INFORMATION DOCUMENT

HEXAGON PURUS

Hexagon Purus AS

(Organisation number: 919 317 558)

Admission to trading of shares on Euronext Growth

This information document (the "**Information Document**") has been prepared by Hexagon Purus AS (the "**Company**" or "**Purus**", and together with its direct and indirect subsidiaries, the "**Group**") solely for use in connection with the admission to trading of the Company's 229,092,239 shares, each with a par value of NOK 0.1 (the "**Shares**") on Euronext Growth (the "**Admission to Trading**").

The Company's Shares have been admitted for trading on Euronext Growth and it is expected that the Shares will start trading on 14 December 2020 under the ticker symbol "HPUR".

Euronext Growth is a market operated by Euronext. Companies on Euronext Growth, a multilateral trading facility (MTF), are not subject to the same rules as companies on a Regulated Market (a main market). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on Euronext Growth may therefore be higher than investing in a company on a Regulated Market. Investors should take this into account when making investment decisions.

The present Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71. The present Information Document has been drawn up under the responsibility of the Issuer. It has been reviewed by the Euronext Growth Advisors and has been subject to an appropriate review of its completeness, consistency and comprehensibility by Euronext.

THIS INFORMATION DOCUMENT SERVES AS AN INFORMATION DOCUMENT ONLY, AS REQUIRED BY THE EURONEXT GROWTH ADMISSION RULES. THIS INFORMATION DOCUMENT DOES NOT CONSTITUE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT HERETO. **Investing in the Company's Shares involves risks. See Section 3 "Risk Factors" of this Information Document**

Managers and Euronext Growth Advisors

Carnegie | SEB

Carnegie AS | **Skandinaviska Enskilda Banken AB**

The date of this Information Document is 11 December 2020

1.1 IMPORTANT NOTICE

This Information Document has been prepared solely by the Company in connection with the Admission to Trading. The purpose of the Information Document is to provide information about the Company and its underlying business. This Information Document has been prepared solely in the English language.

For definitions of terms used throughout this Information Document, see Section 10 "Definitions and Glossary".

The Company has engaged Carnegie AS and Skandinaviska Enskilda Banken AB as managers (the **"Managers"**) and Euronext Growth Advisors.

This Information Document has been prepared to comply with the Euronext Growth Admission Rules. The Information Document does not constitute a prospectus under the Norwegian Securities Trading Act and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and has not been reviewed or approved by any governmental authority.

All inquiries relating to this Information Document should be directed to the Company or the Managers. No other person has been authorized to give any information, or make any representation, on behalf of the Company and/or the Managers in connection with the Admission to Trading. If given or made, such other information or representation must not be relied upon as having been authorized by the Company and/or the Managers.

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company subsequent to the date of this Information Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Information Document and before the Admission to Trading will be published and announced promptly in accordance with the Euronext Growth regulations. Neither the delivery of this Information Document nor the completion of the Admission to Trading at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Information Document is correct as of any time since its date.

The contents of this Information Document shall not be construed as legal, business or tax advice. Each reader of this Information Document should consult its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Information Document, you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

The distribution of this Information Document in certain jurisdictions may be restricted by law. Persons in possession of this Information Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Information Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Information Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (Norwegian: *"Oslo tingrett"*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Information Document.

Investing in the Company's Shares involves risks. See Section 3 "Risk Factors" of this Information Document.

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2.1 Statement of responsibility

This Information Document has been prepared by Hexagon Purus AS, with business address Korsegata 4B, N-6002 Ålesund, Norway, solely in connection with the Admission to Trading on Euronext Growth.

The Board of Directors of Hexagon Purus AS (the "**Board of Directors**" or "**Board**") declare that, to the best of his knowledge, the information provided in the Information Document is fair and accurate and that, to the best of his knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document. The member of the Board of Directors further declares that the information contained in this Admission Document is, to the best of his knowledge, is in accordance with the facts and contains no omission likely to affect its import.

11 December 2020

The Board of Directors of Hexagon Purus AS

Jon Erik Engeset
Chair

2.2 Third-party information

Throughout this Information Document, industry and market data obtained from independent industry publications, market research, internal surveys and other publicly available information is used. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. We have not independently verified such data. Similarly, whilst we believe that our internal surveys are reliable, they have not been verified by independent sources and we cannot assure you of their accuracy. Thus, we do not guarantee or assume any responsibility for the accuracy of the data, estimates, forecasts or other information taken from sources in the public domain. The information in this Information Document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Company confirms that no statement or report attributed to a person as an expert is included in this Information Document.

Unless otherwise indicated in the Information Document, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

2.3 Cautionary note regarding forward-looking statements

This Information Document includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Information Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

2.4 Advisors

Carnegie AS and Skandinaviska Enskilda Banken AB have been retained as Managers and Euronext Growth Advisors in connection with the Admission to Trading. Advokatfirmaet Schjødt AS has acted as the Company's legal counsel with respect to Norwegian law.

3 RISK FACTORS

Investing in the Company involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out in this section before making an investment decision in respect of the Shares. The risks and uncertainties described below are not the only ones facing the Company. Additional risks not presently known to the Company or that the Company currently deems immaterial, may also impair the Company's business and adversely affect the price of the Company's Shares. If any of the following risks materialize, individually or together with other circumstances, the Company's business, prospects, financial position and/or operating results could be materially and adversely affected, which in turn could lead to a decline in the value of the Shares and the loss of all or part of an investment in the Shares.

A prospective investor should consider carefully the factors set forth below, and elsewhere in the Information Document, and should consult his or her own expert advisors as to the suitability of an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of an investment in the Shares.

The information herein is presented as of the date hereof and is subject to change, completion or amendment without notice.

All forward-looking statements included in this document are based on information available to the Company on the date hereof, and the Company assumes no obligation to update any such forward-looking statements. Forward-looking statements will however be updated if required by applicable law or regulation. Investors are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties and that actual results may differ materially from those included within the forward-looking statements as a result of various factors. Factors that could cause or contribute to such differences include, but are not limited to, those described in this Information Document.

The order in which the below risks are presented is not intended to provide an indication of the likelihood of their occurrence nor their severity or significance.

3.1 Risks related to the business of the Company and the industry in which it operates

3.1.1 Business risk

Business risk relates to the risk of loss and reduced profitability due to changes in the Group's competitive position. Factors which can impact the Group's competitive position include new players in the industry, pressure on market prices and future demand and supply factors, including the price of hydrogen fuel, electricity, fuel cells, batteries and drivetrain components and their relative attractiveness compared with diesel, gas or other fuels, and conventional vehicle technologies. Depending on developments, these factors can have a negative impact on the results and financial position of the Company and the Group.

3.1.2 Operational and technological risk

The Group uses its expertise to develop and commercialize new products, processes and technologies. The Group is exposed to competing technologies and processes that could have a negative effect on the Group's competitive positions and, in turn profitability and financial position. The composite pressure vessel technology used by the Group is seen as modern and typically competes with existing type-1 all-steel and type-3 metal inner-lined composite over-wrapped pressure vessels or liquified storage solutions. Should competing products be perceived by customers and the market as cheaper, better and safer, this may have a material adverse effect on the Company's profitability and financial position.

3.1.3 Production risk

The Group operates in markets with strict standards for quality and delivery. Deviations from these standards could result in significant additional costs, lost sales revenues and damage to the Group's reputation. In order to mitigate this risk, the Group has procedures and controls in place to identify and prevent deviations. The Group is exposed to risks related to production such as production errors or shut downs of its facilities. Any such events would have a material adverse effect on the Group's results of operations, cash flow and financial condition.

3.1.4 Uncertainty relating to global economic conditions and development may reduce demand for the Group's services or result in contract delays or cancellations

Volatility and sustained weakness in general economic conditions and global or regional financial markets may negatively affect and may continue to negatively affect the adoption of hydrogen or battery electric mobility or storage as core energy vectors used to decarbonize hard-to-abate sectors, such as transportation. Limitations on the availability of capital or higher costs of capital for financing expenditures, or the desire to preserve liquidity, may cause potential customers to make reductions in future capital budgets and outlays and could result in project modifications, delays and/or cancellations. Such adjustments could reduce demand for the Group's services, which could have a material adverse effect on the Group's results of operations, cash flow and financial condition.

3.1.5 Intellectual property rights

The Group must observe third parties' patent rights and intellectual rights. There is always an inherent risk of third parties claiming that the technology utilized in the Group's operations infringes third parties' patents or intellectual property rights, and any such claim, if successful, could have a material adverse effect on the Group's results of operation.

3.1.6 Raw material risks and volatility and price levels of oil

The Group is exposed to developments in the prices of its raw materials and in particular the cost of carbon fiber and lithium-ion batteries. The prices of these raw materials are linked to various factors including developments in the price of oil, precursor commodities and energy and the prevailing market balance where supply is dependent on a limited number of suppliers.

3.1.7 The announced plans for Chinese manufacturing and assembly joint ventures may be unavailable on attractive or acceptable terms

The Group has announced a term sheet for a strategic partnership with CIMC ENRIC to jointly establish facilities for manufacturing of cylinders and assembly of systems to serve the Chinese and Southeast Asian markets. Final agreements have not been entered into, and there is both a risk that final terms are less attractive and contain greater risk for the Group than desired, and that the parties cannot reach agreement on final terms and the strategic partnership is not realized.

3.1.8 Risk of investing in China

The Group has announced a term sheet for a strategic partnership with CIMC ENRIC, to jointly establish facilities for manufacturing of cylinders and assembly of systems to serve the Chinese and Southeast Asian markets. If the partnership develops, this will subject the Group to risks specific to China. China may be subject to economic, political and social instability. Over the last few decades, the Chinese government has undertaken reform of economic and market practices and has expanded the sphere of private ownership of property in China. However, Chinese markets may nevertheless experience inefficiency, volatility and pricing anomalies resulting from governmental influence, a lack of publicly available information and/or political and social instability. Social unrest or confrontations with neighboring countries may also disrupt economic development in China and result in a greater risk of currency fluctuations, currency non-convertibility, interest rate fluctuations and higher rates of inflation. Further, investments in China may be subject to loss due to expropriation or nationalization of assets and property or the imposition of restrictions on foreign investments and repatriation of capital.

3.1.9 Labor issues

Labor unrest could prevent or hinder the Group's services from being carried out normally and, if not resolved in a timely and cost effective manner, could adversely affect its business, results of operations, cash flows and financial condition.

3.1.10 New technology and/or products may cause the Group to become less competitive

The composite pressure cylinders industry and the market for fuel cell and battery electric drivetrain integration is subject to the introduction of new technologies, some of which may be subject to patent protection. As competitors and others use or develop new technologies, the Group may be placed at a competitive disadvantage, and it may face competitive pressure to implement or acquire certain new technologies at a substantial cost. The Company cannot be certain that the Group will be able to implement and use new technology or products on a timely basis or at an acceptable cost. Thus, the Group's inability to implement and use new and emerging technology in an effective and efficient manner may have a material and adverse effect on its business, financial condition, results of operations and cash flows.

3.1.11 Failure to employ a sufficient number of skilled workers or an increase in labor costs could hurt the Group's operations

The Group's future operational performance depends to a significant degree upon the continued service of key members and key personnel in the Group and the Group's business, as well as a competent and experienced sales force in order to achieve sufficient sales volumes. The shortage of qualified personnel or the inability of the Group to obtain and retain qualified and key personnel, could also negatively affect the quality and timeliness of its work, which in turn could have a material adverse effect on the business, financial position, results of operations and cash flows of the Company and the Group.

3.1.12 The Group's business involves numerous operating hazards

The Group's products are used to transport and store energy in the form of highly flammable, pressurized gases or high voltage battery packs. All of the Group's products are tested and approved in accordance with established safety standards. Production and related processes are regularly monitored and controlled. The Group designs its products according to national and international standards. All relevant aspects of products and manufacturing processes are monitored and recorded. Notwithstanding the above, the Group's operations will be subject to the usual hazards inherent in the Group's industry, such as inter alia loss of production, fires, bursts and pollution. The Group may also be subject to property, environmental and other damage claims by third parties, in addition to personal injury and other claims of the personnel. The occurrence of any one of these (or similar) events could result in the suspension of production operations, claims by third parties, severe damage to, or destruction of, the property and equipment involved, injury or death to personnel and environmental damage. Any one of the above could have a material adverse effect on the Group's business, financial position, results of operations and cash flow.

3.1.13 The international operations of the Group will be subject to a number of risks inherent in operating a business in foreign countries

The Group operates in several jurisdictions in addition to Norway. The Company and the Group will thus be subject to a number of risks inherent in operating a business in various jurisdictions, including, but not limited to political, social and economic instability, limitations on insurance coverage, import-export quotas and costs, confiscatory taxation, work stoppages, unexpected changes in regulatory requirements, wage and price controls, sanctions and/or other imposition of trade barriers, imposition or changes in enforcement of local content laws, changes in economic or tax policies, changes in legislation which give rise to increased compliance costs, restrictions on currency or capital repatriations, currency fluctuations and devaluations and high levels of inflation, high interest rates, significant governmental influence over many aspects of local economies and/or other forms of government regulation and economic conditions that are beyond the Group's control, all of which could have a material adverse effect on the Group's business, financial position, result of operations and cash flows.

3.1.14 The Group's insurance may not be adequate to cover the Group's losses

Insurance of all risks associated with the Group's business is not always available and, where available, the cost can be high. The occurrence of an event that is uninsurable, not covered or only partially covered by insurance could have a material adverse effect on the Group's business and financial position. For instance, pollution and environmental risks generally are not fully insurable, and when available the insurance premiums may be high and coverage may be restricted.

3.1.15 Customers may be unable or unwilling to indemnify the Group

The Group may not be able to obtain agreements from customers to indemnify it for consequential damages and risks or the indemnities that it does obtain may be limited in scope and duration or subject to exceptions. Additionally, even if the Group's customers agree to indemnify it, there can be no assurance that they will necessarily be financially able to indemnify it against all of these risks.

3.1.16 Risks associated with upgrades, refurbishment and repairs

The group may undertake upgrades, refurbishment and repairs on its production facilities from time to time, which involves inherent risks for delay and/or cost overruns due to various circumstances, including those outside of the Group's control. Significant cost overruns or delays would adversely affect the Group's business, financial condition and result of operations.

3.1.17 Hidden defects and risk related to maintenance

The Group may carry the risk for any hidden defect or defects not discovered during a warranty period. Any such defects and the Group's incurrence of costs and labilities thereof may have a materially adverse effect on the Group's business.

3.1.18 The Group could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws

The U.S. Foreign Corrupt Practices Act, and similar worldwide anti-bribery laws (together, anti-corruption laws) prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. In order to effectively compete in some foreign jurisdictions, the Group may utilize local agents and seek to establish joint ventures with local operators or strategic partners. Although the Group has policies that comply with these laws, and has procedures and controls in place to monitor internal and external compliance, if it is found to be liable for violations of anti-corruption laws, the Group could suffer from civil and criminal penalties or other sanctions, which could have a material adverse effect on its business, financial position, results of operations and cash flows.

3.1.19 The Group's business is subject to numerous governmental laws and regulations, including those that may impose sanctions and/or significant costs and liability on it for environmental and natural resource damages, as well as agreements governed by foreign law

The Group's business activities are conducted in or with relations to several different jurisdictions, and thereby exposed to a variety of different laws, regulations, rules, agreements and guidelines, which may include (without limitation) regulations related to, inter alia, anti-trust, environmental, health & safety, anti-corruption, sanctions, and tax. Any changes thereof, or any difficulties in enforcing agreements in foreign jurisdictions, may have a significant adverse effect on the Group's operations and results. Any failure to comply with laws and regulations may result in the assessment of administrative, civil and even criminal penalties, the imposition of remedial obligations, the denial or revocation of permits or other authorizations and the issuance of injunctions that may limit or prohibit the Company's or the relevant Group member's operations.

3.1.20 Counterparty risks

The ability of the Company and the Group to achieve its stated objectives will depend on the performance of the counterparties under the various agreements it has entered into. If any counterparties do not meet their obligations under the respective agreements, this may have a material adverse effect on the Company's and the Group's operations, business and financial condition. Legal action in response to non-performance by any counterparty entails uncertainty with respect to the result of such legal action and may be costly. Without prejudice to the generality of the foregoing, there is a risk that the Company or its subsidiaries cannot seek the legal redress that they could expect against a defaulting counterparty, or that a legal remedy will not be granted on satisfactory terms.

3.1.21 Competition risk

Certain of the Group's competitors are larger than the Group, both in respect of production facilities and financial position. Such competitors' greater resources could allow them to better withstand industry downturns and operational downtime, compete more effectively on the basis of their production facilities, financial strength and technology, and retain skilled personnel. There can be no assurance that the Group can compete effectively with its competitors in the industry.

3.1.22 Risks relating to laws, regulations and public requirements

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

3.1.23 Risks related to the COVID-19 outbreak

The outbreak of the corona virus (COVID-19) may affect the overall performance of the Company, including the Company's ability to develop its products and services and implement its business plan, and may result in delays, additional costs and liabilities, which in turn could have a material adverse effect on the Company's results, financial condition, cash flows and prospects.

3.1.24 Deviation from standard terms

The Company may in some circumstances for commercial reasons choose to accept customer demands for terms and conditions under customer agreements which deviate from the standard terms & conditions and therefore represent an increased liability exposure for the Group.

3.1.25 Risks associated with joint ventures

The Company has entered into a joint venture (Hyon AS) and may enter into others. The success of a joint venture depends on a number of factors, a number of which are beyond one individual partner's control. Participation in joint ventures represents a variety of legal risks inherent to joint ventures.

3.1.26 Hexagon Purus is a spin-off

The Group is a result of a spin-off from the Hexagon Composites ASA group. A number of agreements have been entered into in order establish the Group's business into a separate legal structure, and the Group may have liabilities pursuant to said agreements.

3.2 Risks related to the Shares and the Admission to Trading

3.2.1 An active trading market for the Company’s Shares may not develop

The Shares have not previously been tradable on any stock exchange, other regulated marketplace or multilateral trading facility. No assurance can be given that an active trading market for the Shares will develop on Euronext Growth, nor sustain if an active trading market is developed. The market value of the Shares could be substantially affected by the extent to which a secondary market develops for the Shares following completion of the Admission to Trading.

3.2.2 The Company will incur increased costs as a result of being listed on Euronext Growth

As a company with its shares listed on Euronext Growth, the Company will be required to comply with Oslo Børs’ reporting and disclosure requirements for companies listed on Euronext Growth. The Company will incur additional legal, accounting and other expenses in order to ensure compliance with the aforementioned requirements and other rules and regulations. The Company anticipates that its incremental general and administrative expenses as a company with its shares listed on Euronext Growth will include, among other things, costs associated with annual and interim reports to shareholders, shareholders’ meetings and investor relations. In addition, the Board of Directors and Management may be required to devote significant time and effort to ensure compliance with applicable rules and regulations for companies with shares listed on Euronext Growth, which may entail that less time and effort can be devoted to other aspects of the business.

3.2.3 The price of the Shares may fluctuate significantly

The trading volume and price of the Shares could fluctuate significantly. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company’s actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors’ and analysts’ earnings expectations, investors’ evaluations of the success and effects of the Company’s strategy, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the industries in which the Company operates, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate due to factors that have little or nothing to do with the Company, and such fluctuations may materially affect the price of the Shares. Further, significant sales of shares by major shareholders could also negatively affect the market price of the Shares.

3.2.4 Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares

The Company may in the future decide to offer and issue new Shares or other securities in order to finance new capital intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

3.2.5 Shareholders outside of Norway are subject to exchange rate risk

All of the Shares will be priced in Norwegian Kroner (NOK), the lawful currency of Norway and any future payments of dividends on the Shares or other distributions from the Company will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in NOK against their local currency, as the foreign currency equivalent of any dividends paid on the Shares or price received in connection with any sale of the Shares could be materially impacted upon by adverse currency movements.

3.2.6 Norwegian law could limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Company's articles of association (the "**Articles of Association**"). These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritised over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

3.2.7 Investors could be unable to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to any General Meeting. There is no assurance that beneficial owners of the Shares will receive the notice of any General Meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

3.2.8 Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to U.S. or other shareholders

Under Norwegian law, unless otherwise resolved at the Company's General Meeting of shareholders, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction.

The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares. Doing so in the future could be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

3.2.9 Future sales of the Company's shares by its larger shareholder or any of its primary insiders may depress the price of the Company's shares

The market price of the Company's shares could decline as a result of sales of a large number of shares in the market by its major shareholders after the Issue or the perception that these sales could occur, or any sale of shares by any of the Company's primary insiders from time to time. These sales, or the possibility that these sales may occur, might also make it more difficult for the Company to sell equity securities in the future at a time and at a price it deems appropriate.

3.3 Risks related to laws and regulations

3.3.1 Risks related to litigation, disputes and claims

The Company may in the future be involved from time to time in litigation and disputes. The operating hazards inherent in the Company's business may expose the Company to, amongst other things, litigation, including personal injury litigation, intellectual property litigation, contractual litigation, environmental litigation, tax or securities litigation, as well as other litigation that arises in the ordinary course of business. No assurance can be given that the Company is not exposed to claims, litigation and compliance risks, which could expose the Company to losses and liabilities. Such claims, disputes and proceedings are subject to uncertainty, and their outcomes are often difficult to predict. Adverse regulatory action or judgment in litigation could result in sanctions of various types for the Company, including, but not limited to, the payment of fines, damages or other amounts, the invalidation of contracts, restrictions or limitations on the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

3.3.2 Changes in tax laws of any jurisdiction in which the Company operates, and/or any failure to comply with applicable tax legislation may have a material adverse effect for the Company

The Company is and will be subject to prevailing tax legislation, treaties and regulations in the jurisdictions in which it operates, and the interpretation and enforcement thereof. The Company's income tax expenses are based upon its interpretation of the tax laws in effect at the time that the expense is incurred. If applicable laws, treaties or regulations change, or if the Company's interpretation of the tax laws is at variance with the interpretation of the same tax laws by tax authorities, this could have a material adverse effect on the Company's business, results of operations or financial condition. If any tax authority successfully challenges the Company's operational structure, pricing policies or if taxing authorities do not agree with the Company's assessment of the effects of applicable laws, treaties and regulations, or the Company loses a material tax dispute in any country, or any tax challenge of the Company's tax payments is successful, the Company's effective tax rate on its earnings could increase substantially and the Company's business, earnings and cash flows from operations and financial condition could be materially and adversely affected.

