

Remuneration report

2022



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1. Introduction

1.1 Background

This remuneration report (the "Report") is prepared by the Board of Directors of Hexagon Composites ASA (the "Company") in accordance with the Norwegian Public Limited Liability Companies Act (the "Companies Act") Section 6-16 b with regulations and the Company's Guidelines for remuneration of executive management as approved by the General Meeting on 28 April 2021. The Report contains information regarding remuneration to previous, present and future leading personnel of the Company ("Executives") for the financial year of 2022 in line with the applicable requirements.

The Company considers the Group CEO, the Group CFO and other members of the Group executive management as being the defined "Executives" or leading personnel under the Companies Act. This Report is prepared for addressing the Hexagon Group of companies' performance in 2022 ("Hexagon") and how this relates to the remuneration of the Executives of Hexagon ("Hexagon Executives").

For the financial performance, 2019 and 2020 addresses the group structure and remuneration policies before the listing of Purus in 2020. The basic structure of the remuneration policy in Hexagon in 2022 remained the same as in the Group in the prior years.

1.2 Highlights summary

The Remuneration Policy balances our short-term and long-term performance, taking into consideration our business strategy, our vision of Clean Air Everywhere, and our aim to deliver value for shareholders. In 2022, we saw the introduction of the biggest climate investment programs the world has ever seen – REPower EU and The US Inflation Reduction Act – aimed at bringing down costs of renewable energy, boosting energy supply, and substantially reducing greenhouse gas emissions. These programs are complemented by the Green Deal Industrial Plan and the U.S. National Blueprint for Transportation Decarbonization, specific initiatives to speed up the deployment of clean energy. Hexagon's technology agnostic approach to solutions for the mobility and infrastructure segments has positioned us to play a role in driving this energy transformation. Demand for our products and services continues to be on the rise, and Hexagon retains its global leadership in the type 4 pressure vessel and related alternative fuel solutions space.

Accordingly, annual incentive payments to the Hexagon Executives, based on Hexagon and Business Area target EBITDA and individual performance objectives including ESG related objectives, were paid. Business fundamentals, growth and results in the three-year period ending 2022 was satisfactory even with significant disruptive impacts on global supply chains, affecting our customers, suppliers and our operational activities. In 2022, the war in Ukraine added uncertainty to the general business environment. Despite these impacts leading to delays in chassis availability, semiconductors, and increased input prices, Hexagon and its individual business areas navigated the significant market turbulence.

Hexagon's extensive portfolio of (renewable) natural gas (RNG/CNG), LPG/bioLPG, hydrogen and digital solutions, position the company as a global leading clean technology provider and we see leading OEMs, fleets and other market players adapting to meet ambitious sustainability targets.

Renewable Natural Gas (RNG) represents the fuel alternative with the highest CO₂ mitigating potential in the transportation sector in this decade, and it is expected to drive strong growth in Hexagon Agility. Meanwhile, Hexagon Purus continues to gain momentum as the global market leader in cylinders and systems for storage and transportation of hydrogen. Through its acquisition of Wystrach in 2021, Hexagon Purus expanded its product portfolio with hydrogen refueling capabilities – both stationary and mobile. This increases its exposure to the hydrogen infrastructure segment, which is expected to grow 30% annually through 2028. The acquisition adds best-in-class hydrogen systems design and assembly capacity further vertically integrating Hexagon Purus into the hydrogen systems supply chain and expediting its plans to grow its systems

capabilities. At the same time, Hexagon Purus continues to strengthen its position within battery electric, providing battery packs and systems for serial production of medium and heavy-duty vehicles.

The remuneration outlined in this report complies in full with Hexagon's approved Remuneration Guidelines. The company has not claimed back any paid remuneration to Executives during the year. In 2022, to further increase our commitment to Environmental, Social and Governance (ESG) objectives, we established and set the weighting of ESG measures in the Performance Objectives within the short-term incentive scheme to at least 20 per cent. Please refer to our Sustainability report for further details on ESG within Hexagon.

For the fiscal year 2022, Hexagon (excluding Hexagon Purus) generated NOK 4 303 (3 278) million in revenues, representing 31 per cent growth. Adjusted for FX tailwinds of approximately NOK 300 million in the year, revenues grew by 22 per cent compared to last year. The significant growth was driven by volume and price increases mostly in Mobile Pipeline, Ragasco and Digital Wave. EBITDA year-to-date came in at NOK 348 (381) million, representing an EBITDA margin of 8 per cent (12 per cent). Significantly higher costs of production due to inflation, supply chain challenges, and lagging effects of price increases due to long-term contract structures affected the profitability of Hexagon Agility. Hexagon Ragasco and Hexagon Digital Wave, however, were able to pass-through the effects of inflation faster in their pricing. In addition, Hexagon Ragasco benefitted from positive volume and mix effects, while Hexagon Digital Wave doubled their revenues year-over-year.

