty period is mostly one year from delivery with exceptions for individual contract. The provision can therefore be expected to be related to ongoing activity and new contracts.

Note 21 Pensions

Pension plans in Hexagon Purus

The Norwegian companies in the Group are legally obliged to have occupational pension arrangements under the Norwegian Mandatory Occupational Pension Act. The Norwegian pension arrangements satisfy the requirements of this act. This arrangement is a defined contribution plan.

The Group's subsidiaries in the US offers defined contribution plans subject to US statutory requirements. The defined contribution plans cover full-time employees and employer contributions range up to 6% of defined compensation subject to employee contributions. For some of the plans, there can also be an additional payment at the end of the year in accordance with the terms of the defined contribution plan.

In Germany, most employees are not covered by a pension plan. There is a historical defined benefit plan with a very limited participation. The obligation for the defined benefit pension plans is calculated on a straight-line basis. Unrealized gains and losses resulting from changes in actuarial assumptions are recognized in other comprehensive income. There are six retired employees in the pension plan.

The pension liability is calculated by an actuary. A summary of the Group's net pension liability is presented below. Based on the limited participation and liability of the defined benefit pension plans, the plan is considered of low significance for the Group.

Summary of pension cost

(NOK 1 000)	2024	2023
Defined contribution pension plan	11 281	8 762
Defined benefit pension plan	218	109
Total	**11 499**	**8 870**

Pension related assets and liabilities

(NOK 1 000)	2024	2023
Pension liabilities	1 696	1 717

Note 22 Share capital and share premium

Accounting Policy

Financial instruments are classified as liabilities or equity in accordance with the underlying economic realities. Interest, dividend, gains and losses to a financial instrument classified as a liability will be presented as finance income or expense. Amounts distributed to holders of financial instruments that are classified as equity will be recorded directly in equity. Transaction costs directly related to an equity transaction are recognized directly in equity.

Share capital and shareholders

	2024	2023
Ordinary shares of NOK 0.10 (2024/2023)	428 486 108	276 797 456
Total number of shares	**428 486 108**	**276 797 456**

The Company's share capital consists of one class of shares and is fully paid-up.

Changes in share capital and share premium

	Number of shares		Share capital (NOK 1 000)		Share premium (NOK 1 000)	
	2024	2023	2024	2023	2024	2023
Ordinary shares						
Issued and paid 1 January	276 797 456	258 278 937	27 680	25 828	1 342 308	1 542 880
Issued new share capital	151 688 652	18 518 519	15 169	1 852	986 000	497 976
Transaction cost					(31 289)	(25 846)
Issued and paid, end of period	**428 486 108**	**276 797 456**	**42 849**	**27 680**	**2 297 019**	**2 015 010**
Transferred to share premium						(672 702)
Net total					**2 297 019**	**1 342 308**

The company does not hold any treasury shares.

On 1 March 2023, the Company announced the issuance of 18 518 519 new shares in a private placement at the price of NOK 27.00 per share. The Company raised approximately NOK 500 million in gross proceeds.

In November 2024, the Company issued 145 000 000 new shares in a private placement at the price of NOK 6.90 per share. The Company raised approximately NOK 1 000 million in gross proceeds.

In connection with the issuance of the 2023/2028 and the 2024/2029 convertible bonds, the Company issued a total of 370 million warrants and 18.5 million additional warrants. Each warrant represents a right for the subscriber to subscribe for one new ordinary share in the Company if there is a capital increase. The subscription price per share when exercising the Warrants shall equal the subscription price per share in the relevant capital increase as the Warrants are exercised in connection with. These warrants are classified as debt instruments with a fair value of NOK 0 as the subscription price is equal to market value. For the additional warrants the subscription price per share shall equal the par value of the Company's shares at the relevant date. These warrants are classified as equity instruments combined with the equity portion of the convertible debt. During 2024 5 778 910 additional warrants were exercised.

20 Largest shareholders as of 31 December 2024

	Number of shares	Shareholding
HEXAGON COMPOSITES ASA	164 578 833	38.4%
CLEARSTREAM BANKING S.A.	59 675 053	13.9%
Sumitomo Mitsui Trust Bank (U.S.A)[1]	58 978 293	13.8%
MP PENSJON PK	12 804 281	3.0%
The Bank of New York Mellon SA/NV	11 307 883	2.6%
FLAKK COMPOSITES AS	10 268 728	2.4%
Citibank Europe plc	8 209 582	1.9%
DNB Markets Aksjehandel/-analyse	5 649 355	1.3%
VERDIPAPIRFONDET DELPHI NORGE	5 156 700	1.2%
Deutsche Bank Aktiengesellschaft	4 563 809	1.1%
DANSKE BANK	4 273 616	1.0%
Nordnet Bank AB	3 451 167	0.8%
The Bank of New York Mellon SA/NV	3 355 500	0.8%
The Bank of New York Mellon	3 021 755	0.7%
NØDINGEN AS	2 460 626	0.6%
VERDIPAPIRFONDET STOREBRAND NORGE	1 863 019	0.4%
State Street Bank and Trust Comp	1 861 878	0.4%
Caceis Bank	1 814 909	0.4%
U.S. Bank National Association	1 627 070	0.4%
UBS Switzerland AG	1 450 622	0.3%
Total of 20 largest shareholders	**366 372 629**	**85.5%**
Remainder	62 113 479	14.5%
Total	**428 486 108**	**100.0%**

[1] SUMITOMO MITSUI TRUST BANK (U.S.A) is a nominee account for Mitsui & Co Ltd.

Note 23 Share-based payment

Programs

As of 31 December 2024, the Company had four share-based long-term incentive plans outstanding consisting of performance share units (PSU) and restricted share units (RSU).

Performance share units programs

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

Restricted share units program

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

The fair value of the RSUs and PSUs are calculated on the grant date, using Black-Scholes and Monte Carlo simulation, and the cost is recognized over the service period. Cost of the RSU and PSU schemes, including social security, was NOK 31.4 million full year in 2024 (NOK 24.4 million as of 31 December 2023). The unamortized fair value of all outstanding RSUs and PSUs as of 31 December 2024 is estimated to be NOK 58.0 million (NOK 42.3 million).

There are no cash settlement obligations.

Performance share units' programs (PSUs)

	LTIP 2022 - Issued 2022	LTIP 2023 - Issued 2023	LTIP 2024 - Issued 2024	LTIP 2025 - Issued December 2024
Opening balance, number of instruments	988 686	1 637 823	-	-
Grants	-	-	1 925 000	-
Lapsed/cancelled	(15 000)	(52 000)	-	-
Closing balance	973 686	1 585 823	1 925 000	-
Fair value – at grant date (NOK)	33.99	22.57	7.74	-
Vesting period	3 years	3 years	3 years	-
Expiry	Q1 2025	Q1 2026	Q1 2027	-

Restricted share units' programs (RSUs)

	LTIP 2022 - Issued 2022	LTIP 2023 - Issued 2023	LTIP 2024 - Issued 2024	LTIP 2025 - Issued December 2024
Opening balance, number of instruments	78 080	109 284	-	-
Grants	-	-	960 000	4 840 000
Lapsed/cancelled	(5 000)	-	-	-
Closing balance	73 080	109 284	960 000	4 840 000
Fair value – at grant date (NOK)	27.76	22.04	7.42	5.89
Vesting period	3 years	3 years	3 years	3 years
Expiry	Q1 2025	Q1 2026	Q1 2027	Q1 2028

Note 24 Earnings per share

Earnings per share is calculated by dividing profit for the year by the weighted average number of shares outstanding. The Company has potential dilutive shares through convertible bond instruments as well as share-based payment incentive plans. Diluted earnings per share is however set equal to ordinary earnings per share due to negative profit after tax.