3.3.3 Risks associated with changes to accounting rules or regulations

Changes to existing accounting rules or regulations may impact the Company's future profit and loss or cause the perception that the Company is more highly leveraged. New accounting rules or regulations and varying interpretations of existing accounting rules or regulations may be adopted in the future and could adversely affect the Company's financial position and results of operations.

3.3.4 Risk relating to GDPR

The EU General Data Protection Regulation (GDPR) imposes a number of obligations of the Company, including risks related to use of cookies and transfer of personal data outside the EU/EEA. Given the scope and complexity of GDPR regulation, there is a risk that the measures imposed by GDPR are not implemented correctly or that there may be partial non-compliance with the new procedures, which could result in significant administrative and monetary sanctions as well as reputational damage.

3.4 Risks related to the group's financial position and liquidity

3.4.1 Adequate funding may not be available in the future

To the extent the Company does not generate sufficient cash from operations to fund its existing and future business plans, the Company may need to raise additional funds through public or private debt or equity financing to execute the Company's growth strategy and to fund capital expenditures. Adequate sources of capital funding might not be available when needed or may only be available on unfavorable terms. If funding is insufficient at any time in the future, the Company may be unable to, inter alia, fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Company's financial condition and results of operations.

3.4.2 Future debt arrangements could limit the Company's liquidity and flexibility and the Group may be unable to generate sufficient cash flow to satisfy its debt obligations

Any future debt arrangements could limit the Company's liquidity and flexibility in obtaining additional financing and/or in pursuing other business opportunities. Further, the Company's future ability to obtain bank financing or to access the capital markets for any future debt or equity offerings may be limited by the Company's financial condition at the time of such financing or offering, as well as by adverse market conditions related to, for example, general economic conditions and contingencies and uncertainties that are beyond the Company's control. Failure by the Company to obtain funds for future capital expenditures could impact the Company's results, financial condition, cash flows and prospects. The Group's future cash flow may be insufficient to meet its debt obligations and commitments. Any insufficiency could negatively impact the Group's business. A range of economic, competitive, business and industry factors will affect the Group's future financial performance and, as a result, an inability to generate sufficient cash flow to satisfy its debt obligations, or to obtain alternative financing, could materially and adversely affect the Group's business, financial condition, results of operations, and prospects.

3.4.3 Risks related to contractual default by counterparties

The ability of each counterparty to perform its obligations under a contract with the Company will depend on a number of factors that are beyond the Company's control including, for example, factors such as:

- general economic conditions;
- the condition of the industry to which the counterparty is exposed; and
- the overall financial condition of the counterparty.

Should a counterparty fail to honor its obligations under its agreements with the Company, this could impair the Company's liquidity and cause significant losses, which in turn could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

3.4.4 Interest rate risk

The Group could be exposed to interest rate risk from its financing activities. Some of the Group's potential future interest-bearing liabilities may have variable interest rates, which means that the Group may be affected by changes in interest rates which exposes the Group to volatility in future interest payment amounts.

3.4.5 Currency risk

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 against other currencies while the Group's presentation currency is NOK. The most important foreign currencies to the Group is currently the US Dollar and Euro and changes in currency rates could have a negative impact on the Company's competitive position, and have a significant effect on the Company's reported results. The carrying amount of the Group's net investments in foreign companies fluctuates as the Norwegian krone moves against other relevant currencies. The Group's profit after tax is also affected by currency movements, as the results of foreign companies are translated to the Norwegian currency using the weighted average exchange rate for the period.

4 PRESENTATION OF THE COMPANY

4.1 Information about Purus

The Company's legal and commercial name is Hexagon Purus AS. The Company is a private limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44 (the "**Norwegian Private Companies Act**"). The Company's registration number in the Norwegian Register of Business Enterprises is 919 317 558.

The Company was incorporated in Norway on 3 July 2017. The Company's registered office is located at Korsegata 4B, N-6002 Ålesund, Norway and the Company's main telephone number is +47 70 30 44 50. The Company's website can be found at www.hexagonpurus.com.

4.2 Important events

The table below provides an overview of key events in the history of the Company:

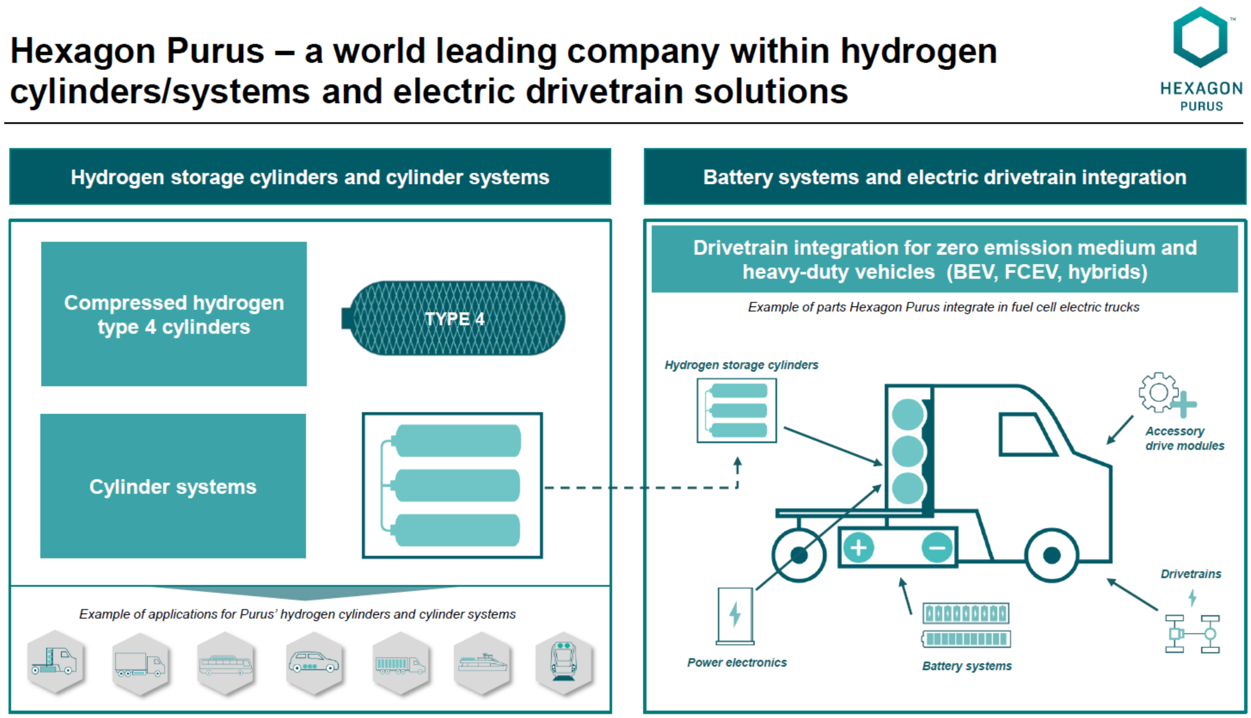
Date	Event
2002	
June 2002	Hexagon Lincoln successfully developed its first hydrogen fuel cylinder capable of handling an operating pressure of 700 bar.
2006	
December 2006	Hexagon Lincoln was awarded the development contract for the supply of hydrogen cylinders to a pilot program for Mercedes Benz' B-series fuel cell electric vehicle – F-Cell.
2015	
January 2015	Hexagon established a separate business unit dedicated to hydrogen applications, spearheaded out of Hexagon Lincoln.
2017	
July 2017	Hexagon Purus AS was founded as a wholly owned subsidiary of Hexagon Composites ASA, and mainly consisted of xperion Energy & Environment (acquired by Hexagon Composites ASA in 2016) in Kassel, Germany and the hydrogen business unit in Hexagon Lincoln, USA, providing solutions for storage and transportation of compressed natural gas (CNG) and hydrogen.
2019	
October 2019	Hexagon Composites announced that it was combining all e-mobility activities in Hexagon Purus with effect from 2020, therefore transferring Agility Fuel Solutions' hydrogen (H2) and battery electric vehicle (BEV) systems business to Purus. As part of this internal reorganization, Hexagon MasterWorks Inc, which delivers high-pressure cylinders for special applications including aerospace, was also transferred to Purus.
2020	
May 2020	Announcement of term sheet for a strategic partnership with CIMC ENRIC, a leading Chinese manufacturer of energy equipment and a subsidiary of China International Marine Containers. This alliance will serve the fast-growing demand of the Chinese

	market for safe, lightweight and cost-efficient compressed hydrogen storage solutions. The strategic cooperation will support the transition to zero emission transportation also in Southeast Asia. Purus and CIMC ENRIC intend to jointly establish facilities for manufacturing of cylinders and assembly of systems to serve the Chinese and Southeast Asian markets.
July 2020	Hexagon Purus receives first contract to provide hydrogen transport modules in the US. Hexagon Purus has signed a contract with a major US hydrogen fuel supplier and hydrogen refueling station operator to provide multiple X-STORE transport modules for the distribution of high-pressure hydrogen gas. The contract has an estimated value of USD 4.8 million (approx. NOK 45 million) and includes additional purchase options that, if exercised, will bring the total value of the contract to approximately USD 7 million (approx. NOK 65 million).
August 2020	Hexagon Composites ASA to transfer CNG LDV business from Hexagon Purus to its g-mobility business - establishing Hexagon Purus as a pure e-mobility business.
August 2020	Hexagon Purus enters Northeast Asian market for hydrogen-powered passenger cars - joining the drive toward zero-emission transportation in the region. A key automotive leader for Fuel Cell Vehicles (FCEVs) in Northeast Asia has nominated Hexagon Purus, a subsidiary of Hexagon Composites, for the serial supply of composite cylinders for their current zero-emission Fuel Cell Electric SUV. Hexagon Purus' cylinders will be installed in the vehicle model starting by 2022.
August 2020	Hexagon Composites ASA announces contemplated private placement and intention to spin off and list Hexagon Purus as an independent company.
August 2020	Private placement in Hexagon Composites ASA of NOK 907m successfully completed, of which NOK 500m employed to fund the initial development phase in Hexagon Purus.

4.3 Business overview

4.3.1 Principal Activities and Business Model

Hexagon Purus is a world-leading supplier of type 4 hydrogen high-pressure cylinders and cylinder systems, battery storage systems and system integration solutions for fuel cell and battery electric drivetrains.



Hexagon Purus offers type 4 cylinders and cylinder systems for storage of compressed hydrogen used primarily in mobility applications such as medium- and heavy-duty trucks, buses, passenger vehicles, ferries and trains. Additionally, Purus delivers hydrogen distribution modules and ultra-high pressure hydrogen ground storage systems for hydrogen refuelling stations.

Purus is present across the entire value chain for high-pressure cylinders and cylinder systems, ranging from precursor components such as manufacturing of composite shells and liners to cylinder manufacturing and assembly of cylinder systems.

As mentioned above, Purus focuses predominantly on type 4 hydrogen cylinders (primary carbon fiber composite cylinders with plastic liner). Type 4 cylinders are considered most relevant for mobility applications due to the combination of weight, safety, efficiency and durability inherent in type 4 cylinders. Type 4 cylinders are typically configured to operate under 350 or 700 bar pressure for mobility applications and around or above 950 bar for hydrogen refuelling applications.

Further, Purus also offers full drivetrain integration for medium- and heavy-duty commercial vehicles with alternative drivetrains (battery electric, fuel cell electric and hybrids). In addition, Purus offers hydrogen cylinder systems and battery pack design and build for medium- and heavy-duty commercial vehicles with alternative drivetrains.

4.3.2 Competitive Situation

Hexagon Purus is a globally leading type 4 cylinder manufacturer, coming from a heritage of more than 60 years of cylinder manufacturing experience coupled with industry-leading products and strong customer relationships. Furthermore, Purus has a leading position in the market for alternative drivetrain integration and battery packs for fuel cell electric and battery electric commercial vehicles as a tier 1 supplier to commercial vehicle OEMs.

In the cylinder manufacturing market, Hexagon Purus mainly faces competition from two types of competitors; i) specialist cylinder manufacturers such as Iljin and Luxfer and; ii) tier 1 suppliers to the automotive industry such as Faurecia, Plastic Omnium and Toyoda Gosei.

In the market for alternative drivetrain integration, Hexagon Purus' main competitors are alternative drivetrain specialists such as Motiv and SEA Electric as well as tier 1 suppliers of conventional drivetrains such as Cummins/EDI and Meritor/Transpower who are now increasingly focusing on electric drivetrain integration.

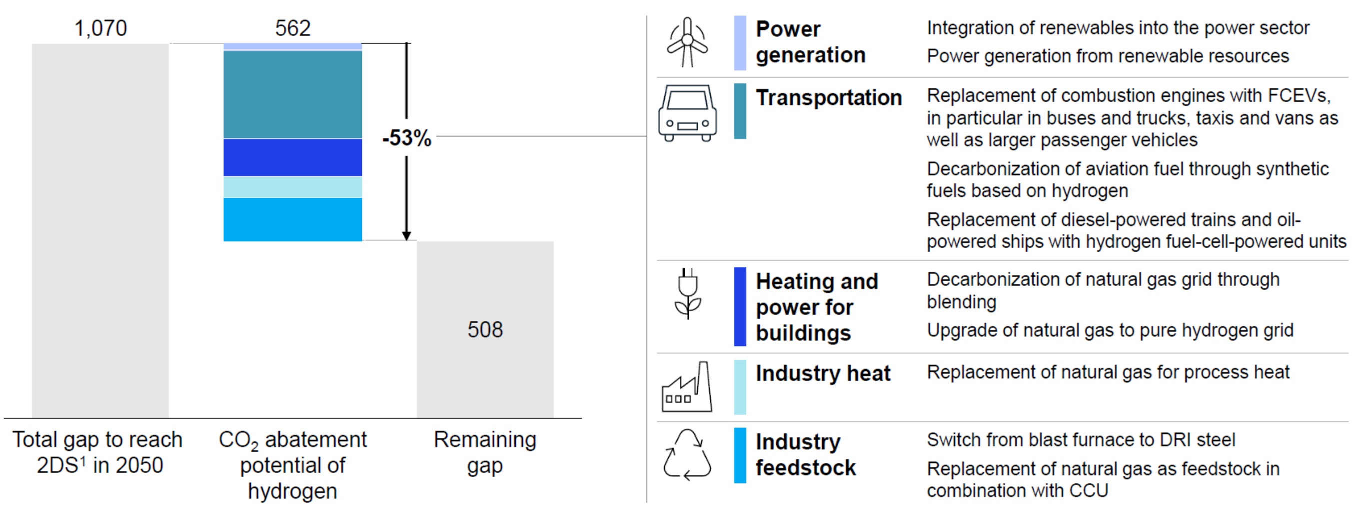
4.3.3 Principal Markets

Information regarding business-critical patents or licenses, industrial, commercial or financial contracts etc. is appended in Appendix 3.

"Unless otherwise indicated, the information contained in this section of the Information Document concerning markets, market sizes, market shares and market positions are the views of the Company informed by multiple sources, including market studies the Company has commissioned from a third-party consultancy".

Climate change requires urgent action, and governments are responding with increasingly ambitious decarbonization targets. Full decarbonization requires a broad strategy. As hydrogen technologies can make our economies cleaner through providing zero-emission energy and transport solutions, the interest in hydrogen as an energy source has been significantly boosted in recent years. Countries such as China, Japan, the US and South Korea have implemented detailed strategies for promoting hydrogen energy solutions. This includes a coalition of governments forming the Clean Energy Ministerial which is targeting to deploy 10 million fuel cell electric vehicles (FCEVs) and to build 10,000 hydrogen refueling stations by 2030 (Hydrogen Council, 2019).

FIGURE 1 - Carbon emissions gap to reach 2 degree scenario in 2050 (Mt)

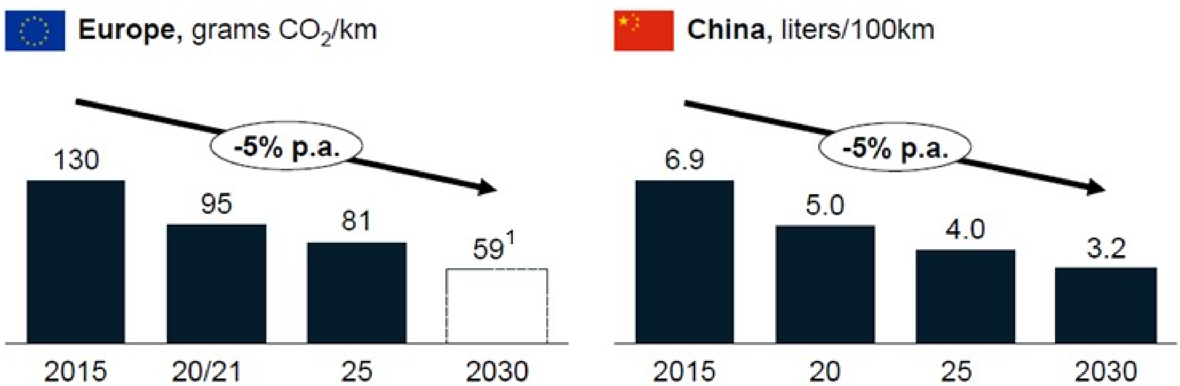


1. 2-degree scenario;

Source: IEA Energy Technology Perspectives 2017, Hydrogen Roadmap Europe team

The transition to low-carbon fuels i.e. low-carbon energy carriers is especially challenging in the transportation and mobility sector. One reason for this is that the widespread geographical distribution of vehicles and fuel stations require the fuel to be easy to transport and store. Fleet emission regulation is projected to decrease the fuel consumption per km around 5% p.a. in the EU and China, acting as one of the drivers for the adoption of low-emission fuels such as hydrogen.

FIGURE 2 – CO_2 and fuel economy / consumption fleet target values by country



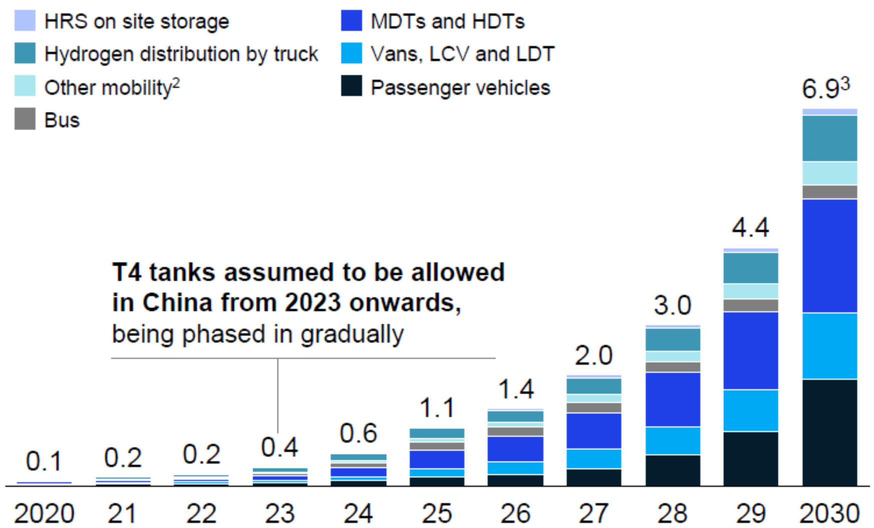
Source: Third-party market review

[1] On 11 December 2019, according to the new Green Deal, it was revealed that the European Commission will revise car CO_2 standards once more moving towards ZEVs in the 2030s

The market for compressed hydrogen cylinder systems

Within the accelerating hydrogen mobility and distribution markets, compressed hydrogen type 4 cylinders are the dominant storage technology and are likely to maintain a leading position due to a good balance of safety, weight and cost. The type 4 cylinder market is most exposed to competition from type 3 cylinders and liquid fuel storage technologies.

FIGURE 3 – Addressable compressed hydrogen cylinder system revenue pool 1,2,3 (USDbn)



Source: Hydrogen Council, Third-party market review

As exhibited in figure 3, hydrogen cylinder systems can be used in a wide array of applications, with medium and heavy-duty trucks expected to make up a large part of the addressable hydrogen cylinder market by 2030.

The market for compressed hydrogen cylinders is expected to reach approx. USD 7bn in 2030. Global regulatory landscape, the cost trajectory of hydrogen solutions and the adoption of FCEVs are viewed as the most important drivers for the hydrogen cylinder system market towards 2030 and hydrogen transition in general going forward.

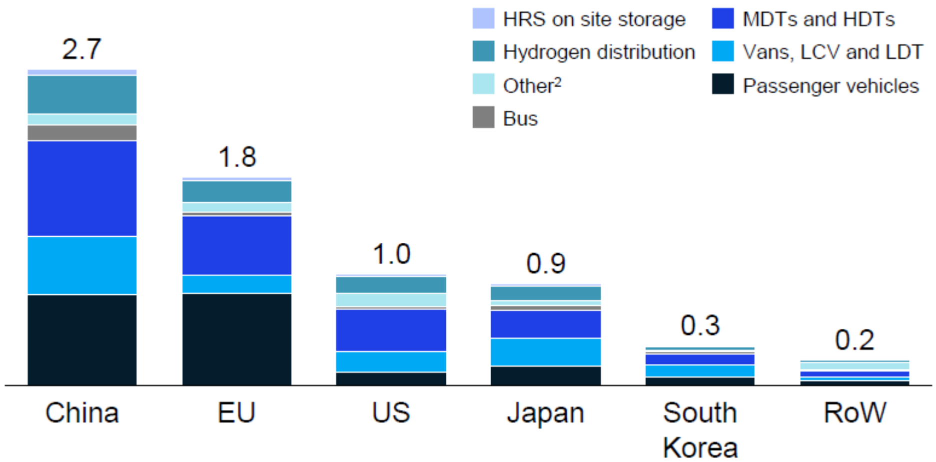
There are large regional differences across the different geographical markets due to regulatory conditions, infrastructure investments, and the cost of alternative fuels. China is expected to be the biggest market mid-term, accounting for 40% of the addressable market. Chinese suppliers generally do not have type 4 cylinder capabilities as of today, but are expected to adopt the technology. The hydrogen momentum has led China to commit to a dedicated hydrogen strategy, with concrete statements and initiatives by the authorities. The Chinese market is expected to be followed by the EU, accounting for 25% of the addressable hydrogen cylinder market in 2030. The net-zero 2050 decarbonization agenda and the Green Deal puts hydrogen in the front-seat in the European countries.