It was a record year for Hexagon Agility's Mobile Pipeline business. Revenues doubled year-over-year as demand for renewable natural gas continued to grow. Several significant commercial wins further strengthened their position as market leader and resulted in strong order books throughout 2022 and 2023. To kick off 2023, Hexagon Agility launched its next generation of the industry leading Type 4 composite distribution modules, Titan 450. These new modules enable greater gas transport capacity, further increasing customer productivity (delivering more gas with fewer trips) and reducing transport emissions. Hexagon Agility's medium/heavy-duty

truck segment experienced strong demand and significant pick up in the Refuse and Transit Americas sectors. Revenues grew 21 per cent in 2022, however, margin compression continued in the business due to inflation and supply chain related issues.

Hexagon Ragasco, reported record high 2022 revenues. The business delivered healthy 22 per cent top-line growth aided by necessary price rises to combat input cost inflation. Profitability increased as a result of record fourth quarter revenues with a positive product mix. In a scenario where sales volumes for the year were in line with last year's levels, Hexagon Ragasco's additional sales to Europe and the Middle East offset lower volumes to Asia as well as significant growth to forklift truck applications in the U.S.

2022 was a year of strong growth and the first profitable year for Hexagon Digital Wave. The business tripled revenues year-over-year in the fourth quarter. Hexagon Digital Wave expanded into several new markets and even into new applications for their Modal Acoustic Emission and Ultrasonic Emissions technology in 2022.

Hexagon Purus delivered well above its 2022 revenue target of NOK 900 million, achieving a topline growth of 90 per cent. Order intake for hydrogen distribution systems filled up the 2023 order book during the year, and the hydrogen mobility business in Europe as well as the battery electric business continued on its strong growth trajectory. Hexagon Purus can count globally

1.3 Overview of the last financial years

(NOK million)					
Performance Indicator	2022 HexagonPF ¹	2021 HexagonPF ¹	2021 Group	2020 Group	2019 Group
Revenue (NOK million)	4 303	3 277	3 543	3 080	3 416
Revenue growth (%) ²	31%	7%	15%	(10%)	19%
EBITDA (NOK million)	348	381	109	190	360
EBITDA growth (%) ²	(9%)	16%	(43%)	(47%)	(1%)
EBITDA Margin (%)	8%	12%	3%	6%	11%
EBIT (NOK million)	106	171	(154)	(59)	120
EBIT Margin (%)	3%	5%	(4%)	(2%)	4%

¹ 2022/2021 excludes the results of Hexagon Purus

² For the year 2021 these numbers are on an unaudited proforma basis

leading OEMs and fleets in its customer base. The company is preparing for up-listing to the main list of the Oslo Stock Exchange.

Hexagon's businesses are on track to deliver on their long-term growth and profitability ambitions. In 2022, Hexagon's mobility solutions enabled a wide range of transportation, industrial and consumer applications to convert to cleaner energy – collectively avoiding the release of 1.35 million metric tons of CO₂ equivalents¹. In addition, Hexagon Ragasco continued to provide substantial volumes of LPG cylinders to lesser developed

countries, bringing cleaner and safer fuel sources to meet vital domestic energy needs in those markets.

The Group's year over year performance comprises still an increased loss from Purus due to its ramp-up of the organisation and activities required in the early development phase of its zero emissions markets.

In the 2022 performance, Hexagon has had to offset adverse input price appreciation and supply chain disruptions. None of these factors are adjusted for in the evaluation of actual performance for Executives remuneration achieved in 2022.

¹ Number is subject to full-year review. Source: Calculated based on the Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) tool from the Greenhouse gases, Regulated Emissions, and Energy use in Technologies (GREET®) model has been used for estimating emission reductions, Greenhouse Gas Equivalencies Calculator | US EPA

2. Total remuneration for Executives

2.1 Introduction

Purpose and general principles for Executives' remuneration

As a leading international company within its industries, Hexagon and the Group must offer salaries and other compensation that ensure to recruit and retain Executives. It has presence in a number of locations on several continents, and as such competes for relevant senior management talent worldwide. The components and total package of

remuneration strive to support Hexagons' competitiveness as an employer in all locations, and especially in the US.

Remuneration for Executives has been adapted to comply with established local practice and mandatory rules in the jurisdiction of their employment, taking into account, to the extent possible, the overall purpose of the remuneration policy.

2.2 Elements of Executive remuneration

Remuneration includes all benefits a person receives by virtue of their position as an Executive in Hexagon. This includes:

- a. fixed salary,
- b. bonuses,
- c. allotment of shares, warrants, options and other forms of remuneration related to shares or the development of the share price in the company,
- d. pension schemes, early retirement schemes and
- e. all forms of other variable elements in the remuneration, or special benefits that are in addition to the basic salary.

