



Annual and
Sustainability Report
2023



It all starts with the energy we use.

By accelerating access to renewable energy, we power the great shift towards a sustainable society – and everything that comes with it.

External factors that drive our business

Global climate targets

To limit global warming to no more than 1.5°C, in line with the Paris Agreement, emissions must be reduced by 45 percent by 2030 and reach net zero by 2050.

Electrification

The ongoing electrification of various sectors, from transport to heavy industry, is shaping our market. It is creating a growing need for reliable, clean electricity.

Increased demand

Transitioning energy systems from fossil fuels to climate-neutral fuels is important for achieving climate targets. For industry in particular, this requires reduced carbon dioxide emissions, which often results in a greater need for electricity.

Energy security

High prices for fossil fuel and electricity as a result of the global energy crisis have made renewable energy technologies a much more financially attractive option. Geopolitical uncertainty has led fossil fuel importers to place greater value on the energy security benefits that renewable energy provides.



Our technologies

Offshore wind power

We develop offshore wind power in the Baltic Sea and the Kattegat for the Swedish, Finnish and Åland markets.

Onshore wind power

Since 2004, we have developed and started construction on 3.9 GW of onshore wind power for industrial and institutional customers.

Solar power

We have been developing solar power since 2018. Growing in solar power has been key to our geographical expansion.

Energy storage

Energy storage is a relatively new technology for us and we see great potential for it on all of our markets.

[Read more about our technologies →](#)



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The Annual and Sustainability Report comprise the statutory annual report on pages 102 to 145 and the sustainability report on pages 62 to 101. The Sustainability Report has been prepared in accordance with the GRI Standards 2021.

You will find a glossary on page 148 explaining commonly used terminology in our business.



Cover: Detailed image from our Bredhälla BESS (Battery Energy Storage System) energy storage project in Sweden.



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Facts about renewables

The great shift towards a sustainable society is in full swing. The rapid speed and large scale of the expansion of renewable energy speak for themselves.

Reducing emissions

According to the UN panel on climate change, renewable energy is the fastest and most cost-effective way to reduce greenhouse gas emissions.

50 percent increase

In 2023, there was 50 percent more renewable energy installed globally than in 2022.

Threefold increase by 2030

At the COP28 UN climate summit in Dubai, the countries in attendance agreed to triple renewable energy capacity by 2030.



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OX2 develops, builds and sells large-scale renewable energy solutions.

We are currently present in twelve markets and develop projects within onshore and offshore wind power, solar power, energy storage and hydrogen. With our extensive experience, strong market position and efficient business model, we are powering the great shift towards a sustainable society and we are well equipped to further strengthen our position in a rapidly growing market.



Find us here →

Europe:

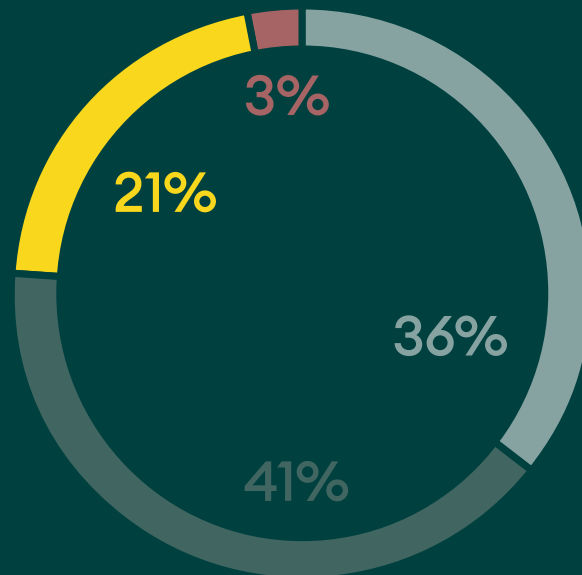
Sweden
Finland
Poland
Italy

Romania
Åland
France
Spain

Greece
Estonia
Lithuania

Other:

Australia



Breakdown by technology

- Onshore wind power
- Offshore wind power
- Solar power
- Energy storage

496
Employees

7,824 SEK M
Net sales

4,429 MW
Capacity sold

33,517 MW
Project development portfolio

961 MW
Construction portfolio

4,750 MW
Asset management portfolio



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What we do

We accelerate access to renewable energy

OX2's mission is to accelerate access to renewable energy to power the great shift towards a sustainable society. Our origins are in onshore wind power, but in recent years we have diversified into various other technologies.



Onshore wind power

11,906 MW



Offshore wind power

13,768 MW



Solar power

6,917 MW



Energy storage

926 MW

How we do it

Development

The development phase includes work on environmental impact assessments, measurements and permit applications that are necessary in order to sell and complete the projects.

Management

We provide technical, commercial and financial management services to solar and wind farms under long-term contracts, typically 10–15 years.

Construction

Our projects are constructed in close cooperation with suppliers and contractors. Our construction contracts are based on fixed prices, which are set at the time of sale.

Sustainability

We focus on sustainability in our projects and in all our other work through our sustainability strategy, our science-based targets and our goal of achieving nature-positive wind and solar farms by 2030. We do this because the development of renewable energy must not come at the expense of nature.



Our values

Responsible ambition

Responsible ambition is our platform for how we operate. We stand on common ground, empowered, accountable and brave.

Collaborative impact

Collaborative impact is the effect of what we do. It is how we create value and deliver performance; it is our competitive edge.

Evolving Together

Evolving together is the journey we are on. Together we look into the future with pride and confidence.



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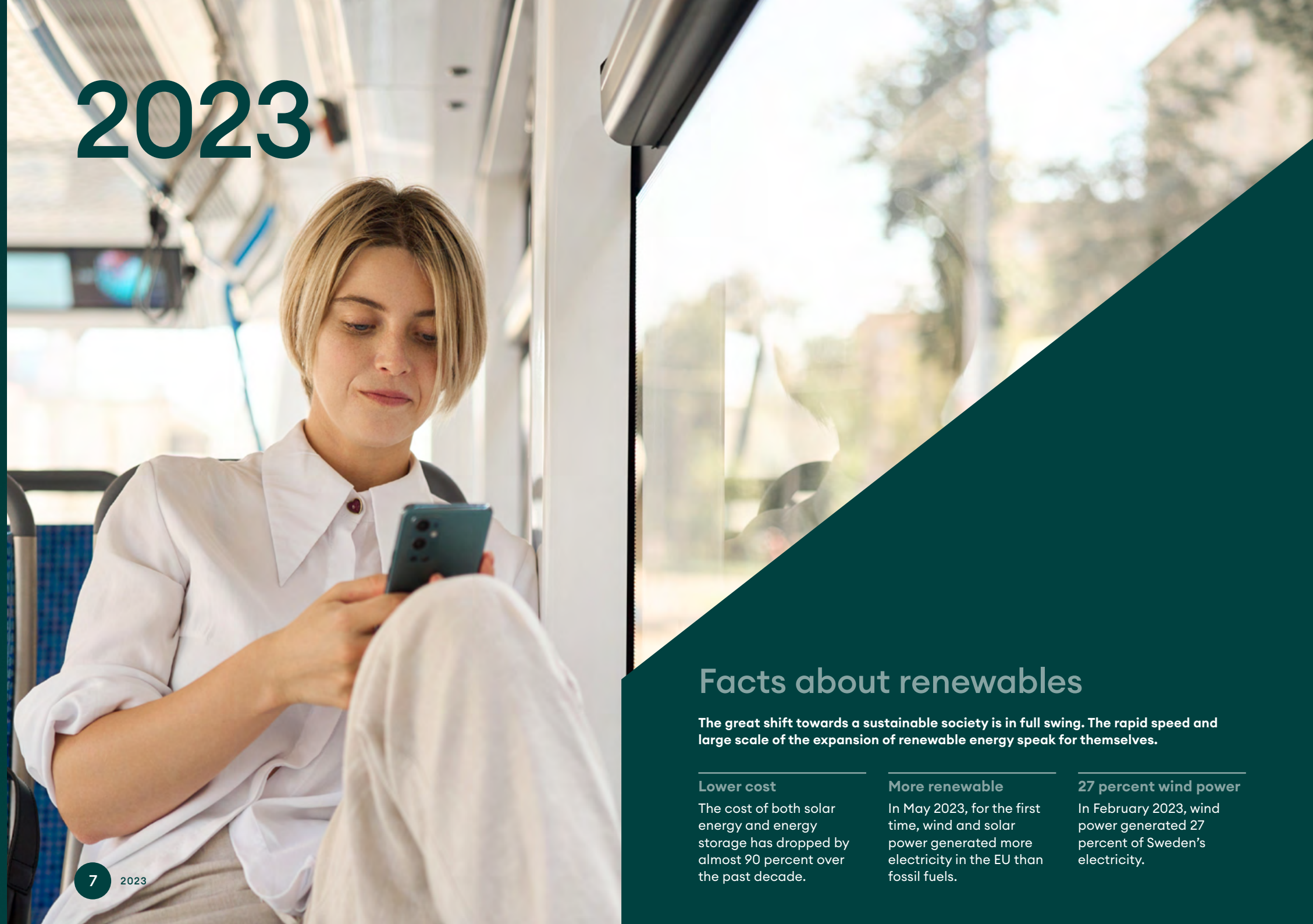
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The great shift towards a sustainable society is in full swing. The rapid speed and large scale of the expansion of renewable energy speak for themselves.

Lower cost

The cost of both solar energy and energy storage has dropped by almost 90 percent over the past decade.

More renewable

In May 2023, for the first time, wind and solar power generated more electricity in the EU than fossil fuels.

27 percent wind power

In February 2023, wind power generated 27 percent of Sweden's electricity.



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CEO's comments

We ended the year with a strong portfolio and a large number of ongoing sales processes

Paul, how would you sum up 2023 for OX2?

2023 was a year again of good profitability for OX2. For the second year in a row we achieved an operating profit of just over SEK 1,000 million, driven by our Northern European wind business.

During the year, we closed sales in both offshore and onshore wind power and solar power. In May, we were awarded our first offshore wind power permit from the Swedish government. We have also continued to strengthen our organization and project development portfolio and have established operations in Australia. We ended the year with a strong portfolio and a large number of ongoing sales processes that are expected to contribute to increased operating profit in the year ahead.

■ The renewable energy market will continue to grow strongly in the future

What has demand been like for OX2's projects?

The renewable energy market will continue to grow strongly, driven by the electrification of society and increased demand from industry. To achieve the goal of tripling global renewable energy capacity, set at the recent UN climate conference COP28, the current annual rate of installation needs to be doubled.





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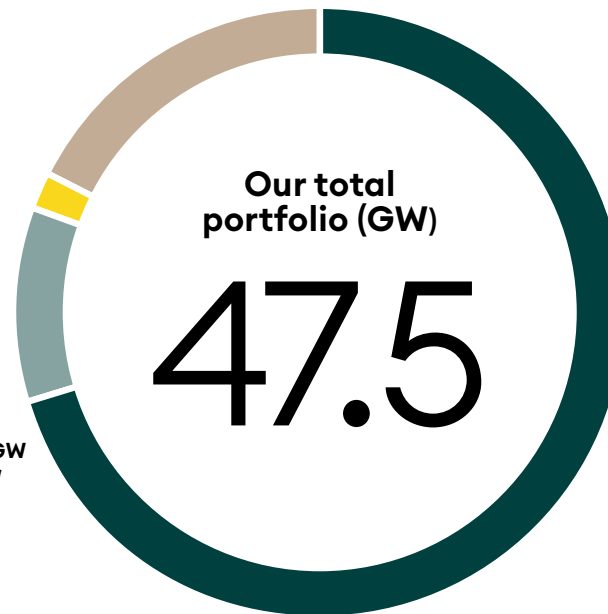
We saw continued strong demand for our projects in 2023. The deals we have closed have largely been with industrial and strategic buyers, while financial investors have generally been somewhat less competitive in our sales processes because of the rising levels of interest rates. In some cases, the shift in our customer base has led to sales processes becoming slightly longer.

Which sales were made during the year?

We sold an onshore wind farm in southern Italy, OX2's first sale on the Italian market. We also closed sales of onshore wind farms in both Poland and Sweden to industrial buyers. We are satisfied with the price levels and profitability achieved, and this clearly indicates that the market sees great value in the projects we develop.

Our partnership with Ingka Investments was further strengthened during the year. In May, we sold 49 percent of three offshore wind projects in the Gulf of Bothnia in the Finnish Exclusive Economic Zone. In November, we closed a similar deal for a portfolio of next-generation Swedish offshore wind power plants. These deals demonstrate our ability to capitalize on value creation at an early stage of offshore wind project development. We reduce our financial exposure but retain a substantial upside via the contingent consideration we receive when permits are obtained.

During the year, we also closed our first deals in Spain and France through the divestment of project rights for solar power projects.



Our portfolio (GW)

- Project development portfolio **33.5 GW**
- Asset management portfolio **4.8 GW**
- Construction portfolio **1.0 GW**
- Sold GW with potential additional payments **8.2 GW**

Key figures 2023

	2023	2022	2021
Net sales, SEK m	7,824	7,644	4,983
Operating income, SEK m	1,028	1,122	414
Operating margin, SEK m	13%	15%	8%
Profit for the period, SEK m	1,008	1,085	334
Equity ratio, SEK m	59%	54%	63%
Return on equity, %	25%	38%	21%
Return on capital employed, %	25%	37%	26%
Cash flow from operating activities, SEK m	229	1,226	-132
Profit/loss before dilution, SEK	3,79	4.01	1.28
Profit/loss after dilution, SEK	3,79	4.01	1.28
Project acquisitions, MW	5,011	2,656	3,446
Projects sold, MW	4,429	4,893	719
Projects delivered to customers, MW	544	482	207
Total portfolio, MW	47,460	37,864	21,686
Project development portfolio, MW	33,517	28,263	17,371
MW sold with possible additional payments	8,232	4,410	0
Average number of employees	410	318	230

Net sales (7,644):

7,824 SEK M

Operating income (1,122):

1,028 SEK M

Total portfolio (37,864):

47,460 MW

Sales (4,893):

4,429 MW



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Significant events 2023



Acquisition of ESCO Pacific in Australia

During the year we acquired ESCO Pacific, a leading developer of solar energy in Australia.



Our first government permit for offshore wind

In May, we got a permit from the Swedish government for the offshore wind farm Galene in the Kattegat.



Sold onshore projects in key markets

In 2023 we sold onshore wind projects to industrial buyers in two of our key markets, Sweden and Poland.



Continued development of offshore wind

During the year, we sold 49 percent of two offshore development portfolios in Sweden and Finland.



Our first sales in several countries

In May we sold an onshore wind farm in southern Italy, our first sale on the Italian market. During the second half of the year we sold our first solar projects in France and Spain.

Several ongoing sales processes

At the close of 2023, several sales processes were underway totaling just over 1 GW spanning onshore wind, solar power and energy storage.

What would you like to highlight about OX2's work on sustainability?

OX2 is a driving force in the transition to renewable energy. The goal of a sustainable society is the very reason for our existence and sustainability work is an integral part of all our activities.

During the year, we adopted a new sustainability policy to define more clearly our ambitions, governance and responsibilities in sustainability. We have set a science-based target to reduce our emissions in line with the Paris Agreement, while committing to implement the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) regarding nature-related risks and opportunities.

As one aspect of the development of offshore wind farms, we entered into a number of important collaborations during the year on, for example, seaweed farming, mussel farming and artificial reefs.

We also took steps to improve reporting and transparency in the area of sustainability. Sustainability has been integrated into system landscapes and processes, and we have prepared our sustainability reporting in line with the increased legal requirements that will be introduced in 2024. We will also start using appropriate KPIs in our quarterly reports to describe our sustainability work going forward.

Our overall goal is to accelerate access to renewable energy in our society.

What can you tell us about OX2's project development portfolio?

Our portfolio continued to expand in 2023 and we further strengthened our position through project acquisitions in Sweden, Finland and Poland, our key markets. With the acquisition of ESCO Pacific in Australia, we added one of Australia's leading solar power portfolios, while also strengthening our position in energy storage.

Over the past two years, OX2 has doubled its project development portfolio and created a large number of new projects that provide a solid base for continued profitable growth.

The media has reported on write-downs and problems for suppliers in the wind power industry. How has this impacted OX2?

In 2023, we read about write-downs on several offshore wind projects, above all in the USA and the UK. It is important to note that this relate to projects where developers have entered into fixed



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financial commitments and have then been adversely impacted by inflation and rising financing costs.

OX2 is only active in "developer-led" markets where major initial investments are not required in order for development to start. We have expensed all development costs on an ongoing basis, and the proceeds we have received as we have sold down our stake has exceeded the costs we have incurred on the projects by a good margin.

In the second quarter, one of our turbine supplier Siemens Energy announced expected delays in future deliveries. We currently have three projects under construction with turbines from Siemens Energy, where handover to the customer may be affected. Because our construction contracts are based on fixed prices and terms of delivery, delays caused by our turbine suppliers generally do not have any financial impact on OX2.

How do you see the market developing, going forward?

We are looking forward to the year ahead with confidence and expect our operating income to increase in 2024, compared to the previous year. At the close of 2023, sales processes were ongoing in numerous countries, spanning onshore wind power, solar power and energy storage, with a total output of just over 1 GW. In addition, in early 2024 we have initiated further sales processes. For example, during the year we expect to sell substantial onshore

wind power projects in Finland and solar power in Poland. At the same time, we are looking forward to making our first sales in Australia and Romania, as well as to our initial sale of energy storage projects.

It is worth noting that long-term electricity price expectations have shown an upward trajectory in some of our key markets at the outset of 2024, a factor that may positively affect demand from our customers.

What are OX2's aims for the next few years?

Our overall goal is to accelerate access to renewable energy in our society, and we see great opportunities for value creation at OX2 in the ongoing transition. With the investments of recent years in a strengthened project development portfolio and organization, we are well placed to continue to lead the transition with profitable growth.

Finally, I would like to extend my sincere thanks to all of our employees, business partners, customers, suppliers and owners for the past year. I am eagerly looking forward to a very exciting 2024.

Paul Stormoen
CEO OX2

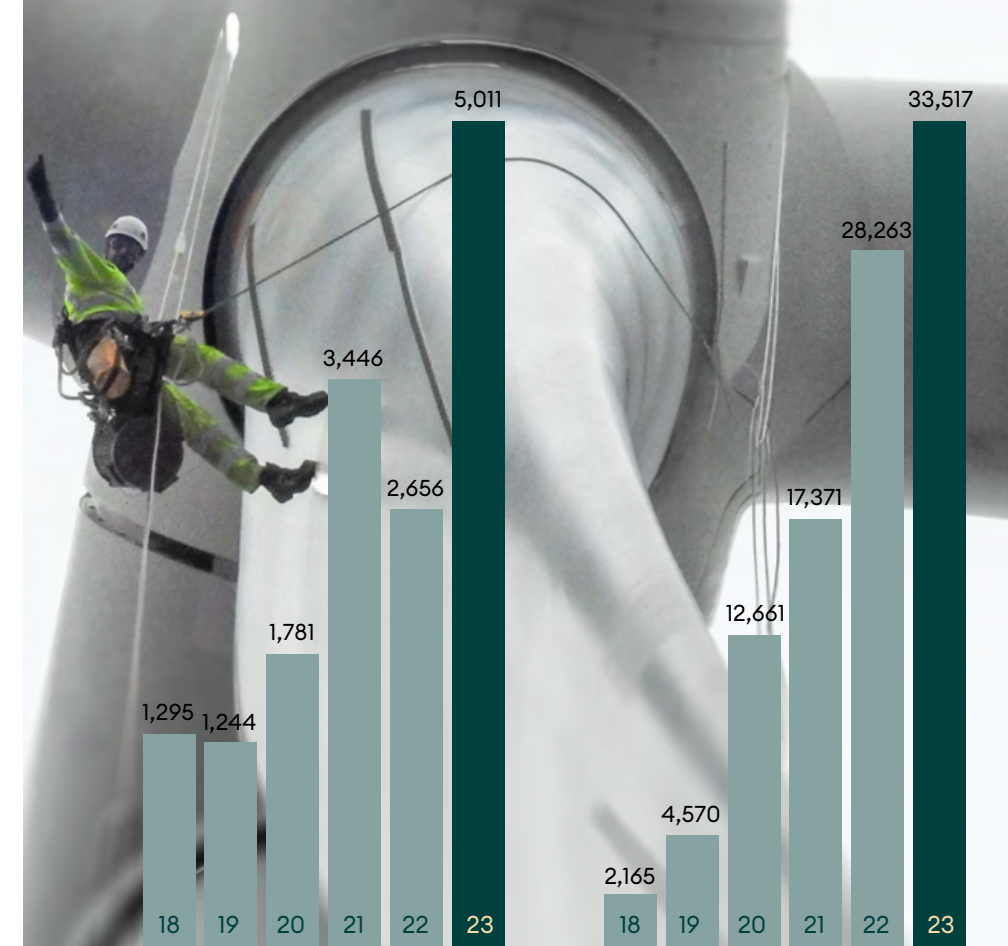
Expansion 2023

Project acquisitions

5,011 MW

Project development portfolio

33,517 MW





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Facts about renewables:

The great shift towards a sustainable society is in full swing. The rapid speed and large scale of the expansion of renewable energy speak for themselves.

Growth and development

Solar and wind energy are the fastest-growing and most technologically advanced energy sources.

Popular energy sources

A global opinion poll showed that solar and wind are the most popular energy sources.

“Massive expansion”

In Europe, 85 percent supported a “massive expansion” of renewable energy.



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In 2023, there was a clear acceleration in the transition to fossil-free energy. Despite inflation, increased interest rates and volatile electricity prices, the market for renewables continues to grow. This is driven by policy objectives, technological developments, forecasts of a sharp increase in demand in the short term and strong investor interest.

Tripling capacity by 2030

In autumn, the EU raised the renewable energy target to 42.5 percent by 2030, with the ambition of achieving 45 percent. A few months later, the countries attending COP28 agreed to triple global renewable energy capacity by 2030.

Similar developments can be seen all over the world. Countries have raised or already surpassed their targets for the share of renewables. The International Energy Agency (IEA) predicts that renewables will overtake coal as the leading global energy source by 2025.

Higher, more efficient and cost-effective

The technological development of renewable energy has continued at a rapid pace. This includes the installation and testing of the world's first 20 MW offshore wind turbine and plans presented by battery manufacturers to mass-produce batteries based on iron and sodium salt, rather than rare earths.

Increasing demand

As the world transitions to clean energy, many sectors are in need of electrification. For example, if a car manufacturer is to offer a fossil-free car, this not only requires an electric motor, but the raw material must also be produced without using fossil fuel.

An increasing number of industries have begun making this shift and so need quick access to large amounts of fossil-free electricity. Renewable energy is the fastest way of providing clean electricity.

Investor interest remains strong

Inflation and high interest rates together with volatile electricity prices were global trends in 2023. This slightly dampened demand from financial buyers during the year, although demand from strategic and industrial buyers of renewable capacity remained strong.

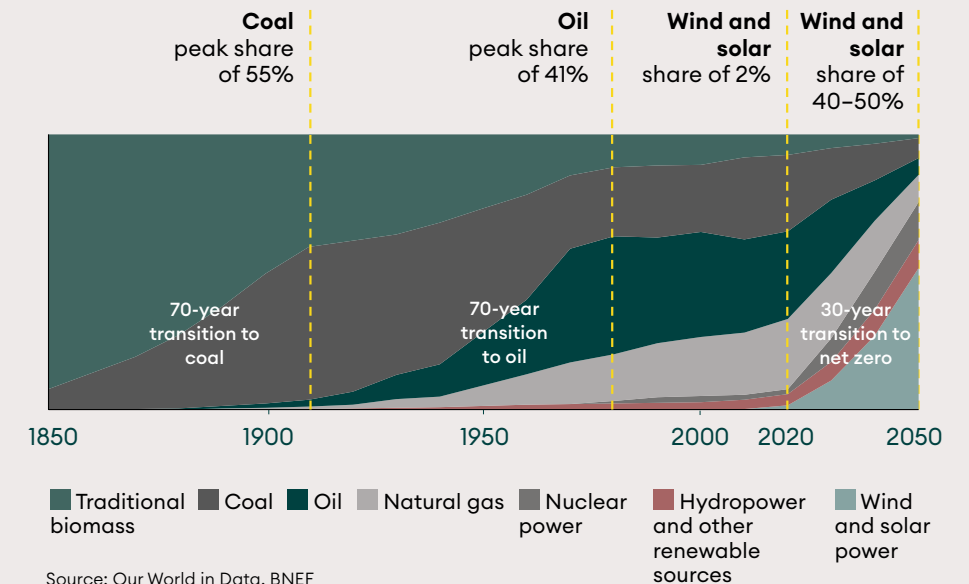
■ The transition to clean energy is happening worldwide and it's unstoppable. It's not a question of 'if', it's just a matter of 'how soon' – and the sooner the better for all of us.

Fatih Birol
Executive Director of the International Energy Agency (IEA)

Share of energy sources in global energy consumption 1850–2050

The share of coal peaked around the 1910s at 55 percent. Oil peaked in the 1980s, accounting for 41 percent of global energy consumption. Renewable sources are expected to account for 40–50 percent of global energy consumption by 2050.

The period of time between the introduction of coal and oil and their respective peak shares was around 70 years in both cases. The period from the introduction of wind and solar power to a 40–50 per cent share is expected to be 30 years.



Source: Our World in Data, BNEF



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Our markets

OX2 operates in a total of twelve markets. We have a leading market position in Sweden, Finland, and Poland.

When entering new markets, we have been particularly interested in electricity markets with a significant share of fossil energy and clear needs and opportunities to increase the share of renewable energy.

We have entered new markets by acquiring a project or a company. We appoint or develop a local organization consisting of employees who have the skills and

experience to establish and run renewable projects in dialogue with landowners, politicians, local communities and other stakeholders.

In spring 2023, we entered the Australian market by acquiring one of the country's leading solar farm developers and, ESCO Pacific, which brought with it a portfolio of solar and energy storage projects.

Australia is an attractive market with great potential in renewable energy as fossil fuels currently account for around 60 percent of the energy supply. Australia is aiming to achieve 82 percent renewable energy by 2030 according to a climate change statement from the country's federal government.

Market	Energy mix (electricity) 2023*	Climate targets	OX2 established	Technologies	Significant events in 2023
Sweden	<ul style="list-style-type: none"> 99% fossil-free 1% fossil fuel 	Net zero by 2045. Intermediate targets for 2030 and 2040.	2004		<ul style="list-style-type: none"> Sale of 115 MW of onshore wind power Sale of 49% share in 2.4 GW of offshore wind power Granted permits to construct 400 MW of offshore wind power Commissioned and handed over 264 MW of onshore wind power Initiated sales process for 43 MW energy storage project
Finland	<ul style="list-style-type: none"> 92% fossil-free 8% fossil fuel 	Net zero by 2035. Intermediate target for 2030.	2012		<ul style="list-style-type: none"> First sale of offshore wind power, 49% share of 3 GW Acquisition of 475 MW of solar power Commissioned and handed over 83 MW of onshore wind power
Poland	<ul style="list-style-type: none"> 31% fossil-free 69% fossil fuel 	No net zero target. Intermediate target for 2030.	2019		<ul style="list-style-type: none"> Sale of 20 MW of onshore wind power Commissioned and handed over 48 MW of onshore wind power
Italy	<ul style="list-style-type: none"> 51% fossil-free 49% fossil fuel 	Net zero by 2050. Intermediate target for 2030.	2021		<ul style="list-style-type: none"> First sale in Italy, 27 MW of onshore wind power

* Source: electricitymaps.com



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Market	Energy mix (electricity) 2023*	Climate targets	OX2 established	Technologies	Significant events in 2023
Romania	<ul style="list-style-type: none"> 68% fossil-free 32% fossil fuel 	Net zero by 2050. Intermediate target for 2030.	2021		<ul style="list-style-type: none"> First sales process begun
Åland	<ul style="list-style-type: none"> 99% fossil-free 1% fossil fuel 	Net zero by 2035. Intermediate target for 2030.	2022	 	<ul style="list-style-type: none"> Pilot plant constructed for solar power
France	<ul style="list-style-type: none"> 93% fossil-free 7% fossil fuel 	Net zero by 2050. Intermediate target for 2030.	2017		<ul style="list-style-type: none"> First sale in France and OX2's first agri-PV project (23 MW)
Spain	<ul style="list-style-type: none"> 76% fossil-free 24% fossil fuel 	Net zero by 2050. Intermediate target for 2030.	2022		<ul style="list-style-type: none"> First sale in Spain, 82 MW of solar power
Greece	<ul style="list-style-type: none"> 50% fossil-free 50% fossil fuel 	Net zero by 2050. Intermediate target for 2030.	2022	 	<ul style="list-style-type: none"> Expanded portfolio of energy storage projects
Estonia	<ul style="list-style-type: none"> 72% fossil-free 28% fossil fuel 	Net zero by 2050. Intermediate target for 2030.	2022	 	<ul style="list-style-type: none"> First Estonian projects added to the project development portfolio
Lithuania	<ul style="list-style-type: none"> 77% fossil-free 23% fossil fuel 	Net zero by 2050. Intermediate target for 2030.	2017	Management services only	
Australia	<ul style="list-style-type: none"> 38% fossil-free 62% fossil fuel 	Net zero by 2050. Intermediate target for 2030.	2023	 	<ul style="list-style-type: none"> Established operations in Australia in May 2023 by acquiring ESCO Pacific, a leading Australian developer within solar power

* Source: electricitymaps.com



Goals and strategy

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Facts about renewables

The great shift towards a sustainable society is in full swing. The rapid speed and large scale of the expansion of renewable energy speak for themselves.

Record-breaking for 22 years in a row

In 2023, the world saw record-breaking installation of renewable energy for the 22nd consecutive year.

Records broken in solar energy

The EU broke the record for solar energy installed in 2023 at 55.9 GW.

Next five years

Over the next five years, the world looks set to install more renewable energy than the current total capacity.



Goals and goal achievement

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Growth

OX2's aim over the period 2023–2027 is to achieve an average annual growth rate (CAGR) in operating income of at least 25 percent. OX2 has a target of >1,500 MW sold per year on average during the period 2023–2024.

Goal: Operating income 2023–2027

>25% CAGR

Goal: MW sold per year on average during the period 2023–2024

1,500 MW

Profitability

OX2's goal is to achieve an operating margin of over 10 percent.

Goal: Operating margin

>10%

Outcome 2023

13%

Return

OX2's goal is to achieve a return on capital employed of more than 25 percent.

Goal: Return on capital employed

>25%

Outcome 2023

25%

Sustainability

Our sustainability strategy is based on four strategic focus areas. Together, these focus areas help us achieve our long-term sustainability goals and accelerate access to renewable energy in a sustainable manner.

Goal: Projects that applied the mitigation hierarchy

>40%

Outcome 2023

78%

Goal: GHG intensity from commissioned projects

<10 gCO₂e/kWh

Outcome 2023

9.6%

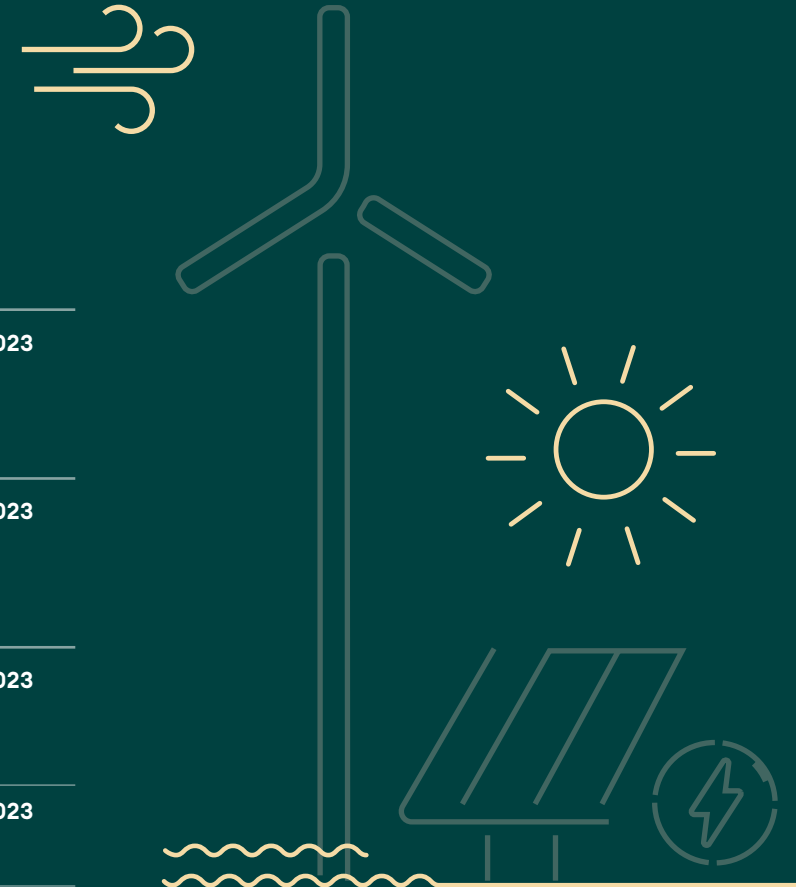
Goal: LTIFR (injury resulting in sick leave)

<5

Outcome 2023

3.4

→ A detailed description of the sustainability goals can be found on p. 64





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Our strategy

OX2 has 20 years of experience in developing, selling and constructing renewable energy projects. Our ambition is to be a leader and role model within renewable energy solutions. Our strategy guides us on our journey.

In 2023, the ambition was to consolidate our leading position on established markets and within established technologies, expand into new markets and within new technologies, and run a sustainable and efficient business.

Here are a few examples of how we delivered on our strategy in 2023 →

Strategy outcomes 2023

Onshore wind

We have maintained a strong market position in onshore wind power, as exemplified by the sale of the Ånglarna project (SEK 2.7 billion, 115 MW) in Sweden.

Offshore wind

In June, we were one of only two Swedish companies ever to receive government permit to construct offshore wind power in the form of the Galene project in the Kattegat (0.4 GW).

Finland

Our Finnish operations celebrated their 10-year anniversary in 2023. Finland is our second-largest market after Sweden and has a project development portfolio of around 10 GW.

Global expansion

During the year, we added our first projects in Estonia to the project development portfolio and completed an acquisition in Australia.

Power-to-X

We envisage great potential in green hydrogen and Power-to-X, including in connection with our offshore projects. We are currently building up expertise and establishing an organization in this area.

Operating model

A new operating model was developed during the year and is now being implemented.

Climate targets

In 2023, we set science-based targets in line with the Paris Agreement.

Measurement methods

We have tested measurement methods (BOOST offset calculator and Science Based Targets for Nature) to assess the impact of wind power projects on biodiversity, contributing to our goal of developing nature-positive solar and wind farms by 2030.



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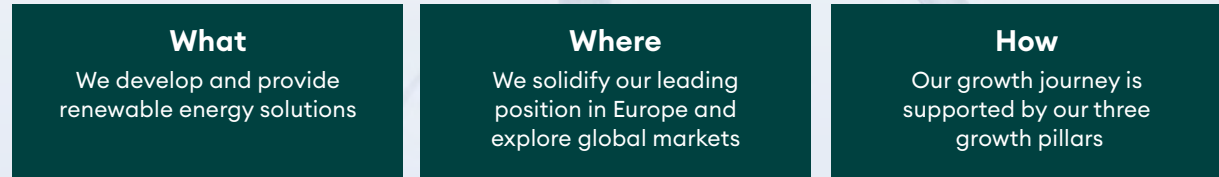
Strategy model

Our strategy is based on our values, is enabled by our business and operating models and aims to deliver on our mission: to accelerate access to renewable energy. Our strategic growth pillars can be adjusted within the framework in order to respond to changing external factors such as economic fluctuations, market shifts or geopolitical unrest.

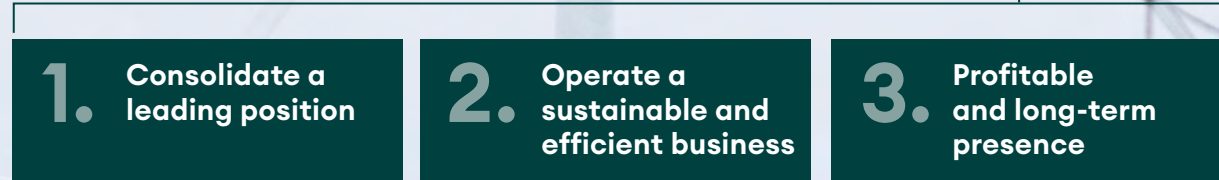
We envisage that the demand for renewable energy will continue to grow over time, driven by the electrification of societies and industries as well as by countries' pursuit of energy independence and climate targets. Our strategy aims to power the great shift while creating value for our shareholders, partners and society in general.

MISSION
Accelerate access to renewable energy

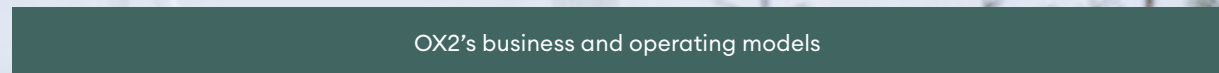
STRATEGY



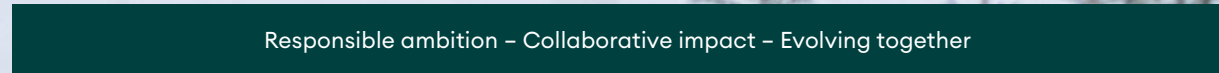
STRATEGIC GROWTH PILLARS



ENABLERS



OUR VALUES





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Balanced growth – our strategy for the future

We are now a leader on many European markets following expansion in recent years and we are currently consolidating our position. The aim is to strike the right balance in the business, create value and growth in our existing markets and technologies, and minimize risks in a volatile environment. On new markets, such as Australia, the focus is on establishing a profitable and long-term presence.

→ On the following pages you will find some examples of how we put our strategic growth pillars into practice.

Our strategic growth pillars for balanced growth are:

1.

Consolidate a leading position

We consolidate our leading position within established geographies and technologies. We balance the project development portfolio by giving greater priority to projects that provide short-term profitability. We are flexible and we develop products and business models that are adapted to the prevailing conditions on our various markets.

2.

Operate a sustainable and efficient business

We continue to focus on sustainability in our projects and in our other activities through our sustainability framework and our three long-term sustainability goals. We focus on improving efficiency, including by clarifying roles, processes and responsibilities.

3.

Profitable and long-term presence

We focus on newly established markets in order to generate business and profitability. We are scaling up energy storage and Power-to-X to provide scope for broader energy system solutions. We will be selective in terms of our expansion within both technological growth areas and new territories.



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1. Consolidate a leading position

Strong demand for onshore wind power

Large-scale onshore wind power is the foundation of OX2's business and with our 20 years of experience we hold a leading position in Europe. Christoffer Brandorf, Head of Transactions at OX2, believes this will continue to be an important and sought-after product, both for our customers and in the global energy mix.



Christoffer Brandorf
Head of Transactions
OX2

In 2023, OX2 sold three onshore wind projects, including Ånglarna in Falu municipality. The sale clearly demonstrated the significant investor interest that exists in onshore wind power.

"Interest was fueled by a combination of factors. Firstly, Ånglarna is located in price zone SE3, where demand for electricity is strong and electricity prices are high, making it an attractive area in which to own power generation facilities. At 115 MW,

it is a relatively large project in a part of the country where few construction-ready projects come onto the market. Sweden is also generally viewed as a low-risk country in which to invest," says Christoffer Brandorf, Head of Transactions at OX2.

Various types of investor

The buyer was Swiss energy firm ewz, but prior to the sale there was interest from various types of investor.

"Some want direct exposure to the energy market because they believe there will be continued strong demand for electricity as a result of the energy transition or, like ewz which has a mandate to drive its own transition, they want to own more renewables. Other investors, such as pension funds, are looking instead to hedge prices and view this more as a good, predictable, risk-adjusted return in the long term," says Christoffer Brandorf.

First sale in Italy

During the course of the year, OX2 also sold onshore wind projects in Poland and, for the first time, in Italy.

"Here we really showed what we can achieve in the best possible way. This is a new market, we are getting a very good PPA (power purchase agreement) and we have found a good buyer in a rather volatile market. The project was sold under a forward sale structure, where we finance the construction of the project ourselves with closing of the share purchase agreement in conjunction with start of commercial operation."

Important role in the energy mix

OX2's project development portfolio contained 11.9 GW of onshore wind power on seven markets at the end of the year.

"There is strong demand for onshore wind power and I believe it will continue to be a well-performing product. The current major expansion globally is in solar, but this only generates electricity during the day, pushing down prices during daylight hours, and then produces nothing at all at night. Wind has a different production pattern and will play a more important role in the energy mix for many markets," says Christoffer Brandorf.





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2. Operate a sustainable and efficient business

Science-based climate targets

Science Based Targets involve companies setting science-based climate targets in line with the Paris Agreement. This initiative is driving climate action in the private sector and is something that OX2 has been involved in since 2023.



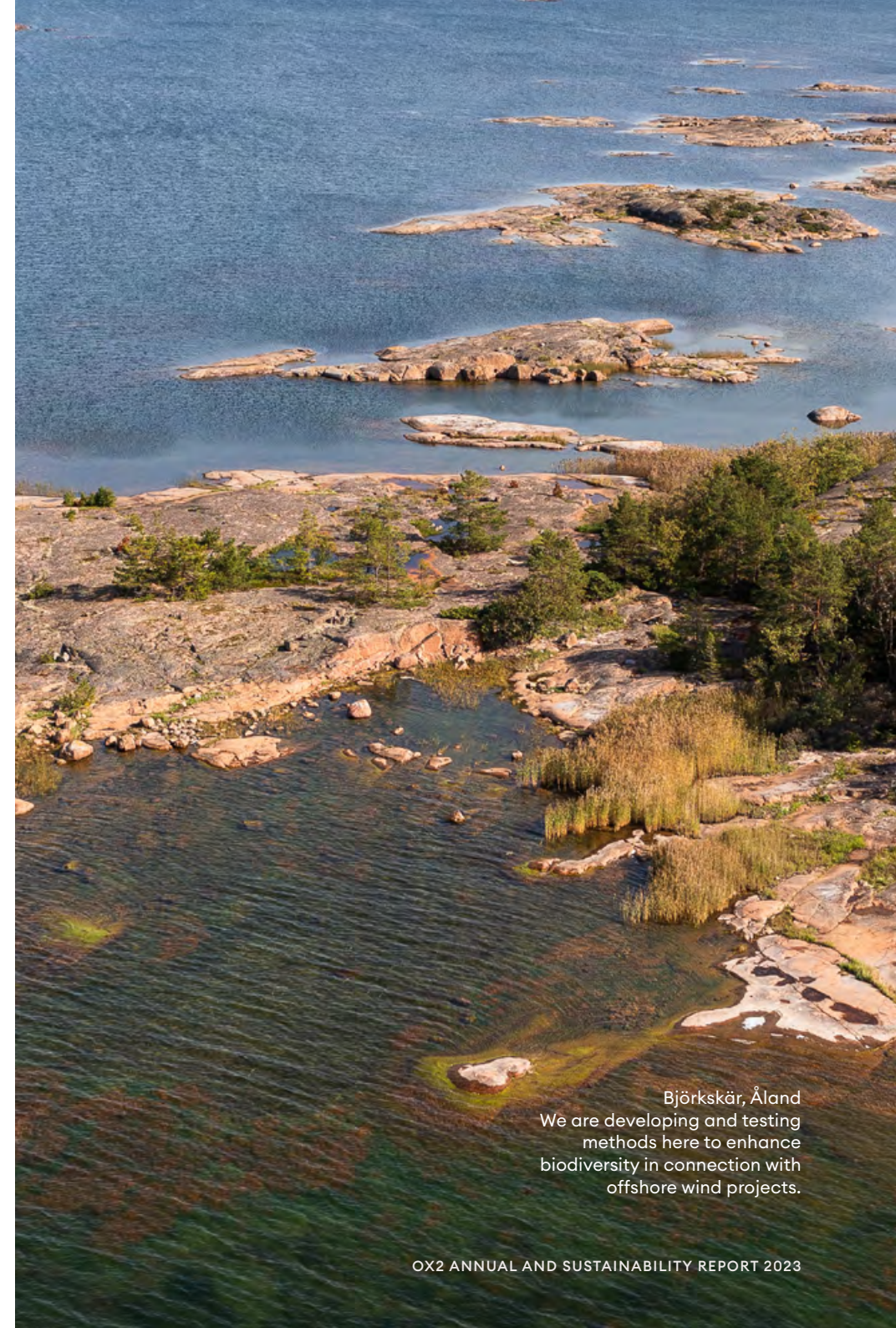
Rebecca Karlsson
Head of Sustainability OX2

Our science-based targets are to reduce our direct (scope 1) and indirect (scope 2) emissions by 42 percent by 2030 and to measure and reduce our other indirect emissions (scope 3) that occur both upstream and downstream of our operations.