[1] Assuming all end-users use compressed gas hydrogen cylinders in all mobility segments

[2] Other mobility consisting of marine, rail, drones aviation, farming equipment, construction and mining equipment

[3] 2030 market of around 1.3m passenger vehicles, 320k trucks and 20k buses

FIGURE 4 – Addressable compressed hydrogen cylinder system revenue pool by geography in 2030 (USDbn)



Source: Hydrogen Council, Third-party market review

EV systems and drivetrain integration market

Electrification of the commercial vehicle fleet is accelerating in line with the increasing efforts to reduce emissions from the global vehicle fleet. There are three main markets emerging for EV systems and drivetrain integration for small-volume series production.

1. Battery electric vehicle ("BEV") trucks mainly in the US
2. Hybrid drivetrains (e.g. compressed natural gas and BEV or diesel and BEV) in Europe and the US
3. Fuel cell electric vehicles ("FCEV")

As in the hydrogen cylinder market, the main drivers behind the shift to alternative drivetrain solutions are regulatory changes and improving cost competitiveness of low-carbon alternatives. Hexagon Purus is present in the alternative drivetrain market with drivetrain integration solutions and battery packs for BEVs, FCEVs and hybrids. Original equipment manufacturers ("OEMs") use system integration providers such as Hexagon Purus for short-series production and prototypes in order to support the transition to complex alternative drivetrains, incorporating battery packs, fuel cells, hydrogen cylinders and fuel management systems.

The addressable market for short-series/prototype production of BEV and FCEVs is expected to reach approximately USD 450m in 2025. Further, the market is expected to gradually shift from BEV and hybrid towards FCEVs in the medium term, as the technology and market matures. In addition to this, market opportunities can be found in low-volume segments such as large off-road trucks, rail and maritime.

FIGURE 5 – Addressable short-series system integration market for MDT/HDT (USDm)

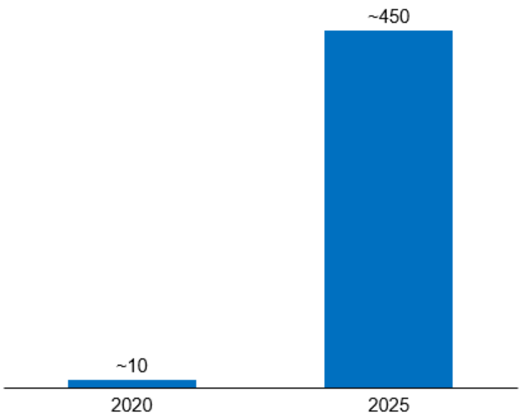
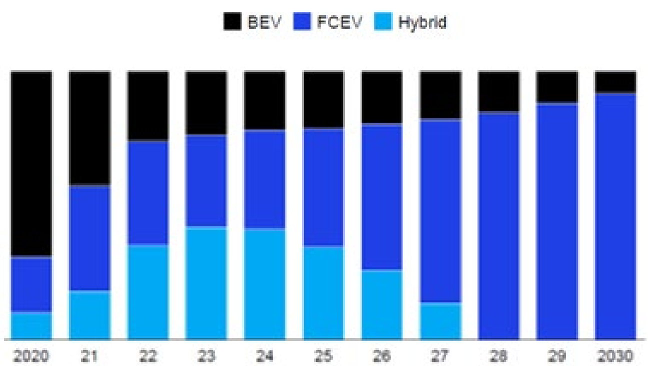


FIGURE 6 – Global short-series volume per technology (% of short-series production)[4]



Source: Hydrogen Council, Third-party market review

4.4 Material contracts

The Company has not entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Information Document.

For an overview of recent significant contract announcements made by the Company[5], please see below:

- Awarded a multi-year frame agreement with Everfuel worth approximately EUR 14m to deliver multiple units of newly designed 45-foot hydrogen distribution systems
- Selected as a development partner in Hino Trucks', a Toyota Group company, Project Z to provide battery packs and drivetrain integration on multiple Hino platforms. Received purchase order for three trucks as part of Project Z

[4] Includes US (BEV, FCEV, hybrid), Europe (FCEV), China (FCEV prototypes)

[5] Further details in announcements on https://newsweb.oslobors.no/

- Won a EUR 25m contract from a globally present Northeast Asian OEM for the serial supply of type 4 composite hydrogen cylinders for a zero emission fuel cell electric SUV
- Awarded a USD 5.2m contract for the design, development, qualification and production of high-performance type 4 composites cylinders to a major new aerospace customer
- Received a USD 4.8m contract from a North American customer for the supply of multiple X-STORE transport modules for the distribution of high-pressure hydrogen gas

4.5 Related party transactions

In 2018, the Company's subsidiary Hexagon Technology H2 AS entered into an agreement with Hexagon Technology AS (a wholly owned subsidiary of the Company's principal shareholder Hexagon Composites ASA), pursuant to which Hexagon Technology H2 AS acquired Hexagon Technology AS' intellectual property related primarily to hydrogen-related business activities. Hexagon Technology AS was granted a perpetual, world-wide, non-exclusive, non-transferable license to use of the intellectual property for its own business purposes. The agreement was entered into on arms-length terms.

Further, the Company has in the past compensated Hexagon Composites ASA for use of shared services, always on arms' length terms.

In addition, the Company intends to enter into a transitional services agreement regarding functional support from Hexagon Composites ASA. Such services may include inter alia support for financial reporting, tax, treasury, IT, HR, legal/compliance and communication and HSSE. The agreement will be entered into on arms' length terms.

4.6 Reasons for the decision to apply for admission to trading

Hexagon Purus is a pure play zero emission company present in a dynamic e-mobility market with significant growth opportunities going forward. By listing the Company on the Euronext Growth Oslo, the Company gets access to equity capital markets which will allow the Company to accelerate its growth trajectory and help the Company in delivering upon its financial and strategic ambitions. The interest in public and private investments into companies that help accommodate the transition to a low emission society is strong, and it is therefore expected that Hexagon Purus will be a welcome addition to Euronext Growth Oslo.

5 THE GROUP

The Company functions primarily as the parent company of the Group. The Group's operations are mainly carried out by the subsidiaries. The following table sets out information about the Company's (directly or indirectly owned) subsidiaries:

Table 1 - Group structure

Subsidiary / Operating division	Share-holding	Voting rights	Country	Description
Hexagon Composites Germany GmbH	100%	100%	Germany	Holding company for the Group's German businesses
Hexagon Purus GmbH	100%	100%	Germany	Development, manufacturing and sale of hydrogen cylinders, distribution modules and projects
xperion Overseas GmbH	100%	100%	Germany	Holding company for xperion E&E US Holding Inc. – no active business
xperion E&E US Holding Inc	100%	100%	USA	Holding company for xperion E&E USA LLC – no active business
xperion E&E USA LLC	100%	100%	USA	Legacy entity – no active business
Hexagon Purus North America Holdings Inc	100%	100%	USA	Holding company for the Group's North American businesses
Hexagon Purus LLC	100%	100%	USA	Development, manufacturing and sale of hydrogen cylinders and systems, distribution modules and projects
Hexagon MasterWorks, Inc.	100%	100%	USA	Development, manufacturing and sale of composite cylinders
Hexagon Purus Systems USA LLC	100%	100%	USA	Development, manufacturing and sale of hydrogen cylinder systems, battery packs and drivetrain integration solutions
Hexagon Purus Systems Canada Ltd	100%	100%	Canada	Product development and engineering
Hexagon Technology H2 AS	100%	100%	Norway	Intellectual property for Hexagon Purus
Hyon AS	33.33%	33.33%	Norway	Joint venture company equally owned by Nel ASA, Hexagon Purus AS and PowerCell Sweden AB. Represents a one-stop shop for integrated solutions across the hydrogen value chain

6 ORGANIZATION, BOARD OF DIRECTORS AND MANAGEMENT

6.1 Introduction

The Company's highest decision making authority is the general meeting of shareholders (the "**General Meeting**"). All shareholders in the Company are entitled to attend or be presented by proxy and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested in the Company's Board of Directors and in the Company's Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, ensuring plans and budgets for its activities, ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors.

6.2 Board of directors

The Company's Articles of Association provide that the Board of Directors shall consist of up to 7 board members elected by the Company's shareholders. As at the date of this Information Document, the Company's Board of Directors (the "**Board Members**") consists of one board member as detailed below:

Name	Position	Served since	Term expires	No. of shares held	No. of options/warrants
Jon Erik Engeset	Chair	2020	2022 (term as chairman)	39,899	0

The shareholding specified as being held by the Board Members in Hexagon Purus is a preliminary estimate based on the effect of a dividend distribution of shares in Hexagon Purus to shareholders of Hexagon Composites, the settlement of which has not been completed at the date hereof.

On 25 November 2020, the extraordinary general meeting of the Company resolved that the Board of Directors shall consist of the following Board Members, with effect from the first day of listing on Euronext Growth: Jon Erik Engeset (chair), Karen Romer, Rick Rashilla, Martha Kold Bakkevig, Espen Gundersen and Jannicke Hilland.

Karen Romer is expected to receive 272 shares in the Company upon completion of a pending dividend distribution. Rick Rashilla is expected to receive an estimated 13,945 shares in the Company upon completion of a dividend distribution. Mr Rashilla's stated holding is estimated and does not include the effects of any withholding tax affecting the number of shares distributed.

The following sets out a brief introduction to each of the Board Members that take office on the first day of listing on Euronext Growth Oslo:

Jon Erik Engeset – *Chair*

Jon Erik Engeset has been CEO & President of Hexagon Composites ASA since 2013. He holds an MSc and MBA from NHH - Norwegian School of Economics

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.

Karen Romer – *Board member*

Karen Romer was appointed SVP Communications of Hexagon Composites ASA in April 2020. Prior to joining Hexagon, Karen was Senior Director at Hill & Knowlton Norway (H+K) where she led the corporate communications practice.

Karen has extensive experience from senior communications positions at Lindorff, Couche-Tard/Statoil Fuel & Retail and Aker Solutions.

Rick Rashilla – *Board member*

Rick Rashilla was named SVP Research & Development of Hexagon Composites in 2020. Prior to his R&D role, Rick has held several key management positions in the Group, most recently as VP Hydrogen Automotive at Hexagon Purus' location in Germany.

He has 35+ years' experience in managerial and R&D positions related to filament wound pressure vessels and other composites technology from General Dynamics, Brunswick Defence and Lincoln Composites.

Martha Kold Bakkevig – *Board member*

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

Martha holds two PhD's , one of them specializing in Strategies for Commercialization of New Technology from BI.

Espen Gundersen – *Board member*

Espen Gundersen is currently the CFO & Deputy CEO of Tomra Systems. He is a professional accountant and has his MBA from BI.

Espen started his career at Arthur Andersen as an Auditor before moving to Selmer as a VP. He has held various positions at Tomra since 1999. He currently sits on the board of Kitron.

Jannicke Hilland – *Board member*

Jannicke Hilland is currently the CEO of BKK Energy. She has a PhD in Engineering from the University of Bergen.

Jannicke has extensive energy sector experience from Statoil and Norsk Hydro. She also sits on various boards, including: Nysnø Klimainvesteringer, Energi Norge and Bonheur.

6.3 Management

Please find details regarding the Company's Key Management Group, as of the date of this Information Document, in the table below.

Name	Position	Served since	No. of shares held	No. of options/warrants
Morten Holum	CEO	2020	1,211	0
Dilip Warrier	CFO	2020	0	0
Michael Kleschinski	EVP, Light Duty, Distribution and Cylinders	2020	6,213*	0
Todd Sloan	EVP, Systems	2020	0	0
Frank Häberli	SVP, Asia	2020	9,879	0

*estimated result of completion of a dividend distribution, and does not include the effect of any withholding tax affecting the number of shares distributed.

The shareholding specified as being held by the management team of Hexagon Purus is a preliminary estimate based on the effect of a dividend distribution of shares in Hexagon Purus to shareholders of Hexagon Composites, the settlement of which has not been completed at the date hereof.

For information about the incentive plans and matching share program, please see Section 6.8 below.

The Company's registered office, at Korsegata 4B, 6002 Ålesund, Norway, serves as business address for the members of the Management in relation to their positions in the Company.

The following sets out a brief introduction to each of the members of the Company's Management:

Morten Holum – *CEO*

Morten Holum joined Hexagon Purus in March 2020, from the position as EVP and COO in Hexagon Composites ASA. Mr. Holum has broad industrial and international experience from several multinational corporations and has a strong background in management, strategy and finance. Prior to joining Hexagon, he spent nine years in executive positions (both as CEO and CFO) in Saferoad Group, a pan-European road safety company. Before that, he held key positions in Norske Skogindustrier, Norsk Hydro and American Airlines.

Mr. Holum holds an MBA from the University of North Carolina.

Dilip Warrier – *CFO*

Dilip Warrier joined Hexagon Purus as CFO in August 2020. Mr. Warrier has broad experience in the clean mobility industry and held the position of Vice President of Finance at Agility Fuel Solutions prior to joining Hexagon Purus. Mr. Warrier also has experience as an equity research analyst at Stifel Nicolaus, where he covered the clean transportation and energy storage sectors.

Mr. Warrier holds an MBA from the Stern School of Business, New York University.

Dr. Michael Kleschinski – *EVP, Light Duty, Distribution and Cylinders (LDC)*

Michael Kleschinski joined xperion Energy & Environment (now part of Hexagon Purus) in 2006 and has held different management positions within production, engineering and general management. He has extensive technical and commercial experience with high-pressure composites cylinders for storage of gaseous alternative energy for automotive and industrial applications.

Michael Kleschinski holds a PhD and BSc in Mechanical Engineering from Darmstadt University and Glasgow University, respectively.

Todd Sloan – *EVP, Systems*

Todd Sloan has significant experience in the clean fuel solutions sector and has more than 24 years of experience with heavy-duty trucks and buses. Mr. Sloan was the Founder and President of EnviroMECH Industries which in 2010 merged with FAB Industries to form Agility Fuel Solutions. At Agility, Mr. Sloan held the role as Senior Vice President of Innovation and Business Development before joining Hexagon Purus.

Mr. Sloan holds a B.Eng. in Mechanical Engineering from the University of Victoria.

Frank Häberli – *SVP, Asia*

Frank Häberli joined Hexagon Purus in August 2020 from Hexagon Composites ASA where he most recently held the role of Group Vice President of Strategic Projects. Mr. Häberli has over the past 15 years held various leadership positions at Hexagon Composites and prior to that, key positions in international sales and marketing including a decade of experience with Schuler AG.

Mr. Häberli holds a BSc in Law from the University of Konstanz and a MSc/Diplomingenieur (FH) degree in Mechanical Engineering from Hochschule Mannheim University of Applied Sciences.

6.4 Corporate Governance

The Company's Board of Directors is responsible for ensuring satisfactory corporate governance.

The Norwegian Code of Practice for Corporate Governance (the "**Code**") does not apply on Euronext Growth. However, the Company intends to comply with the Code going forward.

6.5 Audit committee/remuneration committee

The Company has currently not established any audit committee or remuneration committee, but intends to establish said committees in the short term.

6.6 Benefits upon termination

Morten Holum – *CEO*

In the event of termination by the Company that is not justified by gross misconduct, Mr. Holum is entitled to severance pay corresponding to 12 months' salary (including holiday pay).

Dilip Warrier – *CFO*

In the event of termination by the Company without cause, Mr. Warrier is entitled to; i) earned but unpaid base salary accrued through the date of termination; ii) earned but unpaid incentive compensation for any completed calendar year; iii) accrued and unused vacation leave that may have earned up to the date on which the termination takes effect; iv) severance payment represented by a lump sum payment of base salary equivalent to that then in effect as of the date of termination, for a period of six months following the date of termination; v) health, dental and vision insurance coverage premiums for a period of six months following the termination; vi) outplacement services provided by an outplacement agency selected by or acceptable to the Company, the total cost of such services to not exceed USD 10,000.

In order to qualify for said benefits, Mr. Warrier will be required to execute, at the time of termination, a comprehensive confidential release agreement prepared by and containing terms acceptable to the Company in which Mr. Warrier fully releases all potential claims against Hexagon and its affiliates and subsidiaries, as well as its members, officers, directors, employees and agents.

Dr. Michael Kleschinski – *EVP, Light Duty, Distribution and Cylinders (LDC)*

In the event of termination by the Company that is not justified by gross misconduct, Mr. Kleschinski is entitled to severance pay corresponding to 12 months' salary (including holiday pay).

Todd Sloan – *EVP, Systems*

In the event of termination by the Company without cause, Mr. Sloan is entitled to; i) any accrued vacation time; ii) an amount equal to the continued payment of his base salary as in effect on the date of termination for a period beginning on the termination date and ending on the six-month anniversary date of such termination date; iii) unpaid bonus compensation entitlement, if any, for the most recently completed year and; iv) bonus entitlement, if any, for the current year (prorated for the number of months of employment with the Company for the fiscal year in question and based on the Company's financial performance in the year of termination).

Payment of the amounts described in ii), iii) and iv) is contingent upon execution of a general release of employment claims in favor of the Company in form reasonably satisfactory to the Company.

Frank Häberli – *SVP, Asia*

In the event of termination by the Company that is not justified by gross misconduct, Mr. Häberli is entitled to severance pay corresponding to 12 months' salary (including holiday pay). Mr. Häberli is also entitled to keep any short-term incentives or long-term incentives that he has earned in the period up until termination, also if they payable after his termination.

6.7 Other information

No member of the Board of Directors or Management has, or has had, as applicable, during the last five years preceding the date of the Information Document:

(i) any convictions in relation to fraudulent offences;

(ii) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the board, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer; or

(iii) been associated with any bankruptcy, receivership or liquidation in his or her capacity as member of the board or management of a company.

To the Company's knowledge, there are currently no actual or potential conflicts of interest between the Company and the private interests of any of the Board Members and members of the Management. There are no family relationships between the members of the Board of Directors or the Management.

The information provided in this section 6.7 also reflects the members of the Board of Directors that were elected on 25 November 2020 and who take office on the first day of listing on Euronext Growth, cf section 6.2 above.

6.8 Shareholdings and stock options

The Company has initiated two incentive plans.

The first plan is a management investment program with PSU matching. This plan is limited for five members of the executive management team. The plan involves investment in Company shares of between NOK 750,000 and 2,000,000 by the member, at market value. The employee will in 2024 be entitled to up to three new shares in the Company per share invested, at no consideration, provided he or she is still employed in the Company at such date. The entitlement depends on fulfilment of three criteria, one per matching share. One criterion is tied to increase in share price, one is tied to Company performance criteria and one is tied to continued employment.

The second plan is an employee RSU Program for a number of employees in middle management. This program will not require pre-investment, and will have a vesting period until 2024. The maximum grant is 0.8% of total number of outstanding shares per year.

The Company has no further rights, obligations or undertakings that may require the issuance of further shares in the company.

7 FINANCIAL INFORMATION

7.1 Summary of accounting policies and principles

The Company's audited interim financial statements as of and for the half-year period ending 30 June 2020 (the "**Financial Statements**") attached hereto as Appendix 2, have been prepared in accordance with IAS 34 Interim Financial Statement. For further information on accounting policies and principles, please refer to Note 2.1 in the Company's audited financial statements for the half-year period ending 30 June 2020.

7.1.1 Near-term financial reporting and shareholder meeting calendar

Following the submission of this Information Document, the Company expects to release its quarterly results for Q4 2020 on 16 February 2021 and its annual report for the financial reporting year of 2020 on 24 March 2021. Furthermore, the Company expects to hold its first annual General Meeting following the submission of this Information Document on 27 April 2021.

7.2 Financial figures

7.2.1 Income Statement

The table below sets out selected data from the Company's audited income statement for the financial half-year period ending 30 June 2020 and 30 June 2019.

	For the six months ended 30 June	
	2020	**2019**
NOK ('000)	*(audited)*	*(audited)*
Revenue from contracts with customers	184,639	290,493
Other operating income	2,454	557
Total revenue	**187,093**	**291,050**
Cost of materials	(100,209)	(154,215)
Payroll and social security expenses	(89,392)	(94,642)
Other operating expenses	(71,993)	(70,861)
Total operating expenses	**(261,594)**	(319,718)
EBITDA	**(74,502)**	**(28,668)**
Depreciation and impairment	(30,356)	(23,506)
Operating profit (EBIT)	**(104,858)**	**(52,174)**
Share of profit (loss) of an associate and a joint venture	(571)	(676)
Finance income	4,278	2,191
Finance costs	(31,588)	(16,574)
Profit (loss (-) before taxes	**(132,739)**	**(67,234)**
Income tax	(15,018)	11,161
Net income / loss (-)	**(147,757)**	**(56,073)**
Attributable to equity holders of the parent	*(147,757)*	*(56,073)*
Attributable to non-controlling interests	-	-

7.2.2 Balance Sheet

The table below sets out selected data from the Company's audited balance sheet for the financial half-year period ending 30 June 2020 and full financial year ending 31 December 2019.