(NOK 1 000)	Note	2024	2023
Profit/loss for the year flowing to holders of ordinary shares			
Profit/loss for the year		(1 109 795)	(672 702)
Weighted average number of shares outstanding 31 December			
Ordinary shares issued 01.01	23	276 797 456	258 278 937
Issued new shares		151 688 652	18 518 519
Outstanding number of shares 31.12		428 486 108	276 797 456
Weighted average number of shares outstanding 31.12[1]		302 774 819	273 804 052
Profit/loss per share		(3.67)	(2.46)
Diluted number of shares outstanding 31 December			
Ordinary shares issued 01.01	23	276 797 456	258 278 937
Issued new shares		151 688 652	18 518 519
Outstanding shares 31.12 adjusted for dilution effects		428 486 108	276 797 456
Weighted average number of shares outstanding 31.12 adjusted for dilution effects		302 774 819	273 804 052
Diluted profit/loss per share		(3.67)	(2.46)

[1] Weighted average number of shares 31 December represented by closing balance 31 December

There are 10 466 873 instruments (including contingently issuable shares), consisting of 1 142 364 RSUs and 9 324 509 PSUs, that could potentially dilute basic earnings per share in the future.

The subscribers in the Convertible Bond Private Placements received a total of 370 million non-transferable warrants and 18.5 million non-transferable additional warrants, see note 25 for more information.

These are not included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented.

Note 25 Interest-bearing liabilities

(NOK 1 000)	2024	2023
Opening balance	598 799	44 030
Exchange difference	1 413	5 344
Repayment of loans	(5 260)	(20 000)
Transaction cost and accrued interest	208 548	62 834
Proceeds from new loans	769 097	506 591
Closing balance 31 December	**1 572 597**	**598 799**

Convertible debt issuance

The Company has two outstanding senior unsecured convertible bonds (2023/2028 and 2024/2029) amounting to a face value of NOK 1 799 950 million at the respective time of issuance.

The 2023/2028 convertible bond with an outstanding amount of NOK 800 000 000 was issued in March 2023 and carries a fixed interest rate of 6 per cent paid semi-annually in kind, through issuance of additional bonds. The conversion price of the bond is set at NOK 33.75, and the conversion right can be exercised at any time between the loan issue and the last conversion date, which is set to 16 March 2028, being the date which is 5 years after the Shareholders' Meeting that resolved the convertible bond. Mitsui & Co., Ltd. ("Mitsui"), which subscribed for an amount of NOK 500 000 000 under the 2023/2028 convertible bond, entered into a 2-year lock-up on its investment in the 2023/2028 convertible bond, under which it may not transfer its bonds during this time period. Further, Mitsui entered into a 180-day lock-up for shares received upon conversion prior to 3 years from the disbursement date of the 2023/2028 convertible bond, and a 90-day lock-up for shares received upon conversion after 3 years from the disbursement date of the 2023/2028 convertible bond. Furthermore, Mitsui has entered into an additional lock-up in respect of the 2023/2028 convertible bond and the 2024/2029 convertible bond, as described below.

The 2024/2029 convertible bond with an outstanding amount of NOK 999 950 000 was issued in February 2024 and carries a fixed interest rate of 10 per cent paid semi-annually in kind, through issuance of additional bonds. The conversion price of the bond is set at NOK 12.61, and the conversion right can be exercised at any time between the loan issue and the last conversion date, which is set to 11 January 2029, being the date which is 5 years after the Shareholders' Meeting that resolved the convertible bond. Mitsui, which subscribed for an amount of NOK 500 000 000 under the 2024/2029 convertible bond, entered into a 2-year lock-up on its investment in the 2024/2029 convertible bond, under which it may not transfer its bonds during this time period. Further, Mitsui entered into a 180-day lock-up for shares received upon conversion prior to 3 years from the issue date of the 2024/2029 convertible bond, and a 90-day lock-up for shares received upon conversion after 3 years from the issue date of the 2024/2029 convertible bond. Furthermore, Mitsui has entered into an additional lock-up in respect of the 2023/2028 convertible bond and the 2024/2029 convertible bond, as described below.

On 25 September 2024, the Company signed an agreement with Mitsui where the parties have agreed that Mitsui shall not use a right to convert to ordinary shares or to dispose of any of its convertible bonds under the 2023/2028 convertible bond or the 2024/2029 convertible bond, without the written consent of the Board of Directors of the Company until the earlier of (i) the date on which the Company becomes profitable on a Profit After Tax (PAT) basis (measured by PAT attributable to equity holders of the parent in the Company's group income statement), and (ii) 1 January 2028 for the 2023/2028 convertible bond and 1 January 2029 for the 2024/2029 convertible bond, respectively (together referred to as the "Additional Lock-up"). The Additional Lock-up applies to Mitsui only, and the rights for other holders of the 2023/2028 convertible bond and 2024/2029 convertible bonds are as per the original convertible loan agreements. The Additional Lock-up shall not apply in certain events, including the occurrence of a Corporate Transaction Event (as defined in the terms for the convertible bonds), event of default or tender offer relating to the Company. The terms of the existing lock-up undertakings provided by Mitsui, as described above, will remain in force.

The convertible bonds are compound financial instruments which contain an equity component and a debt component. Upon initial recognition, the debt component is calculated as the discounted value of the bond assuming no conversion with an approximate market interest rate for similar loans without the conversion feature as the discount rate. For calculation purposes, a 15 per cent discount rate has been applied, yielding a fair value at initial recognition of the debt component of NOK 521.6 million for the 2023/2028 bond and NOK 790.3 million for the 2024/2029 bond. The equity component equals the residual difference between the fair value of the convertible bond at issuance and the fair value of the debt component and amounts thus to NOK 278.4 million for the 2023/2028 bond and NOK 209.7 million for the 2024/2029 bond. Transaction costs related to the bond issue amounted to NOK 23.1 million for the 2023/2028 bond and NOK 26.8 million for the 2024/2029 bond and have been capitalized pro rata between the debt and equity component. See summarized tables related to the convertible bonds below.

2023/2028 Convertible bond
Convertible bond accounting reconciliation

(NOK 1 000)	Principal amount	Transaction costs	Amount at initial recognition	Accumulated interests	Amortized transaction costs	Carrying amount 31.12.2024
Liability component	521 648	(15 057)	506 591	151 867	4 059	662 517
Equity component	278 352	(8 034)	270 318	-	-	270 318
Total	800 000	(23 091)	776 909	151 867	4 059	932 835

2024/2029 Convertible bond
Convertible bond accounting reconciliation

(NOK 1 000)	Principal amount	Transaction costs	Amount at initial recognition	Accumulated interests	Amortized transaction costs	Carrying amount 31.12.2024
Liability component	790 290	(21 193)	769 097	112 369	2 939	881 466
Equity component	209 660	(5 622)	204 037	-	-	204 037
Total	999 950	(26 815)	973 134	112 369	2 939	1 085 503

Wystrach GmbH has three externally secured loans with Volksbank an der Niers eG and Deutsche Bank AG. The loans have fixed interest rates, and maturity from 30.11.2025 to 30.03.2037. As of period end, there were no breaches of the financial covenant under the financing agreements. Movements in the year on non-current and current loans were primarily due to repayments and reclassifications.

