Q3 2023

HEXAGON PURUS

Key figures

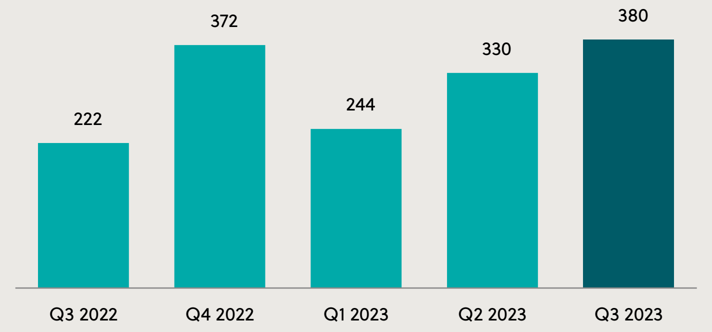
(NOK million)	Q3 2023	Q3 2022	Change	YTD 2023	YTD 2022	Change	FY 2022
Revenue	380	222	71%	954	592	61 %	964
Operating profit before depreciation (EBITDA)	-116	-92	-	-317	-297	-	-406
Operating profit (EBIT)	-154	-116	-	-414	-366	-	-501
Profit/loss before tax	-199	-65	-	-504	-308	-	-441
Profit/loss for the period	-197	-66	-	-499	-309	-	-432

Key developments in Q3 2023 and after balance sheet date

- All-time high quarterly revenue of NOK 380 million in the third quarter of 2023, corresponding to a year-over-year revenue growth of 71%. Consequently, revenue year-to-date as of the third quarter of 2023 was NOK 954 million, up 61% year-over-year
- Received purchase orders in October worth EUR 6.4 million from Solaris for delivery of hydrogen fuel storage systems for transit buses to be deployed in Italy
- Inaugurated the Company's new state-of-the-art hydrogen cylinder production hub in Kassel, Germany
- Entered into a 10-year lease agreement for a vehicle integration facility in Dallas, Texas to support the two major vehicle integrations contracts announced in 2023
- Exited the quarter with order backlog consisting of firm purchase orders of approximately NOK 1.1 billion

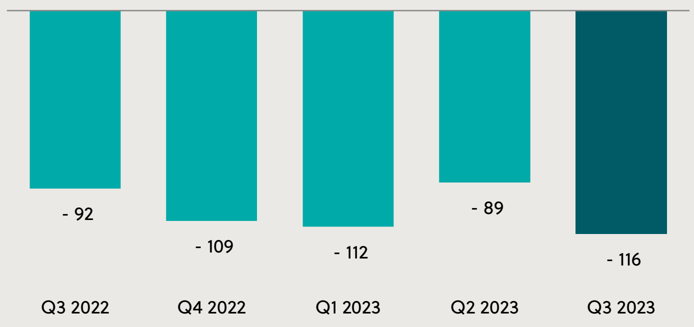
Revenue

NOK million



EBITDA

NOK million



A word from the CEO

We have just reported another strong quarter for Hexagon Purus, keeping us on track to deliver on our targets. We have consistently grown revenue, and most importantly, secured additional customer contracts to further strengthen our diversified customer portfolio. At the same time, we are nearing the end of an ambitious capacity expansion program, which will give us five brand new production facilities to operate in 2024. We continue to invest heavily in scaling up the company to secure the ability to deliver on our customer commitments and to position ourselves for the broader energy transition to come.

Revenue continues to be dominated by our hydrogen infrastructure solutions, which is agnostic to the color of the hydrogen molecule. And our modules are equally relevant and competitive for grey hydrogen, which is widely used in industrial processes for things like pharmaceuticals, semiconductors, and food. On the back of strong demand and limited industry capacity for these distribution modules, we see customers eager to secure future build slots by entering into long-term agreements. We expect this trend to further accelerate as green hydrogen, which is the preferred zero-emission solution for many applications, becomes increasingly available.

It is satisfying to see that our EBITDA margin so far in 2023 is improving as expected, mainly on the back of higher volume. As revenue continues to grow, we are confident that profitability will also continue to improve as our new production capacity comes online, with higher volume and higher efficiency.

In September, we opened our new state-of-the-art hydrogen cylinder production hub in Kassel, Germany. This is the third facility that we have opened this year, and the new Kassel facility will play a key role in cementing Hexagon Purus as the leading world-class manufacturer of safe, reliable and cost competitive hydrogen cylinders. I am super proud of the exceptional quality of the entire Hexagon Purus team and their tremendous efforts to get the new facilities opened and ready for start of production, in parallel with delivering strong commercial and operational execution. We are also making progress in North America, adding a new vehicle integration facility that will serve our recently won vehicle integration contracts for complete battery electric heavy-duty vehicles with Hino Trucks and Daimler Trucks North America.

As we enter the last phase of our capacity expansion program, I see strong commercial activity across the group – that makes me confident in our ability to fill our expanded capacity and further increase our order backlog visibility going into 2024. We expect a strong end to the year, and I am more confident than ever that we are on track to deliver on our ambitious targets.

Morten Holum, CEO of Hexagon Purus

Hexagon Purus Q3 2023 consolidated financials

Profit and loss

In the third quarter of 2023, Hexagon Purus ("the Company" or "the Group") generated NOK 380 million in revenue, the highest quarterly revenue on record. This corresponds to revenue growth of 71% from NOK 222 million in the third quarter of 2022. Hydrogen infrastructure solutions continues to be the main driver of growth, coupled with increasing activity within mobility applications, hereunder heavy-duty vehicles and transit bus as well as aerospace.

On average, the NOK weakened 13% against EUR and 5% against USD in the third quarter of 2023 compared to the third quarter of 2022. This has influenced the reported figures in the third quarter of 2023.

