

Q4 2022



A word from the CEO

Dear Shareholders,

According to the International Energy Agency, the global energy crisis has accelerated the shift to renewables, and capacity is set to double in the next five years. Energy security and sustainability are key drivers.

In 2022, we saw the introduction of the biggest climate investment programs the world has ever seen – REPower EU and The US Inflation Reduction Act - aimed at bringing down costs of renewable energy, boosting energy supply, and substantially reducing greenhouse gas emissions. These programs are complemented by the Green Deal Industrial Plan and the U.S. National Blueprint for Transportation Decarbonization, specific initiatives to speed up the deployment of clean energy. Hexagon's technology agnostic approach to solutions for the mobility and infrastructure segments has positioned us to play a role in driving this energy transformation. Demand for our products and services continues to be on the rise.

Hexagon's highly engaged teams navigated significant market turbulence including unstable global supply chains and disruptions as well as significantly increased energy, materials and components costs. I am proud of the employees who stayed the course and delivered to our customers.

Strong growth

The 2022 fourth quarter results represented a strong finish to the year with topline growth in all segments.

In the fourth quarter, the Hexagon Group generated record high revenues of NOK 1,493 million representing 26% year-over-year growth. For the full year 2022, we delivered revenues of NOK 4,932. The growth in the year was partly due to favorable foreign exchange movements and price increases to compensate for high-cost inflation.



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

Hexagon Agility's medium/heavy-duty truck segment experienced strong demand and significant pick up in the Refuse and Transit Americas sectors. Revenues grew 21% in 2022, however, margin compression continued in the business due to inflation and supply chain related issues.

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

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

Hexagon Purus delivered well above its 2022 revenue target of NOK 900 million, achieving a topline growth of 90%. Order intake for hydrogen distribution systems filled up the 2023 order book during the year, and the hydrogen mobility business in Europe as well as the battery electric business continued on its strong growth trajectory. Hexagon Purus can count globally leading OEMs and fleets in its customer base. The company is preparing for up-listing to the main list of the Oslo Stock Exchange.

In the fourth quarter, Hexagon (excl. Purus) generated revenues of NOK 1,276 million representing 26% year-over-year growth. EBITDA for the quarter (ex. Purus) was NOK 105 million, resulting in an EBITDA margin of 8%. For the full year 2022, we delivered revenues of NOK 4 303 million, with an EBITDA of NOK 347 million.

Including Hexagon Purus, EBITDA amounted to NOK -11 million for the quarter and NOK -65 for the year.

Looking ahead

Although we are entering a new year faced with mixed conditions and a degree of uncertainty as global events unfold, **our diversified portfolio makes us relatively resilient.** Pricing – and profitability initiatives established in 2022 are expected to result in gradual margin improvements in 2023.

Progress can't wait

Industrially, we have much to look forward to, including an inflection point in 2024 where the addressable market for heavy duty trucks is expected to increase significantly with the introduction of higher volume natural gas engines; and the adoption of our Modal Acoustic Emission (MAE) technology, which enhances safety and extends the lifetime of cylinders, continues to grow. Furthermore, our LPG smart cylinder which enables consumers to have full control of the gas level of their cylinder - and LPG distributors of their stocks and supply logistics - is currently planned to be piloted this year.

Best regards,

Jon Erik Engeset

President & CEO, Hexagon Group

Highlights Q4 2022

- Strong growth and all time high reported revenues in all segments
- Record high reported EBITDA in Hexagon Ragasco and Hexagon Digital Wave
- Hexagon Purus consistently delivers ahead of business plan
- Strong market sentiment in Hexagon Agility's Mobile Pipeline business
- Margin compression still challenging in Hexagon Agility's medium/heavy-duty truck segment



Key figures

(NOK millions)	Q4 2022	Q4 2021	FY 2022	FY 2021
Hexagon Agility				
Revenue	1 000	812	3 478	2 618
EBITDA	48	93	208	293
EBIT	-6	55	28	139
Hexagon Ragasco				
Revenue	234	171	706	578
EBITDA	53	23	123	95
EBIT	44	14	86	60
Hexagon Digital Wave				
Revenue	46	15	116	57
EBITDA	7	-3	7	-11
EBIT	6	-4	1	-15
Corporate/eliminations¹⁾				
Revenue	-3	15	3	25
EBITDA	-5	-1	9	5
EBIT	-9	-5	-10	-13
Hexagon excl. Hexagon Purus				
Revenue	1 276	1 013	4 303	3 278
EBITDA	105	113	347	381
EBIT	35	60	105	171
Hexagon Purus²⁾				
Revenue	372	259	964	508
EBITDA	-110	-61	-406	-272
EBIT	-135	-80	-501	-325
Eliminations³⁾				
Revenue	-155	-85	-334	-243
EBITDA	-6	-1	-5	-1
EBIT	-1	-1	-1	-1
Hexagon Group				
Revenue	1 493	1 187	4 932	3 543
EBITDA	-11	51	-65	109
EBIT	-101	-21	-397	-154

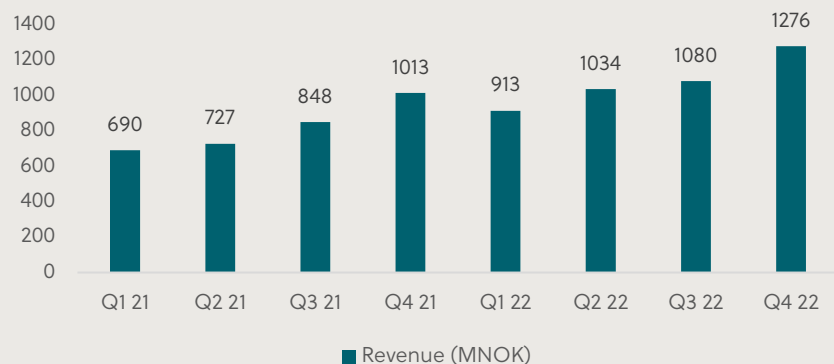
1) Corporate/eliminations refers to holding- and non-operating entities within the Hexagon excl. Hexagon Purus and eliminations within the Hexagon excl. Hexagon Purus

2) Hexagon Purus is a separate segment within the Hexagon Group and is similar to the Hexagon Purus (ticker HPUR) listed on the Euronext Growth

3) Eliminations refers to eliminations between entities within Hexagon excl. Purus and entities within Hexagon Purus

Financial summary

Hexagon Group excluding Hexagon Purus



In the fourth quarter of 2022, Hexagon (excluding Hexagon Purus) reported a record high NOK 1 276 (1 013) million in revenues from strong topline growth in all segments. This was driven by higher demand and volumes as well as price increases, in addition to favorable FX tailwinds of approximately NOK 121 million, compared to the same period last year.

EBITDA for the quarter for Hexagon (excluding Hexagon Purus) came in at NOK 105 (113) million, representing an EBITDA margin of 8 % (11 %). Significantly higher costs of production due to inflation, supply chain challenges, and lagging effects of price increases due to long-term contract structures affected the profitability of Hexagon Agility. Hexagon Ragasco and Hexagon Digital Wave, however, were able to pass-through the effects of inflation in their pricing. In addition, Hexagon Ragasco benefitted from positive volume and mix effects, while Hexagon Digital Wave tripled their revenues year-over-year, for the quarter.

For the fiscal year 2022, Hexagon (excluding Hexagon Purus) generated NOK 4 303 (3 278) million in revenues, representing 31 % growth driven by similar factors as for the fourth quarter. Adjusted for FX tailwinds of approximately NOK 300 million in the year, revenues grew by 22% compared to last year. EBITDA year-to-date came in at NOK 347 (381) million, representing an EBITDA margin of 8 % (12 %).

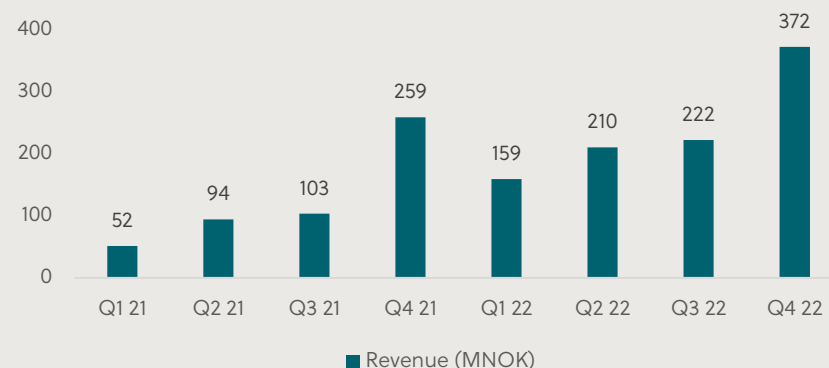
Hexagon Agility delivered strong growth in the heavy- and medium-duty (HD/MD)

business as well as the Mobile Pipeline distribution business. Revenues in 2022 amounted to NOK 3 478 million (2 618) million. Several price increases were put into effect during 2022, but due to the significant order backlog and the longer order-to-sales timeframe in the HD/MD business, these price increases will not fully materialize before first quarter 2023.