2.2.1 Fixed salary

The fixed salary allows Hexagon to attract and recruit senior executives that are necessary for the long-term profitability and sustainability of Hexagon.

It is Hexagon's policy that base salaries shall reflect the individual Executive's position and degree of responsibility. The size of the fixed cash salary shall be in line with market conditions, be competitive with comparable businesses within the industry 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. The fixed cash salaries have no maximum levels.

In 2022, Executives have had changes in their base payment between 3 per cent and 7 per cent (excluding effects from currency translation).

2.2.2 Bonuses (variable cash salary)

Variable cash salary for Executives in 2022 was based on a set of predetermined and measurable performance criteria, reflecting the key drivers for pursuing Hexagon's business strategy, long-term interests, and sustainable business practices. The performance criteria consisted of performance indicators both for Hexagon's overall and financial performance and for individual performance. Financial parameters were 100 per cent based on EBITDA in Hexagon, while Revenue and strategic contracts are included in the Purus segment. See sections 2.3 and 2.4 for more details.

Performance indicators for 2022 are further adjusted for by Executive's Individual Performance Objectives from 0-125 per cent principally through other non-financial performance parameters, mainly:

- ESG targets (minimum 20 per cent)
- Strategic objectives
- Functional / Business area goals
- Personnel development and welfare goals

The performance achievement was applied to fixed percentages of base salary which vary from 50 per cent to 100 per cent. The design of the above is to ensure the most capable execution of defined business strategies, short and long-term, while ensuring Hexagon's going concern. Determination of the extent to which the criteria for variable cash salary are satisfied is determined upon expiry of the relevant measurement period by measuring criteria against actual performance. Bonus payments to the Executives have been endorsed by the remuneration committee.

In 2021, the CEO of Hexagon was awarded a bonus arrangement dependent upon the share price development of Hexagon Purus ASA and is converted to a given number of cash settlement options in Hexagon Purus ASA, for the purposes of calculating quarterly fair values. The performance of Hexagon Purus' development also has a significant influence on shareholder value for the Hexagon Group. This cash settlement arrangement has a

maturity of three years and involved an expense of NOK 1.8 (1.5) million in 2022.

2.2.3 Remuneration related to shares

This section covers allotment of shares, warrants, options and other forms of remuneration related to shares or the development of the share price in the company.

Purchase of shares

Executives may participate in any Hexagon or Hexagon Purus employee share purchase plans or similar plans on substantially on the same terms as all employees. The Hexagon Purus Executive has participated in a share matching long term incentive program available under the Hexagon Purus plan as described below under Share-based incentive programs.

Share-based incentive programs

Share-based payments, settled in shares or cash, are used as part of the Hexagon's incentive schemes. In the view of the Board of Directors, attractive share-based long-term incentive programs form an important part of the total compensation for Executives and are necessary to allow Hexagon to retain and hire the talent it needs for further growth.

The Executives have a longer-term share-based incentive plan with a retention period of employment of three years. Performance Share Unit (PSU) plans for Executives are issued with differing tiers

of target face value ranging from USD 150 000 to USD 300 000. The range of values is reviewed periodically to ensure market competitiveness.

The PSU schemes are based on performance in a defined measurement period. Depending on performance in relation to target figures, the number of instruments each person potentially may receive is calculated. The exact number of instruments is a function of the value award for an individual, divided by the share price at the allotment date, and multiplied by the performance achievement during the performance period. After the measurement period there will be a defined service period before shares may be released.

Conditional and performance-based PSUs have been granted to Executives, which entitle these to potentially receive a number of shares after three years. The rights under PSUs granted in April 2019 with performance period in 2019 were vested and released in 2022. The rights under PSUs granted in April 2020 with performance period in 2020 and 2021 will vest in March 2023. The rights under PSUs granted in April 2021 is contingent on achieving specific targets for revenue and EBIT in 2021 and 2022. The rights under PSUs granted in May 2022 is contingent on achieving specific targets for revenue and EBIT in 2022 and 2023. The exact number of instruments will continue to be a function of the value award for an individual, divided by the share price at the allotment date, and multiplied by the performance achievement during the performance

period. After the measurement period there will be a defined service period before shares may be released.

The long-term incentive plan for the Purus Executive initiated in 2021 entitles the said Executive to be granted up to three matching shares in Purus for every one share purchased by the Executive, for total share purchases of a minimum NOK 750 000 and a maximum NOK 2 000 000 at the prevailing investment price. One matching share shall be awarded at maturity on the approval of the 2023 Purus Annual Accounts (i.e., a three-year minimum holding period) if the Purus share price is at least 145 per cent of the initial investment price at maturity. A second matching share shall be awarded on the meeting of business plan revenue and EBITDA targets and a third matching share shall be awarded if the Purus Executive is still employed by Purus at maturity date. In 2022 the Purus Executive is conditionally granted a number of PSUs to vest in 2025 contingent on achieving specific targets.