Cost of materials as % of revenue was 62% in the third quarter of 2023, compared to 54% in the third quarter of 2022 and 61% for the full-year 2022. The variability in materials cost is mainly driven by product mix and inventory movements. In relative terms, as a % of revenue, payroll expenses were down year-over-year in the third quarter of 2023 at 42% (51%) but increased on an absolute basis as a function of the continued investments in organizational scale-up. Total operating expenses in the third quarter of 2023 ended at NOK 496 (315) million, leading to an operating profit before depreciation (EBITDA) of NOK -116 (-92) million. Depreciation in the third quarter of 2023 was NOK 39 million, up from NOK 24 million in the third quarter of 2022 with the increase driven by a higher balance of depreciable assets because of the Company's ongoing capacity expansion program. Operating profit (EBIT) in the third quarter of 2023 consequently ended at NOK -154 (-116) million.

Share of income from investments in associates, which reflects Hexagon Purus' minority shareholdings in Norwegian Hydrogen AS, Cryoshelter LH2 GmbH and CIMC Hexagon Hydrogen Energy Systems Ltd., was NOK -3 (62) million in the third quarter of 2023. Finance income in the third quarter of 2023 was NOK 33 (3) million, mainly driven by foreign exchange fluctuations and interest on bank deposits. Finance expense in the third quarter of 2023 was NOK 75 (13) million and was mainly influenced by foreign exchange fluctuations, non-cash interest on the 2023/2028 convertible bond as well as interest on lease liabilities and other interest-bearing debt. Tax expense in the third quarter of 2023 was NOK -2 (1) million, and net profit after tax ended at -178 (-66) million.

Cash flow

Net cash flow from operating activities in the third quarter of 2023 was NOK -284 (-133) million, of which NOK 152 (58) million was due to an increase in net working capital.

Net cash flow from investing activities was NOK -117 (-94) million in the third quarter of 2023, of which NOK 102 million is investments in production equipment and facilities related to the ongoing capacity expansion program. The remaining cash flow from investing activities mainly relates to certain product development initiatives, and a NOK 10 million convertible loan extended to Norwegian Hydrogen during the quarter. Interest received on deposits in the third quarter of 2023 amounted to NOK 7 (2) million.

Net cash flow from financing in the third quarter of 2023 was NOK -21 (-2) million. The majority of the outflow from financing is related to lease payments, which in the third quarter of 2023 amounted to NOK -16 (-7) million. Payments related to lease liabilities is expected to continue to increase as the new facilities developed under the capacity expansion program comes online. Cash interest payments and repayment of interest-bearing loans in the third quarter of 2023 amounted to NOK -5 (1) million.

Net change in cash and cash equivalents in the third quarter of 2023 was NOK -422 (-229) million, and currency exchange differences on cash was NOK 15 (8) million. Cash and cash equivalents ended at NOK 566 (481) million. Group management and the Board are currently assessing several funding alternatives, including but not limited to, different types of equity and debt instruments. Funding of the Company's ongoing operations and strategic objectives is and will be dependent upon external sources of financing. Significant changes and volatility in macroeconomic and financial market conditions may impact investor sentiment.

Balance sheet

The weakened NOK during the third quarter of 2023 has had an impact on balance sheet positions in the Company's subsidiaries that is recognized in EUR and USD and other foreign currencies.

Total assets at the end of the third quarter of 2023 amounted to NOK 3 786 (2 636) million. The year-over-year increase in total assets is mainly driven by increases to property, plant and equipment and right-of-use assets as a result of the Company's ongoing capacity expansion program, combined with an increase in working capital. Trade receivables increased to NOK 311 (185) million in the second quarter of 2023 and inventory stood at NOK 438 (453) million. The Company's working capital position reflects expectations of a continued high activity level in the last quarter of 2023 and going into 2024.

Increases in equity and non-current liabilities in the third quarter of 2023 compared to the third quarter of 2022 is mainly driven by the NOK 800 million (gross) convertible bond issuance in March 2023, and an increase in lease liabilities related to production facilities and equipment as part of the Company's ongoing capacity expansion program. At quarter-end, the Company had a satisfactory equity ratio of 56% (68%).

Hydrogen infrastructure and mobility

Hexagon Purus' hydrogen storage solutions is based on its leading type 4 cylinder technology and enables the safe and efficient use of hydrogen in a variety of zero-emission mobility and hydrogen infrastructure applications.

The majority of Hexagon Purus' revenue growth in the third quarter of 2023 was driven by its suite of hydrogen infrastructure solutions, such as hydrogen distribution modules, stationary storage and mobile refueling units. Hydrogen infrastructure customers in the quarter included blue-chip industrial gas companies like Linde and Air Liquide, and green hydrogen producers such as Lhyfe. There is a growing need to transport hydrogen, and Hexagon Purus' type 4 distribution modules are significantly more cost-effective than alternative hydrogen transportation solutions, and the Company's commercial pipeline and customer dialogues for hydrogen infrastructure solutions remains highly active.

Mobility applications contributed positively to revenue growth in the quarter, mainly influenced by deliveries of hydrogen cylinders for Nikola's fuel cell electric heavy-duty truck and deliveries of hydrogen storage for transit bus applications to customers like Solaris, New Flyer and PAK-PCE. Development work and project activity within the automotive vertical remains high, and Hexagon Purus is in several dialogues with existing customers and prospective customers for development and potential serial production programs for hydrogen storage solutions for automotive applications. In October, the Hexagon Purus announced purchase orders for the delivery of hydrogen fuel storage systems to Solaris, a leading European bus manufacturer, worth approximately EUR 6.4 million. The buses will be operating in Bologna, Italy. The purchase orders were made as part of the long-term supply agreement between Hexagon Purus and Solaris that was entered into in November 2021.

Activity in the aerospace segment remains robust, and the Company's work with privately held space exploration companies in North America provided meaningful revenue contribution in the third quarter of 2023. Hexagon Purus is also in customer dialogues for development programs for on-board hydrogen storage for commercial aviation and maritime applications. In October, the Company received a purchase order for a hydrogen storage fuel system from Hvide Sande Shipyard to be used as fuel storage onboard a fuel cell electric training vessel in Norway.