	As of 30 June	**As of 31 December**
	2020	**2019**
NOK ('000)	*(audited)*	*(audited)*
ASSETS		
Property, plant and equipment	101,098	103,359
Right-of-use assets	77,870	53,577
Intangible assets	513,994	475,378
Investments in an associate and a joint venture	80	651
Non-current financial assets	4,882	3,226
Deferred tax assets	20,520	41,213
Total non-current assets	**718,444**	**677,404**
Inventories	109,283	100,678
Trade receivables	88,612	125,015
Contract assets (incl. prepayments)	7,056	3,100
Other current financial assets	21,931	5,941
Cash and short-term deposits	53,591	65,093
Total current assets	**280,473**	**299,827**
Total assets	**998,917**	**977,231**
EQUITY AND LIABILITIES		
Issued capital	330	330
Share premium	14,443	14,443
Other equity	(280,070)	(119,590)
Equity attributable to equity holders of the parent	**(265,297)**	**(104,816)**
Non-controlling interests	0	0
Total equity	**(265,297)**	**(104,816)**
Interest-bearing loans and borrowings, related party	842,891	729,428
Lease liabilities	77,943	47,828
Provisions	2,254	1,613
Net employee defined benefit liabilities	2,260	2,076
Deferred tax liabilities	24,487	22,325
Total non-current liabilities	**949,835**	**803,269**
Trade and other payables	169,869	139,207
Contract liabilities	34,732	33,276
Lease liabilities, short term	12,107	12,810
Income tax payable	19	20

Other current liabilities	97,651	93,465
Total current liabilities	**314,378**	**278,778**
Total liabilities	**1,264,213**	**1,082,046**
Total equity and liabilities	**998,917**	**977,231**

7.2.3 Cash Flow Statement

The table below sets out selected data from the Company's audited cash flow statement for the financial half-year period ending 30 June 2020 and the full financial year 2019, ending 31 December.

	For the six months ended 30 June	**Full year**
	2020	**2019**
NOK ('000)	*(audited)*	*(audited)*
OPERATING ACTIVITIES		
Profit before tax from continuing operations	(132,739)	(126,156)
Profit before tax	**(132,739)**	**(126,156)**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and impairment of property, plant and equipment	10,686	12,370
Depreciation and impairment of right-of-use assets	11,000	20,211
Amortisation and impairment of intangible assets	8,670	14,626
Share of net profit of associate and a joint venture	571	749
Movements in pensions and government grants	185	898
Working capital adjustments		
Change in trade receivables, contract assets and prepayments	32,448	(43,357)
Change in inventories and right of return assets	(8,606)	11,018
Change in trade and other payables, contract liabilities and refund liabilities	32,118	81,478
Change in other non-current posts	(90,336)	(306)
Interest received	0	(352)
Interest paid	21,914	31,233
Income tax paid (refunded) for the period	7,837	1,861
Net cash flow from operating activities	**(106,252)**	**4,272**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(904)	(51,640)
Purchase and development of intangible assets	(1,009)	(63,027)
Interest received	0	352
Net cash flows used in investing activities	**(1,914)**	**(114,315)**
FINANCING ACTIVITIES		
Proceeds from loans	111,807	140,325
Interest payments	(21,914)	(31,233)

Net cash flows (used in)/from financing activities	**89,893**	**109,092**
Net increase (decrease) in cash and cash equivalents	**(18,273)**	**(950)**
Net foreign exchange difference	6,771	(509)
Cash and cash equivalents at 1 January	65,093	66,552
Cash and cash equivalents outgoing balance	**53,591**	**65,091**

7.2.4 Changes in equity

The table below sets out selected data from the Company's audited statement of changes in equity for the financial half-year period ending 30 June 2020 and the full financial year ending 31 December 2019.

NOK ('000)	Issued capital	Share premium	Other equity and retained earnings	Foreign currency translation reserve	Total equity
Equity as of 1 January 2019	**330**	**14,443**	**(20,016)**	**-**	**(5,243)**
Profit for the period	-	-	(98,616)	-	(98,616)
Other comprehensive income	-	-	-	(957)	(957)
Total comprehensive income	**-**	**-**	**(98,616)**	**(957)**	**(99,573)**
Equity as of 31 December 2019	**330**	**14,443**	**(118,632)**	**(957)**	**(104,816)**
Equity as of 1 January 2020	**330**	**14,443**	**(118,632)**	**(957)**	**(104,816)**
Profit for the period	-	-	(147,757)	-	(147,757)
Other comprehensive income	-	-	-	(12,723)	(12,723)
Total comprehensive income	**-**	**-**	**(147,757)**	**(12,723)**	**(160,480)**
Equity as of 30 June 2020	**330**	**14,443**	**(266,390)**	**(13,681)**	**(265,297)**

7.3 Changes in financial or trading position

Since 30 June 2020 and up until the date of this Information Document, there have been significant changes to the financial position of the Company. On 30 June 2020, as appears in Appendix 2, the Company had approx. NOK 843 million in loans with Hexagon Composites ASA-owned entities as creditors. In August 2020, and following an equity issue in the parent, Hexagon Composites ASA provided the Company with NOK 500 million as a loan, thereby improving the Company's liquidity with NOK 500 million, but increasing the Company's debt to its parent company by the same amount. On 30 October 2020, the shareholder's meeting of the Company resolved to convert NOK 1,340 million of its shareholder loan positions from Hexagon Composites ASA and its owned entities to equity. This results in a well-capitalised balance sheet suited for listing. Further to this, and as further detailed in section 8.7 below, the Company carried out a private placement of new shares in the Company in December 2020, raising gross proceeds of NOK 750 million thereby further improving its equity and liquidity position.

The Company is of the opinion that the equity capital available is sufficient for the Group's present funding requirements for the period covering at least 12 months from the first day of listing. In its present business plan the Company expects to be EBITDA break-even in or around 2024-2025, and at least up until that point the Company expects to be mainly funded by equity.

7.4 Working Capital

As of the date of this Information Document, the Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements, and is sufficient to be able to conduct the planned business for at least twelve months after the first day of trading.

7.5 Large Transactions

The Company's subsidiary Hexagon Purus GmbH has held assets in the Compressed Natural Gas Light Duty Vehicle (CNG LDV) business. This business formed part of the overall Hexagon group's g-mobility business, and therefore falls outside the Purus group's core business, being e-mobility business. In order to establish Hexagon Purus as a pure e-mobility business, the Company has entered into agreements to transfer the Compressed Natural Gas Light Duty Vehicle (CNG LDV) business to Hexagon Composites ASA.

The CNG LDV business, per the financial half-year period ending 30 June 2020, constituted approx. 50% of the Company's total revenue of NOK 187m, approx. 21% of the Company's total assets of NOK 999m, and approx. 25% of the total EBIT of negative 105m.

Technically, the transaction is completed as follows:

- On 17 September 2020 Hexagon Composites Germany GmbH, a German holding company, established two new subsidiaries, Hexagon Composites GmbH and Hexagon Operations GmbH, each with registered office in Kassel, Germany, both in the legal form of private limited companies under German law (GmbH).
- The registration of these two new companies took place on 12 October 2020.
- On 14 October 2020, a social compensation plan and a reconciliation of interests were concluded with the works council of Hexagon Purus GmbH with regard to the employees who are to be transferred to Hexagon Composites GmbH and Hexagon Operations GmbH respectively.
- On 16 October 2020, Hexagon Purus GmbH on the one hand and Hexagon Composites GmbH and Hexagon Operations GmbH, respectively, on the other hand entered into two notarial spin-off and transfer agreements. Under these agreements, all assets relating to Hexagon's German g-mobility business are transferred to Hexagon Composites GmbH and all assets relating to services shared among Hexagon's business divisions in Germany are transferred to Hexagon Operations GmbH. These agreements set out in detail which fixed and current assets, which contracts, which employees and which receivables and liabilities are to be transferred from Hexagon Purus GmbH to Hexagon Composites GmbH and Hexagon Operations GmbH. The economic effective date for the transfer is 1 January 2021, 0:00 hours.
- The spin-offs will only become legally effective upon their entry in the "Handelsregister Amtsgericht Kassel", being the commercial register (the "Register") of the transferring entity, i.e. Hexagon Purus GmbH. The application for the entry requires the financial statements of Hexagon Purus GmbH as at 31 December 2020.

- Once the annual financial statements of Hexagon Purus GmbH as at 31 December 2020 are available (expected to be the case at the end of February 2021), a resolution of the shareholders' meeting will have to be passed at the level of Hexagon Composites Germany GmbH, Hexagon Composites GmbH and Hexagon Operations GmbH to approve the spin-off. The spin-offs must then be filed with the Register. Registration is expected to take around 4 weeks, so that a registration end of March/beginning of April 2021 can be expected.
- In addition, share purchase and transfer agreements regarding the shares in Hexagon Composites GmbH and Hexagon Operations GmbH were concluded on 16 October 2020 between Hexagon Composites Germany GmbH as seller and Hexagon Composites ASA as purchaser. These two share purchase and assignment agreements are subject to the condition precedent of entry of the aforementioned spin-offs in the Register of the transferring entity (Hexagon Purus GmbH). Upon registration of the spin-offs and payment of the provisional purchase price specified in the share purchase and transfer agreements, the shares of Hexagon Composites GmbH and Hexagon Operations GmbH will thus be transferred to Hexagon Composites ASA. The consideration for the CNG LDV business is expected to be between EUR 13-14m, depending on the final level of working capital and fixed assets at the time of the demerger.

The transaction concerns a business unit, which therefore does not have separate financial information or board of directors, etc. Approximately 130 full time employees will be transferred as part of the transaction. Completion of the transaction has the strategic effect of establishing the Company as a pure e-mobility business. No agreements have been entered into in connection with the above transaction for the benefit of the Company's senior employees or members of the board of directors or for the senior employees or board of directors of the business in question.

While the transactions above will be finally concluded following entry into the Register, there is no external influence over the remaining actions to be taken. In other words, the execution of the spin-off is within the full and sole control of companies in the total Hexagon group.

7.6 Auditor

The Company's auditor is Ernst & Young AS ("EY"), with registration number 976 389 387 and business address at Dronning Eufemias gate 6, N-0191 Oslo, Norway. EY is a member of The Norwegian Institute of Public Accountants (Norwegian: *"Den Norske Revisorforening"*). EY has been the Company's auditor throughout the period covered by financial information included in this Information Document, and the audit reports for this period are included in the Financial Statements.

Other than mentioned above, EY has not audited any of the information included in the Information Document.

7.7 Legal and arbitration proceedings

The Company is not, nor has been, during the course of the preceding twelve months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on its financial position or profitability. The Company is not aware of any such proceedings which are pending or threatened.

7.8 Employees

The Company had 129 employees as at 30 June 2020. At the date of this Information Document, the Company has 139 employees.

8 SHARES AND SHARE CAPITAL

This section includes a summary of certain information relating to Hexagon Purus' shares and certain shareholder matters, including summaries of certain provisions of applicable law in effect as of the date of this Information Document. The mentioned summaries do not purport to be complete and is qualified in its entirety by the Company's Articles of Association and Norwegian law.

8.1 The Shares

As of the date of this Information Document, Purus has 229,092,239 shares outstanding, each with a par value of 0.1. The Shares have been created under the laws of Norway and are registered in book-entry form in the Norwegian Central Securities Depository (the **"VPS"**) under the ISIN NO0010904923. All the outstanding Shares are validly issued and fully paid. The Company has only one class of Shares. Each Share carries one vote and all Shares carry equal rights in all respects, including rights to dividends. All Shares are freely transferable, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal.

The first day of trading of the Shares on Euronext Growth Oslo is expected to be on 14 December 2020 under the ticker code "HPUR". The Company does not have securities listed on any stock exchange or other regulated market place.

The Company's registrar is DNB Verdipapirservice, with registered address Dronning Eufemias Gate 30, N-0191 Oslo, Norway.

8.2 Share capital

As of the date of this Information Document, the Company's share capital amounts to NOK 22,909,223.9 divided on 229,092,239 Shares, each with a par value of NOK 0.1. All shares are of the same class.

The table below summarizes the development in the Company's share capital for the period from the Company's inception and up to the date of the Information Document:

Date of registration	Type of change	Change in share capital (NOK)	New share capital (NOK)	Subscription price (NOK/share)	Par value (NOK)	New total number of issued shares
24 July 2017	Incorporation	30,000	30,000.00	1	1,000	30,000
16 September 2019	Share capital increase	300,000	330,000.00	49.3065291	1,000	330,000
30 October 2020		19,831,971.20	20,161,971.20	N/A	0.10	201,619,712

	Share split and share capital increase					
9 December 2020	Share capital increase	2,747,252.70	22,909,223.9	27.3	0.10	229,092,239

8.3 Financial instruments

8.3.1 Convertibles, Warrants and Options

The Company has issued no convertibles, warrants or options at the date hereof.

8.4 Authorisations to increase the share capital

In the General Meeting held on 30 October 2020, the Board of Directors was granted authorisation to increase the share capital of the Company by up to an aggregate nominal value of NOK 8,350,000. The shareholders' preferential rights pursuant to section 10-4 of the Norwegian Private Companies Act may be set aside. The authorisation also covers share capital increases against non-cash contributions and the right to assume special obligations on behalf of the Company, as well as resolutions on mergers and demergers, cf. sections 13-5 and 14-6 (2) of the Norwegian Private Companies Act. The authorisation is valid until 30 June 2022.

8.5 Treasury shares

As of the date of this Information Document, none of the Company's Shares are held by or on behalf of the Company.

8.6 Change of control

As of the date of this Information Document, to the knowledge of the Company, there are no arrangements or agreements, which may at a subsequent date result in a change of control in the Company.

8.7 Private placement

8.7.1 Details of the Private Placement

Prior to the Private Placement, the Company had issued 201,619,712, all owned by Hexagon Composites ASA. On 4 December 2020, the Company completed a private placement (the "**Private Placement**") consisting of 27,472,527 new Shares at a subscription price of NOK 27.3 per Share.

The application period for the Private Placement took place on 2 December 2020 from 09:00 CEST to 03 December 16:30 CEST and notifications of allocation were issued on 4 December 2020.

The Private Placement resulted in an immediate dilution of approximately 13.6% for the Company principal shareholder.

8.7.2 Shareholdings following the Private Placement

The share capital increase pertaining to the Private Placement was registered in the Norwegian Register of Business Enterprises on 9 December 2020. Following the Private Placement, only one shareholder, Hexagon Composites ASA, owns more than 5% of the Company's shares.

8.7.3 Use of proceeds

The net proceeds from the Private Placement will be used for growth initiatives and for general corporate purposes.

8.7.4 Lock-up

During a period ending 180 days after completion of the Listing, Hexagon Composites ASA will be subject to a lock-up undertaking with customary exceptions in relation to the remainder of their shares in Purus. The foregoing shall not apply to (i) any agreement or undertaking to deliver consideration shares under which delivery is set after the expiration of the lock-up period, (ii) any shares related to potential future share distributions through dividend-in-kind.

8.8 Shareholders

Following the Private Placement the Company has issued 229,092,239 shares. On 29 November 2020, Hexagon Composites ASA resolved to distribute 30,242,956 of its shares in the Company as dividend in kind to its shareholders. The distribution is expected to be completed in the VPS on or around 11 December 2020, and will result in Hexagon Composites ASAs holding being 171,376,756 shares. Following the Private Placement and the dividend distribution it remains that only one shareholder, Hexagon Composites ASA, owns more than 5% of the Company's shares.

8.9 Dividend and dividend policy

8.9.1 Dividend policy

As of the date of this Information Document, the Company considers itself to be in a growth phase and does not foresee that it will pay dividends in the near future. There can be no assurance that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the policy.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in Section 7.9.2 ("Legal and contractual constraints on the distribution of dividends") below, as well as capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility.

8.9.2 Legal and contractual constraints on the distribution of dividends

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Norwegian Private Companies Act, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in force at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Private Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Dividends may be paid in cash or in some instances in kind. The Norwegian Private Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Private Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distribution still has net assets to cover (i) the share capital and (ii) other restricted equity (i.e. the reserve for unrealized gains and the reserve for valuation of differences).

- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorize the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Norwegian Private Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the General Meeting when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian private limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Private Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends.

8.9.3 Manner of dividend payments

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through DNB Verdipapirservice (the "**VPS Registrar**"). Shareholders registered in the VPS who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

8.10 The Company's Articles of Association and Certain aspects of Norwegian corporate law

8.10.1 Articles of Association

Below is a summary of certain of the provisions of the Company's Articles of Association, which are attached as Appendix 1 to this Information Document.

8.10.1.1 Company name

Pursuant to section 1 of the Articles of Association, the Company's name is Hexagon Purus AS.

8.10.1.2 Objective of the Company

Pursuant to section 2 of the Articles of Association, the objective of the Company is is to conduct business within development of solutions in the field of clean fuels, and everything connected therewith, including investment in other companies.

8.10.1.3 Share capital and par value

Pursuant to section 4 of the Articles of Association, the Company's share capital is NOK 22,909,223.9 divided on 229,092,239 Shares, each with a par value of NOK 0.1.

8.10.1.4 The Board of Directors

Pursuant to section 5 of the Articles of Association, the Company's Board shall consist of up to 7 Board Members, elected by the General Meeting.

8.10.1.5 Restrictions on transfer of Shares

Pursuant to section 7 of the Articles of Association, the transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal.

8.10.1.6 Signatory right

Pursuant to section 6 of the Articles of Association, the signatory right lies with the CEO and the Chair jointly, the Chair and one Board Member jointly, or two Board Members jointly.

8.10.1.7 General meetings

Pursuant to section 8 of the Articles of Association, the Company's ordinary general meeting shall consider and decide the following matters:

1. Approval of the annual accounts and the annual report;
2. Use of profit or coverage of loss in accordance with the approved balance, including distribution of dividend;
3. Election of the board of directors
4. Such other matters which, according to law, fall within the duties of the general meeting
5. The annual report.

When documents pertaining to matters which shall be handled at the General Meeting have been made available for shareholders on the Company's website, the statutory requirement that the documents shall be distributed to shareholders does not apply. This is also applicable to documents which according to statutory law shall be included in or attached to the notice of the General Meeting. A shareholder may nonetheless demand to be sent such documents.

Further, the Company's communication with its shareholders can always take place electronically.

8.10.2 Certain aspects of Norwegian corporate law

8.10.2.1 General Meetings

Through the General Meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual General Meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that a written notice of annual General Meetings setting forth the time of, the venue for and the agenda of the meeting is sent to all shareholders with a known address no later than seven days before the annual general meeting of a Norwegian private limited liability company shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the General Meeting either in person or by proxy (the proxy holder is appointed at their own discretion). All of the Company's shareholders who are registered in the shareholders' register kept and maintained with VPS as of the date of the General Meeting, or who otherwise have reported and documented ownership of shares in the Company, are entitled to participate at general meetings, without any requirement of pre-registration.

Apart from the annual general meeting, extraordinary General Meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary General Meeting of shareholders shall also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 10% of the share capital demands such in writing. The requirements for notice and admission to the annual General Meeting also apply to extraordinary General Meetings.

8.10.2.2 Voting rights

Each Share carries one vote. In general, decisions shareholders are entitled to make under Norwegian law or the articles of association may be made by a simple majority of the votes cast. In the case of elections or appointments (e.g. to the board of directors), the person(s) who receive(s) the greatest number of votes cast is elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe for shares in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the articles of association, to authorize an increase or reduction of the share capital, to authorize an issuance of convertible loans or warrants by the

Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at the General Meeting in question. Moreover, Norwegian law requires that certain decisions, i.e. decisions that have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the General Meeting in question vote in favor of the resolution, as well as the majority required for amending the articles of association.

In general, only a shareholder registered in VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees.

There are no quorum requirements that apply to the general meetings.

8.10.2.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to the articles of association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. The preferential rights may be deviated from by a resolution in the General Meeting passed with the same vote required to amend the articles of association. A deviation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The General Meeting may, by the same vote as is required for amending the articles of association, authorize the board of directors to issue new Shares, and to deviate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered par share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States and other jurisdictions upon the exercise of preferential rights may require the Company to file a registration statement or prospectus in the United States under United States securities laws or in such other jurisdictions under the laws of such jurisdictions. Should the Company in such a situation decide not to file a registration statement or prospectus, the Company's U.S. shareholders and shareholders in such other jurisdictions may not be able to exercise their preferential rights. To the extent that shareholders are not able to exercise their rights to subscribe for new shares, the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the Company will be reduced.

8.10.2.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the board of directors or the Company's shareholders made at the General Meeting declared invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 10% or more of the Company's share capital have a right to demand in writing that the Board of Directors convenes an extraordinary General Meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any General Meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the General Meeting has not expired.

8.10.2.5 Rights of redemption and repurchase of shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a General Meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not lead to the share capital with deduction of the aggregate nominal of the holding of own shares is less than the minimum allowed share capital of NOK 30,000, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting of the Company's shareholders cannot be granted for a period exceeding two years.

8.10.2.6 Shareholder vote on certain reorganizations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the articles of association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the General Meeting to pass upon the matter.

8.10.2.7 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

8.11 Takeover bids and forced transfers of shares

The Company is not subject to the takeover regulations set out in the Norwegian Securities Trading Act, or otherwise.

The Shares are, however, subject to the provisions on compulsory transfer of shares as set out in the Norwegian Private Companies Act. If a private limited liability company alone, or through subsidiaries, owns 9/10 or more of the shares in the subsidiary, and may exercise a corresponding part of the votes that may be cast in the general meeting, the board of directors of the parent company may resolve that the parent company shall take over the remaining shares in the company. Each of the other shareholders in the subsidiary have the right to require the parent company to take over the shares. The parent company shall give the shareholders a redemption offer pursuant to the provisions of the Norwegian Private Companies Act. The redemption amount will in the absence of agreement or acceptance of the offer be fixed by a discretionary valuation.

9 NORWEGIAN TAXATION

*The following is a brief summary of certain Norwegian tax considerations relevant to the acquisition, ownership and disposition of Shares by holders that are residents of Norway for purposes of Norwegian taxation ("**resident or Norwegian shareholders**") and holders that are not residents of Norway for such purposes ("**non-resident or foreign shareholders**").*

The summary is based on applicable Norwegian laws, rules and regulations as at the date of this Information Document. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis for the same tax year. The summary is of a general nature and does not purport to be a comprehensive description of all tax considerations that may be relevant and does not address taxation in any other jurisdiction than Norway.