Hexagon Ragasco 2022 revenues amounted to NOK 706 (578) million, representing 22% growth. Hexagon Ragasco has managed to pass through inflationary cost prices, which are also the main driver of the growth in topline. Sales volumes were in line with last year's levels. Additional sales to Europe and the Middle East as well as forklift truck applications in the US, offset lower volumes to Asia. Hexagon Ragasco received several introductory orders from new customers in the year.

Hexagon Digital Wave can look back on a year of strong growth and a doubling of revenues, from NOK 57 million last year to NOK 116 million in 2022. The growth has been profitable despite a considerable ramp-up of resources.

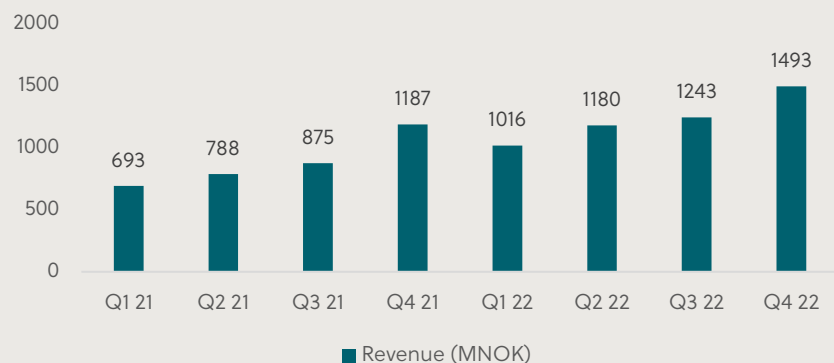
Hexagon Purus



In the fourth quarter of 2022, Hexagon Purus generated revenues of NOK 372 (259) million which added to a total of NOK 964 (508) million for the year. Revenue growth was particularly strong in the hydrogen distribution segment. The strong momentum in the zero emission market sectors targeted by Hexagon Purus, and the Company's accelerated business plan execution, support continued investments in personnel and

infrastructure, entailing negative profitability. EBITDA for the fourth quarter was NOK -110 (-61) million and NOK -406 (-272) million for the full year. Hexagon Purus remains fully consolidated in the Hexagon Group accounts, with Hexagon holding 73%

Hexagon Group



Hexagon Group (including Hexagon Purus) generated NOK 1 493 (1 187) million in revenues in the fourth quarter of 2022, and NOK 4 932 (3 543) for the year. EBITDA came in at NOK -11 (51) million for the quarter, and NOK -65 (109) million for the year. The negative EBITDA result in the Hexagon Group is driven by investments in personnel and infrastructure in Hexagon Purus.

Due to the consolidation of Hexagon Purus, Hexagon Group recorded a net loss after tax of NOK -117 (-97) million in the quarter. Profit/loss from associated companies amounted to NOK -9 (-3) million while other financial items were NOK -23 (-72) million. Other financial items consist of net interest expenses of NOK -41 (-10) million, foreign exchange fluctuation effects of NOK 16 (1) million, unrealized gain/loss on derivatives of NOK 4 (-10) million and other items of NOK -2 (-53) million. Other items in 2021 included exceptional financial costs triggered by the redemption of the bond in December 2021 being NOK 23 million on the call premium and a non-cash NOK 27 million charge from accelerated amortization of bond financing costs.

Tax charges were NOK -16 (2) million. The tax charges do not include any credits for carried-forward tax losses within Hexagon Purus as conditions for deferred tax asset recognition are, prudently, not yet deemed to be met.

At year end, the Group balance sheet amounted to NOK 7 872 (6 515) million. The increase in total assets year-over-year is to a large extent explained by the significant currency translation effects due to the depreciation in value of NOK versus USD, together with large lease agreements entered into in the second half of 2022, and the private placement in Hexagon Purus in February 2022. In addition, there has been an increased level of working capital due to growth and pandemic-related impact to global supply chains also heavily inflated by the currency effects. The Group's equity ratio decreased from 54% to 44% year-over-year due to the above factors as well as the negative net profit contribution from Hexagon Purus in the period.

Key developments during fourth quarter

- Hexagon Purus entered into framework agreement to deliver hydrogen distribution systems in Europe for EUR 9.7 million
- Hexagon Agility received orders from a major heavy-duty fleet in North America for USD 27.1 million and an order from Supergas Natural Ltd for Mobile Pipeline® modules of EUR 4.8 million
- Hexagon Digital Wave signed a long-term agreement with Certarus for Modal Acoustic Emission technology to requalify Type-4 cylinders
- Hexagon Purus selected by CaetanoBus as preferred supplier of high-pressure hydrogen fuel systems for serially produced fuel cell transit buses. The estimated potential value over the lifetime of the frame agreement is approximately EUR 35 million

Key developments after fourth quarter

- Hexagon Digital Wave's Ultrasonic Examination (UE) Machine selected to verify Type 1 cylinder production at CP Industries, representing a new application of UE technology.
- Hexagon Agility received new orders from CORE Automated Fueling Solutions and RenewGas Transportation for Mobile Pipeline® TITAN modules totaling USD 9.2 million
- Hexagon Agility launched the next generation Mobile Pipeline® TITAN 450 modules and received an inaugural order from Certarus of USD 25.6 million
- Hexagon Purus published a trading update 6 February, including full-year 2023 guidance.
- Hexagon Purus selected by Deutsche Bahn to deliver mobile hydrogen refueling stations and stationary storage.
- Hexagon Purus selected as supplier of hydrogen cylinders for the third year in a row by New Flyer, North America's largest mass mobility solutions provider.

Effects of the war in Ukraine

Hexagon does not have operations or employees in Ukraine, but it does have a sales and distribution subsidiary for its LPG products in Russia. Hexagon stopped all product shipments to Russia in March 2022 to ensure compliance with international sanctions. The Russian sales entity represented 0.3% of the Group's revenues in 2022 while net assets in Russia represent an immaterial proportion of the Group's balance sheet.

Segment results

Hexagon Agility

Hexagon Agility is a global provider of clean fuel solutions for commercial and passenger vehicles and gas transportation solutions.

Hexagon Agility recorded combined revenues for the fourth quarter of NOK 1 000 (812) million, representing a 23 % growth year-over-year inclusive of favorable currency effects of approximately NOK 114 million. Adjusted for FX, the underlying growth was 9%. Growth was driven by strong Mobile Pipeline volumes with necessary higher pricing, as well as increased volumes in the Refuse and Transit Americas sectors within the Heavy-Duty automotive business. EBITDA for the fourth quarter came in at NOK 48 (93) million, representing an EBITDA margin of 5 % compared to 11 % in the same period last year.

A planned sale- and leaseback transaction of the premises in Salisbury, North Carolina was completed at the end of the fourth quarter. The transaction realized USD 16.3 million from the existing owned building and transfers a further USD 13.8 million of planned building capex, as part of the site expansion program, to the lessor. The expansion program remains on track to meet start of additional production in mid-2024.

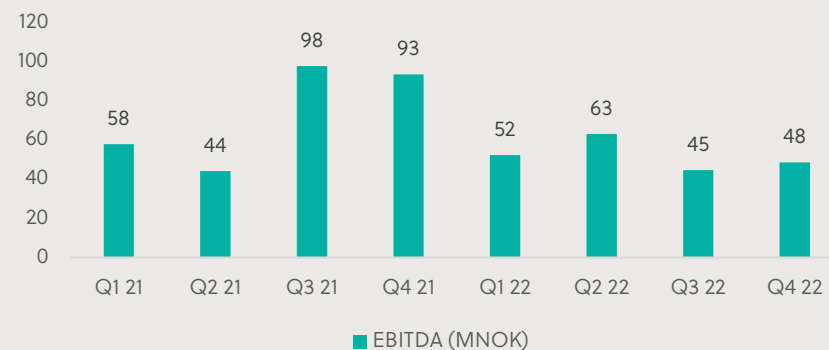
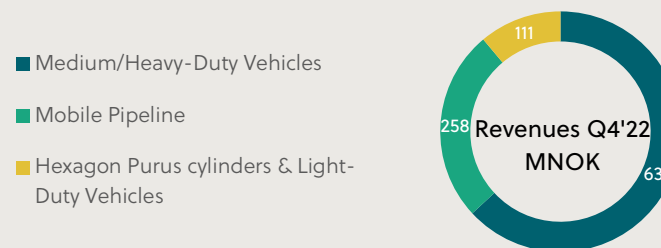
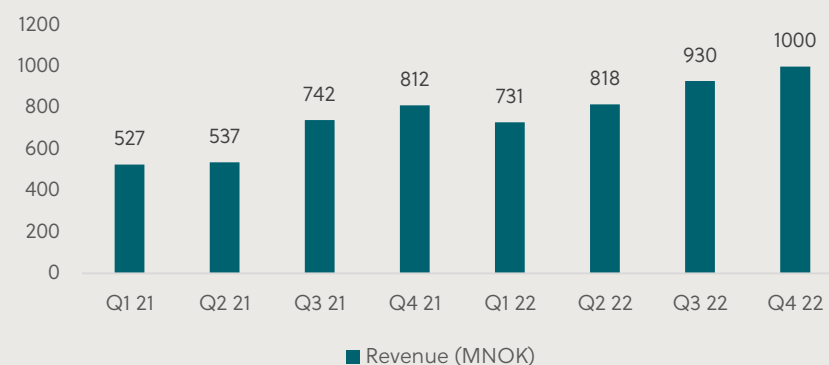
Operationally, high inflation on key input factors coupled with lagging sales prices continued to put pressure on profit margins in Q4, similar to previous quarters in 2022. In addition, profitability was also impacted by unfavorable mix effects from higher volumes in medium-duty versus heavy-duty vehicles, suboptimal efficiency from industry-wide disruptions and low volumes within Light-Duty vehicles.