Capacity expansion update

In September, Hexagon Purus inaugurated its new state-of-the-art and highly automized hydrogen cylinder production hub in Kassel, Germany, which serves as a blueprint for the future of the Company's hydrogen cylinder production footprint. The cutting-edge, modular manufacturing layout of the production hub is based on the decades of experience Hexagon Purus has in high-pressure vessel manufacturing and sets a new standard for productivity while simultaneously enabling production flexibility and scalability. The main principles of the new Kassel facility:

- Production layout is based on value stream design focusing on the most effective and efficient material as well as information flow
- Flexible production equipment, allowing for multi-purpose production as well as scalability and agility
- Customer demand has the highest priority and is the starting point of all (process) engineering activities
- Smart investments in state-of-the-art production technology and digitalization
- EHS standards embedded in all processes

Following the opening of the new Kassel facility, Hexagon Purus has two other hydrogen cylinders and systems related expansion projects ongoing, that are generally progressing according to plan. The Company is increasing its hydrogen storage systems assembly capacity for hydrogen infrastructure applications in Weeze, Germany. In China, the Company is together with its joint venture partner CIMC Enric constructing a hydrogen cylinder production and systems assembly facility in Shijiazhuang. Construction of both facilities are expected to be completed by the end of 2023.

Battery systems and vehicle integration

Hexagon Purus delivers industry-leading battery storage systems with complete vehicle integration for medium- and heavy-duty trucks in North America. Additionally, the Company has a suite of IP-protected components required for heavy-duty vehicle electrification.

In 2023, Hexagon Purus has signed two major agreements for complete vehicle integration of battery electric utility and heavy-duty vehicles with Hino Trucks and Daimler Trucks North America for the North American market, potentially worth more than USD 2 billion over the course of most of the current decade. The vehicles will include Hexagon Purus' proprietary and IP protected zero-emission technology, including battery systems, auxiliary modules, power modules and vehicle-level software. The contract wins highlights Hexagon Purus' unique vehicle integration capabilities and the Company's proprietary product portfolio of key components and technologies required for electrification of heavy-duty trucking and exemplifies the attractiveness Hexagon Purus has for OEMs looking to go zero-emission.

The battery systems and vehicle integration organization are now actively preparing for expected start of production for both programs towards the end of 2024, including engineering activities, test and validation as well as scaling up the organization. The supply chain for the Company's electric vehicle integration activities remains complex and dynamic, and the Company is engaging in proactive supplier management to mitigate third-party supply chain risk to the extent possible.

Capacity expansion update

In light of the two major vehicle integration agreements, Hexagon Purus in September announced the entry into a 10-year lease agreement for a new vehicle integration facility in the Dallas, Texas. The new facility, measuring more than 200,000 square feet, will significantly increase the Company's vehicle integration capacity. The building is already constructed allowing for a quicker move-in-date and shorter time to start of production, and the Company is expecting serial production of vehicles out of the new facility to commence during the second half of 2024. The new facility also provides Hexagon Purus with the ability to add manufacturing capacity for battery modules and packs in the future, which would also qualify for Inflation Reduction Act (IRA) subsidies.

Earlier in 2023, Hexagon Purus also opened its new engineering and manufacturing facility for battery systems in Kelowna, Canada. The equipment installation for the automated battery systems production line is expected to be completed in 2024, with subsequent start of production. Battery systems for the vehicles being produced in the new Dallas facility will be produced and delivered by the Kelowna facility.

The Company's facility in Ontario, California will continue to act as an assembly and testing site for prototype vehicles as well as a service center for delivered vehicles once serial production commences out of the Dallas facility.

Outlook

The momentum for the low-carbon energy transition remains strong, despite seeing a mix of tailwinds and headwinds. The project pipeline for new hydrogen projects continues to grow and the project funnel continues to mature, with more projects reaching the stages of detailed engineering and final investment decisions. However, a more challenging macroeconomic backdrop coupled with higher inflation and interest rates has put cost pressures across the value chain. The importance of continued strong and timely policy support will be important to deliver on the scale-up of zero-emission energy solutions and to achieve the global society's ambition of net zero. An example of this is the clean hydrogen hub initiative that was announced in October by the US government; seven regional clean hydrogen hubs across the US has been selected to receive USD 7 billion in funding to accelerate the domestic US market for low-cost, clean hydrogen. Collectively, the hubs will aim to produce more than 3 million metric tons of clean hydrogen, which is a third of the 2030 US clean hydrogen production goal.

One of the main benefits of Hexagon Purus' leading zero-emission energy storage solutions is its wide range of end-use applicability. The Company is experiencing a highly active commercial pipeline, especially for hydrogen infrastructure solutions. Additionally, Hexagon Purus has been successful in securing several long-term agreements in 2023, which gives the Company confidence and increased visibility to its long-term targets.

Hexagon Purus' order backlog, consisting of firm customer purchase orders, stood at approximately NOK 1.1 billion as of the third quarter of 2023, with the majority of the orderbook scheduled for execution in 2024. Order intake for 2024 has been strong after the balance sheet date, adding approximately NOK 130 million in additional orders during October. With its recent commercial success, Hexagon Purus has a strong and diversified portfolio of long-term agreements across several applications supporting the Company's medium and long-term targets. As more of these long-term agreements comes online and customer purchase orders are released as part of the long-term agreements, the Company expect corresponding growth in the order backlog, although order intake will fluctuate from quarter to quarter. For 2023, the Company expects revenue growth of approximately 50% year-over-year.

With several growth initiatives underway, including building production capacity and organizational capabilities to support customer launch activities and 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. The relative EBITDA margin is expected to significantly improve year-over-year, but EBITDA will continue to be impacted by ramp-up of the organization and production facilities. Negative EBITDA for full-year 2023 is expected to widen by approximately 10% compared to full-year 2022 EBITDA.

The forward-looking statements made above are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that are expected to occur in the future. They are therefore not guarantees of future performance. While the statements reflect the current views and expectations of Hexagon Purus based on information currently available to it, they are subject to various assumptions, in addition to risks and uncertainties that may be outside of its control. Hexagon Purus cannot provide any assurance that the assumptions underlying such forward-looking statements are free from errors nor accept any responsibility for the future accuracy of the opinions expressed herein, or the actual occurrence of the forecasted developments. Actual results could differ materially from those expressed or implied in forward-looking statements. Any forward-looking statements are based only on conditions as of the date on which they are made and we are under no obligation to update or alter such forward-looking statements whether as a result of new information, future events or otherwise.

