PROSPECTUS

Hexagon Purus ASA

(A public limited liability company incorporated under the laws of Norway)
Listing of the Company's Shares on Oslo Børs

This prospectus (the "**Prospectus"**) has been prepared by Hexagon Purus ASA (the "**Company**", or "**Hexagon Purus**", and together with its direct and indirect subsidiaries, the "**Group**") solely for use in connection with the admission to trading (the "**Listing"**) of the Company's shares, each with a par value of NOK 0.10 (the "**Shares**") on Oslo Børs, a stock exchange operated by Oslo Børs ASA ("**Oslo Børs"** or the "**Oslo Stock Exchange**").

The Shares have been admitted to trading on Euronext Growth Oslo, a multilateral trading facility operated by Oslo Børs, since 14 December 2020 under the ticker code 'HPUR' and with ISIN NO0010904923. On 22 March 2023, the Company applied for the Shares to be admitted to trading and listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 27 March 2023. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on or about 30 March 2023, under the ticker code 'HPUR'.

The Shares are registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form. All Shares rank in parity with one another and carry one vote.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any restrictions. See Section 15 *"Transfer restrictions"*.

THIS PROSPECTUS SERVES AS A LISTING PROSPECTUS ONLY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR INVITATION TO PURCHASE, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SHARES, BENEFICIAL INTERESTS OR OTHER SECURITIES ARE BEING OFFERED OR SOLD IN ANY JURISDICTION PURSUANT TO THIS PROSPECTUS.

Investing in the Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 *"Risk Factors"* when considering an investment in the Company.

The date of this Prospectus is 29 March 2023

IMPORTANT NOTICE

This Prospectus has been prepared by the Company in connection with the Listing of the Shares on Oslo Børs.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (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 as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Oslo Børs, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Listing or the Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or by any of its affiliates, representatives or advisors.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, subscribe or sell any of the securities described herein, and no Shares, beneficial interests or other securities are being offered or sold in any jurisdiction pursuant to this Prospectus. Neither this Prospectus nor any advertisement or any other material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 15 *"Transfer restrictions"*.

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its content is prohibited.

In making an investment decision, prospective investors must rely on their own examination, analysis of, and enquiry into, the Group, including the merits and risks involved. None of the Company nor any of its respective representatives or advisers, is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 *"General information"*. Investing in the Shares involves certain risks. See section 2 *"Risk factors"*. For definitions of certain other terms used throughout this Prospectus, see Section 17 *"Definitions and glossary"*.

This Prospectus shall be governed by, and construed in accordance with, Norwegian law. The courts of Norway, with Oslo City Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

Most of the members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and most of the members of the senior management of the Company (the "**Management**") are not residents of the United States. Virtually most of the Company's assets and the assets of the Board Members and members of Management are located outside the United States. As a result, it may be impossible or difficult for investors in the United States to effect service of process upon the Company, the Board Members and members of Management in the United States or to enforce against the Company or those persons judgments obtained in U.S. courts, whether predicated upon civil liability provisions of the federal securities laws or other laws of the United States.

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or the Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act ("**Rule 144A**"). The Company will also make available to each such holder or beneficial owner, all notices of shareholders' meetings and other reports and communications that are made generally available to the Company's shareholders. The Company is not currently subject to any periodic reporting or other information requirements of the U.S. Exchange Act.

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1 SUMMARY

INTRODUCTION

Warning................................	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
Securities.............................	The Company has one class of shares in issue. The Shares are registered in book-entry form with the VPS and have ISIN NO0010904923.
Issuer...................................	The Company's legal and commercial name is Hexagon Purus ASA. 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 https://hexagonpurus.com/. The content of the Company's website is not incorporated by reference into, nor does it otherwise form part of, this Prospectus. The Company's contact details are as follows; e-mail: contact@hexagonpurus.com or telephone: (+47) 70 30 44 50.
Competent authority............	The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number +47 22 93 98 00 has reviewed and, on 29 March 2023, approved this Prospectus.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Corporate information.........	The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 3 July 2017, its registration number in the Norwegian Register of Business Enterprises is 919 317 558 and its Legal Entity Identifier (LEI) is 549300CM3T0GK8X3FW75.
Principal activities..............	The Group delivers key technologies needed for zero emission mobility. The Group's product offering enables the safe and effective use of hydrogen and electricity as transportation fuel in a variety of applications including light, medium and heavy-duty vehicles, buses, distribution, refuelling, rail, maritime, aerospace and ground storage. Hexagon Purus works to accelerate the energy transition by providing Type 4 high-pressure hydrogen cylinders and systems for storage and transport of compressed hydrogen, as well as battery systems and electric drivetrain integration for both Battery Electric Vehicles ("**BEVs**") and Fuel Cell Electric Vehicles ("**FCEVs**").

Major shareholders........... Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The following table sets forth shareholders owning 5% or more of the shares in the Company as of 27 March 2023.

Table – Overview of major shareholders			
#	**Shareholders**	**Number of Shares**	**Percentage**
1	Hexagon Composites ASA	189,300,496	68.39%
2	Clearstream Banking S.A.[1]	27,174,994	9.82%

[1] Clearstream Banking S.A. is a nominee account

Key managing directors...... The Company's Management consists of 8 individuals. The names of the members of the Management and their respective positions are presented in the below table.

Table – Overview of Management	
Name	**Current position within the Group**
Morten Holum	CEO
Salman Alam	CFO
Dilip Warrier	Executive Vice President ("**EVP**"), Strategic Projects
Anne Lise Hjelseth	EVP, People & Culture
Heiko Chudzick	EVP, Operations
Michael Kleschinski	EVP, Light Duty, Distribution and Cylinders
Todd Sloan	EVP, Systems
Frank Häberli	Senior Vice President ("**SVP**"), Asia

Statutory auditor................. The Company's auditor is Ernst & Young AS ("**EY**"), with registration number 976 389 387 and business address at Dronning Eufemias gate 6A, N-0191 Oslo, Norway.

What is the key financial information regarding the issuer?

The table below sets out selected key financial information pertaining to the Company's consolidated income statements for the years ended 31 December 2021, 2020 and 2019 (prepared in accordance with IFRS and extracted from the Annual Report (as defined below)), as well as for the three-and nine-month periods ended 30 September 2022 and 2021 (prepared in accordance with IAS 34 and extracted from the Interim Report (as defined below)).

Table – Key financial information (Income statements)							
	Year ended 31 December			**Nine-month period ended 30 September**		**Three-month period ended 30 September**	
(Amounts in NOK thousand)	**2021**	**2020**	**2019**	**2022[1]**	**2021[1]**	**2022[1]**	**2021[1]**
Total revenue	507 718	179 814	211 294	591 526	248 884	222 370	103 275
Operating profit (EBIT)	-324 874	-167 628	-168 769	-366 204	-244 626	-116 060	-95 962
Profit/loss before tax from continuing operations	-347 273	-273 373	-193 672	-307 752	-265 643	-64 853	-96 590
Profit/loss after tax	-353 704	-342 628	-98 616	-309 021	-296 180	-66 307	-109 269

[1] Unaudited

The table below sets out selected key financial information pertaining to the Company's consolidated statements of financial position as at 31 December 2021, 2020 and 2019 (prepared in accordance with IFRS and extracted from the Annual Report), and as at 30 September 2022 and 2021 (prepared in accordance with IAS 34 and extracted from the Interim Report).

Table – Key financial information (financial position)					
	As at 31 December			**As at 30 September**	
(Amounts in NOK thousand)	**2021**	**2020**	**2019**	**2022[1]**	**2021[1]**
Total assets	2 101 745	2 094 625	977 231	2 635 552	1 894 024
Total equity	1 415 398	1 629 021	-104 816	1 788 620	1 335 763

[1] Unaudited

The table below sets out selected key financial information pertaining to the Company's consolidated cash flow statements for the years ended 31 December 2021, 2020 and 2019 (prepared in accordance with IFRS and extracted from the Annual Report), as well as for the nine-month periods ended 30 September 2022 and 2021 (prepared in accordance with IAS 34 and extracted from the Interim Report).

Table – Key financial information (cash flow statements)					
	Year ended 31 December			Nine-month period ended 30 September	
(Amounts in NOK thousand)	**2021**	**2020**	**2019**	**2022[(1)]**	**2021[(1)]**
Net cash flows from operating activities	-456 324	-226 707	14 607	-341 365	-413 674
Net cash flows from investing activities	-297 924	-21 561	-114 315	-220 285	-91 618
Net cash flows from financing activities	-39 189	1 435 041	98 757	570 336	-24 252

(1) Unaudited

What are the key risks that are specific to the issuer?

Material risk factors…………

- The markets in which the Group operates are highly competitive. The Group may not be able to maintain or improve its competitive position or continue to meet changes in the competitive environment, and the Group may in the future also be exposed to increased competition from current market players or new entrants to the market.
- The Group is operating in a rapidly changing technological environment as it delivers technologies for zero emission mobility. The Group is exposed to competing and substitutional technologies and processes. Changes in the technological environment and introduction of alternative solutions offered in the market may reduce the market potential for the Group's products, processes and technologies, and which could have a negative effect on the Group’s business and competitive position.
- The Group operates in markets with strict standards for design, production, quality, handling and delivery, and deviations from such standards could lead to defects or other issues with respect to the Group's products which could have severe consequences. In addition, the Group is exposed to risks associated with upgrades, refurbishment and repairs.
- The Group is exposed to the supply and developments in the prices of raw materials and components, and in particular the cost of carbon fiber and lithium-ion batteries. The prices of these raw materials are linked to various factors, including the supply of raw materials and components, 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. Increased prices or global shortage of raw materials and components could have a negative effect on the Group.
- The Group is exposed to changes in the general global economic situation and development in its customer markets. Volatility and weakness in general economic conditions and global or regional financial markets may negatively affect the adoption of hydrogen or battery electric technologies as core energy vectors used to decarbonize hard-to-abate sectors such as transportation.
- The Group's operations are subject to the laws and regulations of several jurisdictions, and any non-compliance with such laws and regulations could have a material adverse effect on the Group.

- 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. This exposes the Group towards adoption of new laws, regulations or public requirements.
- The Group is exposed to risk relating to data protection and data privacy regulations, including the GDPR. The measures implemented by the Group to comply with the GDPR and other data protection and data privacy regulations may not always be adequate, and any failure to comply with relevant data protection and data privacy regulations, for example with respect to the transfer of personal data outside the EU/EEA under the GDPR, may have a material adverse effect on the Group’s business, financial position, results of operations, cash flows and/or prospects.
- Adequate funding may not be available in the future. The Group's main source of financing is equity and equity-linked financing instruments. To the extent the Group does not generate sufficient cash from operations to fund its existing and future business plans, the Company may need to raise additional funds, and the Group anticipates that it will need to raise further financing in the future to fully fund its current business plan. Further, the Convertible Bond limits, and any future debt arrangements could limit, the Company’s flexibility in obtaining additional financing. Future debt arrangements could also limit the Company's liquidity and potentially its ability to pursue business opportunities. The restrictive covenants under the terms of the Convertible Bond could also have a material adverse effect on the Group's scope of action.
- The Group is exposed to foreign currency risk, primarily related to the Group’s operating activities. 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.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN..........	All of the Shares are ordinary shares in the Company and have been created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with the VPS and have ISIN NO0010904923.
Currency, par value and number of securities...........	The Shares will be traded in NOK on Oslo Børs. As of the date of this Prospectus, the Company's share capital is NOK 27,679,745.60 divided into 276,797,456 Shares, each with a nominal value of NOK 0.10.
Rights attached to the securities..............................	The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company, including the right to dividends. Each of the Shares carries one vote.
Transfer restrictions...........	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Shares. Share transfers are not subject to approval by the Board of Directors.
Dividend and dividend policy......................................	The Company is focusing on scaling up its organization and production capacity in order to meet customer demand and grow its business in the years to come. Given the phase of growth the Company is in, the Board of Directors of the Company does not foresee that it will pay dividends in the short-to-medium term future.

Where will the securities be traded?

The Shares have been admitted to trading on Euronext Growth Oslo, a multilateral trading facility operated by Oslo Børs, since 14 December 2020 under the ticker code 'HPUR' and with ISIN NO NO0010904923. On 22 March 2023, the Company applied for the Shares to be admitted to trading and listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 27 March 2023. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on or about 30 March 2023, under the ticker code 'HPUR'. The Company has not applied for admission to trading of the Shares on any other stock exchange, regulated market or multilateral trading facility (MTF).

What are the key risks that are specific to the securities?

Material risk factors...........

- The Company has a major shareholder with significant voting power and the ability to influence matters requiring shareholder approval.
- Shareholders could face dilution as a result of any future share issuances, including share issuances due to conversion of the Convertible Bond.
- The Shares have not been listed on a regulated market prior to the Listing. There can be no certainty that an active and liquid trading market for the Shares will develop or be sustained following Listing, and the Share price could fluctuate significantly. If such market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be in a position to sell their shares quickly, at the market price or at all if there is no active trading in the Shares.

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

Admission to trading...........	Trading in the Shares on Oslo Børs is expected to commence on or about 30 March 2023, under the ticker code 'HPUR'.

Why is this prospectus being produced?

Reasons for the Listing……	This Prospectus is being produced in connection with the Listing of the Shares on Oslo Børs.

2 RISK FACTORS

An investment in the Company and the Shares involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 "Risk factors" are the material known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Company and the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 "Risk factors" are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative effect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares.

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

2.1.1 Highly competitive markets

The Group competes in highly competitive markets for hydrogen cylinders and systems and battery systems and drivetrain integration within the hydrogen infrastructure and zero-emission mobility space, and the Group may not be able to maintain or improve its current competitive position. The Company expects that initiatives promoting carbon-neutral mobility in order to stop climate change will increase in the future, which means that the Group may be exposed to increased competition from both current market players and/or new entrants to the market. Higher competition may lead to reduced profitability and/or future growth opportunities for the Group, which may have negative effect on the Company's growth strategy. A failure of the Group to secure future growth, maintain or improve its competitiveness and respond to increased competition may have a material adverse effect on the Group's business, operating results, financial condition and/or prospects. Factors which can impact the Group's competitive position include in particular new players in the industry, alternative energy carriers which outcompete hydrogen, pressure on market prices and future demand and supply factors, including the price of carbon fiber, resin, pressure regulators and valves, steel, electricity, lithium-ion batteries and drivetrain components as well as hydrogen and battery electric mobility applications' relative attractiveness compared with diesel, petrol, gas or other fuels, and conventional vehicle, storage and transportation technologies. Depending on developments, these factors can have a negative impact on the results and financial position of the Company and the Group.

2.1.2 Rapidly changing technological and product environment

The Group is operating in a rapidly changing technological environment as it delivers technologies for zero emission mobility. The Group uses its expertise and invests in technological and product development in order to develop and commercialize new products, processes and technologies. The Group is exposed to competing and substitutional technologies and processes. There is also a rapidly changing regulatory environment for Type 4 tanks that could result in product withdrawal, obsolescence or the allowance of a product design type not previously permitted in certain marketplaces. Changes in the technological environment and introduction of alternative solutions offered in the market may reduce the market potential for the Group's products, processes and technologies, and which could have a negative effect on the Group's business and competitive position. The Type 4 composite pressure vessel technology used by the Group is seen as modern today and typically competes with Type-1 all-steel and Type-3 metal inner-lined composite over-wrapped pressure vessels or liquified storage solutions (for an overview of different types of high-pressure cylinders, see Section 6.7 *"Types of high pressure cylinders"*). Should competing products be perceived by customers and the market as cheaper, better and/or safer, this may have a material adverse effect on the Group's profitability and financial position. Changes and developments may, for example, be driven by competitors of the

Group with substantially greater resources than those of the Group and the attractiveness of the Group’s solutions relative to other providers' solutions is uncertain, which may lead to the Group being unable to compete with such competitors. In particular, more cost-efficient technologies than the Group's solutions may be made available and efforts to respond to technological innovations may require significant financial investments and resources. Failure by the Group to respond to changes in the technological and product environment may render the Group's operations non-competitive and may have a material negative effect on the Group’s business, results of operations, financial condition, future growth opportunities and/or prospects.

In addition, the Type 4 composite pressure vessel and battery systems space 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, inability by the Group 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, cash flows and/or prospects.

2.1.3 Production and operating risks

The Group is subject to strict standards for design, production, quality, handling and delivery since its products are used to transport and store energy in the form of highly flammable, pressurized gases or high voltage battery packs which are considered safety critical items. Deviations from these standards could lead to defects or other issues with respect to the Group's products, which could have severe consequences and result in, inter alia, fires, bursts, pollution, damage to or loss of property or assets belonging to the Group's customers or third parties, injury, loss of life or other significant collateral damage, and damage to the Group’s reputation. Although the Group has established procedures and controls in place to identify and prevent deviations, there is a risk that deviations such as production errors, failure in product design, failure in testing or approvals could occur. Such deviations could, in addition to the aforementioned consequences, also lead to damage to or loss of property or assets belonging to the Group, including the Group's production facilities, and the loss of production or shut downs of the Group's facilities, and as such cause significant additional costs and lost revenue for the Group. The occurrence of any one of these (or similar) events could result in the suspension of production operations, severe damage to, or destruction of, the property and equipment involved, injury or death to personnel, environmental damage and claims from third parties (including personnel) in relation to the aforementioned. The Group may also be subject to incidents caused by one of the Group's products (or even one by a competitor in the industry), by an employee's misconduct, or risk by association to one of the Group's customers or suppliers. Any one of the above could have a material adverse effect on the Group’s business, financial position, results of operations, reputation and cash flow.

In addition, the Group is exposed to risks associated with upgrades, refurbishment and repairs. The Group may undertake upgrades, refurbishment and repairs of its production facilities from time to time, which involves inherent risks for delay and/or cost overruns due to various circumstances. Significant cost overruns or delays would adversely affect the Group’s business, financial condition, operating results and/or prospects.

2.1.4 Raw materials and components risk, and risk related to suppliers

The cost of material constitutes a relatively large part of the Group's total operating expenses before depreciation (approximately 42% for the financial year 2021 and 36% for the nine month period ended September 30, 2022). Thus, the Group is exposed to developments in the prices and supply of raw materials and components and, in particular, the price and supply of carbon fiber, lithium-ion batteries, resin, pressure regulators and valves, steel, electricity and drivetrain components as well as hydrogen and battery electric mobility applications’ relative attractiveness compared with diesel, petrol, gas or other fuels, and conventional vehicle, storage and transportation technologies. The prices of these raw materials and components are linked to various factors, including the supply of raw materials and components, developments in the price of crude oil, precursor commodities and energy and the prevailing market balance where supply is dependent on a limited number of suppliers. Increased prices, global shortages of raw materials and components or port/delivery delays could have a negative effect on the Group's operating expenses, which in turn could have a material adverse effect on the Group's results from operations, cash flow, financial condition, growth opportunities and/or prospects.

In addition, the Group relies on various suppliers for the supply of material, including carbon fiber, to produce and manufacture its products. As the Group is reliant on carbon fiber for its production and a large part of the annual carbon fiber volume is purchased pursuant to a low number of agreements, it could also have a material negative impact on the Group if new agreements are not entered into and sufficient delivery of carbon fiber is not secured following the expiry of agreements. Additionally, the Group is in the process of evaluating and selecting lithium ion battery cell suppliers for its battery system offering. If the Group is unable to secure supply of lithium ion battery cells, it could have a negative impact on the Group.

2.1.5 Uncertainty relating to global economic conditions and development

The Group is exposed to changes in the general global macroeconomic situation and development in its customer markets. In recent years, there have been several hydrogen initiatives from governmental and international bodies around the world which puts a spotlight on the role hydrogen technology can play in the global energy transition. Volatility and weakness in general economic conditions and global or regional financial markets due to, inter alia, implementation of sanctions and international trade barriers and restrictions following the Russian invasion in Ukraine, or a global economic downturn as a result of the war or sustained downturn in international trade, or lower demand for the Group's products and technologies or increased short-term focus on fossil fuel energy as a result of the war, may negatively affect the adoption of hydrogen or battery electric technologies as core energy vectors used to decarbonize hard-to-abate sectors such as transportation. Since the beginning of 2022, increased inflation and interest rates have been observed, which contributes to economic uncertainty and could lead to more conservative spending patterns among the Group's customers going forward. 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 products, which could have a material adverse effect on the Group's results from operations, cash flow, financial condition, growth opportunities and/or prospects.

2.1.6 Intellectual property rights

As a Company that delivers technologies for zero emission mobility, the Group depends on trade secrets, patents, industrial design and other related laws and confidentiality procedures and contractual provisions to protect, maintain and enforce its proprietary technology and intellectual property rights. In particular, the Group's international operations expose the Group to differences in foreign intellectual property rights and other laws concerning proprietary rights and degree of protection. There is a risk that the Group will not be able to successfully protect its intellectual property rights or successfully prevent or restrict infringing activities by third parties in the future. For example, the Group has several patent applications pending, but there can be no assurance that such applications will be approved. Inability by the Group to obtain, maintain or enforce adequate protection on its intellectual property may adversely affect the Group's operations, competitiveness, financial performance and/or future prospects.

2.1.7 Risks of investing in China, Chinese manufacturing and assembly joint venture

Through its joint venture, the Company and CIMC Hydrogen Energy Technology LTD have signed an investment agreement to establish a joint production facility in Shijiazhuang, Hebei, China, for manufacturing of hydrogen cylinders and assembly of hydrogen cylinder systems to serve the Chinese and Southeast Asian markets. The joint venture partners also intend to establish the New Energy Technologies management office and engineering hub in Beijing Daxing District International Hydrogen Development Zone. This exposes the Group towards risks specific to China. China may be subject to economic, political and social instability due to inter alia falling growth rate, regional imbalances, income inequality, environmental degradation and/or trade/political disputes with other countries. 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.

In addition, the Shijiazhuang and Beijing Daxing governments have made a commitment to support the development of the CIMC-HEXAGON business in their regions through 2030. Construction of the new hydrogen cylinder manufacturing and systems assembly facility in Shijiazhuang is underway, and the facility will house both Type 3 and Type 4 hydrogen cylinder production and systems assembly capacity. The facility will provide automated production of composite hydrogen pressure vessels from 350 to 700 bar intended for the Chinese and Southeast Asian markets. The product portfolio will include hydrogen fuel storage systems for on-road vehicles, rail and maritime applications. The new facility is expected to create several hundred jobs in Shijiazhuang and Beijing and will also support business for regional suppliers. However, there can be no assurance that the construction will be completed in time or at all, that the facility reaches the potential production and systems assembly capacity in accordance with expectations, or that the joint venture will be profitable for the Group.

In addition, the Group may in the future establish other joint ventures in other jurisdictions which may increase the risk related to joint venture agreements and geopolitical risk.

2.1.8 Failure to retain or employ a sufficient number of skilled workers and labor issues

The Group's future operational performance depends to a significant degree upon the continued service of key members and key personnel in the Group's business, as well as a competent and experienced sales force in order to achieve sufficient sales volumes, and the Group's ability to obtain a sufficient number of skilled personnel workers in order to secure future growth. The Group operates within a highly technological industry, primarily requiring highly specialized skills and knowledge of high-pressure gaseous storage, composites manufacturing, high voltage battery systems and vehicular architecture. Competition for employees with the aforementioned qualifications is intense, and the loss of qualified employees or an inability to attract and retain skilled employees could make it difficult for the Group to achieve desired growth, to keep pace with continuing technological changes within its industry, evolving industry standards and changing customer preferences, which in turn could have a material adverse effect on the Group's business, financial position, results of operations, cash flows, growth opportunities and/or prospects.

2.1.9 Counterparty risks

The Group is exposed to credit risk related to counterparty default on contractual agreements and trade, and other current receivables. Continuing business trade receivables as at 30 September 2022 amounted to approximately NOK 185 million. The Group has policies and procedures to ensure that sales are made to customers with appropriate credit profiles within defined limits, but the Group's customers could nonetheless include newer companies that are not sustainably profitable. The ability of 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 Group's operations, business, financial condition and/or prospects. 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 Group 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.

The Group is also subject to risk related to contractual default by counterparties. The ability of each counterparty to perform its obligations under a contract with the Group 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 Group, this could impair the Group's liquidity and cause significant losses, which in turn could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

In addition, the Group may not be able to obtain agreements from customers to indemnify the Group 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 the Group, they may not necessarily be financially able to indemnify the Group against all of these risks.

Moreover, the Group 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 of the Group, and therefore represent an increased liability exposure for the Group.

2.2 Risks related to laws and regulations

2.2.1 Risks relating to laws, regulations and requirements

The Group's products are subject to governmental laws, regulations, standards, permits and other requirements in the various jurisdictions in which the Group operates, including regulations relating to quality, health and safety, as well as the EU Taxonomy and other sustainability related laws that will require investment to satisfy. There is, however, a risk that the Group may not at all times be able to comply with such laws, regulations, standards, permits and other requirements. It is expected that the Group in the future will be subject to new laws and regulations, including the EU regulation and directive on internal markets for renewable and natural gases and for hydrogen,[1] which complements the revised Renewable Energy Directive (REDII)[2], the Energy Efficiency Directive (EED)[3] and the Emissions Trading Scheme (EU ETS).[4] 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 the Group'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, cash flows and/or prospects.

Further, as the Group operates in several countries, the Group's operations as a whole are subject to the laws and regulations of various jurisdictions, including with respect to taxation, import/export, sanctions and anti-corruption. Due to the Group operating in several jurisdictions, the risk of non-compliance with any applicable legislation is increased, and any such non-compliance could lead to fines, penalties or other sanctions being imposed, including the denial or revocation of permits or other authorizations, which in turn could negatively affect the Group.

2.2.2 The Group is exposed to risk relating to data protection and data privacy regulations.

The Group receives, stores and processes personal information and other user data through its business and operations in multiple jurisdictions. This makes the Group exposed to data protection and data privacy laws and regulations it must comply with, which imposes stringent data protection requirements and provides potentially high penalties for non-compliance. The main regulations are the GDPR, the Norwegian Data Protection Act of 15 June 2018 No. 38 and the United States privacy acts. The measures implemented by the Group to comply with the GDPR and other data protection and data privacy regulations may not always be adequate, and any failure to comply with relevant data protection and data privacy regulations, for example with respect to the transfer of personal data outside the EU/EEA under the GDPR, may have a material adverse effect on the Group's business, financial position, results of operations, cash flows and/or prospects.

2.2.3 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. Since the Group's products are used to transport and store energy in the form of highly flammable, pressurized gases or high voltage battery packs, any operating hazards may lead to large-scale litigations, disputes and claims towards the Group. As such, there is a risk that the Group may be 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

[1] Proposed by the EU Commission on 15 December 2021, link: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0804&from=EN and https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0803&from=EN
[2] Proposed by the EU commission on 14 July 2021. Link: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0557&from=EN
[3] Proposed by the EU Commission on 14 July 2021. Link: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0558&from=EN
[4] Proposed by the EU Commission on 14 July 2021 Link: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0571&from=en

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.

2.2.4 Risks related to social responsibility breaches

The Group operates internationally, with subsidiaries and partners in a large number of jurisdictions. The Group takes its social responsibility seriously, and has implemented measures to ensure that it is not involved in social dumping, human rights violations or similar. There is, however, a risk that such measures may not be adequate, and local conditions in the various jurisdiction in which the Group operates, or where its partners are located, may make it difficult to prevent and uncover social dumping, human rights violations or similar breaches. Should social dumping, human rights violations or similar breaches occur in relation to the Group's operations, either actual or alleged, or should the Group otherwise be associated with such breaches, this could have a material adverse effect on the Group's reputation and could also lead to fines or liability for the Group, which in turn could have a material adverse effect on the Group business, financial condition, results of operations and prospects.

2.3 Risks related to the Group's financial position and liquidity

2.3.1 Adequate funding may not be available in the future

As at 30 September 2022, the Group's equity ratio[5] was approximately 68%, which the Company considers to be a sound equity ratio for businesses in its industry. The Group's main source of financing has historically been equity, and the Group's main financing source in the near future is as well expected to be equity or equity-linked financing instruments (such as e.g. convertible debt). To the extent the Group does not generate sufficient cash from operations to fund its existing and future business plans, the Company may need to raise additional funds through equity financing or bank, public or private debt to execute the Company's growth strategy and to fund capital expenditures, and the Group anticipates that it will need to raise further financing in the future to fully fund its current business plan. Adequate sources of capital funding might not be available when needed or may only be available at unfavorable terms. If funding is insufficient at any time in the future, the Group may be unable to, inter alia, fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Group's business, financial condition, results from operations and/or prospects.

Further, the terms of the Convertible Bond (as defined in section 10.5.1 *"Capital structure and equity"*) include restrictive covenants, such as restrictions on additional financial indebtedness and the execution of certain disposals, which could have a material adverse effect on the Company's and other Group companies' scope of action. The terms of the Convertible Bond limits, and any future debt arrangements could limit the Company's flexibility in obtaining additional financing. The Convertible Bond and any future debt arrangements could also limit the Company's liquidity and potentially its ability to pursue 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.

2.3.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). As the Group has production and sales in different countries with different functional currencies, it is exposed to currency risk associated with movements of the Norwegian krone against other currencies, while the Group's presentation

[5] The equity ratio is calculated by dividing the Company's total equity of NOK 1,788,620,000 as at 30 September 2022 by its total assets of NOK 2,635,552,000 as at 30 September 2022 (both figures extracted from the statement of financial position presented in the Interim Report).

currency is NOK. For example, the Company's revenues in Norway constitute a small part of the Group's total revenues. For the year ended 31 December 2021, the Group's revenue in Norway amounted to approximately NOK 0.4 million, compared to revenues in Europe and North America which amounted to approximately NOK 344.0 million and 155.4 million, respectively. 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. 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. In the Interim Report (as defined in Section 4.2.1 *"Financial information"*) for Q3 2022, the Company reported consolidated exchange differences on translation of foreign operations of approximately NOK 31.9 million (compared to a loss of approximately NOK 1.2 million for the comparative period the prior year) in the unaudited consolidated comprehensive income statement for the three-month period ended 30 September 2022. The Group can use forward contracts to reduce its currency risk from cash flows denominated in foreign currencies. For the time being, the Group has no such contracts. The Group may use financial instruments to hedge risk associated with interest rate and foreign currency fluctuations. Such hedging strategies (if implemented) may, however, not be successful.

2.4 Risks related to the Shares and the Listing

2.4.1 The Company has a major shareholder with significant voting power and the ability to influence matters requiring shareholder approval

As of the date of this Prospectus, Hexagon Composites ASA controls approximately 68.39% of the Shares of the Company. It is expected that Hexagon Composites ASA will continue to control more than 50% of the Shares also immediately after the Listing, but that its shareholding may be reduced to below 50% during 2023. Based on its current shareholding, Hexagon Composites ASA has the ability to determine the outcome of matters that require approval by a majority of shareholders at a general meeting of shareholders, including the election of members of the Board of Directors, as well as matters where a two-thirds majority of the votes cast and share capital represented is required. The Company and its minority shareholders may from time to time experience conflicts of interest in its relationship with its major shareholder, and because of its major shareholder's significant stakes in the Company, resolutions of these conflicts may not be on the most favorable terms for the Company or its other shareholders. Further, the interests of the Group's shareholders, including the major shareholder may differ from other shareholders in material respects, and their respective affiliates may also have an interest in pursuing acquisitions, combinations, divestitures, financings or other transactions that, in their judgment, could enhance their investments, even though such transactions might involve risks and may not be on the most favorable terms for the Company or its other shareholders.

2.4.2 Future issuances of shares may dilute the holdings of shareholders and could materially affect the price of the Shares

The Company may in the future decide to issue new shares in order to finance investments, in connection with unanticipated liabilities or expenses or for any other purposes. Any such share issue could reduce the proportionate ownership and voting interests of holders of Shares, as well as the earnings per Share and the net asset value per Share, and could also have a material adverse effect on the market price of the Shares. Depending on the structure of any such future share issue, certain existing shareholders may not have the ability to purchase additional equity securities.

As further described under Section 10.5.1 *"Capital structure and equity"*, the Company issued unsecured convertible bonds in the amount of NOK 800,000,000 in March 2023 (the Convertible Bond). Should the Convertible Bond be converted to Shares by the bondholders, the existing shareholders of the Company will be diluted.

2.4.3 There may not be an active and liquid market for the Shares and the Share price could fluctuate significantly

An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favorably. The Shares have not been listed on a regulated market prior to the Listing. There can be no certainty that an active and liquid trading market for the Shares will develop or be sustained following the Listing. If such market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be able to sell their shares quickly, at the market price or at all if there is no active trading in the Shares.

The share prices of companies admitted to trading on Oslo Børs can be highly volatile and 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.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Listing of the Company's Shares on Oslo Børs as described herein.

The Board of Directors of Hexagon Purus ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that to the best of their knowledge, the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

29 March 2023

The Board of Directors of Hexagon Purus ASA

Jon Erik Ytreeide Engeset
(Chair)

Karen Margaret Romer *(Board member)*	Espen Gundersen *(Board member)*	Martha Kold Bakkevig *(Board member)*

Richard James Rashilla Jr
(Board member)

4 GENERAL INFORMATION

4.1 Important investor information

4.1.1 Approval of the Prospectus

This Prospectus has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129 (the EU Prospectus Regulation). The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129 (the EU Prospectus Regulation), and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

4.1.2 Other important investor information

This Prospectus serves as a listing prospectus only. This Prospectus does not contain any offer, or invitation to purchase, subscribe or sell any of the securities described herein, and no shares, beneficial interests or other securities are being offered or sold in any jurisdiction pursuant to this Prospectus.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Oslo Børs, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Listing other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or by any of its affiliates, representatives or advisers.

Neither the Company nor any of its affiliates, representatives or advisers is making any representation, express or implied, to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 *"Risk factors"*.

Capitalised terms contained in this Prospectus shall have the meanings ascribed to them in Section 17 *"Definitions and glossary"*, save where the context indicates otherwise.

4.1.3 Websites

Except from the information incorporated by reference into this Prospectus, as set out in Section 16.4 *"Incorporation by reference"*, no information has been incorporated by reference to, or forms part of, this Prospectus, or has been approved by the Norwegian FSA. Without limitation, no other content of the Company's website or content of any website accessible from hyperlinks on the Company's website (or any other website), is incorporated into, or forms part of this Prospectus, or has been approved by the Norwegian FSA.

4.2 Presentation of financial and other information

4.2.1 Financial information

The business of the Group was, prior to the spin-off from Hexagon Composites ASA in 2020, reported as a business segment in Hexagon Composites ASA's consolidated financial statements. Subsequent to this separation, certain other entities and businesses (under common control by Hexagon Composites ASA) were transferred to the Group from Hexagon Composites ASA. For the purpose of presenting consistent financial information for the three financial years ended 31 December 2021, 2020 and 2019 in the Prospectus, the Company has prepared the audited annual report containing inter alia the consolidated annual financial statements as of and for the financial years ended 31 December 2021, 2020 and 2019 (the "**Annual Report**") in accordance with the International Financial Reporting Standards as adopted by the EU and implemented in Norway (collectively, "**IFRS**"), on the assumption that the legal structure of the Group had been in place for the full three years 2021, 2020 and 2019. Please see further details about the changes of the Group structure and the assosiated accounting of the transfers under common control in Note 4 in the Annual Report.

The Annual Report is incorporated by reference into this Prospectus (see Section 16.4 *"Incorporation by reference"*). The Annual Report was audited by Ernst & Young AS, as stated in their independent auditor's report incorporated by reference to this Prospectus (see Section 16.4 *"Incorporation by reference"*).

The Company has prepared an unaudited interim report containing the consolidated interim financial statement for the three- and nine-month periods ended 30 September 2022, which contains comparable figures for the same periods in the prior year (together, the "**Interim Report**"), in accordance with International Accounting Standard 34 *(Interim Financial Reporting)* as adopted by the EU and implemented in Norway ("**IAS 34**"). The Interim Report has been subject to a limited review by Ernst & Young AS, and the limited review report is attached hereto as Appendix 4.

The Annual Report and the Interim Report are together referred to as the "**Financial Information**".

On 10 November 2021, the Company announced that it had successfully completed the acquisition Wystrach GmbH (together with its subsidiary Wyrent GmbH referred to herein as "**Wystrach**"). In the Group's audited financial statements for 2021, Wystrach is included from 1 November 2021. The difference between 1 November 2021 and the closing date on 10 November 2021 has been assessed to be immaterial for the Group. In order to provide financial information on Wystrach for a period prior to the aforementioned acquisition, translations in English of the annual financial statements for Wystrach for the financial years ended 31 December 2021 and 31 December 2020 are appended to this Prospectus as Appendix 2 and Appendix 3, respectively.

4.2.2 Currency presentation

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**EUR**" are to euro; the single currency of member states of the EU participating in the European Monetary Union having adopted the euro as its lawful currency, all references to "**USD**" are to the lawful currency of the United States, all references to "**CAD**" are to the lawful currency of Canada, all references to "**HKD**" are to the official currency of Hong Kong and all references to "**RMB**" are to the official currency of China.

4.2.3 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.2.4 Alternative performance measures (APMs)

In order to enhance investors' understanding of the Group's performance, the Group presents certain measures and ratios in this Prospectus that might be considered as alternative performance measures ("**APM**") as defined by the European Securities and Markets Authority ("**ESMA**") in the ESMA Guidelines on Alternative Performance Measures 2015/1057.

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in IFRS. The Group uses APMs to measure operating performance and is of the view that the APMs provide investors relevant and specific operating figures which may enhance their understanding of the Group's performance.

The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider such measures to be alternatives to: (a) revenue or profit/loss for the period, as a measure of the Group's operating performance, or (b) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the Group's historical operating results, nor are measures meant to be predictive of the Group's future results. The Group believes that the APMs presented herein are commonly reported by companies in the markets in which it operates and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortization and impairment, which can vary significantly depending upon measures, business practice or external and non-operating factors. Accordingly, the Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies across periods. Since companies may present APMs differently, the Group's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

The following terms are used by the Group in the definition of APMs in this Prospectus:

- **Organic revenue growth:** Means the annual growth in organic revenue (not adjusted for FX) expressed as a percentage rate, excluding revenue growth due to acquisitions in the current period if the comparable prior period had no revenue from the same acquisition and revenue decreases due to business divestitures in the current period or the comparable prior period.
- **Operating profit before depreciation (EBITDA):** Means operating profit/(loss) for the period before interest, taxes, depreciation and amortization.
- **Operating profit (EBIT):** Means operating profit/(loss) for the period before interest and taxes.

The below table shows the APMs on a reconciled basis. Unless otherwise indicated, the below figures have been extracted from the Financial Information.

Reconciliation of the APMs; EBITDA, EBIT and net income (unaudited)							
	Three-month period ended 30 September		**Nine-month period ended 30 September**		**Year ended 31 December**		
(Amounts in NOK thousand)	**2022** (1)	**2021** (1)	**2022** (1)	**2021** (1)	**2021**	**2020**	**2019**
Total revenue	222 370	103 275	591 526	248 884	507 718	179 814	211 294
Revenue from Wystrach inc. all Group eliminations (2)	112 905	0	307 819	0	129 240	0	0
Organic revenue (excluding Wystrach) (2)	109 465	103 275	283 707	248 884	378 478	179 814	211 294
Total operating expenses before depreciation	314 572	183 431	888 077	459 567	779 495	320 536	354 556
Operating profit before depreciation (EBITDA)	**-92 203**	**-80 156**	**-296 551**	**-210 682**	**(271 777)**	**(140 722)**	**(143 261)**
Depreciation, amortization and impairment	23 857	15 806	69 653	33 944	53 098	26 906	25 508
Operating profit (EBIT)	**-116 060**	**-95 962**	**-366 204**	**-244 626**	**(324 874)**	**(167 628)**	**(168 769)**
Share of profit/loss from investments in associates	61 853	178	59 115	51	-2 957	-1 885	-749
Finance income	2 561	3 247	26 164	8 624	14 250	10 110	3 243
Finance expense	13 207	4 054	26 827	29 691	33 691	113 969	27 397
Profit/loss before tax from continuing operations	**-64 853**	**-96 590**	**-307 752**	**-265 643**	**-347 273**	**-273 373**	**-193 672**
Tax expense	1 454	-651	1 269	-1 220	-2 120	34 654	-25 777
Profit loss after tax from continuing operations	**-66 307**	**-95 940**	**-309 021**	**-264 422**	**-345 152**	**-308 026**	**-167 895**
Discontinued operations (CNG LDV)							
Profit/loss after tax for the period from discontinued operations	-	-13 330	-	-31 757	-8 552	-34 602	69 279
Profit/loss after tax	**-66 307**	**-109 269**	**-309 021**	**-296 180**	**-353 704**	**-342 628**	**-98 616**

(1) Unaudited
(2) Figures are not extracted from the Financial Information. The figures are unaudited.

4.3 Third party information

In this Prospectus, the Group has used industry and market data from independent industry publications and market research as set out in footnotes to Section 6 *"Industry and Market Overview"* and Section 7 *"Business of the Group"* and other publicly available information. While the Group has compiled, extracted and reproduced industry and market data from external sources, the Group has not independently verified the correctness of such data. Unless otherwise indicated, such information contained in the Prospectus related to markets, market sizes, market shares and market positions are the views of the Group, informed by multiple sources, including market studies, annual financial statements and other presentations published by listed companies operating within the same industry as the Group does or may do in the future and the Group's commissioned market studies from McKinsey & Company, Inc. Norway, such information being referred to jointly as the "**Company Information**".

The Group confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Group is aware and is able to ascertain from information published by these third party providers, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Group does not intend, and does not assume any obligations to update industry or market data set forth in the Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Group has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently unpredictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Group cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, any statements regarding the Group's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 *"Risk factors"* and elsewhere in this Prospectus.

4.4 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and anticipated 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" and, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear, among other areas, in the following sections in this Prospectus; Section 2 *"Risk factors"*, Section 6 *"Industry and market overview"*, Section 7 "Business of the Group, Section 9 *"Financial and other information"*, and Section 10 *"Operating and financial review"*, and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- Market and industry development
- Competitive situation
- Attractiveness of the Group’s technology
- Ability to execute on and finance operational/production and organizational scale-up
- Sentiment in capital and credit markets which may have an impact on the Group’s ability to finance its operations

The risks that could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 *"Risk factors".*

The information contained in this Prospectus, including the information set out under Section 2 *"Risk factors",* identifies additional factors that could affect the Group's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all sections of this Prospectus and, in particular, Section 2 *"Risk factors"* for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Group.

These forward-looking statements speak only as at the date on which they are made. The Group undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Group or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 DIVIDENDS AND DIVIDEND POLICY

5.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will comply with the legal restrictions set out in the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Liability Companies Act**") (see Section 5.2 *"Legal constraints on the distribution of dividends"*) and take into account the Company's capital requirements, including capital expenditure requirements, the Company's financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. For a description of dividend restrictions applicable to the Company under the terms of the Convertible Bond, please see section 10.5.1 *"Capital structure and equity"*. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Liability Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The proposal to pay a dividend in any year is, in addition to the legal restrictions set out in Section 5.2 *"Legal constraints on the distribution of dividends"*, further subject to any restrictions in the Company's borrowing arrangements or other contractual arrangements in place at the time.

Further, the tax legislation of an investor's Member State and of the Company's country of incorporation (Norway) may have an impact on the income received from the Shares, see Section 14 *"Taxation"*.

The Company is committed to create long-term value for its shareholders. The Company considers itself to be in a phase of growth, and the Board has therefore established a dividend policy in which the Company is not expected to pay dividends in the short-to-medium future.

The Company has not paid any dividends on its Shares for the financial years ended 31 December 2021, 2020 and 2019.

5.2 Legal constraints on the distribution of dividends

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

- Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution are sufficient to cover (i) the Company's share capital, (ii) the Company's reserve for valuation variances and (iii) the Company's reserve for unrealised gains. Any receivables of the Company which are secured through a pledge over the Company's Shares and the aggregate amount of credit and security which, pursuant to Sections 8-7 through to 8-10 of the Norwegian Public Limited Liability Companies Act fall within the limits of distributable equity are to be deducted from the distributable amount.
- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the previous financial year, provided, however, that the registered share capital as at the date of the resolution to distribute dividends shall be applied. Following approval of the annual accounts for the last financial year, the General Meeting may also authorise 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 no older 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 in light of the risk and scope of the Company's business.

Pursuant to the Norwegian Public Limited Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting of shareholders when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian public limited liability 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 Public Limited Liability Companies Act does not provide 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. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 14 *"Taxation".*

5.3 Manner of dividend payments

Any future payments of dividends on the shares will be made in the currency of the bank account of the relevant shareholder registered with the VPS and will be paid to the shareholders through the VPS. Shareholders registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with DNB Bank ASA (address: DNB Bank ASA, DNB Markets Registrars department, Dronning Eufemias gate 30, 0021 Oslo, Norway) as the Company's VPS registrar (the "**VPS Registrar**"), and transfer fees may apply for payments made in such manner. The exchange rate(s) that is applied when determining any future payments of dividends to the relevant shareholder's currency will be the exchange rate of the relevant bank 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. 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.

6 INDUSTRY AND MARKET OVERVIEW

This Section 6 "Industry and market overview" provides an overview of the principal market in which the Group operates. Information concerning future market developments, the markets in general, competition, industry trends and similar information, is based on data compiled by professional analysts, consultants and other professionals. Unless otherwise indicated, the information provided is Company Information (for more information, see Section 4.3 "Third party information").

6.1 Introduction

For management purposes, the assessment is that the Group historically has had two operating segments; Hexagon Purus and Compressed Natural Gas Light Duty Vehicle ("**CNG LDV**"). The CNG LDV segment was disposed of and separated from the Company at balance sheet date as of 31 December 2021. Since the process had been ongoing and the CNG LDV segment was considered a discontinued operation, it was also presented as a separate segment. After this disposal, the Group consists of only one operating segment. For illustrative purposes, this Section 6 *"Industry and market overview"* describes this operating segment as the *"hydrogen cylinder and systems market"* and the *"market for battery systems and electric drivetrain integration"*.

