

INTERIM REPORT

OCTOBER-DECEMBER 2023



hexicon

Hexicon is a pioneer and market leader in floating offshore wind, active in site selection, early-stage development, permitting and commercialisation in the world's most prominent markets for floating offshore wind. Its pioneering DNA enables it to identify and open new water areas for development working closely with local government, grid operators, utilities, and other key stakeholders. Combining an attractive project portfolio with a patented technology, Hexicon provides an attractive growth opportunity in a fast-evolving and maturing market.

OCTOBER – DECEMBER 2023

- Net revenue: SEK 0.7 (1.8) million
- Operating profit/loss: SEK -32.4 (-41.5) million
- Profit/loss before tax for the period: SEK -41.4 (-46.7) million
- Earnings per share basic and diluted: SEK -0.11 (-0.13)
- Cash flow from operating activities: SEK -54.7 (-17.2) million

JANUARY – DECEMBER 2023

- Net revenue: SEK 5.7 (11.6) million
- Operating profit/loss: SEK -180.3 (-161.1) million
- Profit/loss before tax for the period: SEK -187.9 (-170.8) million
- Earnings per share basic and diluted: SEK -0.51 (-0.46)
- Cash flow from operating activities: SEK -158.9 (-95.1) million

HIGHLIGHTS

- Continued development of key projects for long-term value growth
- Permit application submitted for Swedish project
- Intensified dialogues on project portfolio divestments

A STRONG ENDING TO 2023 READY AND FIT FOR 2024



As we now put 2023 behind us, I summarise it as a year with temporary challenges for an industry that for a long period has developed in a positive direction. For Hexicon the past year and the last quarter have meant a time to mature our projects and nurture our assets to create good conditions for long-term value growth in our diversified portfolio.

Focus on adding value to our projects

When I reflect on the past year, I feel proud of the great commitment that our employees have shown and what we have achieved together. During the fourth quarter, we continued to take steps to increase maturity and expand our global project portfolio, including adding key personnel across our business. For example, our JV in Sweden, Freja Offshore, reached an important milestone during the quarter with the submission of the permit application for the Dyning wind farm. This was the third permit application that Freja Offshore made to the Swedish Ministry of Climate and Enterprise in 2023. After the quarter, the Swedish government has given the concerned counties, for Dyning and Cirrus, the task of reviewing the conditions for the offshore wind farms – a progress that we of course welcome.

We have also continued to develop and refine our TwinWind™ technology, which we plan to test in connection with the development of the TwinHub project in England. Here we have deepened the collaboration with our selected WTG supplier, which we see as a central part of the technology development, as well as continuing our work with evaluating partners for the manufacturing of our floaters.

Industry initiatives give tailwind

Despite a challenging year for the industry, we have, in the last quarter, seen new major industry initiatives that will give a tailwind to the offshore wind business. For example, the UN climate

conference (COP28) in Dubai, held in December, resulted in long-term commitments to renewable energy. But another initiative that may provide an even larger push to the industry is the European Commission's launch of the European Wind Action Plan. The plan includes measures to tackle the industry's challenges, as well as initiatives to speed up permitting processes and to improve renewable energy legislation – both crucial for reaching the 2030 climate goals. In addition, the initiative opens EU funding through the Innovation Fund and the European Investment Bank, easing the burden of securing investment for offshore wind projects. Lastly, it is also worth mentioning the UK government's announcement of a major policy shift by increasing the CfD (Contract for Difference) administrative price for auction round 6. A shift that will attract more players to participate in this year's auction. As many countries see the auction model in Great Britain, as a role model, the increased CfD price is a welcome element in the industry's work to improve profitability in the development of offshore wind.

Now we look ahead!

I believe that 2024 will be an exciting year – with consolidations in the market and many new projects all over the world. I am proud that Hexicon managed to get through this challenging year for the industry. I believe that Hexicon is now well equipped for 2024 with one of the largest and most diversified project portfolios in floating wind – standing ready to capitalise on new market conditions.

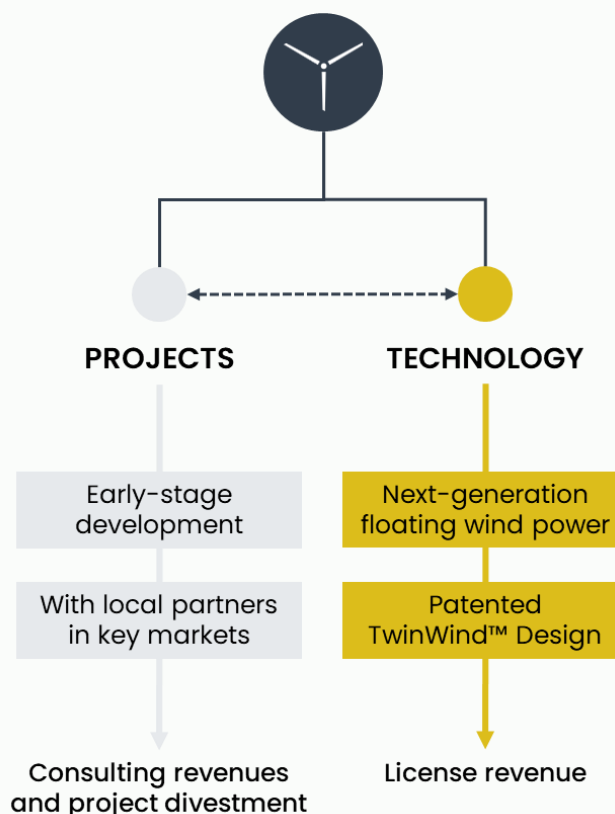
Marcus Thor
CEO

THIS IS HEXICON

Hexicon operates through a dual business model, as a project developer and as a technology provider. By focusing on these two areas, the company can enter new markets early and subsequently establish its unique TwinWind™ technology.