Risks and uncertainties

Hexagon Purus operates in markets with strict standards for quality and delivery, deviations from which could result in significant additional costs, lost sales and damage to the Group's reputation. The Group is exposed to production-related risks such as production errors or shutdowns of its facilities which could have a material adverse effect on the Group's results of operations, cash flow and financial condition.

The Group is exposed to competing technologies and processes that could have a negative effect on the Group's competitive positioning, and in turn profitability and financial position.

The Group is exposed to developments in the prices and availability of its raw materials and in particular the cost of carbon fiber and lithium-ion batteries. The prices and availability 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. To mitigate the risk, the Group will from time to time enter into long-term supply agreements, locking in price and quantity. Even though the contracts are intended to mitigate supply risk, it would also potentially add risk, as they commit the Group on material and components, where actual demand can turn out to be lower than forecasted, market prices can fall, or the development could make the committed volumes technologically less relevant.

To the extent the Group does not generate sufficient cash from operations to fund its existing and future business plans, the Group may need to raise additional funds through public or private debt or equity financing to execute its growth strategy and to fund capital expenditures. Adequate sources of capital funding might not be available when needed or may only be available on unfavorable terms. If funding is insufficient at any time in the future, the 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 financial condition and results of operations.

The Group is also exposed to global macroeconomic developments including the impact of inflation, supply chain constraints and rising interest rates. It is not possible to know the precise impacts of such developments and to what extent these may or may not persist. For additional information about risks and uncertainties we refer to Hexagon Purus' 2022 annual report.

Oslo, 6 November 2023

The Board of Directors of Hexagon Purus ASA

Espen Gundersen
Chair

Jon Erik Engeset
Board member

Martha Kold Bakkevig
Board member

Rick Rashilla
Board member

Hidetomo Araki
Board member

Susana Quintana-Plaza
Board member

Liv Fiksdahl
Board member

Morten Holum
Group President & CEO

Hexagon Purus Group Financial Statements

Income statement

(NOK 1000)	Note	Q3 2023	Q3 2022	First nine months 2023	First nine months 2022	FY 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from contracts with customers	3,4	378 554	221 707	948 907	590 087	958 636
Rental income	3,4	317	336	946	905	1 255
Other operating revenue	3,4	1 583	327	4 145	534	4 034
Total revenue		**380 454**	**222 370**	**953 998**	**591 526**	**963 925**
Cost of materials		235 803	120 056	570 633	322 931	588 525
Payroll and social security expenses	8	159 865	114 114	455 764	309 158	443 496
Other operating expenses		100 482	80 402	244 328	255 988	337 408
Total operating expenses before depreciation		**496 151**	**314 572**	**1 270 726**	**888 077**	**1 369 430**
Operating profit before depreciation (EBITDA)	4	**-115 697**	**-92 203**	**-316 728**	**-296 551**	**-405 505**
Depreciation and amortization	5	38 558	23 857	97 314	69 653	95 089
Operating profit (EBIT)	4	**-154 254**	**-116 060**	**-414 042**	**-366 204**	**-500 594**
Share of profit/loss from investments in associates and joint ventures	10	-3 065	61 853	-7 467	59 115	51 888
Finance income		32 568	2 561	65 514	26 164	37 356
Finance expense	6,7	74 644	-13 207	147 985	-26 827	29 548
Profit/loss before tax from continuing operations		**-199 396**	**-64 853**	**-503 980**	**-307 752**	**-440 898**
Tax expense		-2 395	1 454	**-5 379**	1 269	-9 380
Profit/loss after tax from continuing operations		**-197 002**	**-66 307**	**-498 601**	**-309 021**	**-431 518**
Attributable to:						
Equity holders of the parent		-192 664	-66 246	-491 617	-308 960	-432 328
Non-controlling interest		-4 337	-60	-6 984	-60	810
Earnings per share						
Ordinary (NOK)		-0,70	-0,27	-1,78	-1,20	-1,67
Diluted (NOK)[1]		-0,70	-0,27	-1,78	-1,20	-1,67

1) The Company has potential dilutive shares through convertible bond instruments as well as share-based payment incentive plans. Diluted EPS is however set equal to ordinary EPS due to negative profit after tax.

Comprehensive income statement

(NOK 1000)	Q3 2023	Q3 2022	First nine months 2023	First nine months 2022	FY 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Profit/loss after tax	**-197 002**	**-66 307**	**-498 601**	**-309 021**	**-431 518**
OTHER COMPREHENVISE INCOME:					
Items that will be reclassified through profit or loss in subsequent periods					
Exchange differences on translation of foreign operations	-38 973	31 924	67 120	74 173	59 164
Net of total items that will be reclassified through profit and loss in subsequent periods	**-38 973**	**31 924**	**67 120**	**74 173**	**59 164**
Total comprehensive income, net of tax	-235 974	-34 383	-431 481	-234 848	-372 354
Attributable to:					
Share premium	-237 489	-34 315	-430 405	-234 780	-373 150
Non-controlling interest	1 515	-67	-1 076	-67	796

Statement of financial position

(NOK 1000)	Note	30.09.2023	30.09.2022	31.12.2022
		Unaudited	Unaudited	Audited
ASSETS				
Property, plant, and equipment	5	785 895	413 686	494 990
Right-of-use assets	5	418 238	107 320	152 300
Intangible assets		845 820	797 593	802 654
Investment in associates and joint ventures	10	54 937	33 197	33 029
Non-current financial assets		106 235	75 205	80 531
Other non-current assets		26 000	2 514	2 499
Total non-current assets		2 237 124	1 429 515	1 566 003
Inventories		437 645	452 803	332 218
Trade receivables		310 810	185 342	228 930
Contract assets (accrued revenue)		11 145	7 210	9 488
Other current assets		222 399	79 655	136 560
Cash and short-term deposits		566 462	481 026	381 705
Total current assets		1 548 461	1 206 037	1 088 901
Total assets		3 785 585	2 635 552	2 654 903