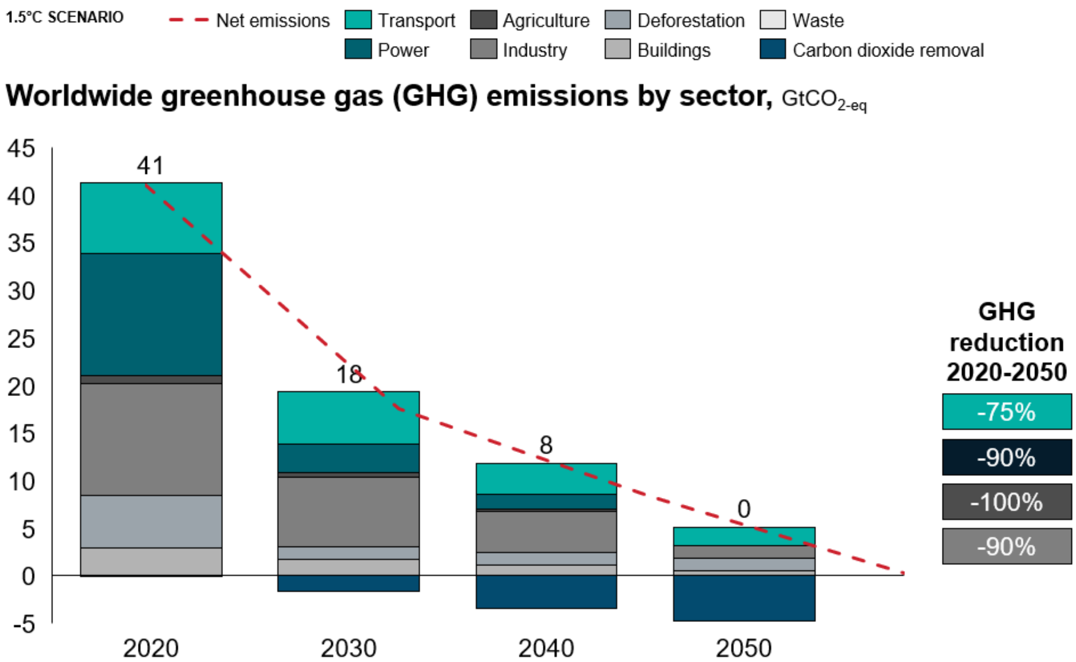
Climate change requires urgent action, and governments are responding with increasingly ambitious decarbonization targets. In 2015, governments from 197 countries signed the Paris Agreement to limit global warming to well below 2 degrees (aiming for maximum average increase of 1.5 degrees) by 2050 to limit the impact of and reduce the risks involved with climate change. In November 2021, the pledges made in the Paris Agreement were for the first time revisited during the COP26 in Glasgow (Scotland). The Glasgow Climate Pact ("**CMA**") reiterated the ambition from the Paris Agreement to limit global rising temperature and aligned with the 2030 temperature targets set in 2015. The CMA also calls on governments to "accelerate the development, deployment and dissemination of technologies, and the adoption of policies, to transition towards low-emission energy systems", including by, "accelerating efforts towards the phasedown of unabated coal power and phase-out of inefficient fossil fuel subsidies". The CMA points out that greenhouse gas emissions need to be reduced by 45% compared to 2010 levels by 2030 if the world is to stay on track to reach net zero by 2050.

The recent announcements of REPowerEU[6] in Europe and the Inflation Reduction Act[7] ("**IRA**") in the U.S. during 2022 further support the joint efforts for more affordable, secure and sustainable sources of energy. The REPowerEU aims to, among others, (i) decarbonize industry, (ii) speed up decision processes for renewables projects and (iii) develop infrastructure and storage facilities for renewable hydrogen. Other recent European initiatives supporting the transition away from fossil-based energy encompass financial incentives such IPCEI (public funding for projects of common European interest), penalties such as EU's ETS (Emission Trading System) and CBAM (Carbon Border Adjustment Mechanism) and market creating mechanisms stipulating share of renewable energy to be used in certain sectors such as shipping and aviation (e.g., RED II). In September of 2022, the EU announced the creation of the European Hydrogen Bank, a EUR 3 billion initiative that will guarantee the purchase of hydrogen and act as a market maker for hydrogen bridging the gap between investments and future supply/demand. The IRA makes the single largest investment in climate and energy in U.S. history by earmarking approximately USD 370 billion for climate and clean energy initiatives to (i) reduce emissions and (ii) improve energy security. On 24 September 2022, the US launched a USD 7 billion program to create regional clean hydrogen hubs across the country and networks of hydrogen producers, consumers and infrastructure.

[6] Source: European Commission, *REPowerEU: Joint European action for more affordable, secure and sustainable energy* (8 March 2022) https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1511
[7] Source: Senate Democrats Summary of Energy Security and Climate Change Investments in the Inflation Reduction Act of 2022

6.2 Decarbonizing the global mobility sector

FIGURE 1 – Global greenhouse gas emissions by sector



Source: Company Information

Transportation is a key sector to decarbonize if the world is to meet its decarbonization targets, and Hexagon Purus' hydrogen storage technologies as well as battery systems and electric drivetrain integration capabilities play an important role in enabling zero emission mobility. It is estimated that carbon emissions from the global transport sector must be reduced by 75% by 2050 to be able to reach the 1.5 degrees target set out in the Paris Agreement. This targeted reduction until 2050 will require the transport/mobility sector to actively work in the following three main life cycle areas:

1) Invest and develop a zero-emission supply chain and production process
2) Invest and develop renewable electricity generation to power battery systems and/or hydrogen fuel-cells to reduce well-to-tank emissions, e.g., renewable energy from solar or wind power
3) Invest and develop zero-emission vehicles to reduce the tank-to-wheel emissions, e.g., battery or fuel cell electric vehicles

The momentum towards zero emission transportation has accelerated in the last few years as evidenced by:

(i) an increasing number of countries and corporations committing to net zero targets e.g.: 138 countries covering more than 90% of global GDP have net zero-targets
(ii) many global vehicle OEMs have announced end dates for production of internal combustion engines in passenger vehicles
(iii) a growing number of zero-emission commercial vehicles deployed into fleet operations
(iv) accelerated hydrogen production scale-up towards 2030, and
(v) increasing capital flows to electric vehicle technology

Countries have already started announcing end dates for sales of new internal combustion engine passenger vehicles, e.g., Norway has introduced a new sales ban on internal combustion engine passenger vehicles from 2025 onwards while countries such as China, UK, Denmark, Sweden and the Netherlands have the same ban from 2030 onwards. For commercial vehicles such as medium and heavy-duty vehicles, policies for emission regulations are also tightening. In the EU, fleet electrification of commercial vehicles is currently required to comply with emission reduction targets through ensuring 30% of new sales in 2030 being zero-emission. It is expected that the EU will introduce tighter carbon emission targets beyond 2030. In the U.S., both the Environmental Protection Agency and California Air Resources Board ("**CARB**") have introduced proposals and regulations that address the need for further reductions in emissions in the transportation sector. In California, CARB has introduced a regulation for truck manufacturers (Advanced Clean Truck standard), and more recently, proposed a new regulation for fleet owners (Advanced Clean Fleet standard). Both regulations aim at reducing emissions and accelerate the adoption of zero-emissions vehicles ("**ZEVs**") in the transportation sector in California. As part of both the Advanced Clean Truck ("**ACT**") and the proposed Advanced Clean Fleet ("**ACF**") regulations, truck manufacturers and fleet owners are required to have incrementally higher ZEV content when selling or operating a fleet of trucks in California from 2024, leading to a full ban on sale of new internal combustion engines by 2035. The ACT regulation has already been adopted by five other states (Massachusetts, New Jersey, New York, Oregon, and Washington) in the U.S. and two more states (Colorado and Main) are undertaking public hearings required before they can adopt the regulation. The proposed ACF regulation also requires 100% of truck manufacturers' sales in 2040 to come from ZEVs, putting an effective end to the sale of internal combustion engine trucks in California and incentivizes investments into zero-emission infrastructure and supply chain.

ZEVs are expected to be enabled by a combination of battery electric ("**BEVs**") and fuel cell electric ("**FCEVs**") vehicles which feature complementary zero-emission technologies. BEVs are vital for enabling fast decarbonization in the transport/mobility sector and are expected to become the solution for many use-cases (e.g., passenger cars, light commercial vehicles). However, hydrogen is expected to play a pivotal role as part of the decarbonization process for other segments such as medium and heavy-duty trucks, transit buses, rail, and maritime applications.

6.3 The hydrogen cylinder and systems market

With its Type 4 high-pressure hydrogen cylinders and systems offering, as well as its investment into a company specializing in cryogenic storage of hydrogen, Hexagon Purus is a player in the market for hydrogen storage with a heritage of 60+ years and a robust safety track-record. Hexagon Purus' technologies enable zero emission mobility in a wide range of infrastructure and mobility end-use applications such as hydrogen distribution, mobile refueling, light/medium/heavy-duty vehicles, transit bus as well as rail and maritime.

FIGURE 2 – Type 4 is the most versatile cylinder technology for zero emission mobility applications

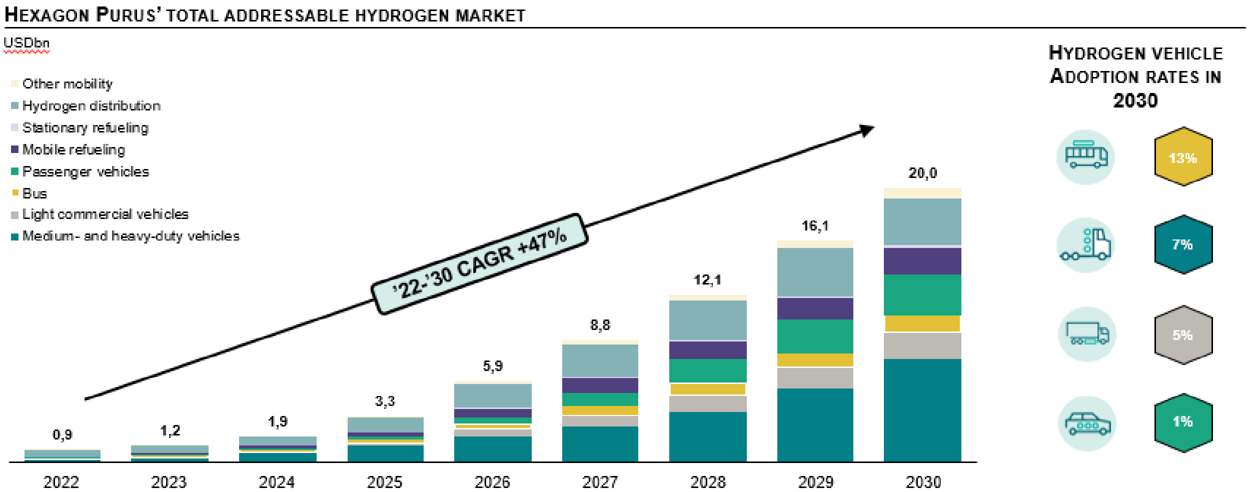
✓ Technology suitable for end-use

Cylinder/tank technologies	Distribution	HRS: HRS volume storage	HRS: HRS buffer storage	Mobility end use: HDT	Mobility end use: MDT	Mobility end use: Bus	Mobility end use: Passenger vehicle	Mobility end use: Other mobility
Type 1 and type 2 steel cylinders	✓	✓	✓					
Type 3 cylinders	✓			✓	✓	✓	✓	✓
Type 4 cylinders	✓	✓	✓	✓	✓	✓	✓	✓
Liquid tanks	✓	✓		✓	✓	✓		✓

Source: Company Information. Note: HRS = Hydrogen Refueling Station, HDT = Heavy Duty Trucks, MDT = Medium Duty Trucks.

There are multiple technologies feasible for different end-use applications, however, the Type 4 hydrogen cylinder is the predominant technology for hydrogen mobility applications due to its, in the Company's view, superior combination of weight, safety, efficiency and durability compared with Type 1 to 3 cylinder technologies. Type 4 hydrogen cylinders consist of a polymer liner wrapped with carbon fiber, allowing for lighter and lower cost than equivalent Type 3 cylinders that are constructed with an aluminum lining. The lighter weight and lower cost are most evident in applications requiring high operating pressures such as hydrogen mobility applications. Liquid hydrogen tanks offer higher energy density compared to compressed hydrogen, and in space and/or payload-constrained operations such as shipping, commercial aviation, aerospace and certain long haul heavy-duty trucking applications, liquid hydrogen tanks can become a compelling storage alternative to support zero-emission mobility. Liquid hydrogen tank technology is currently at a relatively early stage of development and is not expected to be available in commercial volumes in the near to medium-term future.

FIGURE 3 – Hexagon Purus' global estimated addressable market for hydrogen cylinders and systems, 2022-2030 (USD billion)



Source: Company Information

Hexagon Purus' addressable market for compressed hydrogen Type 4 cylinders and cylinder systems and liquid hydrogen tanks is expected to grow to approximately USD 20 billion in 2030 from less than USD 1 billion in 2022. Medium and heavy-duty trucks are expected to make up more than 35% of the total addressable market by 2030 due to high value-per-vehicle compared to other segments despite modest adoption. Passenger vehicles are expected to be the second largest contributor with approximately 15% of the total addressable market despite low adoption of c. 1%, while distribution, on-site storage and refueling are expected to contribute close to 30% of the total addressable market by 2030.

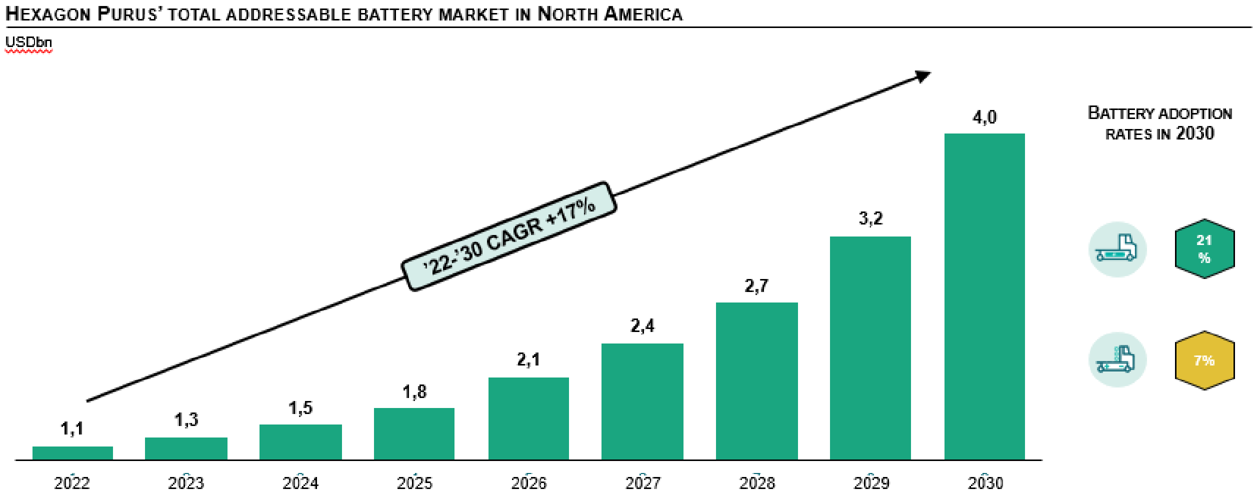
China is anticipated to become the largest market for hydrogen mobility. The country is rapidly building out infrastructure and there is significant activity among vehicle manufacturers, supported by attractive hydrogen mobility subsidies driving consumer adoption and the government's strategy to position the country as a technology leader. The addressable market is expected to accelerate fastest in the U.S. driven by highly attractive subsidies introduced by the IRA in 2022.

6.4 The market for battery systems and electric drivetrain integration

Hexagon Purus is also a provider of battery systems and electric vehicle drivetrain integration and components (e.g. power electronics, accessory drive modules and vehicle-level software) for medium and heavy duty vehicles. Hexagon Purus' high-performance battery system is modular, compact and light weight resulting in leading gravimetric energy density, in the Company's view. In addition, Hexagon Purus also provides full vehicle and drivetrain integration for medium and heavy-duty battery electric and fuel cell electric vehicles. Hexagon Purus' battery systems and electric drivetrain offering is based on the company's 25+ years heritage from Hexagon Composites of safely and durably storing clean energy on over 70,000 commercial vehicles (source: Company).

The battery system and vehicle integration markets are currently nascent but with large growth potential for Hexagon Purus given the Company's product offering and vehicle integration capabilities.

FIGURE 4 – Hexagon Purus' addressable market for battery systems and drivetrain integration, 2022-2030 (USD billion)



Source: Company Information

Hexagon Purus' addressable market for battery systems and drivetrain integration in North America is estimated by the Company to grow to approximately USD 4 billion in 2030 from approximately USD 1 billion in 2022. A dominant portion of the 2030 target addressable market is expected to be driven by BEVs, while FCEVs are expected to take a larger share of the addressable market post-2030.

6.5 Competitive landscape

Hexagon Purus competes in the market for hydrogen cylinders and systems, battery systems and electric drivetrain integration with its technology and capabilities, track-record and customer relationships. The Company's competitive edge in Type 4 hydrogen cylinders is, in the Company's view, based on:

(i) heritage of 60+ years of cylinder production experience and 30+ years of Type 4 cylinder experience
(ii) "hard to replicate" technological capabilities developed through understanding and know-how related to advanced materials, safety, manufacturing processes and product design,
(iii) blue-chip customer base with recurring sales, and
(iv) footprint in most major zero emission mobility markets.

Currently, the Company's primary competitors for hydrogen cylinders and systems are traditional automotive tier 1 suppliers (e.g., Faurecia, Plastic Omnium, Toyoda Gosei) and specialized cylinder manufacturers (e.g., NPROXX, Iljin Hysolus, Luxfer). Automotive tier 1 suppliers typically position themselves broadly across the hydrogen mobility value chain, often with complementary fuel cell and balance of power plant offerings. Specialized cylinder manufacturers typically have existing composite cylinder manufacturing capabilities (e.g., for Compressed Natural Gas or CNG storage) based on which they have developed a hydrogen cylinder offering.

Hexagon Purus's position in the commercial vehicle battery systems market is, in the Company's view, based on:

(i) track-record and reputation for developing lightweight, space-efficient, reliable and durable energy storage technology solutions,
(ii) comprehensive, high-quality and "OEM like" product offering, and
(iii) relationships with major OEMs.

The market for commercial vehicle battery systems is still nascent and current competitors include battery system providers (e.g., Proterra, Akasol, Xalt Energy) and certain battery cell providers (e.g., CATL).

Hexagon Purus has technological capabilities and a proven track record that give the Company an early mover advantage in the electric drivetrain integration market for medium and heavy-duty vehicles, in the Company's view. For example, the Company's legacy capabilities in integrating low emission compressed natural gas storage solutions onto heavy-duty trucks provided it with the early opportunity to be a key partner to Daimler's roll out of its Innovation Fleet of battery electric test trucks in 2019 and 2020, in which the Company provided not just its battery system solutions but also provided full vehicle integration solutions for a subset of the fleet. This success has further led to additional business with OEM customers such as Toyota and Hino. In the Company's assessment, the vehicle integration business offers synergies with Hexagon Purus' hydrogen cylinders and systems business through customer proximity (i.e., customer relationship with several OEMs, improving ability to sell hydrogen cylinders and systems) and deep vehicle knowledge (i.e., allows to design optimal, flexible solutions to meet unique customer requirements). Competition is mainly seen from alternative drivetrain specialists such as Motiv Power Systems 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 offerings.

6.6 Regulatory environment

Below is a summary of certain laws, rules, regulations, certifications and standards applicable to the Group and its activities. The summary has been included for illustrative purposes only and is not intended as an exhaustive description of all laws, rules, regulations, certifications and standards applicable to the Group. In addition to the rules summarized below, the Group is generally subject to, among others, company and tax laws which are not described in this section of the Prospectus.

Legal and regulatory framework

The Group's products are subject to governmental laws and regulations in the various jurisdictions in which the Group operates, 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 regulations and requisite approvals.

It is expected that the Group in the future will be subject to new laws and regulations, including the EU regulation and directive on internal markets for renewable and natural gases and for hydrogen,[8] which complements the revised Renewable Energy Directive (REDII)[9], the Energy Efficiency Directive (EED)[10] and the Emissions Trading Scheme (EU ETS).[11]

Certifications and standards

The Group is subject to certification according to national and international laws and regulations. The Group manufactures its products in accordance with, and its products are subject to inspection standards pursuant to, applicable regulation and requisite approvals. The Group has obtained all required licenses and approvals that are necessary to conduct its business.

To ensure highest quality standards, the Group's manufacturing facilities are certified according to standards such as the quality management systems ISO 9001:2008 and IATF 16949:2016.

The Group is subject to requirements relating to testing of battery systems, such as ISO 7637 (Road vehicles - Electrical disturbances from conduction and coupling), ISO 11452 (which is a set of international standards and guidelines for immunity testing of automotive electrical components to narrowband radiated electromagnetic energy from off-vehicle sources) and ISO 12405 (Electrically propelled road vehicles — Test specification for lithium-ion traction battery packs and systems).

Safety

The Group's products are subject to governmental laws and regulations relating to health and safety in the jurisdictions in which the Group operates. In general, as hydrogen may be explosive, it is considered as specialized equipment in most jurisdictions. The Group manufactures its products in accordance with, and its products are subject to inspection standards pursuant to, applicable regulations and requisite approvals. There are more than 10 standards to which the Group qualify its products. These consist of a collection of discrete government regulations in many

[8] Proposed by the EU Commission on 15 December 2021, link: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0804&from=EN and https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0803&from=EN
[9] Proposed by the EU commission on 14 July 2021. Link: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0557&from=EN
[10] Proposed by the EU Commission on 14 July 2021. Link: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0558&from=EN
[11] Proposed by the EU Commission on 14 July 2021 Link: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0571&from=en

countries, industry standards, international standards and various local standards. The Group collaborates with Hexagon Digital Wave (a subsidiary of Hexagon Composites ASA, which manufactures Ultrasonic Examination (UE) cylinder testing equipment, Modal Acoustic Emission (MAE) testing equipment and is a provider of associated inspection services) to extend the life of its cylinders and enhance safety.

Environmental

As described in the Board of Directors' report in the Annual Report, waste from production facilities, including waste considered harmful to the environment, is within regulatory limits. Where the Group's operations are regulated by licenses, permits or other governmental approvals, the operations are well within the required levels and/or parameters. A significant portion of the environmental regulation is concentrated on establishing systems for measuring dust, physical environment and noise in the production facilities.

The Group participates in Hexagon Composites Group's program for environmental improvements. To address the challenges associated with recycling composite waste, Hexagon Purus and Hexagon Composites are engaged in initiatives locally and in the EU to develop circular value streams for ground composite materials. The Group cooperates with research partners such as SINTEF and the Norwegian University of Science and Technology (NTNU), as well as other manufacturers, to explore potential reuses of composite materials. Most of the manufacturing sites have recycling programs ensuring landfill diversion. Carbon fiber not used in production is sent for recycling. The raw materials and pallets used for packaging have been reduced.

Governmental, economic, fiscal, monetary or political policies

EU policy and initiatives

The EU has established an EU policy and initiatives relating to hydrogen, with the main directives being (i) the Renewable Energy Directive (EU) 2018/2001 which sets forth a legally binding definition of renewable liquid and gaseous transport fuels of non-biological origin, (ii) the Alternative Fuels Infrastructure Directive 2014/94/EU which establishes a common framework and sets out minimum requirements for the roll-out of alternative fuels infrastructure in the Member States, including refueling points for hydrogen, and (iii) the Fuel Quality Directive 98/70/EC which indirectly promotes the use of hydrogen, which is complemented by Council Directive (EU) 2015/652 (laying down the calculation methods and reporting requirements).

EU hydrogen strategy

The EU adopted a hydrogen strategy in 2020, with hydrogen as an energy carrier for a climate-neutral economy.[12] The strategy aims to accelerate the development of clean hydrogen. The strategy points to the necessity of providing certainty on policy direction and clarity on the investments needed. The Commission has proposed a low-carbon threshold/standard and a certification scheme. The EU hydrogen strategy may affect the Group's prospects.

REPowerEU further supports the joint efforts for more affordable, secure and sustainable sources of energy. The REPowerEU aims to, among others, (i) decarbonize industry, (ii) speed up decision processes for renewables projects and (iii) develop infrastructure and storage facilities for renewable hydrogen. Other recent European initiatives supporting the transition away from fossil-based energy encompass financial incentives such IPCEI (public funding for projects of common European interest), penalties such as EU's ETS (Emission Trading System) and CBAM (Carbon Border Adjustment Mechanism) and market creating mechanisms stipulating share of renewable energy to be used in certain sectors such as shipping and aviation (e.g., RED II). In September of 2022, EU announced the creation of the European Hydrogen Bank, a EUR 3 billion initiative that will guarantee the purchase of hydrogen and act as a market maker for hydrogen bridging the gap between investments and future supply/demand.

Anti-corruption and anti-bribery laws

The Group is subject to national, international and worldwide anti-corruption and anti-bribery laws. For example, 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.

[12] Briefing EU hydrogen policy: https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/689332/EPRS_BRI(2021)689332_EN.pdf

Tax legislation and accounting rules

The Group is subject to prevailing tax legislation, treaties and regulations in the jurisdictions in which it operates, and the interpretation and enforcement thereof, including relating to transfer pricing. In addition, the Group is also subject to several accounting rules and regulations in multiple jurisdictions.

Data protection and data privacy regulations

The Group receives, stores and processes personal information and other user data through its business and operations in multiple jurisdictions. This makes the Group exposed to data protection and data privacy laws and regulations it must comply with, which all imposes stringent data protection requirements and provides high possible penalties for noncompliance. For example, the EU General Data Protection Regulation (GDPR) imposes a number of obligations on the Group, including the use of cookies and transfer of personal data outside the EU/EEA.

National or international policies, including Covid-19

The Group is not aware of any national or international policies or factors that currently materially affect the Group's operations.

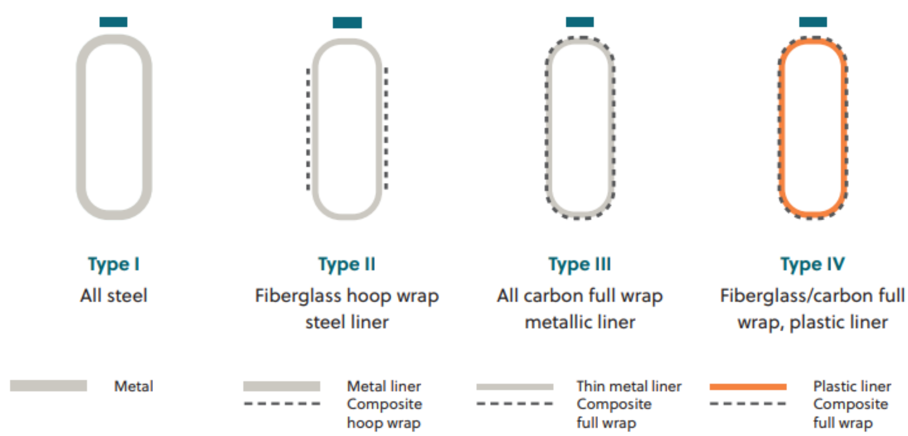
6.7 Types of high-pressure cylinders

There are different types of high-pressure cylinder technologies in the industry:

- Type 4 cylinders usually consist of a polymer liner wrapped with carbon fiber (but also allow for glass and aramid wrapping).
- Type 3 cylinders are constructed with an aluminum lining and are usually wrapped with carbon fiber (but also allow for glass and aramid wrapping).
- Type 2 cylinders are constructed with fiberglass hoop wrap and a steel liner.
- Type 1 cylinders are all steel.

The figure below shows an overview of the different types of high-pressure cylinder technologies.

FIGURE 5 – Types of high-pressure cylinders



Source: Company information

7 BUSINESS OF THE GROUP

7.1 Introduction to the Group

Hexagon Purus delivers key technologies needed for zero emission mobility. The Company's product offering enables the safe and effective use of hydrogen and electricity as transportation fuel in a variety of applications including light, medium and heavy-duty vehicles, buses, distribution, refuelling, rail, maritime, aerospace and ground storage. Hexagon Purus works to accelerate the energy transition by providing Type 4 high-pressure hydrogen cylinders and systems for storage and transport of compressed hydrogen, as well as battery systems and electric drivetrain integration for both BEVs and FCEVs.

The Group's customers include automotive OEMs, industrial gas companies and hydrogen infrastructure providers, among others, including companies like Daimler, Nikola, Hino, Air Liquide, Linde, CaetanoBus, Lhyfe, Zepak, Deutsche Bahn, New Flyer, and many more.

7.2 History and important events

The table below provides an overview of key milestones and events in the history of the Group (including milestones and events as part of the Hexagon Composites ASA group prior to the incorporation of the Company):

Year and month	Hexagon Purus key milestones and events
2002	
June 2002	Hexagon Lincoln successfully developed its first hydrogen fuel cylinder (Type 4) 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, the F-Cell.
2015	
January 2015	Hexagon Composites 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 and battery electric vehicle systems business to Hexagon Purus. As part of this internal reorganization, Hexagon MasterWorks Inc, which delivers high-pressure cylinders for specialty applications including aerospace, was also transferred to Hexagon Purus.
2020	
May 2020	Announcement of term sheet for a strategic partnership with CIMC Hydrogen Energy Technology LTD, a Chinese manufacturer of energy equipment and a subsidiary of China International Marine Containers (CIMC). 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. Hexagon Purus and CIMC Hydrogen Energy Technology LTD intend to jointly establish facilities for manufacturing of cylinders and assembly of systems to serve the Chinese and Southeast Asian markets.

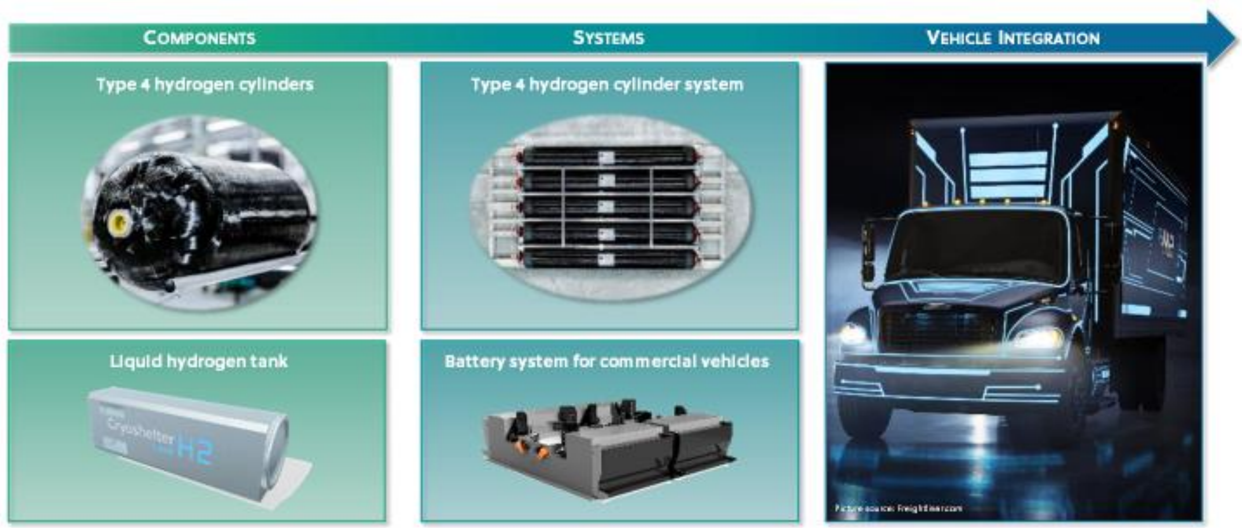
July 2020	Signed a contract with a major US hydrogen fuel supplier and hydrogen refueling station operator to provide multiple X-STORE transport modules for the distribution of high-pressure hydrogen gas. The contract has an estimated value of USD 4.8 million (approx. NOK 45 million) and includes additional 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 announces intent to transfer CNG LDV business from Hexagon Purus to its natural gas-mobility (g-mobility) business – establishing Hexagon Purus as a pure play e-mobility business.
August 2020	Nominated by a key automotive OEM to supply hydrogen cylinders for their current zero-emission Fuel Cell Electric SUV.
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 907 million successfully completed, of which NOK 500 million deployed to fund the initial development phase of Hexagon Purus.
December 2020	Private placement in Hexagon Purus of NOK 750 million successfully completed that will be used for growth initiatives and for general corporate purposes.
December 2020	Hexagon Purus listed on Euronext Growth.
2021	
March 2021	Signed JV agreement with CIMC Hydrogen Energy Technology LTD for China and Southeast Asia, anticipatedly the world's largest market for hydrogen mobility long-term.
April 2021	Signed a long-term agreement with Nikola Corporation to supply Type 4 hydrogen cylinders for serial production of fuel-cell electric trucks for North America and Europe.
May 2021	Signed a global supply agreement with Air Liquide to supply Type 4 hydrogen cylinders to be used for transport of hydrogen for industry and mobility
June 2021	Hexagon Purus Maritime AS established to accelerate commercial efforts to bring zero emission technology to the maritime industry.
September 2021	Acquired Wystrach GmbH on 10 November, an European systems and solutions provider for storage and transport of compressed gases, creating the vertically integrated leader in hydrogen storage solutions.
October 2021	Completed the transfer of the CNG LDV business to Hexagon Composites.
November 2021	Signed long-term supply agreement with a European bus OEM to supply hydrogen storage systems for their next generation fuel cell bus offerings
2022	
February 2022	Signed a binding letter of intent with Hino Motors to supply battery packs for serial production of zero emission heavy duty vehicles with a potential estimated contract value of approximately NOK 9 billion.
February 2022	Joined forces with BMW, Bosch and TesTneT on project "FlatHyStor" to research innovative hydrogen storage system solutions for hydrogen-powered vehicles.
February 2022	Private placement of NOK 600 million successfully completed to be used for capacity expansion, as well as organizational scale-up and general corporate purposes.
March 2022	CIMC-Hexagon signs investment agreements for construction of joint production facility in Shijiazhuang, and New Energy R&D management center in Beijing Daxing District International Hydrogen Development Zone.
April 2022	Enters into an agreement to acquire 40% of Cryoshelter GmbH's liquid hydrogen business. Cryoshelter is an Austrian cryogenic storage technology company founded in 2008.
October 2022	Enters commercial cooperation with Lhyfe for distribution of green and renewable hydrogen in Europe.

October 2022	Enters into four-year supply agreement with CaetanoBus as their preferred supplier of hydrogen fuel systems for serial production of fuel-cell transit buses
2023	
January 2023	Opens new manufacturing facility for type 4 composite cylinders in Westminster, Maryland, USA. The 60,000 square foot facility will support the annual production of up to 10,000 cylinders for heavy duty vehicle applications and will employ up to 150 skilled workers
March 2023	Private placement of NOK 500,000,000 and the issuance of a NOK 800,000,000 convertible bond successfully completed
March 2023	Signed exclusive distribution agreement with Hino Trucks to produce complete battery electric heavy duty trucks for the U.S. market, distributed exclusively through select qualifying dealers in Hino's network. The agreement foresees the delivery of up to 10,000 trucks by 2030, and the potential total value over the course of the agreement could reach approximately USD 2.0 billion (approximately NOK 20 billion)

7.3 Business overview

Hexagon Purus works to accelerate the energy transition by providing Type 4 high-pressure hydrogen cylinders and systems for storage and transport of compressed hydrogen, as well as battery systems and electric drivetrain integration for BEVs and FCEVs. The solutions enable the safe and efficient use of hydrogen and battery electricity in a variety of zero-emission mobility applications.

FIGURE 6 – What Hexagon Purus does



Source: Company information. Note: the liquid hydrogen storage offering is currently under development in Cryoshelter LH2 GmbH, which Hexagon Purus owns 40% of, and is not yet commercially available.

Hexagon Purus offers Type 4 cylinders and systems for storage of compressed hydrogen used in a wide range of hydrogen mobility applications such as light, medium and heavy-duty vehicles, buses, distribution, refuelling, rail, maritime, aerospace and ground storage (e.g., hydrogen refuelling stations or base load energy). In addition, Hexagon Purus also offers hydrogen distribution systems enabling transportation of hydrogen from point of production to point of use/sale.

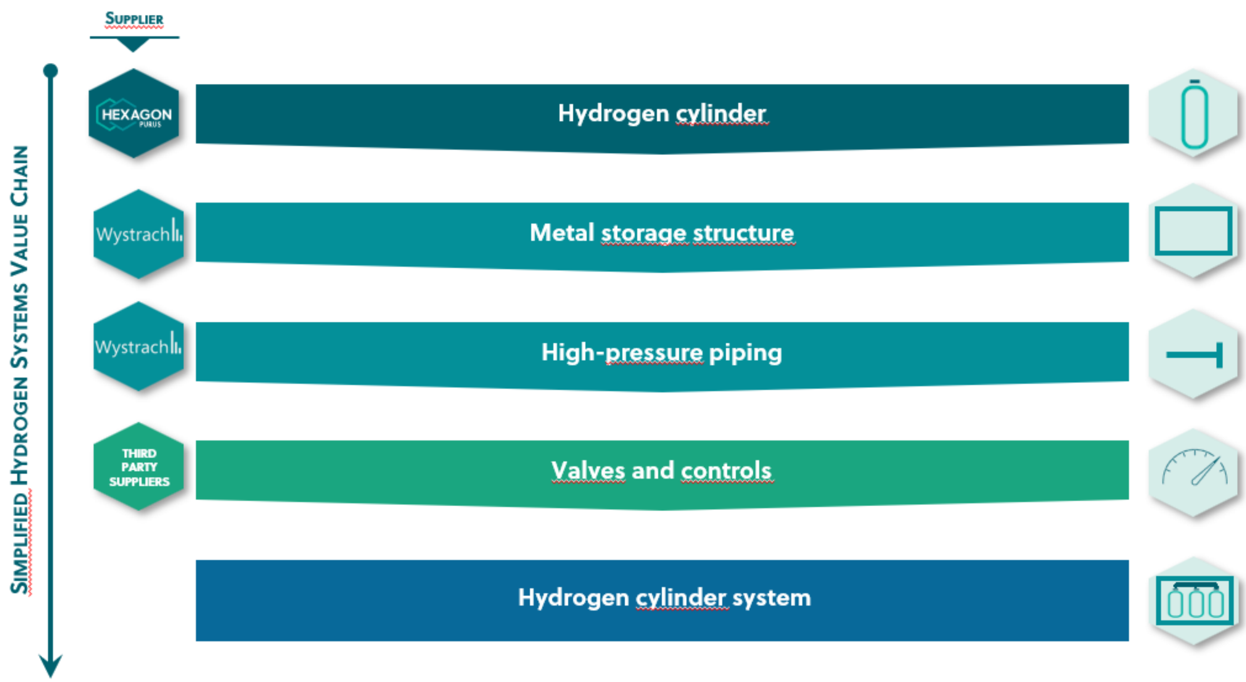
In addition to the Type 4 compressed hydrogen cylinder and systems, Hexagon Purus offers battery systems and electric drivetrain integration for zero-emission medium and heavy-duty BEVs and FCEVs. Hexagon Purus' battery systems and electric drivetrain integration offering is based on Hexagon Composites' more than 25 years track record of safely and durably storing clean energy on over 70,000 commercial vehicles (source: Company). As a supplier to Daimler's Innovation Fleet demonstration program, Hexagon Purus' battery systems have achieved more than 1.3

million miles of on-road experience (Source: Company). Through this work, Hexagon Purus has developed a battery systems offering which is modular, compact and lightweight.

In addition, Hexagon Purus offers complete electric drivetrain integration including battery systems, hydrogen systems, electric drivetrain components, power electronics, accessory modules and vehicle-level software for BEVs and FCEVs.

Hexagon Purus has access to cryogenic storage technology through its 40% ownership in Cryoshelter LH2 GmbH. The cryogenic hydrogen storage offering is in the early stages of development and not yet in commercial production.

FIGURE 7 – Simplified hydrogen systems value chain



Source: Company Information

The elements of the value chain set out in figure 7 above can be summarized as follows:

- Hydrogen cylinder: Typically Type 4 high pressure cylinders are used to store the compressed hydrogen gas and are produced by Hexagon Purus.
- Metal storage structure: The frame in which the cylinders are mounted and secured. The steel (tube and sheet) is procured from suppliers and processed at the Company's site, before being mounted into a desired structure.
- High-pressure piping: Piping and tubing that interconnects the cylinders and provides the interface to the use application. Tubes are bent and processed to specification by the Company.
- Valves and controls: The high-pressure specialty flow components and control/monitoring devices for the system to regulate overall performance. These products are produced by third party suppliers, including but not limited to Circor and others.
- Hydrogen cylinder system: The final product is assembled on the Company's site.

Through the Q4 2021 acquisition of Wystrach GmbH, a European systems solutions provider for storage and transport of compressed gases, including hydrogen, Hexagon Purus has vertically integrated and expanded its product portfolio and further increased its exposure to the growing hydrogen infrastructure buildout through distribution modules, mobile refueling and stationary storage solutions. Consequently, for most hydrogen systems solutions, Hexagon Purus will be able to control about 90% of the value chain using in-house production processes and competence. The acquisition also adds, in the Company's view, best-in-class hydrogen systems design and assembly capacity.

Wystrach's customer base includes companies like Air Liquide, Deutsche Bahn, DHL, Infraserv, Linde, Messer, Nippon Gases, among others.

7.4 Hexagon Purus' target markets

The global push to decarbonise various sectors of the economy is spurring industry momentum and creating exciting growth opportunities in several of Hexagon Purus' target markets. In the Company's view, there is a unique market opportunity for solution providers that enable safe and effective use of zero-emission storage technologies across a variety of battery and hydrogen electric applications including amongst others, hydrogen distribution, transit bus, heavy-duty trucking, rail and maritime. In the near-term for Hexagon Purus, this is evidenced by revenue growth especially in hydrogen distribution and transit bus applications. Commercial activity levels in heavy-duty truck, rail and maritime are considered robust and should bode well for future development in these application areas. Making green hydrogen available and affordable together with an extensive battery charging and hydrogen refuelling infrastructure is needed to increase adoption of both battery and hydrogen electric technology mobility. In addition, government support through a combination of public subsidies for amongst others, green hydrogen production while simultaneously penalizing CO2 emissions throughout the value chain is important to closing the current economic gap between zero-emission and fossil fuel-based technologies.

Hydrogen distribution

Hexagon Purus' hydrogen distribution solutions are currently experiencing strong demand. With growing uses of hydrogen not only as an industrial gas but also increasingly for zero emission mobility, the Company is seeing rapidly growing interest in its solutions globally which enable hydrogen to be transported from the point of production to the point of use or sale.

Hexagon Purus' distribution modules with Type 4 hydrogen cylinders are efficient gas transport and storage solutions. The cylinders allow to safely store high payloads which reduces the environmental footprint of transport and reduces the total cost of ownership for distributors.

In 2021, Hexagon Purus entered into a global supply agreement and national exclusivity agreement with Air Liquide for the supply of Type 4 hydrogen cylinders. The initial term of the agreement is four years and establishes several regional Air Liquide affiliates as customers of the Company. The Company also entered into a long-term commercial cooperation with Lhyfe, a leader in the production of green and renewable hydrogen for transportation and industrial applications, to deliver hydrogen distribution modules. The agreement envisages the supply of Type 4 hydrogen cylinders and systems over a multi-year period with a certain minimum to be delivered through 2023. The Company has throughout 2022 delivered several hydrogen distribution solutions to customers for industrial and mobility applications in Europe, and for new applications such as hydrogen refueling for transportation and hydrogen storage systems for residential use.

Transit bus

As countries and cities around the world intensify their efforts to decarbonize inner city transport, Hexagon Purus is experiencing demand for zero emission solutions for transit buses. Hexagon Purus has a track-record in developing hydrogen storage solutions for buses and has together with partners broken new ground in zero emission solutions for transit buses, in the Company's view.

In 2021, Hexagon Purus signed an exclusive long-term agreement with a European bus OEM to supply hydrogen storage systems for the OEM's next generation fuel cell bus offering. Deliveries will continue through 2024. The value of the contract is estimated at EUR 30 million. In October 2022, Hexagon Purus was also selected by another European bus OEM, CaetanoBus, as their preferred supplier of high-pressure hydrogen fuel systems for serial production hydrogen transit buses. The value of the four-year supply agreement is estimated to be EUR 35 million.

Additionally, New Flyer, North America's largest bus and coach manufacturer and an existing customer of the company, placed a third order in February 2023 for supply of high-pressure hydrogen cylinders for their zero emission Xcelsior CHARGE H2™ hydrogen fuel cell electric transit buses. The Company also received in 2022 an inaugural order for hydrogen storage systems from NesoBus, a newly established Polish bus OEM, for serial production of hydrogen transit buses for the European market.

Heavy-duty truck

The demand for zero emission medium and heavy-duty trucks is developing at a rapid pace. Hexagon Purus sees demand for the Company's hydrogen fuel storage systems, battery systems and electric drivetrain integration solutions, and is involved in several ongoing projects in this application area.

In 2021, the Company signed a long-term agreement with Nikola Corporation to develop and supply its high-performance Type 4 hydrogen cylinders. The scope of the agreement is over a multi-year period with an estimated sales value in excess of EUR 200 million. In February 2022, Hexagon Purus signed a binding letter of intent with Hino Motors ("Hino") to supply battery systems for serial production of battery electric heavy-duty trucks with serial production targeted from 2024. The total estimated potential lifetime value of this battery system program is USD 1 billion.

In March 2023, Hexagon Purus signed an exclusive distribution agreement with Hino Trucks, where Hexagon Purus will produce complete battery electric heavy duty trucks for the U.S. market, distributed exclusively through select qualifying dealers in Hino's network. The vehicles will be based on Hino's XL 4x2 truck chassis and upfitted with Hexagon Purus' proprietary zero-emission technology, including battery systems, auxiliary modules, power modules and vehicle-level software. The agreement foresees the delivery of up to 10,000 trucks by 2030. The potential total value over the course of this agreement could reach approximately USD 2.0 billion (approximately NOK 20 billion).

Hexagon Purus is currently finalizing a state of the art, automated facility to house the production of battery systems and hydrogen fuel storage systems in Kelowna, Canada.

Rail

Through Wystrach, the Group is already supplying hydrogen storage systems to Alstom for the Coradia iLint, the first hydrogen powered passenger train,[13] under a long-term LOI. The Group is also involved in several ongoing rail projects both in Europe and North America and in January 2021 received an order to deliver high pressure cylinders to Talgo S.A, a manufacturer of intercity, standard and highspeed passenger trains, for its first hydrogen prototype train in Spain. Thus Hexagon Purus is, in its own view, at the forefront of developing hydrogen solutions for the rail industry.