The project development focuses on initiating and driving projects in new and growing markets, in partnership with both local and global industrial partners. With a presence in multiple markets, our project portfolio is well-diversified and well-situated to generate revenue in key regions for offshore wind power. Furthermore, the company has its own patented design, which creates a competitive advantage and allows Hexicon to take on a unique position in the industry. When the testing and verification are done, the full potential and advantages of our technology will be offered to the market.

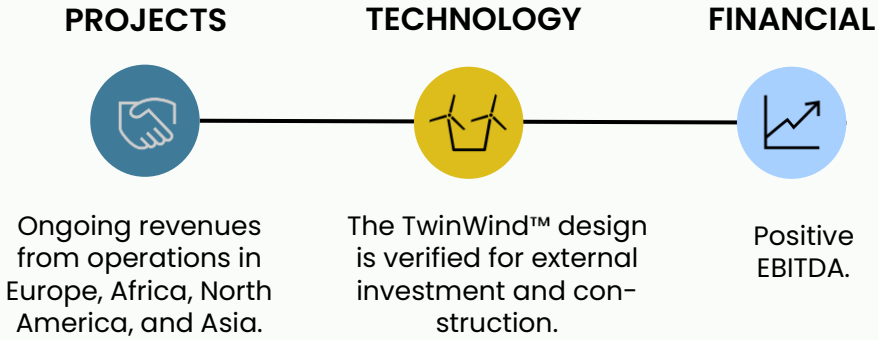
The two business areas are independent of each other, diversifying the business and generating independent revenue streams. At the same time, synergies are created through Hexicon's experience, expertise, and partnerships. Revenue is achieved through project ownership and divestments, as well as through license fees for the construction and operation of Hexicon's patented technology in wind farms.



VALUE-CREATING FACTORS

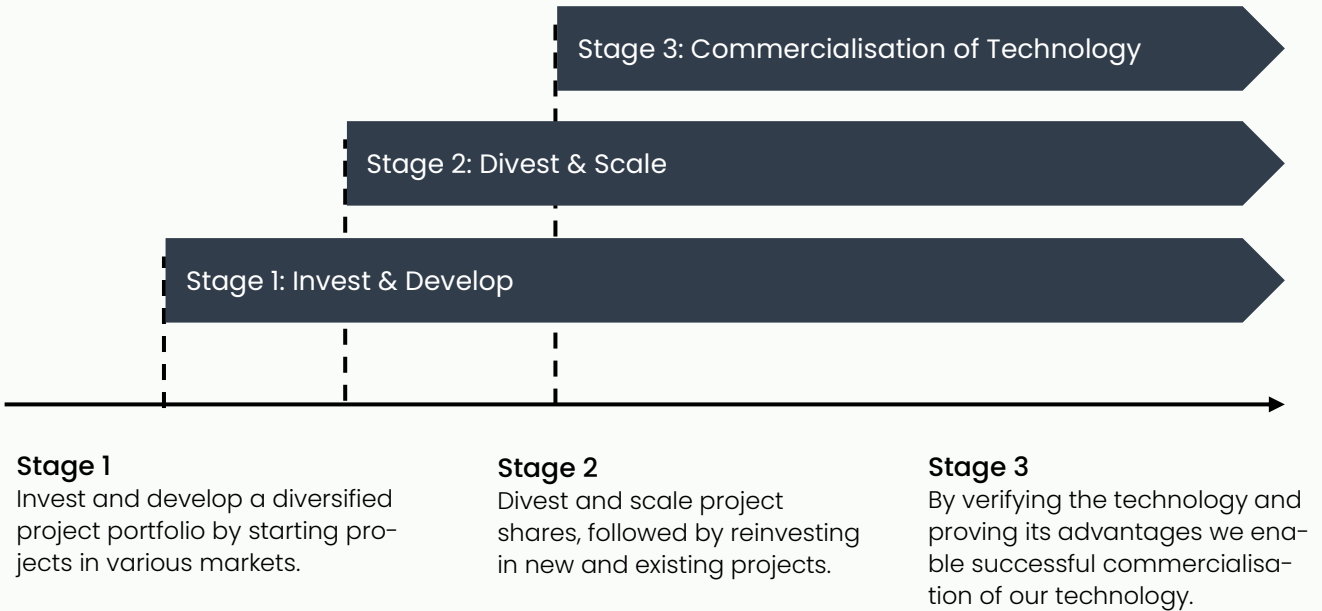
- Drive growth in the project portfolio by initiating new projects and entering new markets.
- Strive to continue to work with the best-in-class partners in the industry.
- Further develop, optimise, and scale up our technology and bring it towards commercialisation.

VISION FOR 2025



DEVELOPMENT IN 3 STAGES

Hexicon's value creation occurs in three stages, where each stage strengthens and expands upon the previous one.