(NOK 1000)	Note	30.09.2023	30.09.2022	31.12.2022
		Unaudited	Unaudited	Audited
EQUITY AND LIABILITIES				
Issued capital and share premium		1 551 072	1 692 077	1 568 709
Other equity		432 072	92 908	83 182
Equity attributable to holders of the parent		1 983 145	1 784 979	1 651 891
Non-controlling interests		136 853	3 641	35 731
Total equity		2 119 998	1 788 620	1 687 621
Interest-bearing loans and borrowings	6	577 461	48 337	39 358
Lease liabilities	7	381 346	88 738	132 479
Non-current provisions		0	37	-
Other non-current financial liabilities	8	0	40 054	39 789
Net employee defined benefit liabilities		1 814	2 385	1 439
Deferred tax liabilities		40 879	48 208	45 543
Total non-current liabilities from		1 001 501	227 759	258 609
Trade and other payables		173 305	199 208	255 712
Contract liabilities		242 715	201 968	212 792
Interest-bearing loans and borrowings	6	243	1 587	4 673
Lease liabilities, short term	7	44 150	20 405	22 230
Income tax payable		3 848	10 285	3 290
Other current financial liabilities	8	42 589	75 551	75 052
Other current liabilities		86 534	85 361	96 699
Provisions		70 702	24 809	38 227
Total current liabilities		664 086	619 173	708 673
Total liabilities		1 665 587	846 932	967 282
Total equity and liabilities		3 785 585	2 635 552	2 654 903

Cash flow statement

(NOK 1000)	Q3 2023	Q3 2022	First nine months 2023	First nine months 2022	FY 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Profit before tax	**-199 396**	**-64 853**	**-503 980**	**-307 752**	**-440 898**
Depreciation, amortization, and impairment	38 558	23 858	97 314	69 654	95 089
Net interest expense	4 164	379	13 539	541	4 501
Changes in net working capital 1)	-152 417	-58 238	-241 448	-71 729	70 318
Other adjustments to operating cash flows	25 317	-34 037	59 888	-32 080	-54 322
Net cash flow from operating activities	**-283 774**	**-132 891**	**-574 687**	**-341 365**	**-325 313**
Purchase of property, plant, and equipment	-102 085	-51 100	-337 727	-148 378	-240 030
Purchase and development of intangible assets	-11 650	-7 526	-30 381	-33 674	-52 625
Cash paid related to acquisition of subsidiary; settlement of contingent considerations and deferred payment	-	-	-85 693	-	-
Investments in associated companies	-	-34 456	-29 305	-34 456	-41 481
Loans to associated companies	-10 000	-3 390	-23 510	-7 307	-11 989
Proceeds from sale of shares in associated companies	-	-	-	-	-
Interest received	7 112	2 443	20 044	3 530	8 111
Net cash flow from investing activities	**-116 622**	**-94 028**	**-486 572**	**-220 285**	**-338 014**
Net repayment (-) / proceeds (+) from interest bearing loans and convertible bonds	-911	3 704	756 909	-5 836	-11 731
Interest payments	-4 473	-2 822	-19 952	-4 071	-10 141
Repayment of lease liabilities (incl. interests)	-15 904	-6 846	-34 718	-17 331	-26 127
Net proceeds from share capital increase in parent company	-	-	473 982	593 866	593 866
Net proceeds from share capital increase in subsidiary (NCI contribution)	-	3 709	102 198	3 709	34 935
Net cash flow from financing activities	**-21 288**	**-2 256**	**1 278 419**	**570 336**	**580 802**
Net change in cash and cash equivalents	**-421 684**	**-229 174**	**217 161**	**8 685**	**-82 525**
Net currency exchange differences on cash	14 732	8 177	-32 404	18 944	10 832
Cash and cash equivalents beginning of period	973 413	702 024	381 705	453 398	453 398
Cash and cash equivalents end of period	**566 462**	**481 026**	**566 462**	**481 026**	**381 705**

1) Net working capital refers to inventory, trade receivables, contract assets, trade payables and contract liabilities

Statement of changes in equity

(NOK 1000)	Note	Issued capital	Share premium	Other paid-in capital	Foreign currency translation reserve	Equity attributable to holders of the parent	Non-controlling interest	Total equity
As of 1 January 2023		**25 828**	**1 542 880**	**23 839**	**59 344**	**1 651 891**	**35 731**	**1 687 621**
Profit for the period			-491 617			**-491 617**	-6 984	**-498 601**
Other comprehensive income					61 213	**61 213**	5 908	**67 120**
Total comprehensive income			**-491 617**		**61 213**	**-430 405**	**-1 076**	**-431 481**
Share-based payments				17 360		**17 360**		**17 360**
Share capital increase		1 852	497 976			**499 828**		**499 828**
Share capital increase in subsidiary							102 198	**102 198**
Convertible bonds - equity component				278 352		**278 352**		**278 352**
Transaction cost			-25 846	-8 034		**-33 880**		**-33 880**
As of 30 September 2023		**27 680**	**1 523 393**	**311 516**	**120 556**	**1 983 145**	**136 853**	**2 119 998**

	Issued capital	Share Premium	Other paid-in capital	Foreign currency translation reserve	Equity attributable to holders of the parent	Non-controlling interest	Total equity
As of 1 January 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 payments			10 495		**10 495**		
Share capital increase	2 474	597 526			**600 000**		
Transaction costs		-6 134			**-6 134**		
Share capital increase in subsidiary						3 709	**3 709**
As of 30 September 2022	**25 828**	**1 666 248**	**18 557**	**74 345**	**1 784 979**	**3 641**	**1 788 619**

	Issued capital	Share premium	Other paid-in capital	Foreign currency translation reserve	Equity attributable to holders of the parent	Non-controlling interest	Total equity
As of 1 January 2022	**23 354**	**1 383 817**	**8 063**	**165**	**1 415 398**		**1 415 398**
Profit for the period		-432 328			**-432 328**	810	**-431 518**
Other comprehensive income				59 179	**59 179**	-14	**59 164**
Total comprehensive income		**-432 328**		**59 179**	**-373 150**	**796**	**-372 381**
Share-based payments			15 776		**15 776**		**15 776**
Share capital increase	2 474	597 526			**600 000**		**600 000**
Share capital increase in subsidiary						34 935	**34 935**
Transaction costs		-6 134			**-6 134**		**-6 134**
As of 31 December 2022	**25 828**	**1 542 880**	**23 839**	**59 344**	**1 651 891**	**35 731**	**1 687 621**

Note 1: General information and basis for preparation

The condensed consolidated interim financial statements for the third quarter 2023, which ended 30 September, comprise Hexagon Purus ASA and its subsidiaries (together referred to as “the Group”). Hexagon Purus ASA, the parent of Hexagon Purus Group, is a public limited liability company with its registered office in Norway. The company’s headquarters are at Haakon VII's gate 2, 0161 Oslo, Norway. Hexagon Purus ASA is listed on Oslo Børs, under the ticker HPUR.