Maritime

Hexagon Purus has accelerated its commercial efforts to bring zero emission technology to the maritime industry and in 2021 established a new wholly owned business area, Hexagon Purus Maritime to serve this emerging market. Although the business has global ambitions, the core focus from the onset will be Norway, a nation with some of the most experienced maritime technology clusters in the world, and certain other countries such as the Netherlands. The growing national interest in zero emission vessels along the Norwegian coast along with the launch of the Norwegian hydrogen roadmap is expected by the Company to fuel growth in the years to come.

On 9 May 2022, the Company announced that the Group had received its inaugural order for cylinders to be used in onboard storage of hydrogen in maritime vessels. Hexagon Purus' Type 4 hydrogen cylinders will be used in onboard swappable storage containers for maritime vessels operating in the inland waterways in Europe. The value of the order is approximately EUR 1.1 million (approx. NOK 11 million).

Hexagon Purus is also involved in several hydrogen maritime demonstration and development projects in Norway that are supported by national institutions such as The Research Council of Norway, Innovation Norway and Enova. These projects include Pilot-E type projects such as Hellesylt Hydrogen Hub, H2CarbonCat and zero-emission service boat program for the Norwegian aquaculture sector.

In December 2022, Hexagon Purus Maritime received a purchase order for hydrogen fuel storage systems from Moen Marin, the world's largest supplier of service boats to the aquaculture industry in Norway (source: Company). Already a development partner in Moen Marin's development program, Hexagon Purus Maritime will continue working on the development and testing, with final system delivery scheduled by the end of 2023.

[13] Source: https://www.alstom.com/solutions/rolling-stock/alstom-coradia-ilint-worlds-1st-hydrogen-powered-train

FIGURE 8 – Footprint overview

Source: Company Information

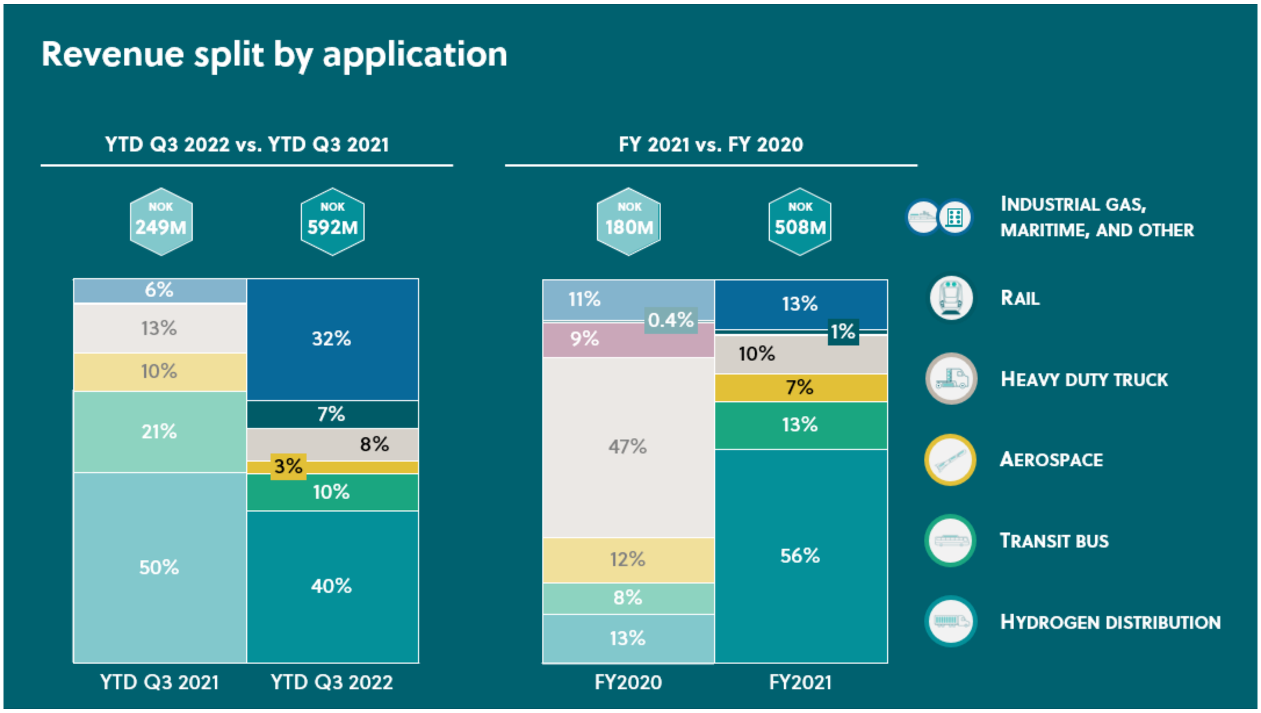
Hexagon Purus is globally present with engineering, manufacturing, R&D and sales capabilities in proximity to what the Company considers to be strategically important end-markets in Europe and North America. In China, Hexagon Purus is currently present with sales representation, but through a JV with CIMC Hydrogen Energy Technology LTD, Hexagon Purus is investing in manufacturing capabilities to serve the demand for hydrogen cylinders and systems in China and South-East Asia.

To meet the expected demand for zero-emission storage technology and maintain its global market position, Hexagon Purus is investing in industrial scale-up across three continents and at the following five production sites:

1) **Kelowna (Canada):**
   Automated manufacturing and assembly facility for battery systems and hydrogen storage systems.
2) **Westminster (U.S.):**
   Hydrogen and speciality cylinder engineering and production hub.
3) **Kassel (Germany):**
   Hydrogen cylinder engineering and production hub.
4) **Weeze (Germany):**
   Hydrogen systems engineering and assembly hub.
5) **Shijiazhuang (China):**
   Joint venture hydrogen cylinder manufacturing and systems assembly facility

The figure below shows the revenue split by application for the financial years ended 31 December 2020 and 2021, and for the nine-month period ended 30 September 2021 and 2022.

FIGURE 9 – Revenue split by application



7.5 Group strategy and purpose

Hexagon Purus operates in a nascent and rapidly growing industry experiencing continuous development in customers, technology, regulatory framework and competitive landscape. The industry is characterized by, among others, the relatively higher cost of the technologies compared to incumbent technologies associated with conventional hydrocarbon-based fuels, intense competition from larger and potentially better capitalized market participants such as vehicle OEMs and tier 1 suppliers, and high capital intensity. To ensure its position as a zero-emission technology provider and secure long-term revenue growth, Hexagon Purus' core strategy evolves around the following three main areas:

1) **Technology leadership**
Hexagon Purus offers the most space and weight efficient energy storage solutions (both hydrogen and battery electric) tailored to a variety of demanding end-use applications, in the Company's view. The Group continuously expands its know-how and adds to its experience with its global innovation organisation strategically located near the end-markets. Customer intimacy and feedback is an important part of the innovation process and enables the Company to deliver with rapid speed to market best-in-class products.

2) **World-class operations and cost leadership**
The Group's material technology and production know-how are critical to ensure cost leadership which in turn will drive zero-emission mobility adoption and revenue as well as profit growth in the long term. To achieve cost leadership in 2030, Hexagon Purus targets the cost for a heavy-duty hydrogen and battery system in 2030 to be approximately USD 650/Kg of hydrogen stored and USD 200/kWh, respectively. Such cost targets, in conjunction with widely expected cost reduction in other parts of the zero emission mobility ecosystem that the Company does not control, including fuel cells, lithium ion battery cells, electric motors, etc. are expected to enable BEV and FCEVs to be cost competitive with traditional internal combustion based vehicles. The Company is therefore investing in process and product innovation, automation, manufacturing systems, operational initiatives as well as skilled personnel which in combination with the benefits of scale, supply chain optimization and efficiencies are expected to drive product costs down.

3) **Capacity expansion**

To be able to deliver on current customer contracts and expected future demand, Hexagon Purus is expanding manufacturing capacity in major geographical markets for zero-emission mobility such as Europe (i.e., Kassel and Weeze), North America (i.e., Kelowna and Westminster) and China (i.e., Shijiazhuang). The increased capacity is expected to ensure enough revenue capacity to reach the Company's NOK 4-5 billion revenue target for 2025. Utilization of this state-of-the-art automated capacity is expected to drive product cost reduction in conjunction with the benefits of scale and improved efficiencies. The Company believes that building this capacity will be an important driver of competitive advantage. For further details on the planned capacity expansion, please refer to section 10.6 "Investments".

The Company depends on certain key factors that could pose a challenge to the Company's ability to deliver on its strategy including, but not limited to, the following factors:

- The Company's ability to successfully source key raw materials such as carbon fiber for hydrogen cylinders, battery cells for battery systems and steel for its hydrogen systems and hydrogen distribution trailers, at attractive prices, in order to successfully deliver on its customer commitments and cost roadmap. The prices of these materials vary over time, and will depend on external factors like energy prices, and the local and global supply and demand balance.
- The Company's ability to expand its footprint by successfully executing on its expansion program. The successful development of a new production facility may depend on regulatory approval processes, access to contractors and workers, and access to construction materials and equipment.

For a more comprehensive overview of factors that could negatively affect the Group, please see section 2 *"Risk factors"*.

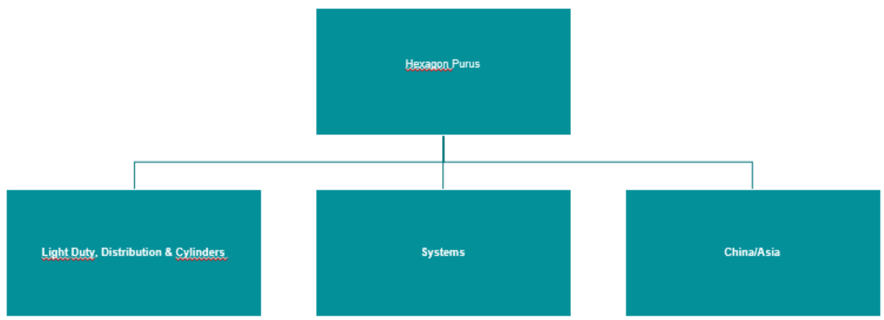
7.6 Business units

Hexagon Purus has grown its organisation significantly in recent years, and the number of employees has increased to approximately 583 (including contractors), corresponding to a nominal increase in headcount of more than 300 since 2020. The growth in employees is mainly driven by the acquisition of Wystrach (more than doubled the number of employees) in 2021 in combination with an overall ramp-up across the organisation to handle increased business activity and to position the Company for future growth.

The Management team consists of 8 persons and is presented in Section 11 *"Organization, Board of Directors and Management"*. The executive competencies have been expanded recently with the additions of EVP Operations, EVP People & Culture and SVP Corporate Development.

FIGURE 10 – Overview of business units

The figure below shows an overview of the Group's operational business units.



Source: Company information

- **Light Duty, Distribution & Cylinders:** hydrogen cylinders manufacturing and distribution/rail systems assembly
- **Systems:** battery and hydrogen systems, and electric drivetrain integration for BEVs and FCEVs
- **China:** planned hydrogen cylinder manufacturing and systems assembly

7.7 Material contracts

The Group relies on various suppliers for the supply of material to produce and manufacture its products, and the Group depends on the supply of raw materials such as carbon fiber. A large part of the annual carbon fiber volume is purchased pursuant to a low number of agreements (see also the risk factor described in Section 2.1.4 *"Raw materials and components risk, and risk related to suppliers"*).

The Group has entered into a framework agreement with a contracting party pursuant to which the counterparty has the right to sell back a certain quantity of hydrogen systems to the Group under certain conditions, inter alia if the counterparty's bank or financing partner request such sale back or if the counterparty goes into bankruptcy.

Other than above, neither the Company nor any other member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, the Group has not entered into any other contract outside the ordinary course of business that contains any provision under which any member of the Group has any obligation or entitlement that is material to the Group as the date of this Prospectus.

7.8 Legal proceedings and certain other cases

Neither the Company nor any member of the Group, is or has been, during the course of the preceding 12 months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

Notwithstanding the above, the Group has two ongoing cases with certain customers, which can be summarized as follows:

- The first case relates to two orders by a customer for fuelling systems from the Group company Wystrach, with hydrogen tanks being supplied by a third-party supplier. Following delivery, the customer detected leakages from several tanks. The Group is of the opinion that Wystrach is not responsible for damages in connection with this, which, in the view of the Group, is supported by the technical interim report prepared in connection with the incident. Consequently, Wystrach has rejected all claims by the customer in connection with the incident, and has made precautionary claims against the hydrogen tank supplier and involved its insurer. At present, it is not possible to provide an estimate of the size of any potential claim or costs for the Group in relation to the case. The Group has accrued a precautionary reserve for costs related to the incident.
- The second case relates to hydrogen tanks supplied by the Group company Hexagon Purus GmbH to a customer. In late 2021, a vehicle with such hydrogen tanks caught fire inside a building. The extent of damages resulting from this incident is not yet established, but the Group is of the understanding that the total costs incurred could be approximately EUR 1.5 million, although this number has not been verified and is subject to uncertainty. Further, it has not been determined where the responsibility for the incident should be placed. The Group believes that its insurance coverage is adequate to cover costs for the Group in relation to the case, in the event that the Group is found to be responsible for the incident. The Group has accrued a precautionary reserve for costs related to the incident.

7.9 Dependency on patents and contracts

7.9.1 Dependency on patents

The Company does not have any particular patents on the Light Duty, Distribution and Cylinders (LDC) side of the Group's business that it considers to be business-critical to the Group, but there are a few important patents on the battery and electrical power systems side of the Group's business, mainly including families of battery pack patents (e.g., US 11043714, US 10899214), an eBTC patent (US 11345331), and an auxiliary module patent (US 11043707). The Company believes that these patents are an important component to maintaining its competitive position in the market for battery systems and vehicle integration for heavy-duty vehicles. Although the patents held by the Group are not currently considered to be material to the Group's business or profitability, they may be so in the future.

An overview of the Group's patents is appended as Appendix 1 *"Overview of filed and granted patents"* to this Prospectus.

7.9.2 Dependency on contracts

The Group is highly dependent on contracts with various suppliers for the supply of material to produce and manufacture its products, and the supply of raw materials (such as carbon fiber). For more information on material contracts, see Section 7.7 *"Material contracts"*.

7.9.3 Dependency on certifications and approvals

The Group depends highly on certifications and standards to manufacture its products. For more information on certifications and approvals, see Section 6.6 *"Regulatory environment"*.

8 CAPITALISATION AND INDEBTEDNESS

8.1 Introduction

This Section 8 *"Capitalisation and indebtedness"* provides information about the Group's unaudited consolidated capitalisation and net financial indebtedness on an actual basis as at 30 September 2022 and, in the "As adjusted" column, the Group's unaudited consolidated capitalisation and net financial indebtedness as at the date of this Prospectus, on an adjusted basis to show the estimated effect of the following transactions:

- The Private Placement (as defined in section 10.5.1 *"Capital structure and equity"*) completed on 1 March 2023, where the Company raised gross proceeds of approximately NOK 500 million through the issuance of 18,518,519 new shares (with net proceeds amounting to approximately NOK 474.2 million).
- The NOK 800,000,000 Convertible Bond (as defined in section 10.5.1 *"Capital structure and equity"*) issued by the Company in March 2023 (with net proceeds amounting to approximately NOK 775.3 million).

The "Adjustment amount" column does not present a certain outcome, it is included for illustrational purposes only, with other non-significant changes also having occurred since 30 September 2022. On 6 February 2023, the Company presented certain preliminary estimates and unaudited figures for Q4 2022 in a stock exchange notice, as further set out in section 9.7.4 *"Expectations for the financial year ended 31 December 2022 and outlook for 2023"*, including a cash balance of approximately NOK 380 million at the end of Q4 2022 which has not been reflected in the adjustments set out below. Further, no adjustment has been made for the Company's cash balance as of 20 March 2023, which amounted to approximately NOK 138 million (this figure does not include proceeds from the Private Placement or the Convertible Bond).

Other than as set forth above, there has been no material change to the Group's consolidated capitalisation and net financial indebtedness since 30 September 2022.

8.2 Capitalisation

The following table sets forth information about the Group's unaudited as adjusted consolidated capitalisation:

Table – Capitalisation			
(In NOK thousand), unaudited	**As at 30 September 2022**	**Adjustment amount**	**As adjusted at the date of this Prospectus**
Total current debt (including current portion of non-current debt):			
Guaranteed	-	-	-
Secured [1]	1 587	0	1 587
Unguaranteed and unsecured [2]	617 586	-	617 586
Total current debt	**619 173**	**0**	**619 173**
Total non-current debt (excluding current portion of non-current debt):			
Guaranteed	-	-	-
Secured [3]	48 337	0	48 337
Unguaranteed and unsecured [4] (Convertible Bond)	179 422	800 000[9]	979 422
Total non-current debt [5]	**227 759**	**800 000**[9]	**1 027 759**
Total indebtedness	**846 932**	**800 000**[9]	**1 646 932**
Shareholders' equity:			
Share capital [6]	1 692 077	474 200[10]	2 166 277
Other equity [7]	92 902	0	92 902
Equity attributable to holders of the parent	**1 784 979**	**474 200**[10]	**2 259 179**
Non-controlling interest [8]	3 641	0	3 641
Total capitalisation	**1 788 620**	**474 200**[10]	**2 262 820**

(1) The secured amount is extracted from line item "Interest-bearing loans and borrowings" under total current liabilities in the statement of financial position set out in the Interim Report. The Group has entered into certain secured loans with Volksbank an der Niers eG and Deutsche Bank AG, which are secured in property at the existing Wystrach site in Weeze, Germany. For more information on secured loans, see Section 10.5.4 *"Interest-bearing liabilities"*.

(2) The ungaranteed and unsecured amount is extracted from all other line items apart from "Interest-bearing loans and borrowings" (NOK 1 587 thousand) under total current liabilites in the statement of financial position set out in the Interim Report.
(3) The Group has entered into certain secured loans with Volksbank an der Niers eG and Deutsche Bank AG, which are secured in property at the existing Wystrach site in Weeze, Germany. The secured amount is extracted from line item "Interest-bearing loans and borrowings" under total non-current liabilities in the statement of financial position set out in the Interim Report. For more information on secured loans, see Section 10.5.4 *"Interest-bearing liabilities"*.
(4) The ungaranteed and unsecured amount is extracted from all other line items apart from "Interest-bearing loans and borrowings" (NOK 48 337 thousand) under total non-current liabilites in the statement of financial position set out in the Interim Report.
(5) Total non-current debt as at 30 September 2022 is extracted from the line item "Total non-current liabilities from continuing operations" in the statement of financial position set out in the Interim Report.
(6) Share capital as at 30 September 2022 comprises of issued capital of approximately NOK 26 million and share premium of approximately NOK 1 666 million. The issued capital and share premium are extracted from line item "Issued capital and share pemium" under Equity attributable to holders of the parent in the statement of financial position set out in the Interim Report.
(7) Other equity as at 30 September 2022 comprises of other paid-in capital of approximately NOK 19 million and foreign currency translation reserve of approximately NOK 74 million.
(8) Non controlling interest as at 30 September 2022 comprise the CIMC Enric share part of net carrying value in the entity CIMC Hexagon Hydrogen Energy Techonoly Ltd, owned 51 % by Hexagon Purus. The non-controlling interest is extracted from line item "Non-controlling interests" under Total Equity in the statement of financial position set out in the Interim Report.
(9) These adjustments have been made to reflect the Company's Convertible Bond of NOK 800 million.
(10) These adjustments have been made to reflect the estimated net proceeds of approximately NOK 474.2 million from the Private Placement. The Company issued 18,518,519 new shares in the Private Placement, at a price per share of NOK 27, raising gross proceeds of approximately NOK 500 million.

8.3 Net financial indebtedness

The following table set forth information about the Group's unaudited consolidated net financial indebtedness:

Table – Net financial indebtedness				
(In NOK thousand), unaudited		**As at 30 September 2022**(4)	**Adjustment amount**	**As adjusted at the date of this Prospectus**
(A)	Cash (1)	481 026	1 249 500(5)	1 730 526
(B)	Cash equivalents	-	-	-
(C)	Other current financial assets	-	-	-
(D)	**Liquidity (A + B + C)**	**481 026**	**1 249 500**(5)	**1 730 526**
(E)	Current financial debt (2)	97 543	-	97 543
(F)	Current portion of non-current debt	-	-	-
(G)	**Current financial indebtedness (E + F)**	**97 543**	**-**	**97 543**
(H)	**Net current financial indebtedness (G - D)**	**-383 483**	**-1 249 500**	**-1 632 983**
(I)	Non-current financial debt (3)	177 129	-	177 129
(J)	Debt instruments (4)	-	800 000(6)	800 000
(K)	Non-current trade and other payables	-	-	-
(L)	**Non-current financial indebtedness (I + J + K)**	**177 129**	**800 000**(6)	**977 129**
(M)	**Total financial indebtedness (H + L)**	**-206 354**	**-449 500**	**-655 854**

(1) Cash and cash equivalents as at 30 September 2022 comprise the line item "Cash and short-term deposits" in the statement of financial position under total current assets in the Interim Report incorporated by reference to this Prospectus (see Section 16.4 *"Incorporation by reference"*). NOK 974 thousand of the total cash balances are restricted funds to the Norwegian tax authorities.
(2) Current financial debt as at 30 September 2022 comprise the line item "Interest-bearing loans and borrowings", "Lease liabilites, short term" and "Other current finacial liabilites" under total current liabilities in the statement of financial position in the Interim Report incorporated by reference to this Prospectus (see Section 16.4 *"Incorporation by reference"*).
(3) Non-current financial debt as at 30 September 2022 comprise the line item "Interest-bearing loans and borrowings", "Lease liabilites" and "Other non-current finacial liabilites" under total non-current liabilities in the statement of financial position in the Interim Report.
(4) Figures in this column are extracted from the unaudited Interim Report.
(5) These adjustments reflect net proceeds of approximately NOK 474.2 million from the Private Placement and net proceeds of approximately NOK 775.3 million from the Convertible Bond, which in aggregate amounts to NOK 1,249.5 million. No adjustment has been made for the Company's preliminary estimated unaudited cash balance of approximately NOK 380 million at the end of Q4 2022 announced on 6 February 2023. For further information on the Company's preliminary estimates and unaudited figures for Q4 2022, see section 9.7.4 *"Expectations for the financial year ended 31 December 2022 and outlook for 2023"*. Further, no adjustment has been made for the Company's cash balance of approximately NOK 138 million as of 20 March 2023 (this figure does not include proceeds from the Private Placement or the Convertible Bond).
(6) These adjustments have been made to reflect the Company's Convertible Bond of NOK 800 million.

As at 30 September 2022, the Company held approximately NOK 481 million in cash and cash equivalents.

8.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

8.5 Contingent and indirect indebtedness

As part of the Wystrach-acquisition, 30% of the purchase price of up to EUR 43.3 million represents a total of the agreed deferred payment and a contingent earn-out, both payable in cash. As set out in note 4.3 in the Annual Report (which is incorporated by reference to this Prospectus, see Section 16.4 "*Incorporation by reference*"), the fair value of Wystrach was NOK 399.9 million. The acquisition was settled with NOK 147.5 million in cash, NOK 144.5 million in consideration shares in the Company, NOK 43.0 million in deferred payment and estimated contingent liabilities of NOK 64.9 million expected to be settled in cash in 2023 and 2024. Contingent considerations are dependent upon revenue- and EBITDA targets of Wystrach in 2021, 2022 and 2023 and are recognized as a best estimate of target achievement. The deferred payment of NOK 43.0 million at acquisition, with a closing balance of NOK 44.9 million as of 30 September 2022, is presented as other current financial liability. The contingent liability of NOK 64.9 million at acquisition, with a closing balance at NOK 70.7 million as of 30 September 2022, is presented as non-current financial liabilities (NOK 40.0 million) and as current financial liabilities (NOK 30.7 million).

Other than above, the Group did not have any contingent or indirect indebtedness as of 30 September 2022 and as of the date of the Prospectus.

9 FINANCIAL AND OTHER INFORMATION

This section 9 "Financial and other information" should be read together with Section 4 "General information" Section 7 "Business of the Group", Section 8 "Capitalisation and indebtedness", Section 10 "Operating and financial review" and the Financial Information incorporated by reference to this Prospectus (see Section 16.4 "Incorporation by reference"). This section contains forward-looking statements (see Section 9.7 "Outlook"). These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business, strategy and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk factors" and Section 4.4 "Cautionary note regarding forward-looking statements" of this Prospectus, as well as other sections of this Prospectus. An overview of the APMs discussed in this operating and financial review is presented in Section 4.2.4 "Alternative performance measures (APMs)".

9.1 Introduction and basis for preparation

For an overview of presentation of financial information in this Prospectus, see Section 4.2 *"Presentation of financial and other information"*.

The following selected financial information has been extracted from, should be read in connection with, and is qualified in its entirety by reference to the Financial Information (see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference")*.

9.2 Summary of accounting policies and principles

For information regarding accounting policies and principles, see note 2 of the Annual Report incorporated by reference to this Prospectus (see Section 16.4 *"Incorporation by reference"*).

9.3 Data from consolidated income statements and statements of comprehensive income

The table below provides selected data pertaining to the Company's consolidated income statements for for the years ended 31 December 2021, 2020 and 2019 (extracted from the Annual Report incorporated by reference to this Prospectus), and for the three- and nine-month periods ended 30 September 2022 and 2021 (extracted from the Interim Report incorporated by reference to this Prospectus). For more information on the Financial Information incorporated by reference to this Prospectus, see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference"*.

Table – Selected data from consolidated income statements

	Three-month period ended 30 September		Nine-month period ended 30 September		Year ended 31 December		
(Amounts in NOK thousand)	**2022 (1)**	**2021(1)**	**2022 (1)**	**2021 (1)**	**2021**	**2020**	**2019**
CONTINUING OPERATIONS (2)							
Revenue							
Revenue from contracts with customers	221 707	102 743	590 087	248 082	506 039	178 121	207 154
Rental income	336	400	905	400	-	-	-
Other operating revenue	327	132	534	402	1 679	1 693	4 140
Total revenue	**222 370**	**103 275**	**591 526**	**248 884**	**507 718**	**179 814**	**211 294**
Operating expenses							
Cost of materials	120 056	64 360	322 931	148 522	324 566	86 717	128 232
Payroll & social security expenses	114 114	53 788	309 158	140 198	209 602	123 497	143 157
Other operating expenses	80 402	65 283	255 988	170 847	245 327	110 322	83 167
Total operating expenses before depreciation	**314 572**	**183 431**	**888 077**	**459 567**	**779 495**	**320 536**	**354 556**
Operating profit before depreciation (EBITDA)	**-92 203**	**-80 156**	**-296 551**	**-210 682**	**-271 777**	**-140 722**	**-143 261**
Depreciation, amortization and impairment	23 857	15 806	69 653	33 944	53 098	26 906	25 508
Operating profit (EBIT)	**-116 060**	**-95 962**	**-366 204**	**-244 626**	**-324 875**	**-167 628**	**-168 769**

Share of profit/loss from investments in associates and joint ventures	61 853	178	59 115	51	-2 957	-1 885	-749
Finance income	2 561	3 247	26 164	8 624	14 250	10 110	3 243
Finance costs	-13 207	-4 054	-26 827	-29 691	-33 691	-113 969	-27 397
Profit/loss before tax from continuing operations	**-64 853**	**-96 590**	**-307 752**	**-265 643**	**-347 273**	**-273 373**	**-193 672**
Income tax expense	1 454	-651	1 269	-1 220	-2 120	34 654	-25 777
Profit/loss for the period from continuing operations	**-66 307**	**-95 940**	**-309 021**	**-264 422**	**-345 152**	**-308 026**	**-167 895**
DISCONTINUED OPERATIONS [3]							
Profit/loss after tax for the period from discontinued operations	-	-13 330	-	-31 757	-8 552	-34 602	69 279
Profit/loss after tax	**-66 307**	**-109 269**	**-309 021**	**-296 180**	**-353 704**	**-342 628**	**-98 616**

[1] Unaudited

[2] The income statement represents Hexagon Purus/e-mobility as continuing operations for all periods.

[3] CNG LDV as discontinued operation: On 19 August 2020, Hexagon Composites ASA (which at the time was the sole shareholder in the Company) announced the transfer the Compressed Natural Gas Light Duty Vehicle (CNG LDV) activities from the Group to Hexagon Composites ASA's natural gas-mobility (g-mobility) business. This transfer has established Hexagon Purus as a pure e-mobility business. The decision was made by relevant management levels and the financial elements of the transactions are concluded. The completion of the transfer took place 1 October 2021, and the CNG LDV business unit was effectively sold and derecognized on this date. For more information on results from CNG LDV operations (i.e. discontinued operations), see note 5 in the Annual Report incorporated by reference to this Prospectus, Section 4.2 *"Presentation of financial and other information"*, Section 10.3 *"Financial review of the Group's income statements"* and Section 16.4 *"Incorporation by reference")*.

The table below provides selected data pertaining to the Company's consolidated statements of comprehensive income for for the years ended 31 December 2021, 2020 and 2019 (extracted from the Annual Report incorporated by reference to this Prospectus), and for the three- and nine-month periods ended 30 September 2022 and 2021 (extracted from the Interim Report incorporated by reference to this Prospectus). For more information on the Financial Information incorporated by reference to this Prospectus, see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference"*.

Table – Selected data from consolidated statements of comprehensive income							
	Three-month period ended 30 September		**Nine-month period ended 30 September**		**Year ended 31 December**		
(Amounts in NOK thousand)	**2022 [1]**	**2021[1]**	**2022 [1]**	**2021 [1]**	**2021**	**2020**	**2019**
Profit / loss after tax	-66 307	-109 269	-309 021	-296 180	-353 704	-342 628	-98 616
OTHER COMPREHENSIVE INCOME:							
Items that will be reclassified through profit or loss in subsequent periods							
Exchange differences when translation of foreign operations	31 924	-1 225	74 173	-2 557	-11 553	12 675	-957
Net total of items that will be reclassified through profit and loss in subsequent periods	**31 924**	**-1 225**	**74 173**	**-2 557**	**-11 553**	**12 675**	**-957**
Total comprehensive income, net tax	-34 383	-110 494	-234 848	-298 737	-365 257	-329 954	-99 573
Attributable to:							
Equity holders of the parent	-34 315	-110 494	-234 780	-298 737	-365 257	-329 954	-99 573
Non-Controlling interest	-67	-	-67	-	-	-	-

[1] Unaudited

9.4 Data from consolidated statements of financial position

The table below provides selected data on assets pertaining to the Company's consolidated statements of financial position as at 31 December 2021, 2020 and 2019 (extracted from the Annual Report incorporated by reference to this Prospectus), and as at 30 September 2022 and 2021 (extracted from the Interim Report incorporated by reference to this Prospectus). For more information on the Financial Information incorporated by reference to this Prospectus, see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference"*.

Table – Selected data from consolidated statements of financial position – Assets					
	As at 30 September		**As at 31 December**		
(Amounts in NOK thousand)	**2022 (1)**	**2021 (1)**	**2021**	**2020**	**2019**
ASSETS (2)					
NON-CURRENT ASSETS					
Property, plant and equipment	413 686	130 086	267 705	76 634	103 359
Right-of-use assets	107 320	39 107	52 219	30 457	53 577
Intangible assets	797 593	407 712	752 294	415 097	475 378
Investments in associates and joint ventures	33 197	2 152	7 024	2 066	651
Non-current financial assets	75 205	-	-	-	-
Other non-current assets	2 514	2 476	2 476	751	3 226
Deferred tax assets	-	-	-	-	41 213
Total non-current assets continuing operations	**1 429 515**	**581 533**	**1 081 718**	**525 005**	**677 404**
CURRENT ASSETS					
Inventories	452 803	145 782	261 235	61 586	100 678
Trade receivables	185 342	132 227	220 286	26 657	125 015
Contract assets (accrued revenue)	7 210	2 141	4 165	814	3 100
Other current assets	79 655	39 883	80 943	14 440	5 941
Cash and short-term deposits	481 026	717 428	453 398	1 246 351	65 093
Total current assets	**1 206 037**	**1 037 461**	**1 020 027**	**1 349 849**	**299 827**
Assets held for sale	-	275 030	-	219 771	-
Total assets	**2 635 552**	**1 894 024**	**2 101 745**	**2 094 625**	**977 231**

(1) Unaudited
(2) In the statement of financial position CNG LDV (discontinued operations) is presented as held for sale as of 31 December 2020. As of 31 December 2019, CNG LDV was reported as continuing operations.

The table below provides selected data on equity and liabilities pertaining to the Company's consolidated statements of financial position as at 31 December 2021, 2020 and 2019 (extracted from the Annual Report incorporated by reference to this Prospectus), and as at 30 September 2022 and 2021 (extracted from the Interim Report incorporated by reference to this Prospectus). For more information on the Financial Information incorporated by reference to this Prospectus, see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference"*.

Table – Selected data from consolidated statements of financial position – Equity and liabilities					
	As at 30 September		**As at 31 December**		
(Amounts in NOK thousand)	**2022 (1)**	**2021 (1)**	**2021**	**2020**	**2019**
EQUITY (2)					
Issued capital and share premium	1 692 077	1 320 622	1 407 335	1 628 648	14 773
Other equity	92 908	15 141	8 063	372	-119 590
Equity attributable to holders of the parent	1 784 979	1 335 763	1 415 398	1 629 020	-104 816
Non-controlling interests	3 641	-	-	-	-
Total equity	1 788 620	1 335 763	**1 415 398**	**1 629 020**	**-104 816**
LIABILITIES					

Non-current liabilities					
Interest-bearing loans and borrowings	48 337	-	42 126	-	729 428
Lease liabilities	88 738	15 459	31 794	21 795	47 828
Non-current provisions	37	3	7 235	3	1 613
Other non-current financial liabilities	40 054	-	109 106	-	-
Net employee defined benefit liabilities	2 385	74	1 892	2 635	2 076
Deferred tax liabilities	48 208	9 137	52 231	11 024	22 325
Total non-current liabilities continuing operations	**227 759**	**24 674**	**244 384**	**35 457**	**803 269**
Current liabilities					
Trade and other payables	199 208	84 483	191 409	83 988	139 207
Contract liabilities	201 968	45 041	121 827	32 068	33 276
Interest-bearing loans and borrowings	1 587	164 369	13 635	161 016	-
Lease liabilities, short term	20 405	23 019	21 285	9 244	12 810
Income tax payable	10 285	-	8 178	-	20
Provisions	24 809	26 479	12 882	17 162	13 392
Other current financial liabilities	75 551	-	-	-	-
Other current liabilities	85 361	27 390	72 747	49 512	80 073
Total current liabilities continuing operations	**619 173**	**370 780**	**441 964**	**352 990**	**278 778**
Liabilities directly associated with the assets held for sale	-	162 806	-	**77 158**	**-**
Total liabilities	**846 932**	**558 260**	**686 347**	**465 604**	**1 082 047**
Total equity and liabilities	**2 635 552**	**1 894 024**	**2 101 745**	**2 094 625**	**977 231**

(1) Unaudited

(2) In the statement of financial position, CNG LDV (discontinued operations) was presented as held for sale as of 31 December 2020. As of 31 December 2019, CNG LDV was reported as continuing operations.

9.5 Data from consolidated cash flow statements

The table below provides selected data pertaining to the Company's consolidated cash flows from operating activities, investing activities and financing activities for the financial years ended 31 December 2021, 2020 and 2019 (extracted from the Annual Report), and for the nine month periods ended 30 September 2022 and 2021 (extracted from the Interim Report). For more information, see the Financial Information incorporated by reference to this Prospectus (see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference")*.

Table – Data from consolidated cash flow statements					
	Nine-month period ended 30 September		**Year ended 31 December**		
(Amounts in NOK thousand)	**2022** (1)	**2021** (1)	**2021**	**2020**	**2019**
Profit before tax (incl. discontinued operations) (2)	**-307 752**	**-297 261**	**-355 687**	**-309 439**	**-126 156**
Depreciation, amortization and impairment	69 654	46 113	53 098	54 459	47 207
Net interest expense	541	7 469	6 968	38 927	30 881
Changes in net working capital (3)	-71 729	-196 434	-169 700	-12 641	60 931
Other adjustments to operating cash flows	-32 080	26 438	8 997	1 984	1 745
Net cash flow from operating activities	**-341 365**	**-413 674**	**-456 324**	**-226 707**	**14 607**
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant, and equipment, net of proceeds from sale	-148 378	-77 058	-107 711	-50 063	-51 640
Proceeds from sale of property, plant and equipment	-	-	-	37 372	-
Purchase and development of intangible assets	-33 674	-14 560	-37 735	-15 034	-63 027
Proceeds from sale of intangible assets	-	-	-	8 357	-
Cash paid related to acquisition of subsidiary; net of cash acquired	-	-	-146 189	-	-
Investments in associated companies	-34 456	-	-8 580	-3 300	-
Loans to associated companies	-7 307	-	-	-	-
Proceeds from sale of shares in associated companies	-	-	665	-	-
Interest received	3 530	-	1 625	1 107	352
Net cash flows used in investing activities	**-220 285**	**-91 618**	**-297 924**	**-21 561**	**-114 315**
CASH FLOW FROM FINANCING ACTIVITIES					
Net repayment (-) / proceeds (+) from interest bearing loans	-5 836	-902	-11 098	771 588	140 325
Interest payments	-4 071	-7 469	-8 593	-40 034	-31 233
Repayment of lease liabilities (incl. interests)	-17 331	-15 882	-19 498	-19 931	-10 335
Net proceeds from share capital increase in parent company	593 866	-	-	723418	-
Net proceeds from share capital increase in subsidiary (NCI contribution)	3 709	-	-	-	-
Net cash flow (used in)/from financing activities	**570 336**	**-24 252**	**-39 189**	**1 435 041**	**98 757**
Net decrease / increase in cash and cash equivalents	**8 685**	**-529 544**	**-793 437**	**1 186 773**	**950**
Net foreign exchange differences on cash	18 944	621	483	-5 515	-509
Cash and cash equivalents beginning of period	453 398	1 246 351	1 246 351	65 093	66 552
Cash and cash equivalents end of period	**481 026**	**717 428**	**453 398**	**1 246 351**	**65 093**

(1) Unaudited
(2) The cash flow statements is presented including CNG LDV (discontinued operations) for 2020 and 2019.
(3) Net working capital refers to inventories, trade receivables, contract assets, trade payables and contract liabilities.

9.6 Data from statements of changes in equity

The table below provides selected data pertaining to the Company's statements of changes in equity for the years ended 31 December 2021, 2020 and 2019, extracted from the Annual Report incorporated by reference to this Prospectus, and for the nine-month period ended 30 September 2022, extracted from the Interim Report incorporated by reference to this Prospectus. For more information on the Financial Information incorporated by reference to this Prospectus, see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference"*.

Table – Selected data from statements of changes in equity

(Amounts in NOK thousand)	Issued capital	Share premium	Other paid-in capital	Other equity and retained earnings	Foreign currency translation reserves	Equity attributable to holders of the parent	Non-controlling interest	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**
Share-based payment etc	-	-	-	-	-	-	-	-
Changes in paid-in capital	-	-	-	-	-	-	-	-
At 31 December 2019	**330**	**14 443**	**-**	**-118 632**	**-957**	**-104 816**	**-**	**-104 816**
As at 1 January 2020	**330**	**14 443**	**-**	**-118 632**	**-957**	**-104 816**	**-**	**-104 816**
Profit for the period	-	-342 628	-	-	-	-342 628	-	-342 628
Transferred to share premium	-	-106 915	-	118 632	-11 717	-	-	-
Other comprehensive income	-	-	-	-	12 675	12 675	-	12 675
Total comprehensive income	**-**	**-449 543**	**-**	**-**	**958**	**-329 954**	**-**	**-329 954**
Share-based payment etc	-	-	372	-	-	372	-	372
Debt conversion (1)	19 832	1 320 168	-	-	-	1 340 000	-	1 340 000
Share capital increase (2)	2 747	747 253	-	-	-	750 000	-	750 000
Transaction costs		-26 582	-	-	-	-26 582	-	-26 582
At 31 December 2020	**22 909**	**1 605 739**	**372**	**-**	**-**	**1 629 021**	**-**	**1 629 021**
As at 1 January 2021	**22 909**	**1 605 739**	**372**	**-**	**-**	**1 629 021**	**-**	**1 629 021**
Profit for the period	-	-353 704	-	-	-	-353 704	-	-353 704
Other comprehensive income	-	-11 553	-	-	-	-11 553	-	-11 553
Total comprehensive income	-	**-365 257**	**-**	**-**	**-**	**-365 257**	**-**	**-365 257**
Share-based payment etc	-	-	7 691	-	-	7 691	-	7 691
Changes in paid-in capital (3)	444	143 628	-	-	-	144 072	-	144 072
Transaction costs	-	-129	-	-	-	-129	-	-129
At 31 December 2021	**23 354**	**1 383 981**	**8 063**	-	**-**	**1 415 398**	**-**	**1 415 398**
As at 1 January 2022	**23 354**	**1 383 817**	**8 063**	**-**	**165**	**1 415 398**	**-**	**1 415 398**
Profit for the period	-	-308 960	-	-	-	-308 960	-60	-309 021
Other comprehensive income	-	-	-	-	74 180	74 180	-7	74 173
Total comprehensive income	**-**	**-308 960**	**-**	**-**	**74 180**	**-234 780**	**-67**	**-234 848**
Share-based payment	-	-	10 495	-	-	**10 495**	-	10 495
Share capital increase (4)	2 474	597 526	-	-	-	**600 000**	-	600 000
Transaction costs	-	-6 134	-	-	-	**-6 134**	-	-6 134
Share capital increase in subsidiary	-	-	-	-	-	-	3 709	3 709
As at 30 September 2022 (unaudited)	**25 828**	**1 666 248**	**18 557**	-	**74 345**	**1 784 979**	**3 641**	**1 788 619**

(1) On 26 October 2020, a restructuring of the Group's debt to the Hexagon Composites ASA group took place, by which Hexagon Composites ASA became the sole creditor for the total outstanding loan positions towards entities within the Group. The total loan amount did include an additional new loan of NOK 500 million to Hexagon Purus ASA with the intention to provide cash for operation and growth of the Group. The total loan was subordinated to any external financing in the Group and it had a right to be converted to equity when the solidity in the Group needed to be improved. On 30 October 2020 the Company issued 201 289 712 new shares in a share split and debt conversion. In the 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.

(2) On 9 December 2020 the Company issued 27 472 527 new shares in a private placement at the price of NOK 27.30 per share.

(3) On 23 November 2021 related to the closing of the Wystrach acquisition, the Company issued 4 444 430 consideration shares to the previous shareholders of Wystrach GmbH.
(4) On 15 February 2022, the Company issued 24 742 268 new shares in a private placement at the price of NOK 24.25 per share.

9.7 Outlook

9.7.1 Introduction

On 6 February 2023, the Company announced preliminary estimates and unaudited figures for Q4 and full year 2022, and also presented its outlook for the financial year ended 31 December 2023 (the "**Outlook**") which is based on the principal assumptions stated under Section 9.7.2 *"Methodology and assumptions"* below. Actual results are likely to be different from the Outlook since anticipated events may not occur as expected and the variation may be material. Readers should read the Outlook in conjunction with Section 2 *"Risk Factors"*, Section 4.2 *"Presentation of financial and other information"*, Section 4.4 *"Cautionary note regarding forward-looking statements"*, Section 9 *"Financial and other information"*, and Section 10 *"Operating and financial review"*, as well as the other sections of this Prospectus.

9.7.2 Methodology and assumptions

The Outlook has been prepared on a basis which is both (a) comparable with the Financial Information and (b) consistent with the Company's accounting policies set out in note 2 in the Annual Report. The Outlook is based on a large number of estimates made by the Company based on assumptions about future events, which are subject to numerous and significant uncertainties such as business, operational, economic and competitive risks and uncertainties, which could cause the Company's actual results to differ materially from the Outlook. The Outlook is further based upon future business decisions that are subject to change. The Company's actual results of operations could deviate materially from its forecasts or estimates as a result of other factors, including those described under Section 2 *"Risk Factors"*, and Section 4.4 *"Cautionary note regarding forward-looking statements"*. Accordingly, readers should treat this information with caution and not place undue reliance on the Outlook.

9.7.3 Principal assumptions

<u>Factors which can be influenced by the Management and Board of Directors</u>

In the Outlook, the Company reported expectations on its consolidated revenue growth in 2023 to be driven by strong backlog and order trends which it is experiencing primarily in hydrogen distribution and infrastructure applications. In respect to these principal assumptions, the Company assumes that the Group's growth continues in accordance with the Board of Directors and Management's expectations. The Group's growth is a factor which the Board of Directors and the Management can influence by focusing on its growth initiatives.

Sales cycles in the automotive space can be long and highly engineering intensive. Hexagon Purus continues to execute on the scale up required to support heavy-duty truck customers such as Hino and Nikola while pursuing other opportunities in this space. As such, while revenue contribution from heavy-duty vehicle applications has been relatively low in recent quarters, development work and project activity in this key application remain high. In respect to these principal assumptions, it is expected that revenue contribution from this application will grow in the coming years in accordance with Management expectations as battery and fuel cell electric vehicle platforms transition to commercial start of production. Delivery under these agreements is a factor which the Board of Directors and Management can influence.

Global supply chains remain constrained and lead times for certain components such as high-pressure flow components, wire harness assemblies and battery cells remain extended while material costs have increased. It is not possible to predict when supply chains will normalize, but the Company continues to employ counter measures to mitigate such effects through proactive supplier management, pre-purchasing of inventory and price increases, which is a factor that the Board of Directors and Management can, to some extent, influence.

With several growth initiatives underway, including building organizational capabilities and production capacity to support customer launch activity as well as expected market demand in the coming years in North America, Europe and Asia, Hexagon Purus is in the investment phase of its development. Such investments are expected by Management to impact profitability over the near-to-medium term. In respect to these principal assumptions, the Company assumes that the growth initiatives continue in accordance with the Board of Directors and Management's expectations. The Growth initiatives underway is a factor which the Board of Directors and the Management can influence.

Hexagon Purus is in the early growth phase of its development with substantial capital needs over the foreseeable future. The Board of Directors and the Management are closely involved in ensuring that the Group has access to the required amount of capital it needs to fund this high-growth phase. In respect to these principal assumptions, the Board of Directors and the Management assumes that the Group has sufficient amount of capital needed to fund the growth phase, which is a factor which the Board of Directors and the Management can influence.