Revenues year-to-date amounted to NOK 3 478 (2 618) million. Although FX tailwinds represent approximately NOK 288 million year-to-date, the underlying growth shows a strong 22 %, which is largely driven by increasing demand for its clean fuel solutions and gas transportation systems. Price increases have been implemented and started to mitigate the inflationary cost prices in the Mobile Pipeline business in the second half of 2022, but the main effect of price increases in the medium- and heavy-duty segment will not materialize until 2023.

The Mobile Pipeline infrastructure business has doubled revenues year-over-year,

from NOK 419 million last year to NOK 807 million this year, driven by increasing demand for RNG. The automotive businesses collectively grew 21% in 2022, with significant pick up in Medium-Duty and Heavy-Duty Refuse vehicles.

Despite positive demand and volume effects in most areas of the Hexagon Agility business, inflation and supply chain related issues weighed down profit margins throughout the whole fiscal year 2022. Full year EBITDA came in at NOK 208 (293) million, representing an EBITDA margin of 6 % (11%). Margins are expected to gradually improve in 2023 as disruptions to global supply chains subside.

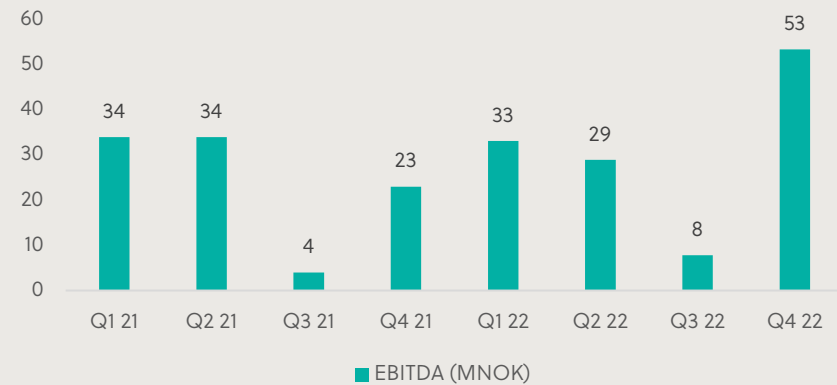
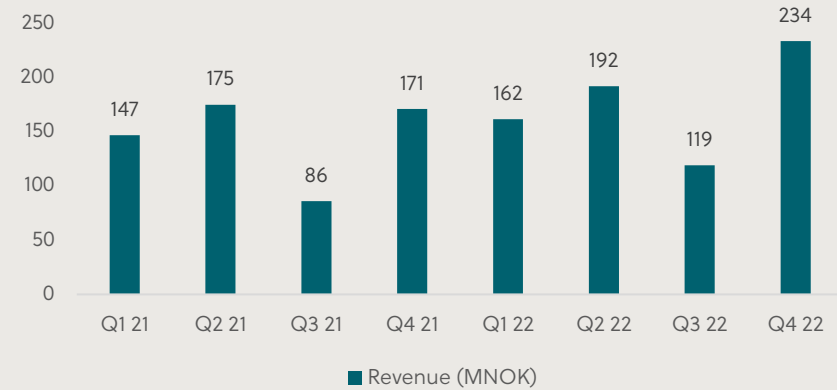


Hexagon Ragasco

Hexagon Ragasco is the world's leading manufacturer of composite liquefied petroleum gas (LPG) cylinders for leisure, household, and industrial applications.

Hexagon Ragasco delivered record high revenues of NOK 234 (171) million and an EBITDA of NOK 53 (23) million in the fourth quarter. The fourth quarter profits were driven both by strong volumes in the quarter, as well as favorable mix effects. Hexagon Ragasco experienced stable sales to recurring customers during the quarter, as well as adding several new customers.

For the full year 2022, Hexagon Ragasco recorded revenues of NOK 706 (578) million and an EBITDA of NOK 123 (95) million. Revenue growth of 22 % is largely explained by sales price increases, while underlying volumes were somewhat flat year-over-year. Low volumes to Asia and suspension of new business in Russia were offset by 14 introductory orders from new customers globally, and additional sales in Europe. The North American market also benefitted from an uptick in demand for forklift truck applications, driven by improved price competitiveness for composite cylinders versus aluminum.



Hexagon Digital Wave

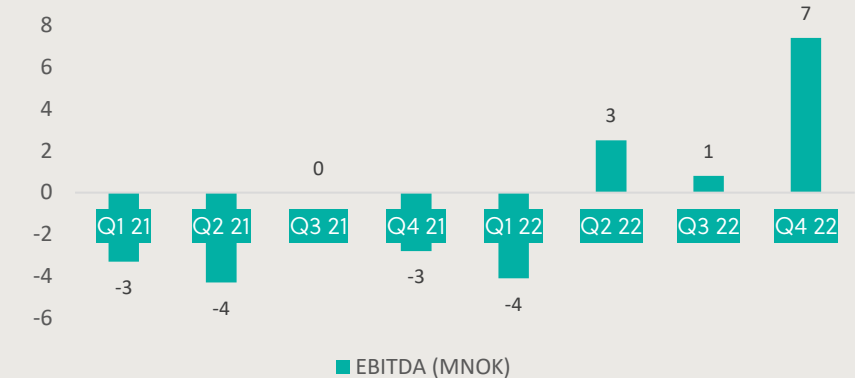
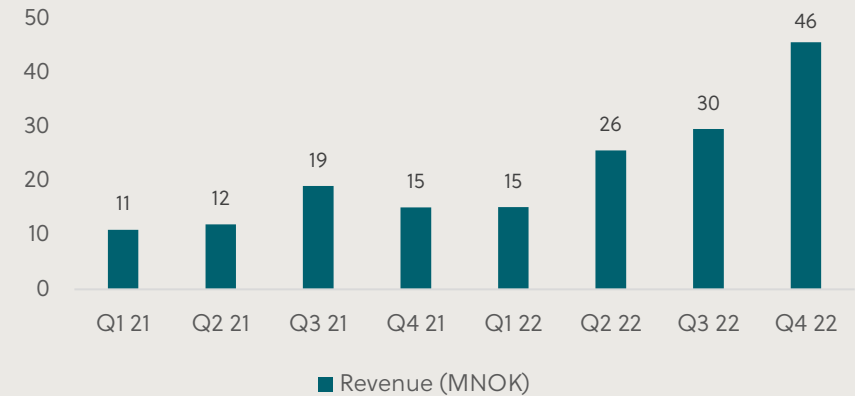
Hexagon Digital Wave offers innovative cylinder testing and monitoring technologies that reduce down-time and inspection costs while improving inspection accuracy.

Hexagon Digital Wave finished the year with record high revenues of NOK 46 (15) million in the fourth quarter. The strong revenues include new applications within Ultrasonic Emission (UE) machines for Type-1 (steel) cylinders manufacturing processes as well as Modal Acoustic Emission (MAE) requalification services for various cylinder types. The company also benefitted from higher UE license fees as the installed base of UE machines has significantly increased.

The positive revenue development in the fourth quarter also contributed to a record high EBITDA which came in at NOK 7 (-3), representing a solid EBITDA margin of 16% (-19%).