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. For a more detailed description of accounting principles, reference is made to the consolidated financial statements for the year ended 31 December 2022, available on the Company’s website www.hexagonpurus.com/investors.

The accounting principles used in the preparation of these interim accounts are the same as those applied to the annual consolidated financial statements referred to above. The Group has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

These condensed consolidated interim financial statements were approved by the Board of Directors on 6 November 2023.

Note 2: Estimates

The preparation of the interim accounts entails the use of valuations, estimates and assumptions that affect the application of the accounting policies and the amounts recognized as assets and liabilities, income, and expenses. The actual results may deviate from these estimates. The material assessments underlying the application of the Group’s accounting policy and the main sources of uncertainty are the same as for the consolidated accounts for 2022.

Note 3: Revenue from contracts with customers

(NOK 1000)	Q3 2023	Q3 2022	First nine months 2023	First nine months 2022	FY 2022
EXTERNAL CUSTOMERS					
Sale of cylinders and systems	362 994	185 883	880 906	504 827	768 008
Sale of services and funded development	4 237	32 487	42 852	79 711	141 706
Other revenues	1 499	327	4 145	534	4 034
Contracts with customers at a point in time	**368 729**	**218 697**	**927 903**	**585 071**	**913 748**
Sale of cylinders and systems	351	1 946	1 004	2 580	4 882
Sale of services and funded development	-	-	-	-	-
Other revenues	-	-	-	-	-
Contracts with customers over time	**351**	**1 946**	**1 004**	**2 580**	**4 882**
Revenue from contracts with external customers	**369 081**	**220 643**	**928 907**	**587 651**	**918 630**
Sale of cylinders and systems	11 056	115	24 082	1 501	42 351
Sale of services and funded development	-	1 276	62	1 468	1 689
Other revenues	-	-	-	-	-
Rental income	317	336	946	905	1 255
Contracts with related parties	**11 373**	**1 727**	**25 090**	**3 875**	**45 295**
Total revenue	**380 454**	**222 370**	**953 998**	**591 526**	**963 925**
TYPE OF GOODS OR SERVICE					
Sale of cylinders and systems	374 401	187 944	905 992	508 908	815 241
Sale of services and funded development	4 237	33 763	42 914	81 179	143 395
Other revenues	1 499	327	4 145	534	4 034
Rental income	317	336	946	905	1 255
Total revenue from contracts with customers	**380 454**	**222 370**	**953 998**	**591 526**	**963 925**
TIMING OF REVENUE RECOGNITION					
Goods transferred at a point in time	368 729	218 697	927 903	585 071	913 748
Services transferred over time	351	1 946	1 004	2 580	4 882
Transactions with related parties	11 056	1 391	24 144	2 969	44 040
Rental income	317	336	946	905	1 255
Total revenue from contracts with customers	**380 454**	**222 370**	**953 998**	**591 526**	**963 925**

Note 4: Operating segments

(NOK 1000)	Q3 2023	Q3 2022	First nine months 2023	First nine months 2022	FY 2022
Purus					
Revenues from contracts with customers	378 554	221 707	948 907	590 087	958 636
Rental income	317	336	946	905	1 255
Other operating revenue	1 583	327	4 145	534	4 034
Total revenue	**380 454**	**222 370**	**953 998**	**591 526**	**963 925**
Segment operating profit before depreciation (EBITDA)	-96 228	-92 203	-297 259	-296 551	-405 505
Segment operating profit (EBIT)	-134 785	-116 060	-394 573	-366 204	-500 594
Segment assets	3 785 585	2 635 552	3 785 585	2 635 552	2 654 903
Segment liabilities	1 665 587	846 932	1 665 587	846 932	967 282

Note 5: Tangible assets

(NOK 1000)	2023 Property, plant, and equipment	2023 Right of use assets	2023 Total	2022 Property, plant, and equipment	2022 Right of use assets	2022 Total
Carrying value as of 01.01	**494 990**	**152 300**	**647 290**	**267 705**	**52 219**	**319 924**
Additions	293 507	283 155	576 662	148 378	68 132	216 738
Depreciations	-35 907	-25 800	-61 707	-24 343	-17 215	-41 557
Currency translation differences	33 305	8 583	41 888	21 945	4 184	25 901
Carrying value as of 30.09	**785 895**	**418 238**	**1 204 132**	**413 686**	**107 320**	**521 006**

Note 6: Interest bearing liabilities

(NOK 1000)	2023 Non-current bond loan	2023 Non-current bank loan	2023 Current bank loan	Total 2023	2022 Non-current bank loan	2022 Current bank loan	Total 2022
Liabilities 1 January	**0**	**39 358**	**4 673**	**44 030**	**42 126**	**13 635**	**55 761**
Financing activities with cash settlement							
New liabilities	800 000	-	-	**800 000**	-	-	-
Transaction costs	-23 091	-	-	**-23 091**	-	-	-
Settlements in the period		-15 398		**-15 398**			
Repayment of liabilities	-	-	-4 602	**-4 602**	-	-12 048	**-12 048**
Financing activities without cash settlement							
Reclassification 1st year`s instalments	-	-	-	-	-	-	-
Exchange differences	-	5 699	172	**5 871**	2 457	-	**2 457**
Equity components	-270 318	-	-	**-270 318**	-	-	-
Other transactions without cash settlement	41 210	-	-	**41 210**	-	-	-
Liabilities as at 30.09	**547 802**	**29 659**	**242**	**577 704**	**44 583**	**1 587**	**46 170**

Convertible bond

In March 2023, Hexagon Purus ASA issued a 5-year unsecured convertible bond of NOK 800,000,000 with 6% fixed interest rate paid semi-annually in kind through issuance of additional bonds. The conversion price of the bond is set at NOK 33.75, and the conversion right can be exercised at any time between the loan issue and the last conversion date, which is set to 16 March 2028, being the date which is 5 years after the Shareholders' Meeting that resolved the convertible bond.