Factors exclusively outside of the influence of Management and the Board of Directors

On the regulatory side, The REPowerEU Plan presented by the European Commission in 2022, aims to end Europe's dependence on Russian fossil fuels before 2030.[14] The Company expects that plan will rapidly reduce dependence on Russian fossil fuels by fast-forwarding the clean energy transition and adapting industry and infrastructure to different energy sources and suppliers. According to the European Commission, additional investments of EUR 210 billion are needed between now and 2027, including EUR 27 billion for hydrogen infrastructure. To meet the ambition of REPower EU, Hexagon Purus expects that there will be a significant need for investments into hydrogen gas storage and transportation infrastructure with several opportunities for Hexagon Purus' hydrogen storage solutions portfolio. However, the regulatory side in the EU is exclusively outside the influence of the Board of Directors and the Management.

In the U.S., the Inflation Reduction Act introduced in July 2022, aims to bring down costs and boosts energy supply, cutting inflation and substantially reducing greenhouse gas emissions.[15] Of the total USD 739 billion package, USD 369 billion is earmarked for "Energy Security and Climate Change" which would put the U.S. on a path to roughly 40% emissions reduction by 2030. The Company expects that tens of billions of dollars will go toward supporting renewable energy development, such as tax credits and grants for clean fuels, including hydrogen, and clean commercial vehicles to reduce emissions from all parts of the transportation sector. However, the regulatory side in the U.S. is exclusively outside the influence of the Board of Directors and the Management.

Further, the Group's revenue going forward depends on several other factors which are outside the Group's control or influence, including those relating to changes in political, legal, fiscal, market or economic conditions, improvements or deterioration in macroeconomic conditions, currency fluctuations and actions by customers or competitors. In particular, the following factors outside the influence of the Management and Board of Directors could change the outcome of the Outlook: (i) increased prices, global shortages of raw materials and components or port/delivery delays; (ii) lower demand for the Group's products and technologies or increased short-term focus on fossil fuel energy as a result of global economic uncertainty (including the war in Ukraine); (iii) counterparty default on contractual agreements and trade, and other current receivables; (iv) adoption of new laws, regulations or public requirements that result in increased compliance expenditure, suspension of production, product recalls or claims from third parties; (v) disputes and claims against the Group; (vi) fluctuations in foreign currency against NOK.

9.7.4 Expectations for the financial year ended 31 December 2022 and outlook for 2023

In the 6 February 2023 stock exchange announcement, the Company presented the following preliminary estimates and unaudited figures for Q4 and full year 2022:

- Q4 2022 revenue of approximately NOK 370 million and full year 2022 revenue of approximately NOK 960 million
- Q4 2022 EBITDA of approximately NOK -110 million and full year 2022 EBITDA of approximately NOK -410 million
- Q4 2022 cash flow from operations of approximately NOK 5 million and full year 2022 cash flow from operations of approximately NOK -340 million
- Ending Q4 2022 cash balance of approximately NOK 380 million

[14] Source: The European Commission, REPowerEU (18 May 2022): A plan to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition* (link: *https://ec.europa.eu/commission/presscorner/detail/en/IP_22_3131*)
[15] Sources: *https://www.whitehouse.gov/wp-content/uploads/2022/12/Inflation-Reduction-Act-Guidebook.pdf*; and *https://www.americanprogress.org/article/the-inflation-reduction-act-brings-down-costs-and-boosts-energy-supply-cutting-inflation-and-making-historic-investments/*

The Company also provided the following Outlook for the financial year ended 31 December 2023, which is based on the principal assumptions described in Section 9.7.3 *"Principal assumptions"* above:

- 2023 revenue is expected to grow by at least 50% year-over-year based on backlog and order trends
- Relative EBITDA margin is expected to significantly improve year-over-year, but EBITDA will be impacted by ramp-up of the organization and production facilities
- Negative EBITDA for 2023 is expected to widen by approximately 10% compared to 2022

10 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 4 "General information" Section 7 "Business of the Group", Section 8 "Capitalisation and indebtedness", Section 9 "Financial and Other Information" and the Financial Information incorporated by reference to this Prospectus (see Section 16.4 "Incorporation by reference"). This operating and financial review contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business, strategy and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk factors" and Section 4.4 "Cautionary note regarding forward-looking statements" of this Prospectus, as well as other sections of this Prospectus. An overview of the APMs discussed in this operating and financial review is presented in Section 4.2.4 "Alternative performance measures (APMs)".

10.1 Significant factors affecting the Group's income statement and statement of financial positions

The Group's income statement and statement of financial positions have been, and may continue to be, affected by a range of factors, many of which are beyond the Group's control. The factors that Management believes have had a material effect on the Group's income statement and statement of financial positions during the periods under review, as well as those considered likely to have a material effect on its income statement and statement of financial positions in the future, are described in the following.

10.1.1 Growth

The Group's yearly total revenue-growth and yearly organic growth have significant effect on the Group's revenue and operating profit. Hexagon Purus' revenue for the year 2021 increased by 182% to NOK 508 million compared with NOK 180 million in 2020 and operating profit before depreciation, amortization and impairment (EBITDA) was NOK -272 million (2020: -141 million). Revenue in the first nine months of 2022 increased by 138% to NOK 592 million compared with NOK 249 million in the first nine months of 2021 and EBITDA was NOK -297 million (2021: -211 million). The growth in revenue was driven primarily by strength in hydrogen distribution and transit bus applications as well as the acquisition of Wystrach GmbH which contributed NOK 142 million in revenue in the last two months of 2021 and NOK 394 million in the first nine months of 2022. Continued investments in personnel and infrastructure to support and accelerate the Group's development drove negative profitability. With several growth initiatives underway, including building organizational capabilities and production capacity to support customer launch activity as well as expected market demand in the coming years in North America, Europe and Asia, Hexagon Purus is in the investment phase of its development. Such investments are expected to impact profitability over the near-to-medium term (for more information, see Section 9.7 *"Outlook"*).

10.1.2 Technology development (R&D)

Hexagon Purus delivers key technologies needed for zero emission mobility in a rapidly changing technological environment. In order to maintain its position within its markets, Hexagon Purus invests in technology and product development. Several R&D projects are carried out in cooperation with major customers. The Group expensed R&D costs amounting to approximately NOK 47 million in 2021, compared to approximately NOK 15 million in 2020. The Group has received government contributions of approximately NOK 2 million towards research and development activities for 2021, compared to approximately NOK 2 million in 2020. The total net carrying amount of capitalized patents & licenses and technology & development amounted to NOK 149 million as of 31 December 2021 (compared to approximately NOK 55 million as of 31 December 2020), while amortization of capitalized patents & licenses and technology & development amounted to NOK 6 million in 2021 (compared to approximately NOK 4 million in 2020). For the first nine months of 2022 total net carrying amount of capitalized patents & licenses and technology & development amounted to NOK 34 million, while amortization of capitalized patents & licenses and technology & development amounted to NOK 14 million. The Group had 78 and 34 full-time equivalents in 2021 and 2020, respectively, for engineering and R&D activities who are mostly directly expensed. For more information on government grants, see note 31 in the Annual Report incorporated by reference to this Prospectus (see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference")*.

10.1.3 Raw materials and components

The cost of material constitutes a relatively large part of the Group's total operating expenses before depreciation (approximately 42% for the financial year 2021 and 36% for the first nine months of 2022). Thus, the Group is exposed to developments in the prices of raw materials and components and, in particular, the price of carbon fiber, resin, pressure regulators and valves, steel, lithium-ion batteries, electricity and drivetrain components as well as hydrogen and battery electric mobility applications' relative attractiveness compared with diesel, petrol, gas or other fuels, and conventional vehicle, storage and transportation technologies. 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. Changes in prices of raw materials and components will have significant affect on the Group's results of operations and financial performance.

10.1.4 Discontinued operations

The results of Hexagon Purus' Compressed Natural Gas Light Duty Vehicle (CNG LDV) business are reported as discontinued operations following the decision to transfer it to Hexagon Composites' gas-mobility (g-mobility) business. This transfer was completed on 1 October 2021. Fair value assessment of the CNG LDV operation pursuant to an independent valuation was approximately EUR 14 million. Readers should in particular note that the discontinued operations relating to CNG LDV is a historical event which has historically affected the presentation of the Group's results of operations and financial performance, but will not continue to affect the Group going forward.

10.2 Operating segments

For management purposes, the assessment is that the Group has historically had two operating segments; Hexagon Purus and CNG LDV. Since the process has been ongoing and the CNG LDV segment has been considered discontinued operation, it has historically been presented also as a separate segment. The Group transferred the CNG LDV operations to Hexagon Composites ASA with financial effect 1 October 2021. Hence, the CNG LDV segment was separated from the current Group structure as at 31 December 2021 and the Group has currently one operating segment.

The following table present revenue and profit information for the Group's segments as presented in the Annual Report incorporated by reference to this Prospectus (see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference")*.

Table – Operating segments

	Year ended 31 December		
(Amounts in NOK thousand)	**2021**	**2020**	**2019**
HEXAGON PURUS			
Revenues from contracts with customers	506 039	178 121	207 154
Other operating revenue	1 679	1 693	4 140
Total revenue	**507 718**	**179 814**	**211 294**
CNG LDV (1)			
Revenues from contracts with customers	196 850	189 202	455 405
Other operating revenue	2 801	3 601	-
Total revenue	**199 651**	**192 803**	**455 405**

(1) CNG LDV is reported as discontinued operation up to 1 October 2021.

10.3 Financial review of the Group’s income statements

10.3.1 Description of income statement line items

10.3.1.1 Total revenue

The Group's main revenues come from the sale of its own 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.

For more information on accounting principles for revenue from contracts with customers, see note 7 in the Annual Report, which is incorporated by reference to this Prospectus (see Section 16.4 *"Incorporation by reference"*).

10.3.1.2 Total operating expenses before depreciation

Total operating expenses before depreciation are mainly comprised of cost of materials, payroll and social security expenses, and other operating expenses. Payroll and social security expenses include costs such as salaries paid to employees, social security costs, pension and other employee expenses. Other operating expenses consist mainly R&D costs (design and testing of new or improved products), of auditor fees, accounting and consultancy fees, IT costs and office equipment and other operating expenses.

10.3.1.3 Operating profit before depreciation, amortization and impairment (EBITDA)

Operating profit before depreciation amortization and impairment (EBITDA) consists of total operating revenue deducted for total operating expenses before depreciation, amortization and impairment.

10.3.1.4 Depreciation, amortization and impairment

Depreciation, amortization and impairment consist of depreciation, amortization and impairment associated with the Group's property, plant and equipment, intangible assets and right of use assets. Amortization is particularly related to technology and development, patents and licenses, and customer relationships. Depreciation and impairment are related to both depreciation and impairment of property, plant and equipment, intangible assets and of right of use assets.

For more information on accounting principles for property plant and equipment, right of use assets and for intangible assets, see notes 9, 10 and 11 in the Annual Report, which is incorporated by reference to this Prospectus (see Section 16.4 *"Incorporation by reference"*).

10.3.1.5 Operating profit (EBIT)

Operating profit (EBIT) consists of operating profit before depreciation (EBITDA) deducted for depreciation, amortization and impairment.

10.3.1.6 Net financial items

Net financial items include interest income and expenses primarily from cash and cash equivalents, external financing and lease liabilities, net foreign exchange gains and losses and other financial income and expenses primarily from settlement of previous loans.

10.3.1.7 Profit/loss before tax from continuing operations

Profit or loss of the year is the Group's operating profit from continuing operations deducted for net financial items and share of profit from associates and joint ventures.

10.3.1.8 Income tax expense

Income tax expense consists of any current income tax in accordance with the Group's tax returns and deferred taxes.

10.3.1.9 Profit/loss after tax from continuing operations

Net profit or loss after tax of the year is the Group's profit or loss before tax from continuing operations after deducting tax expenses.

10.3.1.10 Discontinued operations

On 19 August 2020, Hexagon Composites ASA (which at the time was the sole shareholder in the Company) announced the intended transfer of the Compressed Natural Gas Light Duty Vehicle (CNG LDV) activities from the Group to Hexagon Composites ASA's natural gas-mobility (g-mobility) business. This transfer has established Hexagon Purus as a pure e-mobility business. The decision was made by relevant management levels, and the financial elements of the transactions are concluded. The completion of the transfer took place 1 October 2021, and the CNG LDV business unit was effectively sold and derecognized on this date.

10.3.2 Results of operations for the three and nine-month periods ended 30 September 2022 compared to the three and nine-month periods ended 30 September 2022

The table below provides selected data pertaining to the Group's income statements for the nine-month periods ended 30 September 2022 and 2021 (extracted from the Interim Report incorporated by reference to this Prospectus, see Section 16.4 *"Incorporation by reference"*).

Table – Data from the consolidated income statements for the nine month periods ended 30 September 2022 and 2021

	Nine-month period ended 30 September	
(In NOK thousand)	**2022 (1)**	**2021 (1)**
Total revenue	591 526	248 884
Total operating expenses before depreciation	888 077	459 567
Operating profit before depreciation (EBITDA)	**-296 551**	**-210 682**
Depreciation and impairment	69 653	33 944
Operating profit (EBIT)	**-366 204**	**-244 626**
Share profit/loss from investments in associates	59 115	51
Finance income	26 164	8 624
Finance expense	26 827	29 691
Profit/loss before tax from continuing operations	**-307 752**	**-265 643**
Income tax expense	1 269	-1 220
Profit/loss after tax from continuing operations	**-309 021**	**-264 422**
Discontinued operations (CNG LDV)		
Profit/loss after tax for the period from discontinued operations	-	-31 757
Profit/loss after tax	**-309 021**	**-296 180**

(1) Unaudited

10.3.2.1 Total revenue

Total revenue for the nine-month period ended 30 September 2022 increased to approximately NOK 592 million from approximately NOK 249 million for the same period in the prior year, corresponding to an increase of approximately 138%, also driven by the Wystrach contribution which benefited from increased sales in hydrogen distribution applications. Organic revenue on a standalone basis (i.e. as if Wystrach was an external customer in the nine-month period ended 30 September 2022) was approximately NOK 284 million, representing organic year-over-year growth of approximately 14%.

For an overview of sales revenue by operating segment and geographic regions, see Section 10.3.5 *"Revenue by geographic regions"*.

10.3.2.2 Total operating expenses before depreciation

Total operating expenses before depreciation for the nine-month period ended 30 September 2022 were approximately NOK 888 million, compared to approximately NOK 460 million for the same period in the prior year. The increase of NOK 428 million, corresponding to approximately 93%, in operating expenses before depreciation is primarily explained by continued investments in personnel (of which payroll and social security expenses increased by approximately NOK 169 million, from approximately NOK 140 million for the nine-month period ended 30 September 2021 to approximately NOK 309 million for the nine-month period ended 30 September 2022) and higher overhead and administrative costs to support and accelerate the Group's future growth, as well as increased cost of materials mainly due to higher revenue (which increased by approximately NOK 174 million, from approximately NOK 149 million for the nine-month period ended 30 September 2021 to approximately NOK 323 million for the nine-month period ended 30 September 2022). Material costs were also impacted by general inflation, but to a much smaller degree than the impact of higher revenue.

Table – Data from operating expenses		
	Nine month ended 30 September	
(In NOK thousand)	**2022**	**2021**
Cost of materials	322 931	148 522
Payroll & social security expenses	309 158	140 198
Other operating expenses	255 988	170 847
Total operating expenses before depreciation	**888 077**	**459 567**

10.3.2.3 Operating profit before depreciation, amortization and impairment (EBITDA)

Operating loss before depreciation (EBITDA) (as defined in Section 4.2.4) for the nine-month period ended 30 September 2022 was approximately NOK 297 million, compared to a loss of approximately NOK 211 million for the for the same period in the prior year. The increased loss of approximately NOK 86 million, corresponding to approximately 41% is mainly explained by the continued investments in personnel and infrastructure described above in Section 10.3.2.2 *"Total operating expenses before depreciation"*.

10.3.2.4 Depreciation, amortization and impairment

Depreciation, amortization and impairment expenses for the nine-month period ended 30 September 2022 was approximately NOK 70 million, compared to approximately NOK 34 million for the same period in the prior year. The increase of approximately NOK 36 million, corresponding to approximately 106%, was mainly due to increased amortization of intangible assets (including the impact of the Wystrach acquisition) and depreciation of tangible assets.

10.3.2.5 Operating profit (EBIT)

The Company's consolidated operating loss (EBIT) (as defined in Section 4.2.4) for the nine-month period ended 30 September 2022 was approximately NOK 366 million, compared to an operating loss of approximately NOK 245 million for the same period in the prior year. The increased loss of NOK 122 million, corresponding to approximately 49%, was principally driven by the continued investments in personnel and infrastructure to support and accelerate the Group's future growth as described above in Section 10.3.2 *"Total revenue"* and Section 10.3.2.2 *"Total operating expenses before depreciation"*.

10.3.2.6 Net financial items and share of profit from associates and joint ventures

Net financial items consist for the purposes of this financial review of (i) profit/loss from investments in associates and joint ventures, (ii) finance income and (iii) finance expense. For the nine-month period ended 30 September 2022, the Company had, on a consolidated basis, a net gain on financial items and share of profit from associates and joint ventures of approximately NOK 59 million, compared to a net loss of approximately NOK 21 million for the same period in the prior year. The increase of approximately NOK 79 million in net financial items was mainly driven by the reclassification of the shares in Norwegian Hydrogen AS from an associated company to an equity investment marked up to fair value resulting in a gain of NOK 63 million.

10.3.2.7 Profit/loss before tax

The Company's consolidated loss before tax from continuing operations for the nine-month period ended 30 September 2022 was approximately NOK 308 million, compared to a loss before tax of approximately NOK 266 million for the same period in the prior year. The increased loss of approximately NOK 42 million, corresponding to approximately 16%, was principally driven by the continued investments in personnel and infrastructure to support and accelerate the Group's future growth as described above in Section 10.3.2.1 *"Total revenue"* and Section 10.3.2.2 *"Total operating expenses before depreciation"*, partially offset by lower net financial expenses.

10.3.2.8 Income tax expense

The Company's consolidated tax expense for the nine-month period ended 30 September 2022 was approximately NOK 1 million, compared to consolidated tax income of approximately NOK 1 million for the same period last year.

10.3.2.9 Profit/loss

The Company's consolidated loss after tax from continuing operations for the nine-month period ended 30 September 2022 was approximately NOK 309 million, compared to a loss of approximately NOK 264 million for the same period in the previous year. The increased loss of approximately NOK 45 million, corresponding to approximately 17%, was principally driven by continued investments in personnel and infrastructure to support and accelerate the Group's future growth as described above in Section 10.3.2.1 *"Total revenue"* and Section 10.3.2.2 *"Total operating expenses before depreciation"*, partially offset by lower net financial expenses.

10.3.2.10 Discontinued operations

As the transfer of the CNG LDV business from the Group to Hexagon Composites ASA was completed on 1 October 2021, there were no discontinued CNG LDV operations for the first nine months of 2022. For the nine-month period ended 30 September 2021, the Company reported a loss after tax for the period from the discontinued CNG LDV operations of approximately NOK 32 million.

10.3.3 Results of operations for the financial year ended 31 December 2021 compared to the financial year ended 31 December 2020

The table below provides key financial information on the Group's historical results of operations for the financial years ended 31 December 2021 and 2020. For more information, see the Financial Information incorporated by reference to this Prospectus, and in particular note 7 in the Annual Report (see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference")*.

Table – Data from consolidated income statements for the year ended 31 December 2021 vs the same period in 2020

	Year ended 31 December	
(In NOK thousand)	**2021**	**2020**
Total revenue	507 718	179 814
Total operating expenses before depreciation	779 495	320 536
Operating profit before depreciation (EBITDA)	**-271 777**	**-140 722**
Depreciation, amortization and impairment	53 098	26 906
Operating profit (EBIT)	**-324 874**	**-167 628**
Net financial items and share of profit from associates and joint ventures	-22 399	-105 744
Profit/loss before tax from continuing operations	**-347 273**	**-273 373**
Income tax expense	-2 121	34 654
Profit/loss for the year from continuing operations	**-345 152**	**-308 026**
Profit/loss after tax from discontinued operations	8 552	34 602

Profit/loss for the year	**-353 704**	**-342 628**

10.3.3.1 Total revenue

Total revenue for the financial year ended 31 December 2021 was approximately NOK 508 million compared to total revenue of NOK 180 million for the financial year ended 31 December 2020. The increase of approximately NOK 328 million, corresponding to a total revenue growth of approximately 182%, was driven primarily by continued strength in hydrogen distribution and transit bus applications (organic revenue growth was approximately 110%), as well as the acquisition of Wystrach, which was for accounting purposes included in the Company's consolidated income statement for the two-month period from 1 November 2021 and contributed NOK 142 million in revenue.

Of the total revenue, contracts with customers at a point in time for the financial year ended 31 December 2021 was approximately NOK 496 million, compared to approximately NOK 163 million for the financial year ended 31 December 2020. The increase of approximately NOK 333 million, corresponding to approximately 205%, is mainly driven by an increase in sale of cylinders and systems of approximately NOK 308 million, corresponding to approximately 233%, to external and internal customers. This includes Wystrach, which was for accounting purposes, included in the Company's consolidated income statement for the two-month period from 1 November 2021.

Set out below is the disaggregation of the Group's revenue from contracts with customers for the years ended 31 December 2021 and 2020, extracted from the Annual Report. The Group's customer base is relatively fragmented in terms of size and concentration such that the Group is not dependent on any single customer. Nevertheless, one international industrial gas group made up 12% of Group revenues for 2021. No customer or customer group did exceed 10% of annual sales in the group in 2020. For more information, see the Annual Report incorporated by reference to this Prospectus (see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference").*

Table – Revenues in 2021 vs 2020		
	Year ended 31 December	
(In NOK thousand)	**2021**	**2020**
External and internal customers		
Sale of cylinders and systems	440 431	132 347
Sale of services and funded development	54 498	28 611
Other revenues	1 054	1 593
Contracts with customers at a point in time	**495 983**	**162 551**
Sale of cylinders and systems	3 441	-2 398
Sale of services and funded development	-	4 514
Other revenues	-	-
Contracts with customers over time	**3 441**	**2 116**
Revenue from contracts with external customers	**499 424**	**164 667**
Sale of cylinders and systems	2 736	11 235
Sale of services and funded development	4 691	3 811
Other revenues	68	100
Rental income	799	-
Contracts with related parties	**8 294**	**15 146**
Total revenue	**507 718**	**179 813**
Type of goods or service		
Sale of cylinders and systems	446 608	141 185
Sale of services and funded development	59 189	36 936
Other revenues	1 921	1 693
Total revenue from contracts with customers	**507 718**	**179 814**
Timing of revenue recognition		
Goods transferred at a point in time	495 983	162 552

Services transferred over time	3 441	2 117
Transactions with related parties	8 294	15 146
Total revenue from contracts with customers	**507 718**	**179 815**

(1) CNG LDV is reported as discontinued operation in previous periods.

Set out below is an overview of contract balances as at 31 December 2021 and 2020.

Table – Data from contract balances		
	Year ended 31 December	
(In NOK thousand)	**2021**	**2020**
Trade receivables	220 286	26 657
Contracts assets (accrued revenue)	4 165	814
Contract liabilities (incl. prepayment from customers)	121 827	32 068

All contracts are for periods of one year or less, or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed. The entire contract liability was recognized in the subsequent period. For more information, see the Financial Information incorporated by reference to this Prospectus, and in particular note 7 in the Annual Report (see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference").*

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

Trade receivables for the financial year ended 31 December 2021 were approximately NOK 220 million, compared to approximately NOK 27 million for the financial year ended 31 December 2020. The increase of approximately NOK 193 million, corresponding to 715%, was driven primarily by substantially higher revenues year-over-year and the inclusion of Wystrach's trade receivables following the acquisition.

For an overview of sales revenue by geographic regions, see Section 10.3.5 *"Revenue by geographic regions"*.

10.3.3.2 Total operating expenses before depreciation

The table below shows an overview of the Company's consolidated operating expenses for the financial years ended 31 December 2021 and 2020. For more information, see the Financial Information incorporated by reference to this Prospectus (see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference").*

Table – Data from operating expenses		
	Year ended 31 December	
(In NOK thousand)	**2021**	**2020**
Cost of materials	324 566	86 717
Payroll & social security expenses	209 602	123 497
Other operating expenses	245 327	110 322
Total operating expenses before depreciation	**779 495**	**320 536**

Total operating expenses before depreciation for the financial year ended 31 December 2021 were approximately NOK 779 million, compared to approximately NOK 321 million for the financial year ended 31 December 2020. The increase of approximately NOK 458 million, corresponding to 143%, in operating expenses before depreciation is primarily explained by continued investments in personnel and higher overhead and administrative costs to support and accelerate Hexagon Purus' development as well as the incremental costs of being an independent and publicly traded company, and the acquisition of Wystrach.

Cost of materials for the financial year ended 31 December 2021 was approximately NOK 325 million, compared to approximately NOK 87 million for the financial year ended 31 December 2020. The increase of approximately NOK

238 million, corresponding to approximately 274%, in cost of materials is primarily explained by growth in revenue, shift in business mix and inflationary pressure on certain input factors.

Payroll & social security expenses for the financial year ended 31 December 2021 were approximately NOK 210 million, compared to approximately NOK 123 million for the financial year ended 31 December 2020. The increase of approximately NOK 87 million, corresponding to approximately 71%, in payroll & social security expenses is primarily explained by increased salaries/fees to employees and other payroll costs and increased average number of full-time equivalents from 254 in 2020 to 415 in 2021, of which 187 full-time employees (included from 1 November 2021) relate to the acquisition of Wystrach. For more information, see the Financial Information incorporated by reference to this Prospectus, and in particular note 8 in the Annual Report (see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference").*

Other operating expenses for the financial year ended 31 December 2021 were approximately NOK 245 million, compared to approximately NOK 110 million for the financial year ended 31 December 2020. The increase of approximately NOK 135 million, corresponding to approximately 123%, in other operating expenses is primarily explained by increased overhead, product development and professional fees, among others.

10.3.3.3 Operating profit before depreciation (EBITDA)

Operating loss before depreciation (EBITDA) for the financial year ended 31 December 2021 was approximately NOK 272 million, compared to a loss of approximately NOK 141 million for the financial year ended 31 December 2020. The increased loss of approximately NOK 131 million, or 93%, is mainly explained by higher investments in personnel and infrastructure.

10.3.3.4 Depreciation, amortization and impairment

Depreciation, amortization and impairment expenses for the financial year ended 31 December 2021 was approximately NOK 53 million, compared to approximately NOK 27 million for the financial year ended 31 December 2020. The increase of approximately NOK 26 million, corresponding to approximately 97%, is mainly explained by the increases in property, plant and equipment, right of use assets and intangible assets.

For more information on depreciation, amortization and impairment, see the Financial Information incorporated by reference to this Prospectus, and in particular notes 9, 10 and 11 in the Annual Report (see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference").*

10.3.3.5 Operating profit (EBIT)

The Company's consolidated operating loss (EBIT) for the financial year ended 31 December 2021 was NOK 325 million, compared to an operating loss of NOK 168 million for the financial year ended 31 December 2020. The higher loss of NOK 157 million, corresponding to 93%, was principally driven by increased investments in personnel and infrastructure as well as increased depreciation, amortization and impairment.

10.3.3.6 Net financial items and share of profit from associates and joint ventures

For the financial year ended 31 December 2021, the Company had, on a consolidated basis, net financial items and share of profit from associates and joint ventures of NOK (22) million, compared to NOK (106) million for the financial year ended 31 December 2020. The decrease of NOK 84 million in net financial expenses was primarily driven by reduction in intercompany debt positions and corresponding interest as well as foreign exchange fluctuations.

10.3.3.7 Profit/loss before tax from continuing operations

The Company's consolidated loss before tax from continuing operations for the financial year ended 31 December 2021 was NOK 347 million, compared to a loss of NOK 273 million for the financial year ended 31 December 2020. The increase in loss of NOK 74 million, corresponding to 27%, was principally driven by the factors mentioned above in this Section 10.3.3.

10.3.3.8 Income tax expense from continuing operations

The Company's consolidated income tax expense for the financial year ended 31 December 2021 was negative at approximately NOK -2 million, compared to consolidated income tax expense of approximately NOK 35 million for the financial year ended 31 December 2020. The decrease of NOK 37 million, corresponding to 106%, was principally driven by a reversal of capitalized tax asset in 2020, increased loss before tax in 2021 coupled with tax rate differences between Norway and other jurisdictions in 2021 as well as other non-taxable income and non-taxable expenses.

10.3.3.9 Profit/loss from continuing operations

The Company's consolidated loss from continuing operations for the financial year ended 31 December 2021 was approximately NOK 345 million, compared to approximately NOK 308 million for the financial year ended 31 December 2020. The decrease of NOK 37 million, was principally driven by the factors mentioned above in this Section 10.3.3.

10.3.3.10 Income tax expense from discontinued operations

Tax related to discontinued operations was NOK 138 thousand and negative NOK 1 464 thousand in 2021 and 2020, respectively. For more information on income tax, see the Financial Information incorporated by reference to this Prospectus, and in particular note 30 in the Annual Report (see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference").*

10.3.3.11 Profit/loss after tax from discontinued operations

The Company's loss after tax from discontinued operations for the financial year ended 31 December 2021 was approximately NOK 9 million, compared to approximately NOK 35 million for the financial year ended 31 December 2020. The lower loss of approximately NOK 26 million, corresponding to approximately 75%, was principally driven by gain on disposal of discontinued operations (i.e. CNG LDV operations).

The results from CNG LDV operations for the period are presented below. The figures have been extracted from the Annual Report.

Table – Data from results of operations from CNG LDV

(In NOK thousand)	**As per 30 September 2021[(1)]**	**Year ended 31 December 2020**
Revenue	199 651	192 802
Expenses	212 323	201 734
Operating profit before depreciation (EBITDA)	**(12 672)**	**(8 932)**
Depreciation, amortization and impairment	17 524	27 554
Operating profit (EBIT)	**(30 196)**	**(36 486)**
Net finance	1 423	420
Profit before tax from discontinuing operations	**(31 619)**	**(36 066)**
Tax	138	1 464
Post-tax profit/(loss) from discontinued operations	**(31 757)**	**(34 602)**
Gain on disposal of discontinued operations before tax	23 205	-
Tax on disposal of discontinued operations	-	-
Profit/(loss) after tax for the period from discontinued operations	**(8 552)**	**(34 602)**

(1) Figures are as per 30 September 2021, as the transfer of the CNG LDV business from the Group to Hexagon Composites ASA was completed on 1 October 2021.

10.3.4 *Results of operations for the financial year ended 31 December 2020 compared to the financial year ended 31 December 2019*

The table below summarizes selected data relating to the Group's historical results of operations for the financial years ended 2020 and 2019, extracted from the Annual Report incorporated by reference to this Prospectus (for more information, see Section 9 *"Financial and other information"* and Section 16.4 *"Incorporation by reference"*).

Table – Data from consolidated statement of operations for the year ended 31 December 2020 vs the same period in 2019

	Year ended 31 December	
(In NOK thousand)	**2020**	**2019**
Total revenue	179 814	211 294
Total operating expenses before depreciation	320 536	354 556
Operating profit before depreciation (EBITDA)	**-140 722**	**-143 261**
Depreciation, amortization and impairment	26 906	25 508
Operating profit (EBIT)	**-167 628**	**-168 769**
Net financial items and share of profit from associates and joint ventures	-105 744	-24 903
Profit/loss before tax from continuing operations	**-273 373**	**-193 672**
Income tax expense	34 653	-25 777
Profit/loss for the year from continuing operations	**-308 026**	**-167 895**
Discontinued operations relevant for this time period	-34 602	69 179
Profit/loss for the year	**-342 628**	**-98 616**

10.3.4.1 *Total revenue*

Total revenue for the financial year ended 31 December 2020 was NOK 180 million compared to total revenue of NOK 211 million for the financial year ended 31 December 2019. The decrease of NOK 31 million, corresponding to 15%, was mainly due to lower contribution from a heavy-duty battery electric truck demonstration program which started in 2019 and ended in 2020; this was partially offset by increased activity with other OEMs both in BEV and FCEV applications.

Set out below is the disaggregation of the Group's revenue from contracts with customers for the financial years ended 31 December 2020 and 2019, extracted from the Annual Report. The Group's customer base is relatively fragmented in terms of size and concentration such that the Group is not dependent on any single customer. No customer or customer group did exceed 10% of annual sales in the group in 2020 and 2019. For more information, see the Financial Information incorporated by reference to this Prospectus (see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference").*

Table – Revenues in 2020 vs 2019

	Year ended 31 December	
(In NOK thousand)	**2020**	**2019**
External and internal customers		
Sale of cylinders and systems	132 347	183 082
Sale of services and funded development	28 611	9 790
Other revenues	1 593	671
Contracts with customers at a point in time	**162 551**	**193 543**
Sale of cylinders and systems	-2 398	**-4 184**
Sale of services and funded development	4 514	18 795
Other revenues	-	-
Contracts with customers over time	**2 116**	**14 611**
Revenue from contracts with external customers	**164 667**	**208 154**
Sale of cylinders and systems	11 235	453

Sale of services and funded development	3 811	-786
Other revenues	100	3 473
Rental income	-	-
Contracts with related parties	**15 146**	**3 140**
Total revenue	**179 813**	**211 294**
Type of goods or service		
Sale of cylinders and systems	141 185	179 352
Sale of services and funded development	36 936	27 799
Other revenues	1 693	4 143
Total revenue from contracts with customers	**179 814**	**211 294**
Timing of revenue recognition		
Goods transferred at a point in time	162 552	193 543
Services transferred over time	2 117	14 612
Transactions with related parties	15 146	3 140
Total revenue from contracts with customers	**179 815**	**211 295**

(1) CNG LDV is reported as discontinued operation in previous periods.

Set out below is an overview of contract balances as at 31 December 2020 and 2019.

Table – Contract balances 2020 vs 2019		
	Year ended 31 December	
(In NOK thousand)	**2020**	**2019**
Trade receivables	26 657	125 015
Contracts assets (accrued revenue)	814	3 100
Contract liabilities (incl. prepayment from customers)	32 068	33 276

All contracts are for periods of one year or less, or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed. The entire contract liabilities were recognized in the subsequent period. For more information, see the Financial Information incorporated by reference to this Prospectus, and in particular note 7 in the Annual Report (see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference").*

Trade receivables are recognized at transaction price and subsequently measured at initial recognized amount less impairment losses. Trade receivables for the financial year ended 31 December 2020 were approximately NOK 27 million, compared to approximately NOK 125 million for the financial year ended 31 December 2019. The decrease of approximately NOK 98 million, corresponding to -78%, was driven amongst other by decrease in revenue and the reclassification of the CNG LDV business as held for sale.

For an overview of sales revenue by geographic regions, see Section 10.3.5 *"Revenue by geographic regions"*.

10.3.4.2 Total operating expenses before depreciation

Total operating expenses before depreciation for the financial year ended 31 December 2020 were NOK 321 million compared to NOK 355 million for the financial year ended 31 December 2019. The decrease of NOK 34 million, or 10%, in operating expenses before depreciation is primarily explained by lower cost of materials and payroll and social security expenses partially offset by higher other operating expenses.

Table – Data from operating expenses 2020 vs 2019		
	Year ended 31 December	
(In NOK thousand)	**2020**	**2019**
Cost of materials	86 717	128 232
Payroll & social security expenses	123 497	143 157
Other operating expenses	110 322	83 167
Total operating expenses before depreciation	**320 536**	**354 556**

10.3.4.3 Operating profit before depreciation (EBITDA)

Operating loss before depreciation, amortization and impairment (EBITDA) for the financial year ended 31 December 2020 was NOK 141 million, compared to NOK 143 million for the financial year ended 31 December 2019. The lower loss of NOK 3 million, corresponding to 2% is mainly explained by the decline in total operating expenses before depreciation.

10.3.4.4 Depreciation, amortization and impairment

Depreciation, amortization and impairment expenses for the financial year ended 31 December 2020 was NOK 27 million, compared to NOK 26 million for the financial year ended 31 December 2019. The increase of NOK 1 million, corresponding to 5%, was mainly due to increased property, plant and equipment and intangible assets.

10.3.4.5 Operating profit (EBIT)

For the financial year ended 31 December 2020, operating loss was NOK 168 million, compared to NOK 169 million for the financial year ended 31 December 2019 due to the factors mentioned above in this section 10.3.4.

10.3.4.6 Net financial items and share of profit from associates and joint ventures

For the financial year ended 31 December 2020, the Company had, on a consolidated basis, net financial items and share of profit from associates and joint ventures of NOK (106) million, compared to NOK (25) million for the financial year ended 31 December 2019. The increased negative impact of net financial items of NOK 81 was primarily driven by net interest expense on debt due to Hexagon Composites ASA and negative foreign exchange effects of NOK 70 million.

10.3.4.7 Profit/loss before tax from continuing operations

The Company's consolidated loss before tax from continuing operations for the financial year ended 31 December 2020 was NOK 273 million, compared to NOK 194 million for the financial year ended 31 December 2019. The higher loss of NOK 80 million, corresponding to 41%, was principally driven by higher net finance expenses.

10.3.4.8 Income tax expense

The Company's consolidated income tax expense for the financial year ended 31 December 2020 was NOK 35 million, compared to an income tax income of NOK 26 million for the financial year ended 31 December 2019. The increase in tax expense of NOK 60 million, corresponding to 234%, was principally driven by reversal of previously capitalized tax assets in 2020, lower profit before tax from continuing operations, and differences relating to foreign subsidiaries..

10.3.4.9 Profit/loss from continuing operations

The Company's consolidated loss for the financial year ended 31 December 2020 (before profit from discontinued operations) was NOK 308 million, compared to NOK 168 million for the financial year ended 31 December 2019. The higher loss of NOK 140 million, corresponding to 83%, was principally driven by the changes reported under sections 10.3.4.1 to 10.3.4.8.

10.3.4.10 Discontinued operations

The Company's loss after tax from discontinued operations for the financial year ended 31 December 2020 was NOK 35 million, compared to a profit of NOK 69 million for the financial year ended 31 December 2021. The decrease in profit of NOK 104 million, corresponding to 150%, was principally driven by lower revenue in the CNG LDV business.

The results from CNG LDV operation for the period are presented below. The figures have been extracted from the Annual Report.

Table – Results of operations from discontinued operations (CNG LDV)		
	Year ended 31 December	
(In NOK thousand)	**2020**	**2019**
Revenue	192 802	455 405
Expenses	201 734	366 196
Operating profit before depreciation (EBITDA)	**(8 932)**	**89 209**
Depreciation, amortization and impairment	27 554	21 669
Operating profit (EBIT)	**(36 486)**	**67 510**
Net finance	420	(6)
Profit before tax from discontinuing operations	**(36 066)**	**67 516**
Tax	1 464	(1 764)
Post-tax profit/(loss) from discontinued operations	**(34 602)**	**69 279**
Gain on disposal of discontinued operations before tax	-	-
Tax on disposal of discontinued operations	-	-
Profit/(loss) after tax for the period from discontinued operations	**(34 602)**	**69 279**

10.3.5 Revenue by geographic regions

The market for the Group's products is global. The Group has three main geographic focus areas for sales; Europe, North America and Asia, respectively.

Principles of revenue recognition are stated in accounting principles to consolidated financial statements. For more information, please refer to notes 6, 7 and 7.1 of the Annual Report incorporated by reference to this Prospectus (see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference").*

The table below provides information on the Group's sales revenues by geographic regions for the financial years ended 31 December 2021, 2020 and 2019, as set out in the Financial Information (which is incorporated by reference to this Prospectus, see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference"*). The Company does not report revenue by geopgraphical region in its interim financial reporting.

Table – Revenue by geographic region			
	Year ended 31 December		
(Amounts in NOK thousand)	**2021**	**2020**	**2019**
Norway	382	22	16
Europe	344 012	39 075	36 112
North America	155 399	130 099	169 491
Latin America & the Caribbeans	-	-	64
Asia	7 651	10 532	5 611
Australia/Oceania	274	86	-
Total	**507 718**	**179 814**	**211 294**

10.4 Financial review of the Company's consolidated financial position

10.4.1 Description of balance sheet line items

10.4.1.1 Total non-current assets continuing operation

Total non-current assets comprise mainly property, plant & equipment, right-of-use assets, and intangible assets.

10.4.1.2 Total current assets continuing operation

Total current assets comprise mainly inventories, trade receivables, other current assets, and cash and cash equivalents.

10.4.1.3 Total assets

Total assets are the total of non-current assets and current assets.

10.4.1.4 Assets held for sale

Assets held for sale consists of non-current assets held for sale and other assets related to discontinued operations.

10.4.1.5 Total equity

Total equity is the sum of contributed capital (share capital and share premium), other paid-in capital, and other equity.

10.4.1.6 Total non-current liabilities continuing operations

Total non-current liabilities continuing operations comprise of interest-bearing loans and borrowings, lease liabilities, non-current provisions, other non-current financial liabilities, net employee defined benefit liabilities and deferred tax liabilities, relating to continued operations (i.e., excluding discontinued operations during the relevant period).

10.4.1.7 Total current liabilities continuing operations

Total current liabilities continuing operations consist of trade and other payables, contract liabilities, interest-bearing loans and borrowings, lease liabilities (short term), income tax payable, provisions, and other current liabilities, relating to continued operations (i.e. excluding discontinued operations during the relevant period).

10.4.1.8 Total liabilities

Total liabilities are the total of non-current liabilities continuing operations and current liabilities continuing operations.

10.4.2 Financial position as at 30 September 2022 compared to 30 September 2021

The table below provides selected data pertaining to the Group's statements of financial position as at 30 September 2022 and 2021 (extracted from the Interim Report incorporated by reference to this Prospectus, see Section 16.4 *"Incorporation by reference"*).

Table – Data from the consolidated statements of financial position as at 30 September 2022 vs 30 September 2021		
	As at 30 September	
(In NOK thousand)	**2022(1)**	**2021(1)**
Total non-current assets continuing operations	1 429 515	581 533
Total current assets continuing operations	1 206 037	1 037 461
Assets held for sale	-	275 030
Total assets	**2 635 552**	**1 894 024**
Total equity	**1 788 620**	**1 335 763**
Total non-current liabilities continuing operations	227 759	24 674
Total current liabilities continuing operations	619 173	370 780
Liabilities directly associated with the assets held for sale	-	162 806
Total liabilities	**846 932**	**558 260**
Total equity and liabilities	**2 635 552**	**1 894 024**

(1) Unaudited

10.4.2.1 Total non-current assets

The Group's total non-current assets from continuing operations as at 30 September 2022 were approximately NOK 1 430 million, compared to approximately NOK 582 million as at 30 September 2021. The increase of approximately NOK 848 million, or 145%, was principally driven by increases in property, plant and equipment and intangible assets from the acquisition of Wystrach GmbH.

10.4.2.2 Total current assets

The Group's total current assets from continuing operations as at 30 September 2022 were approximately NOK 1 206 million, compared to approximately NOK 1 037 million as at 30 September 2021. The increase of NOK 169 million, or 16%, was principally driven by the Wystrach GmbH acquisition and a pick-up in business activity.

10.4.2.3 Assets held for sale

As the transfer of CNG LDV was completed on 1 October 2021, the Group did not hold any assets for sale as of 30 September 2022. As at 30 September 2021, approximately NOK 275 million was held for sale relating to CNG LDV.

10.4.2.4 Total assets

The Group's total assets for the financial year ended 30 September 2022 were approximately NOK 2 636 million, compared to approximately NOK 1 894 million as at 30 September 2021. The increase of approximately NOK 742 million, or 39%, was mainly driven by the Wystrach GmbH acquisition and purchase of property, plant and equipment.

10.4.2.5 Total equity

The Group's total equity as at 30 September 2022 was approximately NOK 1 789 million, compared to approximately NOK 1 336 million as at 30 September 2021. The increase of approximately NOK 453 million was due to the private placement completed in first quarter 2022 resulting in gross proceeds of NOK 600 million, offset by net losses for the period.

10.4.2.6 Total non-current liabilities continuing operations

The Group's total non-current liabilities from continuing operations as at 30 September 2022 were approximately NOK 228 million, compared to approximately NOK 25 million as at 30 September 2021. The increase of NOK 203 million, or approximately 825%, was primarily driven by the Wystrach GmbH acquisition.

10.4.2.7 Total current liabilities continuing operations

The Group's total current liabilities as at 30 September 2022 were approximately NOK 619 million, compared to approximately NOK 371 million as at 30 September 2021. The increase of NOK 248 million, or approximately 67%, was primarily driven by the Wystrach GmbH acquisition and a pick-up in business activity.

10.4.2.8 Liabilities directly associated with the assets held for sale

As the transfer of CNG LDV was completed on 1 October 2021, the Group did not have any liabilities directly associated with the assets held for sale as of 30 September 2022. As at 30 September 2021, approximately NOK 163 million was held for sale relating to CNG LDV.

10.4.2.9 Total liabilities

The Group's total liabilities as at 30 September 2022 were approximately NOK 847 million, compared to approximately NOK 558 million as at 30 September 2021. The increase of NOK 289 million, or approximately 52%, was primarily driven by the Wystrach GmbH acquisition and increased business activity.

10.4.3 Statement of consolidated financial position as at 31 December 2021 compared to 31 December 2020

The table below summarizes data from the Group's statement of financial position related to the Company's activities and is extracted from the Company's audited consolidated annual financial statement for the financial year ended 31 December 2021 with comparative information for the financial year ended 31 December 2020.

Table – Data from the consolidated statement of financial position as at 31 December 2021 vs 31 December 2020

	As at 31 December	
(In NOK thousand)	**2021**	**2020**
Total non-current assets continuing operation	1 081 718	525 005
Total current assets continuing operation	1 020 027	1 349 849
Assets held for sale	-	219 771
Total assets	**2 101 745**	**2 094 625**
Total paid-in capital	1 415 398	1 629 021
Total other equity	-	-
Total equity	**1 415 398**	**1 629 021**
Total non-current liabilities continuing operation	244 384	35 457
Total current liabilities continuing operation	441 964	352 990
Liabilities directly associated with the assets held for sale	-	77 158
Total liabilities	**686 347**	**465 604**
Total equity and liabilities	**2 101 745**	**2 094 625**

10.4.3.1 Total non-current assets continuing operations

The Company's total non-current assets continuing operations as at 31 December 2021 was NOK 1 082 million, compared to NOK 525 million as at 31 December 2020. The increase of NOK 557 million, or 106%, was principally driven by increases in property, plant and equipment and intangible assets from the acquisition of Wystrach GmbH.