For the fiscal year 2022, revenues in Hexagon Digital Wave came in at NOK 116 (57) million representing a growth factor of 2x year-over-year, driven by positive momentum in both the MAE and UE businesses. EBITDA for the year of NOK 7 (-11) million, was driven by positive volume and product margin effects being somewhat offset by higher fixed costs. The business is still in a ramp-up phase and significant operating investments have been absorbed to ensure accelerated development of key technologies and retaining first-mover market share. Operating investments will be continued to support further growth.

Hexagon Digital Wave is at the start of what is expected to be a significant growth phase, as Hexagon takes the lead in digitalizing its industry.



Hexagon Purus

Hexagon Purus is a global leader in key technologies needed for zero emission mobility. The company is listed on Euronext Growth (HPUR.OL), with Hexagon retaining a 73.3 per cent ownership share.

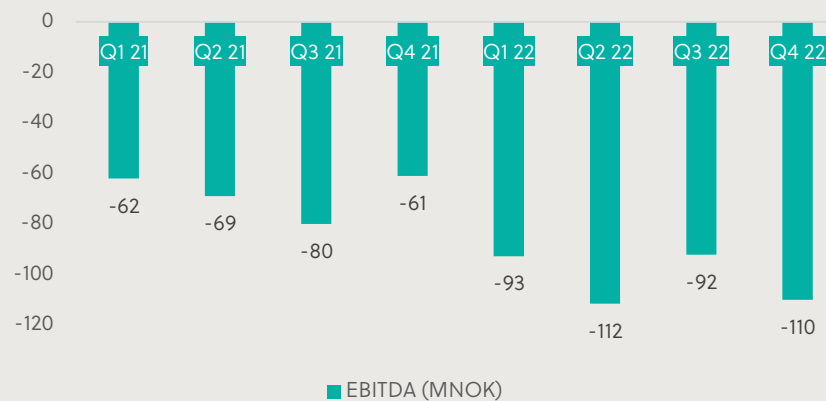
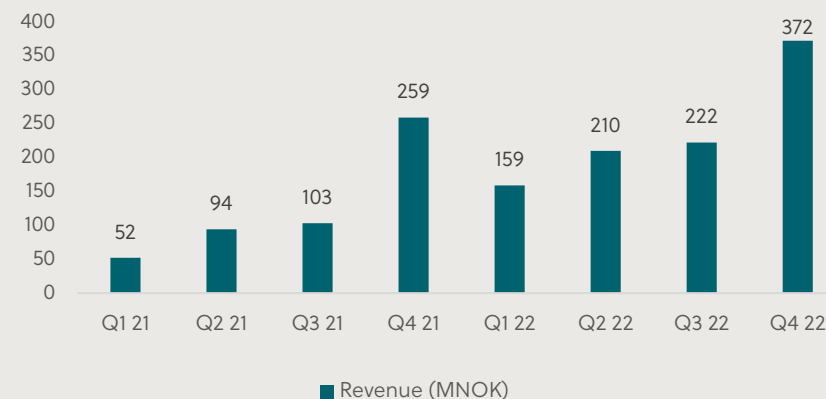
In the fourth quarter of 2022, Hexagon Purus continued to ramp up in line with its business plan and generated all-time high revenues of NOK 372 (259) and an operating profit before depreciation (EBITDA) of NOK -110 (-61) million. Demand and order intake for hydrogen distribution systems have been very strong in 2022, driving a significant portion of revenues in the quarter and the year, but also the hydrogen mobility business in Europe as well as the battery electric business contributed with healthy growth in the quarter.

Due to the continued ramp-up of the business, the EBITDA loss in the fourth quarter widened as planned in absolute terms. Higher personnel and other operating expenses in all operating areas explain the increased loss compared to last year.

In 2022, Hexagon Purus signed a series of inaugural and follow-on orders for its hydrogen distribution systems, supporting continued strong momentum heading into 2023.

For the fiscal year 2022, Hexagon Purus delivered above plan, and generated NOK 964 (508) million in revenues and recorded an EBITDA of NOK -406 (-272) million.

Please also refer to the trading update published by Hexagon Purus ASA 6 February 2023 for further information.



Outlook

Hexagon is focused on delivering near-zero- and zero emission energy solutions, supported by world-class manufacturing and digitalization, to enable customers to reach their net-zero ambitions. Together with clients and partners, the Company is finding new ways to make alternative energy solutions available and affordable.

Supply chain disruptions and cost inflation caused challenging operating conditions in 2022. Toward year-end, supply bottlenecks eased somewhat, however several procurement categories remain challenging. Overall, input prices are expected to stabilize in 2023. The company continues to closely monitor and manage the supply chain. Several initiatives have been established to mitigate margin pressure and Hexagon expects to gradually improve margins during 2023.

According to the International Energy Agency (IEA); Energy security is the biggest driver of renewables growth. REPower EU aims to reduce dependence on Russian fossil fuels. It targets EUR 210 billion in investments between now and 2027 including EUR 37 billion for biomethane production, EUR 27 billion for hydrogen infrastructure and EUR 10 billion to import sufficient LNG and pipeline gas. The U.S. Inflation Reduction Act, the biggest climate investment in US history totaling USD 370 billion aims to bring down costs of renewable energy, boost energy supply, and substantially reduce greenhouse gas emissions. These programs include are complemented by the Green Deal Industrial Plan and the U.S. National Blueprint for Transportation Decarbonization, specific initiatives to speed up the deployment of clean energy.

The demand across most segments continues to be healthy. Ongoing developments in regulations and changes in industry dynamics are expected to support significant long-term clean energy technology opportunities. Hexagon's diversified portfolio and extensive industrial track record, provide a resilient platform for the future.

Segments

For Hexagon Agility, demand is expected to be somewhat lower year-over-year in the Clean Solutions business (Heavy and medium duty vehicles) in 2023 in anticipation of Cummins' launch of its new 15-liter natural gas engine in 2024, which will increase the addressable market threefold for US Natural Gas driven long-haul trucks. The high demand for the Mobile Pipeline CNG/RNG business is expected to continue. With its latest new orders, Mobile Pipeline's capacity for 2023 is fully booked. Contracts are dominated by the RNG segment, driven by lack of pipeline infrastructure combined with growing energy demands and environmental targets. The Americas Transit bus segment is expected to remain stable whilst the European bus and light duty vehicle segments, impacted by supply chain challenges and the European energy crisis, are expected to be on the softer side. The Refuse truck business is seeing continued strong demand. Hexagon Agility is expected to improve overall margins in 2023.

Hexagon Ragasco is experiencing healthy demand. Sales price increases effectuated are from 2023 fully offsetting the impacts of higher material and energy costs. The demand for LPG products is increasing with introductory orders from new customers in new markets and market pilots of the new SMART cylinder are in process for 2023.

Hexagon Digital Wave continues to secure long-term customer agreements and is expanding into new markets. Demand for both MAE requalification services and Ultrasonic Examination (UE) equipment is strong. In 2023, the first pilot programs will be introduced utilizing Modal Acoustic Emission (MAE) as a technological foundation for advanced smart cylinder monitoring solutions. Hexagon Digital Wave is in a growth and investment phase and expects 2023 and onwards to be strong.

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. For further information please refer to the section "Forward - Looking Statements" at the end of this report.

Risks and uncertainties

The Hexagon Composites Group is active in sales and purchasing in many geographies and markets. Exports represent a considerable part of the Group's sales. Currency risk is the Group's largest financial risk factor, and the Company employs forward currency contracts in addition to natural hedges to mitigate these risks. In the Board's view there are no major changes to the risk composition for the Group compared with 2021. The Group is by nature exposed to the general macro climate factors, including those resulting in post-pandemic global supply chain disruptions, and how these directly or indirectly impact the business positively or negatively. For additional information about risks and uncertainties we refer to Hexagon Composites' 2021 annual report. It is not expected that the above exposures and risks will have a material effect on the Group or its financial position in the next reporting period.

Statement from the Board and CEO

To the best of our knowledge, we confirm that:

- the consolidated financial statements for the period 1 January to 31 December 2022 have been prepared in accordance with "IAS 34 Interim Financial Reporting",
- the information provided in the financial statements gives a true and fair view of the Company's and Group's assets, liabilities, financial position and results for the period viewed in their entirety, and that;
- the information presented in the financial statements gives a true and fair view of important events of the period, financial position, material related party transactions and principal risks and uncertainties of the Group for the next quarter.