We will achieve these goals by electrifying our vehicle fleet, choosing renewable energy for our offices and by working with suppliers and customers to reduce the climate impact of our projects.

“The real strength of our science-based targets is not that they are unique, but that they are part of a joint, cross-industry shift to a low-carbon economy. In this way, we are working together with our customers and business partners for the benefit of the climate,” says Rebecca Karlsson, OX2’s Head of Sustainability.

OX2’s targets follow Science Based Targets initiative’s pathway for small and medium enterprises.



Björkskär, Åland
We are developing and testing methods here to enhance biodiversity in connection with offshore wind projects.



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3. Profitable and long-term presence

OX2 targeting growth in Australia

May 2023 saw the acquisition of ESCO Pacific, a leading Australian developer and manager within solar power. The company has since integrated with OX2 and our focus is on strengthening our long-term presence in the country.



Rachel Watson
Country Manager OX2 Australia

Australia's electricity consumption is around 265 TWh per year and the system contains a high proportion of electricity derived from fossil fuel sources, making a strong case for the expansion of renewable energy. It also has favorable conditions in terms of sun, wind and access to land. Altogether, this makes Australia an attractive market for OX2.

"OX2 is different from other renewable energy companies in Australia because it brings with it experience from so many other countries. The company's size and the availability of financial backing to get projects

off the ground is important. At the same time, however, OX2 has the ability to act fast and take decisions quickly, as well as to handle challenges as they arise. This is a strong competitive advantage," says Rachel Watson, Country Manager for OX2 in Australia.

The development of solar power and associated energy storage and management services will continue. We also see great potential in increasing the product range to include the sale of turnkey projects, expanding through project acquisitions and adding onshore wind power to the business.



Finley Solar Farm, Australia
Finley Solar Farm has an installed capacity of 75 MW. The project is located in New South Wales.



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Our value creation model

OX2 has a three-phase model for the development and sale of renewable energy solutions: Expand, Develop and Deliver.



Expand

New projects

OX2 initiates new projects either through its own greenfield development or through the acquisition of existing projects. Project acquisitions can be made at every stage of the development phase.

New markets

We have a proven model for expanding on new geographic markets. This has usually taken place through the acquisition of projects followed by construction of a local organization.

New technologies

OX2 not only operates within onshore and offshore wind power and solar power, it is also active within new technologies that it considers to have great potential, such as energy storage and hydrogen.

Develop

Project development

During the development phase, projects for wind power, solar power and energy storage are designed in close dialogue with all affected stakeholders. Once the necessary permit applications have been submitted, a decision on the permit is then received, along with conditions for the project.

Sales

Sales take place through a structured process, with the customers being financial and industrial investors. Onshore wind power is usually sold with overall responsibility for construction and management. For large-scale offshore wind power, OX2 attempts to bring in business partners at an early stage of the development phase and gradually capitalize on value creation right up until construction begins.

Deliver

Construction

For those projects where OX2 is responsible for construction, it takes overall responsibility for the budget and timetable. Construction takes place in accordance with international standards and with great consideration for the local environment. During construction, OX2 is paid on reaching milestones, ensuring positive cash flow.

Management

OX2 is often also engaged to provide the technical and commercial management. The aims are to ensure that customers benefit from the highest possible production level, to minimize costs and streamline ownership and so maximize the return from the facility.



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Expand

Our project development portfolio has grown and become increasingly diversified as we have established ourselves in new markets and technologies.

The project development portfolio creates our long-term value and drives the shift to renewable energy. The portfolio has doubled over the past two years, reaching 33.5 GW at year-end. Also over the past two years we have sold stakes from the portfolio of offshore projects totaling 8.2 GW, for which we may receive significant additional payments once permits have been obtained.

New projects

There is a clear process for identifying new renewable energy projects, which includes an assessment of the commercial potential and environmental impact. The expansion of the portfolio takes place both through the acquisition of project rights and through greenfield development.

Acquisition of project rights

OX2's extensive experience of developing complex project rights makes us an attractive partner and provides a strong foundation for acquiring project rights from other developers. In 2023, project acquisitions were made on several markets and in different phases of development, including in Sweden, Finland, Poland and Estonia. ESCO Pacific in Australia was also acquired during the year.

Greenfield projects

We have extensive experience in developing greenfield projects. Our high implementation rate has made us a reliable and attractive partner for landowners. Over the past year, greenfield projects have been added to the development portfolio in several countries. The largest new greenfield project during the year was the Pleione offshore wind farm in Sweden, 49 percent of which was sold to our business partner Ingka Investments at the end of the year.

New markets

The shift to renewable energy is a global trend and geographic expansion has been an important part of our growth strategy. We have expanded into several new countries in recent years and we currently have projects in eleven markets. When OX2 has established itself in a new market, it has usually done so by acquiring a project and then building a local organization consisting of employees who have the skills and experience to run and establish renewable projects with landowners, politicians, local communities and other stakeholders. In 2023, we established on the Australian market and we also added our first Estonian

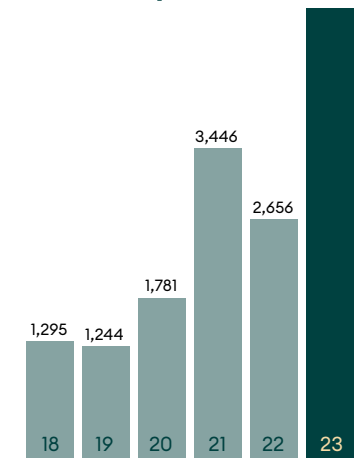
projects to the development portfolio. Our expansion in recent years has created favorable conditions for our future growth.

New technologies

For almost 20 years, OX2 has been a profitable developer of onshore wind power and in recent years we have been among the companies to have constructed the most onshore wind power in Europe. We have built up a portfolio of offshore wind projects off the coasts of Sweden, Finland and Åland, which at year-end represented 41 percent of our total development portfolio. Solar power has become a larger part of the portfolio and increased in 2023, including in Australia. We also have several projects for energy storage solutions, which is an area where we see great potential, both for selling as standalone projects and for combining with our wind and solar projects.

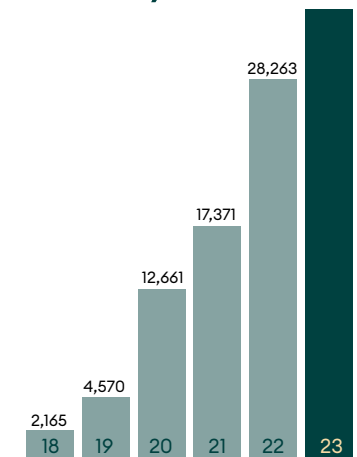
Our ambition is to continue to grow in onshore wind power while also expanding in other established technologies. OX2 also sees great potential in the production of hydrogen, particularly in combination with our offshore projects, where hydrogen production facilitates the use and storage of surplus energy.

5,011 MW



Project acquisitions

33,517 MW



Project development portfolio



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Develop

When we have acquired or begun developing a project, it is included in the project development portfolio. The development phase sees the performance of, among other things, environmental impact assessments, measurements and permit applications necessary for completing the projects.

Project development portfolio

The portfolio contains projects at different stages of development, from early phase, where the necessary permit applications have not yet been submitted, to late phase, where all the necessary permits have been granted.

Development phase

The development phase for greenfield projects usually begins with the signing of a right of use agreement and we then work on all stages of the value chain right up to construction. It can take between five and ten years to complete the development phase for a wind power project, with significantly less time generally needed for solar power and energy storage. The work during the development phase is handled mainly by our local offices in close cooperation with stakeholders, such as landowners and local residents. Our strong local presence and high level of specialist expertise help achieve a high implementation rate in the portfolio. It also gives us a competitive advantage when it comes to acquiring new project

rights and so creates favorable conditions for continued growth. It has become increasingly common for us to acquire projects that are in the late stage of the development phase and which it will therefore be possible to realize within a short period of time. It is OX2's aim is for every wind and solar farm to have a net-positive impact on nature and we restore and offset the impact on nature through initiatives that promote biodiversity.

Sales

We have a flexible model that allows us to capitalize on value creation throughout the value chain. For onshore wind power, the sale usually takes place after the permit has been granted and before construction begins. The customer makes payments when milestones are reached as construction progresses, providing a stable cash flow. In order to maximize profitability, in 2023 we also sold an onshore wind farm with construction in our own book, where we will receive full payment on handover to the customer.

For larger solar power projects, we aim to sell when construction begins and take responsibility for construction, but we do also sell project rights, as we have done in our first solar power sales in Poland, France and Spain.

In offshore wind power projects, our strategy is to drive development together with long-term partners and to divest parts of the project during the development phase. During the past two years, we have made three deals to sell parts of our offshore projects to our partner Ingka Investments.

In energy storage, we have constructed our first permitted project in Sweden and we also expect to sell energy storage projects in Finland during 2024.

Our customers

Sales are made through a structured process, where we use our leading market position to reach out to a large number of investors. Our customers are industrial and financial investors. Financial investors

see ownership of renewable assets as long-term, sustainable investments with stable cash flows and good risk-adjusted returns over time. Customers appreciate our handling of the entire value chain, including technical and commercial management. Industrial customers are investing in cost-effective, sustainable production that meets either their own growing electricity needs or those of their customers. We have seen strong demand for our projects during the year, particularly from industrial and strategic buyers, while rising interest rates have made financial customers less competitive.



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Deliver

OX2 delivers commissioned energy solutions and offers services for long-term management, operation and optimization.

Construction

Our projects are constructed in close cooperation with suppliers and contractors. As one of the leading developers of onshore wind power in Europe, OX2 is a priority partner, which gives us a strong negotiating position. Our construction contracts are based on fixed prices, which are set at the time of sale. This means we have a clear picture of the profitability of a project from the moment it is sold.

Over time, OX2 has established close relationships with suppliers, which makes for effective cooperation on our requirements specifications for health, safety, quality and environment. Our subcontractors commit to working in line with our code of conduct and we have a sound due diligence process to ensure the right suppliers are selected. OX2 is responsible for the project satisfying the environmental requirements and other local factors stipulated in the permit. During construction, we maintain an ongoing dialogue with supervisory authorities, landowners, local residents and other stakeholders.

OX2 delivers commissioned energy solutions and offers services for long-term management, operation and optimization. At year-end, OX2 had a total of nine projects under construction. The onshore wind farms we have sold are delivered to the customer once construction is complete and the wind farm is commissioned. In 2023, we handed over nine commissioned onshore wind farms to our customers.

Management

Once a wind or solar farm has been commissioned, we can provide management services including day-to-day monitoring and optimization of the facility, contracts, finance and commercial administration. These management services are provided under long-term contracts, usually lasting 10–15 years. The aim of management is to maximize profitability by ensuring a high level of production, low costs and effective ownership. The technical and commercial management business is growing, both for farms developed by OX2 and those developed by other operators. OX2 is now one of Europe's largest managers and currently has a total of 4.8 GW under management.

Projects under construction 2023

Project	Country	Technology	Constr. start	Operat. start	MW
Projects to be completed in 2024					
Krasnik	Poland	Onshore wind	2021	2024	24
Wysoka	Poland	Onshore wind	2022	2024	63
Bredhälla	Sweden	Energy storage	2022	2024	43
Eolia	Italy	Onshore wind	2023	2024	27
					690

Projects to be completed in 2025					
Riberget	Sweden	Onshore wind	2022	2025	70
Niinimäki	Finland	Onshore wind	2022	2025	145
Lestijärvi	Finland	Onshore wind	2021	2025	455
Bejsce	Poland	Onshore wind	2023	2025	20
					115

Projects to be completed in 2026					
Ånglarna	Sweden	Onshore wind	2023	2026	115

Total MW under construction at year end 961

Projects delivered in 2023					
Grajewo	Poland	Onshore wind	2020	2023	40
Sulmierzyce	Poland	Onshore wind	2021	2023	23
Huszlew	Poland	Onshore wind	2021	2023	48
Karskröv	Sweden	Onshore wind	2022	2023	86
Klevberget	Sweden	Onshore wind	2022	2023	145
Marhult	Sweden	Onshore wind	2021	2023	32
Merkkikallio	Finland	Onshore wind	2021	2023	83
Puutikankangas	Finland	Onshore wind	2020	2023	44
Rustari	Finland	Onshore wind	2020	2023	44

Total delivered, MW 544



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Facts about renewables

The great shift towards a sustainable society is in full swing. The rapid speed and large scale of the expansion of renewable energy speak for themselves.

Lower costs

Virtually all new solar and wind power installations have lower production costs than their new coal and natural gas counterparts.

3/4 solar power

Solar power accounted for three quarters of all renewable energy installed globally in 2023.

Energy storage x 10

Global energy storage is expected to exceed 400 GWh per year by 2030, which is 10 times more than in 2023.



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Our technologies

OX2's mission is to accelerate access to renewable energy. Our origins are in onshore wind power, but in recent years we have diversified into various other technologies.

Onshore wind power

Onshore wind farms have been developed for a long time, which means that the technology is reliable and the maintenance costs are low.



36%

Share of project development portfolio 2023

Offshore wind power

Offshore wind turbines and wind farms are usually both more numerous and larger than their onshore equivalents. Combined with the higher and more consistent wind speeds to be found at sea, this means generation capacity is greater.



41%

Share of project development portfolio 2023

Solar power

Solar energy is the fastest-growing technology in the global energy mix. Solar panels are in constant development, increasing their efficiency and reducing costs.



21%

Share of project development portfolio 2023

Energy storage

Energy storage contributes to a secure energy supply, greater flexibility in the network and the integration of the energy sector, as well as taking care of frequency and voltage regulation, for example, and handling overload.



3%

Share of project development portfolio 2023



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Onshore wind power

Large-scale onshore wind power is the cornerstone of OX2's 20-year history. Onshore wind power is an attractive investment among investors looking for a stable long-term return.

Thanks to technological developments and falling costs at all stages, onshore wind power is now one of the most cost-effective sources of energy. The technology is proven and projects can be completed entirely without government subsidies, something that OX2 pioneered in Finland back in 2018.

Onshore wind projects contribute to economic growth in the rural communities where wind farms are often located. Rental income, property taxes, jobs and local development can all increase

the economic prosperity of these communities.

Onshore wind needs to be developed in a sustainable and responsible manner. Extensive resources are devoted to consultation with the authorities, local communities and individuals. It is also important to consider the impact on the local environment. This can be done through nature-positive initiatives aimed at strengthening biodiversity and natural ecosystems.

OX2 and onshore wind power

3.9 GW

→ Since 2004, OX2 has developed and begun construction on 3.9 GW of onshore wind power for industrial and institutional customers, making us one of the leading developers in Europe.

Overall responsibility

→ We take overall responsibility for the development, construction and sale of turnkey onshore wind farms.

Management

→ When the farm is commissioned, our technical and commercial team take over the management. We also offer technical and commercial management for farms developed by other operators.





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Polish hedgehogs help increase biodiversity



Katarzyna Suchcicka
Country Manager
OX2 Poland

→ The town of Wysoka lies in the north west of Poland. OX2 is building an onshore wind farm here named after the town. In Wysoka, as in all our projects, there is a major focus on the biodiversity of the local environment.

Poland held its National Hedgehog Day in November 2023. To mark the occasion, we visited a local primary school in Wysoka. Our aim was to educate and inspire children about biodiversity in general and about the amazing world of hedgehogs in particular. In return, the children created forty cozy shelters for the hedgehogs that live in the forests around Wysoka to help them through the winter so they can continue to nurture the local environment by keeping the number of pests and insects in balance.

“The school visit was part of our commitment to establishing environmental awareness in the local community. Here in Wysoka, we are planting trees and building birdhouses, insect houses, and now hedgehog shelters, all as part of our efforts to develop nature-positive wind and solar farms by 2030,” says Katarzyna Suchcicka, Country Manager for OX2 in Poland.

How we work with nature-positive wind and solar farms

OX2 aims to develop nature-positive wind and solar farms by 2030. This involves identifying and assessing the damage done to biodiversity in order to avoid and reduce negative impacts, as well as restoring, compensating and implementing additional measures to achieve a positive impact on nature through our projects. To achieve this, we have set ourselves three goals:

1. We use the mitigation hierarchy as a guiding principle for all new solar and wind farms.
2. We create credibility and transparency around the work on biodiversity by measuring, documenting and reporting.
3. We work with scientists, landowners and other stakeholders to increase understanding of the link between renewable energy and biodiversity.

Read more about our biodiversity work on page 72. →





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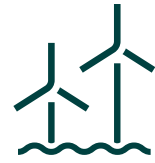
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Offshore wind power

Offshore wind power will play an important role in securing the electricity supply in Europe. We are seeing strong investor interest in offshore wind power, which accounts for a significant portion of our project development portfolio.

The turbines in an offshore wind farm can be both larger in size and greater in number than their onshore equivalents. Combined with stronger and more consistent winds at sea, the result is higher and more predictable energy generation.

Offshore wind farms do not compete with other land uses. They are also usually located a long way from the coast, which reduces their noise and visual impact on coastal landscapes compared with onshore wind turbines.

The challenges for offshore wind power include higher installation and maintenance costs, potential environmental impact on marine ecosystems and possible conflicts with the maritime, defense and fishing industries. Maintaining a close dialogue with all stakeholders and implementing measures to promote biodiversity are essential if we are to address these challenges and maximize the benefits of offshore wind.

OX2 and offshore wind power

Baltic Sea and Kattegat

→ We are developing offshore wind power in the Baltic Sea and the Kattegat for the Swedish, Finnish and Åland markets.

Hydrogen and Power-to-X

→ We are planning for the large-scale production of hydrogen in connection with several projects, which in turn can be converted into e-fuels, known as Power-to-X. This helps to make the transition from fossil fuels to sustainable fuels, for example in the shipping industry.

Oxygenation

→ We are exploring opportunities, in conjunction with production of hydrogen, to oxygenate parts of the Baltic Sea floor, contributing to biodiversity and restoring natural ecosystems.

Partnership

→ Most of our offshore projects are developed in partnership with Ingka Investments, which is part of the Ingka Group, the world's largest IKEA franchise.





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The path to realization for an offshore wind project



→ Work on the Galene offshore wind farm, which OX2 is developing in the Kattegat together with Ingka Investments, has made significant strides in 2023. In January, the County Administrative Board in Halland gave the project the green light and in May the Swedish government announced that OX2 had been granted a permit to construct the project, with a potential capacity of around 400 MW.

“The permit was huge for OX2 as a company; we are one of only two Swedish companies to have been granted a permit to build. It also contributed to putting offshore wind power on the map in Sweden,” says Emelie Zakrisson, Head of Offshore Wind OX2 Sweden.

Geophysical surveys

In November and December, geophysical surveys were carried out to examine the seabed conditions. Measurements were taken up to 70 meters below the seabed, to explore the conditions where the foundations of the turbines will be installed.

“We will probably use monopile foundations, which are normally piled into the seabed. The optimal seabed condition is a fine layer of sand followed by stiff clay without too many large boulders or bedrock. Now we are eagerly waiting to see what the data shows.”

Collaborations drive the project

Several collaborations have been initiated during the year, with the aim of driving the project and securing progress.

“There is great demand on the world market for products and services linked to offshore wind power. We want to be prioritized and are in constant contact with the supply chain. We also see opportunities to move forward faster and get operational if we have the right partners with us along the way.”

Grid connection is key

Getting the wind farm connected to the grid is a key issue. A cooperation agreement has been signed with Ellevio, whose experience as a power grid owner complements OX2’s expertise in project development and construction. A letter of intent has also been signed with port operator Hallands Hamnar to establish a local office and service port in the port of Varberg.

“We are active in many areas. There are still outstanding permits to obtain, and we are working on the design of the wind farm and its components. We will also carry out more investigations in the area, plus we are active in dimensioning and designing the grid connection.



Emelie Zakrisson
Head of Offshore Wind OX2 Sweden

Contributes lessons learned

Galene is one of OX2’s total of ten offshore projects in the project development portfolio, which are located in Sweden, Finland and Åland. It is also the offshore project that is most progressed.

“The development of Galene contributes lessons learned on several different levels: permit processes, feasibility studies, design, collaborations and more, which is beneficial for the other projects. We are relatively few people in a fast-moving team, so information flows in a good way,” says Emelie Zakrisson.

OX2 plans to start construction in 2026 so that the wind farm can be operational in 2028 or 2029.



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Solar power

Solar power is the fastest-growing technology in the global energy mix. According to the International Energy Agency (IEA), solar power is growing so fast that it is projected to be a bigger energy source than both coal and natural gas by 2027.

The conversion of sunlight into electricity is called photovoltaics and happens through the use of solar cells. This is a proven technology, but it is only in recent years that solar energy technology has really matured and come down significantly in cost.

Solar power's potential is limited only by how much energy we are able to capture. In one hour, the Earth receives as much energy from the sun as the entire population of the planet uses in a year and

the sun is expected to continue shining for another four and a half billion years.

Combining agriculture with solar power generation is a relatively new technology and is particularly suitable in countries with limited availability of land. The concept is called agrivoltaics.

Solar farms can easily be connected to energy storage solutions such as batteries, providing a more consistent supply of energy.

OX2 and solar power

Solar power since 2018

→ OX2 has been developing solar power since 2018. Growing in solar power has been key to our geographical expansion in recent years.

Active throughout the value chain

→ We operate at all stages of the value chain, from financing, permits and sales to construction and technical and commercial management.

Agri-voltaics

→ We are developing agri-PV projects in France, Italy and Australia.

Key expertise

→ OX2's solar hub with key expertise across the value chain is based in Spain.





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Meadow flowers, insects and solar power in pilot project on Åland



→ In the corner of a ten-hectare site on Åland that is set to become Möckelö Energy Park, a pilot project is underway where OX2 is testing various measures designed to make the solar farm nature-positive. This means not simply avoiding or minimizing the environmental impact of the project, but also strengthening the area’s natural ecosystems and biodiversity.

The testing method is very specific. The land around the solar panels is divided into squares to investigate different conditions for the plants. The squares contain a variety of soil types, ranging from sand and topsoil to untouched, existing soil. Investigations are then carried out into which type of plant thrives there, how it is affected by the shade from the solar panels, and which insect species are ultimately attracted there.

“We will be sowing meadow flowers in some of the squares. Hay meadows used to be common on Åland before large-scale agriculture took over. Many of the threatened species that we want to protect thrive in this kind of environment. We will then wait and see what comes out of the ground and what species are attracted here,” says Kenneth Rosenberg-Brunila, project manager for Möckelö Energy Park.

Other biodiversity measures included in the project are wood piles for insects, insect hotels and beehives.

“We have also created an information trail around the installation, where visitors can learn more about what is happening at the solar farm and how renewable energy can be developed without compromising nature,” says Kenneth Rosenberg-Brunila

The structural design itself is also tested. The solar panels are mounted on stands made from local wood instead of imported steel. Building with wood captures carbon dioxide over time. As a basic requirement, the wood must be chemical-free and maintenance-free throughout the life of the solar farm, i.e. 40 years.

“We do not use chemical treatment as this can end up in the ground. Instead, we are testing various chemical-free surface treatments. It is probably more likely, though, that we will end up using heartwood, as it contains natural impregnation which means that the wood doesn’t absorb water,” says Kenneth Rosenberg-Brunila.

Once completed, Möckelö Energy Park will have a capacity of around 10 MW. The solar power will be combined with hydrogen production and battery storage with the ability to both charge electric cars and help balance the electricity grid.

Möckelö Energy Park, Åland

Location
Jomala, Åland

Technology
Solar power

Number of solar panels
Approx. 15,000

Installed capacity
Up to 10 MW

Hydrogen production
3 MW electrolyzes

Phase
Early development phase



Kenneth Rosenberg-Brunila
Project Manager OX2 Åland



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Energy storage

Energy storage offers a range of benefits and plays a vital role in modern energy systems by improving grid stability, enhancing the integration of renewable energy sources and providing backup power.

Energy storage is essential for the further expansion of solar and wind power. For example, battery systems can store surplus energy from intermittent sources such as wind and solar and then release it when energy generation is low, ensuring a constant and reliable energy supply.

Energy storage also helps to stabilize the grid by storing surplus electricity during periods of low demand and releasing it when demand is high. This reduces the risk of power cuts. In the event of a

power cut, energy storage can provide backup power, ensuring that critical infrastructure, homes and businesses can continue to function.

Energy storage can reduce peak-time costs for commercial and industrial customers by releasing stored electricity when demand is high. Energy storage can also balance electricity supply and demand, deferring the need for expensive infrastructure upgrades to the energy system.

OX2 and energy storage

New technology

→ Energy storage is a relatively new technology for us and we see great potential for it on all of our markets.

BESS

→ Construction on our first energy storage project began in 2022, a Battery Energy Storage System (BESS) located in Bredhälla in southern Sweden.

Management services

→ We offer management services for battery storage to our customers and investors, just as we do with the wind and solar farms that we develop.





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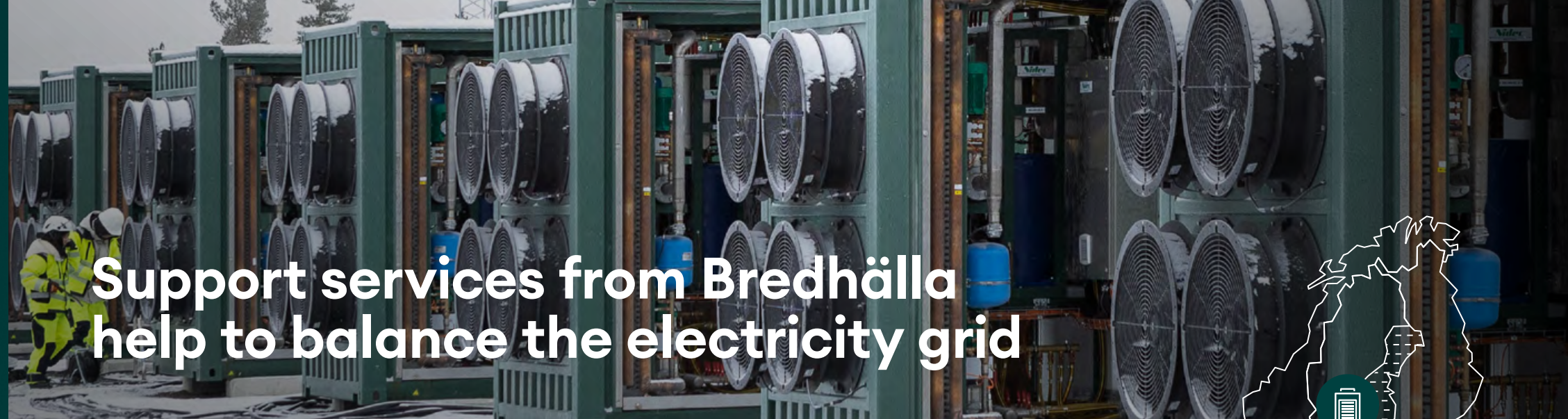
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Support services from Bredhälla help to balance the electricity grid



→ Energy storage facilitates the shift to renewable energy generation and plays a central role in the electricity systems of the future. In the municipality of Uppvidinge in Småland, we are developing Bredhälla BESS (Battery Energy Storage System), our first energy storage project.

The main aim of the project is to provide support services to Svenska Kraftnät, so that the electricity grid can operate at a consistent frequency of 50 Hz. By quickly charging or discharging its batteries, Bredhälla can compensate for any imbalances caused by surpluses or shortfalls in electricity generation. Bredhälla can also trade electricity on the market, helping to reduce the extreme price spikes seen in southern Sweden.

The project has a capacity of 43 MW spread across 20 battery containers, all of which are now in place. OX2's project manager during the construction phase, Federico Vignera, provides an update.

"Kanonaden, our construction contractor, was on site first, carrying out earthworks, digging cable trenches, erecting fences and building roads, among other things. They completed their work in early summer. When they left the project site, Nidec arrived began installing the containers," says Federico Vignera.

Nidec is a leading supplier of BESS solutions. During the autumn, they installed and connected up all the containers. Cold commissioning began in the first week of January. This involved all the containers being energized and the functionality of the system being tested, but without any power passing between the system and the electricity grid.

"This was followed by hot commissioning. This involves testing the system's connection to the electricity grid. We also tested the services that support frequency management in the grid, so that we can become an approved supplier of support services to Svenska Kraftnät," says Federico Vignera.

From a work environment perspective, Bredhälla differs from the nearby wind farms of Karskröv and Marhult, for example, in that the project is enclosed behind a fence, no high cranes are needed for installation and the containers are transported using ordinary trucks. Another difference is working with high voltage electricity.

"The batteries are partially charged when they are delivered and installed, which means that when a battery is connected, the voltage rises to very high levels. In order to reduce the risk of electrical accidents and fire, strict safety procedures have been established for all work that



Bredhälla BESS, Uppvidinge

Federico Vignera
Construction Project Manager OX2

takes place at the site, with regular health and safety inspections and meetings with all contractors. All staff wear special personal protective equipment for this type of work and only trained staff are permitted to perform electrical installation work. We have confidence in everyone's skills and in our safety procedures," says Federico Vignera.

As at all OX2 construction sites, environmental considerations are important. An environmental plan was drawn up at the beginning of the project and its outcome is monitored daily by the site managers, supported by external specialists. Bredhälla BESS will be completed and operational by spring 2024.



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Power-to-X

Power-to-X is a term that refers to a group of technologies and processes where electricity, usually generated from renewable sources such as wind or solar, is converted into other forms of energy or chemical products. The letter “X” in Power-to-X can stand for different end products, such as hydrogen, methanol or other e-fuels.

OX2 is developing large-scale projects within Power-to-X, an area where we are currently intensifying our efforts.



Power-to-X is transforming transport sectors and heavy industries



→ Electricity generated from renewable sources can be used to produce other energy carriers. This conversion is collectively referred to as Power-to-X, where X represents the range of possible end products, such as renewable hydrogen and e-fuels.

The large scale of offshore wind power makes it particularly suitable for this application. The process begins with electrolysis, where desalinated seawater is split into hydrogen and oxygen. This hydrogen can then be stored and used as an energy carrier, or further processed to produce other forms of energy such as methanol or other e-fuels.

“Power-to-X will be vital for transforming sectors where electrification is not suitable but which rely on sustainable fuels, such as the steel industry or heavy transport by land and sea. Our large-scale renewable projects will play an important role in this,” says Morten Langsholdt, Head of Power-to-X OX2.

Oxygen is usually a waste product in the electrolysis process and is released into the air, but at sea it can be put to better use. This is because the Baltic Sea, where the majority of our offshore wind projects are developed, suffers badly from oxygen depletion, resulting in the loss of animal and plant life. We are therefore exploring the possibility of pumping down the oxygen from hydrogen production to oxygenate the seabed and restore the conditions for marine life.

“There’s a strong momentum and a lot of development happening in Power-to-X at the moment. We see that the markets in the Nordics, particularly Sweden and Finland, have projects with strong fundamentals for this technology. We enter into strategic partnerships throughout the value chain, from technological solutions and commercialization to sustainability. This is such a large-scale operation that nobody can do it alone,” says Morten Langsholdt.

Energy island Gotland, Sweden

OX2 and Nordkalk are together investigating the possibilities for the production of e-fuel on Gotland. This new e-fuel could be used at Nordkalk’s own facilities, for shipping or in other industries. Production could help make Gotland a hub for green growth and development. A feasibility study has been initiated.



Morten Langsholdt
Head of Power-to-X OX2



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Employees

In 2023, the number of employees increased by around 35 per cent, from 366 to 496 colleagues. In order to establish a common culture and create consensus, we have worked on our values during the year. We have also begun professionalizing our People function, with new roles in areas such as talent management and compensation and benefits.

Values and behaviors

We worked continuously on our values for most of 2023. 71 percent of our colleagues took part in workshops, which assessed our existing values. This collaborative work produced updated values, formulated in new wording that better reflects where we are today as a company and where we are heading.

We have connected a number of behaviors with the updated values and these reflect how we should act in order to live by our values. Together, these values and behaviors provide a common platform and they will be highlighted in our recruitment and in performance reviews. The values form the basis of our annual performance evaluation model. They will also provide the foundation for the leadership development initiatives that are to be developed and implemented in 2024.

Talent management

OX2 is a knowledge-based company that finds innovative solutions to complex problems. The ability to attract, recruit and retain competent staff is therefore vital for our success. We strengthened our People organization during the year with the addition of a talent manager tasked with identifying and developing those individuals who contribute best to our competitiveness.

The focus of talent management during the year has been on establishing processes to inventory, evaluate and develop our existing talent pool. We have also worked to review the succession plan for key roles and to support our leaders in contributing to a learning culture where all employees are given the chance to develop and contribute. This, in turn, makes us a more attractive employer.





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Engaged employees

An employee survey was carried out in the autumn, which identified a high level of engagement among our employees again this year, with an index of 4.1 (4.1) out of a possible 5.0. Our employee engagement is important because it helps to establish a positive work environment, improves our performance and contributes to the long-term success of the company. This is a mutually beneficial relationship, where employees thrive and the organization is strengthened.

Compensation and benefits

OX2 aims to be an attractive employer in the renewable energy sector. Offering our employees competitive wages relative to the market is vital for us as a successful, efficient and well-functioning organization to recruit, motivate, develop and retain employees with the necessary skills in both the short term and the long term.

OX2 recognizes all nationally established pay systems and processes, detailed additional national pay offers in areas such as pensions, insurance and benefits in line with local labor law, collective and works council agreements or generally accepted market practice, where applicable.

Although OX2 applies individual and differentiated pay determination, it is important that pay is fair and that there are no unjustifiable differences in pay. Pay should be used as a valuable tool to reward employee performance, behavior and results, particularly where these improve the overall business.

OX2's principles concerning job-related requirements, performance, behavior and results, market conditions and legal requirements are always applied in the setting and reviewing of wages.

It is important for OX2 to have satisfied employees and we therefore offer benefits to support our employees in their work and to stimulate their wellbeing.

Engagement index,
max. 5.0:

4.1

Participation in work
on values:

71%

Gender distribution

41.2%

women

58.8%

men





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Risks and risk management

OX2 has both a company-wide risk process and integrated risk management in its business process. By means of proactive, systematic risk management, OX2 is able to prevent and manage risks and exploit opportunities to deliver on OX2's strategy and objectives.

The overall aim of the risk processes is to ensure that we manage risks systematically and effectively, and set the right priorities to achieve our goals. The OX2 management team has ultimate responsibility for risk management and the implementation of risk mitigation measures. The Board of Directors is involved in the annual risk analysis at company level and through representation in the business process for project management, in which project risks are continuously identified, assessed and managed.

The risk processes are supported by OX2's framework for risk management, Enterprise Risk Management (ERM), which aims to create an aggregated analysis of the company's risks and to systematize the continuous work.

The risk management work was enhanced in 2023. This was achieved partly by implementing a risk policy that both clarifies how the two risk processes interact and provide comprehensive, continuous risk management, and defines the division of responsibility for risk management between functions, Group management and the Board.

OX2's ERM framework





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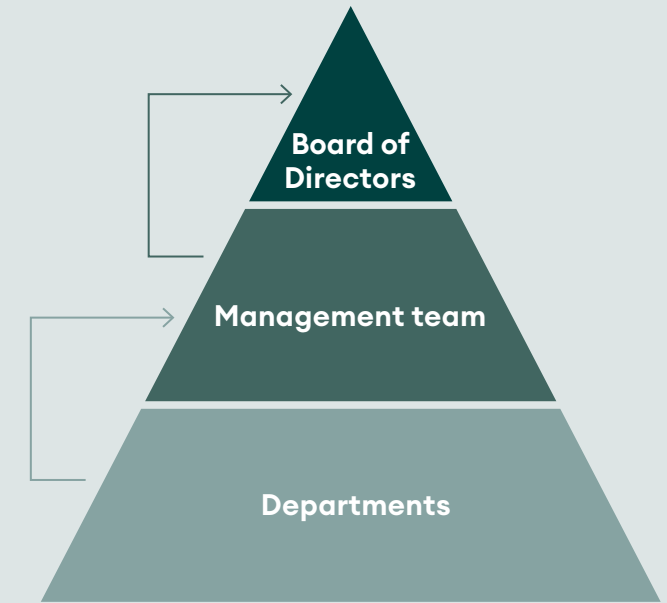
Group-wide risk process

The Group-wide risk process is based on continuous risk management in the Group's markets, product areas and Group functions. Reporting follows a common structure and risk categorization method. The risks reported are strategic and market related, operational, financial and regulatory, and sustainability risks. The risks identified by the functions as major risks, taking into account their impact and likelihood, are reported on a quarterly basis to the management team, which analyses the risks, follows up on mitigation measures and manages further risk mitigation activities.

General business risks fall into five categories: strategic and market, operational, financial and regulatory, and sustainability. The table on page 45-46 shows the risks identified as most significant for OX2. The assessment and impact illustrate the company's assessment of the risks without taking into account mitigation measures.

The main strategic and market risks for OX2 are deemed to be closely related to grid connection constraints, lower electricity prices and weaker macroeconomic conditions. Factors such as reduced competitiveness as a result of technological development and how the company designs its offer to the market, and reduced access to project rights in the market are deemed to constitute more significant market risks. The main operational risks are considered to be disruption in the supply chain, more difficult permitting processes, lack of skills and ability to retain key staff, inadequate capacity in Group functions, delays and cost overruns in the construction portfolio, and risks related to IT security and cybersecurity.

The most significant financial risk is related to the business processes and is attributable to the company's guarantee commitments and financial counterparty risks, while the main regulatory risks relate to uncertainties about regulatory changes resulting from geopolitical changes and political decisions. The main sustainability risk is related to breaches of anti-corruption laws and related counterparty risks.



Reporting	Frequency
<ul style="list-style-type: none"> Strategy days Business planning Annual report 	Annual/ad hoc
<ul style="list-style-type: none"> Business updates Separate reporting to the management team 	Quarterly
<ul style="list-style-type: none"> Follow-up at departmental level under the guidance of the relevant manager 	Ongoing



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Project risks

Project risks are strongly linked to business opportunities, and OX2's project team and management team continuously address risks related to issues such as permits, electricity prices and suppliers. The systematic risk management is enhanced by our project management model and creates a clear process for continuously identifying, preventing and managing risks in the business processes.

OX2's main activities are conducted within the project-centered organization, which has several parallel projects running in different markets at the same time. Risk management is an integral part of decision-making at all levels within OX2. Project management, monitoring and follow-up procedures are designed to optimize the value of projects and reduce business and implementation risks. OX2's project management model provides the framework for a common approach to ensure high quality and results in projects. Another important aspect is that, as a result of the continuous evaluations of completed projects, the company regularly identifies lessons learned for best practice and shares them across departments.

OX2's project management model

The commercial steering group, consisting of the CEO and the CFO, makes decisions on project investments at OX2 within the authority of the steering group. The Board of Directors has an investment committee which manages investments outside the decision-making authority of the commercial steering group but within the scope of the investment volume and risk profile decided by the Board of Directors. The Board of Directors is the decision-making body for project investments exceeding SEK 100 million and where a project investment exceeds the limits permitted by the risk profile adopted.

OX2 has an established process for identifying new project opportunities, both for its own development and for investment in the project development portfolio. The process includes a number of defined checkpoints that precede each approval or decision, creating the conditions for a balanced trade-off between business opportunity and risk exposure.

Annual risk assessment and improvement work

Every year, OX2 carries out in-depth analysis and assessment of both project risks and company-wide risks, i.e. strategic, operational, financial and regulatory risks and sustainability risks. The analysis includes identification of more significant risks, how they have developed since the previous year and follow-up of risk management measures.

The annual assessment is based on ongoing risk management activities and the results of the review are presented to the Board of Directors. The Board assesses the most significant risks, focusing on their development and strategic impact and the appropriateness and effectiveness of the mitigation measures to manage and reduce them.

OX2 applies the COSO model framework for internal governance and control for financial reporting and monitoring of operations. The annual review assesses the company's control environment and risk assessment framework, the control activities in place, compliance with them and their effectiveness. The results of the activities and controls carried out are communicated on an ongoing basis during the year to the relevant parts of the business, company management, the Audit Committee and the Board of Directors.

OX2's corporate culture encourages employees to share lessons learned and contribute to the continuous development and efficiency enhancement of operations. Our management system integrates ongoing suggestions that can streamline quality and risk management.



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The company's most significant risks

The results of the annual review of the most significant risks are shown in the table below and relate to the risks with the highest combined impact and likelihood. It is noted that none of the most significant risks relate to the financial risk category.