10.4.3.2 Total current assets continuing operations

The Company's total current assets continuing operations as at 31 December 2021 were NOK 1 020 million, compared to NOK 1 350 million as at 31 December 2020. The decrease of NOK 330 million, or 24%, was principally driven by a lower cash balance partially offset by the impact of the Wystrach GmbH acquisition, and a pick up in business activity.

10.4.3.3 Total assets

The Company's total assets as at 31 December 2021 were NOK 2 102 million, compared to NOK 2 095 million as at 31 December 2020.

10.4.3.4 Assets held for sale

The Company's assets held for sale as at 31 December 2021 were NOK 0 million, compared to NOK 220 million as at 31 December 2020. The decrease of NOK 220 million, or 100%, was due to the sale of the Compressed Natural Gas Light Duty Vehicle (CNG LDV) activities to Hexagon Composites' natural gas-mobility business.

On 19 August 2020, Hexagon Composites ASA (which at the time was the sole shareholder of the Company) announced the intended transfer the CNG LDV activities from the Group to Hexagon Composites ASA's natural gas-mobility (g-mobility) business. This transfer established Hexagon Purus as a pure e-mobility business. The decision was made by relevant management levels and the financial elements of the transactions are concluded. The completion of the transfer took place 1 October 2021, and the CNG LDV business unit was effectively sold and derecognized on this date.

The major classes of assets and liabilities of the CNG LDV operation, classified as held for sale as of 31 December 2020, and as presented in note 5.2 to the Annual Report (incorporated by reference to this Prospectus, see Section 16.4 *"Incorporation by reference"* are presented below.

Table – Data from assets and liabilities of the CNG LDV operation, classified as held for sale as of 31 December 2020

	As at 31 December
(In NOK thousand)	**2020**
Assets	
Property, plant and equipment	26 602
Right-of-use assets	31 002
Intangible assets	82 161
Total non-current assets	**139 766**
Inventories	60 409
Trade receivables	19 598
Cash and short-term deposits	-
Total current assets	80 004
Total assets held for sale	**219 771**
Interest-bearing loans and borrowings, related party	4 256
Lease liabilities	26 395
Deferred tax liabilities, pension liabilities	3 930
Total non-current liabilities	**34 581**
Trade and other payables	23 001
Contract liabilities	(637)
Lease liabilities, short term	5 239
Other current liabilities	14 973
Total current liabilities	**42 577**

Total liabilities held for sale	**77 158**

10.4.3.5 Total equity

The Company's total equity as at 31 December 2021 was NOK 1 415 million, compared to NOK 1 629 million as at 31 December 2020. The decrease of NOK 214 million, or 13%, was primarily due to the reported loss for the financial year 2021 of approximately NOK 354 million and changes in total paid-in capital of approximately NOK 144 million resulting from the issuance of 4 444 430 consideration shares to the previous shareholders of Wystrach GmbH in connection with the closing of the Wystrach acquisition.

10.4.3.6 Total non-current liabilities continuing operations

The Company's total non-current liabilities continuing operations as at 31 December 2021 were NOK 244 million, compared to NOK 35 million as at 31 December 2020. The increase of NOK 209 million, or 597%, was primarily due to increases in interest-bearing loans and borrowings, other non-current financial liabilities and deferred tax liabilities, primarily associated with the acquisition of Wystrach.

10.4.3.7 Total current liabilities continuing operations

The Company's total current liabilities continuing operations as at 31 December 2021 were NOK 442 million, compared to NOK 353 million as at 31 December 2020. The increase of NOK 89 million, or 25%, was primarily due to increases in trade and other payables of approximately NOK 107 million and contract liabilities of approximately NOK 90 million, primarily related to the Wystrach acquisition, partially offset by a decrease in interest-bearing loans and borrowings of approximately NOK 105 million from the settlement of the debt position with Hexagon Composites ASA which was settled against a share purchase agreement where Hexagon Composites ASA acquired the CNG LDV entities from Hexagon Purus. The remaining residual intercompany debt after the completion of this share purchase agreement, was settled in cash as soon as the demerger process was completed. For more information about interest-bearing liabilities, see Section 10.5.4 "*Interest-bearing liabilities*".

10.4.3.8 Total liabilities

The Company's total liabilities as at 31 December 2021 were NOK 686 million, compared to NOK 466 million as at 31 December 2020. The increase of NOK 221 million, or 47%, was driven by the developments explained under section 10.4.3.6 and 10.4.3.7, as well as a decrease of liabilities directly associated with the assets held for sale from NOK 77 million to NOK 0 million.

10.4.4 Financial position as at 31 December 2020 compared to 31 December 2019

The table below summarizes data from the Group's financial position related to the Company's activities and is extracted from the Company's audited consolidated annual financial statement as at 31 December 2020 with comparative information as at 31 December 2019.

Table – Data from the statements of financial positions as at 31 December 2020 vs 31 December 2019		
	As at 31 December	
(In NOK thousand)	**2020**	**2019**
Total non-current assets continuing operations	525 005	677 404
Total current assets continuing operations	1 349 849	299 827
Assets held for sale	219 771	-
Total assets	**2 094 625**	**977 231**
Total paid-in capital	1 629 021	14 773
Total other equity	-	-119 590
Total equity	**1 629 021**	**-104 816**
Total non-current liabilities continuing operations	35 457	803 269

Total current liabilities continuing operations	352 990	278 778
Liabilities directly associated with the assets held for sale	77 158	-
Total liabilities	**465 604**	**1 082 047**
Total equity and liabilities	**2 094 625**	**977 231**

10.4.4.1 Total non-current assets continuing operations

The Company's total non-current assets from continuing operations as at 31 December 2020 were NOK 525 million, compared to NOK 677 million as at 31 December 2019. The decrease of NOK 152 million, or 22%, was principally driven by reclassification of the assets of the CNG LDV business to Assets held for sale.

On 19 August 2020, Hexagon Composites ASA (which at the time was the sole shareholder of the Company) announced the transfer of the CNG LDV activities from the Group to Hexagon Composites ASA's natural gas-mobility (g-mobility) business. This transfer established the Group as a pure e-mobility business. Hence, in the Company's consolidated financial position as at 31 December 2020, a total of approximately NOK 220 million were reported separately as assets held for sale, of which approximately NOK 140 million related to total non-current assets. The completion of the transfer took place 1 October 2021, and the CNG LDV business unit was effectively sold and derecognized on this date.

10.4.4.2 Total current assets continuing operations

The Company's total current assets continuing operations as at 31 December 2020 were NOK 1 350 million, compared to NOK 300 million as at 31 December 2019. The increase of NOK 1 050 million, or 350%, was principally driven by a higher cash balance due to NOK 750 million in gross proceeds from new equity in conjunction with the Company's IPO and the accompanying private placement of new shares in December 2020 as well as an increase in intercompany loans from Hexagon Composites over the course of the year.

10.4.4.3 Total assets

The Company's total assets as at 31 December 2020 were NOK 2 095 million, compared to NOK 977 million as at 31 December 2019. The increase of NOK 1 117 million, or 114%, was driven primarily by the increase in cash.

10.4.4.4 Assets held for sale

The Company's assets held for sale as at 31 December 2020 were NOK 220 million, compared to NOK 0 million as at 31 December 2019. The increase of NOK 220 million was due to the decision of Hexagon Composites' Board of Directors to transfer its Compressed Natural Gas Light Duty Vehicle (CNG LDV) activities from Hexagon Purus to Hexagon Composites' natural gas-mobility business.

10.4.4.5 Total equity

The Company's total equity as at 31 December 2020 was NOK 1 629 million, compared to NOK (105) million as at 31 December 2019. The increase of NOK 1 734 million was primarily a result of conversion of the Company's debt owed to Hexagon Composites into equity as part of the process leading up to the listing of the Shares on Euronext Growth Oslo.

On 26 October 2020, a restructuring of the Group's debt to the various entities in Hexagon Composites ASA group took place, by which Hexagon Composites ASA became the sole creditor for the total outstanding loan positions towards entities within the Group. The total loan amount did include an additional new loan of NOK 500 million to the Company with the intention to provide cash for operation and growth of the Group. The total loan was subordinated to any external financing in the Group and it had a right to be converted to equity when the solidity in the Group needed to be improved. On 30 October 2020, the Company issued 201 289 712 new shares in a share split and debt conversion. In the extraordinary shareholders meeting held on 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 the

Shares 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.

On 9 December 2020, the Company issued 27 472 527 new shares in a private placement at the price of NOK 27.30 per share.

10.4.4.6 Total non-current liabilities continuing operations

The Company's total non-current liabilities continuing operations as at 31 December 2020 were NOK 35 million, compared to NOK 803 million as at 31 December 2019. The decrease of NOK 768 million, or 96%, was primarily due to the decreasing interest-bearing loans and borrowings from Hexagon Composites ASA (for more information on the restructuring of debt and conversion of debt into equity during the financial year 2020, see Section 10.4.4.5 *"Total equity"*) as well as the reclassification of the liabilities of the CNG LDV business to Liabilities directly associated with the assets held for sale.

10.4.4.7 Total current liabilities continuing operations

The Company's total current liabilities continuing operations as at 31 December 2020 were NOK 353 million, compared to NOK 279 million as at 31 December 2019. The increase of NOK 74 million, or 27%, was primarily due to an increase in interest-bearing loans and borrowings, related party, partially offset by a decrease in trade and other payables and other current liabilities.

10.4.4.8 Total liabilities

The Company's total liabilities as at 31 December 2020 were NOK 466 million, compared to NOK 1 082 million as at 31 December 2019. The decrease of NOK 616 million, or 57%, was driven by the developments explained under section 10.4.4.6 and 10.4.4.7.

10.4.5 Non-current assets by geographical region

The Group has four main geographic areas for for non-current assets by region.

The table below provides information on the Group's non-current assets by geographic regions for the financial years ended 31 December 2021, 2020 and 2019. Non-current assets for this purpose consists of property, plant & equipment, right of use assets and intangible assets. For more information, see the Financial Information incorporated by reference to this Prospectus, and in particular note 6 in the Annual Report (see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference").* The Company does not report non-current assets by geographic region in its interim financial reporting.

Table – Non-current assets by geographic region

	Year ended 31 December		
(Amounts in NOK thousand)	**2021**	**2020**	**2019**
Norway	82 844	58 247	52 826
Europe	939 445	427 531	553 436
North America	49 691	36 410	26 052
Asia	238	-	-
Total external	**1 072 218**	**522 188**	**632 314**

10.5 Liquidity and capital resources

Set forth below is a review of the Company's liquidity and capital resources, including cash flows based on Company's consolidated cash flows for each year and interim period for which historical financial information have been included in this Prospectus. The review below must be read in conjunction with the significant accounting policies in this section and in the notes to the Financial Information incorporated by reference to this Prospectus (for more information, see Section 16.4 "Incorporation by reference").

10.5.1 Capital structure and equity

The Group's primary sources of liquidity from 2019 up to 30 September 2022 have been intercompany funding from Hexagon Composites ASA and proceeds from issues of equity.

As set out in note 20.5 in the Annual Report (incorporated by reference to this Prospectus, see Section 16.4 *"Incorporation by reference")*, the main goal of the 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.

The Group is a growth company where large investments in business development will be necessary to secure future growth and profitability, and the Group anticipates that it will need to raise further financing in the future to fully fund its current business plan. The main financing method in the near future is expected to be equity or equity-linked financing instruments (such as e.g. the Convertible Bond). By achieving a relatively low debt to equity ratio, the Group will be able to support its operations and with a relatively high share of equity the Company can balance the business risk in a sound manner. It is targeted that the Group's shareholders shall receive a competitive return on their shares, mainly through price increases in the Group's shares. The Group is not expecting to pay dividends based on financial performance in the nearest periods (for more information on dividends and dividend policy, see Section 5 *"Dividends and dividend policy"* of this Prospectus. 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. During 2022, the Company has completed the following private placements by issuance of new Shares:

- On 15 February 2022, the Company announced the successful completion of a private placement raising gross proceeds of approximately NOK 600 million by issuing of 24,742,268 new shares, at a price per share of NOK 24.25. The net proceeds from this private placement has and will be used for: (i) Cylinder and systems capacity expansion across geographies to meet customer demand; (ii) Investments in automated manufacturing facility and technical center of excellence in Kelowna, Canada to support and increase production capacity for battery packs and hydrogen storage systems; (iii) Investments in production capacity in China to serve the fast-growing Chinese market through the joint venture with CIMC Hydrogen Energy Technology LTD; (iv) Organizational scale-up to support continued technological development and capacity expansion; and Working capital as well as for general corporate purposes.

As at 31 December 2021, the Group had equity of approximately NOK 1 415 million and an equity ratio of approximately 67%. As at 30 September 2022, the Company had equity of approximately NOK 1 788.6 million and an equity ratio of approximately 68%.

On 1 March 2023, the Company successfully completed a private placement raising gross proceeds of approximately NOK 500 million through the issuance of 18,518,519 new shares, at a price per share of NOK 27 (the "**Private Placement**"). The net proceeds from the Private Placement of approximately NOK 474.2 million are to be used to support the Company's growth trajectory, including its ongoing global capacity expansion program and its financial targets for 2025.

Borrowings

As at 30 September 2022, the Company reported interest-bearing loans and borrowings at approximately NOK 49.9 million, compared to approximately NOK 55.7 million as at 31 December 2021.

The following table summarizes the key information related to the debt instruments held by the Company's subsidiary Wystrach GmbH:

Table – Key information related to debt instruments								
#	**Lender**	**Type**	**Max. credit amount EUR thousand**	**Utilization 09/30/22 EUR thousand**	**Maturity**	**Interest rate % 09/30/22**	**Interest fixed / floating**	**Repayment schedule p.a. EUR thousand**
1	Commerzbank AG	Overdrafts	750.0	52.8	indef.	4.81%	floating	n/a
2	Deutsche Bank AG		750.0	616.6	31/03/23	5.50%	floating	n/a
3	Volksbank a.d. Niers eG	Bank loans	n/a	712.3	9/30/36	1.55%	fixed	50.9
4	Deutsche Bank AG		n/a	1,633.8	9/30/37	1.96%	fixed	260.0
5	Deutsche Bank AG		n/a	1,414.3	30/06/33	2.88%	fixed	131.6
6	Deutsche Bank AG		n/a	464.4	11/30/25	1.79%	fixed	136.0
7	R+V Allg. Vers. AG	Guarantees	n/a	4,491.7	31/05/23	1.25%	fixed	n/a

The overdraft facility with Commerzbank holds certain covenants related to an isolation agreement entered into in connection with the acquisition of Wystrach GmbH by the Company, including that Wystrach should remain a subsidiary to the Company with no change of control and all legal transactions should comply with the arm's length principle, as so with third party.

Wystrach GmbH's real property serves as collateral for bank loans number 4-7 listed in the table above.

For further information on an overview of carrying amount of total unsecured non-current liabilities and total non-current liabilities and repayments structure for non-current liabilities, see Section 10.5.4 *"Interest-bearing liabilities"*.

The Convertible Bond

The Company issued senior unsecured convertible bonds in the amount of NOK 800,000,000 in March 2023, pursuant to a resolution made by the extraordinary general meeting of the Company on 16 March 2023, (the "**Convertible Bond**" or the "**Convertible Bond Issue**"), with net proceeds amounting to approximately NOK 775.3 million. The Convertible Bond has a tenor of 5 years, a bullet amortization which carry a payment-in-kind (PIK) interest of 6.0% p.a. Interest falls due semi-annually and shall be settled through the issuance of additional bonds. The maximum total issue amount under the Convertible Bond Issue is NOK 999,950,000 which may be exhausted through a tap issue within 45 days after the initial issue.

The bonds issued under the Convertible Bond Issue rank pari passu between themselves and all other existing and future unsubordinated obligations of the Company. Furthermore, the bonds rank ahead of equity capital, and any other subordinated obligations of the Company.

The bondholders may elect to convert the bonds (including any additional bonds issued as PIK interest) to Shares in the Company at any time during the period from the issue date for the bonds until the date falling five business days prior to the maturity date for the Convertible Bond Issue at a conversion price of NOK 33.75 per share. Mitsui & Co., Ltd. ("**Mitsui**"), which subscribed for an amount of NOK 500,000,000 under the Convertible Bond, has undertaken a 2-year lock-up on its investment in the Convertible Bond, and may as such not transfer its bonds during this time period. Further, Mitsui has undertaken a 180-day lock-up for Shares received upon conversion prior to 3 years from the disbursement date of the Convertible Bond, and a 90-day lock-up for Shares received upon conversion after 3 years from the disbursement date of the Convertible Bond.

The Convertible Bond Issue is otherwise subject to normal provisions for adjustment of the conversion price, and include standard undertakings for this type of convertible bond, including a corporate transaction event which triggers mandatory redemption on the occurrence of: (a) a sale (whether directly or indirectly) by the Company or another material Group company of all or substantially all of its assets; (b) a merger of the Company or another material Group company with or into another entity (if after such merger the holders of a majority of the Company's or such material Group company's voting securities immediately prior to the transaction do not hold a majority of the voting securities of the successor entity) or; (c) the occurrence of a transaction which results in the transfer of more than 50% of the Company's voting securities to one person or several persons acting in concert with respect to the transaction (if the Company's shares are subsequently listed on a regulated market (which will be the case following the Listing), the threshold of more than 50% shall be reduced to more than 33.33%).

A call option is included in the bond terms for the Convertible Bond Issue, under which the Company may redeem all but not only some of the outstanding bonds in cash by irrevocable written notice to the bond trustee from and including the date falling 36 months after the issue date at a price equal to 112% of the nominal amount for each redeemed bond, on the further terms and conditions set out in the bond terms. Further, a clean up call option is also included in the bond terms, which is triggered by the redemption or conversion of more than 90% of the bonds. If the clean up call option is triggered, the Company will be entitled to repurchase outstanding bonds at the nominal amount.

The bond terms for the Convertible Bond contains customary negative pledge and financial indebtedness restrictions. Further, under the bond terms, the Company may not pay dividends to shareholders or make any other distribution in respect of the Shares as long as any amount under the Convertible Bond remains outstanding, unless written approval is received from bondholders holding more than 50% of the bonds.

10.5.2 Description of cash flows

10.5.2.1 Summarised cash flow information

The following table provides selected data pertaining to the Company's summarised consolidated historical cash flows for the years ended 31 December 2021, 2020 and 2019 (extracted from the Annual Report incorporated by reference to this Prospectus, see Section 16.4 *"Incorporation by reference"*) and for the nine-month period ended 30 September 2022 and 2021 (extracted from the Interim Report incorporated by reference to this Prospectus, see Section 16.4 *"Incorporation by reference"*).

Table – Data from cash flow statements

	Nine-month period ended 30 September		Year ended 31 December		
	2022 (1)	2021 (1)	2021	2020 (2)	2019 (2)
Net cash flows from operating activities	-341 365	-413 674	-456 324	-226 707	14 607
Net cash flows from investming activities	-220 285	-91 618	-297 924	-21 561	-114 315
Net cash flows from financing activities	570 336	-24 252	-39 189	1 435 041	98 757
Net decrease / increase in cash and cash equivalents	8 685	-529 544	-792 953	1 181 258	-1 459
Cash and cash equivalents at end of period	481 026	717 428	453 398	1 246 351	65 093

(1) Unaudited

(2) The cash flow statement is presented including CNG LDV (discontinued operations) for 2020 and 2019.

10.5.2.2 The nine-month period ended 30 September 2022 compared to the nine-month period ended 30 September 2021

Consolidated Cash flow from operating activities

Net consolidated cash outflow from operating activities for the nine-month period ended 30 September 2022 was approximately NOK 341.3 million compared to a net cash outflow of approximately NOK 413.6 million for the nine-month period ended 30 September 2021. The decrease in outflow was primarily driven by reduction in net working capital following the sale of the discontinued operations of the CNG LDV business to Hexagon Composites on October 1, 2021.

Consolidated cash flow from investment activities

Net cash used in investment activities for the nine-month period ended 30 September 2022 was approximately NOK 220.2 million compared to approximately NOK 91.6 million for the nine-month period ended 30 September 2021. The higher net consolidated cash outflow from investment activities in the period mainly reflects investments in property, plant & equipment for capacity expansion initiatives in Kassel, Kelowna and Westminster, increased product development as well as the acquisition of a 40% stake in the liquid hydrogen business of Cryoshelter.

Consolidated cash flow from financing activities

Net consolidated cash flow from financing activities for the nine-month period ended 30 September 2022 was approximately NOK 570.3 million compared to an outflow of approximately NOK 24.2 million for the nine-month period ended 30 September 2021. The increase of approximately NOK 594.5 million mainly reflects the private placement completed in first quarter 2022 raising gross proceeds of NOK 600 million.

10.5.2.3 The financial year ended 31 December 2021 compared to the financial year ended 31 December 2020

Consolidated cash flow from operating activities

Net cash outflow from operating activities for the financial year ended 31 December 2021 was approximately NOK 456 million compared to a net cash outflow of approximately NOK 227 million for the financial year ended 31 December 2020, which included approximately NOK 8 million and approximately NOK 36 million of outflows related to discontinued operations (i.e. CNG LDV), in financial year ended 31 December 2021 and 31 December 2020, respectively. The increased outflow was primarily driven by higher operating losses and increased working capital requirements. The main portion of the increased working capital requirements relates to the change in trade receivables, contract assets and prepayments, which amounted to approximately negative NOK 147 million for the financial year ended 31 December 2021, compared to approximately positive NOK 81 million for the financial year ended 31 December 2020. For more information on the change in trade receivables, contract assets and prepayments, see note 15 in the Annual Report incorporated by reference to this Prospectus (see Section 16.4 *"Incorporation by reference")*.

Consolidated cash flow from investment activities

Net cash used in investment activities for the financial year ended 31 December 2021 was approximately NOK 298 million compared to approximately NOK 22 million for the financial year ended 31 December 2020, an increase of approximately NOK 276 million, mainly due to (i) purchase of property, plant and equipment, which amounted to approximately NOK 108 million for the financial year ended 31 December 2021 compared to approximately NOK 50 million for the financial year ended 31 December 2020, and (ii) cash related to acquisition of subsidiary net of cash acquired relating to Wystrach GmbH, which amounted to approximately NOK 146 million for the year ended 31 December 2021, compared to none for the financial year ended 31 December 2020.

Consolidated cash flow from financing activities

Net consolidated cash flow (used in)/from financing activities for the financial year ended 31 December 2021 was NOK (39) million compared to net inflows NOK 1 435 million for the financial year ended 31 December 2020, a decrease of NOK 1 474 million. The decrease is primarily related to proceeds from loans of approximately NOK 772 million in 2020 (compared to approximately NOK 11 million in 2021) and proceeds from new equity of approximately NOK 750 million in 2020 (compared to none in 2021). For more information on the proceeds from loan with related party, see Section 10.5.4 *"Interest-bearing liabilities"* of this Prospectus and note 26 in the Annual Report incorporated by reference to this Prospectus (see Section 16.4 *"Incorporation by reference")*.

10.5.2.4 The financial year ended 31 December 2020 compared to the financial year ended 31 December 2019

Cash flow from operating activities

Net consolidated cash outflow from operating activities for the financial year ended 31 December 2020 was NOK 227 million compared to a net cash inflow of NOK 15 million for the financial year ended 31 December 2019, which included NOK 36 million outflow and NOK 68 million inflow related to discontinued operations, in financial year ended 31 December 2020 and 31 December 2019, respectively. The increased outflow was primarily driven by higher losses and higher working capital requirements. For more information on the change in working capital, see notes 11, 13, 14, 15, 27 and 28 in the Annual Report incorporated by reference to this Prospectus (see Section 16.4 *"Incorporation by reference")*.

Consolidated cash flow from investment activities

Net cash used in investment activities for the financial year ended 31 December 2020 was NOK 22 million compared to NOK 114 million for the financial year ended 31 December 2019. The decrease in net cash used of NOK 93 million reflects in part lower capitalized product development activity during the period, as well as proceeds from sale of property, plant and equipment of approximately NOK 37 million in 2020.

Consolidated cash flow from financing activities

Net consolidated cash inflow from financing activities for the financial year ended 31 December 2020 was NOK 1 435 million compared to NOK 99 million for the financial year ended 31 December 2019, an increase of NOK 1 337 million, which included net proceeds from the NOK 750 million private placement in December 2020 as well as NOK 500 million of net proceeds from Hexagon Composites ASA in August 2020.

10.5.3 Bank deposits, cash and cash equivalents

The majority of excess liquidity for the Group is invested in bank deposits, cash and cash equivalents.

Cash & cash equivalents consist of cash in hand and at bank. Cash is primarily held in NOK, which is transferred to the Company's subsidiaries as needed and then, if relevant, converted to the local currency of the subsidiaries, including EUR, USD, CAD, HKD and RMB. Any positive balances against bank overdrafts are included as a component of cash and cash equivalents in the Company's consolidated cash flow statements (for more information, see Section 9.5 *"Data from consolidated cash flow statements"*). Bank overdrafts (if any) are reported under short-term loans in the balance sheet (for more information, see Section 9.4 *"Data from consolidated statements of financial position"*). Received interest income is classified as investment activities and interest payments is classified as investment activities in the cash flow statements.

The table below shows an overview of consolidated bank deposits, cash and cash equivalents as at 31 December 2021, 2020 and 2019, and as at 30 September 2022 and 2021.

Table – Consolidated bank deposits, cash and cash equivalents (unaudited)

	As at 30 September		As at 31 December		
(In NOK thousand)	**2022 (1)**	**2021 (1)**	**2021**	**2020**	**2019**
Cash at bank and in hand	481 026	717 428	453 398	1 246 351	65 093
Bank deposits, cash and cash equivalents	481 026	717 428	**453 398**	**1 246 351**	**65 093**
Bank overdrafts	6 658	-	8 637	-	-
Cash & cash equivalents in the cash flow analysis	481 026	717 428	453 398	1 246 351	65 093
Undrawn Group overdraft facility	8 657	-	13 837	-	-
Undrawn loan facilities	-	-	-	-	-
Restricted funds included in cash & cash equivalents (2)	974	-	1 182	528	-

(1) Unaudited

(2) Restricted tax withholdings.

10.5.4 Interest-bearing liabilities

As a historically unprofitable Business Area of Hexagon Composites, Hexagon Purus has been funded by Hexagon Composites ASA up until December 2020. Following the successful spin off and IPO in December 2020, Hexagon Purus has been financed through the sale of new equity. The main financing method in the near future is expected to be equity or equity-linked financing instruments (such as e.g. the Convertible Bond). Movements in loan from Hexagon Composites ASA are due to funding of operations, including investments in tangible and intangible assets, in addition to effects from changes in currency exchange rates. Funding related to operations have been made interest bearing either at time of transfer of cash or by being added to loan principal by end of each quarter. Terms of the interest-bearing positions have been at fair value floating quarterly.

At the end of Q3 2020, net debt positions in Hexagon Purus against Hexagon Composites ASA were converted to interest-bearing debt. On 30 October 2020, the net debt position was converted to equity (for more information on changes in equity, see Section 9.6 *"Data from statements of changes in equity"*). The residual of NOK 161 million was settled against a share purchase agreement where Hexagon Composites ASA acquired the CNG LDV entities from Hexagon Composites Germany GmbH. The remaining residual intercompany debt after the completion of this share purchase agreement, was settled in cash as soon as the demerger process was completed.

The table below shows an overview of interest-bearing liabilities for the years ended 31 December 2021, 2020 and 2019.

Table – Summarized interest-bearing liabilities				
		Year ended 31 December		
(In NOK thousand)		**2021**	**2020**	**2019**
Opening balance (loan from related party)		161 016	729 428	586 010
Proceeds from new loan with related party		-	771 588	143 418
Debt conversion		-	-1 340 000	-
Settlement of loan with related party without cash effect		-142 615	-	-
Repayment of loans		-21 755	-	-
Additions of loans from acquired companies		48 458	-	-
Proceeds from new loans		10 657	-	-
Closing balance		**55 761**	**161 016**	**729 428**

The table below shows an overview of carrying amount of total unsecured non-current liabilities and total non-current liabilities (not including 1st year's instalments) as at 31 December 2021.

Table – Summarized carrying amount						
(In NOK thousand)	**Interest rate conditions**	**Currency**	**Maturity**	**2021**	**2020**	**2019**
Unsecured loan from related party	NIBOR 3 months + margin	NOK	2021	-	-	729 428
Total unsecured non-current liabilities				**-**	**-**	**729 428**
Secured loans						
Volksbank an der Niers eG	Fixed	EUR	30/09/2036	7 169	-	-
Deutsche Bank AG	Fixed	EUR	30/03/2037	14 154	-	-
Deutsche Bank AG	Fixed	EUR	30/06/2033	16 403	-	-
Deutsche Bank AG	Fixed	EUR	30/11/2025	4 401	-	-
Total non-current liabilities, not including 1st year's instalments				**42 126**	**-**	**729 428**

The table below shows Repayments structure for non-current liabilities (1st year as current) as of 31 December 2021.

Table – Summarized repayments structure for non-current liabilities						
(In NOK thousand)	**2022**	**2023**	**2024**	**2025**	**2026**	**Thereafter**
Repayments structure for non-current liabilities (1st year as current)	4 413	4 400	4 450	4 380	2 950	25 946

For reconciliation for liabilities arising from financing activities, see note 26 in the Annual Report incorporated by reference to this Prospectus (see Section 16.4 *"Incorporation by reference")*.

10.5.5 Short-term interest-bearing loans

The loan from Hexagon Composites ASA was settled in relation to the sales of the discontinued operation, CNG LDV, in October 2021.

As of 31 December 2021, the Group had overdraft facilities in three different banks in total EUR 2.3 million at disposal for the subsidiary Wystrach GmbH. The interest rate for the overdraft facility is the Euro Interbank Offered Rate ("**EURIBOR**") 3 months + margin.

The table below shows an overview of short-term interest-bearing loans for the years ended 31 December 2021, 2020 and 2019.

Table – Summarized short-term interest-bearing loans			
	Year ended 31 December		
(In NOK thousand)	**2021**	**2020**	**2019**
Unsecured loan from related party	-	-	-
Short term loan (1)	585	161 016	-
Secured current interest-bearing liabilities	-	-	-
Overdraft facility	8 637	-	-
1st year's instalments, non-current interest-bearing liabilities	4 413	-	-
Total	**13 635**	**161 016**	**-**
1st year's instalments, lease liabilities	21 285	9 244	12 810

(1) The loan from Hexagon Composites ASA was settled in relation to the sales of the discontinued operation, CNG LDV, in October 2021.

10.5.6 Hedging

The Group may use financial instruments under its strategy to hedge risks associated with interest rate and foreign currency fluctuations. The Group is not currently using such instruments.

10.5.7 Restrictions on use of capital

The Group do not have any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Group's operations.

10.6 Investments

10.6.1 Historical investments

The table below shows the investments of the Group in total and by geographic regions for the financial years ended 31 December 2021, 2020 and 2019, extracted from note 6 in the Annual Report which shows the cash flow from investment activities relating to purchase of property, plant and equipment. The Company does not report investments by geographical regions in its interim financial reporting. For more information, see Section 4.2 *"Presentation of financial and other information"* and Section 16.4 *"Incorporation by reference"*.

Table – Summarized historical investments						
	Year ended 31 December					
	2021		**2020**		**2019**	
(In NOK thousand)	**Property, plant and equipment**	**Intangible assets**	**Property, plant and equipment**	**Intangible assets**	**Property, plant and equipment**	**Intangible assets**
Norway	1 683	32 973	-	12 002	-	60 526
Europe	84 389	4 762	41 136	1 471	42 432	1 213
North America	21 371	-	8 927	1 561	9 208	1 288
Asia	267	-	-	-	-	-
Total	**107 710**	**37 735**	**50 063**	**15 034**	**51 640**	**63 027**

Property, plant and equipment for 2020 and 2019 consists primarily of investments in the discontinued CNG LDV business in Kassel, as well as shop equipment, furniture and lease hold improvements in North America.

Investments in productive assets (beyond the Wystrach acquisition) in 2021 was mainly dominated by manufacturing and prototyping equipment for the production of hydrogen cylinders, suitable for light-duty and heavy-duty vehicle applications, as well as miscellaneous liner production investments, in total amounting to approximately NOK 108 million of investments. Additionally, capitalized development cost accumulated to approximately NOK 33 million.

Estimated investments in property, plant & equipment for the full year 2022 amounts to approximately NOK 240 million and primarily comprises building tenant improvements and battery automation equipment in Kelowna, heavy-duty cylinder line in Kassel and tenant improvements in the new Westminster facility. Additionally, capitalized development cost for 2022 is estimated to approximately NOK 53 million.

Wystrach

In Q4 2021, Hexagon Purus announced and completed the 100% acquisition of the German companies, Wystrach GmbH and Wyrent GmbH (together "Wystrach"), which contributed NOK 140 million in revenue and NOK 18 million in EBITDA in 2021. Through the acquisition, Hexagon Purus has expanded its product portfolio and further increased its exposure to the growing hydrogen infrastructure buildout through distribution modules, mobile refueling and stationary storage solutions. The acquisition adds hydrogen systems design and assembly capacity, further vertically integrating Hexagon Purus in the hydrogen systems supply chain and its plans to grow its systems capacity and capabilities. Wystrach is headquartered in Weeze, Germany, and employs approximately 185 employees (as of 31 December 2021). The fair value of Wystrach was NOK 399.9 million. The acquisition is settled with NOK 147.5 million in cash, NOK 144.5 million in consideration shares in Hexagon Purus ASA, NOK 43.0 million in deferred payment and contingent liabilities of NOK 64.9 million expected to be settled in cash in 2023 and 2024. Contingent considerations are dependent upon revenue- and EBITDA-targets of Wystrach in 2021, 2022, and 2023 and are recognized based on best estimate of target achievement.

Cryoshelter

On 21 April 2022, the Company announced that it had entered into an agreement to acquire 40% of Cryoshelter GmbH's ("**Cryoshelter**") liquid hydrogen business Cryoshelter LH2 Gmbh ("**Cryoshelter LH2**") for consideration of EUR 3.5 million. The transaction is in conjunction with Hexagon Composites ASA's acquisition of a 40% stake in Cryoshelter's liquid natural gas (LNG) business. The transaction contemplates a split of Cryoshelter into separate legal entities for the liquid hydrogen and liquid natural (renewable) gas businesses, enabling Hexagon Purus' direct investment in early-stage liquid hydrogen tank technology. The separation of Cryoshelter's liquid hydrogen and liquid natural gas businesses recognizes the different phases of market and product development - there is an established market for liquid natural gas mobility solutions and Cryoshelter's technology is already at a pre-commercial stage, while the market and products for liquid hydrogen storage are in the early stage of development with longer runway to commercialization. Hexagon Purus and Cryoshelter will further develop the technology and business over the next few years. Hexagon Purus has options to buy remaining interests in Cryoshelter over the next 5-10 years. The transaction was successfully closed in August 2022.

Technology development (R&D)

For an overview of R&D-expenses, see Section 10.1.2 *"Technology development (R&D)"*.

10.6.2 Principal investments in progress and planned principal investments

Kelowna, Canada

During the fourth quarter of 2021, the Company signed a 10-year lease for a new automated manufacturing facility in Kelowna, Canada for battery systems and hydrogen storage systems which the Group moved into during January 2023. The Company currently expects total investments in the facility including equipment, furniture, leasehold improvements and infrastructure, will amount to approximately NOK 230 to NOK 250 million, of which approximately NOK 50 million has been incurred.

Westminster

During the first quarter of 2022, the Company signed a 10-year lease for a new 60,000 square foot facility in Westminster, USA, for cylinder manufacturing and engineering. The facility was finalized and moved into at the end of January 2023. Total expected investments in equipment, furniture and infrastructure amounts to approximately NOK 45-50 million, of which approximately NOK 30 million has been incurred.

Weeze, Germany

The Company is currently in the process of preparing an expansion of its capacity for hydrogen systems assembly in the Weeze area, following the Wystrach acquisition. The planned expansion includes both production facilities and administrative facilities and will be located next to the existing Weeze production facility. The facility is expected to be ready for move in during the second half of 2023. The Company currently expects that the investments in building, equipment, furniture and infrastructure will amount to approximately NOK 260 to NOK 280 million, of which approximately NOK 10 million has been incurred.

Kassel, Germany

The Company is currently investing in hydrogen cylinder manufacturing capacity in Kassel, Germany. Concurrently, during the second quarter of 2022, the Company entered into a 15-year lease agreement for a new 180,000 square foot facility. The facility is expected to be ready for move in during the second half of 2023. The Company currently expects that total investments in equipment, infrastructure and furniture will amount to approximately NOK 200 to NOK 220 million, of which approximately NOK 140 million has been incurred.

China

The Company is currently in the process of investing in hydrogen cylinder production and hydrogen systems assembly capacity in China, together with its JV partner, CIMC Hydrogen Energy Technology LTD. The facility is expected to be ready for move in during the second half of 2023. The Company currently estimates that the Company's share of investments in equipment, infrastructure and furniture will be NOK 220 to NOK 240 million, of which approximately NOK 10 million has been incurred.

The above-mentioned investments in this section 10.6.2 are financed by cash at hand raised from equity issues, including the Private Placement, and the Convertible Bond.

10.6.3 Joint ventures and undertakings

CIMC Hydrogen Energy Technology LTD

In 2021, Hexagon Purus signed joint venture agreements with CIMC Hydrogen Energy Technology LTD for China and Southeast Asia to encompass cylinder and systems production for Fuel Cell Electric Vehicles ("**FVECs**") and hydrogen distribution in China and Southeast Asia. The Cylinder JV is owned 51% by Hexagon Purus and 49% by CIMC Hydrogen Energy Technology LTD, and the Systems JV is owned 49% by Hexagon Purus and 51% by CIMC Hydrogen Energy Technology LTD.

On 28 March 2022, the Company and CIMC Hydrogen Energy Technology LTD announced the signing of investment agreements to establish a joint production facility in Shijiazhuang, Hebei and the CIMC-Hexagon New Energy Technologies management office and engineering hub in Beijing Daxing District International Hydrogen Development Zone. In addition, the Shijiazhuang and Beijing Daxing governments have made a commitment to support the development of the CIMC-HEXAGON business in their regions through 2030. The commitment by the Shijiazhuang government is subject to signing of a Plant Construction Contract where only certain minor details remain outstanding. Construction of the new composite cylinder and systems manufacturing facility in Shijiazhuang commenced in 2022 and is expected to be completed towards the end of 2023. The facility will house Type 3 and Type 4 hydrogen cylinder production and systems assembly capacity. The facility will set a benchmark for highly automated production of composite hydrogen pressure vessels from 350 to 700 bar intended for the Chinese and Southeast Asian markets. The product portfolio will include hydrogen fuel storage systems for on-road vehicles, rail and maritime applications. The new facility is expected to create several hundred jobs in Shijiazhuang and Beijing and will also support business for regional suppliers. In general, the major financing element of the Group in the near future is expected to be equity. The investment agreements for the aforementioned project set out a total investment target in aggregate for the Cylinder JV and the Systems JV of MEUR 100 in the investment period which runs until the end of 2030 (and which may be extended). In the event that the investment target is not reached by the end of the investment period a party may, subject to certain exceptions, be required to return the economic benefit that the party has received as a result of the preferential treatment of the project by the Shijiazhuang and Beijing Daxing governments.

Norwegian Hydrogen AS

Norwegian Hydrogen AS is a joint venture between Flakk Group, Mitsui & Co, Tafjord, Hofseth International and Hexagon Purus, where Hexagon Purus owns 15% of the shares. Norwegian Hydrogen is expected to be a key contributor to the green shift through development and operation of a robust and effective infrastructure for green hydrogen, aimed primarily towards heavy road transport and maritime customer segments. Norwegian Hydrogen's infrastructure will include production facilities, distribution systems and a wide network of filling-and bunkering stations.

10.6.4 Environmental issues

Waste from production facilities, including waste considered harmful to the environment, is within regulatory limitations. Where the Group's operations are within regulation by licenses or impositions, the operation is well within the required levels. A significant portion of the environmental work is concentrated on establishing systems for measuring dust, physical environment and noise in the production facilities. The Group participates in Hexagon Composites Group's program for environmental improvements. To address the challenges associated with recycling composite waste, Hexagon Purus and Hexagon Composites are engaged in initiatives locally and in the EU to develop circular value streams for ground composite materials. The Group cooperates with research partners such as SINTEF and the Norwegian University of Science and Technology (NTNU), as well as other manufacturers, to explore potential reuses of composite materials. The majority of the manufacturing sites have recycling programs ensuring landfill diversion. Carbon fiber not used in production is sent for recycling. The raw materials and pallets used for packaging have been reduced.

10.7 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 Composites Group and the Group historically have had a close relationship, and Hexagon Composites ASA currently owns 68.39% of the shares in the Company. 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 and terms. Increasing independence for the Group going forward, will enforce the focus on these principles.

Hexagon Purus GmbH has transferred the CNG LDV operations to Hexagon Group's Agility segment with financial effect from 1 October 2021. For more information about the transaction, see Section 10 *"Operating and financial review"*, in particular Section 10.2 *"Operating segments"* and Section 10.1.4 *"Discontinued operations"*, and note 5.2 of the Annual Report incorporated by reference to this Prospectus (see Section 16.4 *"Incorporation by reference").*

The following table provides the total amount of transactions that have been entered into with related parties during the financial years ended 31 December 2021, 31 December 2020 and 31 December 2019, as well as balances with related parties, as at 31 December 2021, 31 December 2020 and 31 December 2019. Further, the table provides selected information on transactions and balances with related parties for the nine month-period ended 30 September 2022, together with comparative amounts for the same period the prior year.

Table – Transactions with related parties (excluding associates and joint ventures)					
	Nine-month period ended 30 September		**Year ended 31 December**		
(In NOK thousand)	**2022(1)**	**2021(1)**	**2021**	**2020**	**2019**
The income statement includes the following amounts resulting from transactions with related parties (Hexagon sister companies and parent)					
Sales revenue	9 182	3 730	10 538	56 923	86 084
Cost of materials	119 324	96 187	181 159	34 454	18 843
Other operating expenses	57 180	40 682	37 577	70 331	42 646

Interest paid to group companies/financial expenses from related parties	0	6 881	7 617	40 383	31 219
The balance sheet includes the following amounts resulting from transactions with related parties (Hexagon sister companies and parent)					
Trade receivables	24 938	1 340	46 631	22 166	22 390
Trade payables	47 426	15 023	50 150	24 801	55 083
Amounts owed by related parties	10 219	142 660	50 531	123	-
Amounts owed to related parties	3 791	191 455	1 337	165 648	-

(1) Unaudited. After 30 September 2022 and up to the date of this Prospectus, there have been no transactions with related parties besides transactions with Hexagon Composites Group during the normal course of business (as outlined above).

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.

10.8 Financial risk management

The Group's principal financial liabilities comprise bank borrowings, trade payables and other payables including acquisition consideration related to the Wystrach purchase. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include other non-current assets, trade receivables, other current financial assets, cash and cash equivalents that derive directly from its operations. 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 under its strategy to hedge risks associated with interest rate and foreign currency fluctuations. The Group does not currently use such instruments. For more information on the Group's financial risk management, see note 20 in the Annual Report incorporated by reference to this Prospectus (see Section 16.4 *"Incorporation by reference")*.

10.9 Accounting policies

The preparation of the financial statements according to IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Estimates and judgments are evaluated on a continually basis and are based on historical experiences and other factors that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual outcome.

For information regarding accounting policies and principles, see note 2 of the Annual Report incorporated by reference to this Prospectus (see Section 16.4 "Incorporation by reference").

10.10 Trend information

10.10.1 Significant recent trends in production, sales and inventory, and costs and selling

The most significant changes in the recent trends in production, sales and inventory, and costs and selling prices since 31 December 2021 have been:

- **Production:** No significant change in production or production related circumstances. Current production is a mix of serial supply of hydrogen cylinders and systems for mainly hydrogen distribution, transit bus and rail, coupled with customer development projects for hydrogen cylinders and systems and battery systems

- **Sales:** Seasonality of the business from customer order timing drives a back-half loaded calendar year in terms of revenue, with hydrogen distribution driving a majority of the ongoing revenue growth as well as seasonality

- **Inventory:** Overall increase in inventory levels to support increased business activity and mitigate supply chain constraints throughout the year with a relative drop in the fourth quarter of 2022

- **Costs:** The Group is exposed to developments in the price of its raw materials and components, including carbon fiber and lithium-ion battery cells. The price of these raw materials is 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. Since 31 December 2021, costs of materials and components have generally increased due to inflation and supply constraints, though there are signs of certain commodity prices coming off their intra-year highs. Changes in the availability and costs have resulted in increased inventory for the Group (for more information on inventories, see note 14 in the Annual Report incorporated by reference to this Prospectus (see Section 16.4 *"Incorporation by reference"*)).

- **Selling prices:** The Group is in dialogue with customers to increase selling prices in response to increased materials costs and continues to adjust prices accordingly.

10.10.2 Significant changes in the financial performance of the Group

The most significant changes in the financial performance of the Group since 30 September 2022 have been:

- Revenue growth on a year-over-year basis is expected to continue, while operating losses are expected to widen driven by investments in personnel and infrastructure.
- The completion of the Private Placement raising gross proceeds of approximately NOK 500 million, and the issuance of the NOK 800 million Convertible Bond (as further described in section 10.5.1 *"Capital structure and equity"*) in March 2023.

Further, on 6 February 2023, the Company presented certain preliminary estimates and unaudited figures for Q4 2022 in a stock exchange notice, as further set out in section 9.7.4 *"Expectations for the financial year ended 31 December 2022 and outlook for 2023"*, including a cash balance of approximately NOK 380 million at the end of Q4 2022. As of 20 March 2023, the Company's cash balance was approximately NOK 138 million (this figure does not include proceeds from the Private Placement or the Convertible Bond).

Other than the above, there have been no significant changes in the financial performance of the Group, or to the Group's cash flows, since 30 September 2022.

10.10.3 Known trends, uncertainties, demands, commitments or events

Set out below is an overview of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for the current financial year:

- Increased costs for the Group, including raw material price increases and availability.

10.11 Significant change in financial position

On 1 March 2023, the Company successfully completed the Private Placement raising gross proceeds of approximately NOK 500 million. Further, the NOK 800 million Convertible Bond (as further described in section 10.5.1 *"Capital structure and equity"*) was issued by the Company on in March 2023. On 6 February 2023, the Company presented certain preliminary estimates and unaudited figures for Q4 2022 in a stock exchange notice, as further set out in section 9.7.4 "Expectations for the financial year ended 31 December 2022 and outlook for 2023", including a cash balance of approximately NOK 380 million at the end of Q4 2022. As of 20 March 2023, the Company's cash balance was approximately NOK 138 million (this figure does not include proceeds from the Private Placement or the Convertible Bond).