Carrying amount

(NOK 1 000)	Interest rate conditions	Currency	Maturity	2024	2023
Secured loans					
Volksbank an der Niers eG	1.55%	EUR	30.09.2036	7 052	3 089
Deutsche Bank AG	2.88%	EUR	30.06.2033	16 280	16 781
Deutsche Bank AG	1.79%	EUR	30.11.2025	1 417	7 292
Total non-current liabilities, not including 1st year's instalments				24 748	27 163

As of 31 December 2024

(NOK 1 000)	2025	2026	2027	2028	2029	Thereafter
Repayments structure for non-current liabilities (1st year as current)	3 345	1 929	1 929	1 929	1 929	13 686

Reconciliation for liabilities arising from financing activities

(NOK 1 000)	Financial liabilities	Lease liabilities	Total
Liabilities 1 January 2024	641 339	558 068	1 136 573
Financing activities with cash settlement			
Repayment of loans and liabilities	(5 260)	-	(5 260)
Repayment of lease liabilities	-	(43 022)	(43 022)
Proceeds from loans and liabilities	999 950	-	999 950
Settlement of contingent consideration of business combination	(42 539)	-	(42 539)
Financing activities without cash settlement			
Accrued interest and transaction cost	181 713	-	181 713
Equity component bond loan	(204 037)	-	(204 037)
New lease liabilities		67 008	67 008
Disposals of lease liabilities	-	(34 782)	(34 782)
Exchange differences	1 431	45 563	46 994
Balance 31 December 2024	**1 572 597**	**592 836**	**2 165 433**
Liabilities 1 January 2023	158 871	154 710	313 580
Financing activities with cash settlement			
Repayment of loans and liabilities	(105 693)	-	(105 693)
Repayment of lease liabilities	-	(29 537)	(29 537)
Proceeds from loans and liabilities	776 909	-	776 909
Financing activities without cash settlement			
Accrued interest and transaction cost	62 834	-	62 834
Equity component bond loan	(270 318)	-	(270 318)
New lease liabilities		437 431	437 431
Exchange differences	18 736	(4 536)	14 200
Balance 31 December 2023	**641 339**	**558 068**	**1 199 407**

Note 26 Short-term interest-bearing loans

(NOK 1 000)	2024	2023
Secured current interest-bearing liabilities		
1st year's instalments, non-current interest-bearing liabilities	3 346	2 317
Total	**3 346**	**2 317**
1st year's instalments, lease liabilities	49 994	39 930

Note 27 Other current liabilities

(NOK 1 000)	2024	2023
Public duties payable	18 001	7 996
Accrued expenses and other current liabilities	45 041	73 274
Other current liabilities	61 569	49 900
Total	**124 611**	**131 170**

Note 28 Related parties disclosure

The Group's related parties consist of associates, main shareholders, members of the Board of Directors and executive management.

The following table provides the total amount of transactions that have been entered into with related parties during the year, as well as balances with related parties as at 31 December 2024 and 31 December 2023. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

There are no sales to, purchases from, loans to, receivables or liabilities/payables to main shareholders and members of the Board of Directors, except for the balances towards Hexagon Composites ASA and its subsidiaries as disclosed below.

There are no sales to, purchases from, loans to, receivables or liabilities/payables to the executive management personnel of the Group, except for any short-term postings related to salary payout and remuneration of out-of-the pocket expenses.

There are no sales to, purchases from, loans to, receivables or liabilities/payables to associated companies of the Group, except for the investment in and loan to associated companies (see note 11).

The Income statement includes the following amounts resulting from transactions with Hexagon Composites ASA Group

The Income statement includes the following amounts resulting from transactions with Hexagon Composites ASA Group

(NOK 1 000)	2024	2023
Sales revenue	63 074	42 311
Cost of materials	468 426	583 943
Other operating expenses	54 218	39 461
Interest expenses from related parties	-	1 525

The balance sheet includes the following amounts resulting from transactions with Hexagon Composites ASA Group

(NOK 1 000)	2024	2023
Trade receivables	7 143	10 442
Trade payables	23 123	157 908

Remuneration of the board and management

2024

NOK 1 000	Salaries and fees	One-year variable[1]	Employment benefits	Paid pension premium	Multi-year variable[2]	Total remuneration 2024
Executive management	21 845	11 796	643	1 310	17 213	52 806
Board of directors	3 599	-	-	-	-	3 599
Total remuneration	**25 444**	**11 796**	**643**	**1 310**	**17 213**	**56 405**

2023

NOK 1 000	Salaries and fees	One-year variable [1]	Employment benefits	Paid pension premium	Multi-year variable[2]	Total remuneration 2023
Executive management	21 733	9 775	285	1 642	12 323	45 758
Board of directors	2 548	-	-	-	-	2 548
Total remuneration	**24 281**	**9 775**	**285**	**1 642**	**12 323**	**48 306**

[1] Bonuses earned in the financial year.
[2] Calculated value of the instruments at grant date, distributed over the vesting period.

The Chair of the Board of Directors has no agreement relating to termination benefits. In his employment agreement, the Group CEO has a period of notice of 6 months and an agreement for up to 12 months' severance pay. The executive management of the Group have target-based bonus agreements. For further details, see Remuneration Report for Hexagon Purus ASA.

Group management participates in the Company's general pension arrangements, which are described in Note 21 Pensions. The Group CEO participates in the defined contribution plan in Norway.

Group management participate in the Company's share-based incentive scheme, which are described in Note 23. As of 31 December 2024 the Group CEO holds 350 (131) thousand shares, has 423 (370) thousand provisional performance share units (PSUs) outstanding, and 1 400 (73) thousand restricted share units (RSUs) outstanding. The Group CFO holds 1 060 (60) thousand restricted share units (RSUs), and 315 (165) thousand provisional performance share units (PSUs) outstanding as per 31 December 2024.

No loans have been made, or security provided for loans, to any member of Group management, the Board of Directors or other elected standing committees or any of their related parties.

Shares owned by board members or related parties

	2024	2023
Espen Gundersen (Chairman)[1]	45 619	45 619
Jon Erik Engeset[2]	301 973	199 473
Rick Rashilla	117 362	67 362
Knut Flakk[3]	na	na
Karen Romer[5]	na	na
Martha Kold Bakkevig	4 124	4 124
Jannicke Hilland[3]	na	na
Liv Fiksdahl[4]	-	-
Susana Quintana-Plaza[4]	2 334	-
Hidetomo Araki[4]	-	-

[1] Chairman of the board from 25 May 2023, Board member until 25 May 2023
[2] Board member from 25 May 2023, Chairmen of the board until 25 May 2023
[3] Board member until 16 March 2023
[4] Board member from 25 May 2023
[5] Board member until 25 May 2023

Shares held by key management personnel

	2024	2023
Morten Holum - President and CEO	349 630	130 646
Salman Alam - CFO	140 711	8 247
Dilip Warrier - EVP Strategic Projects[1]	-	8 559
Michael Kleschinski - EVP Light duty, Distribution & Cylinders	247 025	112 000
Todd Sloan - EVP Systems	204 811	69 759
Anne Lise Hjelseth - EVP People & Culture	84 715	41 237
Heiko Chudzick - EVP Operations[2]	90 045	61 060
Frank Häberli - SVP Asia[3]	60 664	60 664

[1] Dilip Warrier resigned on 1 May 2024.
[2] Heiko Chudzick transitioned into a non-executive role during Q4 2024.
[3] Frank Häberli entered a non-executive role from 15 August 2024.