Our main risks, impact and management

Main risk	Impact	Management
1 More limited electricity grid access	Slow grid development affects the ability to connect wind and solar farms to the grid. This may delay the establishment of projects or make it impossible to establish projects, which may result in the company implementing fewer projects.	All projects developed by the company have a plan for grid connection. OX2 works continuously with public authorities and grid owners to accelerate the expansion and reinforcement of the electricity grid. OX2's strategy to establish operations in more countries also involves risk diversification.
2 Low electricity prices	Over the past year, many analysts' electricity price forecasts were for low electricity prices in both the short and long terms, which may affect customers' valuation of wind and solar farms.	OX2 continuously monitors developments in the electricity market and analysts' forecasts. OX2 has developed its PPA function and PPA models (Power Purchase Agreement) to optimize electricity sales in its projects.
3 Reduced supply of and increased prices of project rights	A reduced supply of project rights on the market may make it more difficult to expand the project development portfolio.	OX2 maintains a continuous dialogue with developers of project rights. Exposure to risk is reduced by means of a strong market position, increased geographical expansion and an increase in the company's investment in its own development.
4 Increased competition, i.a. as a result of technological development	The transformation of the energy market may mean increased competition in renewable energy development, as well as a range of opportunities in new technologies and products.	OX2 continuously monitors developments and considers how to adapt its own product portfolio to new market conditions.
5 Lack of skills and ability to retain key employees	OX2 is a knowledge organization and dependent on its ability to attract and develop skilled, committed employees. Less ability to recruit, develop, engage and retain skilled employees means less ability to conduct OX2's operations successfully.	OX2 has a corporate culture based on a common set of values and a common leadership philosophy. As a consequence of OX2's rapid expansion in recent years, cultural and leadership integration is a priority. OX2 works continuously to monitor skills needs and develop its skills development strategy. OX2 has employee and incentive plans that help the company retain and recruit the skills needed for continued growth.



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Main risk	Impact	Management
<p>6 Supply chain disruption and higher prices</p>	<p>The geopolitical risks that have been accentuated over the past year mean that there is a risk of disruption in OX2's supply chain, which includes subcontractors in China and elsewhere. High inflation and higher prices, for example for turbines and modules, including underlying raw materials, may lead to lower margins and reduced profitability in all geographical areas.</p>	<p>OX2 has built up good relationships with its key suppliers. Owing to its size in the market, OX2 has a good negotiating position. Purchasing takes place in a competitive process to ensure the best possible terms for OX2.</p>
<p>7 IT security and risks related to loss of data</p>	<p>Cyberattacks and IT system failures may cause disruption to OX2's operations through communication breakdowns, inefficiency or other operational disruption. An IT failure may impact OX2's operations and earnings. OX2 is primarily exposed to cybersecurity risks through sales, communications within the supply chain and with customers and in relation to the network connections that OX2 manages for its customers.</p>	<p>OX2's information security framework consists of policies, guidelines and instructions and provides a framework for effectively managing information security in accordance with business requirements and relevant legislation. The framework, which is based on ISO/IEC 27001:2017, ensures that OX2 has a systematic, risk-based approach. OX2 works continuously to increase the security awareness of all employees.</p>
<p>8 Delays and cost overruns in construction projects</p>	<p>The construction process for wind energy infrastructure is not completely predictable and a variety of factors may affect the timetable and execution and lead to higher project costs.</p>	<p>In all construction projects, OX2 has a project organization in place to monitor the work. Suppliers are well-known and reputable with experience in their respective areas of responsibility. A very high percentage of the works carried out are contracted before the start of construction. Completion schedules include some time margin. Agreements in place ensure an acceptable level of risk for OX2.</p>
<p>9 Geopolitical conditions, political decisions, changes in government support systems</p>	<p>Geopolitical conflicts, political uncertainty and changes in government support systems may affect demand for infrastructure and renewable energy investments.</p>	<p>OX2's strategy includes deliberate diversification in terms of both technology and geography, which provides risk diversification. Changes and their impact on the business are continuously evaluated in the company's systematic risk management. We work continuously and proactively to work more closely with and enhance relations with politicians at national and local levels so that we are well informed about upcoming political decisions and trends.</p>
<p>10 Breaches of anti-corruption laws</p>	<p>There is a risk of non-compliance with laws or OX2's internal business ethics procedures, which enables corruption and/or fraud in various forms.</p>	<p>OX2 has built business ethics risk management into its business processes, including background checks on counterparties and contractual commitments in the field of business ethics. The company conducts an annual anti-corruption training program that is mandatory for the entire Group and targeted training is held for selected groups where the risk is deemed to be elevated. OX2 has had a whistleblowing channel for several years. The Board of Directors participates in the business ethics work in connection with the reporting of whistle-blower cases, through the Business Ethics Committee and by attending the annual presentation to the Board of the company's proactive anti-corruption work.</p>



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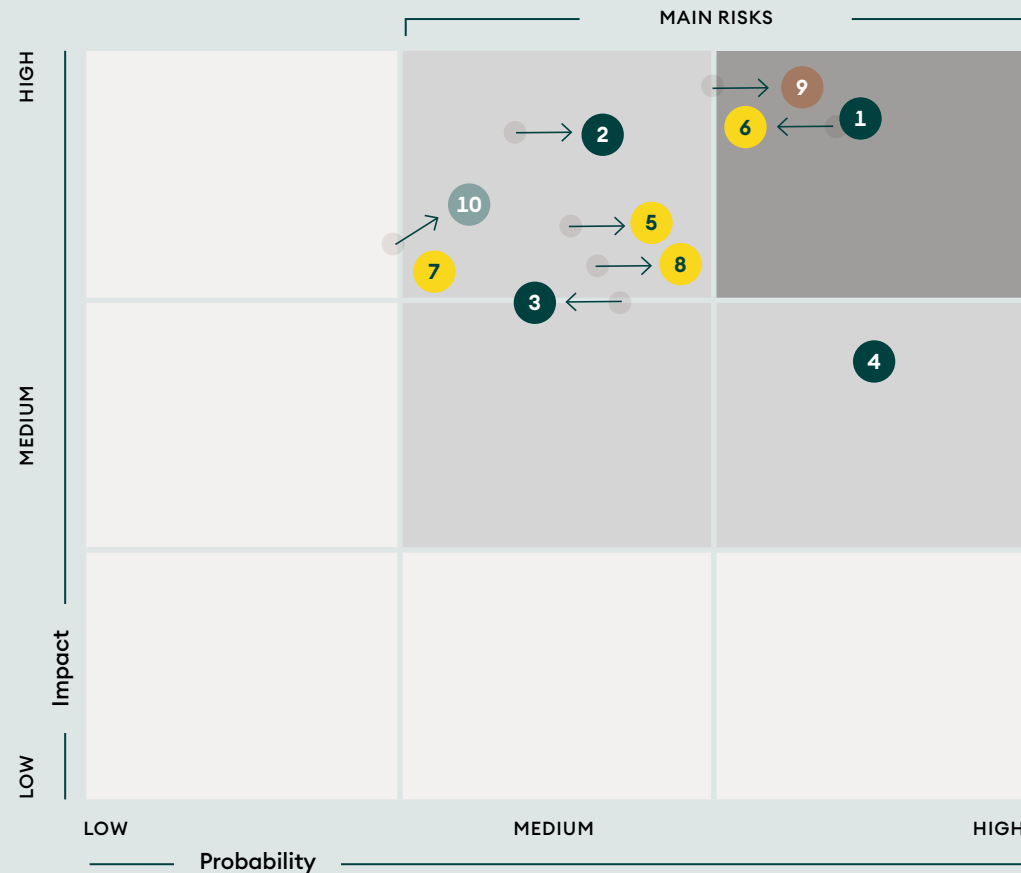
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The company's most significant risks

The results of the annual review of the most significant risks are shown in the table below and relate to the risks with the highest combined impact and likelihood. It is noted that none of the most significant risks relate to the financial risk category.



→ Movement since 2022. Risks without an arrow are judged to be unchanged from the previous year.

● Strategic and market risks

- 1 More limited electricity grid access
- 2 Low electricity prices
- 3 Reduced supply and higher prices of project right
- 4 Increased competition i.a. as a result of technological development

● Operational risks

- 5 Lack of skills and ability to retain key employees
- 6 Supply chain disruption and higher prices
- 7 IT security and risks related to loss of data
- 8 Delays and cost overruns in construction projects

● Regulatory risks

- 9 Geopolitical conditions, political decisions, changes in government support systems

● Sustainability risks

- 10 Breaches of anti-corruption laws



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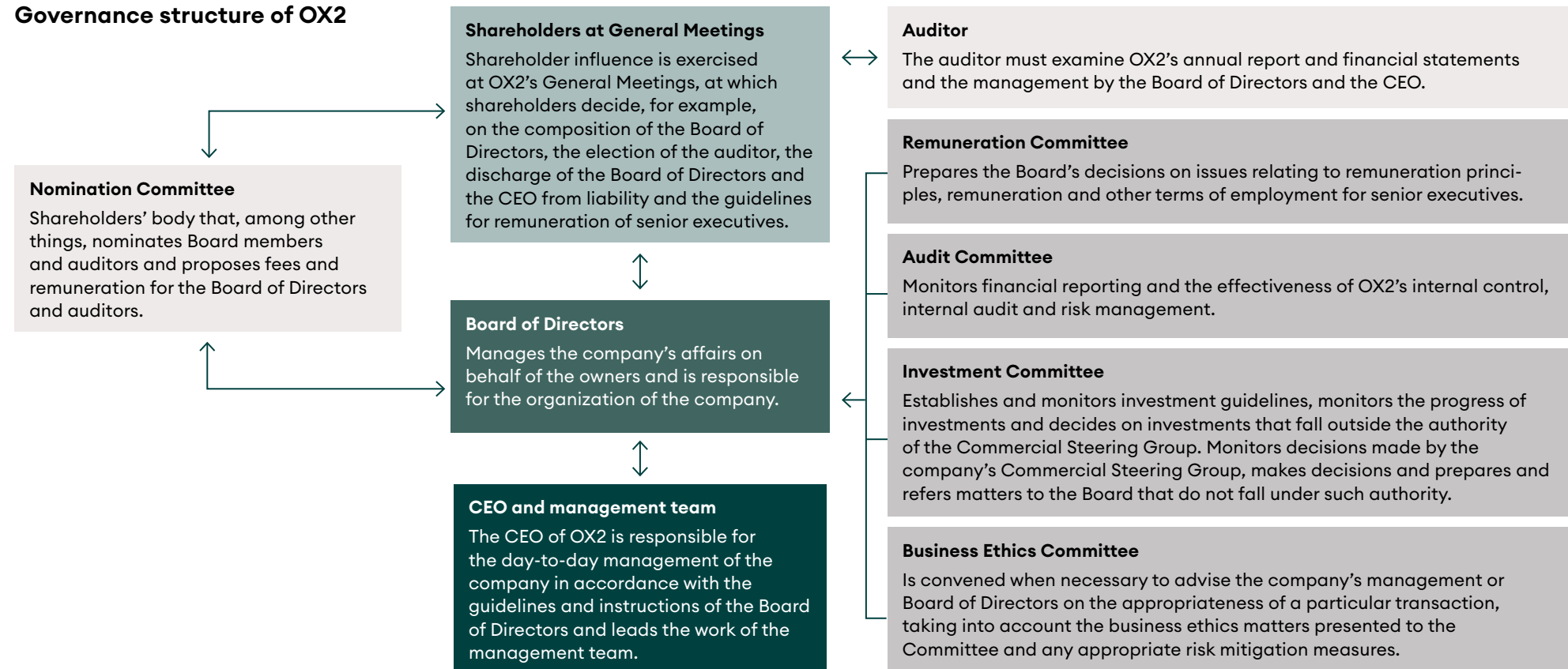
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Corporate Governance Report

OX2 is a Swedish public limited company. Corporate governance is mainly based on Swedish law, primarily the Swedish Companies Act (2005:551), the Articles of Association and internal rules including policies, instructions and guidelines, and the Swedish Corporate Governance Code (the Code). This Corporate Governance Report provides an overview of OX2's corporate governance work and describes the Board of Directors' internal control and risk management and financial reporting.

Governance structure of OX2





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Significant events in 2023

In February 2023, OX2 updated its financial targets and introduced, among other things, a target to achieve a 25 percent annual growth rate in operating income (CAGR) during 2023-2027. In 2023, OX2 continued to expand its project development portfolio with new greenfield projects and project acquisitions in several geographical markets and within different technologies. During the spring, OX2 expanded its operations to the Australian market with the acquisition of ESCO Pacific Holdings Pty Ltd, a leading developer of solar power and energy storage. In May 2023, OX2 received a permit from the Swedish Government for offshore wind power in the Kattegat. This was OX2's first Government permit for offshore wind power. During the year, OX2 was involved in a large number of sales processes, including completing its first sales in Italy, France and Spain.

In May 2023, Altor, previously the company's second largest shareholder, announced the sale of all its shares in OX2. As a result of the sale of Altor's shares, ownership of OX2's shares has become more diversified, with a higher proportion of foreign owners. Following the sale of Altor's shares, Petter Samlin declined re-election at OX2's annual general meeting held on 16 May in Stockholm.

Swedish Corporate Governance Code

OX2's shares are listed on Nasdaq Stockholm's Main Market. Nasdaq Stockholm requires companies listed there to apply the Code. However, OX2 has applied the Code since its listing on Nasdaq First North Growth Market in June 2021. The Code is available at www.bolagsstyrning.se, where the Swedish corporate governance model is also described. OX2 has complied with the Code in all respects since the company was listed on Nasdaq First North Growth Market, and consequently reports no deviations from the Code for 2023.

Compliance with applicable regulations

OX2 was not guilty of violations of applicable stock exchange rules or of good stock market practice at any time in 2023. Nor has any violation been reported by Nasdaq Stockholm's Disciplinary Committee or by the Swedish Securities Council.

Shares and shareholders

OX2 is a CSD-registered company, which means that the company's share register is maintained by Euroclear Sweden AB. The share capital of OX2 as at 31 December 2023 amounted to SEK 545,035.172 spread over 272,517,586 shares, each with a quota value of SEK 0.002. According to the Articles of Association, the company's share capital must be minimum SEK 500,000 and maximum SEK 2,000,000, spread over minimum 250,000,000 and maximum 1,000,000,000 shares. According to its Articles of Association, the company may issue shares of one single class. The single largest shareholders in OX2 at the year-end were Peas Industries, Pictet Asset Management and Handelsbanken Fonder. The company had approximately 19,000 shareholders at year-end. More information about the company's shares and its shareholders can be found on page 149.

Corporate governance structure

Within OX2, governance and control are shared between the shareholders at general meetings, the Board of Directors, the CEO and other members of management. The Swedish Companies Act, the Articles of Association and internal policies, instructions and guidelines adopted by OX2 govern the allocation of tasks. The Rules of Procedure of the Board of Directors and the CEO's Instructions are examples of internal instructions and guidelines. OX2's Articles of Association are available on the company's website at www.OX2.com.

Shareholder influence is exercised at General Meetings, at which shareholders decide, for example, on the composition of the Board of Directors, the election of the auditor, the discharge of the Board of Directors and the CEO from liability and the guidelines for remuneration of senior executives.

The Nomination Committee, which is appointed in accordance with the principles laid down by the Annual General Meeting, submits proposals to the next Annual General Meeting concerning matters such as the election of Board members, the Chair of the Board and the auditor, and decisions on the remuneration of the Board and the auditor.

The Board of Directors is ultimately responsible for the organization and management of OX2's activities. The tasks of the Board of Directors are partly prepared by the company's Group management and by the committees of the Board of Directors.

The CEO of OX2 is appointed by the Board of Directors. The CEO manages the day-to-day operations of the Group in accordance with the Board's guidelines and instructions.

Annual General Meeting

General

OX2's highest decision-making body is the Annual General Meeting. The Annual General Meeting is held annually within six months of the end of the financial year. At the Annual General Meeting, the balance sheet and income statement and the consolidated balance sheet and income statement are presented and decisions are made on business such as appropriation of the company's profit, adoption of the balance sheet and income statement and the consolidated balance sheet and income statement, election and remuneration of directors and auditors and other business that is the statutory responsibility of the Annual General Meeting. Notice of a General Meeting is published in Post- och Inrikes Tidningar and on the company's website. The fact that notice of the meeting has been given is announced in Svenska Dagbladet.

In addition, shareholders have the opportunity to have other business discussed at the Annual General Meeting. However, a shareholder who wishes to have a particular matter discussed at the meeting must submit a request to the Board of Directors at the address shown on the company's website at www.OX2.com no later than at the time specified in the Swedish Companies Act.



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At a General Meeting, all shareholders have the opportunity to exercise the influence over the company that their respective shareholdings represent. At OX2, there are no restrictions on the exercise of voting rights and shareholders may therefore vote for their full holding.

Annual General Meeting on 16 May 2023

On 16 May 2023, OX2 held its Annual General Meeting at Brygghuset in Stockholm. It was also possible to participate by postal vote. Approximately 73 percent of the shares in OX2 were represented at the meeting.

The Annual General Meeting passed resolutions including the following:

- to adopt the income statement and balance sheet as set out in the annual report for the 2022 financial year;
- to carry profit forward;
- to discharge the members of the Board of Directors and the CEO from liability in respect of management of the company for the preceding financial year;
- on the remuneration of the Board of Directors for the period until the next Annual General Meeting;
- to re-elect Johan Ihrfelt, Thomas von Otter, Anna-Karin Eliasson Celsing, Niklas Midby, Jan Frykhammar, Malin Persson and Ann Grevelius and to elect Deloitte AB as the company's auditor until the end of the next Annual General Meeting;
- to authorize the Board of Directors to decide on the issue of new shares corresponding to up to ten per cent of the total number of shares in the company;
- to set up a long-term incentive plan in the form of a share savings plan for certain key employees of OX2 (the decision was made by a majority of 9/10 in accordance with Chapter 16 of the Swedish Companies Act);
- on guidelines for remuneration of senior executives; and
- on principles for the composition of the Nomination Committee.

The resolutions adopted by the 2023 Annual General Meeting are recorded in the minutes of the meeting, which are available on the OX2 website.

Nomination Committee

The OX2 Annual General Meeting decided on the principles for the appointment of the Nomination Committee. In summary, these entail that the Nomination Committee will be constituted based on the ownership structure of the company on the last trading day of August each year and will consist of representatives of the three largest shareholders in terms of voting rights and the Chair of the Board of Directors of OX2 (convener).

The composition may be adjusted to take account of changes in ownership that affect who constitutes the three largest shareholders in terms of voting rights. The Nomination Committee must meet the requirements for its composition specified in the Code and, when a new member is to be appointed, the shareholder that appoints the new member must take into account the composition of the existing Nomination Committee.

The full principles for the appointment of the Nomination Committee can be found on the OX2 website.

Tasks

The Nomination Committee must perform the duties set forth in the Code and must, where applicable, present proposals at a future Annual General Meeting regarding:

- election of the chair of the meeting,
- the number of Board members elected by the General Meeting,
- election of the chair and Board members,
- the fees and other remuneration of elected Board members and of the members of the committees of the Board of Directors,
- election of the auditor(s),
- remuneration of the auditor(s), and
- principles for the composition of the Nomination Committee.

In addition, the Nomination Committee must, prior to each Annual General Meeting, consider whether it finds it necessary to propose amendments to the Instructions to the Nomination Committee and, if so, submit proposals for decisions regarding such amendments to the Annual General Meeting.

Composition

During the period November 2022 to November 2023, the Nomination Committee consisted of the following persons:

- Johan Wieslander (Chair), appointed by Peas Industries,
- Øistein Widding, appointed by Altor,
- Jesper Bergström, appointed by Handelsbanken Fonder, and
- Johan Ihrfelt, in his capacity as Chair of the Board of Directors of OX2.

The Nomination Committee that was constituted in November 2023, for the 2024 Annual General Meeting, consists of the following persons:

- Johan Wieslander (Chair), appointed by Peas Industries,
- Peter Lagerlöf, appointed by Lannebo Fonder,
- Jesper Bergström, appointed by Handelsbanken Fonder, and
- Johan Ihrfelt, in his capacity as Chair of the Board of Directors of OX2.

The shareholders that have appointed members of the Nomination Committee represented approximately 52 percent of the shares and votes in the company, according to the share register as at 31 August 2023.



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Work of the Nomination Committee

Prior to the 2024 Annual General Meeting, the Nomination Committee held two minuted meetings during 2023 and discussions by email and telephone.

The Nomination Committee reviewed the work of the Board of Directors and took note of the evaluation of the Board of Directors carried out during the period. Furthermore, the Nomination Committee took note of the recommendation of the Audit Committee regarding the election of auditors. The Nomination Committee has applied as its diversity policy paragraph 4.1 of the Code, whereby the Nomination Committee took into account that, given OX2's operations, stage of development and other circumstances, the Board of Directors must have an appropriate composition characterized by diversity and breadth in terms of its members' skills, experience and background. Furthermore, the Nomination Committee worked with the aim of achieving a gender balance on the Board of Directors. The Nomination Committee assessed the need for increased diversity on the Board of Directors and concluded that there is a gender balance (two women and two men) for the four members nominated who are independent of major shareholders. The Nomination Committee also took into account that the composition of the Board of Directors was the subject of careful consideration in 2021 in preparation for OX2's listing on Nasdaq First North Premier Growth Market. Based on the information received, the Nomination Committee was provided with a good basis for assessing whether the composition of the Board of Directors is satisfactory and for assessing the future need for skills and experience on the Board of Directors.

Board of Directors

Tasks

The Board of Directors manages the company's affairs and is responsible for the organization of the company on behalf of the owners. The Chair of the Board of Directors leads the work of the Board of Directors. The Board of Directors sets OX2's financial objectives and strategy, appoints and evaluates the Chief Executive Officer and ensures that there are effective systems for monitoring and controlling operations, that laws and regulations are complied with and that accurate, transparent information is disclosed.

The Board of Directors must hold an annual inaugural meeting immediately after the Annual General Meeting. In addition, at least five Board meetings must be held each year. The tasks at the inaugural meeting of the Board of Directors include appointing the Chair of the Board (if not already appointed by the Annual General Meeting) and determining the company's signatory, the rules of procedure of the Board of Directors, the instructions for the CEO, the instructions for financial reporting, the instructions for the committees of the Board of Directors and other internal instructions and guidelines.

Board meetings are normally attended by the CEO, the CFO and the General Counsel. Other members of management and other officials in the organization present specific issues. The business discussed at the company's ordinary Board meetings includes the work of the committees of the Board of Directors, the company's operational and financial situation and the status and development of the project portfolio. The company's auditor attends and reports to Board meetings as required. The Board is quorate when more than half of the members of the Board are present.

The Board meets according to a predetermined annual schedule. In addition to ordinary Board meetings, additional Board meetings may be convened if the Chair of the Board deems it necessary or if a Board member or the CEO so requests.

Composition

According to OX2's Articles of Association, the Board of Directors must consist of at least three and no more than ten members.

Board of Directors

Consisted, on 31 December 2023, of six members (see pages 57-58) elected for the period until the end of the 2024 Annual General Meeting.

At the beginning of 2023, OX2's Board of Directors consisted of eight members. Petter Samlin declined re-election at the General Meeting in May 2023 following Altor's sale of its shares in the company. The remaining members were re-elected at the Annual General Meeting on 16 May 2023. In July 2023, Jan Frykhammar resigned for personal reasons. The table on page 53 shows the remuneration of the members of the Board of Directors (as decided by the 2023 Annual General Meeting) and their attendance at Board meetings and meetings of the Board committees; the Audit Committee, the Remuneration Committee and the Investment Committee. Further information about Board meetings is provided on pages 57-58.

Independence requirements

Johan Ihrfelt and Thomas von Otter are not independent of the company, its management or its major shareholders. Anna-Karin Celsing is not independent of the company's major shareholders. In this context, major shareholders are owners who directly or indirectly control 10 percent or more of the shares or votes in the company.



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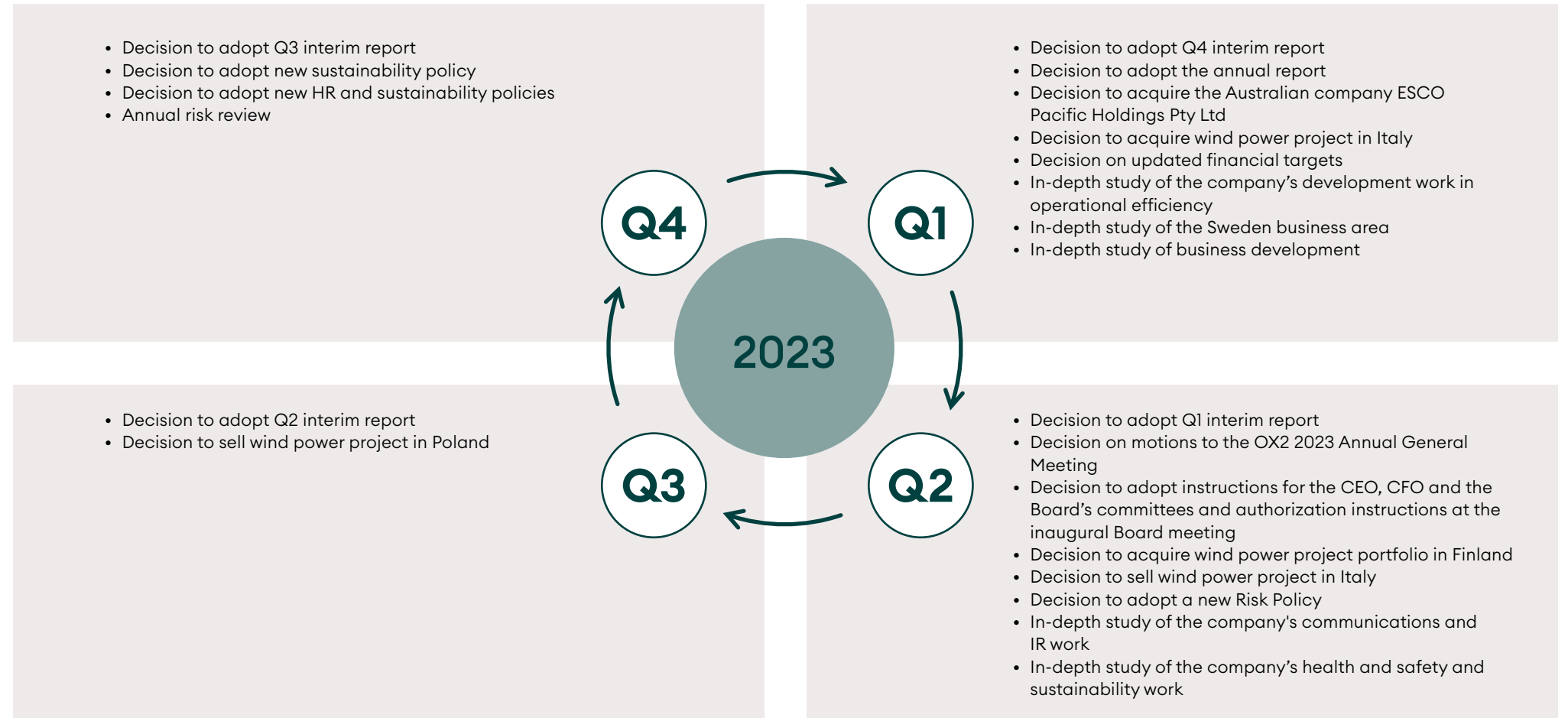
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Work of the Board in 2023

In 2023, 15 Board meetings were held, including one inaugural Board meeting held immediately after the 2023 Annual General Meeting.

The work of the Board is conducted primarily at formal Board meetings. A number of focus topics are identified when the Board's annual calendar is established or on an ongoing basis if necessary, and each is discussed at a Board meeting during the year. In 2023, the Board dealt with the following main issues in this way:





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In addition, the Board and management hold an annual strategy day, which allows for freer discussion of OX2's development and strategies. Regular contact is maintained between the Chair of the Board of Directors and the company management between Board meetings to ensure that the Board of Directors receives adequate information and decision support for its work and to ensure that the Board's decisions are implemented.

Board and CEO evaluation

An evaluation of the work of the Board and CEO took place during the winter 2023/2024 where the members, among other things, were given the opportunity to give their views on working methods, board materials, their own and other members' and the CEO's efforts and the scope of the assignment. According to the evaluation, the work of the Board and the CEO function very well. The purpose with the evaluation is to, among other things, further develop the Board's and the CEO's effectiveness and working methods. The evaluation also serves as a tool to determine which competence is needed in the Board and to analyze the competence of the current Board. The evaluation thus also serves as a basis for the Nomination Committee's proposal of Board members.

Board committees

To enhance the efficiency of the Board's work, the Board has established a Remuneration Committee, an Audit Committee, a Business Ethics Committee and an Investment Committee. The attendance of each member at committee meetings is shown in the table above.

Remuneration Committee

The Board has established a Remuneration Committee. Since the inaugural Board meeting on 16 May 2023, the Committee has consisted of two members: Johan Ihrfelt (Chair) and Malin Persson. According to the Code, the Chair of the Board may be the Chair of the Remuneration Committee, but the other members of the Remuneration Committee must be independent of OX2 and its senior executives. Malin Persson is independent of OX2 and its senior executives.

The main tasks of the Remuneration Committee are to:

- prepare the Board's decisions on issues relating to remuneration principles, remuneration and other terms of employment for senior executives,
- monitor and evaluate ongoing variable remuneration programs for senior executives and programs concluded during the year,
- monitor and evaluate the application of the guidelines for the remuneration of senior executives to be decided by the Annual General Meeting by law and current remuneration structures and levels in OX2, draw up and provide to the Board a report on the results of the evaluations to be carried out in accordance with the second and third paragraphs above,
- draw up and manage the Board's remuneration report for each financial year, setting out the remuneration paid and outstanding under the remuneration guidelines,
- ensure that the incentive plan for OX2 employees is evaluated annually, and
- perform and carry out the other tasks required of the Remuneration Committee under the Code.

Member	Board member of OX2 since	Remuneration (SEK) 2023	Number of Board meetings incl. the inaugural meeting 2023 (15 meetings)	Audit Committee 2023 (8 meetings)	Remuneration Committee 2023 (7 meetings)	Investment Committee 2023 (23 meetings)
Johan Ihrfelt	2006, founder and active in OX2 since 2004	553,746	15	-	7	23
Thomas von Otter	2005, founder and active in OX2 since 2004	424,581	14	-	-	23
Anna-Karin Celsing	2019, active in OX2 since 2009	441,245	14	8	-	-
Niklas Midby	2019, active in OX2 since 2012	357,916	14	4	-	-
Petter Samlin	2020	177,085	4 (of 6)	-	1	6 (of 9)
Jan Frykhammar	2020	273,547	8 (of 8)	4 (of 4)	-	-
Malin Persson	2021	370,416	15	-	7	-
Ann Grevelius	2021	305,831	15	-	-	-



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Audit Committee

After the inaugural Board meeting on 16 May 2023, the Audit Committee consisted of Jan Frykhammar (Chair) and Anna-Karin Celsing. Following Jan Frykhammar's departure from the Board of Directors in July 2023, Niklas Midby became a new member of the Audit Committee. Anna-Karin Celsing was elected Chair of the Audit Committee at the same time. According to the Swedish Companies Act (2005:551), the members of the Audit Committee may not be employed by OX2 and at least one member must have accounting or auditing expertise. The Code also stipulates that the majority of the members of the Audit Committee must be independent of OX2 and its senior executives and at least one of these members must also be independent of OX2's major shareholders. Jan Frykhammar, Niklas Midby and Anna-Karin Celsing are all independent of OX2 and its senior executives. Jan Frykhammar and Niklas Midby are independent of OX2's major shareholders. The members of the Audit Committee have particular expertise in, experience of and interest in financial and accounting matters.

The main tasks of the Audit Committee are to:

- monitor OX2's financial reporting and make recommendations and suggestions to ensure the reliability of the reporting,
- with regard to financial reporting, monitor the effectiveness of OX2's internal control, internal audit and risk management,
- keep informed about the audit of OX2's annual report and consolidated accounts and the conclusions of the quality control by the Swedish Inspectorate of Auditors,
- inform the Board of Directors of the results of the audit and how the audit contributed to the reliability of the financial reporting, and of the role played by the Committee,
- review and monitor the impartiality and independence of the auditor, paying particular attention to whether the auditor provides OX2 with non-audit services, and
- review the scope and frequency of the statutory audit of the annual or consolidated accounts, and assist the Nomination Committee with its preparation of proposals for the General Meeting's decision on the election of the auditor.

Investment Committee

Since the inaugural Board meeting on 16 May 2023, the Investment Committee has consisted of two members: Johan Ihrfelt (Chair) and Thomas von Otter.

The main tasks of the Investment Committee are to:

- establish and monitor the implementation of investment policies,
- monitor the development of investments made and the investment portfolio, and keep informed about upcoming transactions of importance for the company's business strategy; and
- ensure that decisions are made in accordance with the authorities decided by the Board. This entails monitoring decisions made by the company's Commercial Steering Group, making decisions about investments that fall outside the decision-making authority of the Commercial Steering Group but within the limit of the investment volume decided by the Board, and preparing and referring matters to the Board that fall

outside the authority of the Commercial Steering Group and the Investment Committee. The Investment Committee reports to the Board at each ordinary Board meeting.

Business Ethics Committee

The Board of Directors decided at its meeting on 16 December 2022 to set up a new committee in the Board of Directors to deal with business ethics issues of such a serious nature that they should be subject to a decision by the Board. The committee is called the Business Ethics Committee and it meets on an ad hoc basis at the request of the Head of Legal Counsel, the Commercial Steering Group or the Investment Committee. The committee consists of two people: Johan Ihrfelt (Chair) and the Chair of the Audit Committee, i.e. Jan Frykhammar until July 2023 and then Anna-Karin Celsing.

The main tasks of the Business Ethics Committee are to:

- review and assess the issues presented to the Business Ethics Committee
- advise the company's management or Board of Directors on the appropriateness of a transaction, taking into account the business ethics matters presented to the Committee and any appropriate risk mitigation measures.

If a matter has been submitted to the Committee and the Committee considers it to be outside its authority, it must refer the matter to the Board for decision. The Business Ethics Committee reports to the Board of Directors at the next ordinary Board meeting after the Committee's meeting.

Audit

The auditor must examine OX2's annual report and financial statements, the consolidated financial statements, the relations between Group companies and the management by the Board of Directors and the CEO. The audit of OX2's annual report and financial statements and of the management by the Board of Directors and the CEO is carried out in accordance with generally accepted auditing standards in Sweden. The auditor attends Audit Committee meetings and met the Board of Directors without management present on one occasion during the year. OX2's auditor has been Deloitte AB since 2009. The auditor in charge since 16 May 2023 has been Kent Åkerlund, authorized public accountant and member of FAR.

CEO

The CEO of OX2 is responsible for the day-to-day management of the company in accordance with the rules of the Swedish Companies Act and the instructions for the CEO and for financial reporting adopted by the Board. According to the instructions, the CEO's responsibilities include compliance with the Articles of Association, the directives of the General Meeting, the rules of procedure of the Board and other policies and instructions issued by the Board. The CEO is also responsible for ensuring that the company's Financial Policy and Information and Insider Policy, including logbook procedures, are followed. The CEO is also responsible for ensuring that the internal organization and controls are adequate. Further information on the CEO, Paul Stormoen, is provided on page 59.



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Governance and organizational structure

The Board of Directors of the Company has adopted the following policies:

- Corporate Governance Policy
- Code of Conduct
- Mandate and decision rules
- Financial Policy
- Tax Policy
- Risk Policy
- Sustainability Policy
- Remuneration Policy
- Communication and Insider Trading Policy
- Information Security Policy

In addition, every year the Board considers making revisions to the instructions for the CEO and for financial reporting, the policies for the Commercial Steering Group and the Investment Committee and the Board's rules of procedure. Policies must be revised as necessary to ensure that all policies are up to date and support the aims and objectives of the business. The Corporate Governance Policy sets out guidelines for corporate governance within the OX2 Group and provides a framework for the internal instructions and guidelines that must be in place and the corporate body responsible for it. The Financial Policy sets out the division of responsibilities, administrative rules and guidelines for the conduct of financial activities in OX2. It is adopted by the Board of Directors and sets out how the various risks of financial operations are to be limited and what risks operations may take. All OX2 Group companies are covered by the financial policy. The Risk Policy sets out the structure and process for Group-wide risk reporting and the division of responsibilities for reporting and monitoring risks and mitigation measures. OX2's Information and Insider Policy is designed to ensure that the company complies with laws and regulations, Nasdaq's regulatory framework and good stock market practice. The Sustainability Policy is an overall framework for all of the Group's sustainability issues such as the environment, business ethics and health and safety. It specifies the level and direction of the Group's sustainability work and provides guidance on how the company will achieve its ambitious environmental goals.

OX2's Group management has extensive experience in renewable energy operations. See pages 59-60 for more detailed information on the Group management.

Within the organization, responsibility and authority are delegated within clear frameworks. These frameworks are defined by the company's policies, budget and strategic plan. In addition to the policies adopted by the Board, the CEO has decided on instructions and guidelines in the following areas.

- Financial reporting
- Environment
- Working environment
- Gender equality and diversity

- Health and safety
- Crisis management
- Insurance and pensions
- Incentives, bonuses and benefits
- Anti-corruption
- Entertainment, gifts and local engagement
- Whistleblowing
- Media
- Information classification
- Personal data, IT security and data security

An important part of OX2's operational management is the commercial management of the company's project portfolio, which is carried out by the Commercial Steering Group. It makes decisions on investments and sales up to the level at which, owing to its size or risk profile, the transaction is subject to the decision of the Investment Committee. Policies adopted by the Board of Directors and the CEO together form the internal framework and provide the basis for the effective management of the company's operations.

Description of internal control in relation to financial reporting

Introduction

According to the Swedish Companies Act and the Code, the Board of Directors is responsible for the internal control of the company.

This description has been prepared in accordance with section 7.4 of the Code and relates to financial reporting.

Control structure

The Board of Directors of OX2 has adopted a number of policies for financial reporting. These include the rules of procedure of the Board and the instructions for the CEO. They provide a framework for ongoing financial review. The company carries out an annual risk assessment of processes in OX2's financial reporting in accordance with the COSO framework for internal control. The key processes are examined using both qualitative and quantitative analysis. The CFO is responsible for this process. All significant reporting and accounting processes are mapped and adequate controls are designed to prevent and detect any errors. The design and effectiveness of controls implemented are regularly evaluated and the results of controls implemented are reported quarterly to the Audit Committee, which reports annually to the Board of Directors.

Risk assessment

The Group-wide risk process that was implemented in 2023 includes financial risks and involves quarterly reporting of the financial risks identified in any of the company's functions to Group management. Risk reporting is presented to and assessed by Group management at quarterly risk meetings at which risk mitigation measures are also followed up. In OX2's business process, all significant transaction and project decisions are analyzed in terms of risks, risk management and opportunities.



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Risk assessment

The risk management structure is set out in the Risk Policy and other policies adopted by OX2, in this context primarily the Corporate Governance Policy, the rules of procedure for the Board of Directors, the instructions for the CEO, the instructions for the Investment Committee and the Commercial Steering Group, the Financial Policy and the Information and Insider Trading Policy. Risk management is an integral part of the quarterly monitoring of all business areas and is part of the ongoing decision-making process at OX2. It is monitored at a company-wide level in the annual risk process, which includes risk analysis and risk assessment at Group management and Board levels. Financial risk management is based on the COSO framework and is carried out from both quantitative and qualitative perspectives. The results are reported annually to the Audit Committee.

Control activities

The risks identified in relation to financial reporting are managed via the control activities described in the Risk Policy and OX2's risk process and the Corporate Governance Policy, rules of procedure for the Board of Directors, instructions for the CEO, Financial Policy and Information and Insider Trading Policy. The purpose of control activities is to prevent, detect and correct errors and nonconformities.

Examples of control activities involving risk assessments are:

- the quarterly reporting from the Group's business functions and business support functions, which is followed by risk assessment and monitoring of risk mitigation measures by Group management
 - monthly reports prepared by the company's CEO in accordance with the company's instructions for reporting the company's financial information; these reports are presented by the CEO at ordinary Board meetings
- reviewing and checking the decision-making documents for the Group's management team meetings and Board meetings
- clear decision-making processes and authorization schemes

In addition, a functioning control environment requires a developed structure with continuous oversight. The CEO has primary responsibility for the day-to-day work to maintain the control environment. The CEO reports regularly to the Board of Directors.

OX2 continuously develops its control activities to achieve the most effective organization possible.

Information and communication

OX2's disclosure procedures are set out in the company's Information and Insider Trading Policy and in the instructions to the CEO and the financial reporting instructions. The procedures are designed to ensure that external and internal reporting is provided in a timely, accurate, relevant, clear and reliable manner.

The internal reporting produced in the context of the company's control activities is communicated between the Board of Directors, the CEO and management, providing a basis for making correct decisions.

Financial reporting and operational information is regularly provided in the form of:

- year-end and interim reports, which are published as press releases;
- the annual report, including the sustainability report;
- press releases on significant events;
- presentation to financial analysts, investors and the media on the same day as the publication of year-end and interim reports and in connection with the publication of other important information; and
- meetings with financial analysts and investors.

Governance and monitoring

Ongoing monitoring of performance and project results takes place at several levels in the company, both at product level and at Group level. Monitoring is in relation to budgets and forecasts. The results are monitored and analyzed by the managers responsible at both technology and market levels and by the finance department. Reporting is to Group management and then to the Board of Directors, where the most significant risks are discussed and how the company is working to mitigate them.

In addition, the company's auditors must report directly to the Board of Directors at least once a year. The auditors must report their findings from the audit and their assessment of internal control.

Need for internal audit

Overall, the work on internal control in relation to financial reporting described above means that the Board does not consider it justified to have a separate internal audit department.

Remuneration of senior executives

Under the Swedish Companies Act (2005:551), the Annual General Meeting must decide on guidelines for remuneration of senior executives. The Annual General Meeting on 16 May 2023 decided to adopt guidelines for remuneration of senior executives for the period up to and including the 2024 Annual General Meeting. The full guidelines are set out in the minutes of the Annual General Meeting and are available on the OX2 website.



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Board of Directors



Johan Ihrfelt
Chair

Chair since 2007.

Chair of the Remuneration Committee and the Investment Committee since 2021.

Chair of the Business Ethics Committee since 2022.

Born: 1967

Main education: Graduate in Business Administration, Stockholm School of Economics, NYU Stern School of Business in New York and law studies at Stockholm University.

Other current positions: CEO and Chair of the Board of Directors of Peas Industries AB. Board member of Biond Production AB, Peas Industries Invest AB, Lifebolt AB, Yosai AB, Segulah Cestrum AB Bidco AB and Cestrum Consolida Topco AB.

Former positions: Various board assignments in the the OX2 and Peas groups.

Shareholding in OX2: 124,168,572 shares indirectly via Peas Industries AB.¹⁾

Independence as per the Swedish Corporate Governance Code: Not independent of the company, its management or its major shareholders.

1) Peas Industries AB is indirectly controlled by Johan Ihrfelt with approximately 38% of the votes and shares in Peas Industries AB.



Thomas von Otter
Board member

Board member since 2005.

Member of the Investment Committee since 2021.

Born: 1966

Main education: Economics, Stockholm Business School.

Other current positions: Deputy CEO and Board member of Peas Industries AB. Chair of the Board of Directors of Biond Production AB. Board member of Kottla Strand AB, Spray AB, Segulah Cestrum AB Bidco AB och Cestrum Consolida Topco AB, Peas Industries Invest 2 AB and Biond Holding AB.