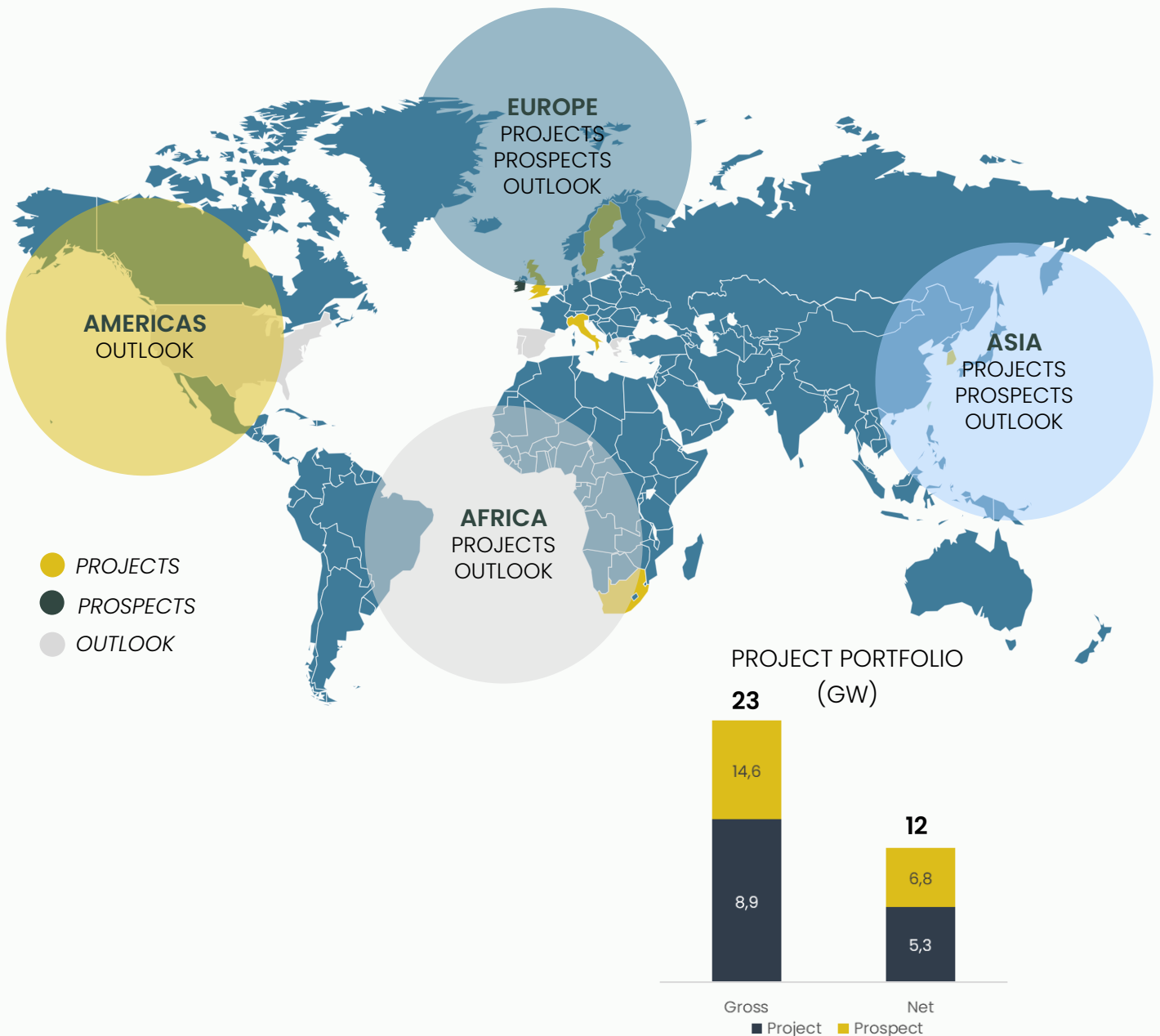


A DIVERSIFIED PORTFOLIO

At Hexicon, our project portfolio is a key element of our value creation, and we will continue to invest in early markets and projects to drive our growth. Thanks to the exceptional expertise of our employees, successful partnerships, and careful investigation in the early stages, our local teams identify optimal markets for new projects.

Hexicon's project portfolio is diversified in terms of project maturity and geography, which not only distributes risks but also allows for successful divestments.

GLOBAL PRESENCE



REDEFINED PROJECT STAGEGATE PROCESS

To close the year with a clear and assessable project portfolio Hexicon decided in quarter four to revisit its project stage gate process and to clarify the definition of the project phases. This new process does somewhat affect the defined phases of a couple of projects in Hexicon’s portfolio but brings more clarity as to the degree of maturity of the complete portfolio.

Hexicon has 18 projects in its project portfolio, of which 12 are active projects in various stages and 6 are prospects.

Table 1. Definition of market stages

OUTLOOK	Potential market under current evaluation. Either established office and/or partner; active in the country.
PROSPECT	Development activities are ongoing, expectation of near-term site exclusivity; a joint venture is most likely established.
PROJECT	Active project with assigned resources. Site exclusivity is achieved, EIA ¹ is started, and a joint venture is formed.

Table 2. Project maturity levels

EARLY STAGE	MID-STAGE	LATE STAGE
Permitting work at full speed with significant investments upcoming. In some projects, the first permits are already received.	Enough permitting security to move into further engineering activities.	Preparation work for FID ³ .
<p>Work Package</p> <ul style="list-style-type: none"> • EIA¹ with surveys • Route to market roadmap • Desktop data procurement • Continue permitting and consenting process • Technical concept design • Detail technical feasibility 	<p>Work Package</p> <ul style="list-style-type: none"> • Pre-FEED² • Initial geotechnical and geophysical campaigns • Grid permits and offtake • Lidar survey • Majority of permits in place • Procurement and contracting strategy; supply chain engagement 	<p>Work Package</p> <ul style="list-style-type: none"> • FEED² • Further geophysical and geotechnical campaigns • Turbine and floater selection • Geotech. campaign • Offtake secured • Procurement plan completed. • FID³ checklist

¹ EIA = Environmental Impact Assessment

² FEED = Front End Engineering Design

³ FID = Final Investment Decision

OUR ACTIVE GLOBAL PROJECT PORTFOLIO

Hexicon's current global gross portfolio of projects is ~14.5 GW spread across the following projects:

Project	Country	Stage	Target FID ¹	Gross Capacity MW	Est.	Hexicon %	Partner
MunmuBaram	South Korea	Late	2026	1 125	2018	20%	Shell
Pohang	South Korea	Early	TBD	800	2021	29%	COENS & other
Mareld	Sweden	Early	2028	2 500	2021	50%	MRP ²
Cirrus	Sweden	Early	TBA	2 000	2021	50%	MRP ²
Dyning	Sweden	Early	TBA	2 500	2021	50%	MRP ²
Sicily South	Italy	Early	TBA	1 150	2022	50%	Avapa Energy
Sardinia NW	Italy	Early	TBA	1 300	2022	50%	Avapa Energy
Sardinia South 1	Italy	Early	TBA	1 550	2022	50%	Avapa Energy
Sardinia South 2	Italy	Early	TBA	700	2022	50%	Avapa Energy
TwinHub	UK	Late	2024	32	2021	100%	-
Pentland	UK	Late	2024	100	2020	10%	CIP ³
Gagasi	South Africa	Early	TBA	800	2020	50%	Genesis Eco-Energy

1 FID - Final Investment Decision

2 MRP - Mainstream Renewable Power

3 CIP - Copenhagen Infrastructure Partners

PROJECT STATUS

SOUTH KOREA

MunmuBaram

The MunmuBaram project in South Korea is on its way to becoming one of the world's first commercial GW-scale floating offshore wind projects. Cooperating with two neighbouring wind farms, the project is expected to mature significantly over the year. After the quarter the EIA (Environmental Impact Assessment) was submitted to the South Korean Ministry of Trade Industry and Energy.

Pohang

The Pohang project has during the quarter thrived its way forward. The project has received all necessary seabed permits which means that it has secured the selected sea area for the construction. The next milestone will be to install LIDAR for a one-year measurement campaign.

SWEDEN

Dyning

In Sweden, Hexicon is engaged in three active projects through its joint venture Freja Offshore. The most recent milestone was reached in the fourth quarter with the permit application for Dyning, which is an offshore wind park project of 2,500 MW planned off the east coast of Sweden. The permit application is the third application to the Swedish Ministry of Climate and Enterprise for Freja Offshore.

Cirrus and Mareld

The other two applications, for Cirrus (2,000–2,500 MW) and Mareld (2,500 MW), were submitted earlier in the year. The next milestone for the Swedish projects is expected during the second half of 2024 when the Swedish Government is to come back with a decision on permit rights for Mareld.

ITALY

In Italy, together with our JV partner Avapa Energy, we are continuing to push the development of the project portfolio forward. The Italian government is expected to come up with new regulations within the coming year to add additional guidance and certainty, which we anticipate will bring momentum to our Italian joint venture.

Sicily South

The Sicily South project is situated off the South coast of Sicily with a capacity of 1,150 MW. AvenHexicon kicked off the EIA (Environmental Impact Assessment) process for Sicily South in Q4 of 2023, moving forward with procuring surveys, and risk assessments. Scoping opinion from the Italian government was obtained in 2023, with this site being AvenHexicon's most advanced offshore windfarm in Italian waters.

Sardinia Northwest

The Sardinia Northwest offshore wind park is situated off the northwestern coast of Sardinia with a planned capacity of 1,300 MW. The latest milestone was achieved in Q1 of 2024 when the EIA (Environmental Impact Assessment) process was kicked off, with some activities running in parallel to the EIA works for Sicily South. The scoping opinion from the Italian regulations was received in Q1 of 2024.

Sardinia South 1 and Sardinia South 2

The works for Sardinia South 1 and Sardinia South 2 are at early stage. Seabed is secured for both sites and the projects are in early stage of preparing for EIA (Environmental Impact Assessment).

UNITED KINGDOM

TwinHub

In November the UK Government made a major policy shift by increasing the CfD (Contract for Difference) administrative strike price from £122/MWh to £176/MWh for auction round 6. After no bids in auction round 5 and Hexicon being the only developer to win a CfD in auction round 4, this action will put the UK back as the global leader in the market of floating offshore wind.

The Crown Estate (TCE) also announced increasing the seabed available for lease in the Celtic Sea to 4.5 GW with qualifying rounds for interested developers expected to start later this year.

TwinHub is a first mover in the Celtic Sea and can provide essential data and experience to developers interested in partaking in the bidding for seabed in the area. The turbine manufacturer MingYang is fully engaged in Front End Engineering Design (FEED) work with the first Integrated Load Analysis (ILA) expected later this year. The project team has grown to meet the demands of the project and to keep pace with the delivery schedule.

Pentland

The Pentland project, planned off the coast of Dounreay in the northern parts of Scotland, is maturing according to plan and is in the late development stage. Seabed is secured and both offshore and onshore permits have been awarded to the project. Seabed survey of the site was completed in 2023 and the next milestone, which is the offtake CfD auction 6, is expected to be achieved in the near future.

SOUTH AFRICA

Gagasi

The South Africa energy system is currently constrained by ageing existing infrastructure and a lack of large new capacity generation power stations in development. This has resulted in a supply restricted energy market and a strong private energy market where green power and energy security are valued. In South Africa, Hexicon has a strong first-mover advantage and is working with government and industry to identify opportunities. Our first development project, Gagasi, is planned in Richards Bay on South Africa's east coast and is in its environmental impact assessment process. The next milestone is to secure seabed area, which is expected sometime during 2024.

In close collaboration with our joint venture partner Genesis Eco-Energy Developments, we are simultaneously exploring other development areas suitable for floating offshore wind.

TECHNOLOGY

TwinWind™ – Hexicon’s patented technology

Hexicon's TwinWind™ technology is a ground-breaking innovation in the offshore wind power industry, enabling the production of more power per sea surface area than single turbine systems. TwinWind™ also minimises impact on the environment and surrounding activities, allowing wind farms to be established in deeper waters far from the coast. The design consists of a triangular, floating steel structure with two turbines that rotate freely with the wind direction.

In 2022, TwinWind™ was approved by the European Patent Office (EPO). EPO's approval allows Hexicon to drive innovation and commercialisation of the technology within Europe.

The TwinWind™ technology is now patented in over 20 countries, and more national patents are expected to follow.