Expensed auditor fees were divided among the following services (excl. VAT)

(NOK 1 000)	2024	2023
Statutory audit and auditing-related services	8 294	4 544
Attestation services	160	95
Tax advice	225	324
Total	**8 679**	**4 963**

Note 29 Income tax

Accounting Policy

The tax expense consists of the tax payable and changes to deferred tax.

Deferred tax and tax assets are calculated on all differences between the book value and tax value of assets and liabilities, with the exception of

- temporary differences linked to goodwill that are not tax deductible
- temporary differences related to investments in subsidiaries, associates or joint ventures when the Group controls when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognized when it is convincing evidence that the Group will have a sufficient profit for tax purposes in subsequent periods to utilize the tax asset.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen. Deferred tax assets and liabilities are recognized at nominal value and are classified as non-current assets and non-current liabilities in the balance sheet. Deferred tax is presented as a gross amount for the geographical countries in which the Group operates.

Deferred tax is recognized directly in other comprehensive income if the tax items relate to items recognized in other comprehensive income. Deferred tax is recognized directly in equity if the tax items relate to items recognized directly in equity.

Tax expense

(NOK 1 000)	2024	2023
Income tax payable in the income statement	-	1 770
Change in deferred tax in income statement	(7 379)	(6 063)
Foreign exchange translation effects on tax expense	(1 898)	(3 501)
Tax expense	**(9 277)**	**(7 793)**
Income tax payable in the balance sheet	346	509
Prepaid tax abroad in the balance sheet	-	33
Settled tax not paid	(346)	(509)
FX translation effects	-	29
Other effects	-	1 708
Total income tax payable in the income statement	**-**	**1 770**
Nominal tax rates in Norway	**22%**	**22%**
Profit before tax	(1 211 669)	(691 308)
Tax based on nominal tax rate in Norway	(266 567)	(152 088)
Varying foreign tax rates vs. Norwegian tax rate	(25 426)	(29 231)
Other non-taxable income and non-taxable expenses	76 079	(168)
Deferred tax asset not recognized in statement of financial position	185 437	171 086
Interest deduction limitation	17 788	-
Other differences relating to foreign subsidiaries	356	(384)
Share of profit/loss from associates	3 057	2 992
Tax expense from prior periods	-	-
Tax expense in income statement	**(9 277)**	**(7 793)**

Deferred tax assets and deferred tax liabilities

	Balance sheet		Change in deferred tax in income statement	
(NOK 1 000)	2024	2023	2024	2023
Deferred tax asset				
Loss carried forward	(524 760)	(346 959)	(177 801)	(130 910)
Property, plant & equipment	27 406	9 012	18 395	9 012
Intangible assets	5 765	12	5 753	12
Inventories	(9 423)	(6 429)	(2 994)	1 817
Trade receivables	(145)	(163)	17	(163)
Provisions for liabilities/other current liabilities	(9 879)	(7 547)	(2 332)	(128)
Interest deduction limitation reserve carry forward	(23 760)	(5 352)	(18 408)	-
Other	(14 907)	(2 791)	(11 146)	(2 088)
Deferred tax asset– gross	**(549 393)**	**(360 217)**	**(188 205)**	**(122 448)**
Reduction of tax assets due to uncertainty	549 393	360 217	188 205	128 010
Deferred tax assets - net carrying amount	**-**	**-**	**-**	**5 562**
Deferred tax liabilities				
Property, plant & equipment	602	756	(154)	(3 283)
Intangible assets	30 628	38 052	(7 424)	(6 038)
Trade receivables	-	-	-	(737)
Provisions for liabilities/other current liabilities	(99)	(298)	199	(1 567)
Deferred tax liabilities – gross	**31 131**	**38 510**	**(7 379)**	**(11 624)**
Net recognized deferred tax liabilities/assets (-)	**31 131**	**38 510**	**(7 379)**	**(6 063)**
Carrying amounts				
Deferred tax asset	-	-		
Deferred tax liabilities	31 131	38 510		
Net recognized deferred tax assets/ deferred tax liabilities	**31 131**	**38 510**		

The Group has a total loss carry forward of NOK 2 764 million (NOK 1 864) million as of 31 December 2024, of which NOK 2 516 (852) million are related to foreign activities. The loss carry forward is indefinite, except for NOK 10 million in North America expiring in 2038. The Group has NOK 105 million of disallowed interest deduction carried forward. These interest expenses are related to the interest limitation legislation Norway and North America. NOK 81 million is related to Norway and has a limitation of 10 years.

Deferred tax recognized in the statement of comprehensive income are as follows

(NOK 1 000)	2024	2023
Actuarial gains/losses, pensions	-	-
Derivatives	-	-
Total	-	-

Note 30 Government grants

Accounting Policy

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them, and that the grants will be received.

Grants related to income are presented as reductions of the expenses they are intended to compensate.

Investment grants are capitalized as deferred income and recognized systematically over the asset's useful life. The amortized part of the deferred income is presented as other income.

(NOK 1 000)	2024	2023
Governmental grants related to income		
Governmental grants presented as income	-	-
Governmental grants reducing R&D personnel cost	23 902	-
Governmental grants presented as general cost reduction	14 061	8 247
Total governmental grants related to income	**37 963**	**8 247**
Investment grants	**23 732**	**-**
Grant total governmental grants	**61 695**	**8 247**

Note 31 Purchasing commitments

The Group has the following commitments resulting from purchasing materials

(NOK 1 000)	2024	2023
First year	105 333	262 135
Second year	31 455	349 931
Thereafter	5 902	-
Total	**142 690**	**612 066**

The Group has the following commitments resulting from facility construction

(NOK 1 000)	2024	2023
First year	65 149	98 650
Second year	-	-
Thereafter	-	-
Total	**65 149**	**98 650**

The Group has the following commitments resulting from leases

(NOK 1 000)	2024	2023
First year	87 570	78 313
Second year	82 547	83 384
Thereafter	643 094	645 251
Total	**813 210**	**806 948**

Note 32 Events after the balance sheet date

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

Income statement – Parent Company

HEXAGON PURUS ASA

1 JANUARY – 31 DECEMBER

(NOK 1 000)	Note	2024	2023
Revenue	2	100 472	156 855
Other revenue		1 006	960
Total operating income		**101 478**	**157 815**
Payroll & social security expenses	3,4,5	70 554	98 165
Depreciation		448	557
Other operating expenses	6	47 195	71 613
Total operating expenses		**118 197**	**170 335**
Operating profit (EBIT)		(16 719)	(12 520)
Finance income	7	153 032	123 859
Finance expense	7,8	2 057 563	162 202
Profit/loss on ordinary activities before tax		**(1 921 251)**	**(50 864)**
Tax	8	-	-
Profit/loss on ordinary activities		**(1 921 251)**	**(50 864)**
Profit/loss for the year		**(1 921 251)**	**(50 864)**
Share premium		(1 921 251)	(50 864)
Total transferred		**(1 921 251)**	**(50 864)**