The summary does not concern tax issues for the Company and the summary only focuses on the shareholder categories explicitly mentioned below. Special rules may apply to shareholders who are considered transparent entities for tax purposes, for shareholders holding shares through a Norwegian permanent establishment and for shareholders that have ceased or cease to be resident in Norway for tax purposes.

Each shareholder, and specifically non-resident shareholders, should consult with and rely upon their own tax advisers to determine their particular tax consequences.

9.1 Taxation of dividends

9.1.1 Resident corporate shareholders

Dividends distributed from the Company to Norwegian corporate shareholders (i.e. limited liability companies and certain similar entities) are generally exempt from tax pursuant to the participation exemption method (Norwegian: "*Fritaksmetoden"*). However, 3% of such dividends are taxable as general income at a current rate of 22%, implying that dividends distributed from the Company to resident corporate shareholders are effectively taxed at a rate of 0.66%.

9.1.2 Resident personal shareholders

Dividends distributed from the Company to Norwegian personal shareholders are taxed as ordinary income at a current rate of 22% to the extent the dividends exceed a statutory tax-exempt allowance (Norwegian: "*Skjermingsfradrag"*). The tax basis is upward adjusted with a factor of 1.44 before taxation, implying that dividends exceeding the tax free allowance are effectively taxed at a rate of 31.68%.

The tax-exempt allowance is calculated and applied on a share-by-share basis. The allowance for each share equals the cost price of the share multiplied by a risk-free interest rate determined based on the interest rate on Norwegian treasury bills with three months maturity plus 0.5 percentage point, and adjusted downwards with the tax rate. The allowance one year is allocated to the shareholder owning the share on 31 December. Norwegian personal shareholders who transfer Shares during an income year will thus not be entitled to deduct any calculated allowance related to the transaction year. The Directorate of Taxes announces the risk free-interest rate in January the year after the income year.

Any part of the calculated allowance one year exceeding distributed dividend on a Share (excess allowance) can be carried forward and set off against future dividends (or capital gains) on the same Share (but may not be set off against taxable dividends / capital gains on other Shares). Furthermore, for the purpose of calculating the allowance the following years, any excess allowance is added to the cost price of the share and thereby included in the basis for the calculation of allowance the following years.

9.1.3 Non-resident shareholders

Dividends distributed from the Company to non-resident shareholders are in general subject to Norwegian withholding tax at a rate of currently 25%, unless otherwise provided for in an applicable tax treaty or the recipient is corporate shareholder tax resident within the European Economic Area (the "**EEA**") (ref. Section 8.1.4 below for more information on the EEA exemption). Norway has entered into tax treaties with approximate 80 countries. In most tax treaties the withholding tax rate is reduced to 15% or lower.

Shareholders, who have been subject to a higher withholding tax than applicable, may apply to the Central Office for Foreign Tax Affairs for a refund of the excess withholding tax.

If foreign shareholders are engaged in business activities in Norway, and their Shares are effectively connected with such business activities, dividends distributed on their Shares will generally be subject to the same taxation as that of Norwegian shareholders.

Foreign shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming refund of withholding tax.

9.1.4 Shareholders tax resident within the EEA

Dividends distributed from the Company to personal shareholders tax-resident within the EEA are upon request entitled to a deductible allowance. The shareholder shall pay the lesser amount of (i) withholding tax according to the rate in the applicable tax treaty or (ii) withholding tax at 25% after deduction of the tax-free allowance. Any excess allowance may be carried forward.

Dividends distributed from the Company to corporate shareholders tax resident within the EEA are exempt from Norwegian withholding tax, provided the shareholder is the beneficial owner of the Shares and genuinely established and performs genuine economic business activities within the EEA.

9.2 Taxation upon realization of shares

9.2.1 Resident corporate shareholders

For Norwegian corporate shareholders capital gains upon realization of Shares are generally exempt from tax. Losses are not deductible.

9.2.2 Resident personal Shareholders

For Norwegian personal shareholders capital gains upon realization of Shares are taxable as general income in the year of realization, and have a corresponding right to deduct losses that arise upon such realization. The tax liability applies irrespective of time of ownership and the number of Shares realized. The tax rate for general income is currently 22%. The tax basis is adjusted upward with a factor of 1.44 before taxation/deduction, implying an effective taxation at a rate of 31.68%.

The taxable gain or loss is calculated per Share as the difference between the consideration received and the cost price of the Share, including any costs incurred upon acquisition or realization of the Share. Any unused allowance on a Share (see above) may be set off against capital gains on the same Share, but will not lead to or increase a deductible loss. I.e. any unused allowance exceeding the capital gain upon realization of the Share will be annulled. Any unused allowance on one Share may not be set of against gains on other Shares.

If a shareholder disposes of Shares acquired at different times, the Shares that were first acquired will be deemed as first disposed (the FIFO-principle) when calculating a taxable gain or loss.

Special exit tax rules apply for resident personal shareholders that cease to be tax resident in Norway.

9.2.3 Non-resident shareholders

Gains from realization of Shares by non-resident shareholders will not be subject to taxation in Norway unless (i) the Shares are effectively connected with business activities carried out or managed in Norway, or (ii) the Shares are held by an individual who has been a resident of Norway for tax purposes with unsettled/postponed exit tax.

9.3 Net wealth tax

Norwegian corporate shareholders are not subject to net wealth tax.

Norwegian personal shareholders are generally subject to net wealth taxation at a current rate of 0.85% on net wealth exceeding NOK 1,500,000. The general rule is that the Shares will be included in the net wealth with 65% of their proportionate share of the Company's calculated wealth tax value as of 1 January in the income year.

Non-resident shareholders are generally not subject to Norwegian net wealth tax, unless the Shares are held in connection with business activities carried out or managed from Norway.

9.4 Stamp duty / transfer tax

Norway does not impose any stamp duty or transfer tax on the transfer or issuance of Shares.

Norway does not impose any inheritance tax. However, the heir continues the giver's tax positions, including the input values, based on principles of continuity.

9.5 The Company's responsibility for the withholding of taxes

The Company is responsible for and shall deduct, report and pay any applicable withholding tax to the Norwegian tax authorities.

10 DEFINITIONS AND GLOSSARY

In the Information Document, the following defined terms have the following meanings:

Admission to Trading	Admission to trading of PURUS's Shares on the Euronext Growth Oslo
Articles of Association	The articles of association of the Company.
Board Members	The members of the Board of Directors
Board or Board of Directors	The board of directors of the Company
CEO	The Company's chief executive officer
Code	Norwegian Code of Practice for Corporate Governance
Company or Purus	Hexagon Purus AS
EEA	The European Economic Area
EU	The European Union
Euronext Growth	A multilateral trading facility operated by Oslo Børs ASA
Forward-looking statements	All statements other than historic facts or present facts, typically indicated by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar
General Meeting	The Company's general meeting of shareholders
"HPUR"	Hexagon Purus' ticker code on Euronext Growth
Information Document	This Information Document dated 11 December 2020
ISIN	International Securities Identification Number
Management	The Company's senior executive management team
Managers	Carnegie AS and Skandinaviska Enskilda Banken AB collectively, both also serving as Euronext Growth Advisors to the Company
NOK	Norwegian Kroner, the lawful currency of Norway
Non-resident or foreign shareholders	Shareholders who are not resident in Norway for tax purposes
Norwegian Private Companies Act	Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44
Private Placement	The Private Placement of new shares in the Company described in section 8.7.
Resident or Norwegian shareholders	Shareholders who are resident in Norway for tax purposes
Securities Trading Act	Securities Trading Act of 29 June 2007 no. 75 (*Norwegian*: "Verdipapirhandelloven")
Shares	The Company's shares, each with a par value of NOK 0.1.
VPS	The Norwegian Central Securities Depository (Norwegian: *"Verdipapirsentralen"*)
VPS Registrar	DNB

APPENDIX 1: ARTICLES OF ASSOCIATION

UNOFFICIAL OFFICE TRANSLATION – IN CASE OF DISCREPANCIES THE NORWEGIAN VERSION SHALL PREVAIL:

VEDTEKTER FOR
HEXAGON PURUS AS
Org. nr. 919 317 558

§ 1 Navn
Selskapets navn er Hexagon Purus AS.

§ 2 Forretningskontor
Selskapets forretningskontor er i Ålesund kommune.

§ 3 Formål
Selskapets formål er å drive virksomhet innenfor utvikling innenfor rent drivstoff, og alt som står i forbindelse med slik virksomhet, herunder investering i andre selskaper.

§ 4 Aksjekapital
Selskapets aksjekapital er NOK 22 909 223,9, fordelt på 229 092 239 aksjer à NOK 0,10,-. Selskapet aksjer skal registreres i et verdipapirregister.

§ 5 Styre
Selskapet skal ha et styre bestående av inntil syv styremedlemmer.

§ 6 Firma

Selskapets firma tegnes av daglig leder sammen med styreleder, eller av styreleder sammen med ett styremedlem, eller av to styremedlemmer i fellesskap. Styret kan meddele prokura.

ARTICLES OF ASSOCIATION FOR
HEXAGON PURUS AS
Reg. No. 919 317 558

§ 1 Name
The company's name is Hexagon Purus AS.

§ 2 Registered address
The company's registered business address is in Ålesund municipality.

§ 3 Object
The object 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.

§ 4 Share capital
The Company's share capital is NOK 22,909,223.9, divided into 229,092,239 shares of NOK 0.10. The Company's shares shall be registered in a securities register.

§ 5 Board
The company shall have a board of directors comprised of up to seven members.

§ 6 Signature

The CEO together with the chair of the board, or the chair of the board together with one board member, or two board members jointly, signs on behalf of the company. The board may grant powers of procuration.

§ 7 Overdragelse av aksjer

Aksjeeierne har ikke forkjøpsrett til aksjer som overdras eller for øvrig skifter eier. Erverv av aksjer er ikke betinget av samtykke fra styret.

§ 7 Transfer of shares

The shareholders do not have preferential right to acquire shares that are transferred, or otherwise change owner. Transfer of shares is not subject to board approval.

§ 8 Generalforsamlingen

Den ordinære generalforsamling skal behandle:

1. Godkjennelse av årsregnskap og årsberetning.
2. Anvendelse av overskuddet eller dekning av underskudd i henhold til den fastsatte balanse, samt utdeling av utbytte.
3. Valg av styre.
4. Andre saker som i henhold til lov hører under generalforsamlingen.

For øvrig henvises til den til enhver tid gjeldende aksjelovgivning.

§ 8 General meeting

The annual general meeting shall address:

1. Approval of the annual accounts and the annual report;
2. Use of profit or coverage of loss in accordance with the approved balance, including distribution of dividend;
3. Election of the board of directors
4. Such other matters which, according to law, fall within the duties of the general meeting.

The Norwegian Private Limited Liability Companies Act applies to any other matters.

§ 9 dokumenter til generalforsamlingen, mv.

Når dokumenter som gjelder saker som skal behandles på generalforsamlingen, er gjort tilgjengelige for aksjeeierne på selskapets internettsider, gjelder ikke lovens krav om at dokumentene skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen. En aksjeeier kan likevel kreve å få tilsendt slike dokumenter.

Styret kan bestemme at aksjeeierne skal kunne avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. For slik stemmegivning skal det benyttes en betryggende metode for å autentisere avsenderen Selskapets kommunikasjon med aksjeeiere kan finne sted elektronisk.

§ 9 Documents for the shareholder meeting, etc

When documents pertaining to matters which shall be handled at a general meeting have been made available for the shareholders on the company's website, the statutory requirement that the documents shall be distributed to the shareholders, does not apply. This is also applicable to documents which according to statutory law shall be included in or attached to the notice of the general meeting. A shareholder may nonetheless demand to be sent such documents.

The Board may decide that the shareholders may cast their vote in writing, including electronically, during a period prior to the General Meeting. For such voting an adequate method for authenticating the sender shall be applied. The company's communication with its shareholders can take place electronically.

APPENDIX 2: AUDITED FIRST HALF-YEAR REPORT 2020

FIRST HALF YEAR REPORT

2020

HEXAGON PURUS

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Board of Director's First Half-Year 2020 Report

(NOK 1 000)	2020	% change	2019
	For the six months ended 30 June		
Group results			
Total revenue	187 093	-36%	291 050
Operating profit before depreciation (EBITDA)	-74 502	-160%	-28 668
Operating profit (EBIT)	-104 858	-101%	-52 174
Segment results			
Purus			
Total revenue	94 362	13%	83 729
Operating profit before depreciation (EBITDA)	-63 552	16%	-75 854
Operating profit (EBIT)	-79 089	14%	-91 861
CNG LDV			
Total revenue	92 731	-55%	207 321
Operating profit before depreciation (EBITDA)	-10 950	-123%	47 186
Operating profit (EBIT)	-25 769	-165%	39 687

In the first half-year of 2020, Hexagon Purus Group generated NOK 187 (291) million in revenues and recorded an operating profit before depreciation (EBITDA) of NOK -75 (-29) million. Profitability was reduced by lower sales volumes in the Compressed Natural Gas Light Duty Vehicle (CNG LDV) business, in addition to some effects from COVD-19 related measures. Prior year financials are presented on a pro-forma basis to reflect the contribution of the Medium and Heavy-Duty hydrogen and EV systems business from Agility Fuel Solutions to the Purus segment effective 1 January 2020.

There are no confirmed cases of COVID-19 infection reported among Hexagon Purus personnel at balance sheet date. After the balance sheet date, three cases have been reported in September and October, and all of them have recovered or are recovering. The facility in Kassel, Germany was closed from March 23rd to April 20th due to temporary shutdowns of customers' operations. All US plants have been kept open, having received Essential Critical Worker status. The financial impacts of COVID-19 were most apparent in the second quarter, especially impacting contract manufacturing demand in Europe following temporary manufacturing shutdowns of several leading OEM companies. For more details on the Company's risks, responses, impacts and resilience in relation to the COVID-19 pandemic, please refer to The Outlook section.

Key developments

- Hexagon Composites announced the signing of a term sheet for a strategic cooperation and joint venture agreement with CIMC ENRIC, a leading Chinese manufacturer of energy equipment. Hexagon Purus will be a party to the final agreement
- Hexagon Purus was awarded a contract with sales value of USD 1 million (approximately NOK 9 million) to supply hydrogen systems to Toyota Motor North America (TMNA) for its newest prototype hydrogen-powered heavy-duty fuel cell electric truck
- The Group successfully executed group wide contingency plans to manage potential own production, supplier and customer disruptions due to impacts of the COVID-19 pandemic
- Hexagon Purus was awarded an order from Everfuel to deliver new generation X-STORE modules to transport hydrogen to filling stations for fuel cell electric taxis and buses in Denmark
- Norwegian Hydrogen AS, founded by Flakk Group and lead partner of the Hellesylt Hydrogen Hub, a consortium of leading hydrogen players including Hexagon Group, successfully raised NOK 10.3 million

in a capital increase. The consortium will focus on the development of a green hydrogen production facility that can deliver hydrogen to ferries and cruise ships in the Geirangerfjord

Key developments after balance sheet date

- Hexagon Purus signed a contract for USD 4.8 million (approx. NOK 45 million) with a major US hydrogen fuel supplier and hydrogen refueling station operator to provide X-STORE transport distribution modules. The contract includes additional purchase options that, if exercised, will bring the total value of the contract to approximately USD 7 million (approx. NOK 65 million)
- Hexagon Purus has been awarded a USD 5.2 million (approx. NOK 48 million) contract for high-performance Type 4 pressure vessels to a new major aerospace customer for its launch vehicle
- H2Bus, a consortium of players in the hydrogen fuel cell electric value chain including Hexagon Purus, announced an agreement with Wrightbus for the supply of hydrogen fuel cell electric buses in Europe
- A key automotive leader for fuel cell vehicles in Northeast Asia has nominated Hexagon Purus for the serial supply of composite cylinders for their current fuel cell electric SUV. The scope of the nomination is over a two-year period with an estimated sales value of Euro 25 million starting by 2022. The supply contract is subject to final negotiations of terms and conditions
- Hexagon Composites announced the transfer of the CNG LDV activities of Hexagon Purus to Hexagon Composites' gas-mobility (g-mobility) business. The re-organization is expected to be completed by year end 2020
- Hexagon Composites announced that its Board of Directors has initiated a process with the intention to spin off and list Hexagon Purus separately as an independent company. In conjunction with the announcement, Hexagon Composites completed a private placement resulting in gross proceeds of NOK 907 million. NOK 500 million of the net proceeds were subsequently contributed to Hexagon Purus to fund development activities.

Segment results

Hexagon Purus is a leading global provider of high-pressure composite cylinders, complete vehicle systems and battery packs for fuel cell electric and battery electric vehicles including hybrid mobility applications on light, medium and heavy-duty vehicles, transit buses, ground storage, distribution, marine, rail and aerospace and backup power solutions as well as CNG fueled Light Duty vehicles.

Purus

Revenues for the Purus segment (Hydrogen and EV business) amounted to NOK 94 (84) million and EBITDA was NOK -64 (-76) million in the first half-year of 2020.

The company announced the signing of a term sheet for a strategic cooperation and joint venture agreement with CIMC ENRIC, a leading Chinese manufacturer of energy equipment. The parties aim at formalizing this partnership by the end of 2020. The joint venture's primary focus is to take a leading role in the Chinese market for fuel cell electric vehicles, which is expected to become the world's largest.

Hexagon Purus was awarded a contract with sales value of USD 1 million (approximately NOK 9 million) to supply hydrogen systems to Toyota Motor North America (TMNA)for its newest prototype hydrogen-powered heavy-duty truck. This reflects the growing momentum for Heavy-Duty fuel cell electric applications.

CNG LDV

The CNG Light-Duty Vehicle (LDV) business recorded revenues of NOK 93 (207) million and EBITDA of NOK -11 (47) million.

The European transit bus business, which contributed NOK 22 million of revenue in the comparative second quarter 2019 is now reported as contract manufacturing in Purus in 2020. Revenues in the second quarter 2020 remained low due to lower call-offs from VW group following its planned shutdown and relocation of its CNG vehicle assembly line, in addition to some effects from COVID-19 related measures.

The Group

Hexagon Purus recorded a net loss after tax of NOK -148 (-56) million in the first half-year of 2020. Net financial items were NOK -28 (-15) million driven by increased loan financing and negative foreign exchange fluctuation effects. The effects of translation to NOK of USD/EUR positions on the balance sheet, has contributed to most of this non-cash impact.

At quarter-end the balance sheet amounted to NOK 992 (977) million and the Group reported a negative equity ratio. The reduction in equity and equity ratio was driven primarily by the operational losses, but also from movements in foreign currency rates.

Hexagon Composites has historically supported Hexagon Purus financially through subordinated loans. The loan positions at the time of signing of this report have been converted to equity. By this conversion, Hexagon Purus Group is fully financed by equity. Cash is provided for planned investment and expansion in the near future.

After Balance Sheet Date

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

Outlook

Hexagon Purus has prepared COVID-19 contingency plans by site, based on local requirements. These plans are developed by local contingency teams and encompass our response to own production, supplier or customer disruption. The Group has also prepared corporate and business area financial contingency plans based on three levels of severity. We are closely monitoring the COVID-19 situation, including developments and decisions being made in areas where we do business.

Based on the above contingency efforts and our recently strengthened balance sheet and liquidity position, the Company can withstand the impacts of the currently foreseeable scenarios of this pandemic. The Company is not able to accurately predict the final outcome from COVID-19 related effects but will remain vigilant and employ further countermeasures to mitigate such effects, if required.

The strong momentum towards a low-carbon economy is driving the transition to cleaner energy carriers, such as hydrogen and batteries. This momentum is evidenced by many governments' initiatives post the initial COVID-19 disruption. Responses such as The European Green deal and initiatives in Korea have put attention firmly back on climate change, renewable energy and new green technologies which all spur growth in jobs and economies. This is furthered strengthened by new regulations such as The California Air Resources Board (CARB) program which obliges OEMs to sell a certain percent of zero emissions vehicles in California from 2024. With its extensive portfolio of electric mobility (e-mobility) solutions, Hexagon Purus is well positioned as a leading zero-emissions technology provider.

We see strong momentum in several market segments, in particular medium and heavy-duty vehicles and hydrogen distribution modules. Substantial organizational investments are being made to develop the company's capabilities and capacities in this segment. These investments impact the short and medium-term profitability. Furthermore, entry into the Chinese market, targeted for later this year, is an important milestone for Hexagon Purus.

Risk and Uncertainties

The Hexagon Purus Group is active in sales and purchasing in many geographies and markets. Export represents a considerable part of the Group's sales. Currency risk is the Group's largest financial risk factor and the Company can employ forward currency contracts in addition to natural hedges to mitigate these risks. At the balance sheet date this opportunity is not utilized. In the Board's view there are no major changes to the risk composition for the Group compared with 2019, including those specifically concerning the COVID-19 pandemic. It is not possible to know the precise impacts to the global macro economy of the pandemic and to which extent these may or may not persist. The Group is by nature also exposed to the movements in energy prices and how these directly or indirectly impact the business positively or negatively. For additional information about risks and uncertainties we can recommend a reference to Hexagon Composites' 2019 annual report. It is not expected that the above exposures and risks will have higher than normal effects on the Group or its financial position in the next reporting period.