Small carbon footprint

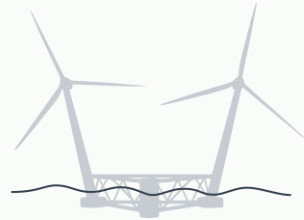
Electricity production with a small carbon footprint that coexists with marine life.

Stable winds

With a capacity factor of 50-60%, high efficiency is achieved.

The Eiffel Tower
Height: 330m

TwinWind™
Hub height: 111 m
Rotor diameter: 180 m
Total height: 200 m



Industrialisation

The market is ready for, and in need of electricity production from floating wind power.

Enormous potential

80% of the best wind resources are found in deep water areas, where floating technology is the sole option.



The picture shows one of Hexicon's test models that were used in the tank-tests in the development of Twinwind™. In the tank-tests, the design of the system is tested under real conditions regarding wind, waves, and currents.

FINANCIAL PERFORMANCE

Hexicon's business model is to invest in interesting projects and technology assets in the floating wind industry, either together with co-investors or fully owned assets. The TwinWind™ is a leading technology in the dual turbine segment, and the technology is anticipated to be able to deliver long-term value once demonstrated. The project portfolio, on the other hand, does not only have long-term revenue potential but also short-term, as it can be divested at different stages of maturity.

OCTOBER–DECEMBER

Net revenue and earnings

Net revenue for the period October to December amounted to SEK 0.7 (1.8) million. The result for the period was SEK -41.3 (-46.6) million. This is owing to continued investment in the project and prospect portfolio. Losses from net financial expenses have increased, mainly driven by accrued interest from additional debt facilities entered into during second and third quarter of 2023.

Cash flow, financing and investments

The group's cash flow from operating activities after changes in working capital amounted to SEK -54.7 (-17.2) million for the quarter. Cash flow from financing activities amounted to SEK 173.9 (84.1) million, as the firm has started to utilise the available debt facilities entered into during 2023 according to plan. The cash flow from investments amounted to SEK -40.5 (-35.7) million, which is partly related to capitalised development expenses in the TwinHub project and mainly related to investments in associated companies mostly in Korea and Sweden.

JANUARY–DECEMBER

Project portfolio

During the period there has been great progress. The joint venture Freja Offshore, has reached significant milestones by applying for three wind farm permits totalling a gross capacity of 7,000 MW in our project portfolio. In Italy our joint venture AvenHexicon has multiple sites with priority rights and grid connection option agreements, positioning AvenHexicon as a leading developer in the market.

Net revenue and earnings

Net revenue for the period January to December amounted to SEK 5.7 (11.6) million. The decrease in revenue is owing to a lower level of consultancy services. The result for the period was SEK -187.5 (-170.3) million. The loss of the period is mainly caused by increased costs for developing the maturing and growing project pipeline. Losses from net financial income has increased driven by accrued interest.

Cash flow, financing and investments

The group's cash flow from operating activities after changes in working capital amounted to SEK -158.9 (-95.1) million. Cash flow from financing activities amounted to SEK 304.1 (80.7) million driven by drawdowns from the new debt facilities. The investments amounted to SEK -110.5 (-188.7) million, which are partly related to capitalised development expenses in the project portfolio and mainly related to investments in associated companies.

Balance sheet

The group's total assets at the end of the reporting period amounted to SEK 501.6 (451.6) million and equity was SEK 1.2 (199.4) million. The equity/asset ratio was 0 (44) %, which is a consequence of the prudent accounting policy not to capitalise early project development costs. The cash balance as of December 31 amounted to SEK 121.2 (86.6) million. Intangible assets per December 31 were SEK 158.2 (131.3) million. The increase is mainly due to investments in the British TwinHub project. The participations in associated companies per December 31 were SEK 155.6 (145.3) million. The increase in participations in associated companies is mainly driven by capital injections.

Parent company

The parent company's net revenue during the fourth quarter amounted to SEK 6.9 (2.5) million and the result for the fourth quarter was SEK -11.4 (-44.3) million. The cash balance per December 31 amounted to SEK 19.8 (78.8) million. The total assets at the same date amounted to SEK 364.8 (410.8) million.

OTHER FINANCIAL INFORMATION

Organisation

The group had 27 (43) employees at the end of the reporting period.

Significant events in reporting period

Freja Offshore, reached an important milestone during the quarter with the permit application for the Dyning wind farm.

During the period, one Swedish company has been sold for liquidation, Dounreay Holding AB.

Hexicon group

Hexicon AB is the parent company, and the following subsidiaries are fully consolidated in the group accounts, Sweden: Hexicon Holding AB, Freia Offshore AB, USA: Hexicon USA LLC, Hexicon North America LLC, UK: TwinHub Ltd, Wave Hub Ltd, Hexicon Developments UK Ltd, Highland Floating Winds Ltd, Norway: TwinWay AS, Spain: Hexicon Renewable Energy Spain SL, Portugal: Hexicon Portugal Lda.

Profit shares from the following joint ventures and associated companies are recognised in the group's income statement, South Korea: Hexicon Korea, Co., Ltd., MunmuBaram, Co., Ltd, Mauritius: Hexagon Ocean Energies Ltd., Sweden: Freja Offshore AB, Mareld Green Energy AB, Passad Green Energy AB, Dyning Green Energy AB, Offshore Access Sweden AB Italy: AvenHexicon SRL, South Africa: GenesisHexicon Pty, Greece: Hexicon Power S.A, UK: Wave Hub Grid Connection Ltd.

As a part of the Glennmont transaction the shares in Hexicon Holding AB, which owns the project companies for MunmuBaram, Freja Offshore, TwinHub, and AvenHexicon, are pledged as security for the Glennmont development loan facility. Similarly, the patents held by Freia Offshore AB are pledged as security for the revolving credit facility.