See section 3 for details on Executive share-based instruments for 2022.

2.2.4 Pension schemes

Executives' pension arrangements follow the arrangements established for Hexagon's and Hexagon Purus' employees. Pension benefits were based on local practices and applicable law.

2.2.5 Other variable elements of remuneration

Other benefits shall be based on market terms and shall facilitate the duties of Executives and typically include cover of broadband access, phone, financial media and relevant professional subscriptions, modest wellness allowance and membership of company health insurances. Hexagon aims to have sufficiently competitive salary and incentive programs to minimize additional non-financial benefits, and such shall generally be offered only to the extent they are in line with generally accepted customs locally.

The table in Section 2.3 on [page 9](#) contains an overview of the total remuneration received by the Executives, only remuneration earned on the basis of the Executives' role as a leading person is included. Criteria for remuneration that was granted/awarded/due but not yet materialized, during the reported financial year is given in sections 3 and 5 primarily.

The table in Section 2.4 on [page 10](#) contains an overview of the total remuneration, which the Executives have received from other companies within the group of companies to which the Company belongs (the "Group").

The table in Section 2.5 on [page 12](#) contains an overview of the total remuneration received by the members of the Board of Directors in the parent company of the Group.

2.3 Remuneration of Executives from the Company

This section contains information on the remuneration of the Executives being former, existing and future members of the Executive team in Hexagon Composites ASA.

(NOK 1 000)	Year	1. Fixed remuneration			2. Variable remuneration		3. Extra-ordinary items	4. Pension expense	5. Total Remuneration	6. Fixed % of remuneration (%)	7. Variable % of remuneration (%)	8. Remuneration of Directors from undertakings of the same group
		Base salary	Fees	Fringe benefits	One-year variable	Multi-year variable ¹						
Name and position												
Jon Erik Engeset, Group President & CEO	2022	3 337	-	10	2 100	3 704	-	192	9 341	38%	62%	620
	2021	3 222		15	2 725	3 124	-	181	9 267	37%	63%	660
David Bandele, Chief Financial Officer	2022	2 500	-	13	882	1 220	-	182	4 797	56%	44%	40
	2021	2 381		30	1 121	1 121	-	175	4 828	54%	46%	27
Karen Romer, SVP Communications	2022	1 717	-	13	606	953	-	187	3 476	55%	45%	340
	2021	1 605		19	772	462	-	175	3 033	59%	41%	340

Multi-year variable: more details are disclosed in section 3.

Remuneration of Directors from undertakings of the same group: relates to fee serving as Chairman of Board (Jon Erik Engeset), member of the Board (Karen Romer) and member of the nomination committee (David Bandele) of Hexagon Purus ASA.

There are no other previous or future leading personnel of the Company for the financial year of 2022 to be included in the reporting.

2.4 Remuneration of Executives from the Group

This section contains information on the remuneration of the Executives being former, existing and future members of the Executive team of the Group.

(NOK 1 000)	Year	1. Fixed remuneration			2. Variable remuneration		3. Extra-ordinary items	4. Pension expense	5. Total Remuneration	6. Fixed % of remuneration (%)	7. Variable % of remuneration (%)	8. Remuneration of Directors from undertakings of the same group
		Base salary	Fees	Fringe benefits	One-year variable	Multi-year variable ¹						
Name and position												
Jon Erik Engeset	2022	3 337	-	10	2 100	3 704	-	192	9 341	38%	62%	620
Group President & CEO	2021	3 222	-	15	2 725	3 124	-	181	9 267	37%	63%	660
David Bandele	2022	2 500	-	13	882	1 220	-	182	4 797	56%	44%	40
Chief Financial Officer	2021	2 381	-	30	1 121	1 121	-	175	4 828	54%	46%	27
Seung Baik (USA)	2022	3 890	-	-	1 624	1 873	-	197	7 584	54%	46%	-
President Hexagon Agility	2021	3 331	-	-	3 335	2 018	-	149	8 833	39%	61%	-
Skjalg Stavheim	2022	2 417	-	6	1 131	1 220	-	152	4 926	52%	48%	-
President Hexagon Ragasco	2021	2 245	-	6	930	1 121	-	131	4 433	54%	46%	-
Melissa Holler (USA)	2022	1 605	-	42	745	56	1 918	124	4 489	82%	18%	-
President Hexagon Digital Wave (from May 2022)	2021	-	-	-	-	-	-	-	-	-	-	-
Karen Romer	2022	1 717	-	13	606	953	-	187	3 476	55%	45%	340
SVP Communications	2021	1 605	-	19	772	462	-	175	3 033	59%	41%	340
George Siedlecki (USA)	2022	3 050	-	142	1 168	1 220	-	176	5 757	59%	41%	-
SVP Strategy and M&A (Acting President Digital Wave 2021)	2021	2 623	-	-	1 423	1 121	-	142	5 309	52%	48%	-
Rick Rashilla (USA)	2022	2 526	-	142	897	1 274	-	159	4 998	57%	43%	303
SVP Sustainability (prev. SVP Corp R&D)	2021	2 172	-	114	1 945	1 082	-	127	5 440	44%	56%	325
Morten Holum	2022	3 098	-	10	1 549	2 255	-	197	7 109	46%	54%	-
CEO Hexagon Purus	2021	3 090	-	10	2 738	322	-	180	6 340	52%	48%	-