Balance sheet – Parent Company

HEXAGON PURUS ASA

(NOK 1 000)	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Financial assets			
Property, plant & equipment		306	754
Investments in subsidiaries	9	2 475 798	3 075 258
Investments in shares	9	21 016	54 755
Non-current receivables group companies	10	451 278	321 413
Non-current receivables		15 000	34 249
Total non-current assets		2 963 399	3 486 429
Current assets receivables			
Other receivables group	2	124 461	95 414
Other receivables	2	928	1 029
Bank deposits, cash and cash equivalents	11	1 181 109	432 579
Total current assets		1 306 498	529 023
Total assets		4 269 897	4 015 452

(NOK 1 000)	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES EQUITY			
Paid-in capital			
Share capital	12	42 849	27 680
Share premium		2 104 029	3 070 568
Other paid-in capital		553 923	318 524
Total paid-in capital		2 700 801	3 416 772
Total equity	14	2 700 801	3 416 772
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings		1 546 914	568 744
Total other non-current liabilities		1 546 914	568 744

(NOK 1 000)	Note	31 Dec 2024	31 Dec 2023
Current liabilities			
Trade payables		1 876	1 906
Trade payables to group companies	2	91	3 270
Public duties payable		5 519	7 002
Other current liabilities		14 694	17 758
Total non current liabilities		**22 181**	**29 936**
Total liabilities		**1 569 096**	**598 680**
Total equity and liabilities		**4 269 897**	**4 015 452**

Oslo, Norway, 26 March 2025
The Board of Directors of Hexagon Purus ASA

Espen Gundersen
Chair of the Board

Jon Erik Engeset
Board Member

Martha Kold Monclair
Board Member

Hidetomo Araki
Board Member

Susana Quintana-Plaza
Board Member

Liv Fiksdahl
Board Member

Rick Rashilla
Board Member

Morten Holum
President & CEO

Cash flow statement – Parent Company

HEXAGON PURUS ASA

1 JANUARY – 31 DECEMBER

(NOK 1 000)	Note	2024	2023
Cash flow from operating activities			
Profit before tax		(1 921 251)	(50 864)
Depreciation		448	557
Share-based payment expense	4	15 755	24 368
Change in receivables		(29 047)	(78 406)
Changes in payables		(30)	(5 809)
Changes in other current items		(71 838)	45 592
Imapairment of investment in subsidiaries	9	1 705 947	-
Imapairment of loan and investment in associates		88 891	-
Other financial items		153 478	-
Net cash flow from operating activities		**(57 645)**	**(64 562)**
Cash flow from investment activities			
Investments in subsidiaries	9	(1 106 487)	(987 607)
Investments in associated companies	9	-	(10 136)
Loans to subsidiaries	2	-	(90 873)
Loans to associates		(30 720)	(21 707)
Net cash flow from investing activities		**(1 137 207)**	**(1 110 324)**

(NOK 1 000)	Note	2024	2023
Cash flow from financing activities			
Changes in long term loans		999 500	800 000
Proceeds from issues of shares		1 001 169	500 000
Transaction costs		(57 287)	(26 018)
Net change in bank overdraft		-	-
Net cash flow from financing activities		**1 943 383**	**1 273 982**
Net change in cash & cash equivalents	11	748 530	99 096
Cash & cash equivalents at beginning of period		432 579	333 483
Cash & cash equivalents at end of period		**1 181 110**	**432 579**

Notes – Parent Company

HEXAGON PURUS ASA

Note 1 Basis of preparation

The annual accounts have been prepared in accordance with the provisions of the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Use of estimates
Preparation of the annual financial statements in accordance with good accounting practice requires the use of estimates and assumptions by management which influence the income statement and the valuation of assets and liabilities, and disclosures on uncertain assets and obligations at the balance sheet date.

Contingent losses which are probable and quantifiable, are expensed as incurred.

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Note 2 Intra-group transactions and balances

Accounting principles

Receivables
Trade and other receivables are recognized in the balance sheet at their nominal value, following deductions for provisions for expected losses. Provisions for losses are made on the basis of the individual claims.

Interest-bearing loans and borrowing costs
Loans are recognized at the initial amount received less directly related transaction costs. In subsequent periods, interest- bearing loans are measured at amortized cost using the effective interest method. Profit and loss are entered in the income statement when liabilities are deducted from the balance and via amortization. Borrowing costs are expensed as they arise.

Intra-Group transactions and balances

(NOK 1 000)	2024	2023
Income		
Administrative services to subsidiaries	100 472	156 855
Total	**100 472**	**156 855**
Receivables and loans		
Loans to group companies	451 278	321 413
Other receivables Group	124 461	95 414
Total	**575 739**	**416 827**
Liabilities		
Liabilities to group companies - current	91	3 270
Total	**91**	**3 270**

Note 3 Payroll, number of employees, remuneration, loans to employees etc.

Payroll costs

(NOK 1 000)	2024	2023
Wages/salaries and fees	27 451	24 763
Share-pased payments/bonuses	22 272	35 268
Employer's contribution	6 497	7 822
Contracted personnel	6 726	25 143
Board remuneration	2 604	2 548
Pension expense	2 717	2 347
Other contributions	2 288	274
Total	70 554	98 165

There were 20 (19 in 2023) employees in the Company during the financial year. Some key personnel are contracted from subsidiaries in the Group and are presented here as contracted personnel.

(NOK 1 000)	Salaries and fees	One-year variable[1]	Employment benefits	Paid pension premium	Multi-year variable[2]	Total remuneration
2024						
Executive management	21 845	11 796	643	1 310	17 213	52 806
Board of Directors	3 599	-	-	-	-	3 599
Total remuneration	**25 444**	**11 796**	**643**	**1 310**	**17 213**	**56 405**
2023						
Executive management	21 733	9 775	285	1 642	12 323	45 758
Board of Directors	2 548	-	-	-	-	2 548
Total remuneration	**24 281**	**9 775**	**285**	**1 642**	**12 323**	**48 306**

1 Bonuses earned in the financial year
2 Calculated value of the instruments at grant date, distributed over the vesting period

The Chair of the Board of Directors has no agreement relating to termination benefits. In his employment agreement, the Group CEO has a period of notice of 6 months and an agreement for up to 12 months' severance pay. The executive management of the Group have target-based bonus agreements. For further details, see Remuneration Report for Hexagon Purus ASA.

Group management participates in the Company's general pension arrangements, which are described in Note 21 Pensions. The Group CEO participates in the Group's defined contribution plan.

Group management participate in the Company's share-based incentive schemes, which are described in note 23. As of 31 December 2024 the Group CEO holds 350 (131) thousand shares, has 423 (370) thousand provisional performance share units (PSUs) outstanding, and 1 400 (73) thousand restricted share units (RSUs) outstanding. In addition, the Group CEO holds 34 (34) thousand provisional performance share units in Hexagon Composites ASA. The Group CFO holds 1 060 (60) thousand restricted share units (RSUs), and 315 (165) thousand provisional performance share units (PSUs) outstanding as per 31 December 2024.