Former positions: Various board assignments in the the OX2 and Peas groups.

Shareholding in OX2: 124,168,572 shares indirectly via Peas Industries AB.¹⁾

Independence as per the Swedish Corporate Governance Code: Not independent of the company, its management or its major shareholders.

1) Peas Industries AB is indirectly controlled by Thomas von Otter with approximately 38% of the votes and shares in Peas Industries AB.



Anna-Karin Eliasson Celsing
Board member

Board member since 2019.

Chair of the Audit Committee since 2023.

Member of the of the Business Ethics Committee since 2023.

Born: 1962

Main education: Graduate in Business Administration, Stockholm School of Economics.

Other current positions: Board member and Chair of the Audit Committee of Castellum Aktieföretag. Board member, Chair of the Audit Committee and member of the Risk Committee of Landshypotek Bank Aktieföretag. Board member of Lannebo Fonder AB, Peas Industries AB, Svensk Husproduktion AB and Volati AB. Board member of the Tim Bergling Foundation, the Beckmans College of Design foundation and the Orienteatern foundation.

Former positions: Chair of the Board of Directors of Sveriges Television. Board member of the Royal Swedish Opera, Serneke Group, Carnegie Investment Bank and Carnegie Holding.

Shareholding in OX2: 198,056 shares via AKC Råd AB.

Independence as per the Swedish Corporate Governance Code: Independent of the company and its management but not independent of its major shareholders.



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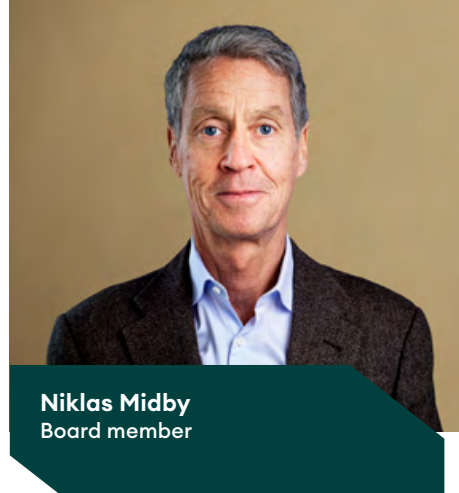
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Niklas Midby
Board member

Board member since 2019.

Member of the Audit Committee since 2023

Born: 1959

Main education: Graduate in Business Administration, Stockholm School of Economics.

Other current positions: Chair of the Board of Directors of Evitec Oy and Credon AB. Board member of Consiglio Capital AB, ByggaBo i Stockholm AB and Urban Parkering Fastighetsutveckling AB.

Former positions: Chair of the Board of Directors of Sbanken ASA, Resscapital AB and stoEr Technologies AB.

Shareholding in OX2: 213,056 shares.

Independence as per the Swedish Corporate

Governance Code: Independent of the company, its management and its major shareholders.



Malin Persson
Board member

Board member since 2021.

Member of the Remuneration Committee since 2022.

Born: 1968

Main education: MSc in Engineering, Chalmers University of Technology.

Other current positions: Board member of, among others, Hexpol AB, Peab AB and Ricardo Plc.

Former positions: Various operational roles in Swedish industrial companies. Board member of, among others, Hexatronic Group AB and Ahlström Capital Oy.

Shareholding in OX2: 4,166 shares.

Independence as per the Swedish Corporate

Governance Code: Independent of the company, its management and its major shareholders.



Ann Grevelius
Board member

Board member since 2021.

Born: 1966

Main education: Graduate in Business Administration, Uppsala University.

Other current positions: Chair of the Board of Directors of Optise AB. Board member of Fastighets AB Stenvalvet, Grewil Advisory AB, Aura Group, Slättö Förvaltning AB, The European Smaller Companies Trust AB, Stena Sessan AB, Aktia AB, Doriente Invest.

Former positions: Partner at GP Bullhound Ltd. Chair of the Board of Directors of Open Payments Europe AB. Board member of Carneo Alternative Solutions AB, Carneo AB, Holberg Fondförvaltning AS, Enigio Time AB, Oscar Properties Holding AB Alecta Tjänstepension Ömsesidigt and Preglife AB.

Shareholding in OX2: 2,500 shares.

Independence as per the Swedish Corporate

Governance Code: Independent of the company, its management and its major shareholders.



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Group management



Paul Stormoen
CEO

CEO since 2011.

Born: 1981

Main education: MSc in Industrial Economics, Linköping University, Sweden.

Other current positions: Board memberships of companies in the OX2 Group. Board member of and partner at PSEVS AB.

Previous experience: Over 15 years of experience of large-scale wind power. Previously worked in business development and strategy at Accenture with the focus on the energy and financial sectors.

Shareholding in OX2: 790,467 shares via PSEVS AB.¹⁾

1) Paul is also a minority shareholder in Peas Industries AB with approximately 12% of the votes and shares.



Johan Rydmark
Chief Financial Officer

Chief Financial Officer since 2019.

Born: 1977

Main education: Master's degree in business administration with the focus on finance from Stockholm School of Economics and the University of St. Gallen.

Other current positions: Deputy Board member of CapeHearts Holding AB, CapeHearts AB and Fredman Fastighet AB.

Previous experience: More than 15 years of experience in senior private equity positions with responsibility for strategy, finance, governance, M&A and organizational development. Most recently Investment Manager at Ratos AB with responsibility for operations in Finland. Previously held several Board positions in Ratos' portfolio companies and roles in investment banking and management consulting.

Shareholding in OX2: 505,899 shares.



Christoffer Brandorf
Head of Transactions

Head of Transactions since 2020.

Born: 1986

Main education: Graduate in Business Administration, Lund University and McGill University, Montreal, Canada.

Other current positions:-

Previous experience: Over 14 years of experience of corporate, project and capital market transactions. Previous experience includes roles in private equity and investment banking at 3i Private Equity and ABG Sundal Collier.

Shareholding in OX2: 632,467 shares.



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Mehmet Energin
Chief Strategy Officer

Chief Strategy Officer since 2019.

Born: 1985

Main education: Graduate in Business Administration, INSEAD, University of Oxford and Koc University.

Other current positions: Board member of several companies in the OX2 group.

Previous experience: Mehmet has over 15 years of global experience. He has worked at OX2 since 2018 and before that spent eight years at McKinsey & Company. During his time at McKinsey, he focused on energy and infrastructure across Europe, Middle East and Asia.

Shareholding in OX2: 1,198,289 shares.



Kristina Fournais Wright
Chief Operating Officer

Chief Operating Officer since 2022.

Born: 1972

Main education: -

Other current positions: -

Previous experience: More than 20 years of management experience in consulting, energy, freight and logistics, in companies such as Maersk and Vestas Wind Systems. Over the past 10 years, extensively involved with digitization, optimization and scalability. Most recent role as Vice President, Head of Global Operating Model & Transformation Office at Vestas.

Shareholding in OX2: 11,383



Katarina Grönwall
Chief Sustainability and Communications Officer

Chief Sustainability and Communications Officer since 2021.

Born: 1968

Education: Bachelor of Laws from Stockholm University and Université d'Aix Marseille, France.

Other current positions: -

Previous experience: Over 25 years of experience of communications. The last thirteen years as Director of Communications for global listed companies such as Skanska, Handelsbanken and Sweco.

Shareholding in OX2: 6,023 shares.



Peter Tornberg
Chief Commercial Officer

Chief Commercial Officer since 2018.

Born: 1980

Main education: MSc in Industrial Economics, Linköping University.

Other current positions: Chair of the Board of Directors of Gregoriana AB. Member of the Investment Committee of Baseload Capital AB. Board member of several subsidiaries and former subsidiaries of the OX2 Group.

Previous experience: Over 15 years of experience of developing renewable energy projects. Has worked at OX2 since 2018 and before that was Global Development Manager for onshore and offshore wind power at Vattenfall. Naval Reserve Officer.

Shareholding in OX2: 1,291,672 shares.

On January 1, 2024, Mikael Landberg took on the position as Chief People Officer and member of OX2's leadership Team.



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Auditor's report on the corporate governance statement

To the general meeting of the shareholders in OX2 AB (publ)
corporate identity number 556675-7497

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the financial year 2023-01-01 - 2023-12-31 on pages 48-60 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 2024-04-09
Deloitte AB

Kent Åkerlund
Authorised public accountant



Sustainability report

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Finley Solar Farm, Australia

The grazing sheep at Finley Solar Farm in New South Wales are an example of agrivoltaics, which involves a combination of agriculture and solar power production. The panels provide shade for the sheep, and the dual land use means that the farm contributes to both renewable energy and sustainable food production.



Our sustainability framework

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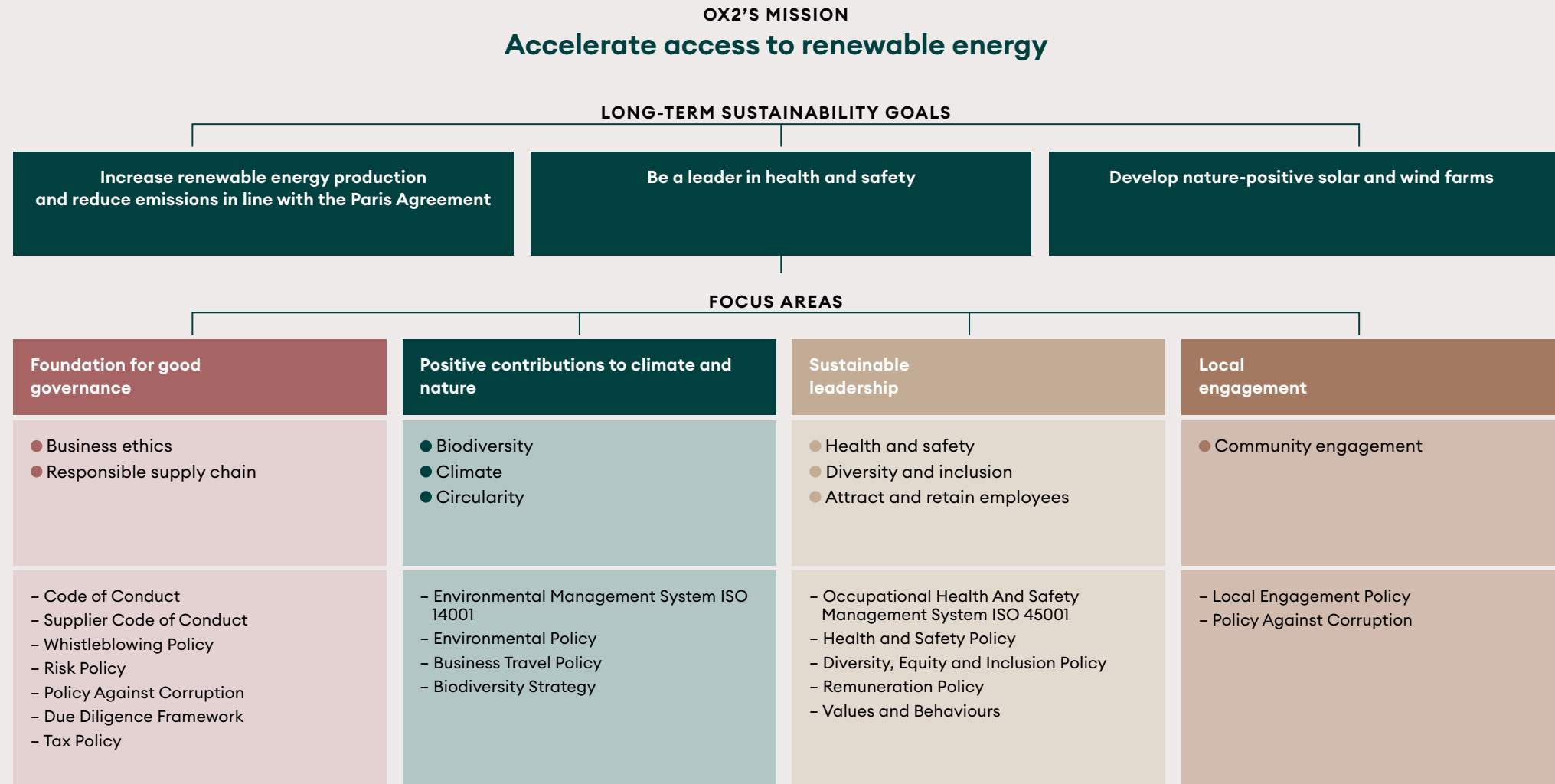
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Goals and follow-up

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Focus areas	Material sustainability topics	KPI	Unit	Outcome 2022	Outcome 2023	Goal 2024
Foundation for good governance	● Business ethics	Confirmed incidents of corruption	Number	0	0	0
	● Responsible supply chain	Suppliers who have signed OX2's Supplier Code of Conduct	Percentage	100	100	100
Positive contributions to climate and nature	● Biodiversity	Commissioned projects that applied the mitigation hierarchy for biodiversity ⁴	Percentage	0	78	>40
	● Climate	GHG intensity from commissioned projects ^{1,2} GHG emissions from business travel per total number of employees ³	gCO ₂ e/kWh kgCO ₂ e/employee	9.2 409	9.6 1,560	<10 -
Sustainable leadership	● Health and safety	LTIR (injury resulting in sick leave)	Per million hours worked	3.74	3.4	<5
	● Diversity and inclusion	Female employees	Percentage	41	41	>40
	● Attract and retain employees	eNPS ⁵	Number	53/51	48/39	>50
Local engagement	● Community engagement	Commissioned projects with local activities for increased social engagement	Percentage	100	100	100

1 Includes the carbon footprint of wind and solar power, incorporating reduced carbon sequestration due to land use (scope 3, categories 1 and 11)

2 Includes forward-looking statements in relation to anticipated electricity generation and project lifetime

3 Includes business travel (scope 3, category 6) but not travel using cars in the company's vehicle fleet (scope 1). Targets will be set once data coverage and quality have improved.

4 Measures under the mitigation hierarchy include measures that go beyond environmental permits, land agreements and national legislation

5 Measured twice a year, in Q2 and Q4



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Governance

Responsibility and governance of sustainability work

The Board of Directors bears ultimate responsibility for ensuring that OX2 is managed in a sustainable and responsible manner. OX2's CEO reports on the achievement of selected sustainability goals to the Board on a quarterly basis. The Board and leadership team approve the Sustainability Report annually and the leadership team approves the materiality analysis when it is updated. The Board was updated on all sustainability matters during the year and a review of the company's anti-corruption program and other business ethics rules. Sustainability is also discussed on an ongoing basis in order to keep everyone up to date in this area. A more extensive discussion on sustainability is held annually by the Board of Directors. Find more information on governance and organizational structures on pages 55-56.

Operational responsibility has been delegated to the CEO, who has appointed the Chief Sustainability and Communication Officer within the leadership team to lead the sustainability team. The sustainability team is responsible for setting overall sustainability goals for OX2. Goals are also presented to the Audit Committee. During the year, the Audit Committee also approved the internal control process for sustainability, which was established to manage the most relevant risks.

The sustainability team comprises the Group Head of Sustainability, the Environment and Climate Change Manager and the Health and Safety Director. The sustainability team is responsible for developing and updating OX2's sustainability framework and enabling sustainability reporting within OX2's system landscape. The sustainability team also supports the integration of sustainability throughout the organization and the improvement of sustainability performance. The sustainability team convenes meetings of the sustainability council, which contains representatives from different markets and technologies and aims to drive the sustainability agenda and coordinate sustainability matters. The sustainability team works with several functions within the company, including the General Counsel, who is responsible for issues of business ethics.

The country and function managers are responsible for setting and achieving country-specific and function-specific targets relating to the overall sustainability framework. The targets are endorsed by the leadership team and progress is reported quarterly. All managers are responsible for implementing and communicating our sustainability policies, frameworks and targets to employees. Some of OX2's markets have dedicated sustainability resources, including specialists in the fields of biodiversity and agriphotovoltaics.

Board of Directors

The Board oversees OX2's sustainability management.

Leadership team/CEO

The leadership team is responsible for setting overall sustainability goals for OX2.

Sustainability team

The sustainability team is responsible for developing and updating OX2's sustainability framework and enabling sustainability reporting within OX2's system landscape.

Sustainability council

The sustainability council aims to drive the sustainability agenda and coordinate sustainability matters by sharing activities and lessons learnt across countries and functions.

Country and function managers

The country and function managers are responsible for setting and meeting country-specific targets relating to the overall sustainability framework. The targets are endorsed by the management team and progress is reported quarterly.



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Project-specific sustainability goals are integrated in the project steering model. Project sustainability guidelines aid project managers in implementing all relevant sustainability goals. Progress towards the sustainability goals is reported in the project management system from 2024 onwards.

Policy

OX2's sustainability work is governed by a number of policy documents. To ensure a high level of business ethics and sustainability in the day-to-day work of the company, the Board has established a Code of Conduct. This is based on the company's values, culture and sustainability framework and forms the basis for OX2's other policy documents. During the year, the Board adopted a sustainability policy to further strengthen governance in this area. For example, the company has an environmental policy, a health and safety policy, an anti-corruption policy, a remuneration policy, a whistleblowing policy, a local engagement policy and several guidelines to ensure employee safety. The Code of Conduct and OX2's various policy documents provide the basis for the performance of work, procedures and processes. It is the responsibility of each and every employee to ensure compliance with the guidelines. Training is provided on several occasions throughout the year.

Whistleblowing function

OX2's whistleblowing function helps to identify any irregularities. The function is available for both internal and external reporting. Reported irregularities and significant departures from the Code of Conduct and policy are reported promptly to the Board and the leadership team. Two cases were reported during the year. Following investigation, neither resulted in further action.

Materiality analysis

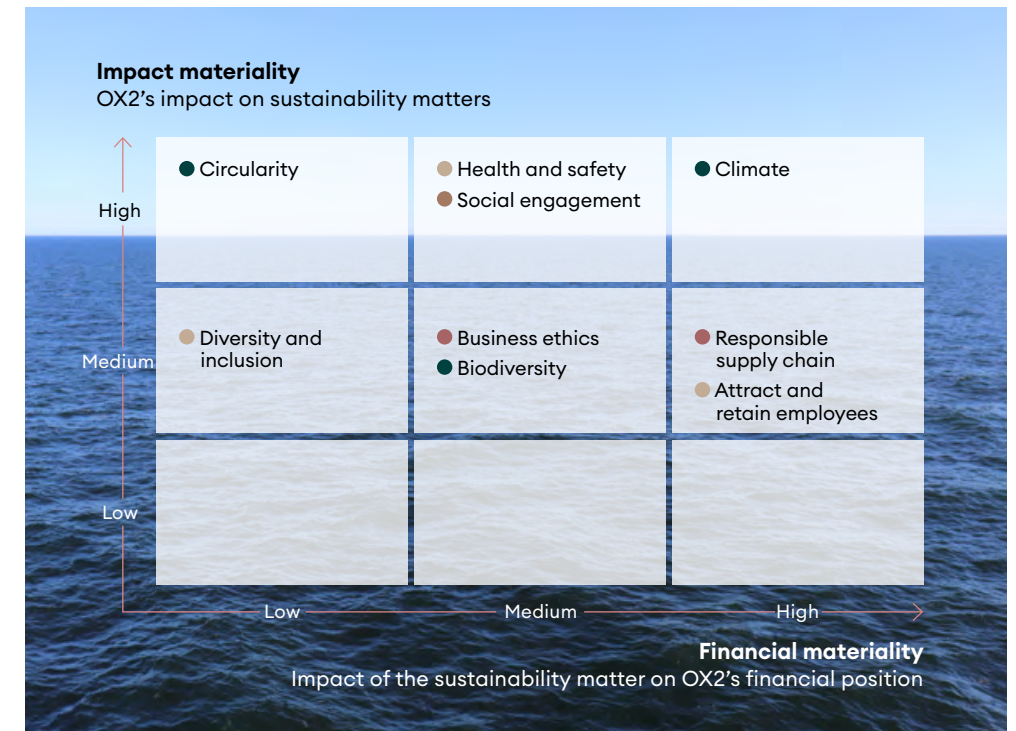
OX2's sustainability work is based on the sustainability topics that are considered most material to the company and this is determined annually through a materiality analysis. The analysis covers OX2's impact on sustainability matters and how sustainability matters affect OX2's financial position.

OX2's impact on sustainability matters, impact materiality, includes the scope, scale and ability to address the impact. Impact materiality is assessed through stakeholder dialogue consisting of a survey sent to employees and stakeholder organizations, as well as a desktop study. The impact of sustainability matters on OX2's financial position, financial materiality, includes amounts and their likelihood. Financial materiality is assessed through a workshop with internal stakeholders and is based on questions included in shareholder and customer surveys over the past year. In the context of OX2's materiality analysis, impacts include direct and indirect impacts, impacts from OX2's operations and impacts from OX2's value chain, positive and negative impacts, actual and potential impacts, and short-term, medium-term and long-term impacts. Unlike the risks presented in the risk section, the material sustainability matters include both risks and opportunities and take into account a longer time horizon.

The results of the materiality analysis provide the basis for OX2's sustainability framework, which consists of four focus areas: Foundation for good governance, Positive contributions to climate and nature, Sustainable leadership and Local engagement. The four focus areas are the same as in previous years, but adjustments have been made with regard to which sustainability matters are considered material and how they are presented. Changes since 2022:

- Climate footprint has been changed to climate and now also includes climate benefit and climate adaptation.
- Positive contribution to the local community has been removed as this is considered part of community engagement.
- Employee well-being is included in Health and Safety and is no longer presented as a separate sustainability matter.
- Attract and retain employees is added as a material sustainability matter within the Sustainable leadership focus area.

The materiality matrix shows the materiality of sustainability matters in relation to each other. All matters are identified as material on the basis of impact materiality, financial materiality or both. The detail level refers to the nine boxes and not to the location within each box. Impacts vary along the value chain, as illustrated on page 68.





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Stakeholder dialog

In order to map and enable OX2 to adapt material sustainability matters to the demands and expectations of the outside world, OX2 holds ongoing dialogs with the company's stakeholders. Dialog takes place in a range of situations and channels in order to gain a better understanding of which sustainability matters different stakeholder groups consider to be important in relation to OX2 and what significant impact different sustainability matters have, or may have, on the outside world.

Stakeholder dialogs take the form of dialogs and stakeholder meetings on sustainability-related matters, surveys or sector-specific forums and events. Issues raised in dialog with stakeholders are examined on an ongoing basis, for example at Board meetings, leadership team meetings, meetings with shareholders and in everyday bilateral communication with customers, employees, business partners, suppliers and various societal actors. Stakeholders are informed about the effectiveness of actions taken through the website, the Annual and Sustainability Report, internal training, consultation or within stakeholder dialog.

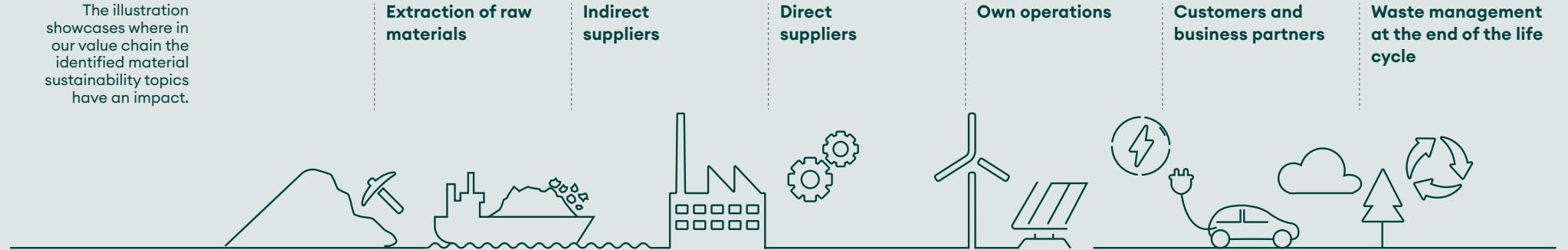


Stakeholder group	Principal sustainability matters	Type of dialog
Customers	<ul style="list-style-type: none"> • Biodiversity • Climate • Responsible supply chain • Health and safety • Sustainable leadership • Diversity and inclusion • Social engagement • Circularity • Business ethics 	<ul style="list-style-type: none"> • Customer meetings • Customer requirements
Shareholders	<ul style="list-style-type: none"> • Biodiversity • Climate • Responsible supply chain • Sustainable leadership • Diversity and inclusion • Business ethics 	<ul style="list-style-type: none"> • Meetings • Annual General Meeting
Employees	<ul style="list-style-type: none"> • Biodiversity • Climate • Responsible supply chain • Health and safety • Sustainable leadership • Diversity and inclusion • Social engagement 	<ul style="list-style-type: none"> • Employee survey • Survey • Forum
Suppliers	<ul style="list-style-type: none"> • Climate • Responsible supply chain • Health and safety • Social engagement • Circularity • Business ethics 	<ul style="list-style-type: none"> • Meetings • Forum for industry organizations
Industry organizations	<ul style="list-style-type: none"> • Biodiversity • Climate • Responsible supply chain • Health and safety • Social engagement • Circularity 	<ul style="list-style-type: none"> • Forum • Events and seminars
Local stakeholders	<ul style="list-style-type: none"> • Biodiversity • Climate • Social engagement • Circularity • Business ethics 	<ul style="list-style-type: none"> • Consultations • Dialog with local residents • Direct mailing • Complaints channel



Value chain

The illustration showcases where in our value chain the identified material sustainability topics have an impact.



		Extraction of raw materials	Indirect suppliers	Direct suppliers	Own operations	Customers and business partners	Waste management at the end of the life cycle
Foundation for good governance	● Business ethics			—————	—————	—————	
	● Responsible supply chain	—————	—————	—————	—————		
Positive contributions to climate and nature	● Biodiversity	—————	—————	—————	—————	—————	—————
	● Climate	—————	—————	—————	—————	—————	—————
	● Circularity	—————	—————	—————	—————	—————	—————
Sustainable leadership	● Health and safety	—————	—————	—————	—————		
	● Diversity and inclusion				—————		
	● Attract and retain employees				—————		
Local engagement	● Community engagement				—————	—————	

————— Impact

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Foundation for good governance

Business ethics

Description

Business ethics includes both a legal framework for criminal or illegal acts and a set of principles and values that guide companies and organizations in their business activities. We intend to act fairly and responsibly towards employees, suppliers, customers, society and the environment.

Why material

Business ethics is about taking legal, moral and ethical considerations into account in decision-making and avoiding illegal or unethical behavior that could damage the company's reputation or cause harm to society. This includes working for long-term sustainability and profitability rather than short-term gain. It is absolutely vital for OX2 to conduct its business activities in accordance with the rules of business ethics and to apply other principles in accordance with the prevailing level of good business ethics in order to be able to provide a sustainable product and create confidence in the company's business partners and other market participants.

Link to strategy

To implement the company's strategy, we must act in an ethical manner.

Impacts in the value chain, risks and opportunities

In the company's value chain, there is a risk of corruption, for example, both in the supply chain and when signing contracts with consultants. There is also a risk of the company's business partners being subject to sanctions or of funds being connected with money laundering. There is considered to be a particularly high risk in cases where OX2 engages consultants with the right to represent the company in relation to licensing authorities, and in such cases particularly extensive conditions are attached in order to mitigate this risk. These risks are mitigated through careful counterparty checks, conditions in agreements that are tailored to the level of risk in each individual case, and clear policies and instructions both internally and in relation to partners and consultants who contribute to OX2's business.

Governance

Business ethics are governed by several policy documents.

- Code of Conduct
- Supplier Code of Conduct
- Whistleblowing Policy
- Risk Policy
- Policy Against Corruption
- Local Engagement Policy
- Tax Policy

Goals

OX2 has zero tolerance of bribery, corruption and money laundering and ensures that it does not enter into business relationships with parties that are subject to sanctions issued by the EU, UN, USA, UK and Australia.

Activities

OX2's Code of Conduct forms part of the employment contract of all employees. The Code of Conduct is part of the employment contract of every employee and in 2023 we sent the Code out to all employees for their attention. All employees have also been invited to an anti-corruption training program. Specific training on corruption has been organized for staff working in countries with a higher risk profile.

The company has a process for performing background checks and it carries them out on potential suppliers, partners and consultants. This has been improved during the year through the implementation of an appropriate search tool.

OX2 works actively to increase its local presence and usually performs a range of activities to ensure ethical business operations. Background checks are performed to ensure that beneficiaries have no links to licensing authorities. During the year, we also adopted a new local engagement policy, which clearly states the types of activities that are allowed, which beneficiaries we can accept, who makes decisions in the organization, and that background checks will be performed. OX2 has also improved local expertise on business ethics matters through clearer responsibility for such matters among the company lawyers working in different territories and reporting separately to the General Counsel. Finally, OX2 has had a whistleblowing function in place for several years, which, since the beginning of the year, has also been available to business partners and external stakeholders.



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Metrics

Participants in anti-corruption training

	2023	2022
Board of Directors	0 %	-
Leadership team	100 %	-
Other employees	86 %	74 %

In 2022, the Board, leadership team and employees were not reported separately.

GRI 2-27

Compliance with laws and regulations

	2023	2022	2021
Number of unlawful incidents	0	0	0

GRI 205-1

Operations assessed for risks related to corruption

	2023	2022	2021
Number of operations assessed for risks related to corruption	51	2	0

GRI 205-3

Confirmed incidents of corruption and actions taken

	2023	2022	2021
Number of incidents	0	0	0

GRI 206-1

Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

	2023	2022	2021
Number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices	0	0	0

Responsible supply chain

Description

A responsible supply chain refers to how companies and organizations manage and monitor risks within the various stages and processes of the supply chain. The aim is to ensure that products and services are manufactured and delivered in line with environmental, social and ethical norms. OX2 works to secure responsible supply chains in order to achieve a sustainable energy transition.

Why material

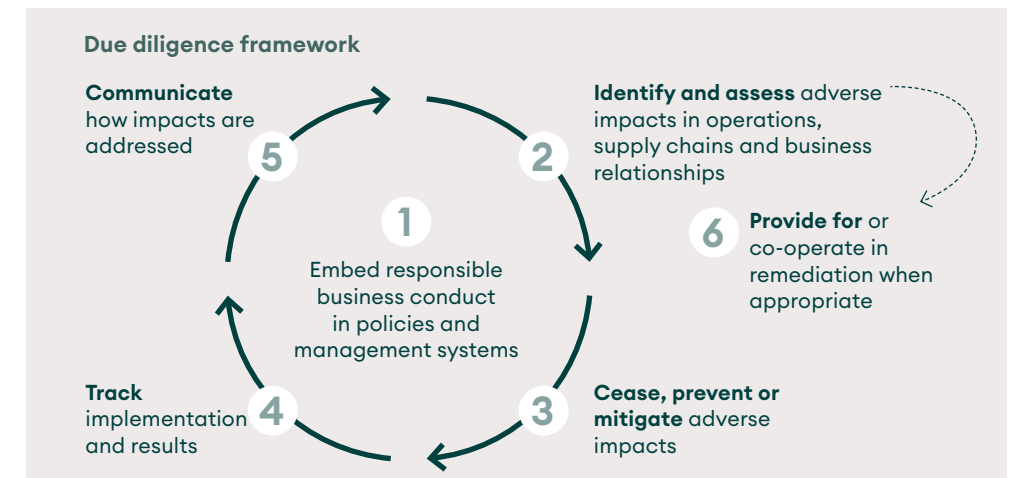
A high level of risk awareness is required in order to ensure a transition to a green, climate-neutral economy that is fair and inclusive, provides decent work, respects people's sovereignty over their natural resources and safeguards the human rights of affected communities, including indigenous peoples. OX2 aims to avoid directly causing or contributing to negative consequences in relation to the environment, human rights and ethical guidelines and strives to prevent or mitigate negative impacts linked to our supply chain.

Link to strategy

OX2's mission is to accelerate access to renewable energy. This should not come at the expense of the environment or human rights. We believe that maintaining high ethical, social and environmental standards when purchasing products is a prerequisite for doing business.

Impacts in the value chain, risks and opportunities

OX2 develops large-scale renewable energy facilities and is an important buyer in the industry. By specifying requirements and working with our suppliers and industry associations, we have the opportunity to improve working conditions, human rights and environmental aspects in the supply chain.





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General risk analyses identify the risks of human rights violations and of negative environmental impacts in the supply chain. These include land use change as a consequence of mining. The consumption of materials necessary to enable the transition to a renewable energy system will require increased mining. At the same time, increased access to renewable energy allows for the closure of coal-fired power plants. In a Rapid Transition Scenario, the area saved by abandoning coal mining is estimated to be much larger than the increased area that is required to extract materials for the energy transition¹. Mining also uses large quantities of water, for example to minimize dust when drilling. A high level of water use poses major risks in areas where there is water scarcity, such as Chile and China. There is the potential to reduce the consumption of materials, and therefore mining, through the transition to a circular economy, where materials are reused and recycled to a greater extent.

Greenhouse gas emissions that occur during manufacturing are a risk, as much of the manufacturing takes place in countries with a high proportion of fossil fuels in their energy mix. These emissions will fall as the share of renewable energy increases and energy efficiency improves. The share of renewable energy is rising in China, for example, with the country having already achieved its 2030 target. Reports² indicate that China's large-scale solar power capacity reached 228 GW in the first quarter of 2023, which is more than the rest of the world's solar power capacity in the same quarter.

Mining and raw materials extraction also involve increased occupational health and safety risks, such as serious or fatal injuries that can occur in the event of a mine collapse or explosion, for example. Throughout the production chain, there is also a risk of poor working conditions such as inadequate wages, unreasonable working hours, inadequate or lack of protective equipment and a risk of child labor and forced labor in the countries of manufacture.

Governance

Sustainable supply chain management is governed by the following policies and processes:

- Code of Conduct
- Supplier Code of Conduct
- Whistleblowing channel
- Policy Against Corruption
- Due diligence framework
- Environmental, health and safety and social requirements document

Activities

OX2 has implemented a due diligence framework during the year, in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Last year we worked with an external party to conduct an overall

¹ BCG and WWF (2023), Building a Nature-Positive Energy Transformation
² A Race to the Top: China, China's quest for energy security drives wind and solar development, June 2023 Global Energy Monitor

risk analysis for each technology to identify the most prominent risks. Over the course of the year, staff in the purchasing departments received training on the most prominent risks and the structure of the due diligence framework.

We identified the greatest risks in the supply chain for solar power and energy storage and we have therefore focused on managing these risks through audits and supplier dialogue.

Suppliers to solar farms are initially screened in a supply chain risk management system. In addition to the fifty or so types of risks shown in real time, suppliers also complete a self-assessment containing questions on sustainability.

During the supplier selection process for solar modules, the production facilities of two suppliers were audited for environmental and social criteria on-site in China. A further production facility was audited on-site for the supplier selected. The audit of one of the facilities identified some shortcomings in working conditions, such as unregulated working hours, unreasonable overtime pay and a lack of protective equipment. No serious deficiencies were identified at the other facility and this is therefore the one used for production. Before manufacturing began, a bill of materials (BOM) was drawn up to identify all the components required to manufacture and assemble solar modules, including the manufacturer and place of manufacture. Audits focusing on product traceability are also carried out at five subcontractors before production begins. The conclusion of the audits is that the five factories have established and implemented a credible and effective product traceability management system and that the individual minor shortcomings identified during the audit process have been remedied appropriately. Daily spot checks are carried out during production to verify compliance with the BOM list. In our contract with the supplier, we secured the right to conduct audits and to take actions to help improve the supplier's sustainability work.

Last year, we analyzed the energy storage supplier's due diligence process. The selected supplier has a policy on environmental and social issues, as well as a process for screening its subcontractors. OX2 conducted dialogues with the supplier during the year to achieve further transparency with regard to the country of origin of the raw materials and the plans to halt, prevent and mitigate any negative impact. We also expressed a wish for the supplier to add resources with expertise in the field of sustainability and this was done during the year.

To reduce emissions in the supply chain, our upstream scope 3 emissions, we encourage suppliers to set a science-based emissions target according to the criteria of the SBTi (Science Based Targets initiative).

To ensure compliance with OX2's requirements regarding the environment, health and safety and social aspects during the construction period, detailed requirements are appended to all agreements with contractors. These documents are intended to help contractors identify and control risks relating to environmental, health and safety and social aspects and to be proactive in planning and implementing measures to minimize the impact.



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Goals

Strive to halt, prevent or mitigate negative impacts connected with our supply chain by addressing the most prominent risks. All suppliers must sign OX2's Supplier Code of Conduct.

Metrics

Proportion of suppliers with science-based targets

Proportion of suppliers by technology, %	2023
Solar modules	0
Batteries for energy storage	0
Wind turbines	50

The proportion here refers to the number of suppliers for projects commissioned in 2023 and does not take into account purchase volume. It refers to primary suppliers within the particular area of technology and not to suppliers of components or construction contractors. Science-based targets refer to greenhouse gas emissions reduction targets that are in line with the SBTi criteria. The supplier of batteries for energy storage has committed to setting a science-based target, but has not adopted one as yet.

308-1, 414-1

New suppliers that were screened using environmental and social criteria

	2023	2022
Number of new suppliers	38	6
Proportion of new suppliers screened using environmental criteria	87 %	100 %
Proportion of new suppliers screened using social criteria	89 %	100 %

GRI 308-2

Negative environmental impacts in the supply chain and actions taken

	2023	2022
Number of suppliers screened for their environmental impact	35	6
Number of suppliers identified as having significant actual and potential negative environmental impact	6	1
Proportion where improvements have been agreed as a result of the assessment	0 %	100 %
Proportion where the relationship was ended as a result of the assessment	0 %	0 %

GRI 414-2

Negative social impacts in the supply chain and actions taken

See page 70 for a description of social impacts and actions taken.

Positive contributions to climate and nature

Biodiversity

Description

Biodiversity refers to the diversity of all life on Earth and includes the variation between and within species, as well as their habitats and the ecosystems of which they are a part. Biodiversity is the foundation of resilient and well-functioning ecosystems, which are fundamental to society. Ecosystem services, the functions that ecosystems provide, support humanity's basic needs such as for clean water, air and food. They also support human prosperity, as more than half of the world's economies are moderately or highly dependent on ecosystem services³.

Why material

The expansion of the renewable energy system impacts on biodiversity. The impact that our projects have on biodiversity and the work we do to manage this affect our relationship with the local community and landowners. If there are shortcomings in our biodiversity work, this can affect the acceptance of our projects, which can result in delays or prevent us from carrying out projects.

Link to strategy

To achieve our goals, we need to conclude land agreements and obtain permits for our projects. The condition of the natural environment determines how it is experienced and used by the local community, for example through recreation, reindeer herding, forestry, agriculture and birdwatching, and there is therefore a link between biodiversity, social acceptance and the implementation of our projects.

Impacts in the value chain, risks and opportunities

The development of renewable energy projects has an impact on biodiversity throughout the value chain – from the extraction of materials to dismantling. The most obvious impact is the area of land used to establish a new project. Impacts are managed by applying screening principles early in the project development phase in order to find suitable locations with respect to biodiversity. When acquiring a project, this impact is managed through project due diligence that includes the environmental impact of the project.

The materials used to construct renewable energy projects also have an impact on biodiversity. The impact is assessed on the basis of the volume of material and using independent assessments⁴. This impact is managed by working with industry to promote

³ World Economic Forum, Global Risk Report 2023

⁴ For example, Science Based Targets for Nature's list of materials with a high impact.



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the transition to a circular economy, with reduced dependence on the extraction of materials, and by striving for a sustainable supply chain.

The construction and dismantling of projects cause temporary disturbances to biodiversity in the form of noise, light and vibration, for example. Impacts are managed by scheduling those activities that disturb the local environment at times when the impact is lower, for example avoiding disturbance during the breeding season.

There are negative impacts on the local natural environment during the operational phase due to the physical barriers that the project creates, which may prevent animal movement and weaken vegetation connectivity.

There is a risk that various land interests and policies aimed at protecting a wider natural area may make it more difficult for OX2 to secure land for establishing new projects. This risk is managed by monitoring developments in biodiversity policy and by maintaining a close dialogue with landowners and local communities. Competition for project space may also present an opportunity, with project rights developed by OX2 potentially becoming more desirable.

The technologies that OX2 works with are dependent on ecosystem services in various ways. Biodiversity loss and its impact on ecosystem services are therefore a risk. Risk is managed by examining dependencies on ecosystem services and considering the condition of ecosystems in project development. The summary of renewable energy's dependence on ecosystem services presented in the following table is based on an assessment made using the ENCORE tool (Exploring Natural Capital Opportunities, Risks and Exposure).

Ecosystem service	Why significant for renewable energy
Access to groundwater and surface water	Groundwater and surface water are required during various project phases, for example in order to cast the concrete foundations for wind turbines, to clean solar panels and to water access roads so as to prevent dust.
Climate regulation	Climate regulation is important for managing physical climate risks such as ice formation and heat loss.
Flood protection	Flooding can damage the technology or make it inaccessible for maintenance and repair.
Soil stabilization and erosion prevention	Unstable soil and erosion can damage the technology or make it inaccessible for maintenance and repair.

OX2 supports, advocates and applies the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) in order to identify and assess nature-related dependencies, risks and opportunities. OX2 has formally demonstrated its commitment to this by becoming a TNFD Adopter, which means that OX2 intends to implement the TNFD's recommendations in its future Annual and Sustainability Reports.

Governance

Biodiversity is governed by the following policies and processes:

- Environmental policy
- Guidance for sustainable projects
- OX2's biodiversity strategy
- Project management model

Goals

OX2 aims to develop nature-positive solar and wind farms by 2030. At a global level, nature-positive means reversing the negative trend of biodiversity loss and instead starting to contribute to nature's recovery⁵. Developing nature-positive solar and wind farms means we reduce the negative impact that our projects have on biodiversity and strive to enhance nature. The goal formalizes OX2's view that renewable energy should not come at the expense of nature and supports the global goal for nature agreed by international leaders in the context of the Kunming-Montreal Agreement⁶. OX2's biodiversity strategy aims to outline what the company must do in order to develop nature-positive solar and wind farms by 2030. The strategy comprises three main target areas:

1. Comply with the mitigation hierarchy
2. Create credibility and transparency around the work on biodiversity
3. A nature-positive climate transition

The first target area, compliance with the mitigation hierarchy, is about applying a methodical way of working with impacts on biodiversity: avoid, reduce, restore and compensate. Nature-enhancing⁷ actions are then added to achieve a nature-positive (net positive) impact, where nature is in better condition after the project than before.

The second target area, creating credibility and transparency around the work on biodiversity, is based on reporting the company's activities and their impact on biodiversity using the frameworks and methodology available, as well as contributing to the development and testing of new methods. There is currently no global standardized method of measuring biodiversity, so this is an important step in enabling OX2 to demonstrate goal achievement by the target year. The measurement method determines the baseline for each project and its impact⁸. Measurement methods and standards also determine which biodiversity indicators are taken into account. Other aspects that should be specified before OX2 can demonstrate goal achievement are the permitted time intervals between impacts and actions, the permitted distance for compensation measures, whether the goal is to be verified externally, and how impacts and actions are to be monitored during the operational phase and the decommissioning phase.