Ålesund, 3 November 2020
The Board of Directors of Hexagon Purus Holding AS

Jon Erik Engeset	Rolf Morten Lie Holum
Chairman of the Board	President & CEO

Financial Statements Group

Income Statement

Interim Consolidated Income Statement		For the six months ended 30 June 2020	2019
(NOK 1 000)	Notes		
Revenue from contracts with customers	5	184 639	290 493
Other operating income		2 454	557
Total revenue		**187 093**	**291 050**
Cost of materials		100 209	154 215
Payroll and social security expenses		89 392	94 642
Other operating expenses		71 993	70 861
Total operating expenses before depreciation		**261 594**	**319 718**
EBITDA		**-74 502**	**-28 668**
Depreciation and impairment	13,14,15	30 356	23 506
Operating profit (EBIT)		**-104 858**	**-52 174**
Share of profit of an associate and a joint venture	16	-571	-676
Finance income		4 278	2 191
Finance costs		-31 588	-16 574
Profit before tax		**-132 739**	**-67 234**
Income tax expense	12	15 018	-11 161
Profit for the period		**-147 757**	**-56 073**
Attributable to:			
Equity holders of the parent		-147 757	-56 073
Non-controlling interests		-	-
		-147 757	**-56 073**
Earnings per share (EPS):			
Basic, profit for the period attributable to ordinary equity holders of the parent		-448	-170
Diluted, profit for the period attributable to ordinary equity holders of the parent		-448	-170

Comprehensive Income Statement

Interim Consolidated Statement of Comprehensive Income	For the six months ended 30 June 2020	Full Year 2019
(NOK 1 000)		
Profit for the period	**-147 757**	**-98 616**
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations	-12 723	-957
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	**-12 723**	**-957**
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods, net of tax	**-**	**-**
Other comprehensive income/(loss), net of tax	-	-
Total comprehensive income, net of tax	**-160 481**	**-99 573**
Attributable to:		
Equity holders of the parent	-160 481	-99 573
Non-controlling interests	-	-
	-160 481	**-99 573**

Statement of Financial Position

Interim Consolidated Statement of Financial Position	-	30.06.2020	31.12.2019
(NOK 1 000)	Notes		
Assets			
Property, plant and equipment	13	101 098	103 359
Right-of-use assets	15	77 870	53 577
Intangible assets	14	513 994	475 378
Investments in an associate and a joint venture	16	80	651
Non-current financial assets	7	4 882	3 226
Deferred tax assets	12	20 520	41 213
Total non-current assets		**718 444**	**677 404**
Inventories	17	109 283	100 678
Trade receivables	7,9,18	88 612	125 015
Contract assets (incl. prepayments)	7	7 056	3 100
Other current financial assets	7,9	21 931	5 941
Cash and short-term deposits	10	53 591	65 093
Total current assets		**280 473**	**299 827**
Total assets		**998 917**	**977 231**
Equity and liabilities			
Issued capital	21	330	330
Share premium	21	14 443	14 443
Other equity		-280 070	-119 590
Equity attributable to equity holders of the parent		**-265 297**	**-104 816**
Non-controlling interests		-	-
Total equity		**-265 297**	**-104 816**
Interest-bearing loans and borrowings, related party	7,9	842 891	729 428
Lease liabilities	7,15	77 943	47 828
Provisions		2 254	1 613
Net employee defined benefit liabilities		2 260	2 076
Deferred tax liabilities	12	24 487	22 325
Total non-current liabilities		**949 835**	**803 269**
Trade and other payables	7,9	169 869	139 207
Contract liabilities	7	34 732	33 276
Lease liabilities, short term	7,15	12 107	12 810
Income tax payable		19	20
Other current liabilities	9	97 651	93 465
Total current liabilities		**314 378**	**278 778**
Total liabilities		**1 264 214**	**1 082 047**
Total equity and liabilities		**998 917**	**977 231**

Statement of Changes in Equity

Interim Consolidated Statement of Changes in Equity *Continued*

For the twelve months ended 31 December 2019 — Attributed to equity holders of the parent

(NOK 1 000)	Issued capital	Share premium	Other equity and retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
As at 1 January 2019	**330**	**14 443**	**-20 016**	**-**	**-5 243**	**-**	**-5 243**
Profit for the period	-	-	-98 616	-	**-98 616**		**-98 616**
Other comprehensive income	-	-	-	-957	**-957**		**-957**
Total comprehensive income	**-**	**-**	**- 98 616**	**- 957**	**- 99 573**	**- -**	**99 573**
At 31 December 2019	**330**	**14 443**	**-118 632**	**-957**	**-104 816**	**-**	**-104 816**

Interim Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020 — Attributed to equity holders of the parent

(NOK 1 000)	Issued capital	Share premium	Other equity and retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
As at 1 January 2020	**330**	**14 443**	**-118 632**	**-957**	**-104 816**		**-104 816**
Profit for the period	-	-	-147 757	-	**-147 757**		**-147 757**
Other comprehensive income	-	-	-	-12 723	**-12 723**		**-12 723**
Total comprehensive income	**-**	**-**	**- 147 757**	**- 12 723**	**- 160 481**	**- -**	**160 481**
At 30 June 2020	**330**	**14 443**	**-266 390**	**-13 681**	**-265 297**	**-**	**-265 297**

At the balance sheet date Hexagon Composites ASA holds 100% of the shares in Hexagon Purus Group.

After the balance sheet date, on 26 October 2020, there has been a restructuring of Hexagon Purus Group's debt to Hexagon Group by which Hexagon Composites ASA has become the sole creditor for the total outstanding loan positions entities within Hexagon Purus Group. The total loan amount includes an additional new loan of NOK 500 million to Hexagon Purus Holding AS with the intention to provide cash for operation and growth of Hexagon Purus Group. The total loan is subordinated to any external financing in Hexagon Purus Group and it has a right to be converted to equity when the solidity in Hexagon Purus Group needs to be improved.

In an extraordinary shareholder's meeting 30 October 2020 the shares were split into 201 619 712 shares, and debt of NOK 1 340 million was converted to equity, resulting in a share face value of NOK 0.10. In the same extraordinary shareholders meeting, the Board of Directors was granted the power to increase the share capital by maximum NOK 8.35 million in face value.

Cash Flow Statement

Interim Consolidated Statement of Cash Flow	Notes	For the six months ended 30 June 2020	Full Year 2019
(NOK 1 000) - For the six months ended 30 June			
Operating activities			
Profit before tax		-132 739	-126 156
Profit before tax		**-132 739**	**-126 156**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment	13	10 686	12 370
Depreciation and impairment of right-of-use assets	15	11 000	20 211
Amortisation and impairment of intangible assets	14	8 670	14 626
Share of net profit of associate and a joint venture	16	571	749
Movements in pensions and government grants		185	898
Working capital adjustments:			
Change in trade receivables, contract assets and prepayments	18	32 448	-43 357
Change in inventories and right of return assets	17	-8 606	11 018
Change in trade and other payables, contract liabilities and refund liabilities		32 118	81 478
Change in other non-current posts		-90 336	-306
Interest received		-	-352
Interest paid		21 914	31 233
Income tax paid (-refunded) for the period	12	7 837	1 861
Net cash flows from operating activities		**-106 252**	**4 272**
Investing activities			
Purchase of property, plant and equipment	13	-904	-51 640
Purchase and development of intangible assets	14	-1 009	-63 027
Interest received			352
Net cash flows used in investing activities		**-1 914**	**-114 315**
Financing activities			
Proceeds from loans		111 807	140 325
Interest payments		-21 914	-31 233
Net cash flows (used in)/from financing activities		**89 893**	**109 092**
Net (decrease)/increase in cash and cash equivalents		**-18 273**	**-950**
Net foreign exchange difference		6 771	-509
Cash and cash equivalents at 1 January		65 093	66 552
Cash and cash equivalents outgoing balance		**53 591**	**65 093**

Notes

1 Corporate Information

Hexagon Purus Holding AS, the parent of Hexagon Purus Group, is a limited liability company with its registered office in Norway. The company's headquarters is at Korsegata 4B, 6002 Aalesund, Norway. Hexagon Composites ASA owns 100% of the shares in Hexagon Purus Holding AS and is the ultimate parent of Hexagon Purus Group.

The Board of Directors authorized this Hexagon Purus Group first half-year report 2020 for publication on 3 November 2020.

Hexagon Purus is the world leading supplier of lightweight Type 4 high-pressure tanks and systems for the storage and distribution of compressed gases, in particular hydrogen. In addition, Hexagon Purus Group delivers battery electric solutions. Our solutions serve a wide range of mobility and storage applications, enabling our customers to reduce their carbon footprint and increase their competitive edge. We are well positioned across the entire value chain with vehicle tanks and systems for cars, trucks, buses, ground storage, transportation, marine and rail. We have adapted our proven technology to a wide range of storage and mobility applications.

Hexagon Purus Group is a part of and consolidated into Hexagon Group. Hexagon delivers safe and innovative solutions for a cleaner energy future. The Group has 1100 employees across 23 global locations.

The following companies are included in the consolidated financial statements:

Company	Home Country	Registered Office	Segment	Ownership	Votes
Hexagon Purus Holding AS	Norway	Aalesund	Purus	100 %	100 %
Hexagon Technology H2 AS	Norway	Aalesund	Purus	100 %	100 %
Hexagon Composites Germany GmbH	Germany	Herford	Purus	100 %	100 %
Hexagon Purus GmbH	Germany	Kassel	Purus	100 %	100 %
xperion E&E Overseas GmbH	Germany	Herford	Purus	100 %	100 %
xperion E&E US Holding Inc.	USA	Heath, OH	Purus	100 %	100 %
xperion E&E USA LLC	USA	Heath, OH	Purus	100 %	100 %
Hexagon Purus North America Holdings Inc.	USA	Lincoln, NE	Purus	100 %	100 %
Hexagon Purus LLC	USA	Lincoln, NE	Purus	100 %	100 %
Hexagon MasterWorks Inc.	USA	Lincoln, NE	Purus	100 %	100 %
Hexaon Purus Systems USA, LLC	USA	Costa Mesa, CA	Purus	100 %	100 %
Hexaon Purus Systems Canada Ltd	Canada	Kelowna	Purus	100 %	100 %
JOINT VENTURES					
Hyon AS	Norway	Oslo	Purus	33.3 %	33.3 %

The planned demerger of CNG LDV operations from Hexagon Purus GmbH, has caused Hexagon Composites Germany GmbH to establish two entities in Germany after the balance sheet date. These two entities will serve as vehicles for the demerger process and hold the operations separated from Purus thereafter. The entities will be sold from Hexagon Composites Germany GmbH to Hexagon Group after completion of the demerger process, expected to be finalized after year-end 2020, with financial effect from 1 January 2021.

After the balance sheet date, Morten Holum has formally been appointed President & CEO of Hexagon Purus

Group and General Manager in Hexagon Purus Holding AS. He has in practice held this position from this summer. Jon Erik Engeset is Chairman of the Board of Directors of Hexagon Purus Holding AS effective from the date of appointment of Morten Holum to Hexagon Purus Group.

2 Basis of Preparation and Changes to the Group's Accounting Policies

This note describes generally applicable accounting principles. Accounting principles related to specific items are described in the relevant notes below.

2.1 Basis of preparation of financial statements

Hexagon Purus Group is rapidly developing and has an extensive investment program and -period ahead to develop and maintain a position as a major supplier of zero-emission energy solutions. To finance the development, Hexagon Purus Group will need to fund its business by raising substantial equity. Hexagon Group has kicked off this process by inviting external investors to take part in an exciting development and to list Hexagon Purus Group on Oslo Stock Exchange's Merkur Market. These interim Financial Statement are made for this purpose.

These interim consolidated financial statements of the Group have been prepared in accordance with IAS 34 Interim Financial Statement. As this is the first Financial Statement for Hexagon Purus Group on a stand-alone basis, the accounting principles are disclosed in the same level of detail as it would in a set of annual financial statements.

The consolidated financial statements have been prepared on a historical cost basis, with the exception of financial derivatives at fair value through profit or loss and financial derivatives used as cash flow hedges that are recognized at fair value.

The consolidated financial statements have been prepared using uniform accounting policies for equivalent transactions and events under otherwise identical circumstances.

2.2 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 to 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 and 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.

2.3 Foreign currency

2.3.1 Transactions in foreign currency

Foreign currency transactions are translated at the exchange rates existing at the date of the transactions. Monetary items denominated in foreign currencies are translated to functional currency using the exchange rates ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to functional currency using the exchange rates at the dates of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences are recognized in profit or loss in the period in which they arise.

2.3.2 Foreign operations

Assets and liabilities of foreign operations with a functional currency that differs from the presentation currency are translated to reporting currency using the exchange rate on the balance sheet date. Income and expense from foreign operations is translated to reporting currency using the weighted average exchange rate (if the average does not provide a reasonable estimate of the cumulative effects of using the transaction rate, the transaction rate is used).

Translation differences are recognized in other comprehensive income. Translation differences arising from the translation of net investments in foreign operations, and from related hedged items, are classified as translation differences in other comprehensive income. Translation differences in other comprehensive income are transferred to the income statement on the disposal of a foreign operation.

2.4 Current versus Non-Current Classification

The Group presents assets and liabilities in the consolidated statement of financial position as either current or non-current.

The Group classifies an asset as current when it:

- Expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- Holds the asset primarily for the purpose of trading
- Expects to realize the asset within twelve months after the reporting period

Or

- The asset is cash or a cash equivalent, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current, including deferred tax assets.

The Group classifies a liability as current when it:

- Expects to settle the liability in its normal operating cycle
- Holds the liability primarily for the purpose of trading
- Is due to be settled within twelve months after the reporting period

Or

- It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current, including deferred tax liabilities.

2.5 Government grants

For government grants we are following IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. Government grants, including the Norwegian Skattefunn tax incentive scheme, are recognized when there is reasonable assurance that the Group will comply with the conditions attaching to them, and that the grants will be received.

Grants are recognized as deductions against the cost that they are intended to compensate.

Investment grants are capitalized and recognized systematically over the asset’s useful life. Investment grants are recognized as deferred income. The Group currently has grants with the United States Department of Energy which is recognized as grant income.

2.6 Estimates in general

In the process of applying the Group’s accounting policies in accordance with IFRS, management has made several judgements and estimates. All estimates are assessed to the most probable outcome based on the management's best knowledge. Estimates and assumptions are regularly reassessed and are based on historical experience and other factors, including forecast events that are considered probable under current circumstances.

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. Estimates and assumptions represent a risk of material changes in the reported amounts of revenues, expenses, assets, liabilities and equity over the next financial year.

The significant accounting estimates that are made are discussed in each note later in this report. The Group's most important accounting estimates are related to the following items:

- Depreciation and impairment of property, plant & equipment and intangible assets
- Development cost
- Product warranty provisions
- Impairment of goodwill
- Revenue recognition
- Leases
- Deferred tax assets

2.7 New 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. Several amendments and interpretations apply for the first time in 2020 but is considered to not have an impact on the interim financial statements.

2.8 First time adoption of IFRS

These interim financial statements, for the period ended 30 June 2020, are the first the Group has prepared in accordance with IFRS. As Hexagon Purus Holding AS and subsidiaries are part of the consolidated financial statements of Hexagon Composites ASA, no consolidated financial statements have been prepared by Hexagon Purus Holding AS previously.

The reorganized Hexagon Purus Group is a new reporting entity applying IFRS under the pooling method of accounting. This means that the Hexagon Purus Group "adopts" the same first-time adopter accounting as the ultimate group did in the first place and will carry forward Hexagon Composites ASA's accounting policies and values in the Hexagon Composites ASA Group financial statements. As such, the interim financial statements for Hexagon Purus Group will be prepared in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards. As noted above Hexagon Purus Group will adopt/carry forward the accounting policies applied for Hexagon. The accounting policies for Hexagon Purus is described in this report.

3 Changes in the group structure

3.1 Separation from Hexagon Group

Hexagon Purus Group has been reported as a business segment in Hexagon Group since 2018. Prior to this it was part of the high-pressure segment in Hexagon.

Over the last years, Hexagon has gathered zero-emission activities in Purus. Purus was formed in 2018 with its own structure and own group parent – Hexagon Purus Holding AS.

At the balance sheet date, Hexagon Purus Group is still 100% owned by Hexagon Group. During 2020 new shareholders will be invited to invest in Hexagon Purus Group directly. Hexagon Purus Holding AS is intended to go public in foreseeable future.

On 19 August 2020, Hexagon Group publicly announced the decision of its Board of Directors to transfer its Compressed Natural Gas Light Duty Vehicle (CNG LDV) activities from Hexagon Purus, to Hexagon's gas-mobility (g-mobility) business. This transfer will establish Hexagon Purus as a pure e-mobility business.

Hexagon Group's business covers the spectrum of low carbon and no carbon mobility solutions. Its strategy focuses along three axes; g-mobility, e-mobility, and world class manufacturing. Since January 2020, Hexagon Group has combined all its e-mobility activities in Hexagon Purus to develop its leading position and pursue zero-emission opportunities in the growing e-mobility market. In that reorganization, CNG LDV remained a part of the Hexagon Purus structure.

The transfer of CNG LDV to the g-mobility business is a logical step from an industrial perspective. It conforms more with Hexagon's g-mobility business, which is currently in the fast lane, benefitting from increased adoption of cleaner energy alternatives, especially natural gas and renewable natural gas.

3.2 Common control transactions

3.2.1 Accounting principles for common control transactions

For the purpose of preparing consolidated financial statements of Hexagon Purus Group, the transfer of entities or business *into* Hexagon Purus Group is accounted under the pooling method of accounting (predecessor accounting) using values reflected in the consolidated financial statements of Hexagon Group (which can be different from transaction value in each entity). To present historical financial information that is representative for the business going forward, comparative financial information of Hexagon Purus Group is restated to reflect historical financial information of transferred entities and businesses. Comparatives are those of the existing businesses owned by Hexagon Purus Group as of 30. June 2020, subject to when the underlying entities became part of the Hexagon Group. For entities or businesses transferred out of Hexagon Purus Group and into groups under common control, these entities are to be consolidated until disposal in accordance with the requirements of IFRS 10.

Below tables presents the various transactions into and out of Hexagon Purus Group treated as common control transactions as it is related to Hexagon Group entities or companies.

3.2.2 Transfers into Hexagon Purus Group

Year	Time	Entity	Transaction	Accounting
2020	January	Hexagon Purus Systems USA LLC and Hexagon Purus Systems Canada Ltd	The entities were established as subsidiaries in Purus, the business operation was transferred from Hexagon Group's Agility segment	New entities are consolidated into Purus from 2020. Comparable numbers are established for 2019, with the effect from 4 January 2019 (Agility was acquired and consolidated into Hexagon Composites ASA Group from 4 January 2019)
2020	January	Hexagon Masterworks Inc	The entity was transferred into Purus from Hexagon Group's Mobile Pipeline segment	Hexagon Masterworks' numbers for 2019 are used as comparable numbers

Hexagon Masterworks Inc. was transferred to the Purus segment from Hexagon Mobile Pipeline & Other segment in Hexagon Composites ASA Group on 1 January 2020. In addition, the zero-emission business previously reported in the Agility business segment was transferred to Purus on 1 January 2020.

3.2.3 Transfers out of Hexagon Purus Group

Year	Time	Entity	Transaction	Accounting
2020	January	Hexagon Purus GmbH	Mobile Pipeline customer facing business in Germany was transferred out of Purus to Hexagon's Mobile Pipeline segment	The comparable profit and loss numbers for 2019 includes this business and balance sheet figures as of 31 December 2019, From 1

January 2020 figures from this business is not included in Purus Group and the sale resulted in a smaller reduction of the goodwill amount in Purus Group.

From 1 January 2021 CNG LDV business will be demerged out of Purus (comprises full business line of LDV in addition to internal contract manufacturing for transit bus and for Mobile Pipeline).

To strengthen the zero-emission credentials for Purus Group, the customer facing part of Mobile Pipeline business (now Hexagon Mobile Pipeline GmbH) in Hexagon Purus GmbH was carved out from the opening of 2020. Hexagon Mobile Pipeline GmbH is a 100% owned subsidiary of Hexagon Composites ASA. With the same intention, Hexagon announced 19 August 2020 that all business related to cylinders and systems for CNG applications is to be transferred from Hexagon Purus GmbH to a new entity under the ownership of Hexagon outside Purus. The transfer is mainly that of the Light Duty Vehicle business, but it also comprises the manufacturing of products for transit buses and mobile pipeline solutions offered by Hexagon.

The transfer will establish Hexagon Purus as a pure e-mobility business.

4 Operating Segments

4.1 Accounting Principles for Segment Information

4.2 Purus Operating Segment

From the principles in IFRS 8 and the life cycle status of development in Purus, the assessment is that the Purus Group has two operating segments for the time being; Purus and CNG LDV. The CNG LDV segment is undergoing a demerger process that was decided after 30 June 2020, hence CNG LDV is presented as a separate segment as of 30 June 2020. When the demerger is complete Purus Group will consist of only one operating segment. Looking forward, there is an expectation that the business will expand to a level where business lines will meet the criteria to be reported as separate operating segments.

The chief operating decision maker of the group is the CEO and the Board of directors. Transactions within the segments have been eliminated.

The following tables present revenue and profit information as well as balance sheet information for the Purus Group's operating segments for the six months ended 30 June 2020 and 2019, respectively:

	For the six months ended 30 June 2020			For the six months ended 30 June 2019		
Segments (NOK 1 000)	Purus	CNG LDV	Total segments	Purus	CNG LDV	Total segments
Revenue						
External customers	88 713	63 808	**152 521**	72 082	207 321	**279 404**
Internal transactions	5 648	28 924	**34 572**	11 646	-	**11 646**
Total revenue	**94 362**	**92 731**	**187 093**	**83 729**	**207 321**	**291 050**
Results						
Segment EBITDA	-63 552 -	10 950	**-74 502**	-75 854	47 186	**-28 668**
Segment EBIT	-79 089	-25 769	**-104 858**	-91 861	39 687	**-52 174**

	30.06.2020			31.12.19		
	Purus	CNG LDV	Total segments	Purus	CNG LDV	Total segments
Total assets	784 521	214 395	**998 917**	767 672	209 558	**977 231**

Internal transactions in this context is defined as internal within Hexagon Group. These revenues comprise mostly contract manufacturing for other segments in Hexagon Group, but also some element of development services and other services to Hexagon Group.