No loans have been made, or security provided for loans, to any member of Group management, the Board of Directors or other elected standing committees or any of their related parties.

Shares owned by board members or related parties

	2024	2023
Espen Gundersen (Chairman)[1]	45 619	45 619
Jon Erik Engeset[2]	301 973	199 473
Rick Rashilla	117 362	67 362
Knut Flakk[3]	na	na
Karen Romer[5]	na	na
Martha Kold Bakkevig	4 124	4 124
Jannicke Hilland[3]	na	na
Liv Fiksdahl [4]	-	-
Susana Quintana-Plaza[4]	2 334	-
Hidetomo Araki[4]	-	-

[1] Chairman of the board from 25 May 2023, Board member until 25 May 2023
[2] Board member from 25 May 2023, Chairmen of the board until 25 May 2023
[3] Board member until 16 March 2023
[4] Board member from 25 May 2023
[5] Board member until 25 May 2023

Shares held by key management personnel

	2024	2023
Morten Holum - President and CEO	349 630	130 646
Salman Alam - CFO	140 711	8 247
Dilip Warrier - EVP Strategic Projects[1]	-	8 559
Michael Kleschinski - EVP Light duty, Distribution & Cylinders	247 025	112 000
Todd Sloan - EVP Systems	204 811	69 759
Anne Lise Hjelseth - EVP People & Culture	84 715	41 237
Heiko Chudzick - EVP Operations	90 045	61 060
Frank Häberli - SVP Asia	60 664	60 664

[1] Dilip Warrier resigned on 1 May 2024.
[2] Heiko Chudzick transitioned into a non-executive role during Q4 2024.
[3] Frank Häberli entered a non-executive role from 15 August 2024.

Expensed auditors' fees and comprised of the following services (not including VAT)

(NOK 1 000)	2024	2023
Statutory audit and auditing-related services	4 700	2 858
Attestation services	160	95
Tax advice	141	248
Total	**4 647**	**3 201**

Note 4 Share-based payment

Accounting principles

Share based payment are accounted for in accordance with NRS 15A, applying IFRS 2 under Norwegian Legislation. The fair value of share options and PSUs are measured at the grant date and the cost is recognized, together with a corresponding increase in other paid-in capital, over the period in which the performance and/or service conditions are fulfilled. The fair value is calculated using the Black & Scholes model. The employer's contribution is accrued over the period in which the service conditions are fulfilled, based on the intrinsic value.

Programs

As of 31 December 2024, the Company had four share-based long-term incentive plans outstanding consisting of performance share units (PSU) and restricted share units (RSU).

Performance share units programs

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

Restricted share units program

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

The fair value of the RSUs and PSUs are calculated on the grant date, using Black-Scholes and Monte Carlo simulation, and the cost is recognized over the service period. Cost of the RSU and PSU schemes, including social security, was NOK 31.4 million full year in 2024 (NOK 24.8 million as of 31 December 2023). The unamortized fair value of all outstanding RSUs and PSUs as of 31 December 2024 is estimated to be NOK 58.0 million (NOK 42.3 million).

There are no cash settlement obligations.

Performance share units' programs (PSUs)

	LTIP 2022 - Issued 2022	LTIP 2023 - Issued 2023	LTIP 2024 - Issued 2024	LTIP 2025 - Issued December 2024
Opening balance, number of instruments	**988 686**	**1 637 823**	**-**	**-**
Grants	-	-	1 925 000	-
Lapsed/cancelled	(15 000)	(52 000)	-	-
Closing balance	**973 686**	**1 585 823**	**1 925 000**	**-**
Fair value – at grant date (NOK)	33.99	22.57	7.74	-
Expiry	Q1 2025	Q1 2026	Q1 2027	-

Restricted share units' programs (RSUs)

	LTIP 2022 - Issued 2022	LTIP 2023 - Issued 2023	LTIP 2024 - Issued 2024	LTIP 2025 - Issued December 2024
Opening balance, number of instruments	**78 080**	**109 284**	**-**	**-**
Grants	-	-	960 000	4 840 000
Lapsed/cancelled	(5 000)	-	-	-
Closing balance	**73 080**	**109 284**	**960 000**	**4 840 000**
Fair value – at grant date (NOK)	27.76	22.04	7.42	5.89
Vesting period	3 years	3 years	3 years	3 years
Expiry	Q1 2025	Q1 2026	Q1 2027	Q1 2028

Note 5 Pensions and benefit obligations

Accounting principles:
Pension premiums relating to defined contribution plans are recognized as an expense as they are incurred.

Pension
The Company is legally obliged to have occupational pension arrangements under the Norwegian Mandatory Occupational Pension Act. The Company's pension arrangements satisfy the requirements of this Act.

The parent Company’s pension arrangements cover 20 (19) employees.

The defined contribution pension plan's contribution rates is 7% for salaries in the range of up to 7.1 times the national insurance base rate (G) and 25.1 per cent for salaries in the range 7.1 to 12 G. Contributions for the year were expensed at NOK 2 717 thousand (NOK 2 347 thousand) , excluding employer’s contributions.

Note 6 Other operating expenses

(NOK 1 000)	2024	2023
Rental of facility	4 153	4 097
Professional fees	20 314	46 098
Travel and living	5 572	5 271
Insurance	6 825	3 900
Other	10 330	12 247
Other operating expeses	**47 195**	**71 613**

Note 7 Net financial items

Finance income

(NOK 1 000)	2024	2023
Interest income from group companies	21 591	25 022
Other interest income	42 236	30 858
Other finance income (currency gains)	89 205	67 978
Total finance income	**153 032**	**123 859**

Finance expense

(NOK 1 000)	2024	2023
Other interest expenses	208 597	69 953
Currency losses	51 875	88 093
Impairment of investment in subsidiaries	1 705 947	-
Impairment of investment is associate	88 891	-
Other finance expense	2 252	4 155
Total finance expense	**2 057 563**	**162 202**

See note 9 for more information related to impairment of shares in subsidiaries.

Note 8 Tax

Accounting principles

Tax expense in the income statement includes income tax payable for the period and changes in deferred tax. Deferred tax is calculated at 22% based on the temporary differences between accounting and fiscal values and loss carry forwards at the end of the financial year.

Tax expense for the year consists of

(NOK 1 000)	2024	2023
Income tax payable	-	-
Change in deferred tax	-	-
Total tax expense	-	-

Calculation of tax base for the year

(NOK 1 000)	2024	2023
Profit before tax	(1 921 251)	(50 864)
Permanent differences	1 848 630	24 700
Change in temporary differences	(12 167)	(5 000)
Interest deduction limitation	80 853	-
Change in loss carryforwards	3 934	31 164
Tax base for the year	-	-

Overview of temporary differences

(NOK 1 000)	2024	2023
Receivables		
Non-current assets	(543)	(307)
Provisions	14 489	2 087
Interest deduction limitation	(80 853)	-
Loss carryforwards	(139 614)	(135 680)
Deferred tax asset not recognised in statement of financial position	206 521	133 900
Total	-	-
Deferred tax 22%	-	-

The company has an interest deduction limitation reserve carry forward of NOK 80.9 million. This reserve expires in 10 years.