The convertible bond is a compound financial instrument which contains an equity component and a debt component. Upon initial recognition, the debt component is calculated as the discounted value of the bond assuming no conversion with an approximate market interest rate for similar loans without the conversion feature as the discount rate. For calculation purposes, a 15% discount rate has been applied, yielding a fair value of the debt component of NOK 521.6 million. The equity component equals the residual difference between the fair value of the convertible bond at issuance of NOK 800.0 million and the fair value of the debt component and amounts thus to NOK 278.4 million. Transaction costs related to the bond issue amounted to NOK 23.1 million and have been capitalized pro rata between the debt and equity component. See summarized table related to the convertible bond below.

Convertible bond accounting reconciliation	Principal amount	Transaction costs	Amount at initial recognition	Accumulated interests	Accumulated amortized transaction costs	Carrying amount 30.09.2023
Liability component	521 648	-15 087	506 591	40 158	1 052	547 802
Equity component	278 352	-8 034	270 318	-	-	270 318
Total	**800 000**	**-23 091**	**776 909**	**40 158**	**1 052**	**818 119**

Note 7: Lease liabilities

(NOK 1000)	2023	2022
Carrying value as of 01.01	**154 710**	**53 079**
New lease liabilities recognized in the period	283 155	68 132
Cash payments for the principal portion of the lease liability	-21 087	-16 253
Cash payments for the interest portion of the lease liability	-13 631	-1 079
Interest on lease liabilities	13 631	1 079
Currency translation differences	8 719	4 185
Carrying value as of 30.09	**425 497**	**109 143**

Lease liabilities are to a large extent related to lease agreements for office- and production premises, as well as leases related to vehicles, machinery, and equipment.

Note 8: Other financial liabilities

(NOK 1000)	Carrying value 01.01.2023	Settlements in the period	Reclassifications non-current to current	Currency translation differences	Carrying value 30.09.2023
Deferred payment from business combination (amortized cost)	-	-	-	-	-
Contingent consideration from business combinations (fair value)	39 789	-	-43 120	3 331	-
Total other non-current financial liabilities	**39 789**	**-**	**-43 120**	**3 331**	**-**
Deferred payment from business combination (amortized cost)	45 776	-52 267	-	6 491	-
Contingent consideration from business combinations (fair value)	29 275	-33 426	43 120	3 619	42 589
Total other current financial liabilities	**75 051**	**-85 693**	**43 120**	**10 110**	**42 589**

(NOK 1000)	Carrying value 01.01.2022	Settlements in the period	Reclassifications non-current to current	Currency translation differences	Carrying value 30.09.2022
Deferred payment from business combination (amortized cost)	43 490	-	-42 280	-1 209	**-**
Contingent consideration from business combinations (fair value)	65 616	-	-27 040	1 478	40 054
Total other non-current financial liabilities	**109 106**	**-**	**-69 321**	**269**	**40 054**
Deferred payment from business combination (amortized cost)	-	-	42 280	2 591	44 871
Contingent consideration from business combinations (fair value)	-	-	27 040	3 639	30 679
Total other current financial liabilities	-	-	**69 321**	**6 230**	**75 551**

Deferred payments and contingent consideration are mainly related to the acquisition of Wystrach GmbH in November 2021. The remaining contingent consideration, with a carrying value of NOK 42.5m as of 30 September 2023, is expected to be settled in cash in 2024 based on Wystrach's 2023 revenue and EBITDA performance.

The fair value of the contingent liabilities is assessed each quarter. At the end of the reporting period, there have been no changes to the fair value assessment.

The Group recognizes other non-current financial liabilities and current financial liabilities at fair value. All other financial assets and liabilities are recognized at amortized cost.

Note 9: Share-based payments

As of 30 September 2023, the Company had four share-based long-term incentive plans outstanding consisting of performance share units (PSU) and restricted share units (RSU).

Performance share units' programs (PSU)	Issued 2023	Issued 2022	Issued 2020
As of 1 January 2023, number of instruments	-	**988 686**	**421 242**
Grants	1 724 946	-	-
Lapsed/cancelled	-	-	-
As of 30 September 2023, number of instruments	**1 724 946**	**988 686**	**421 242**
Fair value – at grant date (NOK)	22.57	33.99	20.83
Vesting period	3 years	3 years	3 years
Expiry	Q1 2026	Q1 2025	Q1 2024
Restricted share units' programs (RSU)			
As of 1 January 2023, number of instruments	-	**85 260**	**695 621**
Grants	109 284	-	91 000
Lapsed/cancelled	-7 806	-	-15 000
As of 30 September 2023, number of instruments	**101 478**	**85 260**	**771 621**
Fair value – at grant date (NOK)	22,04	27,76	27,30
Vesting period	3 years	3 years	3 years
Expiry	Q1 2026	Q1 2025	Q1 2024

Performance share units programs

All PSUs are non-transferable and will vest subject to satisfaction of the applicable vesting conditions. The actual number of PSUs vested will depend on performance and can vary from zero to the maximum awarded PSUs in each program.

One of the three PSU programs is an executive management investment program awarded at the time of the Company's listing on Euronext Growth in 2020. Each eligible employee will at vesting date 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.

The two other PSU programs give eligible employees the right to receive up to twice the number of Hexagon Purus shares as corresponds to the number of PSUs vested on grant date, subject to satisfaction of the applicable vesting conditions and share price development.

Restricted share units program

All RSUs are non-transferable and will vest subject to satisfaction of the applicable vesting conditions. The RSUs are subject to continued employment three years after date of grant, and each participant will at such time receive such number of Hexagon Purus shares as corresponds to the number of RSUs allocated to them.