⁵ A Global Goal for Nature – Nature Positive by 2030, link: <https://www.naturepositive.org/>

⁶ Kunming-Montreal Global Biodiversity Framework, link: <https://www.cbd.int/gbf/>

⁷ Note that compensation measures and nature-positive actions are, by definition, not site-specific, but we believe these should be linked to the greatest extent possible to the impacts occurring in the project and what is most beneficial to the local nature and society, and so be linked to the specific project.

⁸ Shown as damage in the figure on page 76.



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The third and final target area, achieving a nature-positive climate transition, involves gaining deeper knowledge of the impacts of renewable energy on biodiversity. It is necessary to have knowledge about the impacts in order to manage and measure them.

Activities

In 2023, activities focused on increasing understanding of the mitigation hierarchy within the organization, testing different methods of measuring biodiversity impacts and gaining a greater insight into which biodiversity indicators warrant further investigation. For a selection of activities, see below.

Target area	Comply with the mitigation hierarchy	Create credibility and transparency around the work on biodiversity	A nature-positive climate transition
Activities in 2023	<ul style="list-style-type: none"> Launched an internal training program on biodiversity Drew up guidance on implementing the mitigation hierarchy in projects Introduced the monitoring of compliance with the mitigation hierarchy in OX2's projects and portfolio management system Workshops on the theme of nature positivity 	<ul style="list-style-type: none"> Participated as an industrial partner in the research program MistraBIOPATH⁹ Participated in user groups during the development of ClimB¹⁰ – a tool based on the Swedish nature inventory standard Contributed to the pilot project for the Science Based Targets for Nature framework together with the Swedish Wind Energy Association and Trossa Applied BOOST methodology to calculate the impacts in a project 	<ul style="list-style-type: none"> Participation in business@ biodiversity forum Participation in academic research studies including the University of Gothenburg's GUIDE days Participation in the Swedish Wind Energy Association's biodiversity working group Testing wooden panels for solar farms and different types of artificial reef in Åland¹¹ Measuring eDNA for the development of offshore wind farms Research project with SMHI on the oxygenation of the Baltic Sea

The activities carried out indicate a willingness to learn more about biodiversity within the organization but that more specific details are needed. Testing different methods for measuring the biodiversity impact of our projects is helping our preparations for selecting a method to demonstrate the achievement of our long-term goal of developing nature-positive solar and wind farms by 2030. Insights we have gained from the methods tested are that they are anchored in the surface area and nature value (e.g., ClimB and BOOST) and that it is difficult to collect actual site-specific data relating to biodiversity for the entire value chain. Our experience is that there is a great willingness to collaborate in this field and that mutual partnerships with a focus on action are instructive and engaging. To demonstrate the importance of biodiversity work, OX2 joined initiatives and signed commitments relating to biodiversity during the course of the year.

⁹ BIOPATH aims to map, assess, co-develop and test existing and novel approaches for integration of biodiversity considerations into financial decision-making and analyze the institutional and policy implications of potential transition pathways; link: <https://www.mistrabiopath.se/>

¹⁰ ClimB, Changing Land Use Impact on Biodiversity, is a practical tool for assessing nature in Sweden and the Nordics in a transparent and comparable way based on area and the Swedish nature inventory standard; link: <https://climb.ecogain.se/>

¹¹ See depiction on page 83.





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Group-wide commitments and initiatives for 2023:

- Signed the European Business Nature Commitment (Business Charter), an initiative of the European Commission. This commits OX2 to proactive and methodical biodiversity work (Assess – Commit – Transform – Disclose)¹².
- Signed the “Nature is Everyone’s Business” call to action to demonstrate the business community’s momentum in biodiversity work, with the aim of contributing to a powerful collective voice to urge governments to adopt ambitious nature policies¹³.

Metrics

Projects included in this year’s reporting in accordance with GRI 304 are projects commissioned in 2023, and therefore include all the impacts, information and data relating to those projects.

GRI 304-1

Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Protected areas and areas of high nature value are collectively known as biodiversity-sensitive areas¹⁴. Key Biodiversity Areas are assessed on various aspects of biodiversity¹⁵. Protected areas refer to geographical areas that are designated, regulated or managed in such a way as to achieve specific conservation objectives (International Union for Conservation of Nature (IUCN) definition). Conservation objectives are fundamental to halting biodiversity loss. The intentions of the conservation objectives and the particular criteria used to define an area of high nature value have a bearing on what is considered to be ‘adjacent’ and it is therefore difficult to generalize for all projects. OX2’s summary refers to biodiversity-sensitive areas within 50 km of the project site and has been compiled using the Integrated Biodiversity Assessment Tool (IBAT).

Operational units refer to OX2’s project sites. The projects included in this year’s report are located in Sweden, Finland and Poland. The project sites can be viewed in more detail on our website. None of the projects commissioned in 2023 are located within Natura 2000 areas or nature reserves. There are biodiversity-sensitive areas within 50 kilometers of all projects. Several projects are built on forestry land.

¹² The EU Business and Biodiversity Platform; link: https://green-business.ec.europa.eu/business-and-biodiversity_en
¹³ Business for Nature’s Call to Action; link: <https://www.businessfornature.org/call-to-action>
¹⁴ For a more detailed definition of “biodiversity-sensitive areas” see Annex 2 of the CSRD.
¹⁵ Key Biodiversity Areas (KBAs) are assessed against 11 criteria within five categories: threatened biodiversity, geographically restricted biodiversity, ecological integrity, biological processes and irreplaceability. For more information, see the website <https://www.keybiodiversityareas.org/>.

Type of biodiversity-sensitive areas	2023		Total project area ¹
	Number of biodiversity-sensitive areas in OX2 projects	Number of biodiversity-sensitive areas adjacent to OX2 projects	
Natura 2000	0	243	10,934
Nationally protected	0	3,075	10,934
Other protected areas	0	16	10,934
Area of high nature value	0	27	9,510

¹ Refers to the entire project site for those projects located within 50 km of a biodiversity-sensitive area, even if the entire project site is not located within 50 km. For 2023, this includes all projects commissioned during the year.

Interpretation and application of data

Two aspects that should be taken into account in the interpretation and application of the data reported are the impact on and development of biodiversity-sensitive areas. Whether OX2’s activities impact on the conservation objectives within the respective protected areas, or the criteria that define an area of high nature value, is not clear from the reporting. This is assessed in each project. The global Kunming-Montreal Agreement was adopted in 2023, with a target of protecting 30% of the surface of the world by 2030, and EU adopted a law on nature restoration. This means that we can expect to see an increase in protected areas around the world.

GRI 304-2

Significant impacts of activities, products and services on biodiversity

The impact of OX2’s projects on biodiversity is assessed through screening, due diligence, environmental impact assessments and studies. The residual impact, i.e. the impact that remains after impact has been avoided, reduced and restored, is not considered to have a significant direct impact on biodiversity.

There is an environmental impact assessment for all the projects commissioned in 2023. The negative impact on biodiversity of the projects is land use change, where habitats are reduced in size, fragmented or removed altogether. During the operational phase, wind turbines may represent a risk of collision with birds and bats.

The indirect negative impact upstream from consumption of materials may be significant¹⁶. This potentially significant negative impact is being addressed through work on responsible supply chain and circularity.

¹⁶ IUCN, Mitigating biodiversity impacts associated with solar and wind energy 2021



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GRI 304-3

Habitats protected or restored

The intention to protect or restore habitats is part of OX2's biodiversity work through the application of the mitigation hierarchy (see description on page 73 and depiction below). The projects commissioned in 2023 have implemented a number of activities in line with the mitigation hierarchy, as shown in the table on the right. Some activities occur in several projects, such as sowing meadow seeds, adapted layout and limited lighting, while others are unique to a particular project, such as re-establishing the freshwater pearl mussel in Klevberget and restoring pasture in Karskruv.

Seven out of nine (78 percent) projects commissioned in 2023 have activities that go beyond the demands of legal requirements, permits and land agreements. OX2's goal is for more than 40 percent of the projects commissioned in 2024 to have activities that promote biodiversity over and above the demands of legal requirements, permits and land agreements. This is a challenging goal given that OX2's project portfolio is increasing in size, has a broader geographical spread and contains more technologies.

Steps in the mitigation hierarchy	Activities for projects commissioned in 2023
Avoid	<ul style="list-style-type: none"> Underground power lines to avoid obstacles for birds Adapted project site layout to avoid areas of high nature value, such as a pond and valuable forest Applied appropriate waste management
Minimize	<ul style="list-style-type: none"> Careful handling and monitoring of loose soil Limited movement of loose soil within the project so as to reduce the risk of spreading invasive species Educating employees to avoid the spread of invasive species Spacing of wind turbines to create migration corridors Installed fencing and culverts to protect reptiles Applied protective measures for a Red List plant Limited lighting that may disturb animals in the area
Restore	<ul style="list-style-type: none"> Planting native seeds on former wind turbine blade storage area to recreate natural habitat and benefit pollinators Stored soil layer separately to encourage regrowth of native flora Replaced road culverts with new ones that are ecologically better
Compensate	
Nature-enhancing actions	<ul style="list-style-type: none"> Re-establishment of the freshwater pearl mussel Restoration of pasture, with cows grazing from 2023 onwards¹⁷ Construction of a shelter and barbecue area close to information signs about biodiversity in the immediate area Create new meadow habitats Provide houses for birds, bats and hedgehogs Training workshops on the theme of biodiversity¹⁸ Stocking trout in watercourses Wetland restoration

¹⁷ See picture on page 74.

¹⁸ Education and awareness-raising efforts are included in the nature-enhancing actions category, according to IUCN guidance

GRI 304-4

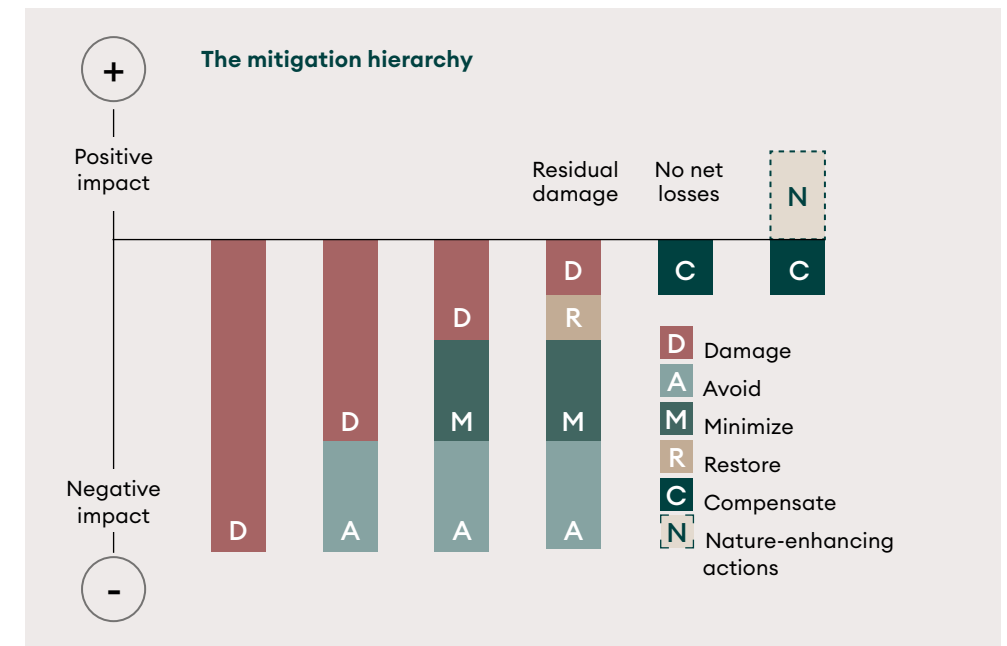
IUCN Red List species and national conservation list species with habitats in areas affected by operations

Species are on the Red List because they are at risk of decline or extinction, which would mean continued biodiversity loss. It is therefore important to identify and protect Red List species. OX2 reports on the likely presence of Red List species within or in the vicinity of project sites, as this could mean that the habitats of Red List species may be affected by the project's activities. OX2's summary refers to the presence of Red List species within 50 km of the project site¹⁹. The extent to which the projects commissioned in 2023 impact on protected species is examined in the respective environmental impact assessment.

Red List status	Number likely present ²⁰ , 2023
Critically Endangered (CR)	27
Endangered (EN)	41
Vulnerable (VU)	308
Near Threatened (NT)	273
Least Concern (LC)	5,031
Total	5,680

¹⁹ Compiled using the Integrated Biodiversity Assessment Tool (IBAT).

²⁰ Note that this is the sum of the number of species within each project, not unique species.





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Uncertainties in reported data

Red List species are defined by the IUCN and the list is updated twice a year. As the assessment of Red List species is made during the development of a project and reporting takes place when the project becomes operational, there may be inaccuracies in the reporting of species that have been added to or removed from the IUCN Red List during the project's development.

The extent of sites examination varies, which makes it difficult to compare project sites and markets. New technologies and innovations are also changing the way we examine sites, which makes it difficult to analyze differences over time. One example of this is how OX2 uses eDNA to determine which species are present at the project site in the Baltic Sea.

Climate

Description

Compared with the pre-industrial era, the average global temperature has increased by 1.1°C. This temperature rise goes beyond what can be considered a natural variation and is the result of human activities that generate greenhouse gas emissions. Climate change is affecting all parts of the world through droughts, flooding, ocean acidification and rising sea levels, for example. It is vital that climate change is addressed and society also needs to adapt to the reality of a changed climate.

Why material

The energy sector accounts for around 75 percent of global greenhouse gas emissions²¹. The transformation of the energy sector is therefore key to reducing greenhouse gas emissions. Climate change mitigation efforts in line with the Paris Agreement and the 1.5 degree target are increasing demand for renewable energy across the energy sector, and our business. OX2 wants to be part of the solution and therefore intends to deliver climate benefit through our projects in a sustainable manner. Climate benefit refers to renewable energy's ability to enable the avoidance of fossil fuel combustion.

Link to strategy

Addressing climate change means replacing fossil fuel-based energy generation which, consequently, implies increased demand for renewable energy. This driver is a central part of OX2's strategy and guides the company's work within existing markets and technologies as well as on its path for expansion.

One challenge in attaining a renewable energy system has been the fact that renewable energy generation can be irregular and unpredictable, as the sun does not always shine and the wind does not always blow. OX2's strategy addresses this challenge by operating

²¹ Our World in Data (2020); link: <https://ourworldindata.org/emissions-by-sector>

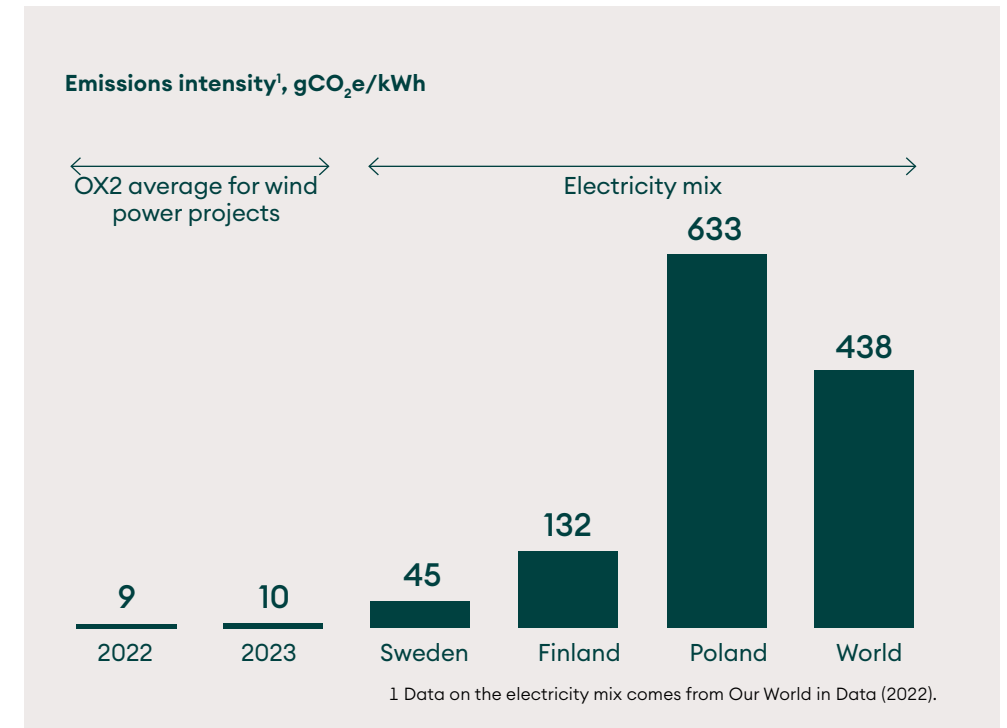
in multiple technologies that generate renewable electricity as well as in technologies that enable energy to be collected, stored and distributed.

Climate change affects all parts of the world and all forms of energy generation are in some way sensitive to the effects of climate change. By operating in multiple technologies, we can contribute to the growth of a diversified, renewable energy mix, which is key to securing a renewable energy supply for the future.

The strategy emphasizes a focus on sustainability, which in terms of the climate means reducing greenhouse gas emissions from our operations, increasing the climate benefit of our business and ensuring that our projects are resilient to possible climate change impacts that can arise in the future. As climate change is not confined to projects, countries, industries or companies, OX2 engages with customers, industry organizations, suppliers and other stakeholders to drive important large-scale change.

Impacts in the value chain, risks and opportunities

The main impact of our activities is the climate benefit of increasing access to renewable energy, which enables the avoidance of fossil fuel combustion. All forms of





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energy generation have a climate impact, including our projects. The projects that OX2 develops have a carbon footprint derived from the energy required to extract materials, manufacture the technology's components, transport the materials and components, construct and decommission. As well as fossil fuel emissions, the projects also have a climate impact by reducing carbon sequestration as a result of land use change. We can monitor our climate benefit by comparing the carbon footprint of our projects with the greenhouse gas emissions that are avoided by replacing electricity from the grid with electricity generated by our projects.

The way in which we conduct our business also has an impact on the climate through business travel, purchased goods and services, and employee commuting, for example. Our intention is to take responsibility for the impact that we have as a company and we are therefore working to reduce greenhouse gas emissions from our operations.

Climate change can produce or amplify OX2's risks and opportunities. This relates to both how climate change can physically affect our projects, employees and those who work for OX2 and to how society's response to climate change affects us as a company. OX2 follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for identifying, assessing and managing climate-related risks and opportunities. OX2 is a TCFD supporter, which means that we support, advocate and apply the recommendations of the TCFD.

Climate change			
Transition effects		Physical impact	
Potential transition effects arising from work on climate change mitigation.		Potential physical impacts resulting from climate change.	
Drivers: policy and legislation, technological progress and innovation, market and reputation.		Drivers: temperature, precipitation, extreme weather and wind conditions.	
Risks	Opportunities	Risks	Opportunities
<ul style="list-style-type: none"> • Unfavorable policies and legislation • Increased costs for products and services • Stigmatization of technology 	<ul style="list-style-type: none"> • Favorable policies and legislation • Technological advances and innovation to increase resilience and maximize electricity generation • Increased demand for renewable energy 	<ul style="list-style-type: none"> • Supply chain disruptions caused or intensified by climate change • Increased heat losses • Direct damage from extreme weather 	<ul style="list-style-type: none"> • Warmer climate means less maintenance associated with snow and ice • Changed wind conditions that increase electricity generation

In order to future-proof OX2's operations, we analyze risks and opportunities relating to climate scenarios. OX2 has applied climate scenarios developed by the Intergovernmental Panel on Climate Change (IPCC), which take into account the difficulties of mitigating

and adapting to climate change²². In our projects, we focus on the physical impact that climate change can have on our projects over their lifetime. This assessment is a criterion of the EU Taxonomy and is described in further detail in the Taxonomy reporting on page 92.

Governance

Climate is governed by the following policies and processes:

- Environmental policy
- Business travel policy
- Guidance for sustainable projects
- Instructions for sustainable offices
- Project management model

Goals

The 2030 Agenda aims to ensure access to affordable, reliable, sustainable and modern energy for all (SDG 7). One of the targets for this goal is to substantially increase the share of renewable energy in the global energy mix (SDG 7.2). Since OX2's foundation in 2004, we have developed, constructed and commissioned projects in Sweden, Finland and Poland with a total installed capacity of 3.9 GW. In that time, OX2 has developed more onshore wind power in Europe than any other developer. OX2's aim of increasing renewable energy generation contributes to external climate and energy targets.

OX2 has committed to reducing direct and indirect (scope 1 and scope 2) absolute greenhouse gas emissions by 42 percent by 2030, and to measuring and reducing other indirect emissions (scope 3). These targets are validated by the Science Based Targets initiative (SBTi), an organization that aims to encourage companies to take ambitious climate action. In order to achieve the target set, OX2 intends to reduce activities and processes that produce greenhouse gas emissions and to reduce greenhouse gas emissions from those activities and processes that are essential to the company.

Activities

In 2023, OX2 expanded into Australia, a country where the electricity mix consists of 14 percent renewable energy. This geographical expansion enables OX2 to contribute to increased climate benefit through its projects.

OX2's GHG emission reduction targets have been verified by the Science Based Targets initiative. Measures have been identified during the year to achieve these targets. In order to implement these measures, OX2 has drawn up and updated policy documents during the year and integrated climate data into OX2's system landscape. The new policy documents drawn up are the Sustainability Policy and the Guidelines on Sustainability in Projects. The policy documents updated are the Environmental Policy and the Guidelines for OX2 Offices. Emissions data has been integrated into the new travel expense management system, and the projects and portfolio management system. In 2024, it is planned to use the climate data implemented in OX2's system landscape to support

²² OX2 has used data from Our World in Data's IPCC Scenarios Data Explorer.



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OX2's internal control relating to climate work and to evaluate compliance with and the effectiveness of OX2's policy documents that influence OX2's climate work.

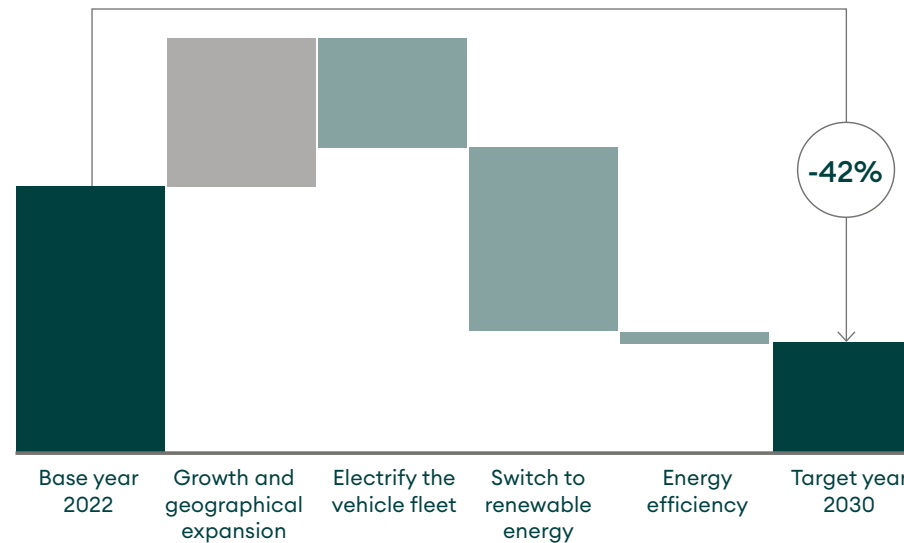
OX2 became a TCFD supporter in 2023 and began implementing the TCFD's recommendations in its processes. In order to increase understanding of climate-related risks and opportunities and the impact they may have on OX2's business, a climate scenario analysis has been performed. A new requirement to perform a climate scenario analysis for each project in development has been implemented with the aim of delivering resilient projects to our customers and increasing EU Taxonomy-aligned turnover.

To increase awareness of the potential impact of future climate change on our business, OX2 has discussed this issue during the year with actors in the value chain.

Metrics

Projects included in this year's reporting are projects commissioned in 2023, and therefore include all the impacts, information and data relating to those projects.

Activities to achieve emissions reductions in Scope 1 and Scope 2



GRI 302-1

Energy consumption within the organization

Energy consumption includes electricity, heating and cooling for OX2's offices. Note that this includes the charging of electric vehicles at OX2's offices. Data is collected from those offices that together account for >85 percent of OX2's employees and is then extrapolated to provide a representative figure for all offices. Due to relocation and difficulties in obtaining data from landlords, some offices have estimated their energy consumption based on area or on the previous year. Greenhouse gas emissions produced by this energy consumption are scope 2 emissions, presented in GRI 305-2.

	2023		2022		2021	
	Energy consumption, MWh	Proportion rene-wables ¹ , %	Energy consumption, MWh	Proportion rene-wables ¹ , %	Energy consumption, MWh	Proportion rene-wables ¹ , %
Electricity	273	66	226	65	214	87
Heating and cooling	526	-	443	-	444	-
Total	799	-	669	-	658	-

1. Renewable energy is only recognized where evidence of renewable energy can be provided.

GRI 305-1,2,3

Scope 1, scope 2 and scope 3 GHG emissions

Categories of GHG emissions	GHG emissions , tCO ₂ e			
	2021	2022	2023	2030 target
Scope 1	25	48	20	28
Company cars	21	41	20	N/A
Heating	3	7	-	N/A
Scope 2 –location-based¹	-	104	119	N/A
Electricity	-	24	39	N/A
Heating and cooling	-	80	81	N/A
Scope 2 –market-based²	59	108	144	63
Electricity	15	27	52	N/A
Heating and cooling	44	80	92	N/A



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Scope 3	147,599	387,161	504,395	N/A
Purchased goods and services ³	144,119	349,151	409,790	N/A
Fuel and energy-related activities not covered by scopes 1 and 2 ⁴	18	13	23	N/A
Waste	1	1	1	N/A
Business travel	70	150	774	N/A
Employee commuting	106	137	30	N/A
Use of sold products ⁵	3,284	37,709	93,777	N/A
				N/A
Total, location-based¹	-	387,317	504,534	N/A
Total, market-based²	147,683	387,312	504,559	N/A

1. The location-based method applies the emissions factors for the energy mix for each market.
2. The market-based method takes into account renewable energy certificates and applies supplier-specific emissions factors as well as the emissions factor for the residual energy mix.
3. Includes loss of carbon sequestration due to land use change.
4. Emissions factors for 2022 have been applied to the energy consumption (kWh) reported in GRI 302-1 for each market.
5. The outcomes for 2021 have been determined using a different calculation method and are therefore not suitable for comparison.

Calculation of GHG emissions

OX2 calculates greenhouse gas emissions according to the Greenhouse Gas (GHG) Protocol and applies the operational control consolidation approach. Direct emissions (scope 1) are calculated by recording the kilometers traveled by company cars and their emissions intensity according to fuel type. Indirect emissions (scope 2) are calculated by recording energy consumption using invoices and renewable energy certificates. As OX2 has several small offices, actual data is collated from all offices with 5 or more employees, which covers >85% of OX2's employees. Due to relocation and difficulties in obtaining data from landlords, some offices have estimated their energy consumption based on area or on the previous year. This is not considered to have a material impact on the results. Other indirect emissions (scope 3) are calculated and estimated in a number of different ways.

Emissions from goods and services consumed by OX2, such as office materials and consultancy services, are estimated using EEIO (Environmentally Extended Input-Output) emissions factors. The quality of this estimate is impaired by inflation and the monetary value of the Swedish krona in 2023. Fossil emissions within the categories of purchased goods and services and use of sold products, which relates to our projects, are calculated using life cycle assessments. The uncertainty in these calculations derives from the non-project-specific data on which they are based, as well as the assumptions on future electricity generation, lifespan and need for repair and maintenance. One of the projects included in this year's reporting did not have a life cycle assessment and the calculations for this project were instead based on average data from the remaining projects. The loss

of carbon sequestration due to claim of land by projects, known as land-use and land-use change emissions (LULUC), is based on measured land-use change and conversion values from the European Environmental Agency. Fuel and energy-related activities that are not covered by Scope 1 and Scope 2 are calculated by applying emissions factors to the data that is included in the company's direct and indirect emissions. Business travel is calculated by collating actual data (tCO₂e), costs and distance from travel agencies and the expense system. As the expense system was implemented later in the year, the data collated has been extrapolated based on the number of employees so as to reflect the business travel for the whole year. The data is considered to be of lower quality because of this estimate and comparisons with previous or future years should be made with caution. Employee commuting is estimated using data from a Group-wide employee commuting survey. Waste is estimated in its entirety on the basis of standard values and the data is therefore considered to be of poor quality.

Change in OX2's greenhouse gas emissions

Since OX2 began calculating its greenhouse gas emissions, there have been developments in data, emissions factors and calculation methods. Comparisons with previous years and with other actors should therefore be made with caution. OX2's greenhouse gas calculations are expected to continue to evolve due to developments in the availability of emissions factors, future standards from the Greenhouse Gas Protocol and the further integration of the climate into OX2's system landscape.

The growth and internationalization of OX2 in recent years has resulted in increased greenhouse gas emissions. In order to reduce direct and indirect emissions (scope 1 and 2), OX2 intends to choose renewable energy for its offices and to electrify its vehicle fleet. In order to reduce its other indirect emissions (scope 3), OX2 is focusing on commercializing low-emission solutions in its projects and through emissions-conscious travel habits, which will be measured using emission intensity.

GRI 305-4 Emissions intensity

Emissions intensity	2023	2022	2021
Emissions intensity ¹ based on revenue, tCO ₂ e/SEK m	64.5	50.7	27.5
Emissions intensity ¹ based on employees, tCO ₂ e/employee	1,017.3	1,058.2	495.6
Emissions intensity ² based on electricity generation, gCO ₂ e/kWh	9.6	9.2	-

1. Includes all GHG emissions (scope 1, 2, and 3).
2. Includes GHG emissions from our projects (scope 3 category 1, including LULUC emissions and category 11).



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Enabling avoided GHG emissions

The projects we develop contribute to increased access to renewable energy. Renewable energy has a lower emissions intensity (measured in gCO₂e/kWh) than energy from the energy grid and it therefore contributes to climate benefit by enabling electricity with a higher emissions intensity to be avoided²³. The estimated avoided emissions are based on estimated annual electricity consumption and lifespan.

Scope	Avoided GHG emissions, million tCO ₂ e
Projects commissioned in 2006–2022	20.2
Projects commissioned in 2023	10.2

Calculation of avoided GHG emissions

The calculation of avoided greenhouse gas emissions enabled is based on the GHG Protocol for Project Accounting. The climate benefit is measured as the difference between the average emissions intensity for the market in the year that the project is commissioned and the emissions generated by the project during its lifetime per kilowatt-hour generated. The average emissions intensity for the market in the year that the project is commissioned is derived from Our World in Data. The project’s greenhouse gas emissions per kilowatt-hour generated are calculated based on a life cycle assessment, land-use change and its impact on carbon sequestration loss, and the estimated electricity generated over the lifetime of the project. For those projects where the emissions intensity has not been calculated, the emissions intensity is assumed to be between 8 and 12 gCO₂e/kWh, with emissions intensities at the higher end of the scale applying to older projects.

The method used to calculate avoided greenhouse gas emissions includes forward-looking assumptions, such as the lifetime of the project. There are factors that may result in both over- and under-reporting and the data should therefore be interpreted with caution. Over-reporting is where the expected reduction in emissions intensity is not taken into account in the calculation. Underreporting occurs because renewable electricity can directly replace fossil fuels, where avoided emissions are much higher.

Circularity

Description

The concept of circularity, or circular economy, involves extending material and energy flows by turning outflows of resources, such as waste and waste energy, into inflows of resources for another function or process.

²³ International Energy Agency (IEA); link: <https://www.iea.org/energy-system/renewables>

Why material

The extraction of materials has a negative impact on nature and local communities, including through land use. This impact can be reduced by moving towards more circular flows of resources.

The materials used to build our projects come from the extraction of natural resources, some materials to a more limited extent than others. Over the past three years, we have seen how supply chains can be affected by external events, such as the corona virus pandemic and Russia’s invasion of Ukraine. Applying the principles of the circular economy – reuse and recycle – secures the supply of materials we need to develop our projects in both the short term and the long term.

Our project costs are affected by the price of materials, which in turn is linked to the flows of energy and materials. These are influenced by current and future legislation and policies, carbon taxes and tariffs, supply chain disruptions, and the expected costs and/or revenues involved in decommissioning.

Link to strategy

The strategy contains an emphasis on sustainability performance, which means that OX2 supports the transition to a circular economy.

Impacts in the value chain, risks and opportunities

The flows of energy and materials required to realize the transition to a renewable energy system involve mainly upstream and downstream impacts, risks and opportunities. Energy-intensive activities upstream include the extraction of materials, either through mining or reuse and recycling, followed by processing, manufacturing and transport. These activities can also result in land use, waste and emissions. The EU addresses this impact through policies such as the Critical Raw Materials Act (CRMA) and the Carbon Border Adjustment Mechanism (CBAM). OX2’s direct suppliers manage this impact by working on resource and material efficiency in their own design and manufacturing processes, through technological development and innovation in recycling, and by collaborating with and stipulating requirements for their upstream suppliers. OX2 monitors and encourages circularity work upstream through dialogue with our direct suppliers and stipulates requirements as appropriate.

OX2 directly addresses the impact of construction by stipulating requirements and monitoring how waste is managed in line with the waste hierarchy. OX2’s involvement in the operation of solar and wind farms also contributes to circularity through a high level of electricity generation, longevity and responsible maintenance.

Downstream impact results from the management of waste generated when the project is dismantled. OX2 has not yet developed or maintained any project that is reaching the end of its lifespan. The description of downstream impacts is therefore based on forward-looking assumptions with the application of current knowledge. This impact is managed



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by monitoring waste management in order to minimize the volume of material going to landfill. The recyclability of solar and wind power is currently estimated at around 85 to 90 percent. This assessment is based on the fact that the materials used in the majority of a solar or wind power construction, such as steel and aluminum, are easier to recycle, with smaller parts more difficult to recycle. OX2 is addressing expected future impacts by participating in industry organizations that aim to accelerate the transition to a circular economy. The main risk here is that an inadequate supply of materials or an increase in the price of materials will prevent, limit or delay the realization of the OX2's projects. Making an effective and scalable transition to circular flows of materials will enable the impact on the environment to be reduced and bring cost savings in the long term.

Communities are expanding their electricity grids to enable the energy transition to take place. Electricity grids have an impact on the environment through their consumption of materials and use of land. We help to manage this impact by collaborating with electricity grid owners in our markets.

Governance

Circularity is governed by the following policies and processes:

- Environmental policy
- Environmental Management System ISO 14001
- HSSE (health, safety, social and environment) requirements
- Guidance for sustainable projects
- Instructions for sustainable offices

Goals

OX2 aims to work with the industry in order to achieve zero waste. The waste hierarchy provides guidance on how industry should approach this. OX2's circularity target is measurable but not time-bound and it covers all stages of the waste hierarchy.

OX2 was involved in WindEurope's decision to ban the depositing of wind turbine blades in landfill from 2025. This industry-led ban includes larger sections of the nacelle and blades that are damaged and require replacement during the lifetime of a wind farm.

Activities

OX2 participates in industry organizations and initiatives that aim to promote the transition to a circular economy. Circularity forums in which OX2 participated in 2023:

- WindEurope's sustainability and supply chain working groups
- SolarPower Europe
- RISE Rekovind
- The Swedish Wind Energy Association's sustainability committee

OX2 has carried out internal activities during the year to support its circularity work, with a focus on governance, guidance and reporting. Internal activities in 2023:

- Production of a roadmap setting out how OX2 is to make the transition to a circular economy
- Circularity measurement points identified
- Measurement points implemented in OX2's projects and portfolio management system
- Updated policy for OX2's offices on the requirements for recycling fractions
- Developed new guidance on sustainability in projects, including circularity

OX2 is keen to see circularity work put into practice. To achieve this, OX2 is currently involved in dialogue with suppliers on how circular solutions can be prioritized, commercialized and implemented on a large scale. Examples of activities during the year:

- Together with children's charity Erikshjälpen, helped ensure that first aid kits from a wind farm maintained by OX2 were donated to Ukraine instead of being discarded
- Selected SF6-free switchgear for a wind power project being developed by OX2
- Participated in the testing of hybrid generators and generators powered by hydrogen instead of fossil fuels
- Used tower cranes to install wind turbines in one park





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The projects included in this year's reporting are those projects that were commissioned in 2023 and the data includes all waste generated in the construction of the project. It was not possible to collect waste data for three projects commissioned in early 2023, so this year's waste reporting consists of waste from six projects. Data has been collected from waste reports produced by OX2's suppliers (construction contractors and wind turbine manufacturers).

The waste reported refers to the waste generated during the construction phase. Much of the waste is packaging, which is vital for the safe transportation of the technology to the project site and is mainly made from wood and plastic. Other waste generated includes chemicals, metals and food waste. There is data leakage from recycled material, as this has not been treated as waste. Sometimes waste is reported in cubic meters and in such cases the best available conversion factors have been applied. In its reporting for 2023, OX2 has used conversion factors for combustible waste, wastewater and oil. The sources of conversion factors are a national authority and the organizations Sustainability Exchange and Statistics Netherlands. The data has been rounded to the nearest tonne.

GRI 306-3

Waste generated

Waste generated, tonnes	2023	2022	2021
Non-hazardous waste	464	-	-
Hazardous waste	45	-	-
Total	509	-	-

GRI 306-4,5

Waste management

Waste management, tonnes	2023	2022	2021
Preparation for reuse	1	-	-
Recovery	96	-	-
Combustible with energy recovery	229	-	-
Landfill	61	-	-
Other method	122	-	-
Total	509	-	-





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Sustainable leadership

Health and safety

Description

The focus of health and safety is on protecting and promoting the health and safety of employees in the workplace. The health aspect of this focuses on maintaining and promoting the physical and mental health of employees. This includes preventive measures to reduce work-related illness and injury as well as measures to promote a healthy work environment and the well-being of employees. The safety aspect focuses on minimizing the risk of accidents, injuries and fatalities in the workplace.

Why material

Health and safety are fundamental to people’s well-being. The prevention of accidents, injuries and illness is essential for protecting human life and health. OX2 considers its employees a valuable asset and by prioritizing health and safety in the workplace we can take preventive action to protect our employees and promote a work environment where employees feel safe, healthy and engaged. Many countries have laws and regulations that require employers and organizations to take responsibility for ensuring a safe work environment. Failure to comply with these rules can result in legal consequences and fines.

Link to strategy

Health and safety is an important part of OX2’s strategy. As well as ensuring the health and safety of our employees, it can also affect our long-term success and sustainability.

Impacts in the value chain, risks and opportunities

Accidents and work-related illnesses can cause significant costs for companies, including medical costs, loss of workforce and legal consequences. OX2 can reduce these risks by investing in safety measures and preventing accidents. Companies that integrate health and safety into their business strategies and operational processes reduce the risk of adverse events that may harm their reputation and financial performance. Integrating health and safety also makes us a more attractive employer.

Governance

Health and safety is governed by policy documents and an occupational health and safety management system.

- Occupational health and safety management system ISO 45001
- Health and Safety Policy

Goals

OX2’s ambition is for no serious injuries or accidents to occur in the workplace. The goal is to have a lost time injury frequency rate (LTIFR) below 5.

Activities

During the year, we worked to further strengthen a corporate culture that prioritizes health and safety. This means that we want to ensure not only that we comply with laws and regulations, but also that health and safety is the responsibility of everyone in the organization and is something that everyone takes very seriously. To strengthen our health and safety work, an HSE Director (Health, Safety and Environment) has been recruited and, together with the organization, they will draw up a plan for our long-term health and safety ambitions. A key part of this work is to reinforce our culture of safety, our approach and our prioritization of the health and well-being of our colleagues. During the year, we updated the health and safety policy to clarify and reinforce line responsibility for these issues, as well as to highlight the individual role and responsibility that everyone has for establishing and strengthening our culture of safety. We also updated our values, which provide an important foundation for our health and safety work.

In all projects, we perform two internal audits during the construction period with a focus on health and safety and the environment. These include risk assessment and the development of preventive measures. Internal audits are an important part of our compliance process but they also provide a good basis for continuous improvement and the exchange of experience and best practice between projects.

Metrics

GRI 403-1-7, 10

Health and safety

OX2 carries out systematic work to enhance physical and social well-being at the workplace and strives to achieve high attendance levels and low long-term sick leave. Sick leave at the company is low.

Health index	2023	2022	2021
Number of sickness hours reported during the year	12,496	9,139.59	6,113.8
Number of possible working hours ¹⁾	717,227	623,407.4	424,179.6
Percentage attendance for total working hours %	98.26%	98.53%	98.56%

1. Number of working hours x number of employees.



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GRI 403-9

Work-related injuries

All employees, as well as contractors and suppliers who work for OX2, are covered by the company's systematic work environment management. Incidents and accidents are reported and investigated internally. There is a high level of awareness of work environment issues at OX2's construction sites and safety is the top priority. Corrective measures are implemented in the form of improved working procedures. Serious accidents are rare in our operations. We acknowledge, however, that some injuries do occur on an ongoing basis, which we need to take extremely seriously. The most common types of injury are slips, trapping injuries and cuts. In most cases only minor treatment is needed, but some accidents have resulted in sick leave. LTIFR reporting highlights these incidents. To prevent injuries, OX2 performs regular follow-up on all projects and has meetings with contractors to review safety requirements. Deviations are reported and measures taken to identify the underlying cause and reduce the risks. Toolbox talks are held either daily

or weekly. Regular safety inspections also increase awareness about health and safety issues. Close cooperation with contractors on these issues helps to establish an enforced culture of safety. An important part of our development on work-related issues is to increase the focus on prevention, for example by setting targets for what are referred to as unsafe acts and unsafe conditions. There is a correlation between the number of reports in the area of prevention and the number of more serious accidents. The more preventive reports we receive, and the work we do based on these reports, the lower the risk of more serious accidents.

In the event of a serious accident or incident, work is stopped and the underlying causes are examined, along with measures to prevent the occurrence of similar accidents.

Number of employees by type of employment and level of employment	2023	2022		2021	
	Employees and suppliers ¹	Employees	Suppliers	Employees	Suppliers
Number of work-related deaths	0	0	0	0	0
Number of work-related injuries resulting in absence	6	0	6	0	7
Injury rate per 1,000,000 hours	3.4	-	3.74	-	5.97
Number of work-related injuries with serious consequences	2	0	1	0	3
Number of accidents that did not result in sick leave	37	2	36	4	38
Total number of hours worked	1,765,256	-	1,664,185	-	1,218,319

1. In 2023, employees and suppliers are reported together, as the injury rate per million hours worked refers to both OX2's employees and the employees of suppliers. In the latter part of 2023, a new system for reporting accidents and work-related injuries was introduced to ensure more systematic reporting of all injuries relating to OX2's employees. All employees are encouraged to report any work-related injuries and we expect to have improved statistics for our own employees in 2024.