The USD/NOK exchange rate has increased year-over-year by 11.9 per cent from 2021 average to 2022 average. This affects the US Executives' remuneration correspondingly.

Multi-year variable: more details are disclosed in section 3.

Remuneration of Directors from undertakings of the same group: relates to fee serving as Chairman of Board (Jon Erik Engeset), members of the Board (Karen Romer and Rick Rashilla) and member of the nomination committee (David Bandele) of Hexagon Purus ASA.

Melissa Holler, President Digital Wave, joined the Group from May 2022. Following her appointment, George Siedlecki stepped back from his interim period serving as acting President of Digital Wave in 2021. Rick Rashilla has joined the Group Executive team being appointed SVP Sustainability from November 2022. Seung Baik has left the Executive team and the Group from February 2023.

Hans Peter Havdal has joined the Executive team from March 2023 as COO while having left his position as board member from 16 February 2023. Ashley Remillard, previously VP Legal & Government Affairs in Hexagon Agility, was appointed SVP Legal and Government Affairs in Hexagon Group as from 1 March 2023. Eirik Løhre, previously Director of Strategy and M&A was appointed VP Corporate Development in Hexagon Group as from 1 March 2023. The new members of the Group Executive team from 2023 will be added to the remuneration report from the 2023 reporting.

Executives having left the Group before 2022 are not part of the 2022 reporting. There are no other previous or future leading personnel of the Company for the financial year of 2022 to be included in the reporting.

2.5 Remuneration of the Company's Board of Directors

This section contains information on the remuneration of former, existing and future members of the Board of Directors of Hexagon Composites ASA.

(NOK 1 000)	Year	Board fee	Audit committee fee	Remuneration committee fee	Nomination committee fee	Remuneration from undertakings of the same group	Other (if any)	Total remuneration	6. Fixed % of remuneration (%)	7. Variable % of remuneration (%)
Name and position										
Knut Flakk	2022	621		62	41	300		1 025	100%	-
Chairman	2021	600		60	40	200	-	900	100%	-
Kristine Landmark	2022	362	62	41				466	100%	-
Deputy Chair	2021	350	60	40				450	100%	-
Liv Astri Hovem	2022	311	41					352	100%	-
Board member	2021	300	40					340	100%	-
Katsunori Mori	2022							-	100%	-
Board member (see below)	2021							-	100%	-
Liv Dingsør	2022							-	100%	-
Board member (from 2022)	2021							-	100%	-
Sam Kiran Gabbita	2022							-	100%	-
Board member (from 2022)	2021	-	-	-			-	-	100%	-
Hans Petter Havdal	2022	311						311	100%	-
Board member	2021	300						300	100%	-

Remuneration from undertakings of the same group: relates to fee serving as member of the Board (Knut Flakk) of Hexagon Purus ASA.

Mr. Katsunori Mori has advised the company that he waives any board remuneration for the period he will serve on the board of directors.

Liv Dingsør and Sam Kiran Gabbita joined the Board of Directors from September 2022. The reporting above is based on remuneration paid out in the financial year and payout for their period of service in 2022 will therefore be in 2023.

Hans Peter Havdal has left his position as member of the Board of Directors with immediate effect in February 2023 as he was appointed COO of the Group starting from March 2023.

There are no other previous or future Board of Directors of the Company for the financial year of 2022 to be included in the reporting.

3. Share based instruments for Executives

The table in the section below contains information on the number of shares or instruments granted or offered to the Executives, and the number of share options granted or offered for the reported financial year. In the table, the main conditions for the exercise of the rights including the exercise price and date and any change thereof appear.

In 2022 the program LTIP 2019, originally launched in 2019, has vested and has been released 21 February 2022 to the participating Executives at a performance level between 59 per cent and 118 per cent of target performance.