Oslo, 15 February 2023

The Board of Directors of Hexagon Composites ASA

Knut Flakk
Chair

Kristine Landmark
Deputy Chair

Katsunori Mori
Board member

Liv Astri Hovem
Board member

Hans Peter Havdal
Board member

Liv Dingsør
Board member

Sam Gabbita
Board member

Jon Erik Engeset
Group President & CEO

Condensed Interim Financial Statements Group

Income statement

(NOK 1000)	Note	Q4 2022	Q4 2021	FY 2022	2021
		Unaudited	Unaudited	Unaudited	Audited
Revenue from contracts with customers	3	1 479 523	1 185 120	4 913 016	3 534 691
Other operating income	3	12 202	45	14 361	4 845
Rental income	3	1 692	2 007	4 929	3 354
Total revenue		1 493 417	1 187 173	4 932 306	3 542 890
Cost of materials		849 028	619 252	2 656 515	1 695 497
Payroll and social security expenses	10	417 954	322 840	1 496 709	1 101 298
Other operating expenses		237 287	194 091	843 721	637 512
Total operating expenses		1 504 269	1 136 183	4 996 946	3 434 307
Operating profit before depreciation and amortization (EBITDA)		-10 853	50 990	-64 640	108 584
Depreciation, amortization, and impairment	4,5	90 151	71 525	332 162	262 680
Operating profit (EBIT)		-101 003	-20 536	-396 802	-154 096
Profit/loss from investments in associated companies	11	-9 326	-3 008	48 317	-2 957
Other financial items (net)		-22 685	-72 141	-70 082	-144 691
Profit/loss before tax		-133 014	-95 685	-418 567	-301 744
Tax expense		-15 595	1 747	7 869	25 833
Profit/loss after tax		-117 419	-97 432	-426 436	-327 577
Attributable to:					
Equity holders of the parent		-85 134	-82 069	-311 577	-237 325
Non-Controlling interests		-32 285	-15 363	-114 859	-90 252
Profit/loss after tax		-117 419	-97 432	-426 436	-327 577
Earnings per share (NOK)		-0,58	-0,49	-2,12	-1,64
Diluted earnings per share (NOK)		-0,58	-0,49	-2,12	-1,64

Comprehensive income statement

(NOK 1000)	Note	Q4 2022	Q4 2021	31.12.2022	31.12.2021
		Unaudited	Unaudited	Unaudited	Audited
Profit/loss after tax		-117 419	-97 432	-426 436	-327 577
OTHER COMPREHENSIVE INCOME					
Items that will be reclassified through profit or loss in subsequent periods					
Translation differences when translating foreign activities		-148 685	-8 718	202 529	26 410
Net total of items that will be reclassified through profit or loss in subsequent periods		-148 685	-8 718	202 529	26 410
Items that will not be reclassified through profit or loss in subsequent periods					
Actuarial gains/losses for the period (net after tax)		958	-287	958	-287
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		958	-287	958	-287
Total comprehensive income for the period		-265 146	-106 438	-222 949	-301 454
Attributable to:					
Equity holders of the parent		-229 047	-88 672	-124 081	-208 121
Non-Controlling interest		-36 098	-17 765	-98 868	-93 334

Statement of financial position

(NOK 1000)

	Note	31.12.2022	31.12.2021
		Unaudited	Audited
ASSETS			
Property, plant, and equipment	4	1 329 515	1 010 625
Right-of-use assets	4	473 233	282 309
Intangible assets	5	2 570 853	2 384 524
Investment in associated companies	11	53 272	7 024
Other non-current financial assets	9	115 998	379
Other non-current assets		4 942	2 489
Deferred tax assets		0	13 678
Total non-current assets		4 547 813	3 701 029
Inventories		1 546 497	1 147 004
Trade receivables		865 403	880 396
Contract assets (incl. prepayments)		9 488	4 165
Other current financial assets		0	1 162
Other current assets		188 782	181 281
Bank deposits, cash and similar		713 547	600 209
Total current assets		3 323 717	2 814 217
Total assets		7 871 530	6 515 246

(NOK 1000)

	Note	31.12.2022	31.12.2021
		Unaudited	Audited
EQUITY AND LIABILITIES			
Paid-in capital		2 228 442	2 194 303
Other equity		764 461	911 989
Equity attributable to equity holders of the parent		2 992 903	3 106 291
Non-controlling interests		476 893	378 010
Total equity		3 469 796	3 484 301
Interest-bearing liabilities (non-current)	8	1 482 140	1 166 057
Lease liabilities (non-current)	6	480 405	230 276
Other financial liabilities (non-current)	7	231 244	190 529
Pension liabilities		2 321	4 645
Deferred tax liabilities		200 775	247 160
Provisions (non-current)		6 133	11 686
Total non-current liabilities		2 403 017	1 850 353
Interest-bearing liabilities (current)	8	234 674	13 635
Lease liabilities (current)	6	71 187	62 455
Trade payables		564 486	392 747
Contract liabilities (incl. prepayments from customers)		548 643	277 658
Other financial liabilities (current)	7	75 051	0
Income tax payable		57 662	47 201
Other current liabilities		344 455	320 150
Provisions (current)		102 557	66 747
Total current liabilities		1 998 716	1 180 592
Total liabilities		4 401 733	3 030 945
Total equity and liabilities		7 871 530	6 515 246

Cash flow statement

(NOK 1000)

	Note	31.12.2022	31.12.2021
Cash flow from operating activities			
Profit before tax		-418 567	-301 744
Depreciation, amortization and impairment	4,5	332 162	262 680
Net interest expense		81 774	52 166
Changes in net operating working capital ⁽¹⁾		65 699	-455 250
Other adjustments to operating cash flow		16 530	97 452
Net cash flow from operating activities		77 599	-344 696
Net cash flow from investing activities			
Purchase of property, plant & equipment, net of proceeds from sale	4	-488 208	-301 238
Proceeds from sale of property, plant & equipment		161 003	37 392
Purchase of intangible assets	5	-75 359	-59 755
Interests received		15 207	4 394
Acquisition of subsidiaries, net of cash acquired		0	-146 189
Investment in associated companies	11	-65 379	-8 580
Other investments		-45 319	-1 109
Net cash flow from investing activities		-498 056	-475 085
Net cash flow from financing activities			
Net repayment (-) / proceeds (+) from interest bearing loans	8	534 747	-126 771
Interest payments on interest-bearing liabilities		-89 697	-49 901
Repayment of lease liabilities (incl. Interests)	6	-81 672	-70 716
Net proceeds from share capital increase (subsidiary)		189 043	0
Net proceeds from purchase (-) and sale (+) of own shares		-30 495	9 543
Net cash flow from financing activities		521 926	-237 846
Net change in cash and cash equivalents		101 469	-1 057 627
Net currency exchange differences		11 869	7 954
Cash and cash equivalents at start of period		600 209	1 649 882
Cash and cash equivalents at end of period		713 547	600 209
Available unused credit facility		356 096	582 605

Statement of changes in equity

(NOK 1 000)	Share capital	Own shares	Share premium	Other paid-in capital	Translation differences	Other equity	Equity - holders of parent	Non-controlling interests	Total equity
As of 1 January 2021	20 162	-185	2 075 999	69 615	64 906	953 444	3 183 939	411 899	3 595 838
Profit for the period						-237 325	-237 325	-90 252	-327 577
Other income and expenses					29 492	-287	29 204	-3 081	26 123
Share-based payment				28 612		5 716	34 328	1 974	36 302
Movement in own shares etc.		100				9 442	9 543		9 543
Consideration shares issued in subsidiary in business combination						86 602	86 602	57 470	144 072
As of 31 December 2021	20 162	-85	2 075 999	98 226	94 398	817 591	3 106 291	378 010	3 484 301

On 23 November 2021 Hexagon Purus issued 4 444 430 consideration shares related to the acquisition of Wystrach. The share capital increase in Hexagon Purus ASA amounted to MNOK 144.1 in which controlling and non-controlling interests' relative share amounted to MNOK 86.2 and MNOK 57.5 respectively.

(NOK 1 000)	Share capital	Own shares	Share premium	Other paid-in capital	Translation differences	Other equity	Equity - holders of parent	Non-controlling interests	Total equity
As of 1 January 2022	20 162	-85	2 075 999	98 226	94 398	817 591	3 106 291	378 010	3 484 301
Profit for the period						-311 577	-311 577	-114 859	-426 436
Other income and expenses					186 751	746	187 497	15 991	202 487
Share-based payment				34 120		11 563	45 682	4 213	49 895
Movement in own shares etc.		20				-30 514	-30 495		-30 495
Share capital increase capital in Purus ASA ¹⁾							0	160 242	160 242
Transaction cost related to capital increase in Purus ASA ¹⁾						-4 496	-4 496	-1 638	-6 134
Share capital increase in other subsidiaries							0	34 935	34 935
As of 31 December 2022	20 162	-65	2 075 999	132 346	281 149	483 312	2 992 903	476 893	3 469 796

1) On 22 February 2022 the Hexagon Purus Group issued 24 742 268 new shares in a private placement at the price of NOK 24.25 per share. Hexagon Composites was allocated 18 134 361 shares in the Private Placement and retains its ownership interest in the Company of 73.3%.