Note 9 Shares in subsidiaries and associates

Accounting principles

In the company accounts, the cost method of accounting is used for all shares. All shares are valued at cost, less accumulated impairment losses, in the company accounts.

Subsidiaries

(NOK 1 000)	Registered office	Ownership share	Voting share	Carrying amount
Hexagon Technology H2 AS	Ålesund, Norway	100%	100%	138 030
Hexagon Purus HK AS	Ålesund, Norway	100%	100%	27 030
Hexagon Purus Maritime AS	Ålesund, Norway	100%	100%	37 000
Hexagon Purus Germany Holding GmbH	Herford, Germany	100%	100%	1 012 201
Hexagon Purus NA Holding Inc.	USA	100%	100%	1 261 537
Hexagon Purus Beijing	Beijing, China	100%	100%	29 808
Total				2 475 798

Due to impairment indicators as a more uncertain near-term market outlook and a market capitalization of the Group that has fallen below the book value of equity, impairment tests have been performed for group assets. Based on the result of these impairment tests, equity values are calculated for the shares held by Hexagon Purus ASA. The calculation of equity value resulted in an impairment of the shares in Hexagon Purus Germany Holding GmbH of NOK 1 455 million and Hexagon Purus NA Holding Inc. of NOK 251 million. See note 9 in the consolidated accounts for information regarding the impairment tests.

Equity and profit/loss as reported in most recent annual accounts of subsidiaries (company)

(NOK 1 000)	Hexagon Technology H2 AS	Hexagon Purus HK AS	Hexagon Purus Maritime AS	Hexgon Purus Germany Holding Gmbh	Hexagon Purus NA Holding Inc.
Cost of acquisition	138 030	27 030	37 000	2 466 826	1 512 859
Equity at 31.12.2024	68 900	(845)	3 737	2 495 765	1 705 948
Profit 2024	(1 470)	(18 243)	(14 556)	2 207	-

Investments in associates and other investments

(NOK 1 000)	Registered office	Ownership share	Voting share	Carrying amount
Norwegian Hydrogen AS	Norway	12.2%	12.2%	21 016
Cryoshelter LH2 GmbH	Dobl-Zwaring, Austria	40%	40%	-

On 1 August 2022, Hexagon Purus made a EUR 3.4 million investment and acquired 40% of the shares in Cryoshelter LH2 GmbH, with options to acquire the remaining shares over the next 5-10 years. The said options do not give rise to any de-facto control and the investment is consequently accounted for by using the equity method effective from 1 August 2022.

During the fourth quarter of 2024, it was decided to seize the funding to Cryoshelter LH2 GmbH and end the development of liquid hydrogen storage technology. The company has initiated insolvency proceedings. Consequently, an impairment charge of NOK 34 million related to the Company's shareholding in Cryoshelter and an impairment charge of NOK 55 million related to outstanding debt to Cryoshelter was taken during the quarter.

Share of equity and profit/loss as reported in most recent annual accounts of associates

NOK 1 000)	Cryoshelter LH2 GmbH
Cost of acquisition	33 738
Equity at 31.12.2024	(39 098)
Profit 2024	(22 599)

Note 10 Non-current receivables

(NOK 1 000)	2024	2023
Due for payment after 1 year		
Loans to group companies	451 278	304 785
Loans to associated companies[1]	-	32 427
Loan to other investments[2]	15 000	-
Total	466 278	337 212

[1] Loan to Cryoshelter LH2 GmbH. This loan is written down to zero per 31 December 2024.
[2] Loan to Norwegian Hydrogen AS

Note 11 Bank deposits

Accounting principles
The cash flow statement has been prepared using the indirect method. Cash & cash equivalents include cash and bank deposits.

(NOK 1 000)	2024	2023
Restricted tax withholdings	13 316	3 208

Note 12 Share capital and shareholder information

Share capital consists of

(Amounts in NOK)	Number	Nominal	Carrying amount
A shares	428 486 108	0.10	42 848 611

The Company's share capital consists of one class of shares and is fully paid-up.

20 Largest shareholders as of 31 December 2024

	Number of shares	Shareholding
HEXAGON COMPOSITES ASA	164 578 833	38.4%
CLEARSTREAM BANKING S.A.	59 675 053	13.9%
Sumitomo Mitsui Trust Bank (U.S.A)1)	58 978 293	13.8%
MP PENSJON PK	12 804 281	3.0%
The Bank of New York Mellon SA/NV	11 307 883	2.6%
FLAKK COMPOSITES AS	10 268 728	2.4%
Citibank Europe plc	8 209 582	1.9%
DNB Markets Aksjehandel/-analyse	5 649 355	1.3%
VERDIPAPIRFONDET DELPHI NORGE	5 156 700	1.2%
Deutsche Bank Aktiengesellschaft	4 563 809	1.1%
DANSKE BANK	4 273 616	1.0%
Nordnet Bank AB	3 451 167	0.8%
The Bank of New York Mellon SA/NV	3 355 500	0.8%
The Bank of New York Mellon	3 021 755	0.7%
NØDINGEN AS	2 460 626	0.6%
VERDIPAPIRFONDET STOREBRAND NORGE	1 863 019	0.4%
State Street Bank and Trust Comp	1 861 878	0.4%
Caceis Bank	1 814 909	0.4%
U.S. Bank National Association	1 627 070	0.4%
UBS Switzerland AG	1 450 622	0.3%
Total 20 largest shareholders	**366 372 679**	**85.5%**
Remainder	62 113 479	14.5%
Total	**428 486 108**	**100.00%**

The total number of shareholders as of 31 December 2024 was 6 910 of whom 457 were foreign shareholders. The number of shares held by foreign shareholders was 182 115 531 or 42.5%.

The Board proposes to the general assembly that there will be no dividend to be paid for the fiscal year 2024.

Note 13 Financial market risk

Accounting Policy

Foreign currency transactions are recognized at the exchange rate prevailing at the transaction date. Foreign currency monetary items are valued using the exchange rate prevailing at the balance sheet date. Currency gains/losses on receivables/liabilities are classified as financial items.

The Company's international activities expose it to currency risk and interest risk. Derivative financial instruments are used to minimize these risks under the Group's strategy for interest and currency exposure.

Interest rate risk

Interest rate risk arises in the short and medium term from its financing activities. The convertible bond loan have fixed interest rates, which means it is not affected by changes in interest rates. The Company has substantial amounts in bank deposits at year-end. The risk related to this, is considered limited.

Currency risk

Fluctuations in exchange rates represent a financial risk to the Company, both directly and indirectly. The Company have used currency swaps and borrows in foreign currency to minimize the risk.

Also refer to note 19 of the consolidated financial statements.