Other than the above, there has been no significant change in the Group's financial position since 30 September 2022.

11 ORGANIZATION, BOARD OF DIRECTORS AND MANAGEMENT

11.1 Introduction

The Company's highest decision-making authority is the general meeting of shareholders. 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 the 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, preparing 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. Among other responsibilities, the Company's chief executive officer (the "**CEO**"), is responsible for keeping the Company's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner.

11.2 Board of directors

11.2.1 Overview

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. The below table sets forth information of the Board of Directors, including the number of Shares and options to acquire Shares held directly or indirectly by the members of the Board of Directors as of the date of this Prospectus.

Table 5 – Overview of the members of the Company's Board of Directors

Name	Position	Served since	Term expires	Shares	Options
Jon Erik Engeset	Chair	2020	2024	60 518 [(1)]	-
Espen Gundersen	Board Member	2021	2024	20 619	-
Martha Kold Bakkevig	Board Member	2021	2023	4 124	-
Rick Rashilla	Board Member	2021	2023	54 587	-
Karen Romer	Board Member	2021	2024	2 334	-

[(1)] Includes shares held by a related company controlled by Engeset.

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

11.2.2 Brief biographies of the Board of Directors

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

Jon Erik Engeset – Chair of the Board

Jon Erik Engeset has been CEO & President in 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 European supplier of road safety solutions and road infrastructure solutions. He also has extensive experience from executive positions at Rolls Royce and Norsk Hydro.

Directorships and senior management positions	
Current directorships and senior management positions	Hotel Alexandra AS (Chair), Jets Vacuum AS (Board member), Dionysos AS (Chair), Hexagon Ragasco AS (Chair), Hexagon Agility LLC (Chair), Hexagon Digital Wave LLC (Chair), Hexagon Technology AS (Chair), Easy Cheese AS (Chair), Hotel Loenfjord AS (Chair), Fa-Ls Holding AS (Chair), Hygge Design AS (Chair), Norwegian Hydrogen AS (Board member), Loen Skylift AS (Board member), Hexagon Composites ASA (CEO)

Previous directorships and senior management positions last five years	Framtidsbolig AS (Chair), Novela AS (Chair / Board member), Novela Outdoor AS (Chair / Board member), Novela Technology AS (Chair / Board member), Ariadne AS (Chair)

Espen Gundersen – Board member

Espen Gundersen holds extensive experience from various executive positions. Until February 2022 he was the CFO and Deputy CEO of Tomra Systems. He is a professional accountant and earned his MBA from BI Norwegian Business School. Espen started his career at Arthur Andersen as an auditor before moving to Selmer as VP of Corporate Development. He has held various positions at Tomra since 1999. He currently also sits on the board of Scatec ASA, Kitron ASA and Kid ASA.

Directorships and senior management positions	
Current directorships and senior management positions	Scatec ASA (Board member), Kitron ASA (Board member), Kid ASA (Board member)
Previous directorships and senior management positions last five years	Tomra North America Inc (Board member), Tomra Sorting AS (Board member), Tomra Systems ASA (Deputy CEO/CFO)

Martha Kold Bakkevig – Board member

Martha Kold Bakkevig has extensive board and management experience from various industries, including Kongsberg and BW Group. She was the CEO of Deepwell from 2007-2017 and CEO of Steinsvik from 2018 to 2020. Martha is also an experienced strategy consultant through the privately owned company MKOLD AS. Martha holds two PhD’s, one of them specializing in Strategies for Commercialization of New Technology from BI Norwegian Business School.

Directorships and senior management positions	
Current directorships and senior management positions	Reach Subsea ASA (Board Member), Edda Wind ASA (Board member), BW LPG Ltd. (Board member), Cape Omega AS (Board member), KystDesign AS (Chair), Ænes Inkubator AS (Chair), Kold Invest AS (Managing Partner / Chair)
Previous directorships and senior management positions last five years	Kongsberg Gruppen ASA (Board member), Steinsvik (CEO)

Rick Rashilla – Board member

Rick Rashilla is SVP Sustainability at Hexagon Composites ASA. Prior to this, he was SVP Research & Development at Hexagon Composites and has held several key management positions in the Group, amongst other 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. Mr. Rashilla holds a Bachelor of Science in Industrial Management from the University of Cincinnati, USA.

Directorships and senior management positions outside the Group	
Current directorships and senior management positions	Hexagon Composites ASA (SVP Sustainability)
Previous directorships and senior management positions last five years	Hexagon Composites ASA (SVP Research and Development)

Karen Romer – Board member

Karen Romer was appointed SVP Communications in 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. In total, she has approximately 15 years experience in the energy sector and 20 years experience in strategic communication. Ms. Romer holds a Bachelor of Arts in English from Fordham University, New York, USA.

Directorships and senior management positions	
Current directorships and senior management positions	Hexagon Composites ASA (SVP Communications), Goodify (Board member)
Previous directorships and senior management positions last five years	H+K Strategies Norway (Senior Advisor), Lindorff (EVP Communications)

11.3 Management

11.3.1 Overview

The management of the Company consists of 8 individuals. Please find details regarding the Company's management in the table below, including the number of Shares, PSUs and RSUs held directly or indirectly by the Company's members of Management as of the date of this Prospectus:

Table 6 – Overview of the members of the Company's management					
Name	**Position**	**Employed since**	**Shares**	**PSUs (1)**	**RSUs (2)**
Morten Holum	CEO	2020	115 708	234 206	73 260
Salman Alam	CFO	2020	8 247	65 000	60 000
Dilip Warrier	Executive Vice President, Strategic Projects	2020	-	60 000	60 000
Anne Lise Hjelseth	EVP, People & Culture	2022	41 237	50 000	-
Heiko Chudzick	EVP, Operations	2022	20 619	50 000	-
Michael Kleschinski	EVP, Light Duty, Distribution and Cylinders	2020	71 065	156 574	45 787
Todd Sloan	EVP, Systems	2020	45 787	156 574	45 787
Frank Häberli	SVP, Asia	2020	60 664	141 574	45 787

(1) PSUs = Performance Share Units
(2) RSUs = Restricted Stock Units

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.

11.3.2 Brief biographies of the Management

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

Morten Holum – CEO

Morten Holum was appointed President of Hexagon Purus in March 2020. He joined Hexagon Composites in 2019 as Executive Vice President and Chief Operating Officer. Morten has extensive international business expertise from different industries and prior to joining Hexagon, he was CEO of Saferoad Group, a European supplier of road safety and road infrastructure solutions. He has also held management positions in Norske Skog, Norsk Hydro and American Airlines.

Directorships and senior management positions outside the Group	
Current directorships and senior management positions	Jets AS (Chair), Jets Vacuum AS (Chair), Colinas AS (Chair), Hexagon Purus Hk Holding AS (Chair), Hexagon Purus Maritime AS (Chair)
Previous directorships and senior management positions last five years	Hexagon Composites (COO), Saferoad Group (CEO)

Salman Alam – CFO

Salman Alam joined Hexagon Purus in 2020 and was appointed CFO in March 2023. Prior to that, he served as SVP, Corporate Development of the Company. Before joining Hexagon Purus, he was Director of Finance at Hexagon Composites. Salman has broad international experience within financial services, including from investment banking and M&A at Goldman Sachs in London and equity research at Carnegie Investment Bank in Oslo. Salman holds a BSc in Business and Economics from BI Norwegian Business School and an MSc in Finance from London Business School.

Directorships and senior management positions	
Current directorships and senior management positions	Hexagon Technology H2 AS (Chair)
Previous directorships and senior management positions last five years	N/A

Dilip Warrier – EVP, Strategic Projects

Dilip Warrier was appointed Executive Vice President, Strategic Projects in Hexagon Purus in March 2023. He holds an MBA from Stern School of Business, New York University, and a Bachelor of Engineering from Mumbai University. Dilip has extensive experience in the clean mobility industry. Prior to his current role, he served as CFO of the Company, and before that he was VP Finance at Agility Fuel Solutions. Dilip has also been an equity research analyst at CIBC World Markets and Stifel Nicolaus covering clean transportation and energy storage.

Directorships and senior management positions outside the Group	
Current directorships and senior management positions	N/A
Previous directorships and senior management positions last five years	N/A

Anne Lise Hjelseth – EVP People & Culture

Anne Lise Hjelseth was appointed Executive Vice President People & Culture in January 2022. She is a seasoned global HR executive with extensive international experience from a variety of industries. Prior to joining Hexagon Purus, she held leading HR positions at Eli Lilly and Company, Cambi, Kitron and Wallenius Wilhelmsen. Anne Lise holds a Master of Science degree in organic chemistry from the Norwegian University of Science and Technology (NTNU).

Directorships and senior management positions outside the Group	
Current directorships and senior management positions	N/A
Previous directorships and senior management positions last five years	Kitron AS (board member and Chief Human Resource Officer (CHRO)), Kitron KEM (board member), Wallenius Wilhelmsen ASA (Chief Human Resource Officer (CHRO)

Heiko Chudzick – EVP Operations

Heiko Chudzick was appointed Executive Vice President Operations in 2022. He joined Hexagon Composites in 2018 and has broad international experience from several senior positions in the automotive sector including at Bosch and ThyssenKrupp. Heiko holds a Dipl.-Ing. degree in Mechanical Engineering with a major in Automotive Engineering from RWTH Aachen University.

Directorships and senior management positions outside the Group	
Current directorships and senior management positions	N/A
Previous directorships and senior management positions last five years	Hexagon Composites ASA (EVP Operations), Hexagon Agility AS (board member), Hexagon Ragasco AS (board member), Bosch Automotive Steering (VP Production Systems), ThyssenKrupp Stainless USA (Director Cold Rolling Works / Production Planning & Control)

Michael Kleschinski – EVP Light Duty, Distribution & Cylinders ("LDC")

Michael Kleschinski was appointed Executive Vice President LDC in March 2020. From 2016, Michael was President of Hexagon Purus and has previously held different management positions within production and engineering. He has extensive experience with design and manufacturing of composite pressure vessels. Mr. Kleschinski holds a BSc (hon) mechanical engineering from the University of Glasgow, as well as a Dipl.-Ing. and Dr.-Ing. in Mechanical Engineering from the University of Darmstadt.

Directorships and senior management positions	
Current directorships and senior management positions	Hexagon Raufoss AS (Chair), Hexagon Masterworks Inc. (board member), Hexagon Purus Systems USA LLC. (board member), Hexagon Purus GmbH (managing director), Hexagon Operations GmbH (managing director), Hexagon Germany holding GmbH (managing director), Xperion Overseas E&E GmbH (managing director), Hexagon Mobile Pipeline GmbH (managing director)
Previous directorships and senior management positions last five years	xperion E & E US holding inc. (director), Hexagon Composites GmbH (managing director), Hexagon Purus Property GmbH (managing director)

Todd Sloan – EVP Systems

Todd Sloan was appointed EVP Systems in March 2020. Prior to his role, he was SVP Innovation and Global Business Development in Agility Fuel Solutions. Todd is one of the founders of Agility Fuel Solutions and is an industry innovator with 20+ years of experience in the clean mobility industry. Prior to this, Mr. Sloan worked in the heavy commercial truck industry at a Tier 1 as a co-op engineer in 1996 and began at Enviromech in 2001, which later merged with Fab Industries in 2010 to form Agility. He holds a Bachelor of Engineering (Mechanical), from University of Victoria, British Columbia, Canada.

Directorships and senior management positions outside the Group	
Current directorships and senior management positions	N/A
Previous directorships and senior management positions last five years	SVP Innovation and Global Business Development, Agility Fuel Solutions

Frank Häberli - SVP Asia

Frank Häberli was appointed SVP Asia in 2020. He joined Hexagon Composites 15 years ago and most recently held the position of Group VP of Strategic Projects. Frank has held several key management positions in Hexagon and has extensive experience and a track-record in international business development projects, including 10 years in sales and sales management positions with a heavy press machine tool builder in Germany, 6 years' experience in managing and supporting start- ups in engineering and metal forming machine tool equipment, and 17 years of relevant business experience in sales management/division management and strategic development in Hexagon Composites companies. He holds a Bachelor (in German: *Zwischenpruefung*) in German Law from the University of Constance, Germany, and a Master/Dipl.-Ing. in Mechanical Engineering from the University of Applied Sciences in Mannheim, Germany.

Directorships and senior management positions	
Current directorships and senior management positions	Hexagon Purus (Beijing) Ltd. (Executive Director), CIMC-Hexagon Hydrogen Energy ltd. /HK (Board member), CIMC-Hexagon Hydrogen Systems ltd. /HK (Board member), CIMC-Hexagon Hydrogen Energy Technologies (Beijing) Co.,Ltd. (Chair of the Board /legal representative), CIMC-Hexagon Hydrogen Energy Technologies (Hebei) Co. Ltd. (Chair of the Board), CIMC-Hexagon Hydrogen Energy Development (Hebei) Co., Ltd. (Board member)
Previous directorships and senior management positions last five years	N/A

11.4 Remuneration and benefits

11.4.1 Remuneration of the Board of Directors

The below table sets forth the amount of remuneration paid by the Company to its members of the Board of Directors for the financial year ended 31 December 2021.

Table - Overview of remuneration of the Board of Directors							
Name	**Position**	**Salary (1)**	**Paid bonuses (1)**	**Natural Contributions (1)**	**Paid pension premium (1)**	**Value of vested instruments (1)**	**Total remuneration (1)**
Jon Erik Engeset	Chair	660	-	-	-	-	660
Espen Gundersen	Board Member	360	-	-	-	-	360
Martha Kold Bakkevig	Board Member	340	-	-	-	-	340
Knut Flakk	Board Member until 16 March 2023	200	-	-	-	-	200
Rick Rashilla	Board Member	203	-	-	-	-	203
Karen Romer	Board Member	340	-	-	-	-	340

(1) Amounts in NOK thousand.

11.4.2 Remuneration of the Management

The below table sets forth the amount of remuneration paid by the Company to its executive management for the financial year ended 31 December 2021.

Table – Remuneration of the Management							
Name	**Position**	**Salary(1)**	**Paid bonuses (1)(2)**	**Natural Contributions (1)**	**Paid pension premium (1)**	**Value of vested instruments (1)(3)**	**Total remuneration (1)**
Morten Holum	CEO	3 090	1 722	10	180	-	5 002
Dilip Warrier	CFO	2 510	610	178	168	-	3 466
Michael Kleschinski	EVP, Light Duty, Distribution and Cylinders	2 401	1 138	64	-	1 060	4 663
Todd Sloan	EVP, Systems	1 971	1 004	49	187	-	3 210
Frank Häberli	SVP, Asia	1 538	779	10	180	988	3 494

(1) Amounts in NOK thousand.
(2) Bonuses paid in the year relate to the year 2020.
(3) Value of vested instruments relates to vesting share-based payments in Hexagon Composites ASA which was granted prior to separating the Group from the group of Hexagon Composites ASA.

Neither Anne Lise Hjelseth (who was appointed Executive Vice President People & Culture in January 2022), Heiko Chudzick (who was appointed EVP Operations in 2022) nor Salman Alam (who is part of the Management team from April 2022) were part of the Company's Management team in the financial years 2021, 2020 or 2019.

11.5 Employees

The Group has approximately 583 employees (including contractors) at the date of this Prospectus.

The table below shows the development in the full-time employees in the Group for the years ended 31 December 2021, 2020 and 2019. Reference is made to note 8 in the Company's Annual Report (incorporated by reference to this Prospectus, see Section 16.4 *"Incorporation by reference"*) for more information on the Group's employees.

Table - Average number of full-time equivalents			
	2021	**2020**	**2019**
Average number of full-time employees	275	240	209
Total number of full-time equivalents	415	254	253

The below table below shows the number of full-time employees of the Group by geographic location for the years ended 31 December 2021, 2020 and 2019. Reference is made to note 8 in the Company's Annual Report (incorporated by reference to this Prospectus, see Section 16.4 *"Incorporation by reference"*) for more information on the Group's employees.

Table - Full-time equivalents by geographic location			
	2021	**2020**	**2019**
Hexagon Purus Canada	49	30	25
Norway	7	8	7
Germany (1)	304	175	190
USA	55	41	31
Total number of full-time equivalents	**415**	**254**	**253**

(1) Germany includes 187 full-time employees in Wystrach, which was included in the Group from 1 November 2021.

11.6 Share incentive programs

11.6.1 Long-term incentive plans

The Company has four share-based long-term incentive plans.

The first plan is a management investment program with Performance Share Units ("**PSUs**") matching. This plan is limited to four members of the executive management team. Each eligible employee will in 2024 be entitled to up to three new shares in the Company per share invested, at no consideration, provided he or she is still employed in the Company at such date. The entitlement depends on fulfilment of three criteria, one per matching share. One criterion is tied to increase in share price, one is tied to Company performance criteria, and one is tied to continued employment. On 14 December 2020, the Company announced that key members of Hexagon Purus' executive management team exercised their right to purchase the maximum number of shares allowable in the management investment program, equal to a total number of 210,621 shares. As part of this management investment program, the Company awarded up to 421,242 related PSUs and 210,621 Restricted Stock Units ("**RSUs**") to the executives. The instruments are non-transferable and will vest in 2024 when the Board of Directors approve the annual accounts for 2023, subject to satisfaction of the applicable vesting conditions. Each vested instrument will give the holder the right to receive one share in the Company.

The second share-based long-term incentive plan is an employee RSU program, where 536,000 RSUs are currently issued to key personnel and management employees of the Group. Subject to satisfaction of the applicable vesting conditions, each RSU entitles eligible employees to receive such number of Hexagon Purus shares as corresponds to the number of RSUs vested at the date on which the Company's Board of Directors approves the Company's annual accounts for the financial year of 2023.

The third share-based long term incentive plan is an employee PSU program, where 988,686 PSUs are currently issued to key personnel and management employees of the Group. Subject to satisfaction of the applicable vesting conditions and share price development, each PSU entitles eligible employees to receive up to twice the number of Hexagon Purus shares as corresponds to the number of PSUs vested on 3 March 2025.

The fourth share-based long term incentive plan is an employee RSU program, where 85,260RSUs are currently issued to key personnel of the Group. Subject to satisfaction of the applicable vesting conditions, each RSU entitles eligible employees to receive such number of Hexagon Purus shares as corresponds to the number of RSUs on 3 March 2025.

The above share-based long-term incentive plans are together referred to herein as the "**Long-Term Incentive Plans**".

11.6.2 Fair value of the RSUs and PSUs

The fair value of the RSUs and PSUs are calculated on the grant date, using the Black-Scholes model and Monte Carlo simulation, and the cost is recognized over the service period. Cost of the RSU and PSU schemes, including social security, was NOK 8.5 million year-to-date 31 December 2021. The unamortized fair value of all outstanding RSUs and PSUs as of 31 December 2021 is estimated to be NOK 18.8 million.

There are no cash settlement obligations. As these programs do not have a precedent in the Group, the Group does not have a past practice of cash settlement for outstanding instruments.

All outstanding instruments are granted in 2021 and in 2022. The following table lists the input applied to calculate the fair value of the plans:

Table – Instruments 2022	**RSU key personnel**	**PSU executive managemen t**	**RSU executive management**	**PSU management**	**RSU key personnel**
Opening balance 2022, number of instruments	485 000	421 242	210 621	-	-
Grants	5 000	-	-	988 686	91 350
Lapsed/cancelled	(30 000)	-	-	-	-6 090
Closing balance 30 September 2022, number of instruments	**536 000**	**421 242**	**210 621**	**988 686**	**85 260**
Quantity 30 September 2022 (shares)	536 000	421 242	210 621	988 686	85 260
Contractual life (1)	2.50	2.50	2.50	5.78	5.72
Strike price (1)	-	-	-	-	-
Share price (1)	27.30	20.83	27.30	33.99	27.76
Expected lifetime (1)	3.54	3.54	3.54	5.79	5.27
Volatility (1)	30.00%	30.00%-49.31%	30.00%	62.25%	0.00%
Interest rate (1)	0.390%	0.390%	0.390%	0.000%	0.00%
Dividend (1)	-	-	-	-	-
FV per instrument (1)	27.30	20.83	27.30	33.67	27.76

Table – Instruments 2021	**RSU key personnel**	**PSU executive management**	**RSU executive management**
Opening balance 2021, number of instruments	485 000	421 242	210 621
Grants	91 000	-	-
Lapsed/cancelled	(15 000)	-	-
Closing balance 31 December 2021, number of instruments	**561 000**	**421 242**	**210 621**
Quantity 31 December 2021 (shares)	561 000	421 242	210 621
Contractual life (1)	2.50	2.50	2.50

Strike price [1]	-	-	-
Share price [1]	27.30	27.30	27.30
Expected lifetime [1]	3.54	3.54	3.54
Volatility [1]	30.00%	30.32%	30.00%
Interest rate [1]	0.390%	0.390%	0.390%
Dividend [1]	-	-	-
FV per instrument [1]	27.30	20.83	27.30

(1) Weighted average parameters at grant of instrument

The following table lists the input applied to calculate the fair value of the plans in 2020:

Table – Instruments 2020			
	RSU key personnel	**PSU executive management**	**RSU executive management**
Opening balance 2021, number of instruments	-	-	-
Grants	485 000	421 242	210 621
Closing balance 31.12.2020, number of instruments	**485 000**	**421 242**	**210 621**
Quantity 31 December 2020 (shares)	485 000	421 242	210 621
Contractual life [1]	3.54	3.54	3.54
Strike price	-	-	-
Share price	27.30	27.30	27.30
Expected lifetime	3.54	3.54	3.54
Volatility	30.00%	39.65%	30.00%
Interest rate	0.390%	0.390%	0.390%
Dividend1	-	-	-
FV per instrument	27.30	20.83	27.30

(1) Weighted average parameters at grant of instrument

There were no share-based payments in the Group in 2019. Management personnel did participate in management incentive programs in the Group of Hexagon Composites ASA prior to 2020.

11.7 Pension and retirement benefits

The Group has no pension or retirement benefits for its Board Members.

The Group has established pension plans for its employees and Management.

For the year ended 31 December 2021, the paid pension premium for members of the Management employed in the Group was approximately NOK 715 thousand. For more information on paid pension premium for the Company's Management, see Section 11.4.2 *"Remuneration of the Management".*

The Norwegian companies in the Group are legally obliged to have occupational pension arrangements under the Norwegian Mandatory Occupational Pension Act. The Norwegian pension arrangements satisfy the requirements of this act. This arrangement is a defined contribution plan.

The Group's subsidiaries in the 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 very limited participation. The obligation for the defined benefit pension plans is calculated on a straight-line basis.

Unrealized gains and losses resulting from changes in actuarial assumptions are recognized in other comprehensive income. There are seven active and three retired in the pension plan. The pension liability is calculated by an actuary. The net pension liability is presented below. Based on the limited participation and liability, the plan is considered of low significance.

A summary of pension cost in the Group is shown in the table below.

Table - Summary of pension cost in the Group			
(Amounts in NOK thousand)	**2021**	**2020**	**2019**
Defined contribution pension plan	3 100	2 669	1 870
Defined benefit pension plan	374	501	-
Total	**3 474**	**3 170**	**1 870**

A summary of pension related assets and liabilities is shown in the table below.

Table - Pension related assets and liabilities			
(Amounts in NOK thousand)	**2021**	**2020**	**2019**
Pension liabilities	1 892	2 635	2 076

11.8 Benefits upon termination

The Board Members have no agreement relating to benefits upon termination. An overview of benefits upon termination for members of Management is shown below.

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). In his employment agreement, the Group President has a period of notice of 6 months.

Salman Alam – CFO

In the event of termination by the Company that is not justified by gross misconduct, Mr. Alam is entitled to severance pay corresponding to 6 months' salary (including holiday pay).

Dilip Warrier – Executive Vice President, Strategic Projects

In the event of termination by the Company that is not justified by gross misconduct, Mr. Warrier is entitled to severance pay corresponding to 6 months' base salary (including holiday pay). Mr. Warrier is also entitled to keep any short-term incentives or long-term incentives that he has earned in the period up until termination, and earned but unpaid incentive compensation for any completed calendar year.

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). In addition, he may use a company car for 3 months after termination.

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.

11.9 Corporate Governance

The Company has adopted a corporate governance regime that will take effect from the Listing, which is based on, and complies with, the Norwegian Code of Practice for Corporate Governance, dated 14 October 2021 (the "**Corporate Governance Code**"), with the following exeptions:

- The general meeting is usually chaired by the Chair of the Board or an individual appointed by the Chair of the Board. Having the Chair of the Board or a person appointed by him chairing the general meetings simplifies the preparations for the general meetings significantly. In the Company's experience, its procedures for the chairmanship and execution of general meetings have proven satisfactory.

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

- The Company has established an audit committee consisting of two members, one which is considered independent. At least one of the members of the audit committee shall be independent of the operations and shall also have qualifications within accounting or auditing. Members representing the Company's major shareholder may be elected as members of the audit committee. In the Company's experience, this has proven satisfactory. This represents, however, a deviation from the Corporate Governance Code which states that the majority of the audit committee shall be independent.

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

11.10 Committees

11.10.1 Nomination committee

The Company's Articles of Association (incorporated by reference to this Prospectus, see Section 16.4 *"Incorporation by reference"*) provide for a nomination committee elected by the general meeting.

The annual general meeting held on 27 April 2021 resolved to elect a new nomination committee comprising of Cecilie Amdahl (committee chair) and David Bandele (committee member). The members of the nomination committee are appointed until the annual general meeting of the Company in 2023.

The nomination committee shall present proposals to the general meeting regarding (i) election of the Chair of the Board, board members and any deputy members of the Board and (ii) election of members of the nomination committee. The nomination committee shall also present proposals to the general meeting for remuneration of the Board and the nomination committee. The general meeting shall adopt instructions for the nomination committee and determine the remuneration of the members of the nomination committee.

11.10.2 Audit committee

The Company has established an audit committee comprising of Espen Gundersen (committee chair and member of the Board of Directors) and Karen Romer (member of the audit committee and member of the Board of Directors). The composition of the audit committee fulfils the required qualifications and competence in accounting and auditing under the Norwegian Public Limited Liability Companies Act.

The function of the audit committee is to prepare matters to be considered by the Board of Directors and to support the Board of Directors in the exercise of its management and supervisory responsibilities relating to financial reporting, statutory audit and internal control.

The audit committee shall report and make recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

11.10.3 Compensation committee

The Company has established a compensation committee comprising of Espen Gundersen (committee chair and member of the Board of Directors) and Martha Kold Bakkevig (member of the compensation committee and member of the Board of Directors).

The purpose of the compensation committee shall be to evaluate and propose the compensation of the Company's CEO and other members of the executive management team and issue an annual remuneration report on the compensation of the members of Management and the Board of Directors, which shall be voted on at the Company's annual general meetings and to suggest amendments to the Company's remuneration policy.

11.11 Conflict of interests

As described in Section 12.5 *"Major shareholders"*, the Company's main shareholder is Hexagon Composites ASA, in which Jon Erik Engeset (Chair of the Company's Board) serves as CEO & President, Rick Rashilla (Board Member) serves as SVP Sustainability and Karen Romer (Board Member) serves as SVP Communications.

Chair of the Board of Directors Jon Erik Engeset served as Chair in Framtidsbolig AS (which filed for voluntary liquidation in March 2022) until September 2021.

Other than above, during the last five years preceding the date of this Prospectus, none of the Board Members or the members of the Management has, or had, as applicable:

- any convictions in relation to fraudulent offences;
- been involved in any bankruptcies, receiverships, liquidations or companies put into administration where he/she has acted as a member of the administrative, management or supervisory body of a company, nor as partner, founder or senior manager of a company; or
- received any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of affairs of any issuer.

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

12 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARES

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 Prospectus. The mentioned summaries do not purport to be complete and are qualified in their entirety by the Company's Articles of Association and Norwegian law.

12.1 Company corporate information

The Company's legal and commercial name is Hexagon Purus ASA. The Company is a public limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Companies Act**"). The Company's registration number in the Norwegian Register of Business Enterprises is 919 317 558 and its Legal Entity Identifier (LEI) is 549300CM3T0GK8X3FW75. The Company was incorporated in Norway on 3 July 2017 as a private limited liability company and was transformed into a public limited liability company following the general meeting held on 27 April 2021.

The Shares have been created under the laws of Norway and are registered in book-entry form with the Norwegian Central Securities Depository (the "**VPS**") under the ISIN NO0010904923. All the outstanding Shares are validly issued and fully paid. The Company's register of shareholders in the VPS is administrated by the VPS Registrar, being DNB Bank ASA (address: DNB Bank ASA, DNB Markets Registrars department, Dronning Eufemias gate 30, N-0021 Oslo, Norway).

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 https://hexagonpurus.com/. The content of the Company's website is not incorporated by reference into, or otherwise form part of, this Prospectus, other than as set out in Section 16.4 "*Incorporation by reference*". The Company's contact details are as follows: e-mail: contact@hexagonpurus.com or telephone: (+47) 70 30 44 50.

12.2 Legal structure

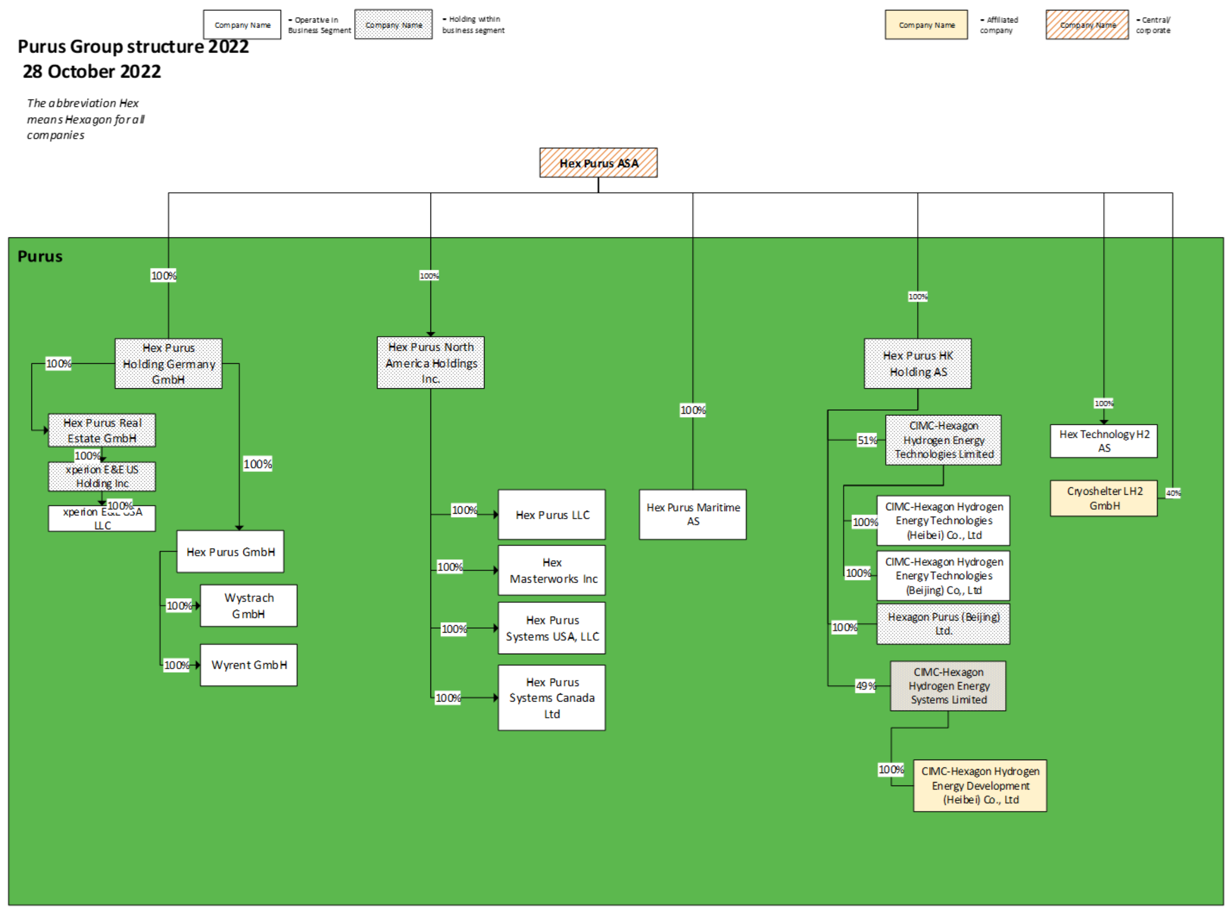
The Company functions primarily as the parent company of the Group. The Group's operations are mainly carried out by the Company's subsidiaries. The following table sets out information about the Company's (directly or indirectly owned) subsidiaries and affiliates:

Group structure

Subsidiary / Operating division	Tiered subsidiary	Share-holding	Voting rights	Domicile	Description
Hexagon Purus Germany Holding GmbH	First-tier	100%	100%	Germany	Holding company for the Group's German businesses
Hexagon Purus Real Estate GmbH	Second-tier	100%	100%	Germany	Real estate holding company
xperion E&E US Holding Inc	Third-tier	100%	100%	USA	Holding company for xperion E&E USA LLC – no active business
xperion E&E USA LLC	Fourth-tier	100%	100%	USA	Legacy entity – no active business
Hexagon Purus GmbH	Second-tier	100%	100%	Germany	Development, manufacturing and sale of hydrogen cylinders, distribution modules and projects
Wystrach GmbH	Third-tier	100%	100%	Germany	Development, manufacturing and sale of storage and transport solutions for compressed gases, hereunder hydrogen

Wyrent GmbH	Third-tier	100%	100%	Germany	Provider of leasing solutions
Norwegian Hydrogen AS	First-tier	14.2%	14.2%	Norway	Developer and operator of infrastructure for green hydrogen
Cryoshelter LH2 Gmbh	First-tier	40%	40%	Austria	Development of liquid hydrogen storage solutions
Hexagon Technology H2 AS	First-tier	100%	100%	Norway	Intellectual property for Hexagon Purus
Hexagon Purus North America Holdings Inc	First-tier	100%	100%	USA	Holding company for the Group's North American businesses
Hexagon Purus LLC	Second-tier	100%	100%	USA	Legacy entity – minimal business activity
Hexagon MasterWorks, Inc.	Second-tier	100%	100%	USA	Development, manufacturing and sale of composite cylinders
Hexagon Purus Systems USA LLC	Second-tier	100%	100%	USA	Development, manufacturing and sale of hydrogen cylinder systems, battery systems and drivetrain integration solutions
Hexagon Purus Systems Canada Ltd	Second-tier	100%	100%	Canada	Product development and engineering
Hexagon Purus Maritime AS	First-tier	100%	100%	Norway	Development of hydrogen storage and transportation solutions for maritime applications
Hexagon Purus HK Holding AS	First-tier	100%	100%	Norway	Holding company for the Group's Chinese JV business
CIMC Hydrogen Energy Technologies LTD	Second-tier	51%	51%	Hong Kong	Holding company for Chinese cylinder manufacturing operations
CIMC-Hexagon Hydrogen Energy Technologies (Heibei) Co., Ltd	Third-tier	100%	100%	China	Cylinder manufacturing company for Chinese JV business
CIMC-Hexagon Hydrogen Energy Technologies (Beijing) Co., Ltd	Third-tier	100%	100%	China	Cylinder manufacturing company for Chinese JV business
CIMC-Hexagon Hydrogen Energy Systems LTD	Second-tier	49%	49%	Hong Kong	Holding company for Chinese systems assembly operations
CIMC-Hexagon Hydrogen Energy Development (Heibei) Co, LTD	Third-tier	100%	100%	China	Systems assembly company for Chinese JV business
Hexagon Purus (Beijing) LTD	Second-tier	100%	100%	China	Administrative functions

The below figure further illustrates the structure of the Group:



Note: The abbreviation "Hex" in the above figure means "Hexagon".

12.3 Share capital and share capital history

As of the date of this Prospectus, the Company's share capital is NOK 27,679,745.60 divided on 276,797,456 Shares, each with a par value of NOK 0.10. All shares are of the same class.

The Company has only one class of Shares. Accordingly, 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.

As at the date of this Prospectus, the Company does not hold any treasury shares.

The table below summarizes the development in the Company's share capital for the period covered by the historical financial information (i.e. from 1 January 2019) and up to the date of this Prospectus:

Table – Share capital history

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
16 September 2019	Share capital increase	300,000	330,000.00	49.3065291	1,000	330,000
30 October 2020	Share split and share capital increase	19,831,971.20	20,161,971.20	N/A	0.10	201,619,712
9 December 2020	Share capital increase	2,747,252.70	22,909,223.90	27.3	0.10	229,092,239
23 November 2021	Share capital increase by issuance of consideration shares	444,443	23,353,666.90	33.4343	0.10	233,536,669

15 February 2022	Share capital increase	2,474,226.80	25,827,893.70	24.45	0.10	258,278,937
8 March 2023	Share capital increase	1,851,851.90	27,679,745.60	27	0.10	276,797,456

Other than as set out above, there have been no changes to the Company's share capital or the number of Shares of the Company from the start of the period covered by the historical financial information up to the date of this Prospectus.

12.4 Admission to trading and Listing

The Shares have been admitted to trading on Euronext Growth Oslo, a multilateral trading facility (MTF) operated by Oslo Børs since 14 December 2020 under the ticker code "HPUR". On 22 March 2023, the Company applied for the Shares to be admitted to trading and Listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 27 March 2023. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on or about 30 March 2023, under the ticker code "HPUR".

Other than above, the Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

12.5 Major shareholders

As of 27 March 2023, the Company had 4,441 registered shareholders in the VPS. An overview of shareholders holding 5% or more of the Shares of the Company as of 27 March 2023 is set out below:

Table – Overview of major shareholders

#	Shareholders	Number of Shares	Percentage
1	Hexagon Composites ASA	189,300,496	68.39%
2	Clearstream Banking S.A.(1)	27,174,994	9.82%

(1) Clearstream Banking S.A. is a nominee account.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. As at the date of this Prospectus, no shareholder other than those listed above holds 5% or more of the Shares of the Company.

There are no differences in voting rights between the shareholders.

Other than set out above, the Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

No particular measures are initiated to ensure that control is not abused by large shareholders. Minority shareholders are protected from abuse by relevant regulations in inter alia the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Act. See Sections 12.13.2 *"Certain aspects of Norwegian corporate law"* and 13.11 *"Compulsory acquisition"* for further information.

The shares have not been subject to any public takeover bids.

12.6 Lock-up

12.6.1 Lock-up on consideration shares issued in connection with the acquisition of Wystrach

In connection with the acquisition of Wystrach, the company issued 4,444,430 consideration shares in the Company. The selling shareholders in the transaction have agreed to a lock-up agreement for their shareholding. Approximately 10% of the consideration shares were to be released from lock-up after 12 months following closing (i.e. 10 November 2022, since the acquisition was completed on 10 November 2021), another ca. 10% are to be released after 24 months (i.e. 10 November 2023) and the remaining ca. 80% are to be released after 36 months following closing (i.e. 10 November 2024). The aforementioned lock-up may be waived by the Company, in its sole discretion, through written consent.

12.6.2 Lock-ups entered into in connection with the Private Placement and the Convertible Bond Issue

Mitsui

Mitsui has undertaken a 180-day lock-up for Shares received upon conversion of bonds under the Convertible Bond Issue prior to 3 years from the disbursement date of the Convertible Bond, and a 90-day lock-up for Shares received upon conversion after 3 years from the disbursement date of the Convertible Bond. The aforementioned lock-up may be waived by the Company's board of directors, in its sole discretion, through written consent.

Hexagon Composites ASA

In connection with the Private Placement and the Convertible Bond Issue, Hexagon Composites ASA agreed to a 90-day lock-up (from 1 March 2023) under which it shall not, without the prior written consent of each of the managers for the Private Placement and the Convertible Bond Issue, directly or indirectly, (i) offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, pledge or otherwise transfer or dispose of or agree to dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, (iii) market or otherwise seek investor interest for its Shares, or conduct any bookbuilding exercises for any sale of its Shares or (iv) agree or publicly announce an intention to effect any transaction specified in (i), (ii) or (iii) above.

The above restrictions do not apply to (a) any transfer of Shares to any entity directly or indirectly controlled by Hexagon Composites ASA who (i) assume the same lock-up obligations as undertaken by Hexagon Composites ASA and (ii) remain wholly owned or under the direct or indirect control by Hexagon Composites ASA for the remaining part of the lock-up period, (b) the acceptance (including pre-acceptance) of a tender or takeover offer to acquire all Shares in the Company, (c) voting in favour of and exchanging shares in a statutory merger in which the Company is a merging party or (d) any arrangement under a share lending agreement entered into between Hexagon Purus ASA, the Company and the managers for the Private Placement and the Convertible Bond Issue on 1 March 2023.

The above-mentioned lock-up may be waived by the managers for the Private Placement and the Convertible Bond Issue, in their sole discretion, through written consent.

The Company

In connection with the Private Placement and the Convertible Bond Issue, the Company agreed to a 90-day lock-up (from 1 March 2023) under which it shall not, without the prior written consent of each of the managers for the Private Placement and the Convertible Bond Issue: (i) issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other equity interest in the capital of the Company or any securities convertible into or exercisable for such Shares or other equity interests, or (ii) enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or other equity interests, whether any such transaction described in (i) or (ii) above is to be settled by delivery of the Shares or other securities or interests, in cash or otherwise, or (iii) market or otherwise seek investor interest for its Shares, or conduct any bookbuilding exercises for any sale of its Shares or (iv) publicly announce or indicate an intention to effect any transaction specified in (i) or (ii) above.

The above restrictions did not apply to the sale and issuance of Shares in the Private Placement or the placing and issuance of the Convertible Bond. Further, the above restrictions do not apply to the following: (i) the granting of options or other rights to Shares, or the honoring of options or such other rights to Shares, by the Company pursuant to management or employee share incentive schemes; (ii) the issue by the Company of new shares in a potential subsequent repair offering (to offset the dilutive effect of the Private Placement) of shares to shareholders of the Company other than Hexagon Composites ASA not allocated shares in the Private Placement and (iv) any tap issue pursuant to the terms for the Convertible Bond.

The above-mentioned lock-up may be waived by the managers for the Private Placement and the Convertible Bond Issue, in their sole discretion, through written consent.

12.7 Authorizations to increase the share capital

At the annual general meeting held on 27 April 2022, the Board was authorized to increase the share capital:

(i) By up to NOK 9,050,000 in one or several share issuances for general corporate purposes, including in connection with investments, mergers and acquisitions. Shares may be issued in exchange for cash settlement or contribution in kind, including in connection with mergers, and the authorization gives the right to incur specific obligations on behalf of the Company, cf. section 10-2 of the Norwegian Public Limited Companies Act.

(ii) By up to NOK 520,000 for issue of shares in connection with incentive programs for employees. Shares may only be issued against cash consideration (in NOK or other currency).

When using the authorizations, the Board determines the price and conditions for subscription, according to the Company's needs and the shares' market value at the time. The existing shareholders' preferential rights to subscribe for shares may be waived by the Board in connection with the effectuation of the authorizations. The authorizations expire at the annual general meeting in 2023, but shall in any event expire at the latest on 30 June 2023. The Board is at the same time given authorization to make the necessary amendments to the articles of association on execution of the authorizations. The authorization replaced all previous board authorizations to issue shares.

12.8 Treasury shares and authorization to acquire treasury shares

As of the date of this Prospectus, the Company does not hold any treasury shares (i.e. shares that are held by or on behalf of the Company).

At the annual general meeting held on 27 April 2022, the Board was authorized to acquire shares in the Company, on one or several occasions, up to a total nominal value not exceeding 10% of the share capital at any given time. The authorization may be used (i) in connection with incentive programs for employees, or (ii) general corporate purposes. The lowest and the highest price that can be paid per share according to the authorization are respectively NOK 5 and NOK 500. These limitations shall be adjusted in the event of share consolidation, share splits and similar transactions. As to how the shares are acquired or disposed of, the Board will decide at its own discretion. The authorization shall be valid until the Company’s ordinary general meeting in 2023, though no longer than until 30 June 2023.

12.9 Warrants

Pursuant to a resolution by the extraordinary general meeting of the Company held on 16 March 2023, 100 million non-transferrable warrants and 4.5 million non-transferrable additional warrants have been issued to the subscribers in the Convertible Bond Issue. The warrants were allocated pro rata among the Convertible Bond subscribers based on their allocation amount in the Convertible Bond. Each warrant gives the right to subscribe for one new Share.

The warrants provide rights to subscribe, in context of any future equity financing round of the Company, for (i) Shares in the Company at the price determined by the Company in such equity financing, limited to the subscription amount for the Convertible Bond Issue initially allocated to such holder; and (ii) additional Shares in the Company limited to 3% of the number of Shares allocated to them in any such equity financing round, at par value (currently NOK 0.10). All warrants expire five years after the date of the above-mentioned extraordinary general meeting.

12.10 Other financial instruments

Other than the Long-Term Incentive Plans described in section 11.6 *"Share incentive programs"*, the Convertible Bond described in Section 10.5.1 *"Capital structure and equity"* and the warrants described in section 12.9 *"Warrants"*, neither the Company nor any of its subsidiaries has issued any options, warrants, convertibles, or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries. Furthermore, other than the aforementioned, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries which will be held, directly or indirectly, by the Company.

12.11 Shareholder rights

The Company has one class of Shares on issue, and in accordance with the Norwegian Public Limited Liability Companies Act, all Shares in that class provide equal rights in the Company, including the rights to dividends. Each of the Company's Shares carries one vote. The rights attaching to the Shares are described in Section 12.13 *"The articles of association and certain aspects of Norwegian law"*.

12.12 Transferability of Shares

The Shares are freely transferable pursuant to the Company's articles of association, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal. Pursuant to the Company's articles of association, the Company's Shares shall be registered in the VPS. For more information, see Section 12.13 *"The Articles of Association and certain aspects of Norwegian corporate law"*.

12.13 The Articles of Association and certain aspects of Norwegian corporate law

12.13.1 Articles of Association

Below is a summary of certain of the provisions of the Company's Articles of Association, which are incorporated by reference into this Prospectus (see Section 16.4 *"Incorporation by reference"*).

12.13.1.1 Company name

Pursuant to section 1 of the Articles of Association, the Company's name is Hexagon Purus ASA. The company is a public limited liability company.

12.13.1.2 Objective of the Company

Pursuant to section 3 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.