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Diversity and inclusion

Description

Diversity brings different perspectives and experiences to the company, which can lead to increased creativity and new ideas. Different approaches can inspire innovative solutions and products. Diversity is about OX2 ensuring that it has a blend of significant differences and perspectives represented in the company, for example in terms of gender, age, sexual orientation, ethnicity and educational background. Inclusion is about accommodating and utilizing the skills, personalities and perspectives of all employees and creating a sense of belonging within the working group and the company where everyone is valued for who they are. OX2 works on diversity and inclusion in line with the objectives and activities described below.

Why material

A workplace that has diversity and an inclusive culture has many advantages and there is evidence that this kind of environment fosters creativity, well-being and motivation. Diversity has also been shown to lead to increased productivity, more effective problem-solving and lower levels of sick leave. Research¹ has also shown that organizations with high levels of diversity and inclusion are more innovative. OX2 strives for diversity among its employees and seeks to develop an inclusive culture in order to achieve a healthy, motivated and productive workforce and to establish better conditions for both attracting and retaining the necessary skills. We work actively to create a fair and equal work environment where everyone has the same rights and opportunities.

Link to strategy

In order to grow and be successful in new markets and technologies, OX2 must ensure that we have a diverse workforce and that we capitalize on differences by having an inclusive culture.

Impacts in the value chain, risks and opportunities

A lack of diversity and the absence of an inclusive culture within the company risks preventing our employees from achieving their full potential. There is also a risk that a lack of diversity and inclusion will lead to a loss of employees and difficulties in attracting the necessary skills. Actively developing an inclusive culture where everyone has the same rights and opportunities makes us better able to perform at a high level and to learn from and avoid mistakes.

Governance

Diversity and inclusion are governed by several policy documents.

- Code of Conduct
- Diversity, Equity and Inclusion Policy
- Remuneration Policy
- Values and behaviors

Goals

OX2 strives to achieve a gender balance (40/60).

Activities

OX2 conducts employee surveys twice a year. Inclusion is specifically highlighted in the survey in the “Meaningfulness and Participation” driver. This driver scored highly in the most recent survey and has done so consistently since the first survey was conducted. The Diversity, Equity and Inclusion Policy was updated during the year and, in connection with this, a Remuneration Policy was developed which will support us in our efforts to ensure equal treatment. We also updated our values during the year and established a framework of behaviors to guide our employees and managers in their everyday work. Many of the behaviors aim to create a more inclusive culture, such as being open to and actively listening to the opinions and perspectives of others and learning from both successes and mistakes.

1. Yang, Y., & Konrad, A. M. (2011). Diversity and organizational innovation: The role of employee involvement. *Journal of Organizational Behavior*, 32(8), 1062-1083



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Metrics

GRI 2-7 Employees

Number of employees by type of employment and gender	2023			2022			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Permanent employment (permanent, part-time and probationary)	201	284	485	151	215	366	116	160	276
Temporary employment	3	8	11	3	3	6	0	1	1
Total	204	292	496	154	218	372	116	161	277
Contracted staff ¹⁾			120	-	-	73	16	22	38

1. Contracted staff are primarily consultants to provide support for the development of solar and wind farms and for certain staff functions.

Number of employees by type of employment and level of employment	2023			2022			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Number of full-time employees	199	289	488	151	214	365	111	158	269
Number of part-time employees	5	3	8	1	0	1	5	3	8
Total	204	292	496	152	214	366	116	161	277

GRI 2-21

Annual total remuneration ratio

Remuneration refers to the monthly basic salary. The total remuneration of the organization's highest-paid individual and the median of the annual total remuneration for all employees (excluding the highest-paid individual).

SEK	2023
Remuneration of the CEO	258,083
Median remuneration of full-time employees	62,392
Median remuneration of male employees	67,307
Median remuneration of female employees	55,000

GRI 2-30

Collective bargaining agreements

	2023	2022	2021
Percentage of employees covered by collective bargaining agreements	31%	32%	28%

The Italian, Finnish, French and Spanish operations are covered by collective bargaining agreements. Other operations have equivalent benefits.



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GRI 401-1

New employee hires and employee turnover

New employee hires and employee turnover by gender	2023			2022			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Number of new employees	57	98	155	57	90	147	44	64	108
Number of employees who have left	14	39	53	13	19	32	4	11	15
Employee turnover	7%	13%	12%	8%	9%	17%	2%	6%	7%

New hires and employee turnover by age	2023			2022			2021		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Number of new employees	20	109	26	28	102	17	28	71	9
Number of employees who have left	8	39	6	5	22	5	5	9	1
Employee turnover	16%	11%	8%	13%	8%	10%	2%	4%	0%

GRI 405-1

Diversity of governance bodies and employees

Number of employees by gender	2023				2022				2021			
	Women		Men		Women		Men		Women		Men	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Board of Directors	3	50%	3	50%	3	38%	5	62%	3	38%	5	62%
Management team	2	29%	5	71%	2	29%	5	71%	3	38%	5	62%
Other managers ¹	21	39%	33	61%	13	35%	24	65%	17	39%	27	61%
Employees	181	42%	254	58%	136	42%	186	58%	96	43%	129	57%
Total number of employees (excl. Board of Directors)	204	41%	292	59%	151	41%	215	59%	116	42%	161	58%

Number of employees by age	2023			2022			2021		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Board of Directors	0	0	6	0	1	7	0	1	7
Management team	0	5	2	0	5	2	0	6	2
Other managers ¹	0	35	19	0	29	8	0	38	6
Employees	51	328	56	40	243	39	38	166	21
Total number of employees (excl. Board of Directors)	51	368	77	40	277	49	38	210	29

1. Other managers are part of the Extended Leadership team and report directly to the management team.



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GRI 406-1

Incidents of discrimination and corrective actions taken

Several employees have raised concerns about a manager's behavior towards their own and other employees. The employee survey in the autumn also contained indications about the same manager. The individual's manager, together with the People team, has held several conversations with the individual, provided them with a coach and held a full-day workshop with the entire team in order to develop the individual's leadership skills and to help rebuild trust. One employee has reported discrimination by the employer. The People team has held several conversations with the individual concerned and with their manager and has facilitated dialogue between the two parties. The employee's trade union representative has also been involved in order to find a suitable way forward for the relationship.

Attract and retain employees

Description

It is important for companies and organizations to attract and retain employees, particularly in the current competitive labor market. As a result, companies are actively working to attract competent and committed employees to their organization and then to create a work environment that makes these employees happy and inclined to stay for a long time. The goals and activities for attracting and retaining staff are described below.

Why material

Having the best individuals in multi-faceted, inclusive and high-performing teams with a clear mandate will always be the key to our success. If we are to remain successful, we must be an attractive employer and also be perceived as such.

Link to strategy

In order to achieve growth and success in new markets and new technologies, OX2 must ensure that we attract, develop and retain employees with the right skills, who live up to our values.

Impacts in the value chain, risks and opportunities

An inability to recruit, develop, engage and retain skilled employees would be a significant impediment to OX2's operations. Within a rapidly growing organization, there is the risk of a heavy workload and a lack of clarity.

Governance

Attracting and retaining employees is governed by several policy documents.

- Code of Conduct
- Health and Safety Policy
- Remuneration Policy
- Values and behaviors

Goals

The goal is to be an attractive employer and to have satisfied employees. We aim to have an Engagement Index of above 4.0 and an eNPS (employee Net Promoter Score) of above 50.

Activities

During the year, a Head of Talent Management and a Head of Compensation & Benefits were recruited to work alongside the rest of the People team and enhance our efforts to attract and retain employees. A key activity during the year was that we updated our values and established a framework of behaviors to guide our employees and managers in their everyday work. We have integrated these into several other processes, for example by adding questions to both the performance review and the employee survey about how we feel that we live up to our values as individuals and as a company. In addition, we have begun work to establish a job architecture that will help us to provide clarity and transparency in areas such as individual development, career paths and pay determination. Principles and processes for pay determination and benefits are further clarified in our new Remuneration Policy, which also includes new guidelines for postings abroad. As we believe leadership is a fundamental element in creating an attractive corporate culture where everyone is able to contribute their skills and perform to the best of their ability, we are reviewing our range of leadership development initiatives and we will be able to offer everything from basic leadership training and tools, to coaching and mentoring, to more extensive development programs where the need exists. We are also reviewing our training programs for employees to enable us to best meet their development and learning needs.

The eNPS target has been revised from 60 to 50, as it is important for OX2 to set a challenging but realistic target. The company's eNPS is at a high level, but has fallen relative to previous years, which we believe is due to our rapid growth, the large number of new employees and the fact that we have also initiated a major change process within the organization. One example of our change work is the operating model that is currently being implemented, which aims to clarify roles, responsibilities and processes. We believe that this will ultimately provide clarity, which in turn can lead to a better work environment and so a higher eNPS.



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Metrics

GRI 404-1

Average hours of training per year per employee

	2023	2022	2021
Average hours of training	13 hours	16 hours	28 hours

GRI 404-3

Percentage of employees receiving regular performance and career development reviews

	2023	2022	2021
Percentage of employees receiving regular performance and career development reviews	64%	83%	-

Local engagement

Social engagement

Description

The projects we develop engage with society in various ways. At policy level, the discussions concern which technologies are the most suitable for realizing the energy system of tomorrow and how this development should be encouraged, managed and decided and how requirements should be specified. At more local level, it concerns what land is used, what impact the project has on the community, how this impact is managed and how the local community can be involved in the project during its implementation.

Why material

Achieving the goals of the Paris Agreement and the 1.5 degree target agreed by world leaders requires the expansion of renewable energy. Our engagement with politicians and industry organizations enables us to respond to rapidly changing policy directions and to help achieve the targets set for the expansion of renewable energy at national, regional and international level.

The sites where we establish projects impact the local community in different ways. From a financial perspective, our projects provide landowners with rent, local residents with jobs and, in some cases, rural development grants. From a more social perspective,

our projects take up space, which can affect the local community’s outdoor activities, recreation and relationship with the local environment. We recognize that local knowledge of the area is key to having a successful project that does not come at the expense of nature, which is why we seek out local partnerships when developing projects. We also understand that social engagement is vital for local acceptance of our projects.

Link to strategy

Social engagement at all levels – international and local – is necessary for developing our projects in line with our strategy. New technologies require engagement with innovators and decision-makers, while new projects depend on acceptance by the local community, which is formalized in permits and agreements.

Impacts in the value chain, risks and opportunities

Communities are affected differently in different parts of the value chain. We therefore see a need to engage with communities on both a large and small scale.

The land used upstream, to extract materials, and within OX2’s operations, to construct the projects, has an impact on local communities. The specific impact depends on how the local community used the land previously. It can provide a steady income for landowners but can also represent an intrusion into nature that affects hunting groups, birdwatchers, people exercising, sport fishing and, in Sweden and Finland, reindeer husbandry. Failing to understand the local community’s perception of our impact carries the risk of a lack of social acceptance and long, drawn-out permit processes. We believe that by engaging with the local community, we can take their views and needs into account. Social engagement therefore improves our ability to develop renewable projects that are welcomed or accepted by local communities.

The electricity generated by our projects provides a great benefit to society. Demand for electricity is growing rapidly thanks to electrification, population growth and greater access to electricity around the world. Electricity shortages can limit the expansion of communities, including industries that create jobs for local residents.

The renewable energy industry currently provides many jobs and the number is expected to increase. A rapid transition scenario offers an estimated 160 percent more jobs than a business as usual scenario¹. Jobs exist along the entire length of the value chain: upstream, direct and downstream.

In cases where we sign agreements to carry out activities that benefit the local community, there is a risk of bribery and corruption if the recipient has links to a political party or public authority or is otherwise able to influence the permit process. This risk is managed through OX2’s governance and related processes.

¹ Building a Nature-Positive Energy Transformation, WWF and BCG (2023)



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Governance

Social engagement is governed by several policy documents.

- Code of Conduct
- Environmental policy
- Guidance for sustainable projects
- Local Engagement Policy
- Policy Against Corruption

Goals

Act responsibly and build up trust locally through transparency and clear communication with local residents, authorities and other local stakeholders. All projects must have a communication plan listing the stakeholders and containing a clear plan for communicating with these.

Activities

During the course of the year, all projects identified stakeholders and communicated with them during the development, construction and management of the projects. We have carried out several activities with links to the local community. Examples of these include educating schoolchildren about renewable energy and school projects with links to biodiversity, such as schoolchildren building birdhouses using material from felled trees and these then being placed in the wind farm. Another example is the celebration of National Hedgehog Day, more details about which can be found on page 31.

During the year, we developed a Local Engagement Policy. The purpose of this policy is to ensure that OX2's local engagement is in line with the company's values and policies and that there is no risk of influencing an individual or organization with the ability to influence the permit process. It defines which beneficiaries are acceptable and clearly stipulates that we cannot benefit political parties, religious organizations, or anyone with links to government agencies. A background check on the parties involved must be performed before signing an agreement.

An improved process for handling complaints and suggested improvements was developed during the year. This consists of an online form that provides guidance to the person wishing to submit a complaint, facilitates follow-up and ensures timely feedback as well as documentation of the case.

Metrics

GRI 2-28

Membership associations

Sustainability matters are often international and industry-wide in nature and we therefore participate in a number of industry organizations. We do so in order to learn from others in the field and also to contribute our own knowledge. For example, OX2 is a member of WindEurope and SolarPower Europe, where we participate in working groups that have specific focus areas within sustainability and the supply chain. We are also a member of organizations that have a specific focus on biodiversity such as the IUCN's Impact Mitigation and Ecological Compensation (IMEC) thematic group and Business@biodiversity. OX2 is also a member of local industry associations for wind and solar, such as the Swedish Wind Energy Association.

In 2023, OX2 was an active member of the following organizations:

- UN Global Compact
- WindEurope
- SolarPower Europe
- Business@biodiversity
- International Union for Conservation of Nature (IUCN)

GRI 413-1

Operations with local community engagement, impact assessments and development programs

When developing solar and wind power, an environmental impact assessment is made on all of OX2's markets. The environmental impact assessment is a public document and, depending on the country, is published in various forums. The impact described can be on mammals, birds, cultural heritage and the landscape. Most of the EU countries in which OX2 operates, as well as Australia, have legislation governing proximity to nearby buildings, noise and shadow.

OX2 aims for all projects to have a communication plan that lists stakeholders, while information events are scheduled for clear and transparent communication. In all of OX2's projects under construction, complaints can be submitted via a physical letterbox at the construction site or using a specific email address. The complaints handling process has been improved during the year. It is extremely important to show consideration and listen to any complaints submitted. The aim is to always respond to those who submit complaints as soon as possible and within ten days at the latest. All complaints received were addressed during the year. Complaints included speeding and traffic disruption.



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EU Taxonomy assessment

The EU Taxonomy aims to help investors identify and compare environmentally sustainable investments using a common classification system for the contribution of economic activities to five defined environmental objectives. OX2 is covered by EU Taxonomy reporting requirements for the first time.

Activities deemed to be Taxonomy-eligible

Having reviewed the company's economic activities, OX2 considers that its activities are Taxonomy-eligible. The following economic activities are considered relevant for OX2:

- 4.3 Electricity generation from wind power

Only those projects that are constructed by OX2 are Taxonomy-eligible. In those cases where OX2 only sells project rights, these are not deemed to be Taxonomy-eligible economic activities.

Taxonomy-aligned

For an economic activity to be Taxonomy-eligible, it must make a substantial contribution to at least one of the environmental objectives defined in the Taxonomy, it must do no significant harm to the other environmental objectives, and it must meet the set minimum safeguards. The criteria for avoiding significant harm and for making a substantial contribution have been assessed individually for each economic activity, while the assessment of the minimum safeguards has been performed at general company level.

Accounting policies

The KPIs have been defined in accordance with Annex 1 to the Delegated Act relating to Article 8. The basis of preparation for Taxonomy reporting is OX2's financial reports prepared in accordance with IFRS; see Note 2 to the consolidated financial statements.

Turnover for Taxonomy reporting corresponds to net sales in OX2's income statement. The numerator of the KPI is the proportion of turnover that is Taxonomy-aligned and is reported in section A.1, Taxonomy-aligned activities.

Project rights are recognized in the consolidated statement of financial position as a current asset ("work in progress"), as the sale of project rights is part of operating activities. As OX2 does not have operating expenditure or capital expenditure related to non-current assets, but these are instead related to current assets, these have not been deemed to be Taxonomy-eligible.

Substantial contribution

Climate change mitigation

OX2's Taxonomy-eligible economic activities have been screened against the criteria for substantial contribution to climate change mitigation. Electricity generation from wind power (4.3) contributes to the climate objective.

Do No Significant Harm criteria (DNSH)

Climate change adaptation

OX2 performs climate scenario assessments to identify and manage potential impacts from climate change. The climate scenario assessments are performed in accordance with Appendix A of the Taxonomy Regulation.

Transition to a circular economy

OX2 works with industry to support the transition to a circular economy.

Protection and restoration of biodiversity and ecosystems

All of OX2's projects undergo environmental screening and take into account biodiversity-sensitive areas in accordance with Appendix D of the Taxonomy Regulation.

Minimum safeguards

OX2's activities are conducted in a responsible manner in relation to society and its stakeholders. The company's Code of Conduct and Supplier Code of Conduct are based on our values, the ten principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. All employees and suppliers must comply with the Code, which sets out our position on human rights, working conditions, business ethics and anti-corruption.

We have established and follow a risk-based due diligence process in line with the recommendations of both the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

- OX2 has not been accused or found guilty of violations of human rights or labor laws.
- In addition, we have not refused to enter into dialogue in any case at an OECD NCP nor has there been any final statement of non-observance from an OECD NCP.
- We have not responded to any allegations from the Business & Human Rights Resource Centre (BHRRC).

OX2's assessment is that we comply with the minimum safeguards relating to taxation, fair competition and anti-corruption as we have established governance frameworks, internal controls and training to prevent bribery and corruption and to establish tax governance and compliance.

- Neither the company nor the senior executive management has been found guilty of bribery offenses.
- The company has not been found guilty of tax evasion.
- The company has not acted in violation of any competition laws.

Capital Expenditure and Operating Expenditure (CapEx and OpEx)

Project rights are recognized in the consolidated statement of financial position as a current asset ("work in progress"), as the sale of project rights is part of operating activities. As the Taxonomy only covers non-current assets, this means for OX2 that both capital expenditure and operating expenditure relating to current and future turnover-generating activities are not Taxonomy-eligible.



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Turnover

Financial year 2023	Year		Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm') (h)							Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
	Code (a) (2)	Absolute turnover (3)	Proportion of turnover, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
	SEK m		%							Y/N							%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
4.3 Electricity generation from wind power	CCM 4.3	1,099	14%	Y	Y	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	0%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,099	14%	Y	Y	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																				
				EL; N/EL (f)	EL; N/EL (f)															
4.3 Electricity generation from wind power	CCM 4.3		%	EL	EL													%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		5,798	74%	%	%													85%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		6,897	88%	%	%															
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		927	12%																	
Total (A + B)		7,824	100%																	



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CapEx

Financial year 2023	Year		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm') (h)						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, 2023 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)	
	Absolute CapEx (3)	CapEx (3)	Proportion of CapEx, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)					Biodiversity and ecosystems (16)
	SEK m		%						Y/N						%	E	T		
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	%		
Of which Enabling			%														%		
Of which Transitional			%														%	E	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)			%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)	33		%																
Total (A + B)	33		100%																



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OpEx

Financial year 2023	Year		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm') (h)							Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, 2023 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
	Code (a) (2)	OpEx (3)	Proportion of OpEx, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)				
	SEK m		%						Y/N							%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	%		
Of which Enabling			%														%		
Of which Transitional			%														%	E	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)			%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)	8		%																
Total (A + B)	8		100%																



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Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO



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GRI content index

Application level	OX2 has reported in accordance with the GRI standards for the period 1 January to 31 December 2023.
GRI used	GRI 2021
Applicable GRI sector standards	Applicable GRI sector standards are not yet available.

GRI Universal Standards 2021

GRI Standard Disclosure	Name of disclosure	Page reference	Departures			SDGs
			Departure from requirements	Reason	Explanation	
General disclosures						
The organization and its reporting practices						8
2-1	Organizational details	5-6, 103-105				
2-2	Entities included in the organization's sustainability reporting	115			Same entities as the financial report-	
2-3	Reporting period, frequency and contact point				Jan 1st to Dec 31st 2023 Publication day: 9 April 2024, published annually. Contact: Rebecca Karlsson, Head of Sustainability rebecca.karlsson@ox2.com	
2-4	Restatements of information					
2-5	External assurance	101				
Activities and workers						8
2-6	Activities, value chain and other business relationships	5-6, 24, 68				
2-7	Employees	5, 87-88, 124	OX2 does not report employees by region.	The majority of OX2's employees are based in Sweden. Note 7 shows the number of employees in OX2's markets	Not material to report by region.	
2-8	Workers who are not employees	87				
Governance						
2-9	Governance structure and composition	48-60				
2-10	Nomination and selection of the highest governance body	49-51				
2-11	Chair of the highest governance body	49-51, 57-60				
2-12	Role of the highest governance body in overseeing the management of impacts	48-49, 65-66				
2-13	Delegation of responsibility for managing impacts	48, 55-56, 65-66				
2-14	Role of the highest governance body in sustainability reporting	65				
2-15	Conflicts of interest	51				
2-16	Communication of critical concerns	48, 51				
2-17	Collective knowledge of the highest governance body	56				



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GRI Universal Standards 2021

GRI Standard Disclosure	Name of disclosure	Page reference	Departures			SDGs
			Departure from requirements	Reason	Explanation	
2-18	Evaluation of the performance of the highest governance body	53				
2-19	Remuneration policies	Remuneration report and 53				
2-20	Process to determine remuneration	Remuneration report and 53				
2-21	Annual total compensation ratio	87				
Strategy, policies and practices						9, 7, 11, 17
2-22	Statement on sustainable development strategy	18-23, 63				
2-23	Policy commitments	6, 39-40				
2-24	Embedding policy commitments	39-40				
2-25	Processes to remediate negative impacts	66				
2-26	Mechanisms for seeking advice and raising concerns	66				
2-27	Compliance with laws and regulations	70				
2-28	Membership associations	91				
Stakeholder engagement						89
2-29	Approach to stakeholder engagement	67				
2-30	Collective bargaining agreements	87				
GRI 3: Material topics 2021						
3-1	Process to determine material topics	66				
3-2	List of material topics	66				
SPECIFIC DISCLOSURES – GRI 200: Economic performance						
GRI 205: Anti-corruption 2016						8, 12, 16
3-3	Management of material topics	65–66, 69				
205-1	Operations assessed for risks related to corruption	70-72				
205-2	Communication and training about anti-corruption policies and procedures	70				
205-3	Confirmed incidents of corruption and actions taken	70				
GRI 206: Anti-competitive behavior 2016						
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	70				
SPECIFIC DISCLOSURES – GRI 300: Environment						
GRI 302: Energy 2016						7, 13
3-3	Management of material topics	65–66, 73				
302-1	Energy consumption within the organization	79				
GRI 304: Biodiversity 2016						15
3-3	Management of material topics	65–66, 73				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	75	OX2 does not report the expressed conservation objectives for protected areas.	Information not available / Incomplete	Reporting on conservation objectives lacks system support.	



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GRI Standard Disclosure	Name of disclosure	Page reference	Departures			SDGs
			Departure from requirements	Reason	Explanation	
304-2	Significant impacts of activities, products and services on biodiversity	75				
304-3	Habitats protected or restored	76	The status or size of the compensated or restored area is unavailable.	Information not available / Incomplete	System support has been developed and is being rolled out during 2024.	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	76	The IUCN list has not been compared with national lists of protected species.	Information not available / Incomplete	Any discrepancies in relation to national lists are considered within each project.	
GRI 305: Emissions 2016						13
3-3	Management of material topics	65–66, 78				
305-1	Direct (Scope 1) GHG emissions	79–80				
305-2	Energy indirect (Scope 2) GHG emissions	79–80				
305-3	Other indirect (Scope 3) GHG emissions	79–80				
305-4	GHG emissions intensity	80				
GRI 306: Waste 2020						12
3-3	Management of material topics	65–66, 82				
306-3	Waste generated	83				
306-4	Waste diverted from disposal	83	Not broken down by type of waste	Information not available / Incomplete	System support has been developed and is being rolled out during 2024.	
306-5	Waste directed to disposal	83	Not broken down by type of waste	Information not available / Incomplete	System support has been developed and is being rolled out during 2024.	
GRI 308: Supplier Environmental Assessment 2016						
3-3	Management of material topics	65–66, 71				
308-1	New suppliers that were screened using environmental criteria	72				
308-2	Negative environmental impacts in the supply chain and actions taken	72				
SPECIFIC DISCLOSURES – GRI 400: Social						
GRI 401: Employment 2016						8
3-3	Management of material topics	65–66, 86				
401-1	New employee hires and employee turnover	88				
GRI 403: Occupational Health and Safety 2018						3, 8
3-3	Management of material topics	65–66, 84				
403-1	Occupational health and safety management system	84				
403-2	Hazard identification, risk assessment and incident investigation	84–85				
403-3	Occupational health services	40				
403-4	Worker participation, consultation and communication on occupational health and safety	89				
403-5	Worker training on occupational health and safety	85				
403-6	Promotion of worker health	89				



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GRI Universal Standards 2021

GRI Standard Disclosure	Name of disclosure	Page reference	Departures			SDGs
			Departure from requirements	Reason	Explanation	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	85				
403-9	Work-related injuries	85				
403-10	Work-related ill health	84				
GRI 404: Training and Education 2016						4, 8
3-3	Management of material topics	65–66, 89				
404-1	Average hours of training per year per employee	90	Not reported by gender or employee group	Data unavailable	Cannot be reported by gender or employee group	
404-3	Percentage of employees receiving regular performance and career development reviews	90	Not reported by gender or employee group	Data unavailable	Cannot be reported by gender or employee group	
GRI 405: Diversity and Equal Opportunity 2016						10
3-3	Management of material topics	65–66, 86				
405-1	Diversity of governance bodies and employees	88	Not reported according to other diversity indicators such as employees by region	Not relevant	OX2 does not consider it material to report employees by region	
GRI 406: Non-discrimination 2016						10
3-3	Management of material topics	65–66, 86				
406-1	Incidents of discrimination and corrective actions taken	89				
GRI 413: Local Communities 2016						9, 11, 16, 17
3-3	Management of material topics	65–66, 71				
413-1	Operations with local community engagement, impact assessments and development programs	91				
GRI 414: Supplier Social Assessment 2016						3, 10
3-3	Management of material topics	65–66, 71				
414-1	New suppliers that were screened using social criteria	72				
	Negative social impacts in the supply chain and actions taken	72				
Entity-specific disclosures						
	Enabling avoided GHG emissions	81				13



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Auditor's Limited Assurance Report on Sustainability Report and statement regarding the Statutory Sustainability Report

To OX2 AB (publ.), corporate identity number 556675-7497

Introduction

We have been engaged by the Board of Directors of OX2 AB (publ) to undertake a limited assurance engagement of the OX2 AB Sustainability Report for the year 2023. The Company has defined the scope of the Sustainability Report on page 3 in connection to the table of content in Annual Report and the Statutory Sustainability Report on page 105.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with the applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 97 in the Sustainability Report, and are part of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR 12. The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of OX2 AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm, April 9, 2024

Deloitte AB

Kent Åkerlund
Authorized Public Accountant

Lennart Nordqvist
Expert Member of FAR



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Nature and focus of activities

The business concept of OX2 AB and its subsidiaries (OX2) is to develop, build and manage renewable energy production facilities. OX2 AB has been listed on the main market of Nasdaq Stockholm since 6 April 2022.

Significant events in 2023

In February 2023, OX2 updated its financial targets and introduced, for example, a target to achieve an annual growth rate in operating income (CAGR) of 25 percent over the 2023–2027 period. In 2023, OX2 continued to expand its project development portfolio with new proprietary projects and project acquisitions in several geographical markets and within different technologies. During the spring, OX2 expanded its operations to the Australian market with the acquisition of ESCO Pacific Holdings Pty Ltd, a leading developer in solar power and energy storage. In May 2023, OX2 received a permit from the Swedish government for offshore wind power in the Kattegat. This was OX2's first government permit for offshore wind power. During the year, OX2 was involved in a large number of sales processes, including completing its first sales in Italy, France and Spain.

- In May, OX2 signed an agreement with Ingka Investments to sell a 49 per cent stake in three offshore wind power projects in Finland with a total potential installed capacity of around 6,000 MW. The sale had a positive impact of around SEK 300 million on operating profit. Once a permit has been obtained and if both parties agree to continue development, OX2 will receive a pre-agreed payment of SEK 0.8 million per MW for 49 percent of the planned total capacity.
- In June, OX2 signed an agreement to sell a 27 MW onshore wind farm in Italy to Glennmont Partners, one of Europe's largest fund managers. Glennmont focuses entirely on investments in renewable energy infrastructure. This was OX2's first sale in Italy. OX2 expects the transaction to be included in the results for the third quarter of 2024.
- In September, OX2 reached agreement with Enea Nowa Energia on the sale of a 20 MW onshore wind farm in Bejsce, Poland. The contract value was SEK 680 million.
- During the year, OX2 sold project rights to solar power projects in France and Spain, OX2's first sales in these markets.
- In November, OX2 signed an agreement with Ingka Investments to sell 49 per cent of an offshore wind power portfolio in Sweden. The deal included the projects Pleione, located

east of Gotland, and Neptunus, southeast of Blekinge. OX2 received an initial payment of approximately SEK 230 million. After obtaining the necessary permits, OX2 will also receive a pre-agreed payment corresponding to about SEK 0.7 million* per MW for 49 percent of the planned total capacity.

Performance and financial position

Performance for individual periods is affected above all by the sale of wind and solar power projects, the progress of wind power projects under construction on behalf of customers, and when these projects are handed over to customers. Similarly, current assets and current liabilities on the balance sheet are affected by ongoing projects under construction on behalf of customers.

Net sales

Revenue in 2023 amounted to SEK 7,824 million (7,644). During the year, sales totaling 4,429 MW (4,893) were made, of which offshore wind power accounted for 4,410 MW (4,116), on shore wind power for 162 MW (454) and solar power for 151 MW (29). During the year, the Group handed over a total of 544 MW (482) of completed wind farms to their owners. The number of projects under construction at year-end was 9 (15) with an estimated capacity of 961 MW (1,343).

Revenue is recognized upon sale of the project to an external customer, upon progress according to predetermined milestones during the construction phase, upon handover of the completed project to an external customer and during the management phase where management contracts exist. When project rights and construction projects are sold, revenue is recognized by calculating the degree of completion using the percentage of completion method. The largest share of revenue during the construction phase is recognized upon delivery and installation of turbines. The revenue is thus influenced not only by the number of wind farms, but also by their size and where the projects are in the construction phase. The 9 projects under construction at the balance sheet date are located in Sweden, Finland, Poland and Italy. In the case of sale of project rights only, revenue is recognized on handover.



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Expenses

Expenses for goods and project design amounted to SEK 5,702 million (5,860) in 2023. Expenses for goods and project design consist mainly of construction expenses, but also of expenses for the sale and acquisition of projects plus project development costs. Other expenses in 2023 amounted to SEK 267 million (166). The increase consisted of costs related to operations in Australia and expansion. Employee benefit expenses amounted to SEK 678 million (438) in 2023. The rise in employee benefit expenses was due to an increase in the workforce compared with the previous year, consistent with the expansion plan.

Profit

Operating profit for 2023 amounted to SEK 1,028 million (1,122). Operating profit is driven by strong momentum in both project sales and construction and project portfolio development, while the Group incurred increased employee benefit expenses. Profit after financial items in 2023 amounted to SEK 1,126 million (1,184). The effective tax rate was affected by projects sold during the year; see Note 11 for details.

Profit for the year amounted to SEK 1,008 million (1,085).

Financial position and liquidity

Current assets at the end of December 2023 amounted to SEK 7,478 million (6,295). The increase was mainly the result of a larger project development portfolio. At year-end, the project development portfolio totaled SEK 2,383 million (1,388) and work in progress SEK 469 million (0). The increase in the project development portfolio in 2023 arose through investments in project rights. Accounts receivable – trade amounted to SEK 514 million (655) as at 31 December 2023. Prepaid expenses and accrued income totaled SEK 1,008 million (549) at year-end. The change in prepaid expenses and accrued income is mainly due to an increase in prepaid construction expenses. Cash and cash equivalents amounted to SEK 2,876 million (3,575) as at 31 December 2023.

Non-current assets amounted to SEK 312 million (70) as at 31 December 2023. The change between years is attributable to goodwill and an increase in shares in joint ventures.

Non-current liabilities amounted to SEK 143 million (179) as at 31 December 2023, including non-current interest-bearing liabilities of SEK 22 million (29), mainly relating to the non-current portion of the lease liability.

Deferred tax liabilities amounted to SEK 49 million (44), consisting mainly of deferred tax on tax allocation reserves and financial instruments.

Current liabilities amounted to SEK 3,098 million (2,772) as at 31 December 2023. Advance payments from customers amounted to SEK 1,885 million (1,325).

Accounts payable – trade increased during the year to SEK 215 million (159). Other liabilities amounted to SEK 327 million (358) as at 31 December 2023. Current interest-bearing liabilities totaled SEK 54 million (228), consisting mainly of contingent considerations related to projects and the current portion of the lease liability. Accrued expenses and deferred income amounted to SEK 542 million (673) as at 31 December 2023, the change arising mainly from a decrease in accrued construction expenses, while accrued employee benefit expenses increased.

Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK 1,242 million (1,203) in 2023 and is attributable to the profit earned. Cash flow from operating activities after changes in working capital amounted to SEK 229 million (1,226) in 2023, primarily as a consequence of increased investments in the project portfolio and an increase in accrued income and prepaid construction expenses. Investments in the project portfolio, which are included in cash flow from operating activities, amounted to SEK -1,025 million (-783).

Cash flow from investing activities totaled SEK -935 million (-33) in 2023. The increase is mainly attributable to the acquisition of ESCO Pacific in Australia.

Cash flow from financing activities in 2023 was SEK 29 million (-13), the difference being attributable to advance payments from minority interests in co-owned development projects.

The total cash flow for 2023 was SEK 677 million (1,180).

Parent company

The parent company OX2 AB conducts management, project development, financing and project implementation. Operating profit for 2023 amounted to SEK -328 million (3). Profit after financial items for 2023 totaled SEK 315 million (188). Profit for 2023 amounted to SEK 722 million (345). The parent company's equity was SEK 3,012 million (2,270) as at 31 December 2023. Cash and cash equivalents amounted to SEK 2,677 million (3,440) as at 31 December 2023. During the year, the parent company provided shareholder contributions to subsidiaries for use in project companies and in connection with the acquisition in Australia. The total amount of the contributions was SEK 2,116 million (431), including SEK 893 million for Australia.

Employees

As at 31 December 2023, the company had 496 employees (366), 41 percent (41) of whom were women. The number of employees increased by 36 percent compared with the previous year. The average number of employees during the year was 410 (318), with 195 (172) in Sweden, 81 (64) in Finland, 47 (42) in Poland, 15 (10) in Italy, 13 (0) in Australia and 59 (30) in other countries.



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Risks and uncertainties

The renewable energy industry is dependent on the general global economic and political situation. Access to capital and investment appetite may affect the company's ability to sell projects. The climate and environmental targets adopted by the EU and individual countries in which OX2 operates also affect prospects for the wind and solar power market and the OX2's growth potential.

The most important strategic and market-related risks for OX2 are viewed as being largely linked to limitations relating to network access, lower electricity prices and deteriorating macroeconomic conditions. Factors such as reduced competitiveness as a result of technological development and how the company presents its offer to the market, as well as reduced access to project rights in the market are regarded as constituting more significant market risks. The main operational risks are considered to be disruption in the supply chain, more onerous authorization processes, a shortage of skills, a lack of the ability to retain key staff, insufficient capacity in Group functions, delays and cost overruns in the construction portfolio, and risks relating to IT security and cybersecurity.

The most significant financial risk is related to the business processes and is attributable to the company's guarantee commitments and financial counterparty risks, while the main regulatory risks relate to uncertainties about regulatory changes resulting from geopolitical changes and political decisions. The most significant sustainability risk is represented by breaches of anti-corruption laws and related counterparty risks.

Research and development

OX2 is working with public authorities, suppliers, trade associations and other industry actors on a number of research and development projects to drive the development of renewable energy production.

Outlook and trends

The transition to a renewable energy supply is a long-term and important goal for our society. Despite the uncertainty related to the war in Ukraine and rising interest rates, OX2 performed well over the past year, with an expanded project development portfolio, geographical expansion and good progress in projects under construction. Creation of renewable energy supply has strong political support as it creates growth in the economy. At the same time, we consider it to be the most effective way of reducing global CO2 emissions. OX2 is optimistic about the future and is experiencing good demand for ownership of renewable power generation among its customers.

Work of the Board of Directors during the year

The 2023 Annual General Meeting re-elected Johan Ihrfelt (Chair), Thomas von Otter, Anna-Karin Eliasson Celsing, Niklas Midby, Jan Frykhammar, Malin Persson and Ann Grevelius until the end of the next Annual General Meeting. Petter Samlin declined

re-election. In July 2023, Jan Frykhammar resigned from the Board for personal reasons. The Board of Directors of OX2 AB held 13 Board meetings in 2023. See the Corporate Governance Report for further information.

Remuneration of senior executives

The Board of Directors proposes that the 2024 Annual General Meeting resolve on guidelines for remuneration to senior executives, which guidelines correspond essentially to those adopted by the 2022 Annual General Meeting. The details of the proposal will be presented in the notice of the Annual General Meeting.

Sustainability Report

In accordance with Chapter 6, Section 11, of the Swedish Annual Accounts Act, OX2 AB has chosen to prepare the statutory sustainability report as a separate report. See pages 62-100.

Annual General Meeting

OX2 AB will hold its Annual General Meeting on 14 May 2024 at Brygghuset, Norrtullsgatan 12 N, Stockholm.

Proposal for appropriation of profit (SEK)

The following profit is at the disposal of the Annual General Meeting:

Unrestricted equity	2,289,708,341
Profit for the year	722,008,699
Total	3,011,717,040
The Board proposes: To be carried forward	
	3,011,717,040
Total	3,011,717,040

Please refer to the following income statements, balance sheets, cash flow statements and additional disclosures for full details of the earnings of the parent company and the Group. All amounts are stated in millions of Swedish krona unless stated otherwise.



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The Group's key performance indicators

	2023	2022	2021	2020
Net sales, SEK m	7,824	7,644	4,983	5,201
Operating income, SEK m	1,028	1,122	414	416
Operating margin, SEK m	13%	15%	8%	8%
Profit for the period, SEK m	1,008	1,085	334	298
Equity ratio, SEK m	59%	54%	63%	39%
Return on equity, %	25%	38%	21%	46%
Return on capital employed, %	25%	37%	26%	61%
Cash flow from operating activities, SEK m	229	1,226	-132	526
Investments in project development portfolio, SEK m	-1,025	-783	-424	-287
Earnings per share before dilution, SEK	3.79	4.01*	1.28	1.19
Earnings per share after dilution, SEK	3.79	4.01*	1.28	1.19
Project acquisitions, MW	5,011	2,656	3,446	1,781
Projects sold, MW	4,429	4,893	719	329
Projects handed over to customers, MW	544	482	207	486
Total portfolio, MW	47,460	37,864	21,686	15,759
Project development portfolio, MW	33,517	28,263	17,371	12,661
MW sold with potential additional payments	8,232	4,410	0	0
Projects under construction, MW	961	1,343	1,329	817
Management contracts, MW	4,750	3,848	2,986	2,281
Average number of employees	410	318	230	161

For definitions of alternative key performance indicators and key performance indicators, see page 128.

*Adjusted for income from non-controlling interests.



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Consolidated income statements

SEK m	Note	01/01/2023 31/12/2023	01/01/2022 31/12/2022
Operating revenue			
Net sales	5	7,824	7,644
Total revenue		7,824	7,644
Operating expenses			
Cost of goods and project development		-5,702	-5,860
Other external costs	6	-267	-166
Personnel costs	7	-678	-438
Share of profit/loss from joint ventures	17	-115	-44
Depreciation and amortization of tangible and intangible assets	12, 13, 14, 15	-34	-14
Total operating expenses		6,796	-6,522
Operating income		1,028	1,122
Financial income and expenses			
Financial income	8	387	220
Financial expenses	9	-289	-158
Profit after financial items		1,126	1,184
Income tax			
Income tax	11	-118	-99
Profit for the period		1,008	1,085
Profit for the year attributable to:			
Parent company's shareholders		1,033	1,092
Non-controlling interests		-25	-7
Earnings per share			
Earnings per share before dilution (SEK)	22	3.79	4.01*
Earnings per share after dilution (SEK)	22	3.79	4.01*
Average number of shares, basic		272,517,586	272,517,586
Average number of shares after dilution		272,640,065	272,600,913

*Adjusted for income from non-controlling interests.

SEK m	Note	01/01/2023 31/12/2023	01/01/2022 31/12/2022
Consolidated statement of comprehensive income			
Profit for the period		1,008	1,085
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Translation differences on translation of foreign subsidiaries		-20	22
Cash flow hedges			
Changes in fair value	25	78	-100
Tax attributable to cash flow hedges		-16	19
Total comprehensive income for the period, net after tax		1,050	1,026
Comprehensive income for the year attributable to:			
Parent company's shareholders		1,075	1,033
Non-controlling interests		-25	-7



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Consolidated statement of financial position

SEK m	Note	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
Goodwill	12	135	-
Other intangible assets	13	7	3
Fixtures, tools and installations	14	4	3
Right-of-use assets	15	45	45
Shares in joint ventures	17	118	17
Other financial assets		2	2
Total non-current assets		312	70
Current assets			
Project development portfolio	19	2,383	1,388
Construction in progress	19	469	0
Accounts receivable – trade	20	514	655
Tax receivables		-	-
Other receivables		185	115
Prepaid expenses and accrued income	21	1 008	549
Derivative instruments	25	43	14
Cash and cash equivalents	4	2,876	3,575
Total current assets	4	7,478	6,295
TOTAL ASSETS		7,790	6,365

SEK m	Note	31/12/2023	31/12/2022
EQUITY AND LIABILITIES			
Share capital	22	1	1
Retained earnings including profit for the year		4,548	3,413
Equity attributable to parent company's shareholders		4,545	3,421
Equity attributable to non-controlling interests		4	-7
Total equity	23	4,549	3,414
Non-current liabilities			
Non-current interest-bearing liabilities	15	22	29
Derivative instruments	25	72	107
Deferred tax liability	11	49	44
Total non-current liabilities	4	143	179
Current liabilities			
Advance payments from customers	26	1,885	1,325
Accounts payable		215	159
Tax liabilities		75	28
Other liabilities	28	327	358
Current interest-bearing liabilities	28	54	228
Accrued expenses and deferred income	29	542	673
Total current liabilities	4	3,098	2,772
TOTAL EQUITY AND LIABILITIES		7,790	6,365



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SEK m	Total equity attributable to parent company's shareholders						Non-controlling interests	Total equity
	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings	Total		
Opening balance as at 1 January 2022	1	1,278	-1	-7	1,087	2,355	0	2,355
Profit for the year					1,092	1,092	-7	1,085
Other comprehensive income for the year			22	-82		-59	0	-59
Comprehensive income for the year			22	-82	1,092	1,033	-7	1,026
Change in non-controlling interests							0	0
Dividend					-	-		-
Share-based remuneration		2				2	-	2
Other contributions		29 ¹				29	-	29
Shareholder contributions		2				2	-	2
Closing balance as at 31 December 2022	1	1,311	21	-89	2,178	3,421	-7	3,414

SEK m	Total equity attributable to parent company's shareholders						Non-controlling interests	Total equity
	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings	Total		
Opening balance as at 1 January 2023	1	1,311	21	-89	2,178	3,421	-7	3,414
Profit for the year					1,033	1,033	-25	1,008
Other comprehensive income for the year			-20	62		42	0	42
Comprehensive income for the year			-20	62	1,033	1,075	-25	1,050
Change in non-controlling interests							36	36
Dividend					-	-		-
Share-based remuneration		4				4	-	4
Other contributions		28 ¹				28	-	28
Shareholder contributions		17				17	-	17
Closing balance as at 31 December 2023	1	1,360	1	-27	3,211	4,545	4	4,549

¹ Other contributions consist of contributions in joint ventures.