Note 1: General information and basis for preparation

The condensed consolidated interim financial statements for the fourth quarter 2022, which ended 31 December 2022, comprise Hexagon Composites ASA and its subsidiaries (together referred to as "the Group"). The company's headquarters are at Korsegata 4B, 6002 Aalesund, Norway. Hexagon Composites ASA is listed on the Oslo Stock Exchange under the ticker HEX.

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of The Group for the year which ended 31 December 2021.

For a more detailed description of accounting principles see the consolidated financial statements for 2021, available on the Company's website www.hexagongroup.com/investors

The accounting principles used in the preparation of these interim accounts are the same as those applied to the consolidated financial statements for 2021. The Group has not early 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 15 February 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 2021.

Note 3: Business segment data

(NOK 1000)

	Q4 2022 Unaudited	Q4 2021 Unaudited	31.12.2022 Unaudited	31.12.2021 Audited
Hexagon Agility				
Sale of cylinders, systems, and equipment (at point in time)	876 108	746 856	3 204 885	2 410 469
Sale of systems, services, and funded development (transferred over time)	0	0	0	70
Internal transactions	113 982	65 026	260 981	202 693
Other operating income	8 059	-479	8 093	2 608
Total revenue from contract with customers	998 149	811 403	3 473 959	2 615 840
Rental income	1 382	895	3 919	1 695
Total revenue	999 531	812 298	3 477 878	2 617 535
Segment operating profit before depreciation (EBITDA)	48 494	93 282	208 316	292 655
Segment operating profit (EBIT)	-5 641	54 869	27 514	138 508
Segment assets			4 547 698	3 819 260
Segment liabilities			2 101 450	1 641 009
Hexagon Ragasco				
Sale of cylinders, systems, and equipment (at point in time)	232 742	169 910	701 029	575 245
Sale of systems, services, and funded development (transferred over time)	0	0	0	0
Internal transactions	808	671	4 977	2 495
Other operating income	63	64	210	398
Total revenue from contract with customers	233 613	170 645	706 216	578 138
Rental income	0	0	0	0
Total revenue	233 613	170 645	706 216	578 138
Segment operating profit before depreciation (EBITDA)	53 370	22 850	123 256	94 972
Segment operating profit (EBIT)	44 200	13 885	86 362	60 325
Segment assets			581 399	516 251
Segment liabilities			391 626	392 111

(NOK 1000)

	Q4 2022	Q4 2021	31.12.2022	31.12.2021
	Unaudited	Unaudited	Unaudited	Audited
Hexagon Digital Wave				
Sale of cylinders, systems, and equipment (at point in time)	35 370	12 317	89 297	47 213
Sale of systems, services, and funded development (transferred over time)	0	0	0	0
Internal transactions	9 650	2 763	24 679	9 029
Other operating income	580	-29	2 025	942
Total revenue from contract with customers	45 601	15 050	116 001	57 184
Rental income	0	0	0	0
Total revenue	45 601	15 050	116 001	57 184
Segment operating profit before depreciation (EBITDA)	7 472	-2 781	6 715	-10 677
Segment operating profit (EBIT)	5 968	-3 946	1 193	-14 826
Segment assets			109 677	83 882
Segment liabilities			45 024	113 013
Hexagon Purus				
Sale of cylinders, systems, and equipment (at point in time)	325 178	251 964	909 715	494 222
Sale of systems, services, and funded development (transferred over time)	2 302	1 165	4 882	3 441
Internal transactions	41 070	4 426	44 040	7 495
Other operating income	3 499	478	4 034	880
Total revenue from contract with customers	372 049	257 555	962 670	506 039
Rental income	350	1 279	1 255	1 679
Total revenue	372 399	258 834	963 925	507 718
Segment operating profit before depreciation (EBITDA)	-109 731	-61 094	-406 282	-271 777
Segment operating profit (EBIT)	-135 167	-80 248	-501 371	-324 874
Segment assets			2 650 735	2 101 745
Segment liabilities			963 141	686 347

Note 4: Tangible assets

(NOK 1000)	2022			2021		
	Property, plant, and equipment	Right of use assets	Total 2022	Property, plant, and equipment	Right of use assets	Total 2021
Carrying value as of 1 January	1 010 625	282 309	1 292 934	747 266	266 552	1 013 818
Additions	488 208	244 790	732 998	301 238	69 966	371 204
Disposals	-98 883	0	-98 883	-37 392	0	-37 392
Depreciations	-158 061	-76 514	-234 575	-127 094	-64 155	-191 250
Impairments	-743	0	-743	-1 078	0	-1 078
Additions from acquisition of companies	0	0	0	113 020	7 899	120 919
Currency translation differences	88 251	22 648	111 017	14 666	2 047	16 713
Carrying value as of 31 December	1 329 515	473 233	1 802 748	1 010 625	282 309	1 292 934

Note 5: Intangible assets

(NOK 1000)	2022				2021			
	Goodwill	Customer relationships	Other intangible assets ¹⁾	Total 2022	Goodwill	Customer relationships	Other intangible assets ¹⁾	Total 2021
Carrying value as of 1 January	1 572 788	387 773	423 963	2 384 524	1 369 859	337 887	326 610	2 034 356
Additions	0	0	75 359	75 359	0	0	59 755	59 755
Amortisations	0	-47 617	-49 226	-96 843	0	-35 725	-34 627	-70 352
Additions from acquisition of companies	0	0	0	0	187 369	78 654	66 474	332 497
Currency translation differences	144 309	23 767	39 737	207 814	15 560	6 957	5 751	28 268
Carrying value as of 31 December	1 717 097	363 924	489 833	2 570 853	1 572 788	387 773	423 964	2 384 524

1) Other intangible assets consist of technology and development, patents and licenses and other rights

Intangible assets are reviewed each quarter for impairment indicators, including market changes, technological development, order backlog and other changes that might potentially reduce the value of the assets. For goodwill, impairment tests are performed annually in the fourth quarter, or immediately in the case of an impairment indicator.

Goodwill is tested using the value in use approach determined by discounting expected future cash flows. If the impairment test reveals that an asset's carrying amount is higher than its value in use, an impairment loss will be recognized. There are four CGUs in the Hexagon Group; 1) Hexagon Agility, 2) Hexagon Digital Wave, 3) Hexagon Purus, and 4) Hexagon Ragasco. During the quarter there were no indicators of impairment of intangible assets.

Note 6: Lease liabilities

(NOK 1000)	2022	2021
Carrying value as of 1 January	292 731	275 705
New lease liabilities recognized in the period	307 685	69 966
Additions from acquisition of companies	0	7 899
Cash payments for the principal portion of the lease liability	-72 308	-62 736
Cash payments for the interest portion of the lease liability	-9 364	-7 980
Interest on lease liabilities	9 364	7 980
Currency translation differences	23 484	1 896
Carrying value as of 31 December	551 592	292 731

Lease liabilities are to a large extent related to lease agreements of office- and production premises, in addition to some vehicles, machinery and equipment.

Note 7: Other financial liabilities

(NOK 1000)	Carrying value 01.01.2022	Fair value adjustment	Additions in the period	Settlements in the period	Reclassifications	Currency translation	Carrying value 31.12.2022
Cross currency swap (fair value) ¹⁾	81 423	110 031	0	0	0	0	191 455
Deferred payment from business combination (amortized cost)	43 490	0	0	0	-45 056	-1 566	0
Contingent liabilities from business combinations (fair value)	65 616	0	0	0	-28 815	2 988	39 789
Total non-current other financial liabilities	190 529	110 031	0	0	-73 871	4 555	231 244
Cross currency swap (fair value)	0	0	0	0	0	0	0
Deferred payment from business combination (amortized cost)	0	0	0	0	45 056	720	45 776
Contingent liabilities from business combinations (fair value)	0	0	0	0	28 815	655	29 275
Total current other financial liabilities	0	0	0	0	73 871	1 180	75 051

1) If carrying value of cross currency swap is shown with a negative amount, this implies the swap being classified as a financial asset

The table above and below shows the movements of current and non-current other financial liabilities in the period. Deferred payments and contingent liabilities are related to the acquisition of Wystrach and Wyrent as of November 11, 2021. 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.