The LTIP 2020 program, originally launched in 2020, ended its performance period in 2021. Number of PSUs are fixed in 2022 based on performance achievement between 28 per cent and 58 per cent. The full service period lasts until an expected vesting and release for the participating Executives in March 2023.

A new program, LTIP 2022, has been launched to participating Executives on 2 May 2022 with a three-year cycle, two years performance period, and a planned vesting in March 2025.

(NOK 1 000)	The main condition of the incentive plans						Information regarding the reported financial year					
	1 Specification on plan	2 Performance period	3 Award date	4 Vesting date	5 End of holding period	7 Strike price of the share	Opening balance	During the year		Closing balance		
							8 Instruments awarded at the beginning of the year	Instruments awarded	Instruments adjusted	10 Instruments vested	11 Instruments subject to a performance condition	12 Instruments awarded and unvested
Name of Executive												
Jon Erik Engeset	LTI 2019	01.01.2019 - 31.12.2019	11.04.2019	17.02.2022		-	54 662				(54 662)	-
Jon Erik Engeset	LTI 2020	01.01.2020 - 31.12.2021	22.04.2020	25.02.2023		-	212 420		(159 129)			53 291
Jon Erik Engeset	LTI 2021	01.01.2021 - 31.12.2022	30.04.2021	28.02.2024		-	103 350				103 350	103 350
Jon Erik Engeset	LTI 2022	01.01.2022 - 31.12.2023	02.05.2022	28.02.2025		-	-	162 034			162 034	162 034
David Bandele	LTI 2019	01.01.2019 - 31.12.2019	11.04.2019	17.02.2022		-	37 225				(37 225)	-
David Bandele	LTI 2020	01.01.2020 - 31.12.2021	22.04.2020	25.02.2023		-	141 612		(106 085)			35 527
David Bandele	LTI 2021	01.01.2021 - 31.12.2022	30.04.2021	28.02.2024		-	68 900				68 900	68 900
David Bandele	LTI 2022	01.01.2022 - 31.12.2023	02.05.2022	28.02.2025		-	-	108 022			108 022	108 022
Seung Baik	LTI 2019	01.01.2019 - 31.12.2019	11.04.2019	17.02.2022		-	79 862				(79 862)	-
Seung Baik	LTI 2020	01.01.2020 - 31.12.2021	22.04.2020	25.02.2023		-	212 420		(159 129)			53 291
Seung Baik	LTI 2021	01.01.2021 - 31.12.2022	30.04.2021	28.02.2024		-	103 350				103 350	103 350
Seung Baik	LTI 2022	01.01.2022 - 31.12.2023	02.05.2022	28.02.2025		-	-	162 034			162 034	162 034

(NOK1000)	The main condition of the incentive plans						Information regarding the reported financial year					
							Opening balance	During the year			Closing balance	
	1 Specification on plan	2 Performance period	3 Award date	4 Vesting date	5 End of holding period	7 Strike price of the share	8 Instruments awarded at the beginning of the year	Instruments awarded	Instruments adjusted	10 Instruments vested	11 Instruments subject to a performance condition	12 Instruments awarded and unvested
Skjalg S Stavheim	LTI 2019	01.01.2019 - 31.12.2019	11.04.2019	17.02.2022	-	37 225				(37 225)	-	-
Skjalg S Stavheim	LTI 2020	01.01.2020 - 31.12.2021	22.04.2020	25.02.2023	-	141 612		(106 085)				35 527
Skjalg S Stavheim	LTI 2021	01.01.2021 - 31.12.2022	30.04.2021	28.02.2024	-	68 900					68 900	68 900
Skjalg S Stavheim	LTI 2022	01.01.2022 - 31.12.2023	02.05.2022	28.02.2025	-	-	108 022				108 022	108 022
Melissa Holler	RSU 2022		14.09.2022	14.09.2025	-	-	25 000					25 000
Karen Romer	LTI 2020	01.01.2020 - 31.12.2021	22.04.2020	25.02.2023	-	106 208		(79 563)				26 645
Karen Romer	LTI 2021	01.01.2021 - 31.12.2022	30.04.2021	28.02.2024	-	51 674					51 674	51 674
Karen Romer	LTI 2022	01.01.2022 - 31.12.2023	02.05.2022	28.02.2025	-	-	108 022				108 022	108 022
George Siedlecki	LTI 2019	01.01.2019 - 31.12.2019	11.04.2019	17.02.2022	-	37 225				(37 225)	-	-
George Siedlecki	LTI 2020	01.01.2020 - 31.12.2021	22.04.2020	25.02.2023	-	141 612		(106 085)				35 527
George Siedlecki	LTI 2021	01.01.2021 - 31.12.2022	30.04.2021	28.02.2024	-	68 900					68 900	68 900
George Siedlecki	LTI 2022	01.01.2022 - 31.12.2023	02.05.2022	28.02.2025	-	-	108 022				108 022	108 022
Rick Rashilla	LTI 2019	01.01.2019 - 31.12.2019	11.04.2019	17.02.2022	-	37 225				(37 225)	-	-
Rick Rashilla	LTI 2020	01.01.2020 - 31.12.2021	22.04.2020	25.02.2023	-	141 612		(106 085)				35 527
Rick Rashilla	LTI 2021	01.01.2021 - 31.12.2022	30.04.2021	28.02.2024	-	68 900					68 900	68 900
Rick Rashilla	LTI 2022	01.01.2022 - 31.12.2023	02.05.2022	28.02.2025	-	-	108 022				108 022	108 022
Morten Holum	LTI 2020	01.01.2020 - 31.12.2021	22.04.2020	25.02.2023	-	141 612		(106 085)				35 527
Morten Holum	MIP Purus	14.12.2020 - 31.04.2024	14.12.2020	31.04.2024	-	219 780					146 520	219 780
Morten Holum	LTIP 2022 Purus	01.01.2022 - 31.12.2023	18.05.2022	03.03.2025	-	-	87 686				87 686	87 686