Risks and uncertainty factors

The company's platform will be tested. There are risks related to the development pace and competitiveness of the technology. There are also risks connected to the company's dependence on key employees and partnerships.

The Swedish Patent and Registration Office (PRV) rejected the objection from Enerocean S.L. regarding the patent relevant to the company's TwinWind™ design in May 2023. In August, an appeal was filed to the Swedish Patent and Market Court (PMD).

Lastly, as the company is not yet profitable, it is dependent on external financing, a dependency that increases with the higher level of activity across many markets. The extrapolation of current spending levels shows that further funding will be required in the foreseeable future. The management has analysed the company's financial situation and made the assessment that sufficient financing can be obtained to ensure continued operation for the next 12 months.

Related party transactions

During the period one member of the management team left their permanent position and entered into a consultancy agreement with SEK 0.7 million of costs incurred during the quarter.

Parent company

Significant events in the parent company during the period are the same as for the

group. The risks and uncertainty factors are the same in the parent company as for the group.

For further information, please contact:

The Communications Department,
communications@hexicongroup.com.

Group income statement in summary

MSEK	Note	2023	2022	2023	2022
		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net revenue	4	0.7	1.8	5.7	11.6
Other operating income		1.0	2.6	4.4	6.1
Capitalised development	5	17.0	18.0	29.2	67.5
Raw materials and consumables		0.0	-0.2	0.0	0.7
Other external expenses		-18.5	-25.8	-65.1	-119.7
Personnel costs		-10.9	-16.9	-50.4	-49.7
Depreciation/amortisation and impairments	7	-8.3	-3.8	-20.4	-35.5
Other operating expenses		-0.7	-0.1	-1.1	-1.0
Result from share in associated companies		-12.6	-17.1	-82.7	-41.1
Operating profit/(loss)		-32.4	-41.5	-180.3	-161.1
Net financial income/(expenses)		-9.0	-5.2	-7.6	-9.7
Profit/(loss) before tax		-41.4	-46.7	-187.9	-170.8
Tax		0.1	0.1	0.4	0.5
Profit/(loss) for the period		-41.3	-46.6	-187.5	-170.3
Profit/ (loss) for the period attributable to:					
Equity holder of the parent company		-41.3	-46.2	-187.3	-166.9
Non-controlling interests		0.0	-0.5	-0.2	-3.4

Group statement of comprehensive income

MSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Profit/(loss) for the period	-41.3	-46.6	-187.5	-170.3
OTHER COMPREHENSIVE INCOME				
Exchange differences in translation of foreign operations	-3.7	8.0	-10.7	6.3
Sum other comprehensive income for the period	-3.7	8.0	-10.7	6.3
Total comprehensive income for the period	-45.0	-38.6	-198.2	-164.0
Total comprehensive income for the period attributable to:				
Equity holder of the parent company	-45.0	-38.1	-198.0	-160.6
Non-controlling interests	0.0	-0.5	-0.2	-3.4
Earnings per share basic and diluted (SEK)	-0.11	-0.13	-0.51	-0.46

Group balance sheet in summary

MSEK	Note	2023-12-31	2022-12-31
ASSETS			
<i>Non-current asset</i>			
Intangible assets		158.2	131.3
Plant and equipment		41.9	55.7
Right of use assets		7.5	10.5
Participations in associated companies	10	19.9	47.1
Non-current financial assets		1.8	1.7
Total non-current assets		229.3	246.2
CURRENT ASSETS			
Participations in associated companies	10	135.7	98.2
Other current assets		15.4	20.5
Cash & cash equivalent		121.2	86.6
Total current assets		272.3	205.4
TOTAL ASSETS		501.6	451.6
EQUITY AND LIABILITIES			
Share capital		3.6	3.6
Additional paid-in capital		538.1	540.5
Reserves		-4.4	6.3
Contingent consideration		41.0	41.0
Retained earnings including profit/(loss) for the period		-576.4	-388.6
Equity attributable to equity holders of the parent company		1.9	202.8
Non-controlling interest		-0.7	-3.5
Total equity		1.2	199.4
NON-CURRENT LIABILITIES			
Provisions		33.2	32.7
Deferred tax liabilities		3.8	4.1
Non-current interest-bearing liabilities		73.5	2.1
Non-current lease liabilities		4.8	7.7
Other non-current liabilities		13.9	16.5
Total non-current liabilities		129.2	63.1
CURRENT LIABILITIES			
Current interest-bearing liabilities		306.3	68.5
Current derivative liabilities		-	19.9
Accounts payable		6.4	16.9
Other current liabilities		28.1	58.8
Accrued expenses and deferred income		30.5	25.1
Total current liabilities		371.2	189.1
TOTAL EQUITY AND LIABILITIES		501.6	451.6

Group report on changes in equity in summary

	2023	2022	2023	2022
MSEK	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Opening balance equity attributable to equity holders of the parent company	44.7	241.4	202.8	322.7
Total result for the period				
Income/(loss) for the period	-41.3	-46.2	-187.5	-166.9
Other comprehensive income/(loss)	1.2	7.8	-10.7	6.1
Total comprehensive income/(loss) for the period	-40.1	-38.4	-198.2	-160.9
Acquisition of minority	-2.9	-	-2.9	-
Contingent consideration	-	-	-	41.0
Other	0.2	-	0.2	-
Closing balance equity attributable to equity holders of the parent company	1.9	202.8	1.9	202.8
Opening balance equity attributable to non-controlling interests	-0.7	-2.9	-3.5	0.1
Total comprehensive income/ (loss) for the period	-0.1	-0.5	-0.2	-3.4
Non-controlling interest from business combinations	0.0	-0.1	3.0	-0.2
Closing balance equity attributable to non-controlling interests	-0.7	-3.5	-0.7	-3.5