(NOK 1000)	Carrying value 01.01.2021	Fair value adjustment	Additions in the period	Settlements in the period	Reclassifications	Currency translation	Carrying value 31.12.2021
Cross currency swap (fair value) ¹⁾	-78 829	52 676	0	107 577	0	0	81 423
Deferred payment from business combination (amortized cost)	0	0	43 490	0	0	0	43 490
Contingent liabilities from business combinations (fair value)	0	0	65 616	0	0	0	65 616
Total non-current other financial liabilities	-78 829	52 676	109 106	107 577	0	0	190 529
Cross currency swap (fair value)	0	0	0	0	0	0	0
Deferred payment from business combination (amortized cost)	0	0	0	0	0	0	0
Contingent liabilities from business combinations (fair value)	0	0	0	0	0	0	0
Total current other financial liabilities	0	0	0	0	0	0	0

Note 8: Interest-bearing liabilities

(NOK 1000)	2022			2021		
	Non-current	Current	Total 2022	Non-current	Current	Total 2021
Liabilities 1 January	1 166 057	13 635	1 179 692	1 206 127	0	1 206 127
<i>Financing activities with cash settlement:</i>						
- New liabilities	318 268	221 039	539 307	1 134 459	4 595	1 139 054
- Repayment of liabilities	-4 560	0	-4 560	-1 265 825	0	-1 265 825
<i>Financing activities without cash settlement:</i>						
- Additions from acquisition of companies				43 831	4 627	48 458
- Reclassification 1st year`s instalments				-4 413	4 413	0
- Exchange differences	2 089	0	2 089	-3 419	0	-3 419
- Other transactions without cash settlement	286	0	286	55 297	0	55 297
Liabilities 31 December	1 482 140	234 674	1 716 814	1 166 057	13 635	1 179 692

The principal loan financing facility in Hexagon Composites ASA is a Senior Secured bilateral facility with DNB Bank and Danske Bank. The overall size of the committed facility is NOK 1 700 million, comprising an overdraft facility NOK 250 million, a main multi-currency revolving credit (RCF) NOK 350 million and a Term Loan (NOK 1 100 million). On 30 September, Hexagon secured the additional credit facility available within its current financing arrangements, resulting in total committed facility per quarter end of NOK 2 025 million. In addition, the Group, through Hexagon Purus, has loans towards Volkesbank and Deutsche Bank including an overdraft facility of EUR 2.3 million. As of period end, there were no breaches of the financial covenant under the financing facility agreement. Movements in the year on Non-current and Current loans were primarily due to drawings on bank loans and overdraft facilities.

Note 9: Financial instruments

For financial instruments that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Fair value hierarchy

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

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

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

There were no transfers from one level to another in the measurement hierarchy from 2021 to the 4th quarter of 2022. Hexagon Group has no items defined as level 1. Set out below is a comparison of the carrying amount and the fair value of financial instruments as of 31 December 2022.

(NOK 1000)	Level	31.12.2022		31.12.2021	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:					
Other non-current financial assets ¹⁾	3	115 998	115 998	379	379
Trade receivables		865 403	865 403	880 396	396
Forward exchange contracts	2	0	0	1 162	1 162
Bank deposits, cash, and cash equivalents		713 547	713 547	600 209	600 209
Total financial assets		1 694 948	1 694 948	1 482 147	1 482 147
Financial liabilities:					
Bank loans (incl. amortized costs)	2	1 482 140	1 489 674	1 166 057	1 173 877
Lease liabilities	2	551 592	551 592	292 731	292 731
Non-current contingent liabilities	3	39 789	39 789	65 616	65 616
Other non-current financial liabilities	3	191 455	191 455	124 913	124 913
Current interest-bearing liabilities	2	234 674	234 674	13 635	13 635
Current contingent and financial liabilities	3	75 051	75 051	0	0
Trade payables		564 486	564 486	392 747	392 747
Total financial liabilities		3 139 187	3 146 721	2 055 699	2 063 519

1) Other non-current financial assets include an equity investment in Norwegian Hydrogen AS, following the loss of significant influence and derecognition of the investment as an associated company in Q4 2022. Hexagon Purus ASA currently holds a 15% shareholding in the Company and the investment is recognized at fair value of NOK 67,3 million following the valuation from the latest capital raise in the Company.

Note 10: Share based payment

Share-based payment in Hexagon Composites ASA

The Company has a performance share units program (PSUs) and a restricted share units program (RSUs) covering certain employees in senior positions.

Performance share units programs (PSUs)

All PSUs are non-transferable and will vest subject to satisfaction of the applicable vesting conditions (fulfilling Group EBITDA and revenue targets). The actual number of PSUs vested will depend on performance and vary from minimum zero to the maximum awarded PSUs in each program. Each vested PSU will give the holder the right to receive one share in the Company at an exercise price corresponding to the par value of the shares being NOK 0.10.

Performance share units programs (PSUs)	Issued 2019	Issued 2020	Issued 2021	Issued 2022
Maximum number	2 492 438	3 711 634	1 734 990	2 660 082
Exercise price (NOK)	0,10	0,10	0,10	0,10
Vesting period	3 years	3 years	3 years	3 years
Expiry	Exercised Q1 2022 ¹⁾	Q1 2023	Q1 2024	Q1 2025

1) During the 1st quarter of 2022 1,078,628 PSUs have been exercised at the weighted average share price of NOK 28.11.

Restricted share units programs (RSUs)

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 shares as corresponds to the number of RSUs allocated to them.

Restricted share units programs (RSUs)	Issued 2019	Issued 2020	Issued 2021	Issued 2022
Number of RSUs	49 994	70 000	100 000	200 000
Exercise price (NOK)	0,10	0,10	0,10	0,10
Vesting period	3 years	3 years	3 years	3 years
Expiry	Exercised Q3 2022 ¹⁾	Q3 2023	Q3 2024	Q3 2025

1) During the 3rd quarter of 2022 42,852 RSUs have been exercised at the weighted average share price of NOK 23.08.

The fair value of the PSUs and RSUs was calculated on the grant date, based on the Black-Scholes model, and the cost is recognized over the service period. Cost associated with programs were NOK 34.4 million YTD 31.12.2022. The cost in the fourth quarter was NOK 12.1 million. The fair value of all outstanding PSUs (maximum 5,363,364) and RSUs (334,500) is estimated to NOK 52.4 million per 31 December 2022. In addition to the above-mentioned instruments, the Company has issued bonus arrangements to certain executives within the Group. The bonus arrangements are dependent upon the share price development of Hexagon Purus ASA and is converted to a given number of cash settlement options in Hexagon Purus ASA, for the purpose of calculating quarterly fair values using the Black-Scholes model. These cash settlement arrangements involved total expenses of NOK 5.0 million YTD 31.12.2022. Expenses in the fourth quarter were NOK 1.4 million. Remaining unamortized accrual is estimated to MNOK 8.0 as of 31 December 2022. For share-based payment in Hexagon Purus ASA, see quarterly financials at [hexagonpurus.com](https://www.hexagonpurus.com).

Note 11: Investments in associates

Company	Country	Business segment	Ownership share 01.01.2021	Ownership share 31.12.2021	Ownership share 31.12.2021	Ownership share 31.12.2022	Accounting method
Norwegian Hydrogen AS ¹⁾	Norway	Purus	21,0%	21,0%	17,7%	14,0%	Equity method / Fair value ¹⁾
Cryoshelter LH2 GmbH ²⁾	Austria	Purus	0,0%	0,0%	0,0%	40,0%	Equity method
Cryoshelter BioLNG GmbH ²⁾	Austria	Agility	0,0%	0,0%	0,0%	40,0%	Equity method
CIMC Hexagon Hydrogen Energy Systems Ltd. ³⁾	Hong Kong	Purus	0,0%	0,0%	0,0%	49,0%	Equity method
Hyon AS ⁴⁾	Norway	Purus	33,3%	0,0%	0,0%	0,0%	Equity method

1) Classified as an associated company and accounted for using the equity method in the period 01.01 - 31.08.22. As of 01.09, the investment is classified as an equity instrument at fair value

2) Acquired on 01.08.2022 and classified as associated companies effective from the same date

3) Entity legally established in July 2022 and classified as an associated company effective from the same date

4) On 28.06.2021, Hexagon Purus ASA sold all shares in Hyon AS

Income statement reconciliation

	Norwegian Hydrogen AS		Cryoshelter LH2 GmbH		Cryoshelter BioLNG GmbH		CIMC Hexagon Hydrogen Energy Systems Ltd.		Hyon AS		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Share of profit after tax	- 2 845	- 2 922	- 2 439	0	- 2 579	0	- 5 988	0	0	- 35	- 13 851	- 2 957
PPA amortizations associated companies ¹⁾	0	0	0	0	- 992	0	0	0	0	0	- 992	0
Gain on loss of significant influence	63 159	0	0	0	0	0	0	0	0	0	63 159	0
Total profit/loss from investments in associates per 31.12	60 314	- 2 922	- 2 439	0	- 3 571	0	- 5 988	0	0	- 35	48 317	- 2 957

1) PPA amortizations for Cryoshelter LH2 will first start in 2025 concurrent with the timeline when the technology is estimated to start generating revenues