4. Any use of the right to reclaim variable remuneration

According to the Company's Remuneration Guidelines, the Company may demand variable cash salary refunded to the same extent it may demand fixed cash salary refunded following expiry of the employment, typically in the event of erroneous payments or breach of contractual obligations.

No right to reclaim variable remuneration has been applied in the year 2022.

5. Compliance with the remuneration policy

Hexagon has applied the remuneration guidelines throughout 2022 as approved by the Annual General Meeting in April 2021. No deviations from the policy were made by the Board of directors. No paid remuneration to executives has been claimed back during the year.

Hexagon's remuneration principles are designed to ensure responsible and sustainable remuneration decisions that support the Hexagon's business strategy, long-term interests, and sustainable business practices. Salaries and other employment terms support Hexagon's efforts to retain, develop and recruit skilled Executives with relevant experience and competence. The remuneration is based on market terms, competitive, and reflect the performance and responsibilities of individual Executives. Principles for incentives and performance are

designed to be aligned with the interests of the Hexagon's shareholders and ensure the most capable execution of defined business strategies, short and long-term, while ensuring the Hexagon's going concern.

Hexagon firmly believes that performance-based variable cash salaries for Executives have a motivational effect and that their implementation is beneficial for Hexagon and its shareholders in order to execute on Hexagon's business strategy, as well as support long-term interests and sustainable business practices.

Performance criteria for the annual cash bonus plan (STIP) is presented in the table below.

Performance criteria for annual cash bonus plan

Name and position	Performance Criteria	Relative weighting of performance	Payout thresholds			Achieved performance payout 2022	Achieved performance payout 2021
			Minimum	Target	Maximum		
Jon Erik Engeset, Group President & CEO	EBITDA	100%	50%	100%	200%		
David Bandele, Chief Financial Officer	EBITDA	100%	50%	100%	200%		
Seung Baik, President Hexagon Agility	EBITDA	100%	50%	100%	200%		
Skjalg Stavheim, President Hexagon Ragasco	EBITDA	100%	50%	100%	200%	From 55.5% to 116%	From 93.7% to 109.9%
Melissa Holler, President Hexagon Digital Wave	EBITDA	100%	50%	100%	200%		
Karen Romer, SVP Communications	EBITDA	100%	50%	100%	200%		
George Siedlecki, SVP Strategy and M&A (Acting President Digital Wave 2021)	EBITDA	100%	50%	100%	200%		
Rick Rashilla, SVP Sustainability (prev SVP Corp R&D)	EBITDA	100%	50%	100%	200%		
Morten Holum, CEO Hexagon Purus	Revenue	50%	50%	100%	200%	107%	
	Strategic contracts	40%	50%	100%	200%	133%	99%
	EBITDA	10%	50%	100%	200%	108%	

In addition to the performance criteria and the relative weighting (if more criteria), included in the achieved performance payout for each individual executive are individual objectives which allow a performance score of 0 – 1.25x to be applied to the overall performance criteria. In 2022 these typically included the following non-financial objectives:

- ESG goals
- Strategic goals
- Functional or business area goals
- Personal and personnel development goals
- Wellness

The structure of the annual cash bonus plan for 2022 has been the same as for 2021.

6. Derogations and deviations from policy

There were no derogations or deviations from the remuneration policy or from the procedure for its implementation.

7. Comparative information

This section presents comparative information on the changes of remuneration and changes of company performance.

The table below in this Section 7 contains information on the annual change of remuneration of each individual Executive, of the performance of the Company and average remuneration on a full-time equivalent basis of employees of the Company other than Executives over the five most recent financial years.