Group cash flow statement in summary

MSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
OPERATING ACTIVITIES				
Operating profit/(loss)	-32.4	-41.5	-180.3	-161.1
Adjustment for non-cash-items	-31.2	20.1	51.2	75.8
Interest received	0.4	-	0.4	-
Interest paid	-0.2	0.5	-4.4	-0.2
Income tax paid	-0.1	-	-0.6	0.0
Cash flow from operating activities before changes in working capital	-63.5	-20.9	-133.7	-85.5
Increase (-)/Decrease (+) of operating receivables	6.2	18.3	15.8	-18.3
Increase (+)/Decrease (-) of operating payables	2.6	-14.7	-41.0	8.6
Cash flow from operating activities after changes in working capital	-54.7	-17.2	-158.9	-95.1
INVESTMENT ACTIVITIES				
Acquisition of intangible assets	-14.3	-18.2	-28.3	-68.8
Dividend from associated companies	22.0	-	22.0	-
Other investments	-48.1	-17.5	-104.1	-119.8
Cash flow from investment activities	-40.5	-35.7	-110.5	-188.7
FINANCING ACTIVITIES				
Dividend from associated companies	-22.0	-	-	-
Repayment of convertible loans	-	-	-88.2	-
Borrowings	194.7	84.3	394.7	83.2
Other financing items	1.2	-0.2	-2.4	-2.5
Cash flow from financing activities	173.9	84.1	304.1	80.7
Cash flow for the period	78.7	31.2	34.7	-203.1
Cash at the beginning of the period	42.8	55.3	86.6	289.6
Exchange-rate difference in cash	-0.3	0.1	-0.1	-0.1
Cash at the end of the period	121.2	86.6	121.2	86.6

Parent company income statement in summary

	2023	2022	2023	2022
MSEK	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net revenue	6.9	2.5	14.6	16.8
Capitalised development	0.2	0.1	0.6	6.5
Other operating income	0.2	1.2	0.9	1.5
Other external expenses	-8.3	-15.6	-35.5	-61.8
Personnel costs	-8.1	-9.2	-33.1	-33.1
Depreciation/amortisation and impairments	-4.7	-0.6	-6.5	-16.0
Other operating expenses	-0.7	-0.1	-1.0	-1.0
Operating profit/(loss)	-14.4	-21.7	-59.9	-87.2
Net financial income/(expenses)	-9.5	-23.7	9.9	-33.9
Profit/(loss) before tax	-23.9	-45.4	-49.9	-121.1
Appropriations	12.5	1.1	12.1	0.9
Tax	0.0	0.0	0.0	-
Profit/(loss) for the period	-11.4	-44.3	-37.8	-120.2

Total comprehensive income for the period in the parent company is the same as profit/loss for the period.

Parent company balance sheet in summary

MSEK	2023-12-31	2022-12-31
ASSETS		
Non-current asset		
Intangible assets	12.6	11.9
Plant and equipment	9.0	15.3
Non-current financial assets	283.7	187.2
Total non-current assets	305.2	214.5
Current assets		
Other current assets	39.8	117.5
Cash & cash equivalent	19.8	78.8
Total current assets	59.5	196.3
TOTAL ASSETS	364.8	410.8
EQUITY AND LIABILITIES		
Restricted equity		
Share capital	3.6	3.6
Restricted equity for development expenses	12.4	11.9
Non-restricted equity		
Share premium reserve	538.1	538.1
Contingent consideration	41.0	41.0
Retained earnings	-336.1	-215.5
Profit/(loss) for the period	-37.8	-120.2
Total Equity	221.1	259.0
Current liabilities		
Current interest-bearing liabilities	121.4	68.3
Current derivative liabilities	0.0	19.9
Accounts payable	1.8	10.0
Other current liabilities	2.8	42.5
Accrued expenses and deferred income	17.6	11.2
Total current liabilities	143.6	151.9
TOTAL EQUITY AND LIABILITIES	364.8	410.8

NOTE

Note 1: Accounting principles

This report was prepared in accordance with IAS 34 Interim Financial Reporting and in applicable parts with the Swedish Annual Accounts Act (ÅRL). The interim financial statement for the parent company has been prepared in accordance with Swedish Annual Accounts Act (ÅRL), chapter 9, Interim Financial Reporting, except for the requirement of being in Swedish. The group's and the parent company's accounting principles and basis of computations are unchanged compared to the latest annual report. The figures in all tables are rounded off.

Information applicable to IAS 34.16A§ is disclosed in all parts of the report, in addition to the financial reports and the supporting notes.

Note 2: Estimates and assumptions

The preparation of the financial reports in accordance with IFRS requires estimates and assumptions from the management that effect the accounting principles and the recorded amount of assets, liabilities, revenue, and expenses. The actual value can differ from these estimates and assumptions. The critical assessments and the cause of uncertainty in the estimates are the same as in the latest annual report.

The calculation of fair value contingent consideration related to the acquisition of the shares in the associated company MunmuBaram Co., Ltd, in 2022, was made by discounting future expected cash flows related to the contingent consideration. In addition, management has applied judgement when determining that the fair value of the contingent consideration at the date of acquiring the shares should be presented in equity and hence not be subsequently re-measured. The initial

acquisition price amounts to 7.7 MUSD, of which 50% was paid at acquisition in August 2022 and the remaining 50% was paid in August 2023. The contingent consideration relates to profit share agreement, which is valued to USD 3.9 million, SEK 41 million. The profit share agreement stipulates that, if the company sells off the 20% shares in MunmuBaram, the profit from the sale minus Hexicon's total capital investment (initial purchase price plus remaining expenditure by Hexicon) shall be distributed according to the ratio under separate profit share agreement.