Balance sheet reconciliation

	Norwegian Hydrogen AS		Cryoshelter LH2 GmbH		Cryoshelter BioLNG GmbH		CIMC Hexagon Hydrogen Energy Systems Ltd.		Hyon AS		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Carrying value per 01.01	7 024	2 066	0	0	0	0	0	0	0	0	7 024	2 066
Purchase of shares	0	0	33 738	0	23 898	0	0	0	0	0	57 636	0
Share capital contribution	0	7 880	0	0	0	0	7 743	0	0	700	7 743	8 580
Share of profit after tax incl. PPA amortizations	- 2 845	- 2 922	- 2 439	0	- 3 571	0	- 5 988	0	0	- 35	- 14 843	- 2 957
Sale of shares	0	0	0	0	0	0	0	0	0	- 665	0	-665
Derecognition – loss of significant influence	- 4 179	0	0	0	0	0	0	0	0	0	- 4 179	0
Currency translation effects	0	0	- 41	0	- 84	0	16	0		0	-110	0
Carrying value per 31.12	0	7 024	31 258	0	20 243	0	1 771	0	0	0	53 272	7 024

Norwegian Hydrogen

Hexagon Purus ASA, a subsidiary of Hexagon Composites ASA, has been a shareholder of Norwegian Hydrogen AS since its inception in 2020. In December 2021, Norwegian Hydrogen conducted a capital raise in which Hexagon Purus' ownership was diluted from 21,0% to 17,7%. Despite having an ownership less than 20%, the Company has in the period from 01.01.22 to 31.08.2022 retained its classification of Norwegian Hydrogen as an associated company due to an assessment of still having significant influence in the entity. Important factors for this assessment have been Board of Directors representation and being the 2nd largest shareholder of the entity in the same period.

On 27.08.2022, Norwegian Hydrogen AS announced that Mitsui & Co. Ltd invests NOK 70 million in a private placement, and thus reducing Hexagon Purus' ownership from 17,7% to 15,0%. Following this private placement, the Company assessed that significant influence is no longer present, as the Company is now the 3rd largest shareholder and the fact that the new shareholder has received two additional seats in the Board of Directors, resulting in diluted decisional and strategical influence. The Company has consequently from this date reclassified the investment to a financial asset (equity instrument) measured at fair value. The fair value of Hexagon Purus' ownership in Norwegian Hydrogen, derived from the said capital raise, is NOK 67,3 million, resulting in an accounting gain of NOK 63,1 million, recognized in profit/loss from investments in associates in the income statement. At 31.12.2022, Hexagon Purus ownership share in Norwegian Hydrogen AS was 14%, as a result of a second private placement in the company in October 2022.

Cryoshelter LH2 GmbH and Cryoshelter BioLNG GmbH

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

On 01.08.2022, Hexagon Composites made a EUR 2,4 (NOK 24) million investment and acquired 40% of the shares in Cryoshelter BioLNG GmbH, with options to acquire the remaining shares of the next 3-10 years. Hexagon Purus made a EUR 3,4 (NOK 34) million investment and acquired 40% of the shares in Cryoshelter LH2 GmbH, with options to acquire the remaining shares over the next 5-10 years. As of 01.08.2022, the said options do not give rise to any de-facto control and both investments are consequently accounted for by using the equity method effective from 01.08.2022. The table below shows the purchase price allocation of the two entities per 01.08.2022.

Purchase price allocation Cryoshelter*	Cryoshelter BioLNG GmbH	Cryoshelter LH2 GmbH	Total Cryoshelter
Non-current assets	2 715	203	2 919
Current assets	2 351	5 150	7 502
Non-current liabilities	3 946	3 946	7 891
Current liabilities	21 603	2 951	24 554
Equity as per 01.08.2022	- 20 482	- 1 543	- 22 025
Hexagon's share of equity (40%)	- 8 193	- 617	- 8 810
Intangible assets (technology) ¹⁾ (40% share)	22 942	19 702	42 644
Goodwill (40 % share)	9 148	14 654	23 802
Hexagon's purchase price	23 898	33 738	57 636

1) Lifetime of technology assets set to 10 years for the LNG technology and 15 years for the LH2 technology

CIMC Hexagon Hydrogen Energy Systems Ltd.

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

In July 2022, CIMC Hexagon Energy Systems Ltd. was legally established and registered in Hong Kong, where Hexagon Purus HK Holding AS, a wholly owned subsidiary of Hexagon Purus ASA, subscribed for 49% of the shares and hold an equal amount of voting rights. CIMC Enric holds the remaining 51% of the shares. The entity is classified as an associate company and accounted for via the equity method as of 01.07.2022

Note 12: Events after the balance sheet date

There have not been any other significant events after the balance sheet date.

Key figures and ratios

	31.12.2022	31.12.2021
Hexagon Group		
EBITDA in % of total revenue	-1,3 %	3,1 %
EBIT in % of total revenue	-8,0 %	-4,3 %
Equity ratio	44,1 %	53,5 %
Liquidity reserve *) (NOK 1 000)	1 069 643	1 182 814
Diluted earnings per share (NOK)	-2,12	-1,61
Cash flow from operations per share (NOK)	0,39	-1,70
Equity per share (NOK)	17,21	17,28
Hexagon Agility		
EBITDA in % of total revenue	6,0 %	11,2 %
EBIT in % of total revenue	0,8 %	5,3 %
Hexagon Ragasco		
EBITDA in % of total revenue	17,5 %	16,4 %
EBIT in % of total revenue	12,2 %	10,4 %
Hexagon Digital Wave		
EBITDA in % of total revenue	5,8 %	-18,7 %
EBIT in % of total revenue	1,0 %	-25,9 %
Hexagon Purus		
EBITDA in % of total revenue	-42,1 %	-53,5 %
EBIT in % of total revenue	-52,0 %	-64,0 %

*) Undrawn credit facility + bank deposits and cash. Use of undrawn credit facility can be limited by financial covenants

Share information

A total of 12,801,670 shares (Q3: 14,744,874 shares) in Hexagon Composites ASA were traded on the Oslo Stock exchange during the fourth quarter of 2022. In the quarter, the share price moved between NOK 21.60 (NOK 22.34) and NOK 32.66 (NOK 34.80), ending the quarter at NOK 27.40, giving a market capitalization of NOK 5.5 billion (NOK 4.8 billion) for the Company. For further investor information, refer to the investor section on www.hexagongroup.com.

Terminology

BAR

Unit of pressure. 1 millibar = 100 N/m²

BIOGAS

Produced from raw materials such as agricultural waste, manure, municipal waste, plant material, sewage, green waste or food waste

BIO-LPG

Propane produced from renewable feedstocks such as plant and vegetable waste material

BEV

Battery Electric Vehicle

CHASSIS

The base frame of a car, carriage or other wheeled vehicle

CHG

Compressed Hydrogen Gas

CNG

Compressed Natural Gas

CO₂

Carbon Dioxide

COMPOSITE

Combination of glass/carbon fiber and thermosetting plastic, exploiting the malleability of the plastic and the stiffness and strength of the glass/ carbon fiber

EBIT

Earnings before interests and taxes

EBITDA

Earnings before interest, taxes, depreciation and amortization

EV

Electric Vehicle

FCEV

Fuel Cell Electric Vehicle

GHG

Greenhouse Gas

GVW

Gross Vehicle Weight

HDV

Heavy-Duty Vehicle

H₂

Hydrogen, light, colorless gas (Symbol H), produced on an industrial scale

JOINT VENTURE

Legally signed contractual agreement whereby two or more parties undertake an economic activity

LDV

Light-Duty Vehicle

LNG

Liquefied Natural Gas

LPG

Liquefied Petroleum Gas (propane gas)

MOBILE PIPELINE®

Gas distribution products

NGV

Natural Gas Vehicle

OEM

Original Equipment Manufacturer

X-STORE®

High-pressure composite cylinder for bulk transportation and storage of CNG

RNG

Renewable Natural Gas Pipeline compatible gaseous fuel derived from biogenic or other renewable sources that has lower lifecycle carbon dioxide equivalent (CO₂- eq) emissions than geological natural gas

SCBA CYLINDER

Self-contained breathing apparatus

SCM3

Standard cubic meters. Unit for volumetric measurement of oil, natural gas and natural gas condensate at standard conditions defined in the ISO standard ISO 13443

TITAN®

High-pressure composite cylinder for bulk transportation and storage of CNG

TUFFSHELL®

High-pressure CNG cylinder for heavy duty vehicles

TYPE 1

Steel cylinder

TYPE 2

Steel cylinder, composite-reinforced

TYPE 3

Composite cylinder with metal liner

TYPE 4

Composite cylinder with polymer liner

U.S. DOT

U.S. Department of Transportation

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Forward looking statements

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Hexagon Composites ASA
Korsegata 4B, 6002 Ålesund, Norway
www.hexagongroup.com