12.13.1.3 Share capital and par value

Pursuant to section 4 of the Articles of Association, the Company's share capital is NOK 27,679,745.60 divided on 276,797,456 Shares, each with a par value of NOK 0.10. The Shares shall be registered in a central securities depository.

12.13.1.4 The Board of Directors

Pursuant to section 5 of the Articles of Association, the Company's Board shall consist of up to seven Board Members.

12.13.1.5 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. The board may grant power of procuration.

12.13.1.6 Restrictions on transfer of Shares

Pursuant to section 7 of the Articles of Association, the shareholders do not have preferential right to acquire shares that are transferred, or otherwise change owner. The transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal.

12.13.1.7 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
   Other matters which, according to law, pertain to the general meeting.

12.13.1.8 Documents for the general meeting

Pursuant to section 9 of the Articles of Association, 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.

12.13.1.9 Participation at the general meeting

Pursuant to section 10 of the Articles of Association, the Company may in the notice for a general meeting stipulate that shareholders that wish to participate in the general meeting shall notify the company of participation within a specific deadline. The deadline may not expire earlier than five days before the general meeting. Shareholders that have not given notice within the deadline may be denied access. In order for a shareholder to be able to exercise voting rights at the general meeting, the shareholder shall be entered in the company's shareholder register on the fifth working day prior to the general meeting (record date). The shareholders shall be able to vote in matters on the agenda for the general meeting for a period prior to the general meeting, including by way of electronic communication, provided the company's board finds satisfactory means for authenticating the sender of such votes and in accordance with the provisions of the Norwegian Public Limited Companies Act.

12.13.1.10 Election committee

Pursuant to section 11 of the Articles of Association, the company shall have a nomination committee, which is elected by the general meeting. The nomination committee shall present proposals to the general meeting regarding (i) election of the Chair of the Board, board members and any deputy members of the Board and (ii) election of members of the nomination committee. The nomination committee shall also present proposals to the general meeting for remuneration of the Board and the nomination committee. The general meeting shall adopt instructions for the nomination committee and determine the remuneration of the members of the nomination committee.

12.13.2 Certain aspects of Norwegian corporate law

12.13.2.1 General meeting of shareholders

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 on or prior to 30 June of each year. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited liability company listed on a stock exchange or a regulated market 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 appointed at their own discretion. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings.

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 must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited liability company may with a majority 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 a general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting, provided that the Company has procedures in place allowing shareholders to vote electronically. This has currently not been resolved by the Company's general meeting of shareholders.

Each of the Company's shares carries one vote. In general, decisions that 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, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe 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 in 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 a general meeting. Norwegian law further requires that certain decisions, which 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 favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the 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. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account ("**NOM-account**"). A shareholder must, in order to be eligible to register, meet and vote for such Shares at the general meeting, transfer the Shares from such NOM-account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the general meeting.

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

12.13.2.2 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the 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. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation 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 derogate from the preferential rights of shareholders in connection with such issuances. Such authorization 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 nominal share capital when the authorization 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 upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

12.13.2.3 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 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene 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.

12.13.2.4 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 authorization 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 exceed 10% of the Company's share capital, 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 authorization by the General Meeting of the Company cannot be granted for a period exceeding 24 months.

12.13.2.5 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting of the shareholders 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.

12.13.2.6 Liability of board members

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

12.13.2.7 Civil proceedings against the Company in jurisdictions other than Norway

Furthermore, investors shall note that they may be unable to recover losses in civil proceedings in jurisdictions other than Norway. The Company is a public limited liability company organized under the laws of Norway. The most of the board members and the members of the Management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in courts outside of Norway, or to enforce judgments on such persons or the Company in other jurisdictions.

12.13.2.8 Indemnification of board members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for its Board Members against certain liabilities that they may incur in their capacity as such.

12.13.2.9 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.

13 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.

13.1 Introduction

Oslo Børs was established in 1819 and offers the only regulated markets for securities trading in Norway. Oslo Børs ASA is wholly owned by Oslo Børs VPS Holding ASA which was acquired by Euronext on 18 June 2019. Euronext owns seven regulated markets across Europe, including Amsterdam, Brussels, Dublin, Lisbon, London, Oslo and Paris.

13.2 Market value of shares on Oslo Børs

The market value of all shares on Oslo Børs, including the Shares following the Listing, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on Oslo Børs will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect share price.

13.3 Trading and settlement

As of the date of this Prospectus, trading of equities on Oslo Børs is carried out in the electronic trading system Euronext Optiq®, Euronext's developed multi-market trading platform.

Official regular trading for equities on Oslo Børs takes place between 09:00 hours (Oslo time) and 16:20 hours (Oslo time) each trading day, with pre-trade period between 07:15 hours (Oslo time) and 09:00 hours (Oslo time), closing auction from 16:20 hours (Oslo time) to 16:25 hours (Oslo time) and a post-trade period from 16:25 hours (Oslo time) to 16:30 hours (Oslo time). Reporting of after exchange trades can be done until 18:00 hours (Oslo time).

The settlement period for trading on Oslo Børs is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock

Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

13.4 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

13.5 The VPS and transfer of shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being the Central Bank of Norway), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the Company's Articles of Association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

13.6 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. Beneficial owners of shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such shares unless their ownership is re-registered in their names with the VPS prior to any general meeting of shareholders. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA.

An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of Shares will receive notices of any General Meetings 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. For more information on nominee accounts, see Section 12.13.2 *"Certain aspects of Norwegian corporate law"* under the subheading *"Voting rights – amendments to the articles of association"*.

13.7 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or foreign. Foreign investors are, however, to note that the rights of holders of listed shares of companies incorporated in Norway are governed by Norwegian law and by the respective company's 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 instance, under Norwegian law, any action brought by a listed company in respect of wrongful acts committed against such company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against such company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. For more information, see Section 12.13.2 *"Certain aspects of Norwegian corporate law".*

13.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

13.9 Insider trading

According to Norwegian law, subscription for, purchase, sale, exchange or other acquisitions or disposals of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (i.e. the market abuse regulation) and as implemented into Norwegian law by Section 3-1 of the Norwegian Securities Trading Act of 29 June 2007 No. 75. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

13.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and Oslo Børs decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (or provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. The settlement must be guaranteed by a financial institution authorised to provide such guarantees in Norway.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

13.11 Compulsory acquisition

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Liability Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

13.12 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

14 TAXATION

14.1 Norwegian taxation

The summary regarding Norwegian taxation set out below is based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes in law, administrative practice or interpretation occurring after such date. Such changes could possibly be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (under domestic tax law or tax treaties) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

As will be evident from the description, the taxation will differ depending on whether the shareholder is a limited liability company or a natural person.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

14.1.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends received by shareholders who are natural persons resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income currently at a rate of 22% (for 2023), to the extent the dividends exceed a statutory tax-free allowance (Nw: *skjermingsfradrag*). With effect from the fiscal year 2023 the taxable amount is multiplied by a factor of 1.72, resulting in an effective tax rate of 37.84% (22% x 1.72).

The tax-free allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate of interest on treasury bills (Nw.: *statskasseveksler*) with three months' maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year. The risk-free interest rate is published in January in the year following the income year. The risk-free interest rate for 2022 was 1.7%.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated tax-free allowance related to the year of the transfer when determining the taxable amount in the year of transfer. Any part of the calculated tax-free allowance one year that exceeds the dividend distributed on a share ("**excess allowance**") may be carried forward and set off against future dividends received on, or gains upon realization, of the same share.

Norwegian Personal Shareholders may hold the shares through a Norwegian share saving account (Nw. *Aksjesparekonto*). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 37.84%, cf. the description above concerning taxation of dividends.

The tax-free allowance is, when investing through share saving accounts, calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account.

Norwegian Corporate Shareholders

Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are largely exempt from tax on dividends distributed from the Company, pursuant to the Norwegian participation exemption method (Nw: *fritaksmetoden*). However, unless the Norwegian Corporate Shareholder holds more than 90% of the shares and the voting rights of the company, 3% of the dividend income distributed to the Norwegian Corporate Shareholder is taxable as ordinary income at a rate of 22% (for 2022), resulting in an effective tax rate of 0.66% (22% x 3%). For Norwegian Corporate Shareholders that are considered to be 'financial institutions' under the Norwegian financial activity tax (e.g. banks and holding companies), the effective rate of taxation for dividends is 0.75%.

Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are natural persons not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see *"Taxation of dividends – Norwegian Personal Shareholders"* above). However, the tax-free allowance deduction does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder carries out business activities in or managed from Norway and the shares are, in effect connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have been imposed with a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted, if certain documentation requirements are met. Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Non-Norwegian Personal Shareholders, who are resident in an EEA country may hold the Shares through a Norwegian share saving account (Nw. *Aksjesparekonto*) to the same extent as Norwegian shareholders. Please refer to Section 14.1.1 *"Norwegian Personal Shareholders"* above for a description of taxation of shares held on a share saving account.

Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempted from Norwegian withholding tax, provided that the shareholder is the beneficial owner of the shares and is considered to be *"genuinely established and performs genuine economic activity"* in the relevant EEA jurisdiction for Norwegian tax purposes.

If a Non-Norwegian Corporate Shareholder carries out business activities in or managed from Norway and the shares are, in effect, connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption method.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, certain other documentation requirements must be met, and the relevant documentation must be provided to either the nominee or the account operator registered with VPS. Non-Norwegian Corporate Shareholders should consult their own advisers regarding the possibility of effectively obtaining a reduced withholding tax rate pursuant to either an applicable tax treaty or the participation exemption method.

14.1.2 Taxation of capital gains on realization of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is currently taxable at a rate of 22%. However, with effect from the fiscal year 2023, the taxable capital gain (after the tax-free allowance reduction, cf. below) or tax deductible loss shall be adjusted by a factor of 1.72, resulting in a marginal effective tax rate of 37.84%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. Norwegian Personal Shareholders are entitled to deduct a statutory tax-free allowance from any capital gain, provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 14.1.1 *"Taxation of dividends"* above for a description of the calculation of the tax-free allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Gains derived upon the realization of shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 37.84% (for 2023). (please see *"Taxation of dividends – Norwegian Personal Shareholders"* above for more information regarding share saving accounts).

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are generally exempt from tax on capital gains derived from the realization of shares , pursuant to the Norwegian participation exemption. Correspondingly, losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purposes.

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the shares held by the Non-Norwegian Personal Shareholder are, in effect, connected to business activities carried out in or managed from Norway, or the shares are held by a Non-Norwegian Personal Shareholders who has been a resident of Norway for tax purposes with unsettled/postponed exit tax calculated on the shares at the time of cessation of Norwegian tax residency.

Please refer to Section 14.1.1 *"Non-Norwegian Personal Shareholders"* above for a description of the availability of a Norwegian share saving account for Non-Norwegian Personal Shareholders. Please refer to Section 14.1.2 for a description of the taxation of dividends on Shares held on a share saving account.

Non-Norwegian Corporate Shareholders

Capital gains derived from the sale or other realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the shares held by the Non-Norwegian Corporate Shareholder are, in effect, connected with business activities carried out in or managed from Norway.

14.1.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. With effect from the fiscal year 2023, the marginal net wealth tax rate is 1% of the tax assessment value of total net assets exceeding NOK 1.7 million (NOK 3.4 million jointly for married couples), increased to 1.1% of the tax assessment value of total net assets exceeding NOK 20 million. The value for assessment purposes for listed shares is, with effect from the fiscal year 2023, equal to 80% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant financial year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders may, however, be liable for Norwegian net wealth tax if the shareholding is, in effect, connected to business activities carried out in or managed from Norway.

14.1.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

14.1.5 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

15 TRANSFER RESTRICTIONS

15.1 General

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

Receipt of this Prospectus shall not constitute an offer for Shares and this Prospectus is for information only and should not be copied or redistributed. Accordingly, if an existing shareholder receives a copy of this Prospectus, the existing shareholder should not distribute or send the same, or transfer the Shares to any person in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an existing shareholder forwards this Prospectus into any such territories (whether under a contractual or obligation or otherwise), the existing shareholder should direct the recipient's attention to the contents of this Section 15 *"Transfer restrictions".*

The Shares may not be transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to transfer the Shares and this Prospectus shall not be accessed by any person in any jurisdiction it would not be permissible to transfer the Shares.

The information in this Section 15 *"Transfer restrictions"* is intended as a general guide only. If any recipient is in any doubt of any of the contents of these restrictions, or whether any of these restrictions apply to that recipient, the recipient should obtain independent professional advice without delay.

15.2 Transfer restrictions

15.2.1 United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to qualified institutional buyers ("**QIBs**") in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S of the U.S. Securities Act ("**Regulation S**"), and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares, was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Prospectus.
- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.
- The purchaser acknowledges that the Company and its respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, in or a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a Qualified institutional buyers (as defined in Rule 144A), (ii) is aware that the sale to it may be made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein, may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser will not deposit or cause to be deposited such Shares into any depositary receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.

- The purchase acknowledges that the Shares are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.
- The Company shall not recognise any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.
- If the purchaser is requiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, and its respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

15.2.2 European Economic Area

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Company that:

- it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and
- in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in an offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Company has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

16 ADDITIONAL INFORMATION

16.1 Independent auditor

The Company's independent auditor is Ernst & Young AS (EY), with registration number 976 389 387 and business address at Dronning Eufemias gate 6A, N-0191 Oslo, Norway. EY is a member of The Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforeningen*). EY has been the Company's auditor throughout the period covered by the financial information included in this Prospectus.

The Annual Report, which contains the Company's consolidated financial statements for the financial years ended 31 December 2021, 2020 and 2019, has been audited by Ernst & Young AS, as stated in their independent auditor's report incorporated by reference to this Prospectus (see section 16.4 *"Incorporation by reference"*). The independent auditor's report did not contain any audit qualifications or emphasis of matter.

The Group's Interim Report for Q3 2022 has been subject to a limited review by Ernst & Young AS, and the limited review report is attached hereto as Appendix 4.

Other than above, Ernst & Young AS has not audited, reviewed or produced any report on any other information provided in this Prospectus.

16.2 Advisors

Advokatfirmaet Schjødt AS (address: Tordenskiolds gate 12, N-0160 Oslo, Norway) functions as the Company's Norwegian legal counsel.

16.3 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Korsegata 4B, N-6002 Ålesund, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- the Company's certificate of incorporation and Articles of Association;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus; and
- this Prospectus.

The documents are also available at the Company's website https://hexagonpurus.com/. The content of the Company's website is not incorporated by reference into, or otherwise form part of, this Prospectus, other than as set out in Section 16.4 *"Incorporation by reference"*.

16.4 Incorporation by reference

The information incorporated by reference in this Prospectus should be read in connection with the cross-reference table set out below. Except from this section, no other information is incorporated by reference in this Prospectus.

Table – Incorporation by reference

Section in the Prospectus	Disclosure requirement	Reference document and link	Page (P) in reference document
Section 12 Section 12.13	N/A	**The Company's Articles of Association:** https://s3.eu-central-1.amazonaws.com/hexagonpurus-website/Articles-of-Association-Hexagon-Purus-ASA.pdf	Pages 1 – 3
Section 4.2, Section 9 and Section 10	Annex 1, Section 18, Item 18.1.1	**Annual Report for 2021, 2020 and 2019:** https://s3.eu-central-1.amazonaws.com/hexagonpurus-website/Hexagon-Purus-Annual-report-2021-3.pdf	Pages 1 – 106
		Directors report Consolidated income statement Consolidated statement of comprehensive income	Pages 17 – 26 Page 28 Page 29

		Consolidated statement of financial position Consolidated cash flow statement Consolidated statement of changes in equity Notes to the consolidated financial statement Independent auditor's report	Pages 30 – 31 Pages 32 – 33 Page 34 Page 35 – 85 Pages 101 – 103
Section 4.2, Section 9 and Section 10	Annex 1, Section 18, Item 18.2.1	**Interim Report for Q3 2022:** https://ml-eu.globenewswire.com/Resource/Download/fabd3ff3-09bb-43c7-8f9c-235145da0d45	Pages 1 – 29
		Consolidated income statement Consolidated statement of comprehensive income Consolidated statement of financial position Consolidated cash flow statement Consolidated statement of changes in equity Notes to the consolidated financial statement	Page 8 Page 9 Page 10 Page 11 Page 12 Pages 13 – 26

17 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

Table – Definitions and glossary	
Defined terms	**Meanings**
Annual Report	The audited annual report containing consolidated annual financial statements as of and for the financial years ended 31 December 2021, 2020 and 2019
APM	Alternative Performance Measures
Articles of Association	The articles of association of the Company.
BEVs	Battery Electric Vehicles
Board Members	The members of the Board of Directors
Board or Board of Directors	The board of directors of the Company
CAD	Canadian Dollar, the lawful currency of Canada
CEO	The Company's chief executive officer
CMA	The Glasgow Climate Pact
CNG LDV	Compressed Natural Gas Light Duty Vehicle, one of the historically operating segments of the Group.
Company or Hexagon Purus	Hexagon Purus ASA
Company Information	Information related to markets, market sizes, market shares and market positions are the views of the Group, informed by multiple sources, including market studies, annual financial statements and other presentations published by listed companies operating within the same industry as the Group does or may do in the future and the Group's commissioned market studies from McKinsey & Company, Inc. Norway
Convertible Bond or Convertible Bond Issue	The unsecured convertible bonds in the amount of NOK 800,000,000 issued by the Company in March 2023, pursuant to a resolution made by the extraordinary general meeting of the Company on 16 March 2023
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance
Cryoshelter	Cryoshelter GmbH
Cryoshelter LH2	Cryoshelter LH2 Gmbh
EBIT	Consolidated operating profit
EBITDA	Operating profit before interest, taxes, depreciation and amortization
EEA	The European Economic Area
ESMA	European Securities and Markets Authority
EU	The European Union
EU Prospectus Regulation	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
EUR	Euro, the single and lawful currency of member states of the EU participation in the European Monetary Union.
EURIBOR	Euro Interbank Offered Rate
Euronext Growth Oslo	A multilateral trading facility operated by Oslo Børs ASA
EVP	Executive Vice President
e-mobility	Electro-mobility
Excess allowance	Any part of the calculated tax-free allowance one year that exceeds the dividend distributed on a share
FCEVs	Fuel Cell Vehicles
Financial Information	The Annual Report and the Interim Report, together.
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
FVECs	Fuel Cell Electric Vehicles
General Meeting	The Company's general meeting of shareholders
Group	The Company together with its direct and indirect subsidiaries

HGB	The national regulation for preparation of financial statements which establishes accounting guidelines and best practices in Germany (In German: *Handelsgesetzbuch*)
HKD	Hong Kong Dollar, the official currency of Hong Kong
HPUR	Hexagon Purus' ticker code on Euronext Growth
IAS 34	International Accounting Standard 34, IAS 34 Interim Financial Reporting
IFRS	International Financial Reporting Standards
Interim Report	The unaudited interim report containing the consolidated interim financial statement for the three- and nine-month periods ended 30 September 2022, which contains comparable figures for the same periods in 2021.
ISIN	International Securities Identification Number
LEI	Legal Entity Identifier
Listing	The listing of the Company's shares on Oslo Børs
Long-Term Incentive Plans	The Company's four share-based long-term incentive plans described in section 11.6.1 *"Long-term incentive plans"*
Management	The Company's senior executive management team
NCI	National Client Identifier
NOK	Norwegian Kroner, the lawful currency of Norway
NOM-account	Nominee account
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes
Non-Norwegian Personal Shareholders	Shareholders who are natural persons not resident in Norway for tax purposes
Non-resident or foreign shareholders	Shareholders who are not resident in Norway for tax purposes
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian FSA	The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*)
Norwegian Personal Shareholders	Shareholders who are natural persons resident in Norway for tax purposes
Norwegian Public Companies Act	The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45
Norwegian Securities Trading Act	Securities Trading Act of 29 June 2007 no. 75 (Nw.: *Verdipapirhandelloven*)
OEM	Original Equipment Manufacturer
Oslo Børs or Oslo Stock Exchange	Oslo Børs, a stock exchange operated by Oslo Børs ASA
Outlook	The presented outlook for the financial year ended 31 December 2022
Private Placement	The private placement completed by the Company on 1 March 2023, raising gross proceeds of NOK 500 million through the issuance of 18,518,519 new shares, at a price per share of NOK 27.
Prospectus	This prospectus dated 29 March 2023
PSUs	Performance Share Units
QIBs	Qualified institutional buyers as defined in Rule 144A under U.S Securities Act.
R&D	Research and development
Regulation S	Regulation S the U.S. Securities Act
Resident or Norwegian shareholders	Shareholders who are resident in Norway for tax purposes
RMB	Renminbi, the official currency of China (commonly also referred to as Yuan)
RSUs	Restricted Stock Units
Rule 144A	Rule 144A under the U.S. Securities Act
Shares	The Company's shares, each with a par value of NOK 0.1.
SVP	Senior Vice President
U.S. Exchange Act	The U.S. Securities Exchange Act of 1934
U.S Securities Act	The U.S. Securities Act of 1933
USD	US dollar, the lawful currency of the United States

VPS	The Norwegian Central Securities Depository (Nw.: *Verdipapirsentralen*)
VPS Registrar	DNB
Wystrach	Wystrach GmbH and Wyrent GmbH, together
ZEVs	Zero-emission vehicles

APPENDIX 1:

Overview of filed and granted patents

Hexagon Purus North America Holdings, Inc. Patents						
Our Internal Reference No.	**Country**	**App. Number**	**Filing Date**	**Patent Number**	**Issue Date**	**Status**
Title: SWAPPABLE BATTERY SYSTEM FOR VEHICLES						
HEX.002C1	USA	16/863,131	30.04.2020	11 043 714	22.06.2021	Issued
HEX.002C2	USA	17/338,315	03.06.2021			Pending
HEX.002AU	Australia	2019325602	22.03.2021	2019325602	13.10.2022	Issued
HEX.002CA	Canada	3110459	22.02.2021			Pending
HEX.002EP	Europe	19852361,5	09.03.2021			Pending
Title: ELECTRIC POWERTRAIN SYSTEM FOR HEAVY DUTY VEHICLES						
HEX.003A1	USA	16/852,150	17.04.2020	10 899 214	26.01.2021	Issued
HEX.003A1C1	USA	17/131,316	22.12.2020	11 312 221	26.04.2022	Issued
HEX.003A1C2	USA	17/659,722	19.04.2022			Pending
HEX.003A2	USA	16/852,198	17.04.2020	11 040 610	22.06.2021	Issued
HEX.003BR1	Brazil	BR 11 2021 020875 5	18.10.2021			Pending
HEX.003CA1	Canada	3136944	14.10.2021			Pending
HEX.003CL1	Chile	202102733	19.10.2021			Pending
HEX.003CO1	Colombia	NC2021/0013936	19.10.2021	40 828	24.10.2022	Issued
HEX.003EP1	Europe	20792089,3	22.10.2021			Pending
HEX.003MX1	Mexico	MX/a/2021/012601	14.10.2021			Pending
HEX.003PE1	Peru	1743-2021/DIN	19.10.2021			Pending
Title: ELECTRIC FRONT END ACCESSORY DEVICES ASSEMBLY						
HEX.003A3	USA	16/852,187	17.04.2020	11 043 707	22.06.2021	Issued
HEX.003A3C1	USA	17/338,391	03.06.2021			Pending
HEX.003BR2	Brazil	BR 11 2021 020928 0	19.10.2021			Pending
HEX.003CA2	Canada	3136950	14.10.2021			Pending
HEX.003CL2	Chile	202102734	19.10.2021			Pending
HEX.003CO2	Colombia	NC2021/0013935	19.10.2021			Pending
HEX.003EP2	Europe	20791446,6	22.10.2021			Pending
HEX.003MX2	Mexico	MX/a/2021/012598	14.10.2021			Pending
HEX.003PE2	Peru	1744-2021/DIN	19.10.2021			Pending
Title: ELECTRIC VEHICLE POWER DISTRIBUTION AND DRIVE CONTROL MODULE						
HEX.004C1	USA	17/150,055	15.01.2021	11 345 331	31.05.2022	Issued
HEX.004C2	USA	17/664,617	23.05.2022			Pending
HEX.004CA	Canada	3161967	17.05.2022			Pending
HEX.004EP	Europe	20893649.2	21.04.2022			Pending

Title: BATTERY AND AUXILIARY COMPONENTS FOR VEHICLE TRAILER						
HEX.010A	USA	17/450,115	06.10.2021			Pending
Title: TRAILER HOOKUP BREAKAWAY DETECTOR						
HEX.011WO	PCT	PCT/US2021/062856	10.12.2021			Pending
Title: BATTERY PACKS FOR UTILITY VEHICLE ELECTRIC DRIVETRAINS						
HEX.020WO	PCT	PCT/US2022/040912	19.08.2022			Pending
Title: BATTERY PACKS FOR UTILITY VEHICLE ELECTRIC DRIVETRAINS						
HEX.021WO	PCT	PCT/US2022/040950	19.08.2022			Pending
Title: BATTERY PACKS FOR UTILITY VEHICLE ELECTRIC DRIVETRAINS						
HEX.022WO	PCT	PCT/US2022/040905	19.08.2022			Pending
Title: POWER DISTRIBUTION MODULES FOR ELECTRIC DRIVETRAINS						
HEX.023WO	PCT	PCT/US2022/040914	19.08.2022			Pending
Title: Battery Interconnect System						
HEX.024PR	USA – provisional	63/369427	26.07.2022			Pending
Title: SYSTEMS AND TECHNIQUES FOR COOLING BACK OF CAB VEHICLE COMPONENTS						
HEXAPU-001-US1-PR	USA – provisional	63/419,287	25.10.2022			Pending
Hexagon Technology H2 Patents						
Our Internal Reference No.	**Country**	**App. Number**	**Filing Date**	**Patent Number**	**Issue Date**	**Status**
Title: PINCH FREE LINER WITH SHUTTER						
P23676CAPC	Canada	2964164	13.10.2015	2964164	21.06.2022	Issued
P23676DEEP	Germany	15784307,9	13.10.2015	EP3206854	12.12.2018	Issued
P23676ESEP	Spain	15784307,9	13.10.2015	EP3206854	12.12.2018	Issued
P23676FREP	France	15784307,9	13.10.2015	EP3206854	12.12.2018	Issued
P23676ITEP	Italy	15784307,9	13.10.2015	EP3206854	12.12.2018	Issued
P23676JPPC	Japan	2017-519230	13.10.2015	6640208	07.01.2020	Issued
P23676KRPC	South Korea	10-2017-7012555	13.10.2015	10-2354390-0000	20.01.2022	Pending
P23676NO00	Norway	20141228	14.10.2014	337769	20.06.2016	Issued
P23676USPC	USA	15/515822	13.10.2015	10 486 355	26.11.2019	Issued
Title: Pressure Vessel Longitudinal Vents **(Note: Below patents currently owned by Hexagon Technology AS; Assignment to Hexagon Technology H2 AS pending)**						

L544.12-0023	USA	13/147624	24.10.2011	9618160	11.04.2017	Issued
L544.12-0023US2	USA	15/441433	24.02.2017			Pending
L544.13-0097	Canada	2751453	03.02.2010	2751453	19.09.2017	Issued
L544.13-0098	European Patent Office	10704629.4	03.02.2010	2394092	07.05.2014	Issued
L544.13-0100	Japan	2011-549228	03.02.2010	5518901	11.04.2014	Issued
L544.13-0103	France	10704629.4	03.02.2010	2394092	07.05.2014	Issued
L544.13-0104	Germany	10704629.4	03.02.2010	602010015812.8	07.05.2014	Issued
L544.13-0105	United Kingdom	10704629.4	03.02.2010	2394092	07.05.2014	Issued
L544.13-0107	Italy	10704629.4	03.02.2010	502014902285898	07.05.2014	Issued
L544.13-0108	Norway	10704629.4	03.02.2010	2394092	07.05.2014	Issued

APPENDIX 2:

Annual Financial Statements for Wystrach GmbH for the year 31 December 2021

REPORT

on the

audit of the

ANNUAL FINANCIAL STATEMENTS
as of **December 31, 2021**

and the

management report
for fiscal **2021**

of
Wystrach GmbH
High-pressure systems, bundling

Industriestrasse 60
47652 Weeze

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List of Appendices

Main Section

1. Audit Engagement

At the shareholder's meeting on December 15, 2021 of

Wystrach GmbH,

Weeze

(hereinafter also referred to as "Wystrach GmbH" or "the Company")

we were appointed as auditor for the fiscal year from January 1 to December 31, 2021. The Company's management then engaged us to audit the annual financial statements, together with the accounting and the management report, for the fiscal year from January 1, 2021 to December 31, 2021 in accordance with
Sections 316 and 317 *Handelsgesetzbuch* (German Commercial Code – HGB).

The following report of the statutory audit of the annual financial statements and management report of Wystrach GmbH as of December 31, 2021 is thus addressed to the Company.

In accordance with the size classifications set out in Section 267 (2) HGB, the Company is considered a medium-sized corporation and is thus subject to mandatory audits pursuant to Sections 316 et seq. HGB.

We confirm according to Section 321 (4a) HGB that we complied with the applicable independence requirements in relation to our audit.

Our audit engagement was not subject to any grounds for exclusion in accordance with Sections 319, 319a, 319b HGB, Sections 49 and 53 *Wirtschaftsprüferordnung* (Act regulating the profession of German Public Auditors – WPO) or Sections 28 et seq. of the Professional Charter for Wirtschaftsprüfer/vereidigte Buchprüfer (BS WP/vBP).

We conducted the audit in the month of January 2022 at the Company's business premises in Weeze. The final processing of the engagement was carried out at our business premises.

All the explanations and evidence that we requested were provided. The management confirmed to us in writing that the annual financial statements and the management report were complete on April 7, 2022.

We documented the nature and scope of our audit in our working papers. We have prepared the following report on the results of our audit.

We prepared this audit report in accordance with the audit standard PS 450, new version, "Principles of the proper preparation of audit reports" by Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW), Düsseldorf.

We have attached the audited annual financial statements for 2021, comprising the balance sheet (Annex 1), income statement (Annex 2) and notes to the annual financial statements (Annex 3), as well as the audited management report 2021 (Annex 4), to our report.

We discuss the legal and tax circumstances in Annexes 6 to 7.

Our engagement is based on the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms], which is attached as Annex 8, in the version dated January 1, 2017. The extent to which we are liable is established in Section 323 (2) HGB. No. 1 (2) and no. 9 of the General Engagement Terms apply to third parties.

2. General Findings

2.1 Position of the Company

2.1.1 <u>Statement on the Legal Representative's Assessment of the Position</u>

In accordance with Section 321 (1) sentence 2 HGB, in our report below we comment on the legal representatives' assessment of the position of the company in the annual financial statements and in the management report.

We make our statement on the basis of our own assessment of the Company's economic position that we made when auditing the annual financial statements and the management report. These include detailed disclosures and a statement regarding the causes of individual developments, as well as a critical evaluation of the underlying assumptions, but not our own forecast calculations. We are obliged to report to the extent that the audited documents allow an assessment to be made.

In particular, we discuss the going concern assumption and the assessment of the Company's future development, as expressed in the annual financial statements and the management report.

The documents we audited within the meaning of Section 321 (1) sentence 2 HGB comprised all documents that were covered directly by our audit, i.e. the accounts, the annual financial statements and the management report and all documents that we used as part of our audit such as cost accounting records, projections, key contracts and reports to those responsible for monitoring.

The management report contains the following material statements on business performance and the position of the Company:

<u>Business Performance and Position of the Company</u>

The following aspects should be highlighted:

Business performance was essentially positive given the upturn in incoming orders and the 58% sales increase that this entailed. Nonetheless, management faced particular challenges, especially for product manufacturing. These were largely due to the impact of the ongoing COVID-19 pandemic, supply chain disruption and further increases in the cost of materials combined with low quantities of materials on the market. Short-time work schemes, which had been in place since April 2020, were terminated at the end of the first quarter of 2021.

WWV Holding GmbH, Kevelaer, sold all company shares to Hexagon Purus GmbH, Kassel, with effect from November 10, 2021. This integrated it into the "Hexagon" Group, with Hexagon Purus ASA, Ålesund, Norway, as the ultimate parent company.

Due to a structural shift in sales towards product groups with a higher material share in relative terms, the corresponding ratios have again shifted compared to the previous year. For example, the material usage ratio increased by 11.2% year on year to 63.8%. By contrast, the staff cost ratio declined by 9.4% to 21.4%.

Accounting for the developments described above, the operating result increased by EUR 545.6 thousand compared to 2020. This includes additional expenses of EUR 806.2 thousand compared to the previous year for personnel leasing, with the cost structure otherwise remaining constant.

In assets, the change in total assets was reflected chiefly in the increase in total receivables to EUR 9,961.8 thousand (previous year: EUR 4,190.7 thousand).

Debt accounted for 49.0% of total capital, a 7.3% increase on the previous year. This resulted in a relative decrease in the balance sheet equity ratio of 8.0% to 45.0%. The Company’s financing was backed primarily by payments received on account of orders and supplier loans.

Our audit of the management report determined that the statements made on business performance and the position of the Company are clear. They do not contradict the evaluation in our audit.

Expected Development of the Company

The discussion of Wystrach GmbH’s expected development in the management report is based on assumptions that apply a margin of discretion. We consider this plausible. In this context, the following key statements in particular should be noted:

Wystrach GmbH’s business focuses on transport solutions and the storage of industrial gases, chiefly hydrogen. Wystrach GmbH is well established in this key market.

Management’s sales forecast is based on the assumption that demand for sustainable product solutions will continue to rise. There are not currently any signs that the crisis in Ukraine is having an adverse effect. At present, business relations with the countries affected account for only a small share of sales. Nonetheless, it is difficult to forecast the impact the war will have moving forwards.

We believe that the assumptions made for the expected development are reasonable. Based on these macroeconomic and sector-related assumptions, the future development of the Company is determined logically and is not arbitrary.

Regarding the going concern assumption, we did not identify any legal or actual circumstances in our audit that contradict this assumption. In light of this, we believe the assumption that the Company is a going concern is accurate.

3. Object, Nature and Scope of the Audit

3.1 Object of the Audit

In accordance with Section 317 HGB, as part of our engagement we audited the accounting and the annual financial statements and management report prepared in line with German accounting standards to assess whether these comply with the applicable legal requirements.

The legal representatives are responsible for the accounting, the internal controls in place for this purpose and the information provided to us as the auditor. Our responsibility as the auditor is to assess these documents, including the accounting and the disclosures made, as part of our mandatory audit.

Our audit covers checking compliance with other legal requirements only if these other requirements generally have repercussions for the annual financial statements or the management report prepared in line with German accounting standards.

The audit did not include a special audit to detect irregularities in monetary and service transactions (embezzlement audit). Our work did not give rise to any indications that would have necessitated special investigations in this regard.

3.2 Nature and Scope of the Audit

We determined the nature and scope of the audit required in this engagement based on our own responsibility and our professional judgment, which is limited by statutory rules and regulations, IDW auditing standards and, where applicable, by additional terms and conditions of the engagement and the respective reporting requirements.

We conducted our audit of the consolidated financial statements in accordance with Sections 316 et seq. HGB, taking account of the German generally accepted standards of the audit of financial statements. The audit is then to be planned and performed so that it can be determined with reasonable assurance whether the accounting, the annual financial statements and the management report are free of material misstatement. Evidence supporting the disclosures in the accounting, the annual financial statements and the management report is examined on the basis of spot checks within the framework of the audit. The audit encompasses an assessment of the accounting and classification principles applied and the material estimates by management as well as an appreciation of the overall presentation of the annual financial statements and the management report. We believe that our audit provides a reasonable basis for our audit opinions.

Our audit covered checking compliance with other legal requirements only if these requirements generally have repercussions for the annual financial statements. The purpose of our engagement was not to discover or explain criminal acts, e.g. embezzlement, or offenses committed outside the accounting context.

The following presentation and description of the scope and procedure of the audit is designed to enable the supervisory body to draw conclusions for its own monitoring work.

In accordance with Section 317 (4a) HGB, our audit does not extend to whether the company under audit can be ensured as a going concern or whether the effectiveness and efficiency of its management can be assured.

As part of our risk-based audit approach, we first drew up an audit strategy. This was based on an assessment of the business environment and information from management about the material corporate objectives and business risks.

Our audit procedures to obtain audit evidence comprised system and function tests, analytical audit procedures and tests of details.

We based our substantive audit procedures on the results of our assessment of the accounting-related internal control system.

Our process when auditing the accounting-related internal control system was as follows: Based on external factors, the Company’s objectives, the business strategy and the management and monitoring processes at Company level, we then analyzed the business processes. The second stage of the process analysis was to assess the extent to which the material business risks that affect our audit risk were reduced by the design of business operations and control and monitoring measures.

The findings from the audit of the accounting-related internal control system were taken into consideration when selecting the analytical audit procedures and the tests of details.

If, in our opinion, effective operating controls and sufficient personnel, computer or mechanical controls were in place to ensure the accuracy of the statements in the annual financial statements, we were able to limit our substantive audit procedures to a large extent with respect to individual cases, particularly in the area of routine transactions. Where we deemed it necessary to extend the scope of our audit, as well as analytical audit procedures in the form of plausibility assessments we also verified that individual transactions were correct using supporting documents and checked that they had been accounted for correctly.

In the audit program for the individual company, we set out the focus of our audit, its nature and scope, the timing of audit procedures and the assignment of employees. This was done in accordance with the principles of materiality and risk focus.

The critical audit objectives identified in our audit strategy gave rise to the following focal areas for our audit:

- Sales recognition
- Measurement of inventories
- Recognition, measurement and presentation of payments received on account of orders

Our audit also covered disclosures in the management report, especially forecasts.

Confirmations from third parties were obtained as follows and in line with the following criteria:

We satisfied ourselves that trade receivables and trade payables had been accurately recognized by obtaining balance confirmations on the basis of random sampling. If no confirmations were received from third parties, we carried out alternative audit procedures.

Bank confirmations were obtained from banks. Confirmation was requested from lawyers regarding pending legal disputes.

Significant work by other external auditors was used as follows:

We based our use and assessment on material investigations by third parties (e.g. component auditors or the auditor’s experts such as actuaries, real estate experts etc.).

We observed the physical stocktaking of Wystrach GmbH’s inventories on January 6, 2022.

All explanations and evidence that we requested and that are required by the legal representatives to properly conduct the audit were provided. Management confirmed to us in writing in the letter of representation dated April 7, 2022 that all assets, liabilities, risks and deferrals that are subject to recognition requirements have been accounted for in the annual financial statements as of December 31, 2021, that all expenses and income are included and that all required disclosures have been made. Management also declared that, in relation to expected developments, the management report contains all material aspects for assessing the Company’s position and all disclosures required under Section 289 HGB. No events of special significance took place after the end of the fiscal year following this declaration.

4. Findings and Disclosures Regarding Accounting

4.1 Propriety of the Accounting

4.1.1 Accounting Records and Other Audited Documents

As part of our audit, we ensure that the accounting and the other audited documents comply, in all material respects, with legal requirements, including the German principles of proper accounting.

Our findings indicate that records of the Company's business transactions are complete, continuous and timely. The chart of accounts ensures a clear and concise system for the posting data with a level of detail that is sufficient for the Company's needs. Where accounting records were viewed as part of our audit, these all contained the information required for proper documentation. Records are stored in numerical order so that they can be immediately accessed using the information in the accounts. Accordingly, the accounting complies with the legal requirements in all material respects for the fiscal year as a whole.

The organization of the accounting, the internal control system, the flow of data and the accounting records ensure that transactions can be recognized and posted in full, correctly, on time and in an orderly fashion.

Based on the results of our audit, the information taken from the other audited documents was properly shown in all material respects in the accounting records, the annual financial statements prepared in accordance with German accounting standards and the management report.

Accounting is supported by IT and uses eGekko (Review 37.1).

There were no notable organizational changes to accounting processes in the reporting year.

4.1.2 Annual Financial Statements

The annual financial statements as of December 31, 2021, which were prepared in accordance with German accounting standards and presented to us for audit, comply in all material respects with the legal requirements for accounting, including the German principles of proper accounting and all regulations for specific sizes, sectors or legal forms.

The opening balance sheet figures were properly taken from the prior-year financial statements that we had audited.

In our opinion, Wystrach GmbH's balance sheet and income statement for the fiscal year from January 1, 2021 to December 31, 2021 are properly derived from the accounting records and the other audited documents. The relevant recognition, disclosure and measurement regulations were observed in all material respects, as was the consistency principle as per Section 252 (1) no. 6 HGB.

With regard to the propriety of the information provided in the notes to the annual financial statements, which we have not reported on elsewhere, we found that the reporting in the notes to the annual financial statements by legal representatives was carried out in full and to the extent required by law.

It was correct to apply the protective clause in Section 286 (4) HGB regarding the disclosure in the notes in accordance with Section 285 no. 9 (a) and (b) HGB.

4.1.3 Management Report

During our audit of compliance of the management report with the law, in accordance with Section 321 (2) sentence 1 HGB we found that the management report complies, in all material respects, with legal regulations.

4.2 Overall Presentation of the Annual Financial Statements

4.2.1 Findings on the Overall Presentation of the Annual Financial Statements

We report below on the result of our assessment as to whether and to what extend the overall presentation in the annual financial statements meets the requirements of Section 264 (2) sentence 1 HGB.

In addition, the accounting and the other audited documents, the annual financial statements and the management report also comply with legal requirements.

As there were no special circumstances, we concluded that the annual financial statements as a whole give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting.

Regarding the management report, please see our separate statement in section 2.1.

For better understanding of the overall presentation of the annual financial statements, in the following section we discuss the material accounting policies (Section 321 (2) sentence 4 first half-sentence HGB), the grooming transactions and changes to measurement principles, where these have a material effect on these annual financial statements (Section 321 (2) sentence 4 second half-sentence HGB).

4.2.2 Measurement Principles

The measurement principles within the meaning of Section 321 (2) sentence 4 first half-sentence HGB cover the accounting policies and the key factors for measuring assets and liabilities (parameters, assumptions and exercising discretion).

The book values recognized in the annual financial statements are determined by linking factors that determine value to assets and liabilities as of the balance sheet date.

Parameters are usually objective factors determined by market prices or generally accepted standard values, while assumptions about future developments are subjective factors in determining value that are determined at the discretion of the legal representatives, taking into account accounting principles.

Discretion is based on uncertain expectations when determining estimates and the assumptions on which they are based. This results in a range of permitted carrying amounts for many items.

The annual financial statements of Wystrach GmbH as of December 31, 2021 were prepared on the basis of the following material measurement principles, which are explained below.

In our view, the annual financial statements include the following material accounting policies and factors (parameters, assumptions and exercising discretion), where these are not clear from the notes:

The production cost of inventories includes all direct costs and any necessary indirect costs.

Other provisions include the settlement values that are necessary in accordance with prudent business judgment; there were no changes to the relevant measurement methods, assumptions or parameters compared to the previous year.

As the notes contain information that must be reported under Section 321 (2) sentences 3 to 5 HGB, in this individual case we have decided that it is not appropriate to repeat or summarize this information in the auditor's report.

Accordingly, please see the corresponding disclosures in the notes for information on the material measurement principles not explained here.

Neither the nature nor the scope of references we make to the notes contradict the clarity of reporting required by Section 321 (1) sentence 2 HGB.

We, as the auditor, are not responsible for assessing the extent to which the legal representatives' accounting decisions are economically appropriate. These are to be evaluated as business policy decisions by the users of the report.

4.2.3 Grooming Transactions

According to the results of our audit, there were no reportable events resulting from grooming transactions that materially affect the overall presentation of the annual financial statements during the audit period.

4.3 Net Assets, Financial Position and Results of Operations

4.3.1 Net Assets and Capital Structure

Net assets and the capital structure, as well as changes in these compared to the previous year, result from the following balance sheet figures in EUR thousand for the two balance sheet dates December 31, 2021 and December 31, 2020.

Rounding differences occur for technical reasons and are not corrected.

Changes in net assets:

	Balance sheet as of December 31, 2021		Balance sheet as of December 31, 2020		Year-on-year change in	
	EUR thousand	%	EUR thousand	%	EUR thousand	%
ASSETS						
Intangible fixed assets	53.7	0.2	33.1	0.2	20.6	62.2
Tangible assets	10,727.4	39.7	11,053.9	53.5	-326.5	-3.0
Inventories	6,169.3	22.8	5,099.6	24.7	1,069.7	21.0
Receivables	9,592.9	35.5	3,787.2	18.3	5,805.7	153.3
Other assets	368.9	1.4	403.5	2.0	-34.6	-8.6
Cash/securities	5.4	0.0	129.5	0.6	-124.1	-95.8
Prepaid expenses	126.1	0.5	141.5	0.7	-15.4	-10.9
Total assets	27,043.6	100.0	20,648.2	100.0	6,395.4	31.0

Total assets increased by a considerable EUR 6,395.4 thousand against the previous year, chiefly a result of the EUR 5,805.7 thousand rise in receivables.

The ratio of long-term assets to total assets declined from 53.7% in 2020 to 39.9% in 2021.

Fixed assets decreased by EUR 305.9 thousand due to depreciation and amortization. Investments in various operating equipment, which totaled EUR 487.3 thousand, were offset by write-downs of EUR 793.2 thousand.

Accordingly, medium and short-term assets increased from 46.3% in 2020 to 60.2% in 2021.

Given the significant rise in the order volume and a shift towards product groups with a higher material share, inventories increased by 1,069.7. These include the net recognition of payments received on account of orders of EUR 6,921.8 thousand (previous year: EUR 0.0 thousand).

The EUR 5,805.7 thousand upturn in receivables is also the result of the higher business volume, especially in the second half of fiscal 2021. This applies predominantly to trade receivables, EUR 322.3 thousand of which relate to the Hexagon Group.

Changes in capital structure:

	Balance sheet as of December 31, 2021		Balance sheet as of December 31, 2020		Year-on-year change in	
	EUR thousand	%	EUR thousand	%	EUR thousand	%
EQUITY AND LIABILITIES						
Equity	12,171.8	45.0	10,944.7	53.0	1,227.1	11.2
Provisions	1,629.3	6.0	1,095.1	5.3	534.2	48.8
Loan liabilities	5,422.6	20.1	5,299.1	25.7	123.5	2.3
Trade payables	3,715.7	13.7	2,449.4	11.9	1,266.3	51.7
Association liabilities	2,543.8	9.4	0.0	0.0	2,543.8	-
Other liabilities	1,560.4	5.8	859.9	4.2	700.5	81.5
Total equity and liabilities	27,043.6	100.0	20,648.2	100.0	6,395.4	31.0

The Company’s equity is increased by EUR 1,227.1 thousand as a result of the full retention of net income for the year.