Note 14 Equity

(NOK 1 000)	Issued capital	Share premium	Other paid in capital	Total equity
Equity as of 01.01.2024	27 679	3 070 568	318 524	3 416 772
Profit/loss for the year		(1 921 251)		(1 921 251)
Share-based payments			31 363	31 363
Share capital increase	15 169	986 000		1 001 169
Equity portion of convertible debt			209 660	209 660
Transaction costs		(31 289)	(5 622)	(36 911)
Equity at 31.12.2024	42 849	2 104 029	553 923	2 700 801

(NOK 1 000)	Issued capital	Share premium	Other paid in capital	Total equity
Equity as of 01.01.2023	25 827	2 649 302	23 839	2 698 969
Profit/loss for the year		(50 864)		(50 864)
Share-based payments			24 368	24 368
Share capital increase	1 852	498 148		500 000
Equity portion of convertible debt			278 352	278 352
Transaction costs		(26 018)	(8 034)	(34 052)
Equity at 31.12.2023	27 679	3 070 568	318 524	3 416 772

On 1 March 2023, the Company announced the issuance of 18 518 519 new shares in a private placement at the price of NOK 27.00 per share. The Company raised approximately NOK 500 million in gross proceeds.

In the fourth quarter of 2024, the Company issued 145 000 000 new shares in a private placement at the price of NOK 6.90 per share. The Company raised approximately NOK 1 000 million in gross proceeds.

In connection with the issuance of the 2023/2028 and the 2024/2029 convertible bonds, the Company issued a total of 370 million warrants and 18.5 million additional warrants. Each warrant represents a right for the subscriber to subscribe for one new ordinary share in the Company if there is a capital increase. The subscription price per share when exercising the Warrants shall equal the subscription price per share in the relevant capital increase as the Warrants are exercised in connection with. These warrants are classified as debt instruments with a fair value of NOK 0 as the subscription price is equal to market value. For the additional warrants the subscription price per share shall equal the par value of the Company's shares at the relevant date. These warrants are classified as equity instruments combined with the equity portion of the convertible debt. During 2024 5 778 910 additional warrants were exercised.

Note 15 Events after the balance sheet date

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

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To the Annual Shareholder's Meeting of Hexagon Purus ASA

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Hexagon Purus ASA (the Company) which comprise:

- The financial statements of the Company, which comprise the balance sheet as at 31 December 2024 and the income statement and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the Group, which comprise the statement of financial position as at 31 December 2024, the income statement, statement of comprehensive income, cash flow statement and statement of changes in equity for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for*

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Professional Accountants (including International Independence Standards) (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for seven years from the election by the general meeting of the shareholders in 2018 for the accounting year 2018.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of impairment

Basis for the key audit matter
As of 31 December 2024, the carrying amount of Goodwill amounted to NOK 360 million, while Property, Plant, and Equipment amounted to NOK 1 204 million. These figures represent approximately 7% and 24% of the total assets, respectively.

The Group conducted impairment testing of Goodwill and cash-generating units (CGU) with impairment indicators to estimate the recoverable amounts. As a result, an impairment charge of NOK 227 million was recorded for goodwill allocated to the CGU HMI Europe, and an impairment charge of NOK 121 million was recorded for Property, Plant and Equipment in the CGU China Cylinder Production Company.

Estimating recoverable amounts involve significant estimation uncertainties and management's judgments, which includes projections of future sales, EBITDA margins, growth rates, capital expenditures and discount rates. Management's assessment of impairment was identified as a key audit matter due to the significant estimates and judgments involved and the uncertainties associated with these estimates.

Our audit response
We assessed the internal controls related to the impairment assessment and evaluated the appropriateness of the valuation methodology applied. We compared future cash flows against board approved budget for 2025 and 2026 and management long term plan for the years 2027 – 2029. We considered underlying assumptions for expected growth rates and the related cash flows and examined the accuracy of management's estimates from the prior year. Additionally, we tested the assumptions for the weighted average cost of capital against comparable market data and considered management's adjustments for company-specific factors. We also verified the mathematical accuracy of the impairment models and conducted sensitivity analyses for the key assumptions. Finally, we assessed the disclosures in Note 9 of the financial statements.

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Other information

The Board of Directors and the President & CEO (management) is responsible for the information in the Board of Directors' report and the other information presented with the financial statements. Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report and the other information presented with the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors' report applies correspondingly for the statement on Corporate Governance.

Our statement that the Board of Directors' report contains the information required by applicable law does not cover the sustainability report, for which a separate assurance report is issued.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Hexagon Purus ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name hexagonpurusasa-2024-12-31-0-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (the ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and

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perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 27 March 2025
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Erik Søreng
State Authorised Public Accountant (Norway)

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To the Annual Shareholder's Meeting of Hexagon Purus ASA

INDEPENDENT SUSTAINABILITY AUDITOR'S LIMITED ASSURANCE REPORT

Qualified limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Hexagon Purus ASA (the "Company"), included in Sustainability Statement of the Board of Directors' report (the "Sustainability Statement"), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, except for the possible effects of the matter described in the Basis for qualified conclusion section of our report, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in disclosure ESRS 2 IRO-1 "Double materiality assessment"; and
- compliance of the disclosures in "EU Taxonomy Reporting" within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for qualified conclusion

The Company has disclosed in section "ESRS index" that it does not have the sufficient data to report on the disclosure requirements under ESRS E5-4. Consequently, we were unable to obtain sufficient appropriate evidence about the Company's resource inflow for the year ended 31 December 2024, and we are as a result not able to give a conclusion in respect of the disclosure requirements under ESRS E5-4.

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified conclusion. Our responsibilities under this standard are further described in the Sustainability auditor's responsibilities section of our report.

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Our independence and quality management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in disclosure ESRS 2 IRO-1 of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group’s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group’s financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

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Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in subsection "EU Taxonomy Reporting" within the environmental section of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability auditor's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in disclosure ESRS 2 IRO-1.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in disclosure ESRS 2 IRO-1.

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In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by obtaining an understanding of the Group's control environment, processes, control activities and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquires of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel, analytical procedures and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Oslo, 27 March 2025
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Erik Søreng

Erik Søreng
State Authorised Public Accountant (Norway) - Sustainability Auditor

Glossary

CO_2	Carbon Dioxide
CS3D	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
DEI	Diversity, Equity, and Inclusion
DEFRA	Department for Environment, Food and Rural Affairs
EHS	Environment, Health and Safety
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
GHG	Greenhouse Gas
GO	Guarantees of Origin
GRI	Global Reporting Initiative
GWP	Global Warming Potential
IPCC	Intergovernmental Panel on Climate Change
IRA	Inflation Reduction Act
ISO	International Organization for Standardization
JV	Joint Venture
KPI	Key Performance Indicator
LCA	Life Cycle Assessment
LMS	Learning management system
LTIFR	Lost time incident frequency rate
NUES	Norwegian Corporate Governance Board
NVE	The Norwegian Water Resources and Energy Directorate
PDD	Performance, Development and Drive
PV	Photovoltaics
R&D	Research and development
TRIF	Total recordable incident frequency
UNFCCC	United Nations Framework Convention on Climate Change

Financial calendar 2025

Annual General Meeting
25 April 2025

1st quarter 2025
6 May 2025

2nd quarter and half year report 2025
17 July 2025

3rd quarter 2025
21 October 2025

4th quarter 2025
10 February 2026

Details
Interim report and presentation material will be released at 07:00 CET and made available on www.hexagonpurus.com and www.newsweb.no

The interim results are presented live at 8:30 am CET. Hexagon Purus ASA reserves the right to change the dates. All presentations are broadcasted live and open to all interested parties.

Two weeks before the presentation of the interim report Hexagon Purus practice a quiet period where contact with analysts, investors and media are limited. This is done to minimize the risk of information leakage and potential different information in the market.

Contact us

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