In May 2023 Hexicon entered into a loan agreement with a loan framework of EUR 45 million that can be used until May 2029, to finance specified projects. Total EUR 33.6 million has been drawn. Hexicon has the option of early repayment for a certain fee that changes over time. Hexicon has made the assessment that the right to early repayment is an embedded derivative that is closely associated with the loan agreement, and hereby reports a loan liability at amortised cost, based on expected cash flows. Expected short-term net repayments of cash flows are reported as the short-term part of long-term debt.

Note 3: Operating segment

The operating segment is reported in a corresponding method as in the internal reporting to the chief operating decision-maker (CODM). Hexicon's CEO is the CODM for the group. The company has identified an operating segment that constitutes the business. The assessment is based on the basis that the business is regularly reviewed by the management to support decisions on the allocation of resources and evaluation of its result. The CODM is the function responsible for allocation of resources and evaluation of the operating segment's result.

Note 4: Distribution of revenue

The group generates revenue primarily through project divestments and project development services.

	2023	2022	2023	2022
MSEK	Oct- Dec	Oct- Dec	Jan- Dec	Jan- Dec
Net revenue				
Services	0.7	1.8	5.7	11.6
Total net revenue	0.7	1.8	5.7	11.6
Allocation per market				
Sweden	0.5	1.5	4.5	10.7
Rest of Europe	-	-	0.2	-
Asia	0.1	0.3	1.0	0.9
Allocation per point in time				
Recognized over time	0.7	1.8	5.7	11.6

Note 5: Capitalised development expenses

Other external expenses amounted to MSEK-18.5 (-25.8) million during the fourth quarter and out of these SEK 17.0 (18.0) million were capitalised development expenses during the last quarter, mainly related to the TwinHub project.

During the third quarter, the Board and management took the view, based on reached milestones and the outlook of the project, that the probability of reaching construction is high enough for the MunmuBaram project to justify capitalising the development expenditure of the associated entity starting in Q3 2023.

Note 6: Fair value of financial assets and liabilities

The carrying amount is considered to be a reasonable estimate of the fair value of all financial assets and liabilities. The items that have been measured at fair value are unlisted shareholding and contingent considerations. All instruments are categorized as Level 3 in the fair

value hierarchy. For the unlisted shareholding, the cost constitutes a reasonable approximation of the fair value on the balance sheet date and current inputs provided by the managing company.

The contingent consideration has been measured as the present value of the amount that the group is expected to pay in accordance with the agreement for the acquisition of Wave Hub Ltd which, as of December 31, 2023, includes a pending contingent consideration of SEK 11.5 million (GBP 1.0 million) if the project reaches Final Investment Decision (FID). The contingent consideration will not be paid if the milestone is not reached. The opening balance 2023 of contingent considerations was SEK 12.0 million and the closing balance at the 31th of December 2023 was SEK 11.3 million (GBP 0.9 million). The change was due to currency fluctuations between SEK and GBP of SEK 0.2 million, the new estimated date of payment to November 30 2024 of SEK -0.1 million, and a new WACC to 14.0% of SEK -0.9 million. An increase of decrease in the cost of capital of +/- 2% would have resulted in a conditional consideration of SEK 11.2 million and SEK 11.6 million respectively.

Note 7: Depreciations, amortisations and impairments

The group's depreciation/amortization and impairments were SEK -8.3 (-3.8) million during the fourth quarter. SEK -4.1 million is derived from a partial write-down plant and equipment based on a new market valuations of the wind turbines held by Hexicon AB. The group management assesses on an ongoing basis indication of impairments and in that case conducts an impairment test.

Note 8: Group key performance indicators

	2023	2022	2023	2022
MSEK	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net revenue	0.7	1.8	5.7	11.6
Operating profit/(loss)	-32.4	-41.5	-180.3	-161.1
Profit/(loss) before tax for the period	-41.4	-46.7	-187.9	-170.8
Earnings per share basic and diluted (SEK)	-0.11	-0.13	-0.51	-0.46
Cash flow from operating activities	-54.7	-17.2	-158.9	95.1
			2023-12-31	2022-12-31
Equity at the end of the period	1.2	199.4	1.2	199.4
Equity/asset ratio at the end of the period (%)*	0	44	0	44
Cash at the end of the period	121.2	86.6	121.2	86.6

For definitions of key performance indicators, see Note 40 in the 2022 Annual Report

Note 9: Number of shares

There were 363 802 686 registered shares at the end of the period and on average during the quarter.

Note 10: Amendment of Group balance sheet

As a project developer focusing on the early stage of the development cycle Hexicon's business model is to divest the projects before reaching construction start, without intention to be a final asset holder during operation. After further analysis, although the development cycles are long for infrastructure projects, spanning many years, the view of the Hexicon is that the projects are held with the purpose to be sold within their operating cycle. To clarify this to the reader the associated companies which currently hold projects or prospects have been reclassified as current assets. The tables below show the correction amounts and figures before and after correction for the items affected. Income- and Cash flow statement are not affected.

	Before correction	Correction	After correction
MSEK	2022-12-31		2022-12-31
ASSETS			
<i>Non-current asset</i>			
Participations in associated companies	145.3	-98.2	47.1
Total non-current assets	344.4	-98.2	246.2
<i>Current assets</i>			
Participations in associated companies	-	98.2	98.2
Total current assets	107.2	98.2	205.4
TOTAL ASSETS	451.6	0.0	451.6

SIGNATURES

Hans von Uthmann
Chairman

Mia Batljan
Board member

Bjarne Borg
Board member

Vivianne Holm
Board member

Mats Jansson
Board member

Lars Martinsson
Board member

Marcus Thor
CEO

Stockholm 2024-02-21

FINANCIAL CALENDAR

2024-04-11	Annual report 2023
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2024-05-29	Q1 2024 report
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2024-08-21	Q2 2024 report
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2024-11-20	Q3 2024 report
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This report includes information that Hexicon is obliged to make public according to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the CEO, at 2024-02-21 08:00 CET.

The report has not been reviewed by Hexicon's auditors.

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