As described, the CNG LDV segment is under demerger process from Purus, and will be sold to other parts of Hexagon Group on fair value assessment basis. The separation implies carving out the relevant assets and liabilities at fair value by year-end 2020. The valuation of the CNG LDV operation will be finally completed when the demerger process is completed at year-end 2020. Preliminary estimates indicate a fair value assessment of the CNG LDV operation in the range of 13-14 million EUR. Among other things, this depend on the level of working capital at the time of demerger. It is anticipated that approximately 6 MEUR of goodwill and 1.4 MEUR of customer relationships will be allocated as the sales proceeds of the transaction. It is expected that there will not be recognize any no material gain from this transaction.

5 Revenue from Contracts with Customers

5.1 Accounting Principles for revenue from contracts with customers

The Group's main revenues come from the sale of its own mass-produced standard products and accompanied services.

Revenue from contracts with customers is recognized when control of the goods or services are 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.

5.1.1 Sale of goods (cylinders, products, system etc)

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. There are several payment terms, including upfront payment and secured payment, but the normal credit term is 30 to 45 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, trade discounts or volume rebates). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration and the existence of significant financing components.

5.1.1.1 Variable consideration

Some contracts with customers provide rights of return, trade discounts or volume rebates. The Group uses the expected value method to estimate the goods that will not be returned as this best predicts the amount of variable consideration to which the Group will be entitled. 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 the uncertainty is resolved. The Group performs the assessment on individual contracts to determine the estimated variable consideration and related constraints.

5.1.1.2 Significant financing component

Generally, the Group sometimes receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

5.1.1.3 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.

5.1.2 Sale of Services

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. These services are normally sold on their own and based on relative stand-alone selling prices. The Group recognizes revenue from services over time using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

5.1.3 Funded development contracts
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.

5.1.4 Contract balances
5.1.4.1 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.

5.1.4.2 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).

5.1.4.3 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.

5.1.5 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.

5.2 Estimates related to Revenue recognition
A crucial estimate is related to determining the timing of satisfaction of services and funded development contracts.

The Group has concluded that revenue for services and funded development contracts in most cases is to be recognized over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the installation or the defined milestones that the Group has provided to date, demonstrates that the customer simultaneously receives and consumes the benefits of the Group’s performance as it performs.

The Group determined that the input method is the best method in measuring progress of the services and funded development contracts because there is a direct relationship between the Group’s effort (i.e., total costs incurred) and the transfer of service to the customer. The Group recognizes revenue on the basis of the total costs expended relative to the total expected costs to complete the service and funded development contract.

5.3 Purus Revenue Recognition
Set out below is the disaggregation of the Group’s revenue from contracts with customers:

Segments (NOK 1 000)	For the six months ended 30 June 2020 Purus	CNG LDV	Total	For the six months ended 30 June 2019 Purus	CNG LDV	Total
External and Internal customers						
Sale of cylinders and systems	76 086	63 209	**139 295**	68 829	205 367	**274 196**
Sale of services and funded development	4 579	-572	**4 007**	4 712	1 955	**6 667**
Other revenues	1 061	1 170	**2 231**	560	-	**560**
Contracts with customers at a point in time	**81 725**	**63 808**	**145 533**	**74 101**	**207 321**	**281 423**
Sale of cylinders and systems	3 673	-	**3 673**	-2 019	-	**-2 019**
Sale of services and funded development	3 315	-	**3 315**	-	-	-
Other revenues	-	-	-	-	-	-
Contracts with customers over time	**6 988**	-	**6 988**	**-2 019**	-	**-2 019**
Revenue from contracts with external customers	**88 713**	**63 808**	**152 521**	**72 082**	**207 321**	**279 404**
Sale of cylinders and systems	2 347	**22 066**	**24 413**	330		**330**
Sale of services and funded development	3 221	**6 716**	**9 936**	11 317		**11 317**
Other revenues	81	**143**	**223**	-		-
Contracts with internal customers	**5 648**	**28 924**	**34 572**	**11 646**	-	**11 646**
Total revenue	**94 362**	**92 731**	**187 093**	**83 729**	**207 321**	**291 050**
Type of goods or service						
Sale of cylinders and systems	82 106	85 275	**167 381**	67 140	205 367	**272 506**
Sale of services and funded development	11 114	6 144	**17 258**	16 029	1 955	**17 983**
Other revenues	1 141	1 313	**2 454**	560	-	**560**
Total revenue from contracts with customers	**94 362**	**92 731**	**187 093**	**83 729**	**207 321**	**291 050**
Timing of revenue recognition						
Goods transferred at a point in time	81 725	63 807	**145 533**	74 101	207 321	**281 423**
Services transferred over time	6 988	-	**6 988**	-2 019	-	**-2 019**
Internal transactions	5 648	28 924	**34 572**	11 646	-	**11 646**
Total revenue from contracts with customers	**94 362**	**92 731**	**187 093**	**83 729**	**207 321**	**291 050**

6 Basis for consolidation and business combinations

The Group’s consolidated financial statements comprise Hexagon Purus Holding AS and its subsidiaries as of 30 June 2020. See note 3 for changes in the group’s structure.

6.1 Accounting Principles for Consolidation

An entity has been assessed as being controlled by the Group when the Group is exposed to or have the rights 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 other notes which contains a list of the subsidiaries and also a list of joint ventures.

The assessments are done for each individual investment. The Group re-assesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. 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.

6.1.1 Business combinations

Business combinations are accounted for by using the acquisition method, see also other note on changes in the group structure. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and consist of cash and contingent consideration. A contingent consideration is classified as a liability in accordance with IFRS 9 Financial Instruments: Recognition and Measurement. Subsequent changes in the fair value are recognized in profit or loss.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. The acquired assets and liabilities are accounted for by using fair value in the opening group balance (unless other measurement principles should be applied in accordance to IFRS 3). The initial accounting for a business combination can be changed if new information about the fair value at the acquisition date is present. The allocation can be amended within 12 months of the acquisition date. The non-controlling interest is set to the non-controlling interest's share of identifiable assets and liabilities. The measurement principle is done for each business combination separately.

When the business combination is achieved in stages are the previously held equity interest remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit and loss net after transaction cost.

6.1.2 Acquired goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not depreciated but is tested at least annually for impairment. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

6.1.3 Transaction related issues

Acquisition related costs are expensed as incurred and included in other operating expense.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

6.1.4 Loss of control

In cases where changes in the ownership interest of a subsidiary leads to loss of control, the consideration is measured at fair value. Assets (including goodwill) and liabilities of the subsidiary and non-controlling interest at their carrying amounts are derecognized at the date when the control is lost.

The fair value of the consideration received is recognized and any investment retained is recognized at fair value. Gain or loss is recognized in profit and loss at the date when the control is lost. The gain or loss is presented on a separate line included in operating expenses.

6.1.5 Business combinations under common control

IFRS 3 excludes combinations of entities or businesses under common control from its scope. A common control transaction is defined as a transaction involving entities or businesses in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. For the non-transitory control requirement, we note that a reorganization that results in the parent of the existing group losing control over those businesses does not mean that common control is transitory. From the perspective of the controlling party, the transfer does not affect the entities or businesses that party holds. In principle, such changes should have no impact on the consolidated financial statements of an existing group because the effects of transactions within an existing group are generally eliminated in full. Alternatively, some reorganizations may involve transferring entities or businesses outside the existing group (e.g. spin offs).

6.2 Estimates in business combinations

The Group is required to allocate the purchase price of acquired companies to the assets acquired and liabilities assumed based on their estimated fair values. The Group has engaged third-party appraisal firms to assist the Group in determining the fair values of the assets acquired and liabilities assumed. Such valuations require management to make significant judgments in selecting valuation methods, estimates and assumptions.

The significant purchased intangible assets recorded by Purus Group include customer relationships, trade name and technology. Critical estimates in the evaluations for such intangible assets include, but are not limited to, estimated average customer relationship based on customer attrition, applying a relief from royalty model using an appropriate royalty rate and expected developments in technology and markets.

Management’s estimates of fair value and useful lives are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Management's fair value estimates are based on reasonable, but not entirely certain, assumptions.

6.3 Business Combinations in Purus

There have not been any direct acquisitions in Hexagon Purus Group in the period of this financial statement. Nevertheless, as part of Hexagon Group, there have been several changes under common control that are described in other notes. See note 3 on changes in the group’s structure.

7 Financial Assets and Financial Liabilities

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.

7.1 Financial assets principles

The Group’s financial assets are derivatives, non-listed equity instruments, trade receivables and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them.

The Group classified its financial assets in four categories:

- Financial assets at amortized cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit and loss

7.1.1 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 within a business model 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 Groups financial assets at amortized cost includes 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 Revenue from contracts with customers.

7.1.2 Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held where the business model objective of both holding to collect contractual cash flows and selling, 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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

7.1.3 Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and the instruments are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other finance income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

7.1.4 Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

The category includes foreign exchange contracts and interest rate swaps not designated as hedging instruments.

7.1.5 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

7.2 Financial assets in Hexagon Purus Group

Set out below, is an overview of financial assets, other than cash and short-term deposits, held by the Group as at 30 June 2020 and 31 December 2019:

Financial Assets	30.06.2020	31.12.2019
(NOK 1 000)		
Debt instruments at amortised cost:		
Trade and other receivables	122 480	137 282
Total	**122 480**	**137 282**
Total current	**117 598**	**134 056**
Total non-current	**4 882**	**3 226**

7.2.1 Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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.

7.3 Financial Liabilities

Financial liabilities are subsequently recognized at amortized cost, as loans and borrowings, payables, with some exceptions including derivatives designated as hedging instruments in an effective hedge, as appropriate. Derivatives are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives assets.

7.3.1 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.

7.3.2 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.

7.3.3 Cash flow hedges

The Group uses only derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item. The forward premium of currency contracts is excluded from the hedging relationship and is accounted for as cost of hedging.

Financial derivatives that are not recognized as hedging instruments are assessed at their fair value through profit and loss. Changes in the fair value are recognized in the income statement as they arise. The Group uses forward currency contracts to reduce currency exposure, but do not use hedge accounting associated with the currency instruments.

7.3.4 Hedges of a net investment in a foreign operation

A hedge of a net investment in a foreign operation is accounted for in a similar way as a cash flow hedge. Foreign exchange gains or losses on the hedging instruments relating to the effective portion of the hedge are recognized directly in OCI, while any foreign exchange gains and losses related to the ineffective portion are recognized in profit and loss. On disposal of the foreign entity, the cumulative value of foreign exchange gains or losses recognized directly in equity is transferred to profit and loss.

The Group has not applied any type of hedges.

7.4 Financial liabilities in Hexagon Purus Group

Set out below is an overview of financial liabilities held by the Group as at 30 June 2020 and 31 December 2019:

Financial Liabilities	30.06.2020	31.12.2019
(NOK 1 000)		
Financial liabilities at amortised cost:		
Trade and other payables	204 601	172 483
Non-current interest bearing loans and borrowings	842 891	729 428
Secured bank loan	-	-
Current interest bearing loans and borrowings		
Bank overdrafts	-	-
Total	**1 047 493**	**901 911**
Total current	**204 601**	**172 483**
Total non-current	**842 891**	**729 428**

The non-current interest-bearing loans in Hexagon Purus Group all have Hexagon Group as creditor. As disclosed in the Statement of changes in equity, the parties after the balance sheet date have restructured the loan positions such that Hexagon Purus Holding AS will become the sole debtor for all loan position and Hexagon Composites ASA will be the sole creditor. The total loan is subordinated to any external financing in Hexagon Purus Group and it has a right to be converted to equity when the solidity in Hexagon Purus Group needs to be improved.

As described in the Statement of changes in equity, the loan positions after the balance sheet date, and prior to the Board of Directors' authorization of this interim report, are converted to equity.

8 Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operation. The Group's principal financial assets include trade receivables, cash and cash equivalents that derive directly from its operations. The Group can use some financial derivatives for hedging purposes but are not doing this or has used this for the time being.

The Group is 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 and carried out by the chief financial officer in close cooperation with the subsidiaries.

The Group may use financial instruments to hedge risks associated with interest rate and foreign currency fluctuations. The Group can use derivative financial instruments to minimize these risks under its strategy for interest and currency exposure. The accounting treatment of financial derivatives is described separately where relevant.

8.1 Credit Risk

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

The Group has a small number of large customers or counterparties who could be considered to be a Group due to similarities in credit risk. The risk associated with these counterparties is regularly reviewed and is minimized by measures such as use of credit insurance. The subsidiary Hexagon Purus GmbH applies credit insurance to covers parts of the companies' receivables.

Trade receivables amounted to NOK 89 million (NOK 125 million). Except for parts in Hexagon Purus GmbH these do not have credit insurance, however, are partly covered through Letter of Credits and prepayments from customers.

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 not issued guarantees for third party obligations.

The carrying amount of the financial assets, including derivatives, in the balance sheet represents the maximum risk exposure. As counterparties in derivative transactions are normally banks, the credit risk associated with derivatives is considered to be negligible. 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 using a provision matrix to measure expected credit losses. The provision rates 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.

8.2 Interest Rate Risk

The Group is exposed to interest rate risk from its financing activities. The majority of the Group's interest-bearing liabilities – being internal from Hexagon Group - have variable interest rates, which means it is affected by changes in interest rates.

The aim of the Group's interest rate risk management is to reduce interest expenses, while also keeping the volatility of future interest payments within acceptable limits. The Group's strategy is for its finance departments to regularly evaluate the interest rate exposure of Hexagon Purus Group’s liabilities based on a total assessment of interest expectations and risk profile. The total fixed-interest term must not be below 0 years and must not exceed 10 years. The Group may use derivatives to adjust its effective interest rate exposure. As a starting point, all interest rate derivatives are adapted to the duration and other conditions of individual loans.

As the loan positions at the balance sheet date is converted to equity before the date of authorization of this report, it is evaluated that it is not necessary to perform a sensitivity analysis showing the group's sensitivity to potential changes in interest rates.

8.3 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. Undrawn credit facilities are dealt with in another note.

The majority of excess liquidity is invested in bank deposits. As there are no external loans at the time of presentation of this report and the loan positions at the balace sheet date is converted to equity before the date of authorization of this report there is not made any further analyses related to this.

8.4 Foreign Exchange Risk

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 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 the Norwegian currency using the weighted average exchange rate for the period. The Group can use forward contracts to reduce its currency risk from cash flows denominated in foreign currencies. Currency risk is calculated for each currency and takes into consideration assets and liabilities, off-balance sheet obligations and highly probable purchases and sales in the relevant currency.

There is not made a sensitivity analysis to potential changes in the Norwegian krone for the purpose of this interim financial statement.

8.5 Measurement of fair value

The fair value of forward exchange contracts (if any) is calculated by comparing the agreed forward rate and the estimated equivalent forward rate prevailing on the balance sheet date with the same maturity multiplied by the fixed volume specified in the contract. For the derivatives, the fair value is confirmed by the financial institution with which the Company has entered into the contract.

The following of the Group's financial instruments are not measured at fair value: Cash & cash equivalents, trade receivable, other current receivables and payables and bank overdrafts. These items are recognized at nominal value in the balance sheet as of balance sheet date, without taking into account the discount rate which relates to future inflows and outflows. Loans to employees (if any) and non-current interest-bearing liabilities are recognized in accordance with amortized cost.

The carrying amount of cash and cash equivalents is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables and other current receivables and payables is approximately equal to fair value since they are short term and entered into on industry normal terms and conditions. The carrying amount of bank overdrafts are assessed to be approximately equal to fair value because the floating interest rate are adjusted to reflect current conditions.

8.5.1 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: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

These principles apply, but for the purpose of this interim financial statement the hierarchy and levels are not specified as there is no financial instruments measured using the above techniques.

8.6 Capital Structure and Equity

The main goal of the Hexagon Purus Group's capital structure management is to ensure it maintains a level of equity which is reasonable in relation to the Group's operations and an acceptable credit rating (and therefore reasonable borrowing terms from lenders). Hexagon Purus Group is a growth case where high investments in business development will be necessary to achieve future growth and profitability. Hence, the major financing element in the near future is expected to be equity.

By achieving a relatively low debt to equity ratio, the Group will be able to support its operations and in doing so maximize the value of its shares. In addition, relatively high share of equity will balance the business risk in a sound way.

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 substantial dividends based on financial performance in the nearest periods.

The Group manages and makes necessary changes to its capital structure by regularly assessing prevailing economic conditions and prospects of short and medium-term growth. Capital structure management is largely dealt with by means of new share issues.

No other changes to guidelines or capital structure is planned at the time of authorization of this report.

9 Related Party Disclosure

The Group's related parties consist of joint ventures, main shareholders, members of the Board and management. Transactions with joint ventures (if any) are disclosed in another note.

Hexagon Group and Hexagon Purus Group historically have had a close relationship as Hexagon Purus Group is at the time of these prepared financials statements as of 30 June 2020 owned 100% of Hexagon Composites ASA. The cooperation includes sharing of manufacturing resources, contract manufacturing and exchange of capacity within all areas of business, process, product and system development. In addition, there has been a tradition to share management and administrative resources for the benefit of all parties having more and better solutions then otherwise would have been possible. All the transactions are carried out as part of normal business and at arm's length prices. Increasing independence for Hexagon Purus Group going forward, will enforce the focus on these principles.

The following table provides the total amount of transactions that have been entered into with related parties during the six months ended 30 June 2020 and 2019, as well as balances with related parties as at 30 June 2020 and 31 December 2019:

		For the six months ended 30 June				
Related party disclosure		**Sales of goods and services to related parties**	**Purchases goods and services from related parties**	**Financial expenses from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
(NOK 1 000)						
Entity with significant influence over the Group						
Hexagon Group	2020	24 667	48 334	21 712	25 055	990 597
	2019	9 098	23 971	14 359	16 701	799 430

There are no sales to, purchases from, loans to, receivables or liability/payables to associated companies/joint venture of the Group, except from the investment in associated company.

There are no sales to, purchases from, loans to, receivables or liability/payables to main shareholders and members of the Board.

There are no sales to, purchases from, loans to, receivables or liability/payables to key management personnel of the Group, except for any short-term postings related to salary payout and remuneration of out-of-the pocket expenses.

10 Cash and short-term deposits

Cash & cash equivalents consist of cash in hand and at bank. Any positive balances against bank overdrafts are included as a component of cash and cash equivalents in the cash flow statement. The cash flow statement has been prepared using the indirect method. Bank overdrafts (if any) are reported under short-term loans in the balance sheet. Received interest income is classified as investment activities and interest payments is classified as investment activities in the cash flow statement.

11 Impairment testing of goodwill and intangible assets with indefinite lives

11.1 Accounting Principles for Impairment testing

Intangible assets with an indefinite useful life are not amortized but tested annually for impairment. Items of property, plant and equipment, right-of-use assets, and intangible assets are tested for impairment if there is reason to believe that future earnings do not justify the asset's carrying amount. The difference between the carrying amount and the recoverable amount is recognized as an impairment loss. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

When testing for impairment, non-current assets are grouped at the lowest level at which it is possible to distinguish independent cash inflows (cash generating units, CGU). A CGU is the smallest identifiable group of assets that generates cash inflows which are largely independent of the cash inflows from other assets or groups of assets. At each reporting date, the Group considers the possibility of reversing previous impairment losses on non-financial assets (except goodwill and other intangible assets with an indefinite useful life).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

11.2 Estimates related to Impairment of goodwill

Recognized goodwill is assessed annually for impairment, in fourth quarter. Recoverable amounts from cash-generating units are calculated based on their value in use. 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. 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. See note 14 for further information related to goodwill.

12 Income Tax

12.1 Accounting Principles for Income Taxes

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/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 probable that the Group will have a sufficient profit for tax purposes in subsequent periods to utilize the tax asset. The Group recognize previously unrecognized deferred tax assets to the extent it has become probable that the Group can utilize the deferred tax asset. Similarly, the Group will reduce a deferred tax asset to the extent that the Group no longer regards it as probable that it can utilize the deferred 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.

12.2 Income taxes in Purus

(NOK 1 000)	For the six months ended 30 June 2020	2019
Tax payable	0	0
Change in deferred taxes	-3 412	-11 161
Deferred income tax expense relating to reversal of temporary	18 430	0
Income tax expense recognized in Income Statement	**15 018**	**-11 161**

For the six months ended 30 June 2020, there is reversed NOK 18.4 million in deferred tax assets previously posted to balance sheet which is related to increased uncertainty of the use of losses carried forward in Hexagon Purus Group.

The corresponding losses in 2020 and related deferred tax assets are not posted to balance sheet.

13 Property, Plant and Equipment

13.1 Accounting Principles for Property, Plant and Equipment

Items of property, plant and equipment are valued at their cost, less accumulated depreciation and impairment losses. An asset is derecognized from the balance sheet on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is recognized in the income statement.

The cost of an item of property, plant and equipment includes its original purchase price and all costs necessary to bring the asset to working condition for its intended use. Subsequent expenditure on repair and maintenance of assets is recognized as an expense in the income statement, while expenses that are expected to generate future economic benefits are capitalized.

The cost of a non-current asset is depreciated to the residual value over the asset's useful life. Depreciation is calculated on a straight-line basis. The following depreciation periods apply:

- Buildings 10-20 years
- Plant, machinery and equipment 3-15 years
- Fixtures & fittings, motor vehicles 3-10 years

If an item of property, plant and equipment has different parts with different useful lives, the parts are depreciated separately if the cost is significant in relation to the total cost of the item.

The depreciation period and method are assessed annually. A residual value is estimated at each year-end, and changes to the estimated residual value is recognized as a change in an estimate. When the carrying amount of property, plant and equipment exceeds the estimated recoverable amount, the value is written down to the recoverable amount.

Assets under construction are classified as property, plant and equipment and are carried at cost until its manufacture or development is completed. Assets under construction are not subject to depreciation until the assets are taken into use.