The fair value of the RSUs and PSUs are calculated on the grant date, using Black-Scholes and Monte Carlo simulation, and the cost is recognized over the service period. Cost of the RSU and PSU schemes, including social security, was NOK 17.4 million year-to-date 2023 (NOK 10.5 million as of 30 September 2022).

The unamortized fair value of all outstanding RSUs and PSUs as of 30 September 2023 is estimated to be NOK 50 million (NOK 43 million as of 30 September 2022). There are no cash settlement obligations.

Note 10: Financial investments and investments in associated companies

Company	Country	Business segment	Ownership share 30.09.2023	Ownership share 30.09.2022	Ownership share 31.12.2022	Accounting method
Norwegian Hydrogen AS	Norway	Purus	14.2%	15.0%	14.2%	Equity method / fair value
Cryoshelter LH2 GmbH	Austria	Purus	40.0%	40.0%	40.0%	Equity method
CIMC Hexagon Hydrogen Energy Systems Ltd.	Hong Kong	Purus	49.0%	49.0%	49.0%	Equity method

Norwegian Hydrogen AS

Norwegian Hydrogen AS was reclassified from investment in associate to equity investment at fair value on 1 September 2022. Fair value is derived according to level 3 of the Group's fair value hierarchy, based on significant unobservable inputs. Following the Group's reclassification, there have been subsequent capital raises in Norwegian Hydrogen AS, that support the Group's existing valuation. No change in fair value of the Groups holding in Norwegian Hydrogen AS has been recorded in the first nine months of 2023.

Note 11: Events after the balance sheet date

- Received purchase orders in October worth EUR 6.4 million from Solaris for delivery of hydrogen fuel storage systems for transit buses to be deployed in Italy

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

Shareholder information

The total number of shares in Hexagon Purus ASA as of 30 September 2023 was 276 797 456 (par value NOK 0.10). In the quarter, the share price moved between NOK 13.22 and NOK 21.50, ending the quarter at NOK 13.90. The share price as of 30 September 2023 implies a market capitalization of NOK 3.8 billion for the Company.

A total of 23 084 152 shares in Hexagon Purus ASA (HPUR) were traded on Oslo Stock Exchange during the third quarter of 2023.

20 largest shareholders as per 30 September 2023	Number of shares	Share of 20 largest	Share of total	Type	Citizenship
HEXAGON COMPOSITES ASA	106 306 356	47,67%	38,41%	Ordinary	Norway
CLEARSTREAM BANKING S.A.	35 320 777	15,84%	12,76%	Nominee	Luxembourg
MITSUI & CO LTD	20 934 815	9,39%	7,56%	Ordinary	Japan
MP PENSJON PK	8 497 985	3,81%	3,07%	Ordinary	Norway
DANSKE BANK	6 869 936	3,08%	2,48%	Ordinary	Norway
FLAKK COMPOSITES AS	6 864 344	3,08%	2,48%	Ordinary	Norway
DNB Markets Aksjehandel/-analyse	5 241 577	2,35%	1,89%	Ordinary	Norway
Citibank Europe plc	5 074 487	2,28%	1,83%	Nominee	Ireland
Deutsche Bank Aktiengesellschaft	4 550 467	2,04%	1,64%	Nominee	Germany
The Bank of New York Mellon SA/NV	3 531 066	1,58%	1,28%	Nominee	Belgium
BRØDR. BØCKMANN AS	2 688 996	1,21%	0,97%	Ordinary	Norway
VERDIPAPIRFONDET STOREBRAND NORGE	2 610 680	1,17%	0,94%	Ordinary	Norway
KTF FINANS AS	2 473 035	1,11%	0,89%	Ordinary	Norway
Nordnet Bank AB	2 141 567	0,96%	0,77%	Nominee	Sweden
State Street Bank and Trust Comp	2 101 615	0,94%	0,76%	Nominee	United States
NØDINGEN AS	1 727 673	0,77%	0,62%	Ordinary	Norway
UBS Switzerland AG	1 583 230	0,71%	0,57%	Nominee	Switzerland
The Bank of New York Mellon SA/NV	1 547 337	0,69%	0,56%	Nominee	United Kingdom
The Bank of New York Mellon SA/NV	1 500 229	0,67%	0,54%	Nominee	United Kingdom
CACEIS Investor Services Bank S.A.	1 431 472	0,64%	0,52%	Nominee	Luxembourg
Total of 20 largest shareholders	222 997 644	100.00%	80,56%		
Remainder	53 799 812		19,44%		
Total	276 797 456		100.0 %		

Forward-looking statements

This quarterly report (the "Report") has been prepared by Hexagon Purus ASA ("Hexagon Purus" or the "Company"). The Report has not been reviewed or registered with, or approved by, any public authority, stock exchange or regulated marketplace. The Company makes no representation or warranty (whether express or implied) as to the correctness or completeness of the information contained herein, and neither the Company nor any of its subsidiaries, directors, employees or advisors assume any liability connected to the Report and/or the statements set out herein. This Report is not and does not purport to be complete in any way. The information included in this Report may contain certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Report, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of the Company or its advisors or any of their parent or subsidiary undertakings or any such person's affiliates, officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Report or the actual occurrence of the forecasted developments. The Company and its advisors assume no obligation to update any forward-looking statements or to conform these forward-looking statements to the Company's actual results. Investors are advised, however, to inform themselves about any further public disclosures made by the Company, such as filings made with Euronext Growth or press releases. This Report has been prepared for information purposes only. This Report does not constitute any solicitation for any offer to purchase or subscribe any securities and is not an offer or invitation to sell or issue securities for sale in any jurisdiction, including the United States. Distribution of the Report in or into any jurisdiction where such distribution may be unlawful, is prohibited. This Report speaks as of 6 November 2023, and there may have been changes in matters which affect the Company subsequent to the date of this Report. Neither the issue nor delivery of this Report shall under any circumstance create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that the affairs of the Company have not since changed, and the Company does not intend, and does not assume any obligation, to update or correct any information included in this Report. This Report is subject to Norwegian law, and any dispute arising in respect of this Report is subject to the exclusive jurisdiction of Norwegian courts with Oslo City Court as exclusive venue. By receiving this Report, you accept to be bound by the terms above.