Annual change	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	Information regarding the recent financial year (RFY) - NOK '000
Executives remuneration						
Jon Erik Engeset, Group President & CEO	(21%)	22%	17%	24%	1%	9 341
David Bandele, Chief Financial Officer	(23%)	26%	18%	4%	(1%)	4 797
Seung Baik, President Hexagon Agility (USA)	N/A	N/A	27%	13%	(16%)	7 584
Skjalg Stavheim, President Hexagon Ragasco	(10%)	12%	1%	7%	11%	4 926
Melissa Holler, President Digital Wave (from May 2022) (USA)	N/A	N/A	N/A	N/A	N/A	4 489
Karen Romer, SVP Communications	N/A	N/A	N/A	37% ¹	15%	3 476
George Siedlecki, SVP Strategy and M&A, (Acting President Digital Wave 2021) (USA)	N/A	N/A	N/A	16%	8%	5 757
Rick Rashilla, SVP Sustainability (prev SVP Corp R&D) (USA)	N/A	N/A	N/A	N/A	(8%)	4 998
Morten Holum, CEO Hexagon Purus	N/A	N/A	1% ¹	51% ¹	12%	7 109

¹ Adjusted for comparability

For the Executives remunerated in other currencies than NOK, there will be an FX-effect included in the change numbers. The USD/NOK exchange rate has increased year-over-year by 11.9% from 2021 average to 2022 average. This affects the US Executives' remuneration correspondingly.

Annual change	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020 ¹	2022 vs 2021 ¹	Information regarding the recent financial year (RFY) - NOK '000
Group performance						
Revenue growth ²	6%	19%	(10%)	7%	31%	4 303
EBITDA growth ²	35%	(1%)	(47%)	16%	(9%)	348
EBITDA-% ²	35%	11%	6%	12%	8%	

¹ 2022/2021 excludes the results of Hexagon Purus

² For the year 2021 these numbers are on an unaudited proforma basis

Annual change	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	Information regarding the recent financial year (RFY) - NOK '000
Average remuneration on a full-time equivalent basis of employees excluding members of the Executive team						
Employees of the Company excluding executives	(17%)	10%	4%	12%	28%	1 465
Employees of the Group excluding executives	2%	(5%)	2%	(5%)	7%	915

Employees of the Company excluding Executives had a higher-than-average increase in 2022 due to new appointments and promotions in addition to a general salary increase in the Company at 4.65%.

For the employees remunerated in other currencies than NOK, there will be an FX-effect included in the change numbers.

Annual change	2021	2022
The total annual compensation of the CEO vs the mean employee compensation		
Annual compensation of the CEO vs mean employee compensation, Company ratio	8.1x	6.4x
Annual compensation of the CEO vs mean employee compensation, Group ratio	12.3x	10.2x

The annual compensation of the CEO ratio to mean employee is introduced from 2022 to the Report. The average mean employee remuneration is defined as all employees excluding all members of the Executive team (not only excluding the CEO).

8. Statement by the board of directors

The board of directors has today considered and adopted the Remuneration Report of Hexagon Composites ASA for the financial year 2022. The Remuneration Report has been prepared in accordance with section 6-16b of the Norwegian Public Limited Liability Companies Act. The Remuneration Report will be presented for an advisory vote at the Annual General Meeting in 2023.

Aalesund, 29 March 2023

The Board of Directors of Hexagon Composites ASA

This document is signed electronically

Knut Flakk
Chair

Kristine Landmark
Deputy Chair

Katsunori Mori
Board member

Liv Astri Hovem
Board member

Liv Dingsør
Board member

Sam Gabbita
Board member

Jon Erik Engeset
Group President & CEO



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT

To the General Meeting of Hexagon Composites ASA

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Hexagon Composites ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2022 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company 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 Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A member firm of Ernst & Young Global Limited



Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – “Assurance engagements other than audits or reviews of historical financial information”.

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Ålesund, 30 March 2023
ERNST & YOUNG AS

A handwritten signature in black ink, appearing to read 'War-André Norvik', is written over the printed name.

War-André Norvik
State Authorised Public Accountant (Norway)

Financial calendar 2023

Annual General Meeting

26 April 2023

1st quarter 2023

11 May 2023

2nd quarter and half year report 2023

17 August 2023

3rd quarter 2023

9 November 2023

4th quarter 2023

15 February 2024

Details

Interim report and presentation material will be released at 07:00 CET and made available on www.hexagongroup.com and www.newsweb.no.

The interim results are presented live at 8:30 am CET. Hexagon Composites ASA reserves the right to change the dates. All presentations are held in Oslo and are open to all interested parties.

Two weeks before the presentation of the interim report Hexagon Composites 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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