13.2 Estimates related to Depreciation and impairment of property, plant & equipment

Group management determines the useful lives and depreciation rates for items of property, plant & equipment. The expected useful life of the Group's production equipment is largely dependent on technological development. The present depreciation period is 3-20 years, but an uncertainty exists for the interval between 10-20 years.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The Group has assessed that there are no indicators of impairment as of 30 June 2020 and has therefore not recognized any impairment as per date or in 2019.

As part of the demerger of CNG LDV, substantial assets will be separated out of Hexagon Purus Group. The transfer of assets will take place at fair value assessment of the assets.

13.3 Property, plant & equipment in Hexagon Purus Group

Fixed Assets (NOK 1 000)	Buildings & real property	Machinery & Equipment	Total
For the twelve months ended 31 Dec 2019			
Opening balance at cost price	4 065	142 813	**146 878**
Opening balance acc deprecations	-2 674	-80 079	**-82 753**
Opening balance booked value	1 391	62 734	**64 125**
Net additions this year at cost price	4 624	47 016	**51 640**
Deprecations this year	-787	-11 583	**-12 370**
Translation differences	-12	-25	**-36**
Closing balance	**5 217**	**98 142**	**103 359**
For the six months ended 30 June 2020			
Opening balance at cost price	8 677	189 804	**198 481**
Opening balance acc deprecations	-3 460	-91 662	**-95 122**
Opening balance booked value	5 217	98 142	**103 359**
Net additions this year at cost price	583	321	**905**
Deprecations this year	-949	-9 737	**-10 686**
Translation differences	554	6 966	**7 520**
Closing balance	**5 405**	**95 692**	**101 098**

14 Intangible Assets

14.1 Accounting Principles for Intangible Assets

Intangible assets acquired independently are measured on initial recognition at cost. The cost of intangible assets acquired as part of a business combination is recognized at fair value in the Group's opening balance at the date of acquisition. Capitalized intangible assets are recognized at cost less any amortization and impairment.

Internally generated intangible assets, with the exception of capitalized development expenses, are not capitalized, but expensed as incurred.

The useful life is either finite or indefinite. Intangible assets with a finite useful life are amortized over their useful economic life and tested for impairment if there are any indications that the intangible asset may be impaired. The amortization method and period are assessed at least once a year. Changes to the amortization method and/or period are accounted for as a change in accounting estimate.

Intangible assets with an indefinite economic life are not amortized, but are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a definite economic life is made prospectively.

14.1.1 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. The expected useful life of patents and licenses varies between 6 and 17 years.

14.1.2 Research and development cost

Research costs are expensed as incurred. The development costs of projects (relating to the design and testing of new or improved products) are capitalized as intangible assets if all the following criteria are met:

a) it is technically feasible to complete the intangible asset so that the asset will be available for use or for future sale;
b) it is the management's intention to complete the asset and use or sell it;
c) it is possible to use or sell the asset;
d) it can be demonstrated how the asset will generate future economic benefits;
e) technological and financial resources are available to complete the asset; and
f) the costs can be reliably measured.

Other development costs are recognized as incurred. Development costs that have previously been expensed are not expensed 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.

14.1.3 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 their estimated useful lives.

As part of the demerger of CNG LDV, some customer relationship values will be separated out of Hexagon Purus Group. The final value of these assets cannot be determined until demerger process is completed at year end 2020. A preliminary estimate of this value is EUR 1.5 million. The transfer of assets will take place at fair value assessment of the assets.

14.2 Estimates related to Depreciation and impairment of and 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 continued sales to customers. The present depreciation period is 3-10 years, but an uncertainty exists for the interval between 10-20 years.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The Group has not recognized any impairment in 2020 or in 2019, as the Group has assessed that there are no indicators of impairment as of 30 June 2020.

14.3 Estimates related to Development costs

The Group capitalizes development costs for a project in accordance with the Groups accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to project plan. 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. At 30 June 2020, the carrying amount of capitalized development costs was NOK 43.6 (44.7) million.

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.

14.4 Estimates related to goodwill

As part of the demerger of CNG LDV, assets classified as goodwill will be separated out of Hexagon Purus

Group. The final value of these assets cannot be determined until demerger process is completed at year end 2020. A preliminary estimate of this goodwill element is in the range NOK 5-7 million. The transfer of assets will take place at fair value assessment of the assets.

14.5 Intangible Assets in Hexagon Purus Group

Intangible Assets (NOK 1 000)	Technology & Development	Customer Relationships	Goodwill	Total
For the twelve months ended 31 Dec 2019				
Opening balance at cost price	0	106 832	372 512	**479 345**
Opening balance acc deprecations	-	-31 650	-	**-31 650**
Opening balance booked value	0	75 182	372 512	**447 695**
Net additions this year at cost price	46 040	-	-	**46 040**
Deprecations this year	-1 310	-13 316	-	**-14 626**
Translation differences	1	-567	-3 164	**-3 730**
Closing balance	**44 732**	**61 299**	**369 348**	**475 379**
For the six months ended 30 June 2020				
Opening balance at cost price	46 042	106 265	369 348	**521 655**
Opening balance acc deprecations	-1 310	-44 966	-	**-46 277**
Opening balance booked value	44 732	61 299	369 348	**475 379**
Net additions this year at cost price	1 009	-	-	**1 009**
Deprecations this year	-2 148	-6 522	-	**-8 670**
Translation differences	55	6 972	39 250	**46 277**
Closing balance	**43 647**	**61 749**	**408 598**	**513 994**

14.5.1 Impairment testing

Goodwill is not depreciated but is subject to impairment testing in the fourth quarter each year. If there are particular indications of possible impairment, the impairment test is carried out on a quarterly basis. The impairment test is carried out by the calculated recoverable amount being compared with invested capital for the unit in question. When the recoverable amount exceeds invested capital, capitalized goodwill is maintained. When the recoverable amount is lower than invested capital, capitalized goodwill is written down to its recoverable amount. Invested capital consists of the units' total assets less interest-free current liabilities and interest-free non-current liabilities. The recoverable amount is based on expected future cash flows for the relevant unit based on the management's approved budget and strategy figures for the next four years. These are estimated based on current sales and margins and the expected market development. For subsequent periods it is assumed that there will be an increase in the cash flows equivalent to expected general growth within the various business areas.

The expected future investment requirements for the units are reflected in the calculations. These are in accordance with the management's approved budget and strategy. For the period beyond the next four years, it is assumed that the re-investment requirement will be equivalent to expected depreciation. Changes in working capital have been assessed and adjusted in accordance with expected developments.

When there are indications that a company's assets (including goodwill) may be impaired, an impairment test is conducted using the company's weighted average capital cost (WACC) as an estimate for the discount rate (= return on assets ratio). Correspondingly, WACC is also used for annual impairment testing. The WACC rate which is used to discount future cash flows is based on 10-year risk-free interest rates in the market, the company's borrowing interest, beta factor, equity ratio and market risk premium, adjusted for the liquidity risk and size of the company.

Value in use is calculated by discounting future cash flows. Present value calculations are based on expected future cash flows for the different cash-generating units, as described above and the units are not expected to have a finite useful life. The projections take into account only modest forms of growth in the cash flows into perpetuity.

The Hexagon Purus goodwill in Hexagon Purus Group is the result of accounting under the pooling method of accounting in which Hexagon Purus Group use values reflected in the consolidated financial statements of Hexagon Composites ASA Group. The goodwill was subject for impairment testing as of 31.12.2019. As of 30.06.2020 Hexagon Purus Group has not performed an impairment test as the Group has assessed that there are no indicators of impairment as of 30 June 2020.

The goodwill of the following cash flow generating unit is subject to impairment testing:

(NOK 1 000)	30 Jun 2020	31 Dec 2019
Hexagon Purus	408 598	369 348

The most important assumptions relate to estimates for operating income, operating margin and rates of return.

A WACC of 8.5% after tax has been used.

The assumptions that were used as a basis for the impairment testing as of 31 December 2019 were met by good margins for all of the above.

Sensitivity analysis for the goodwill
In connection with the impairment testing of goodwill as of 31 December 2019, the Group carried out sensitivity analyses. The present value of the cash flow in the calculations made is, among other things, sensitivity to changes in the discount rate. The sensitivity analysis uses the economic assumptions referred to above as its 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 sensitivity analyses for the CGU demonstrate that recoverable amounts of Hexagon Purus goodwill exceed the recognized value by a good margin, and a reasonable change in key assumption (+/- 1.0% for WACC and +/- 2.0% on EBITDA margin) would not cause the carrying amount to exceed value in use.

15 Leases

15.1 Accounting Principles for Leases

The Group has applied IFRS 16. 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.

15.1.1 The group as a lessee

For contracts that constitute, or contain 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.

The following depreciation periods apply:

- Buildings 10-20 years
- Plant, machinery and equipment 3-15 years
- Fixtures & fittings, motor vehicles 3-10 years

15.1.1.1 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 because 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.

15.1.1.2 Right-of-use assets
The Group measures the right-of use asset 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. An estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

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.

15.2 Estimates related to Leases – Significant judgement in determining the lease term of contracts with renewal options and incremental borrowing rate

The group has several offices and other facilities leases with options to extend the lease. 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.

The Group cannot readily determine the interest rate implicit in the lease, therefore, 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 a 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).

15.3 Leases in Hexagon Purus Group

Right-of-use Assets (NOK 1 000)	Buildings & real property	Machinery & Equipment	Total
For the twelve months ended 31 Dec 2019			
Opening balance at cost price	-		-
Opening balance acc deprecations	-		-
Opening balance booked value	-	-	-
Net additions this year at cost price (first time adoption IFRS16)	54 866	18 922	**73 788**
Deprecations this year	-18 862	-1 349	**-20 211**
Closing balance	**36 004**	**17 573**	**53 577**
For the six months ended 30 June 2020			
Opening balance at cost price	54 866	18 922	**73 788**
Opening balance acc deprecations	-18 862	-1 349	**-20 211**
Opening balance booked value	36 004	17 573	**53 577**
Net additions this year at cost price	28	27 947	**27 975**
Deprecations this year	-10 280	-720	**-11 000**
Translation differences	5 452	1 867	**7 319**
Closing balance	**31 203**	**46 668**	**77 871**

Lease liabilities (NOK 1 000)	Long term	Short term	Total
For the twelve months ended 31 Dec 2019			
Opening balance at cost price	2 318	-	**2 318**
Net additions this year at cost price (first time adoption IFRS16)	45 510	12 810	**58 320**
Closing balance	**47 828**	**12 810**	**60 639**
For the six months ended 30 June 2020			
Opening balance at cost price	47 828	12 810	**60 639**
Net additions this year at cost price	24 986	-2 080	**22 906**
Translation differences	5 129	1 377	**6 505**
Closing balance	**77 943**	**12 107**	**90 050**

16 Investment in Associates and Joint Ventures

16.1 Accounting Principles for Investment in Associates and Joint Ventures

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%).

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether the Group has joint control or significant influence over an entity are similar to those necessary to determine control over subsidiaries. Associates and joint ventures are accounted for using the equity method from the date when significant influence or joint control is achieved until such influence ceases.

Under the equity method, the investments in an associates or joint ventures are initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. 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 or joint venture, 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 or joint venture are eliminated to the extent of the interest in the associate or joint venture and is recognized against profit/loss from investment in associates and joint ventures.

If there is an indication that the investment in the associate or joint venture 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 and a joint venture in the statement of profit or loss.

If the Group's share of the loss equals or exceeds the carrying amount of the associate or joint venture, the carrying amount is set to zero and further loss is not recognized unless the Group has incurred a legal or constructive obligation on behalf of the associate or joint venture.

Upon loss of significant influence over the associate or joint control over the joint venture, and as such the equity method ceases, the Group measures and recognizes any retained investment at its fair value. A new measurement of remaining ownership interests will not be performed if the equity method is still applicable, for example by transition from an associate to a joint venture.

16.2 Joint Venture

The Group has classified the investment in Hyon AS as joint venture. The entity is organized as limited liability company with its own management in charge of day-to-day business. However, the composition of the board and guidelines for operation of the company is based on an operational agreement and shareholder agreement. Under these agreements, it is required unanimity between the parties for making decisions about relevant activities. Accordingly, the venture has joint control over the company's operations. Thus, the group as a participant is entitled to the arrangement's net assets. The Group's responsibility as a participant in the company is limited to the capital contribution, and the return equals the Group's share of profit/loss. The investment in joint ventures are accounted for according to the equity method.

Hexagon Purus Holding AS has the following investment in joint ventures:

Joint Venture	Country	Business Segment	Ownership share	Votes
Hyon AS	Norway	Purus	33.33%	33.33%

There are no transactions in the income statement or balances in the balance sheet related to transactions with the associated company. Hyon AS does not have an observable market value in form of market price or similar.

17 Inventories

17.1 Accounting Principles for Inventories

Inventories are valued 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 costs of completion and the estimated cost necessary to make the sale. Cost is based on the average cost price, and includes the costs incurred in acquiring the goods and the costs 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.

18 Receivables

Trade receivables are recognized at transaction price and subsequently measured at initial recognized amount less impairment losses. Nominal value does not normally differ significantly from amortized cost.

19 Provisions

19.1 Accounting Principles for Provisions

Contingent considerations are guided by IAS 37 Provisions, Contingent Liabilities and Contingent Assets. A provision is a liability of uncertain timing or amount. Provisions are recognized when the Group has a present obligation (legal or constructive) 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 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.

19.2 Estimates related to Product warranty provisions

Management estimates the warranty provision 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 parts and labor costs.

20 Pensions

20.1 Accounting principles for pension plans

20.1.1 Defined benefit pension plans

Defined benefit plans are valued at the present value of accrued future pension benefits at the end of the reporting period. Pension plan assets are valued at their fair value.

The current service cost and net interest income/costs are recognized immediately and is presented as a payroll & social security expense in the income statement. Net interest income/cost is calculated by using the discount rate of the liability at the beginning of the period on the net liability. Changes in net pension liabilities as a result of payments of premiums and pension payments have been taken into consideration. The difference between the actual return and the accounted return is recognized continuously through other comprehensive income. The pension cost is affecting the payroll & social security costs in the income statement. Actuarial gains and losses, including changes in value, both for assets and liabilities, are recognized through other comprehensive income. Actuarial gains and losses are not reclassified over profit and loss.

20.1.2 Defined contribution pension plans

Pension premiums relating to defined contribution plans are recognized as an expense as they are incurred.

20.2 Pension plans in 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.

Our subsidiaries in the USA offer defined contribution plans subject to USA 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.

21 Share capital and Shareholders

21.1 Accounting Principles share capital

21.1.1 Own shares

In the event of a purchase of own shares, the purchase price and any directly associated costs are recognized as a change in equity. Own shares are reported as a reduction in equity. Gains or losses related to own share transactions are recognized directly in equity.

21.1.2 Costs arising from equity transactions

Transaction costs directly related to an equity transaction are recognized directly in equity.

21.2 Shares in Hexagon Purus Holding AS

	30 June 2020	2019
Ordinary shares of NOK 1.00 each	330 000	330 000
Total number of shares	330 000	330 000

The Company's share capital consists of one class of shares and is fully paid-up.

Hexagon Composites ASA holds all shares.

	Number of shares		Share Capital (NOK 1 000)		Share Premium (NOK 1 000)	
	2020	2019	2020	2019	2020	2019
ORDINARY SHARES						
Issued and paid 1 January	330 000	330 000	330	330	14 443	14 443
Issued new share capital	-	-	-	-	-	-
Transaction cost	-	-	-	-	-	-
Issued and paid, end of period	330 000	330 000	330	330	14 443	14 443

The company is not holding any own shares.

In an extraordinary shareholder's meeting 30 October 2020 the shares are split into 201 619 712 shares, and conversion of NOK 1 340 million of debt to equity, resulting in a share face value of NOK 0.10. In the same extraordinary shareholders meeting, the Board of Directors is granted the power to increase the share capital by maximum NOK 8.35 million in face value.

22 Commitments and Contingencies

22.1 Contingent considerations

Contingent considerations are evaluated in the light of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. When another standard deals with a specific type of provision, contingent liability or contingent asset, we apply that standard instead of this IAS 37.

A provision is a liability of uncertain timing or amount.

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognized because:
    - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
    - the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Hexagon Purus Group has made provision of future guarantee risk related to deliveries accomplished. At the balance sheet date this provision amounts to 20.8 million NOK (13.4 million NOK as of 31.12.19). The provision is made on well-established assessment principles and assumed being a fair assessment of the relevant risk related to the business operation.

There are no observed legal claim contingencies against the Hexagon Purus Group.

23 Events After the Balance Sheet Date

23.1 Accounting Principles for Events After the Balance Sheet Date

New information on the Group's financial position on the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the Group's financial position on the end of the reporting period, but which will affect the Group's financial position in the future are disclosed if significant.

23.2 Major events after the balance sheet date

As disclosed several places in this report, loans from Hexagon Group are converted to equity implying a strong equity position in Hexagon Purus Group.

As discussed several places in this report, the CNG LDV operation will be separated out of Hexagon Purus Group. The process has gained momentum during second half-year of 2020, but due to legislative and financial aspects taking time to process and mature, the demerger will not be finalized until the end of 2020.

Hexagon Purus Group is in the process of spreading shares to more shareholders and to list on Merkur Market. This process is expected to be finalized well in advance of year-end 2020.

Following Hexagon Group's announcement of signing of a term sheet for a strategic cooperation and joint venture agreement with CIMC ENRIC, a leading Chinese manufacturer of energy equipment, Hexagon Purus Group is developing this term sheet with the intention to enter into a final agreement during the second half-year of 2020.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Hexagon Purus Holding AS

Report on the audit on interim consolidated financial statements

Opinion

We have audited the accompanying interim consolidated financial statements of Hexagon Purus Holding AS Group (hereinafter the Group). The interim consolidated financial statements comprise the statement of financial position as at 30 June 2020 and the income statement, the statement of comprehensive income, statement of changes in equity, cash flow statement for the period of 1. January 2020 to 30. June 2020, and notes to the interim consolidated financial statements, including a summary of significant accounting policies (together the interim consolidated financial statements").

In our opinion, the interim consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 30 June 2020 in accordance with the financial reporting framework as described in note 2.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the interim consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements in Norway that are relevant to our audit, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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.

Basis of the interim consolidated financial statements

We draw attention to note 2.1 to the interim consolidated financial statement, which describes the basis for the preparation. These interim consolidated financial statements have been prepared for the purpose of admission to trading on the Merkur Market of Oslo Børs.

Responsibilities of management for the interim consolidated financial statement

Management (the Board of Directors and CEO) is responsible for the preparation and fair presentation of the interim consolidated financial statements in accordance with the basis described in note 2 and for such internal control as management determines is necessary to enable the preparation of an interim consolidated financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the interim consolidated financial statements, management is responsible for assessing the Company'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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor’s responsibilities for the audit of the interim consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the interim consolidated 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 this interim consolidated financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the interim consolidated 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 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 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 interim consolidated 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 to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the interim consolidated financial statements, including disclosures, and whether the interim consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

Ålesund, 4 November 2020
ERNST & YOUNG AS

The auditor's report is signed electronically

Ivar-André Norvik
State Authorised Public Accountant (Norway)

Ivar-Andre Årnes Norvik
Statsautorisert revisor
På vegne av: Ernst & Young AS
Serienummer: 9578-5998-4-1416660
IP: 145.62.xxx.xxx
2020-11-04 12:56:55Z

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APPENDIX 3: OVERVIEW OF FILED AND GRANTED PATENTS

Case ref.	Type	Jurisdiction	Case type	Application date	Filing date	Application no.	Case status
HEX.002PR (AFSYS.031PR)	Swappable battery system for vehicles	USA	PRO		24.08.2018	62/722,758	Expired
HEX.002C1 (Track 1)	Swappable battery system for vehicles	USA	CON		30.04.2020	16/863,131	Pending;
HEX.002WO (AFSYS.031WO)	Swappable battery system for vehicles	Patent Cooperation Treaty	PCT		22.08.2019	PCT/US2019/047773	Pending; 30 Mo. National Phase Deadline 02/24/2021
HEX.003PR1 (AFSYS.055PR1)	Electronic powertrain system for heavy duty vehicles	USA	PRO		19.04.2019	62/836,367	Expired
HEX.003A1 (Track 1)	Electronic powertrain system for heavy duty vehicles	USA	NONPR		17.04.2020	16/852,150	Pending;
HEX.003A2 (Track 1)	Electronic powertrain system for heavy duty vehicles	USA	NONPR		17.04.2020	16/852,198	Pending
HEX.003WO1	Electronic powertrain system for heavy duty vehicles	Patent Cooperation Treaty	PCT		17.04.2020	PCT/US2020/028859	Pending; 30 Mo. National Phase Deadline 10/19/2021
HEX.003PR2 (AFSYS.055PR2)	Electronic front end accessory devices assembly	USA	PRO		19.04.2019	62/836,389	Expired
HEX.003A3 (Track 1)	Electronic front end accessory devices assembly	USA	NONPR		17.04.2020	16/852,187	Pending;
HEX.003WO2	Electronic front end accessory devices assembly	Patent Cooperation Treaty	PCT		17.04.2020	PCT/US2020/028866	Pending; 30 mo National Phase Deadline 10/19/2021
	Pinch line free liner with shutter	Canada	PCT	13.10.2015		2964164	Pending
	Pinch line free liner with shutter	Germany		13.10.2015	12.12.2018	15784307.9	Granted nationally
	Pinch line free liner with shutter	Spain		13.10.2015	12.12.2018	15784307.9	Granted nationally
	Pinch line free liner with shutter	France		13.10.2015	12.12.2018	15784307.9	Granted nationally
	Pinch line free liner with shutter	Italy		13.10.2015	12.12.2018	15784307.9	Granted nationally
	Pinch line free liner with shutter	Japan		13.10.2015	07.01.2020	2017-519230	Granted
	Pinch line free liner with shutter	South Korea		13.10.2015		10-2017-7012555	Pending
	Pinch line free liner with shutter	Norway		14.10.2015	20.06.2016	20141228	Granted
	Pinch line free liner with shutter	United States		13.10.2015	26.11.2019	20141228	Granted

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