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SEK m	Note	01/01/2023– 31/12/2023	01/01/2022– 31/12/2022
Operating activities			
Profit after financial items		1,126	1,184
Adjustments for non-cash items etc.	32	209	62
Income tax paid		-93	-43
Cash flow from operating activities before changes in working capital		1,242	1,203
Cash flow from changes in working capital			
Decrease(+)/increase(-) in work in progress		66	96
Decrease(+)/increase(-) in accounts receivable		143	-356
Decrease(+)/increase(-) in current receivables		-531	-170
Decrease(-)/increase(+) in accounts payable		55	-151
Decrease(-)/increase(+) in current liabilities		279	1,389
Cash flow from operating activities before investment in project development portfolio		1,253	2,010
Investment in project development portfolio		-1,025	-783
Cash flow from operating activities		229	1,226
Investing activities			
Acquisition of subsidiaries		-829	-
Acquisition of shares in other companies	32	-104	-32
Acquisition of intangible assets		-	-
Acquisition of property, plant and equipment		-2	-1
Non-current receivables		0	0
Cash flow from investing activities		-935	-33

SEK m	Note	01/01/2023– 31/12/2023	01/01/2022– 31/12/2022
Financing activities			
Repayments of lease liabilities	32	-24	-15
Shareholder contributions		53	2
Dividend		-	-
Cash flow from financing activities		29	-13
Cash flow for the year		-677	1,180
Translation difference in cash and cash equivalents		-22	21
Cash and cash equivalents at beginning of year		3,575	2,374
Cash and cash equivalents at year-end		2,876	3,575



Parent company income statement

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SEK m	Note	01/01/2023 31/12/2023	01/01/2022 31/12/2022
Operating revenue			
Net sales		878	1,034
Other operating revenue		13	7
Total revenue	5	891	1,041
Operating expenses			
Cost of goods and project development		-586	-584
Other external costs	6	-187	-139
Personnel costs	7	-444	-313
Depreciation and amortization of tangible and intangible non-current assets	13, 14	-2	-2
Total operating expenses		1,219	-1,038
Operating income		-328	3

SEK m	Note	01/01/2023 31/12/2023	01/01/2022 31/12/2022
Income from participations in Group companies	8	625	191
Other interest income and similar items	8	194	30
Interest expense and similar items	9	-175	-35
Profit after financial items		315	188
Appropriations	10	434	198
Profit before tax		750	387
Tax on profit for the year	11	-28	-42
Profit for the year		722	345
Statement of comprehensive income			
Profit for the period		722	345
Other comprehensive income:			
Total comprehensive income for the year, net after tax		722	345
Comprehensive income for the year		722	345



Parent company balance sheet

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SEK m	Note	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
Other intangible assets	13	2	3
Property, plant and equipment	14	2	3
Participations in Group companies	18	2,899	940
Other non-current receivables		3	1
Total non-current assets		2,906	947
CURRENT ASSETS			
Project development portfolio and construction in progress	19	455	310
Accounts receivable – trade	20	32	17
Tax receivables		5	-
Receivables from Group companies		1,179	559
Other receivables		83	13
Prepaid expenses and accrued income	21	69	14
Cash and cash equivalents		2,677	3,440
Total current assets	4	4,500	4,353
Total assets		7,405	5,301

SEK m	Note	31/12/2023	31/12/2022
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	22	1	1
Total restricted equity		1	1
Unrestricted equity			
Retained earnings		2,289	1,922
Translation differences		0	2
Profit for the year		722	345
Total unrestricted equity		3,011	2,269
Total equity		3,012	2,270
Current liabilities			
Untaxed reserves	24	185	152
Accounts payable		92	26
Liabilities to Group companies	27	3,956	2,687
Current tax liabilities		-	7
Other current liabilities	28	10	12
Accrued expenses and deferred income	29	150	147
Total current liabilities	4	4,208	2,879
Total equity and liabilities		7,405	5,301



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SEK m	Restricted equity		Unrestricted equity		Total equity
	Share capital	Share premium account	Retained earnings	Profit for the year	
Opening balance as at 1 January 2022	1	1,278	449	192	1,919
Profit for the year				345	345
Other comprehensive income			0		0
Comprehensive income for the year			0	345	345
Appropriation of profit as per AGM resolution			192	-192	0
Transactions with shareholders					
Dividend			-		-
Share-based remuneration			2		2
Shareholder contributions			2		2
Translation difference			2		2
Closing balance as at 31 December 2022	1	1,278	646	345	2,270

SEK m	Restricted equity		Unrestricted equity		Total equity
	Share capital	Share premium account	Retained earnings	Profit for the year	
Opening balance as at 1 January 2023	1	1,278	646	345	2,270
Profit for the year				722	722
Other comprehensive income			0		0
Comprehensive income for the year			0	722	722
Appropriation of profit as per AGM resolution			345	-345	0
Transactions with shareholders					
Dividend			-		-
Share-based remuneration			4		4
Shareholder contributions			17		17
Translation difference			-1		-1
Closing balance as at 31 December 2023	1	1,278	1,012	722	3,012



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SEK m	Note	01/01/2023 31/12/2023	01/01/2022 31/12/2022
Operating activities			
Profit before tax		750	387
Adjustments for non-cash items etc.	32	-271	99
Income tax paid		-40	-12
Cash flow from operating activities before changes in working capital		439	474
Cash flow from changes in working capital			
Decrease(+)/increase(-) in project development portfolio		-145	-232
Decrease(+)/increase(-) in accounts receivable		-15	-17
Decrease(+)/increase(-) in current receivables		-91	-90
Decrease(-)/increase(+) in accounts payable		67	-27
Decrease(-)/increase(+) in current liabilities		-266	419
Cash flow from operating activities		-11	525
Investing activities			
Contributions to subsidiaries		2,115	-431
Acquisition of intangible assets		-0	0
Acquisition of property, plant and equipment		-0	-1
Other long-term loans		-1	-0
Cash flow from investing activities		-2,116	-433

SEK m	Note	01/01/2023 31/12/2023	01/01/2022 31/12/2022
Financing activities			
Group cash pool		1,348	1,072
Shareholder contributions		17	2
Cash flow from financing activities		1,365	1,074
Cash flow for the year			
Translation difference in cash and cash equivalents		-1	2
Cash and cash equivalents at beginning of year		3,440	2,272
Cash and cash equivalents at year-end		2,677	3,440



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Note 01 General information

These historical financial statements encompass the Swedish parent company OX2 AB, company registration number 556675-7497, and its subsidiaries. OX2 develops, builds and manages renewable energy generation and operates mainly in Sweden, Finland, Poland, France, Italy, Romania, Greece, Spain and Australia. OX2 is Europe's leading developer of renewable energy. The project development portfolio includes onshore and offshore wind power, solar power and energy storage projects. OX2's operations encompass the entire process from site surveys to management of completed wind or solar farms. The parent company is a limited liability company that is registered in Sweden and has its registered office in Stockholm. The address of the head office is Lilla Nygatan 1.

OX2 AB has been listed on Nasdaq Stockholm's Main Market since 6 April 2022. The largest shareholder is Peas Industries AB (45.60 percent).

Note 02 Significant accounting policies

Basis of consolidated reporting

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretations from the IFRS Interpretations Committee (IFRS IC), as adopted by the European Union (EU). The Group also applies the Swedish Annual Accounts Act (1995:1554) and Recommendation RFR 1 "Supplementary Accounting Rules for Groups" of the Swedish Financial Reporting Board.

The consolidated financial statements have been prepared on the basis of the going concern assumption. Assets and liabilities are valued at their historical cost, with the exception of currency derivatives and other interest-bearing liabilities, which are measured at fair value.

The preparation of reports in accordance with IFRS requires the management to make a number of accounting estimates. The areas that involve a high degree of assessment or complexity, or areas where assumptions and estimates are of material significance to the consolidated financial statements, are described in Note 3 – Assessments and estimates in the financial statement.

These assessments and assumptions are based on historical experience and other factors that are deemed reasonable in the circumstances. Actual outcomes may differ from assessments made if assessments are changed or different conditions exist.

OX2 provides only material information on accounting principles deemed to be essential for an understanding of the Group's financial statements.

Unless otherwise stated, the accounting policies have been applied consistently to all periods presented in the Group's financial reports and by all Group companies.

New standards and interpretations

The standards, amendments and interpretations that entered into force for the financial year beginning 1 January 2023 have not had any material effect on the consolidated financial statements or the parent company financial statements, other than the effect of adapting the accounting principles to the amended IAS 1.

At the time of the preparation of this report, no new standards or interpretations have been applied for financial years beginning after 1 January 2024, and no standards or interpretations are expected to have any material impact on the consolidated financial statements or the parent company financial statements. OX2 does not yet fall within the scope of the Pillar 2 regulations, but may do so in future financial statements.

Investments in associates and joint ventures

Holdings in associates and joint ventures are recognized using the equity method. An associate is an entity in which the Group has a significant but not controlling influence, which is usually attained through a shareholding of 20–50 percent.

Under IFRS 11, a holding in a joint arrangement is classified as either a joint operation or a joint venture, depending on the contractual rights and obligations of each owner. OX2 AB only has holdings in joint ventures. The assessment is based on OX2 being entitled to the net assets from the entity. Interests in joint ventures are recognized using the equity method. Application of the equity method means that investments in associates and joint ventures are recognized in the statement of financial position at cost, together with additions for changes in the Group's share of the associate's net assets, and net of any impairment losses and dividends. The income statement reflects the Group's share of the profit after tax of associates or joint ventures. Transactions that are recognized in the associate's other comprehensive income are recognized in the consolidated Other comprehensive income.

If the Group's share of reported losses at the associate or joint venture exceeds the carrying amount of the shares in the Group, the value of the shares is reduced to zero. Continued losses are not recognized unless the Group has given guarantees to cover losses arising at the associate.

A positive difference between the cost of the acquired shares and the Group's share of the fair values of identifiable assets and liabilities acquired in the associate constitutes goodwill that is included in the carrying amount of the associate. If a negative difference arises, this is recognized in revenue in the period in which the acquisition took place.

Recognized participations in associates or joint ventures are tested for impairment if there is any indication of a decline in value. In transactions between Group companies and associates, the portion of unrealized gains that corresponds to the Group's share of the associate is eliminated in the event that the expenses are not recognized in the associate or joint venture. Unrealized losses are eliminated in the same way unless this is an indication of a need for impairment.

Currency

Foreign currency

Exchange rate differences are recognized in the income statement for the period in which they arise, with the exception of transactions forming hedges that satisfy the conditions for hedge accounting of cash flows or of net investments, when gains and losses are recognized in equity. Exchange rate differences attributable to operations are recognized in operating profit, while effects related to financial items are recognized in net financial items.



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Financial statements of foreign operations

In the consolidated financial statements, all amounts are translated to Swedish kronor (SEK), which is the parent company's functional and presentation currency.

Revenue from contracts with customers

Revenue is measured on the basis of the contract with the customer and corresponds to the consideration to which the Group expects to be entitled in exchange for transferring promised goods and services, excluding value-added tax.

The Group recognizes revenue when the control of a good is transferred to a customer.

The revenues of the OX2 Group are attributable mainly to the sale of onshore wind and solar farms, project rights, management services and offshore wind farms.

Sale of onshore wind farms

The sale of onshore wind farms usually includes the transfer of project rights and a construction contract for the construction of the wind farm. Two contracts are normally signed with the customer at the same time: one sales contract for project rights and one construction contract for the construction services. The project rights are packaged in a subsidiary without any other assets or processes, making the sale of project rights a sale of current assets and a part of operating activities. These two contracts are negotiated as a package and from an accounting perspective are treated as a combined contract.

The project rights and the construction contract are considered to be highly interdependent and integrated with each other and the transfer of project rights and construction contract is therefore considered to be an interrelated performance obligation. What the customer is regarded as buying is a complete wind farm.

Revenue from the sale of onshore wind farms is recognized over time as the wind farm is constructed and is based on progress in the project according to technological milestones. The transaction price is normally a fixed sum.

Recognition of revenue from the sale of onshore wind farms includes an uncertainty component. Unforeseen incidents may occur that could affect the final outcome, such that it may be higher or lower than expected. If the expected revenue from a contract is lower than the unavoidable costs of fulfilling the contract, the contract is an onerous contract. Future losses for onerous contracts are recognized as a cost in the consolidated income statement and as a provision on the consolidated balance sheet.

Payment for onshore wind farms is usually based on the achievement of a series of performance-related milestones. Once a given milestone has been reached, the Group is entitled to invoice the customer. If the recognized revenue for a contract exceeds the amount invoiced, a contract asset is recognized on the balance sheet as accrued income. Contract assets are reclassified as accounts receivable when the amount is invoiced to the customer. If the amounts invoiced exceed the recognized revenue, a contract liability is recognized in the form of advance payments from customers.

Sale of project rights

In some cases, OX2 sells project rights without a construction contract. Revenue from a sale of project rights is recognized at the point in time when control of the project right is transferred to

the customer, which is normally when the customer takes legal ownership of the right. To the extent that the transaction price includes a variable consideration, the transaction price constitutes an estimated expected value. Variable considerations are often related to permits and are recognized only to the extent they are highly probable. Project rights are usually sold packaged in a company. Prior to their sale, the project rights constitute current assets and their divestment is considered to be part of operating activities.

Sale of management services

Management services comprise the financial and technical management of wind farms.

Management services are provided to the customer once the wind farm is complete. Revenue from the sale of management services is recognized over time, as the customer receives and uses the service at the same time. Payment is usually received in advance on an ongoing basis and then recognized on the balance sheet as a contract liability.

Sale of offshore wind farms

Offshore wind farms are usually sold at an earlier stage of development than onshore wind farms and are not combined with a construction contract, therefore the sale relates solely to project rights. Revenue from the sale of project rights is recognized at the time when control of the project right is transferred to the customer, which is normally at the point in time when the customer takes legal ownership of the right. It is a requirement for revenue recognition that the Group loses controlling influence over the company that owns the project rights. Payment for the sale of project rights is normally received at the same point in time as the revenue is recognized. To the extent that the transaction price includes a variable consideration, the transaction price constitutes an estimated expected value. A variable consideration is recognized only to the extent it is highly probable. Project rights are usually sold packaged in a company. Prior to their sale, project rights constitute current assets and their divestment is part of operating activities. As a part of the assets is divested, the remainder is not revalued.

Segments

The Group has one operating segment, for which the CEO is responsible. This is in accordance with how the Group organizes its operations and monitors and presents financial and operational information. It is in accordance with the preparation of business plans and budget work and the follow-up of financial as well as operational objectives. The CEO oversees the business through a management group including those who have main responsibility for different parts of the project's development work and progress. The members of the management team report to the CEO.

Note 5 contains information on sales revenues for the segment and by geographic market, as well as sales revenues for major customers.

Leases

The right to use an asset is recognized as an asset on the balance sheet (Right-of-use asset), while the corresponding obligation to pay for this right is recognized as a non-current or current liability (Lease liability) from the start of the lease. Payments for short-term leases and low-value leases that are not included in the measurement of lease liability are recognized in Operating activities.

Measurement of lease liability

The lease liability is initially calculated as the present value of the outstanding lease payments that are not paid on the start date, discounted by the interest rate. The Group has chosen to apply the exemption for leases with a term of less than 12 months and/or leases for assets of low value.



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Depreciation policies

Depreciation is applied on a straight-line basis over the term of the lease, or the estimated useful life of the asset if this is deemed to be shorter.

Employee remuneration

Employee remuneration in the form of wages, paid holiday, paid sick leave etc., as well as pensions, is recognized as and when earned. Pensions and other post-employment benefits are classified as defined contribution or defined benefit pension plans. The Group only has defined contribution pension plans.

Defined contribution plans

For defined contribution plans, the company pays fixed contributions to a separate independent legal entity and has no obligation to pay further contributions. Costs are charged to consolidated earnings as the benefits are earned, which normally coincides with the time at which the premiums are paid.

Share-based payment

Share-based remuneration is recognized in accordance with IFRS 2. Share-based payment to employees who provide services that is settled using equity instruments is measured at the fair value of the allocated equity instruments at the time of allocation. The fair value excludes the effect of vesting conditions that are not market conditions. OX2 has an outstanding incentive program for senior executives that is settled using parent company shares. Participants in the program are deemed to have paid market price for the equity instruments received and the program therefore does not involve any cost in the consolidated income statement. Details of the program are provided in Note 7.

The company also has a share program settled using equity, where the company receives services from employees as a consideration for the Group's equity instruments. The fair value of the services provided is recognized as a personnel cost with a corresponding increase in equity.

The total cost is recognized over the vesting period, which is the period during which all the specified conditions must be met. At the end of each reporting period, the Group reviews its assessments of how many shares are expected to be vested based on the non-market-related vesting conditions and service conditions. Any deviation from the original assessments resulting from the review is recognized in the income statement and corresponding adjustments are made in equity. Details of the program and the measurement of fair value are described in Note 7.

Non-current assets

Property, plant and equipment and intangible non-current assets with a finite useful life are recognized at cost less accumulated depreciation, amortization, write-downs and impairment.

Depreciation is based on the cost of the asset less estimated residual value at the end of its useful life and is recognized on a straight-line basis over the estimated useful life of the respective material component.

The estimated useful lives are as follows:

- Equipment 4–7 years
- Intangible assets 5–10 years

Project development portfolio and construction in progress

The project development portfolio consists of acquired intangible assets and is classified under current assets. These are recognized at the lower of cost and net realizable value. Work in progress consists of ongoing construction projects that are intended to be disposed of before or upon completion.

Financial assets and liabilities

Financial assets and financial liabilities (excluding derivatives) mainly take the form of accounts receivable, cash and cash equivalents, accounts payable, loans and other current receivables and liabilities. These items are measured at amortized cost.

Derivatives and hedge accounting

All derivatives are measured at fair value and are recognized on the balance sheet as either assets or liabilities, depending on whether the fair value is positive or negative at the balance sheet date. Presentation of changes in the value of the derivative is dependent on whether or not the derivative is designated as a hedging instrument.

Hedge accounting is applied in accordance with IFRS 9 and to meet the requirements for hedge accounting, there must be an economic relationship between the hedged item and the hedging instrument, the effect of credit risk must not dominate the changes resulting from the economic relationship and the hedge ratio must be the same as that resulting from the quantity of the hedged item actually hedged.

If a derivative is designated as a hedging instrument in a cash flow hedge, the effective portion of the changes in the derivative's fair value is recognized in other comprehensive income and is aggregated in the hedging reserve in equity. The ineffective portion of cash flow hedges is recognized directly in the consolidated profit or loss. Amounts recognized in equity are reversed in the consolidated profit or loss during the periods when the hedged item affects the consolidated profit or loss. This also applies if the hedging relationship is no longer deemed effective.

Contract assets

Contract assets are contractual payment flows from customers and are categorized as "Assets at amortized cost".

These receivables have a maturity exceeding that of accounts receivable and amounting to a maximum of 12 months. Deductions are made for expected credit losses.

The company reports a loss provision for expected credit losses on contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of each financial instrument.

The company reports expected credit losses (ECL) corresponding to the remaining maturity of contract assets. The expected credit losses are calculated using a matrix based on the company's historical credit losses, adjusted for counterparty-specific and macroeconomic factors, as well as current and forecast conditions at the time of reporting.

Reporting of cash flows

Cash receipts and disbursements are reported in the cash flow statement. The cash flow statement has been prepared using the indirect method. Exchange rate differences in cash and cash equivalents are presented separately from cash and cash equivalents.



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Accounting policies of the parent company

The parent company OX2 AB prepares its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and Recommendation RFR 2 “Accounting for Legal Entities” of the Swedish Financial Reporting Board. The relevant statements of the Swedish Financial Reporting Board have also been applied. Application of RFR 2 means that the parent company must apply all IFRS approved by the EU to the extent possible under the Swedish Annual Accounts Act and the Swedish Act on Safeguarding Pension Obligations and with due consideration of the relationship between reporting and taxation. The differences between the accounting policies of the parent company and those of the Group are described below.

Financial instruments

The parent company does not apply IFRS 9 Financial Instruments. The parent company applies a cost-based method in accordance with the Swedish Annual Accounts Act. This means that non-current financial assets are measured at cost less any impairment and current financial assets in accordance with the lowest value principle. Financial liabilities are measured at amortized cost using the effective interest rate method. The policies for recognition, impairment and derecognition of financial instruments are the same as those of the Group and as described above.

Shares in subsidiaries

Shares in subsidiaries are recognized using the cost method. Costs relating to the acquisition of subsidiaries, which are expensed in the consolidated financial statements, are included in the cost of shares in subsidiaries. The carrying amount of shares in subsidiaries is tested for impairment when there is an indication of a need for impairment.

Group contributions

The parent company recognizes Group contributions and shareholder contributions in accordance with the general rule of Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board. Group contributions received from subsidiaries are recognized as financial income and Group contributions made to subsidiaries are recognized as increases in participations in Group companies.

Group contributions made by the parent company are recognized as a reduction in equity, net of tax.

Leases

The Group recognizes assets and liabilities attributable to all leases, with the exception of leases of less than twelve months and/or leases of low value.

The parent company recognizes all leases as operating leases in accordance with the provisions of RFR 2.

Note 03 Assessments and estimates in the financial statements

The consolidated financial statements are based on various estimates and assessments made by the company management that affect application of the accounting policies and the carrying amounts of assets, liabilities, revenues and costs. Assessments made may deviate from future outcomes.

The estimates and assessments are based on historical experience and a number of other factors which are considered to be reasonable under the prevailing circumstances. Estimates and assumptions are reviewed regularly. The effects of changes in estimates are recognized in the period when the change is made if the change affects only that period, or in the period that the change affects both current and future periods. At the balance sheet date, there is not considered to be any increased risk of impairment and write-downs on the basis of the changed global situation and rising inflation. The valuation of project assets with regard to changed external factors is performed on an ongoing basis to identify any need for impairment.

Assessment of the degree of completion for the percentage of completion method

The Group applies the percentage of completion method in the recognition of projects sold as construction contracts. The percentage of completion method requires the Group to make estimates in respect of the degree of completion at the balance sheet date. Percentage of completion is based on the attainment of technical milestones.

Recognition of asset acquisitions

Business combinations where the principal aim is to acquire the company's rights and where any management organization and administration of the company is of lesser importance to the acquisition are classified as asset acquisitions.

Recognition of cash flows on the acquisition and sale of companies

The cash flow effects arising from the sale and acquisition of companies related to projects in the form of a company (recognized as current assets) are recognized as changes in working capital in the consolidated cash flow statement.

Recognition of sales of wind power projects

In the case of sales of wind power projects made through the divestment of shares in subsidiaries, the revenue for the project is recognized in net sales with the asset being treated as a current asset up to the divestment date. This is based on the sale being of an asset rather than a business and as a result IFRS 15 is applied. On the sale of part of a company that owns project rights, the revenue will be recognized if there is no longer control over the company and the remaining shares are not revalued, on the basis that this is a sale of project rights which is part of operating activities. Control over a company can depend on number of shares owned but also on a shareholders agreement.

Recognition of project rights

Project rights are recognized in the consolidated statement of financial position as a current asset (“work in progress”), as the sale of project rights is part of operating activities. These are recognized as non-current assets in each legal entity in the Group. Every balance sheet date, the Group analyses the carrying amounts for the project development portfolio in order to determine whether there is any indication of a loss in the value of these assets. If there are any indications in this respect, the net realizable value for the asset is calculated in order to determine the value of any impairment.

Recognition of variable remuneration on sale of projects

Variable remuneration is recognized when it is regarded as certain that it will be received. In cases where remuneration is conditional on criteria beyond OX2's control, and therefore cannot be considered to be certain, the variable remuneration is not recognized as income.



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Note 04 Financial risk management and financial instruments

Financial Policy

The OX2 Group's operations expose it to various financial risks in the form of market risks, including currency and interest rate risks, credit and financing risks. The Group's overall risk management policy focuses on the unpredictability of the financial markets and strives to minimize potentially adverse effects on the Group's financial results. Risk management is performed in accordance with the financial policy adopted by the Board. The Board has established written policies both for overall risk management and for specific areas such as currency risk, interest rate risk, counterparty risk and the investment of surplus liquidity. The financial policy is updated annually and otherwise as required.

Market risks

The OX2 Group's primary business model is to develop and sell renewable energy solutions. Consequently, there are both direct and indirect market risks, with OX2's customers having to manage risks, for example, relating to the price of electricity while the OX2 Group suffers indirectly through reduced demand and/or lower sales prices.

Currency risks

Sales of projects are primarily in EUR, which involves what is known as Transaction exposure. When evaluating the currency risk, projects' total inflows and outflows in foreign currency are taken into account. Wind turbines are principally ordered in EUR from European suppliers, which provides a natural hedge against sales denominated in EUR. The currency risk for each project is managed in a way that meets the requirements of the policy in respect of risk minimization, adapted to the conditions of the particular project. The Group's total currency exposure is taken into account when hedging each project. The transaction exposure arising in purchases and sales can be hedged for up to 36 months. Most of the hedges mature in 2024.

Sensitivity analysis

If the Swedish krona had unilaterally weakened/strengthened by 5 percent against EUR, the outstanding currency hedges for cash flows would have increased/reduced equity by SEK +/- 2 million (+/- 102) given the hedges recognized in equity. This calculation is based on quotations as at 31 December 2023.

Interest rate risks

The Group has no outstanding interest-bearing loans. The Group is affected by the interest component of the currency derivatives included in the hedges for currency risks; see also the section Currency risks.

Sensitivity analysis

A change in the swap component of +/- 0.01 (100 pips), a "parallel change" over the average rates, would affect the market value of the forward exchange contracts by SEK +/- 0.6 million (+/- 1.6), based on current forward exchange contracts during 2023.

Investments

The Group's cash flow generated from operating activities and from the sale of projects/commissioned wind farms is intended to be used for development of new projects and financing of operating activities. Surplus liquidity is invested with counterparties with a high credit rating and therefore low credit risk. Given the 2023 figures, a fall in revenue interest to 1 percent would lead to a reduction of approximately SEK 25 million (6) in interest income. OX2 has not paid negative interest on funds in its bank accounts.

Price risk for electricity

The future price of electricity is the single most important parameter in the investment calculations of customers. The OX2 Group's business is therefore affected in both the short and the long term by developments in the electricity futures market. The OX2 Group monitors the market, the economy and the price of other types of energy.

Credit risk

Credit risk or counterparty risk refers to the risk of the counterparty in a transaction failing to fulfill its obligations, thereby causing a loss to the Group. Commercial credit risk includes customers' ability to pay and is managed by monitoring and following up customers' financial reports. Default is defined as a situation where it is deemed unlikely that the counterparty will be able to fulfill its obligations because of financial difficulties and the claim is more than 90 days overdue. This is reflected in the assessment of provisions. The group also has a credit risk related to cash, cash equivalents and derivatives, this risk is considered insignificant.

The OX2 Group's customers are primarily major companies in the financial and the state sectors, which are mostly subject to regulation. OX2's financial exposure to counterparty risk arises primarily in the trading of derivatives and in guarantees received by insurance companies.

The Group's total credit risk is spread over a small number of customers who represent a relatively large proportion of the Group's accounts receivable. The financial credit risk is covered by the general model for expected credit loss provisions in IFRS 9. The model is based on the counterparty's rating. The low credit risk exception is applicable as at the balance sheet date. Due to short terms and stable counterparties, the provisions are considered to be immaterial and we do not envisage any significant changes in current or forward-looking factors.

Liquidity and financing risk

Liquidity risk means the risk of the Group being adversely affected by the lack of management and control of cash and cash equivalents and cash flows. Financing risk is the risk of the Group being unable to raise sufficient cash and cash equivalents to fulfill its obligations. The OX2 Group is constantly working on liquidity forecasts and with regard to wind turbines sold as operational to customers the company aims to match payment plans from suppliers against payments from customers in the respective projects. OX2 has a green revolving credit facility (SEK 2,000 million) that is based on 95 percent of the company's sales being generated from renewable sources. The credit facility has a five-year term, maturing in 2026. The Group has no outstanding interest-bearing loans. As at 31/12/2023, the Group's unused credit commitments amounted to SEK 2,100 million.



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SEK m	Group 2023			
	0-3 months	3-12 months	1-5 years	Total
Assets				
Accounts receivable – trade	514	-	-	514
Other current receivables	185	-	-	185
Derivative instruments	7	11	25	43
Cash and cash equivalents	2,876	-	-	2,876
Total	3,582	11	25	3,618

SEK m	Group 2022			
	0-3 months	3-12 months	1-5 years	Total
Liabilities				
Non-current interest-bearing liabilities	-	-	22	22
Accounts payable	215	-	-	215
Other current liabilities	327	-	-	327
Current interest-bearing liabilities	54	-	-	54
Derivative instruments	17	55	-	72
Total	613	55	22	690

SEK m	Group 2022			
	0-3 months	3-12 months	1-5 years	Total
Assets				
Accounts receivable – trade	655	-	-	655
Other current receivables	115	-	-	115
Derivative instruments	6	8	-	14
Cash and cash equivalents	3,575	-	-	3,575
Total	4,351	8	-	4,359

SEK m	Group 2022			
	0-3 months	3-12 months	1-5 years	Total
Liabilities				
Non-current interest-bearing liabilities	-	-	29	29
Accounts payable	159	-	-	159
Other current liabilities	358	-	-	358
Current interest-bearing liabilities	-	228	-	228
Derivative instruments	17	47	43	107
Total	534	275	72	881

SEK m	Parent company 2023			
	0-3 months	3-12 months	1-5 years	Total
Assets				
Accounts receivable – trade	32	-	-	32
Receivables from Group companies	1,179	-	-	1,179
Other current receivables	83	-	-	83
Cash and cash equivalents	2,677	-	-	2,677
Total	3,971	-	-	3,971

SEK m	Parent company 2022			
	0-3 months	3-12 months	1-5 years	Total
Assets				
Accounts payable	92	-	-	92
Liabilities to Group companies	3,956	-	-	3,956
Other current liabilities	10	-	-	10
Total	4,058	-	-	4,058

SEK m	Parent company 2022			
	0-3 months	3-12 months	1-5 years	Total
Liabilities				
Accounts receivable – trade	17	-	-	17
Receivables from Group companies	559	-	-	559
Other current receivables	13	-	-	13
Cash and cash equivalents	3,440	-	-	3,440
Total	4,029	-	-	4,029

SEK m	Parent company 2022			
	0-3 months	3-12 months	1-5 years	Total
Liabilities				
Accounts payable	26	-	-	26
Liabilities to Group companies	2,687	-	-	2,687
Other current liabilities	12	-	-	12
Total	2,725	-	-	2,725

Credit and counterparty risk

Purchasers of OX2's projects normally make advance payments in line with a payment plan and OX2 may also require collateral for these payment obligations. OX2's customer structure is similar, but with customers in many different geographical areas. Confirmed credit losses on accounts receivable amounted to 0 percent (0) of net sales in 2023. Of the accounts receivable outstanding at the balance sheet date 2023, the five largest items accounted for 100 percent (100). OX2's overall judgment is that, despite forward-looking external factors, the credit risk in the customer segments and countries in which OX2 conducts the majority of its sales did not change during 2023. No credit loss provisions have been made, as this has been deemed insignificant.



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The outstanding credit risk exposure of the Group and the parent company is represented by the carrying amounts of all financial assets and is shown in the table below.

Cash and cash equivalents are invested in accordance with the financial policy in order to minimize risk. Cash and cash equivalents consist in their entirety of bank deposits.

SEK m	Group	
	31/12/2023	31/12/2022
Accounts receivable – trade	514	655
Other receivables	185	115
Cash and cash equivalents	2,876	3,575
Maximum credit risk exposure	3,575	4,345

SEK m	Parent company	
	31/12/2023	31/12/2022
Accounts receivable – trade	32	17
Receivables from Group companies	1,179	559
Other receivables	83	13
Cash and cash equivalents	2,677	3,440
Maximum credit risk exposure	3,971	4,029

Classification of financial instruments

The carrying amounts of financial assets and financial liabilities by valuation category in accordance with IFRS 9 are shown in the table below.

SEK m	Group	
	31/12/2023	31/12/2022
Financial assets measured at fair value		
Derivatives ¹	43	14
Financial assets measured at amortized cost		
Accounts receivable – trade	514	655
Other current receivables	185	115
Cash and cash equivalents	2,876	3,575
Total financial assets	3,618	4,359

¹ Level 2.

SEK m	31/12/2023	31/12/2022
Financial liabilities measured at fair value		
Derivative instruments ¹	72	107
Current interest-bearing liabilities	-	210
Financial liabilities measured at amortized cost		
Non-current interest-bearing liabilities	22	29
Accounts payable	215	159
Other current liabilities	327	358
Current interest-bearing liabilities	54	18
Total financial liabilities	690	881

¹ Level 2.

SEK m	Parent company	
	31/12/2023	31/12/2022
Financial assets measured at fair value		
	-	-
Financial assets measured at amortized cost		
Accounts receivable – trade	32	17
Receivables from Group companies	1,179	559
Other current receivables	83	13
Cash and cash equivalents	2,677	3,440
Total financial assets	3,971	4,029

SEK m	31/12/2023	31/12/2022
Financial liabilities measured at fair value		
Financial liabilities measured at amortized cost		
Other non-current liabilities	-	-
Accounts payable	92	26
Liabilities to Group companies	3,956	2,687
Other current liabilities	10	12
Total financial liabilities	4,058	2,725



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Discounting has no significant effect on short-term financial instruments. Our assessment is that there are no significant changes to the credit risk, and so the fair value and carrying amount of our non-current liabilities are considered to be essentially the same. There has been no reclassification between the valuation categories above during the period.

Capital risk management

The Group's capital management objective is to secure the Group's ability to continue operating so that the Group can continue to generate a good return for shareholders and deliver value to other stakeholders. The Group's strategy is not to have any debt apart from financing for the project portfolio, accounts receivable and, in some cases, construction of wind and solar power projects.

The Group defines capital as equity.

Note 05 Revenue

The Group has one segment. For additional information, see accounting policies for segment reporting. The Group's revenue mainly comprises sales of wind and solar projects, commissioned wind farms and management. The Group generally recognizes revenue over time. In cases where only project rights are sold, revenue is recognized at a specific point in time.

SEK m Net sales per category	Group	
	2023	2022
Sales of wind and solar projects, wind farms and management	7,824	7,644
Total	7,824	7,644

SEK m Net sales per category	Parent company	
	2023	2022
Sales of wind and solar projects, wind farms and management	891	1,041
Total	891	1,041

SEK m Income broken down by country ¹⁾	Group	
	2023	2022
Sweden	3,098	3,155
Finland	2,300	2,820
Poland	2,102	1,669
Australia	23	-
Spain	218	-
France	85	-
Total	7,824	7,644

¹⁾ Income per country is based on where projects are located.

Timing of revenue recognition	2023	2022
At a specific point in time	946	749
Over time	6,878	6,896
Total	7,824	7,644



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The following table shows the transaction price allocated to remaining performance obligations at year-end.

SEK m	Group	
	2023	2022
Expected to be met in 1-2 years	7,334	12,580
Expected to be met in 3-4 years	1,630	-
Total	8,964	12,580

The Group has four customers that on their own account for 10–22 percent of the Group's total revenue in 2023.

The following table shows the total amount of the transaction price allocated to the performance obligations that had been fulfilled, but had not been invoiced at the end of the reporting period.

SEK m	Group	
	2023	2022
Contract assets		
Work in progress (see also Note 19)	0	0
Accrued income (see also Note 21)	557	179
Total	557	179
Of which non-current assets	-	-
Of which current assets	557	179
Total	557	179

The following table shows contract liabilities on the balance sheet date. Revenue corresponding to 100 percent of the contract liabilities for the financial year was recognized during the year (100 percent).

SEK m	Group	
	2023	2022
Contract liabilities		
Advance payments from customers (see also Note 26)	1,885	1,325
Prepaid income (see also Note 29)	13	45
Total	1,898	1,370
Of which non-current liabilities	-	-
Of which current liabilities	1,898	1,370
Total	1,898	1,370

Note 06 Disclosure of the auditor's fees and reimbursement of expenses

SEK m	Group	
	2023	2022
Deloitte		
Audit engagement	4	5
Audit business in addition to the audit engagement	1	0
Tax advice	-	-
Total	5	5

SEK m	Parent company	
	2023	2022
Deloitte		
Audit engagement	3	3
Audit business in addition to the audit engagement	1	0
Tax advice	-	-
Total	4	3

Auditor's fees refers to the auditor's remuneration for the statutory audit. The work includes auditing the annual report and financial statements and management by the Board of Directors and the CEO, and fees for audit advice provided in connection with the audit engagement. Audit activities in addition to the audit engagement consist in the main of quality assurance services other than the statutory audit.



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Note 07 Number of employees, salaries, other benefits and social security expenses

Average number of employees	2023		2022	
	Average number of employees	Of whom men	Average number of employees	Of whom men
Parent company				
Sweden	147	78	125	67
Finland	57	32	50	27
France	17	11	15	8
Italy	12	8	10	8
Other markets	11	7	5	2
Total in parent company	244	136	204	112
Subsidiaries				
Sweden	48	27	47	27
Finland	24	17	15	11
Poland	47	28	42	27
Spain	18	16	8	7
Australia	13	8	-	-
Other markets	16	12	2	2
Total in subsidiaries	166	107	113	73
Total in Group	410	243	318	185

Breakdown of senior executives at balance sheet date	Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Women:				
Board members	3	3	3	3
other members of the company's management, including CEO	2	2	2	2
Men:				
Board members	5	5	5	5
other members of the company's management, including CEO	5	5	5	5
Total	16	15	16	15

Salaries, benefits, etc.

SEK m	2023			
	Salaries and other benefits	Pensions	Social security expenses	Total
Total in Group	468	49	103	621

SEK m	2022			
	Salaries and other benefits	Pensions	Social security expenses	Total
Total in Group	300	32	76	408

Breakdown of salaries and benefits, including social security contributions, for Board members etc. and employees, respectively

2023 SEK m	Board of Directors, CEO and other senior executives				
	Salaries and other benefits (of which, bonuses)	Pensions	Social security contributions	Other employees	Total
Total in Group	31 (31)	4	7	579	621

2022 SEK m	Board of Directors, CEO and other senior executives				
	Salaries and other benefits (of which, bonuses)	Pensions	Social security contributions	Other employees	Total
Total in Group	31 (10)	4	7	366	408



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Remuneration and other benefits during the year

Specification of remuneration of members of the Board of Directors and senior executives

SEK thousand	Board fee/ basic salary		Variable remuneration		IFRS 2 cost		Cost of pensions	
	2023	2022	2023	2022	2023	2022	2023	2022
Board of Directors								
Johan Ihrfelt (Chair)	554	475	-	-	-	-	-	-
Thomas von Otter	425	375	-	-	-	-	-	-
Anna-Karin Eliasson Celsing	441	400	-	-	-	-	-	-
Niklas Midby	357	300	-	-	-	-	-	-
Petter Samlin	177	248	-	-	-	-	-	-
Jan Frykhammar	274	450	-	-	-	-	-	-
Malin Persson	370	329	-	-	-	-	-	-
Ann Grevelius	306	300	-	-	-	-	-	-
Group management								
Paul Stormoen	3,097	3,009	3,348	3,000	-	-	625	598
Other members of Group management	15,049	15,334	6,950	6,981	1	0	3,571	3,569

Remuneration of senior executives

The Chair of the Board of Directors and the other members of the Board of Directors are paid a fee as per resolution of the Annual General Meeting. In 2023, expenses for Board fees amounted to SEK 3 million (3). Remuneration to the CEO during the year amounted to SEK 7 million (7). Remuneration to other senior executives during the year amounted to SEK 26 million (26). Remuneration to the CEO and other senior executives consists of basic salary, bonuses, other benefits and pension.

Bonus

The Group has an annual bonus scheme under which employees can receive an amount up to a maximum of one fixed monthly salary provided that the company meets its financial and operational targets for the year in question. In addition, there are individually agreed bonus schemes. A profit-based bonus for 2023, amounting to SEK 81 million (56) including social security expenses, has been set aside for all employees.

Share-based remuneration

Since 2020, the company has operated an equity-settled share program for senior executives and other key employees. Participants were offered an investment opportunity, i.e. a chance to buy shares at market value at the start of the program. The company does not incur any costs for the program. Valuation of the shares at the time of issue was based on market data (most recent transaction). A total of 11,880,652 shares are included in the program, of which 790,467 were acquired by the CEO and 789,168 by members of the Board of Directors. Restrictions apply to the right to sell the shares until the third quarter of 2026. Vesting in the program takes place on a linear basis over a five-year period.

The Annual General Meeting in May 2022 resolved to implement a long-term incentive plan designed as a share savings plan for certain current and future key individuals in the group who do not participate in the company's current shareholder plan (which was implemented before the company was listed on Nasdaq First North Premier Growth Market). The share savings plan requires participants to acquire shares in the company using their own funds on the marketplace where the company's shares are listed from time to time. The investment in shares that can be acquired in this manner as 'savings shares' is limited to a minimum of SEK 20,000 with a maximum investment that is determined by the category of which the participant is a member. Each savings share entitles the participant to obtain 0.5 shares and an additional 1–3 shares free of charge (up to 6 for any future key individual) at the end of a three-year vesting period, depending on the category of which the participant is a member, as well as on certain other restrictions and possible conversions in accordance with the full conditions of the warrants. A total of 27 people participated in the plan as at 31 December 2023. The right to obtain matching shares and performance shares is conditional on the participant retaining the savings shares throughout the vesting period and the participant's employment not having been terminated at the end of the vesting period. The right to obtain performance shares is conditional on the fulfillment of the defined performance conditions related to the share price performance during the vesting period.