The Company’s balance sheet equity ratio at the balance sheet date is thus 45.0% of total capital, compared to 53.0% in the previous year.

Provisions increased year on year, essentially in connection with outstanding tax payments for the reporting year.

Trade payables were used as funding, alongside payments received on account of orders, and increased by EUR 3,810.1 thousand including the liabilities in the Group.

Other liabilities, which came to EUR 1,488.5 thousand as of the balance sheet date, relate primarily to liabilities to personnel for wages and salaries and the associated taxes and social security contributions.

The equity-to-fixed assets ratio developed as follows compared to the previous year:

Equity	12,171,766.42		10,944,663.55
Fixed assets	10,781,069.70		11,086,991.70
Equity-to-fixed assets ratio in%		**113**	99

The ratio of short-term liabilities to short-term assets is 140.4% (third degree liquidity). This results in working capital (current assets less short-term liabilities) of EUR 4,645.5 thousand as of December 31, 2021.

Term of liabilities	Total	thereof with a remaining term of	
		less than 1 year	more than 1 year
	EUR thousand	EUR thousand	EUR thousand
Liabilities to banks	5,422.6	2,171.1	4,116.1
Trade payables	3,715.7	3,715.7	0.0
Liabilities to affiliated companies	2,543.8	2,543.8	0.0
Other liabilities	1,560.4	1,560.4	0.0
Total	13,242.5	9,991.0	4,116.1

4.3.2 Financial position

The cash flow statement below provides an overview of the origin and use of the company under audit's funds. It shows the cash flows using the indirect method and complies with the principles of German Accounting Standard no. 21 (DRS 21) promulgated by the German Standardization Council (DSR).

Cash flow statement in accordance with the principles of German Accounting Standard no. 21 (DRS 21)

Classification II ("indirect method")

			2021 EUR thousand	2020 EUR thousand
1.		Net income/loss for the period (consolidated net income/loss for the year including minority interests)	1,227.1	798.0
2.	+/-	Depreciation, amortization and write-downs of fixed assets/reversals of write-downs of fixed assets	793.2	713.7
3.	+/-	Increase/decrease in provisions	534.2	99.5
4.	+/-	Other non-cash income and expenses	-436.7	-278.5
5.	-/+	Increase/decrease in inventories, trade receivables and other Assets not attributable to investing or financing activities	-6,825.4	-1,421.9
6.	+/-	Increase/decrease in trade payables and other liabilities not related to investing or financing activities	4,510.6	-151.2
7.	-/+	Gain/loss on the disposal of fixed assets	-17.0	12.5
8.	+/-	Interest expenses/interest income	120.2	154.3
9.	-	Other investment income	0.0	0.0
10.	+/-	Income tax expenses/income	506.7	355.9
11.	-/+	Income taxes paid	-70.0	-76.9
12.	**=**	**Cash flow from operating activities (Sum of 1 to 11)**	**342.9**	**205.4**

		Cash flow statement continued	2021 EUR thousand	2020 EUR thousand
13.	+	Proceeds from disposal of intangible fixed assets	0.0	0.0
14.	-	Payments for the purchase of intangible fixed assets	-66.8	-13.0
15.	+	Proceeds from disposals of tangible fixed assets	17.0	88.8
16.	-	Purchase of tangible fixed assets	-420.5	-205.3
17.	+	Proceeds from disposal of long-term financial assets	0.0	0.0
18.	-	Payments for the purchase of long-term investments	0.0	0.0
19.	+	Receipts from cash investments for short-term financial planning	0.0	0.0
20.	-	Payments for investments of cash funds for short-term financial planning	0.0	0.0
21.	+	Interest received	3.3	3.4
22.	+	Dividends received	0.0	0.0
23.	**=**	**Cash flows from investing activities (Sum of 13 to 22)**	**-467.0**	**-126.1**
24.	+	Receipts from equity contributions by shareholders	0.0	0.0
25.	-	Cash payments to shareholders for equity reductions	0.0	0.0
26.	+	Cash proceeds from issuance of bonds and from short- or long-term borrowings	123.5	0.0
27.	-	Cash repayments of bonds and short-or long-term borrowings	-565.3	-635.8
28.	+	Receipts from subsidies/grants received	0.0	0.0
29.	-	Interest paid	-123.5	-157.9
30.	-	Dividends paid to shareholders	0.0	-600.0
31.	**=**	**Cash flow from financing activities (Sum of 24 to 30)**	**-565.3**	**-1,393.7**
32.		Net change in cash and cash equivalents (sum of 12, 23, 31)	-689.4	-1,314.4
33.	+/-	Effect on cash funds of exchange rate movements and remeasurement	0.0	0.0
34.	+/-	Changes in cash funds due to consolidated group	0.0	0.0
35.	+	Cash and cash equivalents at the beginning of the period	-169.8	1,144.6
36.	**=**	**Cash and cash equivalents at the end of the period (Sum of 32 to 35)**	**-859.2**	**-169.8**

Cash funds comprises exclusively cash and cash equivalents, including bank overdrafts repayable at any time.

4.3.3 Results of Operations

The comparison of profit and loss accounting based on the income statement for the two fiscal years 2021 and 2020 gives the following picture of results of operations and changes in this:

		January 1 to December 31, 2021		January 1 to December 31, 2020		Year-on-year change in	
		EUR thousand	%	EUR thousand	%	EUR thousand	%
	Sales	38,129.9	100.0	24,118.9	100.0	14,011.0	58.1
+/-	Inventory changes	3,647.9	9.6	637.7	2.6	3,010.2	472.0
+	Own work capitalized	30.0	0.1	142.9	0.6	-112.9	-79.0
+	Other operating income	496.5	1.3	336.5	1.4	160.0	47.5
-	Cost of materials	26,665.4	69.9	13,081.8	54.2	13,583.6	103.8
=	Gross profit/loss	15,638.9	41.0	12,154.2	50.4	3,484.7	28.7
-	Personnel expenses	8,961.0	23.5	7,674.7	31.8	1,286.3	16.8
-	Depreciation, amortization, and write-downs	793.2	2.1	713.7	3.0	79.5	11.1
-	Other operating expenses	4,001.2	10.5	2,427.9	10.1	1,573.3	64.8
=	Operating result	1,883.5	4.9	1,337.9	5.5	545.6	40.8
+	Financial income	3.3	0.0	3.4	0.0	-0.1	-2.9
-	Financial expense	123.5	0.3	157.7	0.7	-34.2	-21.7
=	Financial result	-120.2	-0.3	-154.3	-0.6	34.1	-22.1
-	Income taxes	506.7	1.3	355.9	1.5	150.8	42.4
=	Result after taxes	1,256.6	3.3	827.7	3.4	428.9	51.8
-	Other taxes	29.5	0.1	29.7	0.1	-0.2	-0.7
=	Net income	1,227.1	3.2	798.0	3.3	429.1	53.8

5. Auditor's Report and Concluding Remarks

Based on the results of our audit, we issued the following auditor's report on April 7, 2022 regarding the annual financial statements of Wystrach GmbH, Weeze, as of December 31, 2021, attached as Annexes 1 to 3, and the management report for fiscal 2021, attached as Annex 4. We have included this report below.

"AUDITOR'S REPORT

To Wystrach GmbH

Audit Opinions

We have audited the annual financial statements of Wystrach GmbH, comprising the balance sheet as of December 31, 2021, the income statement for the fiscal year from January 1, 2021 to December 31, 2021, and the notes to the annual financial statements, including the presentation of the accounting policies and valuation principles. In addition, we have audited the management report of Wystrach GmbH for the fiscal year from January 1, 2021 to December 31, 2021.

In our opinion, based on the findings of our audit,

- the attached annual financial statements comply in all material respects with the requirements of German commercial law that apply to stock corporations and give a true and fair view of the company's net assets and financial position as of December 31, 2021, and of its results of operations for the fiscal year from January 1, 2021, to December 31, 2021, in accordance with the German principles of proper accounting, and
- the attached management report as a whole presents an accurate view of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal regulations and suitably presents the opportunities and risks of future development.

Pursuant to Section 322, (3), Sentence 1 HGB, we state that our audit has not led to any reservations with regard to the compliance of the annual financial statements or the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors - IDW). Our responsibility according to these regulations and standards is described in further detail in the “Responsibility of the Auditor for the Audit of the Annual Financial Statements and the Management Report” section of our auditor’s report. We are independent of the company in compliance with the provisions of German commercial law and professional law and have fulfilled our other German professional obligations in compliance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions regarding the annual financial statements and the management report.

Responsibility of the Legal Representatives for the Annual Financial Statements and the Management Report

The legal representatives are responsible for preparing the annual financial statements, which in all material respects comply with the requirements of German commercial law that apply to stock corporations, and for the annual financial statements giving a true and fair view of the net assets, financial position and results of operations of the company in accordance with the German principles of proper accounting. Furthermore, the legal representatives are responsible for the internal controls that, in accordance with the German principles of proper accounting, they deemed necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the annual financial statements, the legal representatives are responsible for assessing the company’s status as a going concern. In addition, they have a responsibility to disclose matters related to the status as a going concern, if relevant. They are also responsible for accounting on the basis of the going concern principle, unless prevented by actual or legal circumstances.

Moreover, the legal representatives are responsible for preparing the management report, which as a whole provides an accurate view of the company’s position and is consistent with the annual financial statements in all material respects, complies with German legal regulations and suitably presents the opportunities and risks of future development. The legal representatives are also responsible for the arrangements and measures (systems) that they considered necessary to enable the preparation of a management report in compliance with the applicable German legal regulations and to allow sufficient, suitable evidence to be provided for the statements in the management report.

Responsibility of the Auditor for the Audit of the Annual Financial Statements and the Management Report

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an accurate view of the company’s position and is in all material respects consistent with the annual financial statements and with the findings of the audit, complies with German legal regulations and suitably presents the opportunities and risks of future development, and to issue an auditor’s report containing our audit opinions regarding the annual financial statements and the management report.

Reasonable assurance is a high level of assurance but not a guarantee that an audit carried out in compliance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always uncover a material misstatement. Misstatements can result from transgressions or inaccuracies and are deemed material if it could be reasonably expected that they would individually or together influence the financial decisions made by users on the basis of the annual financial statements and management report.

We exercise due discretion during the audit and maintain a critical attitude. In addition,

- we identify and evaluate the risk of material misstatements, whether due to fraud or error, in the annual financial statements and the management report, plan and implement audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk that material misstatements are not uncovered is higher in the case of transgressions than in the case of inaccuracies, as transgressions can entail fraudulent collaboration, falsifications, deliberate omissions, misleading depictions or the suspension of internal controls.
- we gain an understanding of the internal control system relevant for the audit of the annual financial statements and of the arrangements and measures relevant for the audit of the management report in order to plan audit procedures that are appropriate given the circumstances, but not with the aim of providing an audit opinion regarding the effectiveness of these systems of the company.
- we evaluate the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimated values presented by the legal representatives and the associated disclosures.

- we draw conclusions about the appropriateness of the going concern principle applied by the legal representatives and, on the basis of the audit evidence obtained, whether there is material uncertainty regarding events or circumstances that could cause significant doubt about the company's ability to continue as a going concern. If we come to the conclusion that there is material uncertainty, we are obliged to call attention to the associated disclosures in the annual financial statements and in the management report in the auditor's report or, if these disclosures are inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may mean that the company is no longer a going concern.
- we evaluate the overall presentation, the structure and the content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events such that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the company in accordance with the German principles of proper accounting.
- we evaluate the consistency of the management report with the annual financial statements, its legality and the view it gives of the position of the company.
- we conduct audit procedures regarding the forward-looking disclosures made by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence, we examine the significant assumptions underlying the legal representatives' forward-looking disclosures in particular and evaluate the appropriateness of the derivation of the forward-looking disclosures from these assumptions. We do not provide a separate audit opinion regarding the forward-looking disclosures or the underlying assumptions. There is a considerable, unavoidable risk that future events will differ significantly from the forward-looking disclosures.

Topics for discussion with those responsible for monitoring include the planned scope and scheduling of the audit as well as significant audit findings, including any deficiencies in the internal control system that we find during our audit."

We prepared the above audit report in accordance with legal requirements and the principles of the proper preparation of audit reports (IDW PS 450, new version).

Publication or distribution the annual financial statements and/or management report in a form other than the version we audited (including translation into other languages) require us to issue a new opinion, where these cite our auditor’s report or reference our audit. Please see Section 328 HGB for more information.

Remscheid, April 7, 2022

B&O Rheinisch-Bergische Treuhand GmbH
Wirtschaftsprüfungsgesellschaft

Thomas Strycker
German Public Auditor

APPENDIX 3:

Annual Financial Statements for Wystrach GmbH for the year 31 December 2020

(Unofficial english translation of extracts of the official annual financial statements for 2020 prepared in german language)

REPORT

on the

audit of the

Annual Financial Statements
as of **December 31, 2020**

and the

Management Report
for fiscal **2020**

of
Wystrach GmbH
High-pressure systems, bundling

Industriestrasse 60
47652 Weeze

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Main Section

1. Audit Engagement

At the shareholder's meeting on September 3, 2020 of

Wystrach GmbH,

Weeze

(hereinafter also referred to as "Wystrach GmbH" or "the Company")

we were appointed as auditor for the fiscal year from January 1 to December 31, 2020. The Company's management then engaged us to audit the annual financial statements, together with the accounting and the management report, for the fiscal year from January 1, 2020 to December 31, 2020 in accordance with Sections 316 and 317 *Handelsgesetzbuch* (German Commercial Code – HGB).

The following report of the statutory audit of the annual financial statements and management report of Wystrach GmbH as of December 31, 2020 is thus addressed to the Company.

In accordance with the size classifications set out in Section 267 (2) HGB, the Company is considered a medium-sized corporation and is thus subject to mandatory audits pursuant to Sections 316 et seq. HGB.

We confirm according to Section 321 (4a) HGB that we complied with the applicable independence requirements in relation to our audit.

Our audit engagement was not subject to any grounds for exclusion in accordance with Sections 319, 319a, 319b HGB, Sections 49 and 53 *Wirtschaftsprüferordnung* (Act regulating the profession of German Public Auditors – WPO) or Sections 28 et seq. of the Professional Charter for Wirtschaftsprüfer/vereidigte Buchprüfer (BS WP/vBP).

We conducted the audit in the month of December 2020 (preliminary audit) at the Company's business premises in Weeze. The further audit and final processing of the engagement were carried out at our business premises in March and April 2021.

All the explanations and evidence that we requested were provided. The management confirmed to us in writing that the annual financial statements and the management report were complete on April 1, 2021.

We documented the nature and scope of our audit in our working papers.

We have prepared the following report on the results of our audit.

We prepared this audit report in accordance with the audit standard PS 450, new version, "Principles of the proper preparation of audit reports" by Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW), Düsseldorf.

We have attached the audited annual financial statements as of December 31, 2020, comprising the balance sheet (Annex 1), income statement (Annex 2) and notes to the annual financial statements (Annex 3), as well as the audited management report for fiscal 2020 (Annex 4), to our report.

We discuss the legal and tax circumstances in Annexes 6 to 7.

Our engagement is based on the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms], which is attached as Annex 8, in the version dated January 1, 2017. The extent to which we are liable is established in Section 323 (2) HGB. No. 1 (2) and no. 9 of the General Engagement Terms apply to third parties.

2. General Findings

2.1 Position of the Company

<u>2.1.1 Statement on the Legal Representative's Assessment of the Position</u>

In accordance with Section 321 (1) sentence 2 HGB, in our report below we comment on the legal representatives' assessment of the position of the company in the annual financial statements and in the management report.

We make our statement on the basis of our own assessment of the Company's economic position that we made when auditing the annual financial statements and the management report. These include detailed disclosures and our statement regarding the causes of individual developments, as well as a critical evaluation of the underlying assumptions, but not our own forecast calculations. We are obliged to report to the extent that the audited documents allow an assessment to be made.

In particular, we discuss the going concern assumption and the assessment of the Company's future development, as expressed in the annual financial statements and the management report.

The documents we audited within the meaning of Section 321 (1) sentence 2 HGB comprised all documents that were covered directly by our audit, i.e. the accounts, the annual financial statements and the management report and all documents that we used as part of our audit such as cost accounting records, projections, key contracts and reports to those responsible for monitoring.

The management report contains the following material statements on business performance and the position of the Company:

<u>Business Performance and Position of the Company</u>

The COVID-19 pandemic had a significant impact on business performance in the reporting year. Demand for industrial gases declined sharply on account of lower capacity utilization in the production industry. In addition, lockdowns imposed by the German federal government and the closure of hospitality businesses that this required also had a negative impact on the consumption of industrial gases.

In light of this, business performance in the reporting year can be considered satisfactory overall. The decline in sales was limited to 14% year on year thanks to various measures taken. Sales shifted from industrial gases to products in the hydrogen segment, which require higher materials use in relative terms.

As a result, gross revenue in fiscal 2020 declined to EUR 24,900 thousand (previous year: EUR 29,022 thousand). At the same time, the material usage ratio rose to 52.6% (previous year: 51.0%). The staff cost ratio also declined to 32.7% (previous year: 34.0%).

Taking account of cost savings such as the use of short-time work schemes, the Company ended the fiscal year with an operating result of EUR 1,337.9 thousand (previous year: EUR 1,708.8 thousand) and net income for the year of EUR 798.0 thousand (previous year: EUR 1,033.5 thousand).

Our audit of the management report determined that the statements made on business performance and the position of the Company are clear. They do not contradict the evaluation in our audit.

Expected Development of the Company

The discussion of Wystrach GmbH's expected development in the management report is based on assumptions that apply a margin of discretion. We consider this plausible. In this context, the following management assumptions in particular should be noted:

Wystrach GmbH's business focuses on transport solutions and the storage of industrial gases. Wystrach GmbH is established in this key market.

Considering the current order backlog, management's sales forecast is also based on development projects being completed and ready for market. On this basis, management plans for net income in 2021 to be higher than net income in the reporting year.

Management has identified various risks that could affect future business performance. It uses an appropriate integrated risk management system to address these risks.

We believe that the assumptions made for the expected development are reasonable. Based on these macroeconomic and sector-related assumptions, the future development of the Company is determined logically and is not arbitrary.

Regarding the going concern assumption, we did not identify any legal or actual circumstances in our audit that contradict this assumption. In light of this, we believe the assumption that the Company is a going concern is accurate.

3. Object, Nature and Scope of the Audit

3.1 Object of the Audit

In accordance with Section 317 HGB, as part of our engagement we audited the accounting and the annual financial statements and management report prepared in line with German accounting standards to assess whether these comply with the applicable legal requirements.

The legal representatives are responsible for the accounting, the internal controls in place for this purpose and the information provided to us as the auditor. Our responsibility as the auditor is to assess these documents, including the accounting and the disclosures made, as part of our mandatory audit.

Our audit covers checking compliance with other legal requirements only if these other requirements generally have repercussions for the annual financial statements or the management report prepared in line with German accounting standards.

The audit did not include a special audit to detect irregularities in monetary and service transactions (embezzlement audit). Our work did not give rise to any indications that would have necessitated special investigations in this regard.

3.2 Nature and Scope of the Audit

We determined the nature and scope of the audit required in this engagement based on our own responsibility and our professional judgment, which is limited by statutory rules and regulations, IDW auditing standards and, where applicable, by additional terms and conditions of the engagement and the respective reporting requirements.

We conducted our audit of the consolidated financial statements in accordance with Sections 316 et seq. HGB, taking account of the German generally accepted standards of the audit of financial statements. The audit is then to be planned and performed so that it can be determined with reasonable assurance whether the accounting, the annual financial statements and the management report are free of material misstatement. Evidence supporting the disclosures in the accounting, the annual financial statements and the management report is examined on the basis of spot checks within the framework of the audit. The audit encompasses an assessment of the accounting and classification principles applied and the material estimates by management as well as an appreciation of the overall presentation of the annual financial statements and the management report. We believe that our audit provides a reasonable basis for our audit opinions.

Our audit covered checking compliance with other legal requirements only if these requirements generally have repercussions for the annual financial statements. The purpose of our engagement was not to discover or explain criminal acts, e.g. embezzlement, or offenses committed outside the accounting context.

The following presentation and description of the scope and procedure of the audit is designed to enable the supervisory body to draw conclusions for its own monitoring work.

In accordance with Section 317 (4a) HGB, our audit does not extend to whether the company under audit can be ensured as a going concern or whether the effectiveness and efficiency of its management can be assured.

As part of our risk-based audit approach, we first drew up an audit strategy. This was based on an assessment of the business environment and information from management about the material corporate objectives and business risks.

Our audit procedures to obtain audit evidence comprised system and function tests, analytical audit procedures and tests of details.

We based our substantive audit procedures on the results of our assessment of the accounting-related internal control system.

Our process when auditing the accounting-related internal control system was as follows: Based on external factors, the Company's objectives, the business strategy and the management and monitoring processes at Company level, we then analyzed the business processes. The second stage of the process analysis was to assess the extent to which the material business risks that affect our audit risk were reduced by the design of business operations and control and monitoring measures.

The findings from the audit of the accounting-related internal control system were taken into consideration when selecting the analytical audit procedures and the tests of details.

If, in our opinion, effective operating controls and sufficient personnel, computer or mechanical controls were in place to ensure the accuracy of the statements in the annual financial statements, we were able to limit our substantive audit procedures to a large extent with respect to individual cases, particularly in the area of routine transactions. Where we deemed it necessary to extend the scope of our audit, as well as analytical audit procedures in the form of plausibility assessments we also verified that individual transactions were correct using supporting documents and checked that they had been accounted for correctly.

In the audit program for the individual company, we set out the focus of our audit, its nature and scope, the timing of audit procedures and the assignment of employees. This was done in accordance with the principles of materiality and risk focus.

The critical audit objectives identified in our audit strategy gave rise to the following focal areas for our audit:

- Measurement of inventories
- Recognition and measurement of trade receivables and trade payables
- Completeness and measurement of provisions
- Sales recognition

Our audit also covered disclosures in the management report, especially forecasts.

Confirmations from third parties were obtained as follows and in line with the following criteria:

We satisfied ourselves that trade receivables and trade payables had been accurately recognized by obtaining balance confirmations on the basis of random sampling using mathematical-statistical selection criteria. If no confirmations were received from third parties, we carried out alternative audit procedures.

Bank confirmations were obtained from banks. Confirmation was obtained from lawyers regarding pending legal disputes. A mathematical expert opinion was provided for pension obligations.

We observed the physical stocktaking of Wystrach GmbH’s inventories on December 30, 2020.

All explanations and evidence that we requested and that are required by the legal representatives to properly conduct the audit were provided. Management confirmed to us in writing in the letter of representation dated April 1, 2021 that all assets, liabilities, risks and deferrals that are subject to recognition requirements have been accounted for in the annual financial statements as of December 31, 2020, that all expenses and income are included and that all required disclosures have been made. Management also declared that, in relation to expected developments, the management report contains all material aspects for assessing the Company’s position and all disclosures required under Section 289 HGB. No events of special significance took place after the end of the fiscal year following this declaration.

4. Findings and Disclosures Regarding Accounting

4.1 Propriety of the Accounting

4.1.1 Accounting Records and Other Audited Documents

As part of our audit, we ensure that the accounting and the other audited documents comply, in all material respects, with legal requirements, including the German principles of proper accounting.

Our findings indicate that records of the Company's business transactions are complete, continuous and timely. The chart of accounts ensures a clear and concise system for the posting data with a level of detail that is sufficient for the Company's needs. Where accounting records were viewed as part of our audit, these all contained the information required for proper documentation. Records are stored in numerical order so that they can be immediately accessed using the information in the accounts. Accordingly, the accounting complies with the legal requirements in all material respects for the fiscal year as a whole.

The organization of the accounting, the internal control system, the flow of data and the accounting records ensure that transactions can be recognized and posted in full, correctly, on time and in an orderly fashion.

Based on the results of our audit, the information taken from the other audited documents was properly shown in all material respects in the accounting records, the annual financial statements prepared in accordance with German accounting standards and the management report.

Accounting is supported by IT and uses eGekko (Review 37.1).

There were no notable organizational changes to accounting processes in the reporting year.

4.1.2 Annual Financial Statements

The annual financial statements as of December 31, 2020, which were prepared in accordance with German accounting standards and presented to us for audit, comply in all material respects with the legal requirements for accounting, including the German principles of proper accounting and all regulations for specific sizes, sectors or legal forms.

The opening balance sheet figures were properly taken from the prior-year financial statements that we had audited.

In our opinion, Wystrach GmbH's balance sheet and income statement for the fiscal year from January 1, 2020 to December 31, 2020 are properly derived from the accounting records and the other audited documents. The relevant recognition, disclosure and measurement regulations were observed in all material respects, as was the consistency principle as per Section 252 (1) no. 6 HGB.

With regard to the propriety of the information provided in the notes to the annual financial statements, which we have not reported on elsewhere, we found that the reporting in the notes to the annual financial statements by legal representatives was carried out in full and to the extent required by law.

It was correct to apply the protective clause in Section 286 (4) HGB regarding the disclosure of total management remuneration in the notes in accordance with Section 285 no. 9 (a) and (b) HGB.

4.1.3 Management Report

During our audit of compliance of the management report with the law, in accordance with Section 321 (2) sentence 1 HGB we found that the management report complies, in all material respects, with legal regulations. Please see separate statement in section 2.1.

4.2 Overall Presentation of the Annual Financial Statements

4.2.1 Findings on the Overall Presentation of the Annual Financial Statements

We report below on the result of our assessment as to whether and to what extend the overall presentation in the annual financial statements meets the requirements of Section 264 (2) sentence 1 HGB.

In addition, the accounting and the other audited documents, the annual financial statements, the management report and the additional provisions of the shareholder agreement also comply with legal requirements.

As there were no special circumstances, we concluded that the annual financial statements as a whole give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting.

For better understanding of the overall presentation of the annual financial statements, in the following section we discuss the material accounting policies (Section 321 (2) sentence 4 first half-sentence HGB), the grooming transactions and changes to measurement principles, where these have a material effect on these annual financial statements (Section 321 (2) sentence 4 second half-sentence HGB).

4.2.2 Measurement Principles

The measurement principles within the meaning of Section 321 (2) sentence 4 first half-sentence HGB cover the accounting policies and the key factors for measuring assets and liabilities (parameters, assumptions and exercising discretion).

Material measurement principles are principles that, individually or together with other measurement principles, are important for informing users of the reports because they have a material effect on the overall presentation of the annual financial statements.

The book values recognized in the annual financial statements are determined by linking factors that determine value to assets and liabilities as of the balance sheet date.

Parameters are usually objective factors determined by market prices or generally accepted standard values, while assumptions about future developments are subjective factors in determining value that are determined at the discretion of the legal representatives, taking into account accounting principles.

Discretion is based on uncertain expectations when determining estimates and the assumptions on which they are based. This results in a range of permitted carrying amounts for many items.

The exercise of accounting and measurement options is particularly important in the explanation of accounting policies because these decisions by the legal representatives allow them to influence the overall presentation of the annual financial statements.

In our view, the annual financial statements of Wystrach GmbH as of December 31, 2020 include the following material accounting policies and factors (parameters, assumptions and exercising discretion), where these are not clear from the notes:

The production cost of inventories includes all direct costs and any necessary indirect costs. As in the previous year, raw materials, consumables and supplies are measured at weighted average value in accordance with Section 240 (4) HGB.

Other provisions include the settlement values that are necessary in accordance with prudent business judgment; there were no changes to the relevant measurement methods, assumptions or parameters compared to the previous year.

As the notes contain information that must be reported under Section 321 (2) sentences 3 to 5 HGB, in this individual case we have decided that it is not appropriate to repeat or summarize this information in the auditor’s report.

Accordingly, please see the corresponding disclosures in the notes for information on the material measurement principles not explained here.

Neither the nature nor the scope of references we make to the notes contradict the clarity of reporting required by Section 321 (1) sentence 2 HGB.

We, as the auditor, are not responsible for assessing the extent to which the legal representatives’ accounting decisions are economically appropriate.

4.2.3 Grooming Transactions

As part of the explanation of the overall presentation of the annual financial statements, we discuss grooming transactions in the section below. We report individually on transactions that can have a material effect on the presentation of net assets, the financial position and results of operations in the annual financial statements.

The pension commitments for Mr. Jochen Wystrach and Mr. Wolfgang Wolter were transferred to PB Pensionsfonds AG, Hilden in a supply contract (no. 88244 and 88245) dated November 13, 2020, in both cases with effect from November 30, 2020. At the time of outsourcing, the pension obligations had a required settlement value of EUR 590,936.00. For this, total compensation payments of EUR 594,419.26 in the form of life insurance policies and sums of money were made to the pension fund. The outsourcing relates to “past service”, as the shareholders had already waived “future service” in previous years.

Our discussion of changes to the measurement principles applies regarding the nature and scope of our reporting.

4.2.4 Breakdowns and Disclosures

Section 321 (2) sentence 5 HGB requires a breakdown of financial statement items, where this is needed to understand the overall presentation of the annual financial statement, in particular the disclosure of the measurement principles and changes in these as well as grooming transactions pursuant to Section 321 (2) sentence 4 HGB, and the information is not included in the notes.

As part of this breakdown, where appropriate we also include disclosures already included in the annual financial statements in a different presentation in our auditor’s report below.

Please see the following stand-alone section “Net Assets, Financial Position and Results of Operations”, which discusses the position and development of the Company in the reporting year.

4.3 Net Assets, Financial Position and Results of Operations

4.3.1 Net Assets and Capital Structure

Net assets and the capital structure, as well as changes in these compared to the previous year, result from the following balance sheet figures in EUR thousand for the two balance sheet dates December 31, 2020 and December 31, 2019.

Rounding differences occur for technical reasons and are not corrected.

Changes in net assets:

	Balance sheet as of December 31, 2020		Balance sheet as of December 31, 2019		Year-on-year change in	
	EUR thousand	%	EUR thousand	%	EUR thousand	%
ASSETS						
Intangible fixed assets	33.1	0.2	62.5	0.3	-29.4	-47.0
Tangible assets	11,053.9	53.5	11,621.2	55.8	-567.3	-4.9
Inventories	5,099.6	24.7	4,240.5	20.3	859.1	20.3
Receivables	3,821.4	18.5	3,514.7	16.9	306.7	8.7
Other assets	369.2	1.8	163.9	0.8	205.3	125.3
Cash/securities	129.5	0.6	1,149.6	5.5	-1,020.1	-88.7
Prepaid expenses	141.5	0.7	90.7	0.4	50.8	56.0
Total assets	20,648.2	100.0	20,843.1	100.0	-194.9	-0.9

Total assets saw only an insignificant year-on-year change of EUR 194.9 thousand. Other than the decrease in cash and cash equivalents, the structure of the composition also remained constant.

There was no change to the ratio of long-term assets to total assets between 2019 and 2020, remaining at 53.7%.

The EUR 567.25 thousand decrease in tangible assets is due to depreciation. A grant from EU subsidies of EUR 87 thousand was deducted. The grant relates to the development of a mobile hydrogen filling station called “H2Share”, which reached market maturity for fiscal 2020. The production cost of the project after deducting the subsidy funds came to EUR 891 thousand as of December 31, 2020. Further additions of EUR 305 thousand relate to various tools and operating equipment, as well as a new server (EUR 56 thousand).

Inventories rose by EUR 859 thousand compared to the previous year. The increase is due largely to finished goods that had not yet been delivered as of the reporting date and the start of production for current orders.

In line with the increase in inventories, cash funds declined against 2019 levels.

As a result, medium and short-term assets decreased by EUR 402 thousand to EUR 9,561 thousand.

Changes in capital structure:

	Balance sheet as of December 31, 2020		Balance sheet as of December 31, 2019		Year-on-year change in	
	EUR thousand	%	EUR thousand	%	EUR thousand	%
EQUITY AND LIABILITIES						
Equity	10,944.7	53.0	10,746.7	51.6	198.0	1.8
Provisions	1,095.1	5.3	995.6	4.8	99.5	10.0
Loan liabilities	5,299.1	25.7	5,640.3	27.1	-341.2	-6.0
Trade payables	2,449.4	11.9	2,431.3	11.7	18.1	0.7
Other liabilities	859.9	4.2	1,029.2	4.9	-169.3	-16.4
Total equity and liabilities	20,648.2	100.0	20,843.1	100.0	-194.9	-0.9

As well as subscribed capital (EUR 260 thousand), equity includes the previous year’s retained profits (EUR 9,886.7 thousand). In the reporting year, this resulted in a profit distribution to WWV Holding GmbH of EUR 600.0 thousand. The item also includes net income (EUR 798.0 thousand).

Provisions broke down as follows as of December 31, 2020:

Item	December 31, 2020	December 31, 2019
- Pension obligations	EUR 663,461.00	EUR 1,232,440.00
Claims from pension liability insurance	EUR -503,494.56	EUR -927,777.26
= balance sheet presentation	EUR 159,966.44	EUR 304,662.74
- Tax provisions	EUR 425,912.35	EUR 146,994.34
- Personnel expenses	EUR 388,952.07	EUR 449,701.89
- Warranties	EUR 36,908.87	EUR 36,528.52
- Preparation and audit of annual financial statements	EUR 38,181.00	EUR 36,591.60
- Miscellaneous provisions	EUR 45,211.48	EUR 21,153.90
Total	EUR 1,095,132.21	EUR 995,632.99

The decline in pension provisions reflects the transfer of pension commitments for Mr. Jochen Wystrach and Mr. Wolfgang Wolter to external pension funds. The pension obligations recognized relate to the former shareholders, Mr. Joachim Wystrach and Mr. Bernd Valks. It should be noted that Mr. Joachim Wystrach passed away in February 2021.

The equity-to-fixed assets ratio developed as follows compared to the previous year:

Equity	10,944,663.55	10,746,663.94
Fixed assets	11,086,991.70	11,683,707.91
Equity-to-fixed assets ratio in%	**99**	92

The ratio of short-term liabilities to short-term assets is 184.7% (third degree liquidity). This results in working capital (current assets less short-term liabilities) of EUR 4,320.3 thousand as of December 31, 2020. The structure of the liabilities and their term as of the balance sheet date was as follows:

Term of liabilities	Total	thereof with a remaining term of	
		less than 1 year	more than 1 year
	EUR thousand	EUR thousand	EUR thousand
Liabilities to banks	5,299.1	741.2	4,557.9
Trade payables	2,449.4	2,449.4	0.0
Other liabilities	859.9	813.7	46.2
Total	8,608.4	4,004.3	4,604.1

4.3.2 Financial position

The cash flow statement below provides an overview of the origin and use of the company under audit's funds. It shows the cash flows using the indirect method and complies with the principles of German Accounting Standard no. 21 (DRS 21) promulgated by the German Standardization Council (DSR).

Cash flow statement in accordance with the principles of German Accounting Standard no. 21 (DRS 21)

Classification II ("indirect method")

			2020 EUR thousand	2019 EUR thousand
1.		Net income/loss for the period (consolidated net income/loss for the year including minority interests)	798.0	1,033.6
2.	+/-	Depreciation, amortization and write-downs of fixed assets/reversals of write-downs of fixed assets	713.7	815.3
3.	+/-	Increase/decrease in provisions	99.5	59.4
4.	+/-	other non-cash income and expenses	-278.8	-49.1
5.	-/+	Increase/decrease in inventories, trade receivables and other assets not related to investing or financing activities	-1,421.9	1,948.4
6.	+/-	Increase/decrease in trade payables and other liabilities not related to investing or financing activities	-151.2	153.2
7.	-/+	Gain/loss on the disposal of fixed assets	12.5	
8.	+/-	Interest expenses/interest income	154.3	194.7
9.	-	Other investment income	0.0	0.0
10.	+/-	Income tax expenses/income	355.9	451.9
11.	-/+	Income taxes paid	-76.9	-438.4
12.	=	**Cash flow from operating activities (Sum of 1 to 11)**	**205.1**	**4,169.0**

		Cash flow statement continued	**2020** EUR thousand	2019 EUR thousand
13.	+	Proceeds from disposal of intangible fixed assets	0.0	0.0
14.	-	Payments for the purchase of intangible fixed assets	-13.0	-41.1
15.	+	Proceeds from disposals of tangible fixed assets	88.8	0.0
16.	-	Purchase of tangible fixed assets	-205.3	-742.1
17.	+	Proceeds from disposal of long-term financial assets	0.0	0.0
18.	-	Payments for the purchase of long-term investments	0.0	0.0
19.	+	Interest received	3.4	8.5
20.	+	Dividends received	0.0	0.0
21.	=	**Cash flows from investing activities (Sum of 13 to 20)**	**-126.1**	**-774.7**
22.	+	Receipts from equity contributions by shareholders of the parent company	0.0	0.0
23.	+	Receipts from equity contributions by other shareholders	0.0	0.0
24.	-	Cash payments to shareholders of the parent company for equity reductions	0.0	0.0
25.	-	Cash payments to other shareholders for equity reductions	0.0	0.0
26.	+	Cash proceeds from issuance of bonds and from short- or long-term borrowings	0.0	0.0
27.	-	Cash repayments of bonds and short-or long-term borrowings	-635.8	-1,188.4
28.	+	Receipts from subsidies/grants received	0.0	455.7
29.	-	Interest paid	-157.9	-167.6
30.	-	Dividends/distributions paid to shareholders	-600.0	-600.0
31.	=	**Cash flow from financing activities (Sum of 22 to 30)**	**-1,393.7**	**-1,500.3**
32.		Net change in cash and cash equivalents (sum of 12, 21, 31)	-1,314.7	1,894.0
33.	+/-	Effect on cash funds of exchange rate movements and remeasurement	0.0	0.0
34.	+/-	Changes in cash funds due to consolidated group	0.0	0.0
35.	+	Cash and cash equivalents at the beginning of the period	1,144.9	-749.1
36.	=	**Cash and cash equivalents at the end of the period (Sum of 32 to 35)**	**-169.8**	**1,144.9**

Cash funds comprises exclusively cash and cash equivalents, including bank overdrafts repayable at any time.

4.3.3 Results of Operations

The comparison of profit and loss accounting based on the income statement for the two fiscal years 2020 and 2019 gives the following picture of results of operations and changes in this:

		January 1 to December 31, 2020		January 1 to December 31, 2019		Year-on-year change in	
		EUR thousand	%	EUR thousand	%	EUR thousand	%
	Sales	24,118.9	100.0	28,021.6	100.0	-3,902.7	-13.9
+/-	Inventory changes	637.7	2.6	516.1	1.8	121.6	23.6
+	Own work capitalized	142.9	0.6	483.9	1.7	-341.0	-70.5
+	Other operating income	336.5	1.4	132.7	0.5	203.8	153.6
-	Cost of materials	13,081.8	54.2	14,790.4	52.8	-1,708.6	-11.6
=	Gross profit/loss	12,154.2	50.4	14,363.9	51.3	-2,209.7	-15.4
-	Personnel expenses	7,674.7	31.8	9,497.3	33.9	-1,822.6	-19.2
-	Depreciation, amortization, and write-downs	713.7	3.0	815.3	2.9	-101.6	-12.5
-	Other operating expenses	2,427.9	10.1	2,342.5	8.4	85.4	3.6
=	Operating result	1,337.9	5.5	1,708.8	6.1	-370.9	-21.7
+	Financial income	3.4	0.0	8.5	0.0	-5.1	-60.0
-	Financial expense	157.7	0.7	203.2	0.7	-45.5	-22.4
=	Financial result	-154.3	-0.6	-194.7	-0.7	40.4	-20.7
-	Income taxes	355.9	1.5	451.9	1.6	-96.0	-21.2
=	Result after taxes	827.7	3.4	1,062.2	3.8	-234.5	-22.1
-	Other taxes	29.7	0.1	28.6	0.1	1.1	3.8
=	Net income	798.0	3.3	1,033.6	3.7	-235.6	-22.8

5. Auditor's Report and Concluding Remarks

Based on the results of our audit, we issued the following auditor's report on April 19, 2021 regarding the annual financial statements of Wystrach GmbH, Weeze, as of December 31, 2020, attached as Annexes 1 to 3, and the management report for fiscal 2020, attached as Annex 4. We have included this report below.

"AUDITOR'S REPORT

To Wystrach GmbH

Audit Opinions

We have audited the annual financial statements of Wystrach GmbH, comprising the balance sheet as of December 31, 2020, the income statement for the fiscal year from January 1, 2020 to December 31, 2020, and the notes to the annual financial statements, including the presentation of the accounting policies and valuation principles. In addition, we have audited the management report of Wystrach GmbH for the fiscal year from January 1, 2020 to December 31, 2020.

In our opinion, based on the findings of our audit,

- the attached annual financial statements comply in all material respects with the requirements of German commercial law that apply to stock corporations and give a true and fair view of the company's net assets and financial position as of December 31, 2020, and of its results of operations for the fiscal year from January 1, 2020, to December 31, 2020, in accordance with the German principles of proper accounting, and

- the attached management report as a whole presents an accurate view of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal regulations and suitably presents the opportunities and risks of future development.

Pursuant to Section 322, (3), Sentence 1 HGB, we state that our audit has not led to any reservations with regard to the compliance of the annual financial statements or the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors - IDW). Our responsibility according to these regulations and standards is described in further detail in the “Responsibility of the Auditor for the Audit of the Annual Financial Statements and the Management Report” section of our auditor’s report. We are independent of the company in compliance with the provisions of German commercial law and professional law and have fulfilled our other German professional obligations in compliance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions regarding the annual financial statements and the management report.

Responsibility of the Legal Representatives for the Annual Financial Statements and the Management Report

The legal representatives are responsible for preparing the annual financial statements, which in all material respects comply with the requirements of German commercial law that apply to stock corporations, and for the annual financial statements giving a true and fair view of the net assets, financial position and results of operations of the company in accordance with the German principles of proper accounting. Furthermore, the legal representatives are responsible for the internal controls that, in accordance with the German principles of proper accounting, they deemed necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the annual financial statements, the legal representatives are responsible for assessing the company’s status as a going concern. In addition, they have a responsibility to disclose matters related to the status as a going concern, if relevant. They are also responsible for accounting on the basis of the going concern principle, unless prevented by actual or legal circumstances.

Moreover, the legal representatives are responsible for preparing the management report, which as a whole provides an accurate view of the company’s position and is consistent with the annual financial statements in all material respects, complies with German legal regulations and suitably presents the opportunities and risks of future development. The legal representatives are also responsible for the arrangements and measures (systems) that they considered necessary to enable the preparation of a management report in compliance with the applicable German legal regulations and to allow sufficient, suitable evidence to be provided for the statements in the management report.

Responsibility of the Auditor for the Audit of the Annual Financial Statements and the Management Report

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an accurate view of the company’s position and is in all material respects consistent with the annual financial statements and with the findings of the audit, complies with German legal regulations and suitably presents the opportunities and risks of future development, and to issue an auditor’s report containing our audit opinions regarding the annual financial statements and the management report.

Reasonable assurance is a high level of assurance but not a guarantee that an audit carried out in compliance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always uncover a material misstatement. Misstatements can result from transgressions or inaccuracies and are deemed material if it could be reasonably expected that they would individually or together influence the financial decisions made by users on the basis of the annual financial statements and management report.

We exercise due discretion during the audit and maintain a critical attitude.

In addition,

- we identify and evaluate the risk of material misstatements, whether due to fraud or error, in the annual financial statements and the management report, plan and implement audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk that material misstatements are not uncovered is higher in the case of transgressions than in the case of inaccuracies, as transgressions can entail fraudulent collaboration, falsifications, deliberate omissions, misleading depictions or the suspension of internal controls.

- we gain an understanding of the internal control system relevant for the audit of the annual financial statements and of the arrangements and measures relevant for the audit of the management report in order to plan audit procedures that are appropriate given the circumstances, but not with the aim of providing an audit opinion regarding the effectiveness of these systems of the company.

- we evaluate the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimated values presented by the legal representatives and the associated disclosures.

- we draw conclusions about the appropriateness of the going concern principle applied by the legal representatives and, on the basis of the audit evidence obtained, whether there is material uncertainty regarding events or circumstances that could cause significant doubt about the company’s ability to continue as a going concern. If we come to the conclusion that there is material uncertainty, we are obliged to call attention to the associated disclosures in the annual financial statements and in the management report in the auditor’s report or, if these disclosures are inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor’s report. However, future events or circumstances may mean that the company is no longer a going concern.

- we evaluate the overall presentation, the structure and the content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events such that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the company in accordance with the German principles of proper accounting.

- we evaluate the consistency of the management report with the annual financial statements, its legality and the view it gives of the position of the company.

- we conduct audit procedures regarding the forward-looking disclosures made by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence, we examine the significant assumptions underlying the legal representatives’ forward-looking disclosures in particular and evaluate the appropriateness of the derivation of the forward-looking disclosures from these assumptions. We do not provide a separate audit opinion regarding the forward-looking disclosures or the underlying assumptions. There is a considerable, unavoidable risk that future events will differ significantly from the forward-looking disclosures.

Topics for discussion with those responsible for monitoring include the planned scope and scheduling of the audit as well as significant audit findings, including any deficiencies in the internal control system that we find during our audit.”

We prepared the above audit report in accordance with legal requirements and the principles of the proper preparation of audit reports (IDW PS 450, new version).

Publication or distribution the annual financial statements and/or management report in a form other than the version we audited (including translation into other languages) require us to issue a new opinion, where these cite our auditor’s report or reference our audit. Please see Section 328 HGB for more information.

Remscheid, April 19, 2021

B&O Rheinisch-Bergische Treuhand GmbH

Wirtschaftsprüfungsgesellschaft

Thomas Strycker

German Public Auditor

APPENDIX 4:

Report on review of the Group's Interim Report for Q3 2022

Building a better
working world

Statsautoriserte revisorer
Ernst & Young AS

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To the Board of Directors of Hexagon Purus ASA

Report on review of interim financial information

Introduction

We have reviewed the accompanying interim condensed balance sheet of Hexagon Purus ASA as of 30 September 2022 and the related interim condensed statements of income, statements of comprehensive income, changes in equity and cash flows for the three-month period and the nine-month then ended. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the international standard on review engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Aalesund, 1 November 2022
ERNST & YOUNG AS

Ivar-André Norvik
State Authorized Public Accountant (Norway)

Ivar-Andre Årnes Norvik
Statsautorisert revisor
On behalf of: EY
Serial number: 9578-5998-4-1416660
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