The estimated fair value on the allocation date for warrants allotted in 2022 was SEK 71 per warrant. The fair value on the allocation date is calculated using an adapted version of the Black-Scholes-Merton valuation model. This includes a Monte Carlo simulation model that takes into account the exercise price, term, share price on the allocation date and expected share price volatility, risk-free interest rate for the warrant term and the correlation and volatility of a group of comparative companies. The interest rate used for the calculation was 1.8 percent.

In total, a maximum of 61,216 matching shares and 414,741 performance shares may be allocated to participants in the share savings plan.

At the start of the plan, 166,211 shares were subscribed for and 14,874 shares were added during the period, of which 161,899 shares were outstanding at the end of the period.

The Annual General Meeting in May 2023 resolved to introduce a long-term incentive plan designed as a share savings plan for certain current and future key individuals with the same conditions as the 2022 plan. As at 31 December 2023, 35 people are participating in the plan. The interest rate used to calculate the value was 3.08 percent.

In total, a maximum of 73,743 matching shares and 442,467 performance shares may be allocated to participants in the share savings plan.

At the start of the plan, 222,762 shares were subscribed for and 17,822 shares were added during the period, of which 204,940 shares were outstanding at the end of the period.

Pensions

The Group only has defined contribution pension plans. Pension expense refers to the expense that affects profit for the year.

The maximum pension premium is 35 percent of pensionable salary. Pensionable salary refers to the basic salary. The retirement age for other senior executives is 65. The pension premium for other senior executives is individually agreed and generally amounts to a maximum of 26 percent of pensionable salary.

Severance pay

A notice period of 3–6 months applies to senior executives. There are no agreements on severance pay for senior executives.



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Note 08 Financial income

SEK m	Group	
	2023	2022
Interest income	91	16
Interest income from Group companies	-	-
Exchange gains	296	203
Total financial income	387	220

SEK m	Parent company	
	2023	2022
Interest income	80	14
Interest income from Group companies	16	1
Exchange gains	97	15
Dividend	783	483
Impairment, subsidiaries	-158	-292
Total financial income	819	221

Note 09 Financial expenses

SEK m	Group	
	2023	2022
External interest expenses	-12	-9
Exchange losses	-277	-149
Total financial expenses	-289	-158

SEK m	Parent company	
	2023	2022
External interest expenses	-10	-8
Interest expenses to Group companies	-72	-
Exchange losses	-93	-27
Total financial expenses	-175	-35

Note 10 Appropriations

SEK m	Parent company	
	2023	2022
Group contribution received/paid	467	257
Allocation to tax allocation reserve	-44	-67
Reversal from tax allocation reserve	11	9
Total appropriations	434	198



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Note 11 Tax

SEK m	Group	
	2023	2022
Tax expense recognized		
Current tax		
Tax expense for the year	-140	-78
Deferred tax	22	-21
Total tax expense recognized	-118	-99
Tax related to other comprehensive income	-16	19
Tax included in other comprehensive income for the year	-134	-80
SEK m	Parent company	
	2023	2022
Tax expense recognized		
Current tax		
Tax expense for the year	-28	-42
Deferred tax	0	0
Total tax expense recognized	-28	-42
Tax related to other comprehensive income	-	-
Tax included in other comprehensive income for the year	-	-

Income tax in Sweden is calculated at 20.6 percent on taxable profit for the year. A reconciliation between the profit recognized and the tax expense for the year is presented below.

Deferred tax is calculated using the tax rates that are expected to apply for the period in which the asset is recovered or the liability is settled, based on the tax rates (and tax laws) that have been enacted or advised at the balance sheet date. Effective tax is mainly affected by non-taxable income and expenses attributable to project rights that are sold packaged in companies.

SEK m	Group	
	2023	2022
Profit for the year before tax	1,126	1,184
Tax calculated at the current rate	-232	-244
Tax effect of non-deductible expenses	-58	-24
Tax effect of non-taxable income	176	173
Tax effect related to tax on foreign operations	3	-2
Effect of deferred tax on profit	-1	-1
Losses without corresponding capitalization of deferred taxes	-6	0
Adjustments from previous years	-0	-0
Other	-	0
Total	-118	-99

SEK m	Parent company	
	2023	2022
Profit for the year before tax	750	387
Tax calculated at the current rate	-155	-80
Tax effect of non-deductible expenses	-34	-61
Tax effect of non-taxable income	161	99
Effect of deferred tax on profit	0	0
Other	-1	1
Total	-28	-42

SEK m	Group	
	31/12/2023	31/12/2022
Deferred tax assets/liabilities		
Tax allocation reserve	-105	-73
Temporary differences in connection with intra-Group transactions	37	2
Temporary differences in connection with right-of-use assets	-4	-4
Temporary differences in connection to lease liabilities	5	5
Financial instruments	7	23
Other temporary differences	12	3
Total	-49	-44



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Note 12 Goodwill

SEK m	Group	
	31/12/2023	31/12/2022
Opening balance	-	-
Acquisition	133	-
Disposals for the year	-	-
Translation difference for the year	2	-
Closing balance accumulated cost	135	-

SEK m	31/12/2023	31/12/2022
Opening balance	-	-
Impairment for the year	-	-
Disposals for the year	-	-
Translation difference for the year	-	-
Closing balance accumulated impairment	-	-
Closing residual value according to plan	135	-

Every year, the Group determines whether there is any need for impairment of goodwill. In 2023, the recoverable amounts for the cash-generating units to which the goodwill is attributable were determined by calculation of the value in use, which required certain assumptions to be made. The calculations are based on cash flow projections for the next five years. No eternal growth has been included in the valuation. WACC used in the valuation amounted to 13.55% and a reasonable change of assumptions is not assessed to generate a need of impairment.



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Note 13 Other intangible assets

SEK m	Group	
	31/12/2023	31/12/2022
Opening balance	5	7
Purchasing	13	-
Disposals for the year	-1	-1
Reclassification	-	-
Closing balance accumulated cost	17	5

SEK m	31/12/2023	31/12/2022
Opening balance	-3	-3
Amortization for the year according to plan	-8	-1
Disposals for the year	1	1
Translation difference for the year	-	-
Closing balance accumulated amortization	-10	-3
Closing residual value according to plan	7	3

SEK m	Parent company	
	31/12/2023	31/12/2022
Opening balance	5	7
Purchasing	-	-
Disposals for the year	-	-1
Reclassification	-	-
Closing balance accumulated cost	5	5

SEK m	31/12/2023	31/12/2022
Opening balance	-3	-3
Amortization for the year according to plan	-1	-1
Disposals for the year	-	1
Translation difference for the year	-	-
Closing balance accumulated amortization	-4	-3
Closing residual value according to plan	2	3

Note 14 Property, plant and equipment

SEK m	Group	
	31/12/2023	31/12/2022
Opening balance	7	6
Purchasing	4	2
Disposals for the year	-	-1
Closing balance accumulated cost	10	7

Opening balance	-3	-2
Depreciation for the year according to plan	-2	-1
Disposals for the year	-	-
Translation difference for the year	-1	0
Closing balance accumulated depreciation	-6	-3
Closing residual value according to plan	4	3

SEK m	Parent company	
	31/12/2023	31/12/2022
Opening balance	6	5
Purchasing	0	1
Disposals for the year	-0	-1
Closing balance accumulated cost	6	6

Opening balance	-3	-2
Depreciation for the year according to plan	-1	-1
Disposals for the year	0	-
Translation difference for the year	0	0
Closing balance accumulated depreciation	-4	-3
Closing residual value according to plan	2	3



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Note 15 Leases

The following lease-related amounts are recognized on the balance sheet. The Group's leases consist mainly of office leases. Renewal options are included in assets and liabilities when it is considered probable that they will be exercised.

SEK m	Group	
	31/12/2023	31/12/2022
Assets with right of use		
Properties	38	42
Equipment	4	0
Vehicles	3	2
Total	45	45

SEK m	Group	
	2023	2022
Lease liabilities		
Current	24	18
Non-current	20	27
Total	44	45

Additional rights of use during the year amounted to SEK 16 million (21).
The following amounts related to leases are recognized in the income statement.

SEK m	Group	
	2023	2022
Amortization of right of use		
Properties	-21	-11
Equipment	-1	-0
Vehicles	-1	-1
Total	-23	-12
Interest expenses (included in financial expenses)	-1	-1
Expenses attributable to short-term leases	-	-
Expenses attributable to low value leases	-	-
Expenses attributable to variable lease payments not included in the lease liability	-	-

The total cash flow in connection with leases in 2023 was SEK 24 million (15).

SEK m	Group	
	2023	2022
Vehicles	1	1
Equipment	1	0
Property	22	14
Total	24	15

Leases recognized in parent company

The parent company recognizes all leases as operating leases. The parent company's operating leases relate to office equipment, rent for office premises and cars. The expense for operating leases for the year was SEK 19 million (13) for the parent company.

SEK m	Parent company	
	31/12/2023	31/12/2022
Year 1	18	15
Between 2 and 5 years	20	24
Later than 5 years	0	0
Total	38	39



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Note 16 Acquisitions

On 8 May 2023, OX2 acquired 100 percent of the ESCO Pacific group in Australia, a leading developer in renewable energy, for SEK 863 million. The acquisition price includes a contingent consideration of SEK 26 million, which is expected to be paid on 1 July 2024. The purchase price has been fully settled in cash. The agreement includes contingent considerations of SEK 117 million that are not included in the acquisition analysis, since they are based on performance criteria considered not likely to be satisfied. None of the contingent considerations are linked to continued employment of key personnel. If ESCO Pacific had been part of the OX2 Group from 1 January, earnings for the year would have been negatively affected by SEK 11 million. The preliminary acquisition analysis for ESCO Pacific is presented below. Goodwill from the acquisition is deemed to be attributable to ESCO Pacific's future ability to develop new projects that were not part of the project portfolio at the time of acquisition. Transaction costs amounted to SEK 22 million.

ESCO Pacific is a leading and profitable developer of renewable solar and energy storage projects in Australia, with an experienced team of 21 people. The project development portfolio consists of a total of 1,420 MW, including 1,220 MW in solar power and 200 MW in energy storage. The split between early/mid/late phase in the portfolio is 317 MW / 395 MW / 708 MW. The company also has several ongoing projects that are expected to be included in the project development portfolio going forward.

ESCO Pacific has had a strong track record with rapid growth and has developed and brought more than 800 MW to construction since its inception in 2015.

The Australian renewable energy market has significant growth potential. In 2022, total electricity production amounted to 265 TWh, of which the share of fossil energy sources was around 70 percent. The Australian government has decided that the net zero target will be achieved by 2050 and is planning significant infrastructure investments to enable the build-up of renewable capacity.

OX2 has identified great potential for value creation in ESCO Pacific by expanding the product range from the sale of project rights to the sale of turnkey projects at the start of construction. OX2 plans to scale up the business through project acquisitions in solar and energy storage and aims to expand the business to onshore wind power, while also evaluating offshore wind power and hydrogen projects. The acquisition is expected to make a positive contribution to OX2's earnings from 2024. ESCO Pacific was previously owned by Shell (49 percent), founder Steve Rademaker and private investors. Under the agreement with OX2, Steve Rademaker will stay with the company for two years, first as CEO and then as an advisor to management. OX2 and Shell will maintain a dialogue on future cooperation, including power purchase agreements (PPAs).

SEK m	2023
Acquisition analysis, ESCO Pacific	
Customer contracts	12
Deferred tax asset	8
Other financial assets	80
Project assets	633
Other assets	10
Cash	7
Other non-current liabilities	-1
Other current liabilities	-7
Deferred tax liability	-13
Net assets	730
Goodwill	133
Purchase price	
Of which, paid on acquisition	837
Of which, contingent consideration	26



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Note 17 Participations in joint ventures

The Group's share in joint ventures (JVs) is shown in the following. 49 percent of the ten group companies were sold in 2022 and 2023 to Ingka Invest. Joint control in the companies is governed by agreements in which the companies have been classified as joint ventures. As this included sales of current assets packaged in companies, the remaining participations in the JVs have not been revalued.

Name of company	Country of registration and activity	Participating interest, %, 2023	Nature	Valuation method	Profit	Equity	Carrying amount, 2023	Carrying amount, 2022
Galatea-Galene Vindpark AB	Sweden	51	Joint venture	Equity method	-36	33	4	9
Tritonia Vindpark AB	Sweden	51	Joint venture	Equity method	-33	33	1	3
Aur Energipark AB	Sweden	51	Joint venture	Equity method	-46	22	19	4
Pleione Energipark AB	Sweden	51	Joint venture	Equity method	-2	1	1	
Neptunus Energipark AB	Sweden	51	Joint venture	Equity method	-4	0	-1	
Bylgia Vindpark AB	Sweden	51	Joint venture	Equity method	0	1	-1	
Ran Vindpark AB	Sweden	51	Joint venture	Equity method	-1	0	1	
Halla Offshore Wind Oy	Finland	51	Joint venture	Equity method	-33	64	5	
Laine Offshore Wind Oy	Finland	51	Joint venture	Equity method	-36	62	5	
Tyrsky Wind Oy	Finland	51	Joint venture	Equity method	-34	14	4	
Riverland Solar Energy Pty Ltd	Australia	50	Joint venture	Equity method	0	0	79	
Minor joint ventures	Sweden	50	Joint venture	Equity method	0	0	0	1
Total					-226	230	118	17



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Note 18 Participations in Group companies

SEK m Assets with right of use	Parent company	
	31/12/2023	31/12/2022
Opening balance	940	801
Purchasing	0	1
Shareholder contributions	2,116	431
Impairment	-158	-292
Disposals	0	0
Closing balance	2,899	940

Impairment of shares in group companies has been made in connected with dividends from group companies. Specification of the parent company's direct holdings of participations in subsidiaries:

Company name	Corporate identity no.	Registered office	Number of participations	Proportion of equity, %	Book value (SEK m) 2023	Book value (SEK m) 2022	Equity incl. profit for the year	Profit 2023
OX2 Construction AB	556807-5252	Stockholm	1,000	100%	1	0	675	293
OX2 Holding Offshore AB	559361-6773	Stockholm	250	100%	0	0	0	0
OX2 Wind Finland AB	556928-0109	Stockholm	1,000	100%	243	45	242	-1
OX2 Holding Poland AB	556967-5746	Stockholm	1,000	100%	559	302	562	0
OX2 Sp. z o.o.	773067	Warsaw	100	100%	0	0	10	5
OX2 Technical and Commercial Management AB	556749-1534	Stockholm	1,000	100%	0	0	34	17
OX2 Holding Finland 1 AB	559202-8426	Stockholm	500	100%	142	33	141	-0
OX2 Holding Sweden 1 AB	559202-8392	Stockholm	500	100%	1	44	1	-0
OX2 Holding Sweden 2 AB	559242-5721	Stockholm	500	100%	31	114	414	383
OX2 Holding Sweden 3 AB	559347-9388	Stockholm	250	100%	82	2	104	0
OX2 Holding Sweden 4 AB	559361-6971	Stockholm	250	100%	0	0	183	183
OX2 Holding Offshore Finland AB	559331-6069	Stockholm	250	100%	0	0	179	179
OX2 Holding Sweden 7 AB	559375-8054	Stockholm	250	100%	4	0	14	10
OX2 Holding New Markets AB	559221-1485	Stockholm	500	100%	892	374	891	-1
OX2 Holding France AB	559271-1765	Stockholm	500	100%	35	15	35	0
OX2 Iberia Sociedad Limitada	B42939777	Madrid	3,000	100%	12	11	16	3
OX2 Holding Overseas AB	559420-5121	Stockholm	250	100%	893	-	893	-
OX2 US Inc.	30-1338772	Wilmington	100	100%	0	-	-0	-0
OX2 Holding Italy 1 AB	559430-4205	Stockholm	250	100%	0	-	0	-
OX2 Estonia OU	16740354	Tallinn		100%	0	-	0	0
OX2 Åland Ab	3354451-4	Mariehamn	100	100%	4	-	4	1
OX2 Denmark Aps	44549433	Herlev	400	100%	0	-	0	-
OX2 Greece IKE	163434401000	Athens	50,000	100%	1	1	1	1
Total					2,899	940		



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Note 19 Project development portfolio and work in progress

SEK m	Group	
	31/12/2023	31/12/2022
Project development portfolio		
Sweden	25	10
Poland	736	408
Finland	525	262
Italy	105	108
Romania	69	25
Estonia	27	15
France	45	37
Greece	82	70
Spain	137	454
Australia	627	-
USA	6	-
Closing carrying amount	2,383	1,388

SEK m	Parent company	
	31/12/2023	31/12/2022
Project development portfolio		
Sweden	12	3
Poland	174	161
Finland	76	22
Italy	68	43
Romania	17	3
Estonia	27	15
France	29	22
Greece	49	40
Spain	3	1
Closing carrying amount	455	310

SEK m	Group	
	31/12/2023	31/12/2022
Work in progress		
Sweden	188	-
Italy	281	-
Closing carrying amount	469	-

SEK m	Parent company	
	31/12/2023	31/12/2022
Work in progress		
Sweden	-	-
Poland	-	-
Finland	-	-
Closing carrying amount	-	-

The project portfolio consists of acquired projects under development and realization. Work in progress consists of projects in the construction phase. Work in progress is recognized net of invoiced amounts. During the year, impairment of project development portfolio assets of SEK 45 million have been made.

Note 20 Accounts receivable – trade

SEK m	Group	
	31/12/2023	31/12/2022
Gross accounts receivable – trade	514	655
Provision for expected credit losses	-	-
Total accounts receivable – trade, net after the provision for expected credit losses	514	655

SEK m	Parent company	
	31/12/2023	31/12/2022
Gross accounts receivable – trade	32	17
Provision for expected credit losses	-	-
Total accounts receivable, net after provision for expected credit losses	32	17

Management considers that the carrying amount for accounts receivable, net of provision for expected credit losses, accords with fair value. See accounting policies: Accounts receivable – trade.

SEK m	Group			
	31/12/2023		31/12/2022	
Maturity analysis, accounts receivable – trade	Gross	Provision for expected credit losses	Gross	Provision for expected credit losses
Not due	492	-	652	-
Past due 30 days	3	-	3	-
Past due 31–60 days	-	-	-	-
Past due 61–90 days	-	-	-	-
Past due > 90 days	18	-	-	-
Total	514	-	655	-



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SEK m Maturity analysis, accounts receivable – trade	Parent company			
	31/12/2023		31/12/2022	
	Gross	Provision for expected credit losses	Gross	Provision for expected credit losses
Not due	24	-	-	-
Past due 30 days	3	-	17	-
Past due 31–60 days	-	-	-	-
Past due 61–90 days	-	-	-	-
Past due > 90 days	5	-	-	-
Total	32	-	17	-

Note 21 Prepaid expenses and accrued income

SEK m	Group	
	31/12/2023	31/12/2022
Other prepaid expenses	19	5
Prepaid project expenses	5	3
Prepaid construction expenses	425	353
Accrued project income	557	183
Other accrued income	1	4
Total	1,008	549

SEK m	Parent company	
	31/12/2023	31/12/2022
Other prepaid expenses	10	8
Accrued project income	59	2
Other accrued income	-	4
Total	69	14

Note 22 Changes in share capital

Share capital	Group	
	31/12/2023	31/12/2022
Opening no. of shares	272,517,586	272,517,586
Change for the year	-	-
Closing no. of shares	272,517,586	272,517,586
Share capital, SEK	545,035	545,035
Quota value per share	0.0020	0.0020

Equity, SEK m	Group	
	31/12/2023	31/12/2022
Share capital	1	1
Total equity	4,549	3,414
Equity attributable to parent company's shareholders	4,545	3,421
Equity per share, SEK	17	13

Earnings per share	Group	
	31/12/2023	31/12/2022
Profit for the year attributable to shareholders of the parent company, SEK m	1,033	1,092
Average number of shares, basic	272,517,586	272,517,586
Average number of shares, diluted	272,640,065	272,600,913
Earnings per share before and after dilution, SEK	3.79	4.01*

*Adjusted for income from non-controlling interests.

Note 23 Translation reserve and hedging reserve

Translation reserve

The translation reserve comprises exchange differences arising from the translation of the financial statements of the subsidiaries and branches that have prepared their financial statements in a currency other than that of the parent company.

Hedging reserve

The hedging reserve comprises the effective portion of the accumulated net change in the fair value of a cash flow instrument attributable to hedging transactions that have not yet occurred.



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Note 24 Untaxed reserves

SEK m	Parent company	
	31/12/2023	31/12/2022
Tax allocation reserve tax 18	-	11
Tax allocation reserve tax 19	34	34
Tax allocation reserve tax 21	40	40
Tax allocation reserve tax 23	67	67
Tax allocation reserve tax 24	44	-
Total	185	152

Note 25 Derivative instruments

Currency derivatives – cash flow hedging SEK m	Reference in the balance sheet	2023		2022	
		Nominal amount	Book value	Nominal amount	Book value
Value of currency hedges	Derivative asset	1,065	43	945	14
Value of currency hedges	Derivative liability	2,613	-72	2,205	-107
Total		3,678	-28	3,150	-93

Cash flow hedges 2023

Currency pair	Nominal amount in currency	Year of maturity	Average rate	Closing day rate
EUR/SEK – sell	-	2023	-	11.10
EUR/SEK – sell	EUR 99 m	2024	10.83	11.10
EUR/SEK – sell	EUR 24 m	2025	11.64	11.10
EUR/SEK – sell	EUR 21 m	2026	11.68	11.10
EUR/SEK – buy	EUR 146 m	2024	11.30	11.10
PLN/EUR – buy	PLN 0 m	2023	-	4.34
PLN/EUR – buy	PLN 95 m	2024	4.47	4.34
USD /SEK – buy	USD 18 m	2024	10.05	10.09

Cash flow hedges 2022

Currency pair	Nominal amount in currency	Year of maturity	Average rate	Closing day rate
EUR/SEK – sell	-	2022	-	11.13
EUR/SEK – sell	EUR 114 m	2023	10.59	11.13
EUR/SEK – sell	EUR 78 m	2024	10.63	11.13
EUR/SEK – buy	EUR 59 m	2023	11.01	11.13
PLN/EUR – buy	-	2022	-	4.69
PLN/EUR – buy	PLN 137 m	2023	4.88	4.69
PLN/EUR – buy	PLN 4 m	2024	5.16	4.69
PLN – sell	-	-	-	-

Other derivative instruments – 2023

Currency pair	Nominal amount in currency	Year of maturity	Average rate	Closing day rate
EUR/SEK – sell	EUR 34 m	2024	11.41	11.10

Other derivative instruments – 2022

Currency pair	Nominal amount in currency	Year of maturity	Average rate	Closing day rate
EUR/SEK – sell	-	-	-	11.13

OX2 uses currency derivatives as hedging instruments against fluctuations in exchange rates. The derivative instruments classified as cash flow hedges lead to an unrealized change in value for the projects. OX2 applies hedge accounting to financial instruments in accordance with IFRS 9. This means, among other things, that changes in the value of various derivatives acquired for cash flow hedging purposes are recognized in other comprehensive income.

The nominal amount of outstanding foreign exchange forward contracts at 31 December 2023 was SEK 3,678 million (3,150). The currency derivatives mature up to and including December 2026. The net market value of unrealized foreign exchange forward contracts at 31 December 2023 was SEK -28 million (-93). Hedging of the transaction exposure had an effect of SEK -53 million (-26) on operating income for the period. In 2023, SEK 0 million (0) was recognized as ineffectiveness in the income statement with regard to the cash flow hedges. Outstanding derivatives with hedge accounting are recognized in the table above under Cash flow hedges.



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Note 26 Advance payments from customers

SEK m	Group	
	31/12/2023	31/12/2022
Advance payments for projects in Sweden	28	463
Advance payments for projects in Poland	121	340
Advance payments for projects in Finland	1,736	522
Total	1,885	1,325

Note 27 Liabilities to Group companies

SEK m	Parent company	
	31/12/2023	31/12/2022
Cash pool	3,185	1,849
Other items	771	838
Total	3,956	2,687

Note 28 Other current liabilities

SEK m	Group	
	31/12/2023	31/12/2022
VAT	115	159
Liability in connection with project sale	189	189
Tax at source	15	8
Current interest-bearing liabilities	54	228
Other items	8	2
Total	381	586

SEK m	Parent company	
	31/12/2023	31/12/2022
VAT	-	4
Tax at source	8	5
Other items	2	2
Total	10	12

Note 29 Accrued expenses and deferred income

SEK m	Group	
	31/12/2023	31/12/2022
Accrued employee benefit expenses, incl. social security contributions	159	109
Accrued project expenses	143	65
Accrued consultancy expenses	5	9
Accrued construction expenses	206	409
Prepaid income	24	79
Other items	5	1
Total	542	673

SEK m	Parent company	
	31/12/2023	31/12/2022
Accrued employee benefit expenses, incl. social security contributions	104	81
Accrued project expenses	42	60
Accrued consultancy expenses	2	6
Accrued construction expenses	-	-
Prepaid income	-	-
Other items	2	0
Total	150	147

Note 30 Pledged assets and contingent liabilities

In the OX2 Group, these consist mainly of performance guarantees and payment guarantees.

Performance bonds are issued for the construction of wind farms, which are included at their nominal value under the contract until the handover of the wind farms has taken place. The performance guarantees are generally replaced by warranty guarantees when the wind farm is handed over to its owner.

In addition to performance guarantees, OX2 and its Group companies have provided payment guarantees in favor of counterparties to construction contracts for construction projects in progress. Payment guarantees are amortized as payments are made under the underlying contract. The payment obligations are within the control of the Group and it has been assessed that the Group can meet its obligations under the contracts, and they are therefore not recognized as contingent liabilities.

Contingent liabilities amounted to SEK 6.9 billion (4.0) at 31 December 2023.

The parent company's contingent liabilities amounted to SEK 6.9 billion (4.0) at 31 December 2023. The Group has pledged bank funds as collateral in a business arrangement, where a pledge of SEK 0.1 (0.0) has been recognized. Comparative figures for 2023 have been updated according to the same principle.



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SEK m	Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Shares in subsidiaries	-	-	-	-
Bank deposits	61	-	61	-
Total	61	-	61	-

Blocked bank deposits are also recognized in cash and cash equivalents in the balance sheet.

SEK m	Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Performance guarantees	6,905	4,008	6,875	3,951
Total	6,905	4,008	6,875	3,951

Note 31 Related parties

The parent company's directly owned subsidiaries are specified in Note 18 Participations in subsidiaries. Disclosures regarding remuneration of the Board of Directors and senior executives are presented in Note 7 Number of employees, salaries, benefits and social security expenses.

No Board member or senior executive had any business transaction with the Group that was unusual in nature. The Group did not issue any securities or other guarantees or sureties for any Board representative or any senior executive. In 2022, two members of the Board of Directors subscribed to a warrant program issued by Peas Industries AB. The program runs for three years and is designed such that the investment has been made at market value and the program does not result in any expense as defined in IFRS 2.

On 28 October 2016, 28 December 2016 and 15 December 2017, Peas Industries AB entered into three contracts under which Peas undertakes to provide accounting services to certain investors in four of the company's former projects. The services under the contracts are provided by the company, which in turn invoices Peas for the services provided. Unless terminated prematurely, in accordance with certain specific conditions, the contracts are valid for seven years from the date of handover of the projects. The contracts are therefore expected to expire on or about 27 December 2025 and 27 April 2027.

Following the divestment of 49 percent of Halla Offshore Wind Oy, Laine Offshore Wind Oy and Tyrsky Wind Oy, development services totaling SEK 53 million have been invoiced to the companies. Consultant services amounting to a total of SEK 51 million have been invoiced during the year to joint venture companies.

Note 32 Cash flow statement

SEK m	Group	
	31/12/2023	31/12/2022
Adjustments for non-cash items		
Depreciation/amortization/impairment	34	14
Share of profit/loss from joint ventures	115	44
Other non-cash items	59	4
Total	209	62

SEK m	Parent company	
	31/12/2023	31/12/2022
Adjustments for non-cash items		
Depreciation/amortization/impairment	2	2
Anticipated dividend	-	-
Impairment of subsidiaries	158	292
Appropriations	-434	-198
Other non-cash items	3	3
Total	-271	99

Acquisitions of shares in other companies consist of contributions to joint ventures. During the year, lease liabilities of SEK 24 million (15) were amortized. For more information, see Note 15 Leases.

Interest paid and received

Group

During the year, interest paid totaled SEK 12 million (12) and interest received SEK 90 million (12).

Parent company

During the year, interest paid totaled SEK 10 million (11) and interest received SEK 81 million (10).

Note 33 Post balance sheet events

- On 16 January, OX2 announced that it had submitted, together with Ingka Investments, an application to the government under the Act on Sweden's Exclusive Economic Zone for the Neptunus offshore wind farm outside Blekinge in the south of Sweden.
- In March, Mikael Landberg took on the position as Chief People Officer (CPO) and member of OX2's Leadership Team, and will be responsible for developing and implementing a human resources strategy that aligns with OX2's business strategy and targets.
- The sharp deterioration of the geopolitical situation as a result of Russia's invasion of Ukraine may as far as OX2 is concerned bring increased risks of delays in project construction, with consequent difficulties in delivering in accordance with contracts (for example *force majeure*, Ukrainian labor).



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Note 34 Proposal for appropriation of profit

Proposal for appropriation of profit (SEK)
The following profit is at the disposal of the Annual General Meeting:

Unrestricted equity	2,289,708,341
Profit for the year	722,008,699
Total	3,011,717,040
<hr/>	
The Board of Directors proposes that this amount be carried forward	3,011,717,040
Total	3,011,717,040

Note 35 Approval of the financial report

The Annual Report was adopted by the Board of Directors and approved for publication on 9 April 2024.



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Certification

The Board of Directors hereby certifies that the Annual Report has been prepared in accordance with the Annual Accounts Act and RFR 1.3 and 2.3 and provides a true and fair view of the company's position and earnings and that the Directors' Report provides a true and fair view of the development of the Group's operations, position and earnings and describes the principal risks and uncertainties that the company faces. The Board of Directors hereby certifies that the Consolidated Financial Statements have been prepared in accordance with International Financial Standards (IFRS) and provide a true and fair view of the Group's position and earnings and that the Directors' Report for the Group

provides a true and fair view of the development of the Group's operations, position and earnings and describes the principal risks and uncertainties that the company faces.

The Annual Report and Consolidated Financial Statements were approved for execution by the Board of Directors on 9 April 2024, as stated above. The consolidated income statement and balance sheet will be subject to approval at the Annual General Meeting on 14 May 2024.

Stockholm, 9 April 2024

Johan Ihrfelt
Chair of the Board of
Directors

Thomas von Otter
Board member

Anna-Karin Eliasson Celsing
Board member

Niklas Midby
Board member

Malin Persson
Board member

Ann Grevelius
Board member

Paul Stormoen
CEO

Our auditors' report was issued on 9 April 2024
Deloitte AB

Kent Åkerlund
Authorised Public Accountant



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Auditor's Report

To the general meeting of the shareholders of Ox2 AB (publ)
corporate identity number 556675-7497

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Ox2 AB (publ) for the financial year 2023-01-01 - 2023-12-31. The annual accounts and consolidated accounts of the company are included on pages 102-141 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our

knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key Audit Matter

Revenue from contracts with customers - sales of land-based wind and solar farms and offshore wind farms

The OX2 Group develops and sells land-based wind- and solar farms, energy storage, project rights and offshore wind farms. Revenue from contracts with customers is recognized either over time or at a point in time. Each separate transaction is individually designed and the contracts contain specific contractual terms which, among other things, regulate the timing of revenue recognition, payment model and stipulate the respective parties' commitments and requirements within the term of the contract. Business arrangements and associated contract terms are a complex area where interpretations and assessments can have a significant impact on the reporting of revenue from agreements with customers.

Our audit procedures included, but were not limited to;

- Evaluation of process and internal controls.
- Sample testing of recognized revenue from contracts with customers by reconciling against sales agreements.
- Sample testing of contract terms and the company's assessment of whether revenue from contracts with customers shall be reported over time or at a point in time.
- Evaluation that appropriate information in accordance with IFRS is presented in the annual report.



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Valuation of project development portfolio

The OX2 Group has a project development portfolio which is reported in the balance sheet on the line item "Project development portfolio". The project development portfolio consists of acquired projects under development and realization, and is valued at the lowest of cost and net present value.

The reported value of the project development portfolio as of December 31, 2023 amounted to SEK 2 383 million.

The balance sheet item is substantial in size and the project development portfolio contains several projects. Valuation of the project development portfolio includes estimates and assessments in regards to the project's realization potential in the short and long term.

Our audit procedures included, but were not limited to;

- Evaluation of process and internal controls.
- Review of acquisition analysis for acquired projects.
- Sample testing of agreements for projects in the project development portfolio.
- Evaluation of the company's assessment regarding the realization potential of projects in the short and long term.
- Evaluation that appropriate information in accordance with IFRS is presented in the annual report.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-40, 146-152 and remuneration report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual report and consolidated accounts can be found on the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Ox2 AB (publ) for the financial year 2023-01-01 - 2023-12-31 and the proposed appropriations of the company's profit or loss.



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We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the annual report and consolidated accounts can be found on the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Ox2 AB (publ) for the financial year 2023-01-01 - 2023-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Ox2 AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Responsibilities of The Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed. RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an

evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Deloitte AB, was appointed auditor of Ox2 AB by the general meeting of the shareholders on the 2023-05-16 and has been the company's auditor since 2009-02-11.

Stockholm, 2024-04-09

Deloitte AB

Kent Åkerlund

Authorised public accountant



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Key performance indicators

Alternative performance measures refer to financial measures of historical or future earnings performance, financial position, financial result or cash flows that are not defined or specified in the applicable rules for financial reporting (for OX2's consolidated accounts this is IFRS).

In the financial statements issued by OX2, alternative performance measures are specified that supplement the measures defined or specified in the applicable

financial reporting rules such as income, profit or loss or earnings per share.

Alternative performance measures are published as they complement, in context, the measures defined in IFRS. The basis for the alternative performance measures provided is that they are used by management to assess financial performance and are therefore considered to provide valuable information for analysts and other stakeholders.

Return on equity

SEK m	2023	2022
Equity at beginning of period	3,414	2,355
Equity at end of period	4,549	3,414
Average equity	3,981	2,885
Profit for the period	1,008	1,085
Average equity	3,981	2,855
Return on equity	25,%	38,%

Return on capital employed

SEK m	2023	2022
Equity	4,549	3,414
Interest-bearing liabilities (non-current and current)	76	257
Capital employed	4,625	3,671
Average capital employed		
Capital employed, beginning of period	3,671	2,383
Capital employed, end of period	4,625	3,671
Average capital employed	4,148	3,027
Operating income	1,028	1,122
Average capital employed	4,148	3,027
Return on capital employed	25,%	37,%

Earnings per share before and after dilution

SEK m	2023	2022
Profit for the year	1,033	1,092
Average number of shares before dilution	272,517,586	272,517,586
Average number of shares after dilution	272,640,065	272,600,913
Earnings per share before dilution (SEK)	3.79	4.01*
Earnings per share after dilution (SEK)	3.79	4.01*

*Adjusted for income from non-controlling interests

Definitions

Operating margin, %	Operating income as a percentage of net sales.
Net margin, %	Profit after financial items as a percentage of net sales.
Contracts under management, MW	Technical and commercial management contracts.
Investment in project development portfolio	Payment for acquired project rights and additional project-related investments.
Project acquisitions, MW	Acquired rights to power plant projects.
Project development portfolio, MW	OX2's projects in development.
Projects under construction, MW	Projects under construction.
Projects handed over to customers, MW	Completed projects handed over to the customer.
Earnings per share	Profit divided by the average number of shares.
Projects sold, MW	Projects sold.



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Glossary

Agrivoltaics

A combination of agriculture and solar power production.

Availability

Availability means the percentage of total time during which the wind turbine has been available for generating electricity.

BESS

Battery Energy Storage System. A chargeable battery system for storing energy.

Electricity generation capacity

The total amount of electricity that it is possible to generate from a specific type of power or area.

EPC agreement

Contracts regarding EPC contracts The abbreviation stands for Engineering, Procurement and Construction.

Fossil fuel energy

Energy from fossil fuels such as coal, oil and gas.

Installed capacity

Output in accordance with the design data. Usually measured in MW.

Mitigation hierarchy

An internationally accepted method with guidelines for the considerate management of biodiversity.

Nature-positive

Nature-promoting measures beyond the mitigation hierarchy that contribute to an improvement in biodiversity.

Power-to-X

The conversion of electricity, usually generated from renewable sources, into other forms of energy carriers such as hydrogen, methanol or other e-fuels.

PPA agreement

Agreement that a major electricity consumer signs to purchase electricity from the owner of a wind power plant. The abbreviation stands for: Power Purchase Agreement.

Renewable energy

Renewable energy sources are sources of energy which constantly renew themselves and therefore will not run out in the foreseeable future, such as sun, wind, water and bioenergy. (Nuclear energy is not regarded as renewable as it is based on finite resources.)

Wind power supplier or turbine supplier

Supplier of complete wind turbines.

Units

Energy is specified in kilowatt hours.

1 MWh = 1,000 kWh

1 GWh = 1,000,000 kWh

1 TWh = 1,000,000,000 kWh

Power is specified in watts

1 MW = 1,000,000 W

1 GW = 1,000,000,000 W



The OX2 share

OX2 shares were listed on the First North Premier Growth Market on 23 June 2021 and were first traded on Nasdaq Stockholm's main list on 6 April 2022. At the end of 2023, OX2's market capitalization amounted to SEK 14,498 million divided into 272,517,586 shares.

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Share price

After a period of strong share price development in 2022, OX2's share price fell in 2023, in line with most listed companies active in the renewable energy. The share price was down by approximately 39 percent during the year and the last price paid was SEK 54.85. The highest price paid during the year was SEK 95.50 on January 4 and the lowest price was SEK 39.62 on October 23. The volume weighted average price during 2023 was SEK 63.52.

Turnover

The daily trading volume of OX2 shares increased over the year and amounted to an average of more than 1.1 million shares per day, representing an average value of SEK 75,5 million per day. In total, more than 285 million shares were traded in 2023, corresponding to a turnover rate of approximately 100 percent. A duplication from the previous year.

Ownership structure

OX2's shareholder base broadened during the year and the number of known shareholders increased by more than 12 percent from 17,029 to 19,148. The largest shareholder, Peas Industries, held 45.56 percent of the votes and capital at year end which was unchanged during the year. Pictet Asset Management (Switzerland) was the second largest shareholder with 4.53 percent of the votes and the capital

and SEB Fonder (Sweden) was the third largest shareholder with 3.74 percent. Altor, which was the second largest shareholder at the start of the year, sold all of its holdings of 10.14 percent during the first half of 2023, which contributed to the broadening of the owner base.

Foreign ownership increased during the year, from 20.2 percent to 30.9 percent.

The largest net buyers of OX2 shares during the year were Vanguard (US), Schroders (UK) och SEB Fonder (Sweden). The largest net sellers were Altor (Sweden), Didner & Gerge Fonder (Sweden)

and Livförsäkringsbolaget Skandia (Sweden). At the year-end, the ten largest shareholders held a total of 71.32 percent of the capital and votes in OX2.

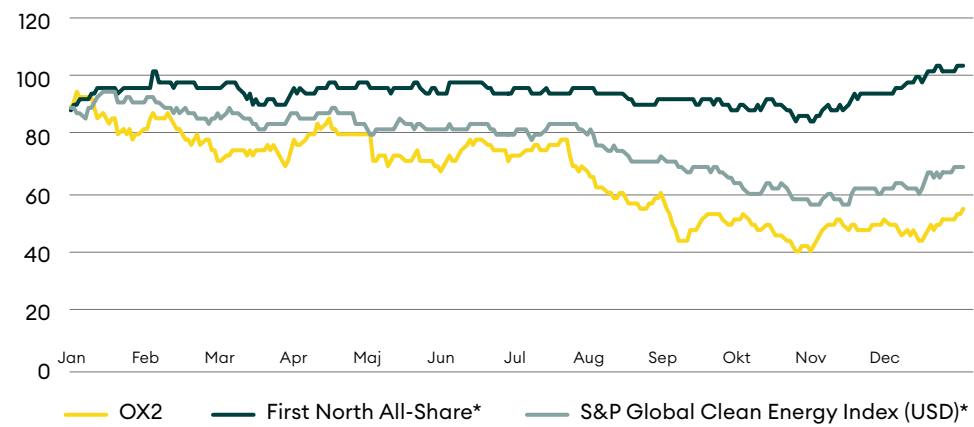
Dividend policy

OX2 sees significant opportunities to reinvest the cash flows generated in value-creating growth and therefore does not expect to propose any dividend in the short term.

Analyses of OX2

Information about the analysts who cover OX2 shares can be found at OX2.com/ investors.

Share price 2023, SEK



* Index for First North and S&P Global Clean energy are rebased to 60 for comparison with OX2.

The largest shareholders in OX2 as at 31 December 2023

Shareholder	% of votes and capital
1. Peas Industries	45,56
2. Pictet Asset Management	4,53
3. SEB Fonder	3,71
4. Handelsbanken Fonder	3,53
5. Lannebo Fonder	3,32
6. Schroders	2,99
7. DWS Investments	2,18
8. Vanguard	1,98
9. Norges Bank	1,77
10. Danica Pension	1,75
10 largest shareholders in OX2	71,32
Other shareholders in OX2	28,68
Total	100,00
Of which shareholders in Sweden	69,00
Of which shareholders abroad	31,00

Financial calendar

Interim Report	
Jan-Mar 2024	25 April 2024
Annual General Meeting	14 May 2024
Interim Report	
Jan-Jun 2024	25 July 2024
Interim Report	
Jan-Sep 2024	23 October 2024

IR contact

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In brief

Market capitalization as per 31 December 2023: SEK 14,948 million
ISIN: SE0016075337
Ticker: OX2
LEI: 549300DSDIWP6USPXU2
Listing: Nasdaq Stockholm Large Cap
Closing share price 30/12/2023: SEK 54,85
Highest/lowest share price 2023: SEK 95,50 SEK/SEK 39,62



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Annual General Meeting 2024

OX2 AB's (publ) annual general meeting 2024 will be held on Tuesday, 14 May 2024 at 10:00 (CEST) at Brygghuset (Norr tullsgatan 12N) in Stockholm. Shareholders may participate in the annual general meeting in person, by proxy or through postal voting. A notice of the annual general meeting, including an agenda, is available on www.OX2.com.

Shareholders who wish to participate in the annual general meeting must:

- be registered in the share register kept by Euroclear Sweden AB on Monday, 6 May 2023 or, if the shares are registered in the name of a nominee, request that the nominee registers the shares in the shareholder's own name for voting purposes in such time that the registration is completed on Wednesday, 8 May 2023; and
- give notice of participation not later than on Wednesday, 8 May 2023.

For further information regarding the annual general meeting 2024, please refer to www.OX2.com



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