ANNUAL REPORT 2023

hexicon

CONTENT

80%
of wind resources can be find offshore

4
Hexicon operates on four continents

23.4 GW
gross portfolio

12.1 GW
net portfolio

12+
floating wind power projects worldwide

25+
countries with TwinWind™ patent

THIS IS HEXICON

In 2009 Hexicon initiated its journey with a design for floating offshore wind - since then our business has evolved to include both early-stage project development and technology.

Today, Hexicon is both an early project developer of floating offshore wind, opening new markets in deep water areas - and a technology provider with a patented floating wind design.

PROJECT DEVELOPMENT
With over fifteen years of experience, we have built up unique industry expertise and have established a strong global position within the field of floating offshore wind. As a project developer, we constantly explore new market opportunities and drive project maturity to increase the value growth of our diversified project portfolio.

TECHNOLOGY
Our dual turbine technology allows us to better utilize the varying direction of the winds, and therefore produce more energy in any given period than competing alternatives. It also makes it possible to produce more energy per sea area, which provides benefits in the form of reduced environmental impact and better utilization of limited areas.

With our dual business model, we support the world's transition to a sustainable energy system: where floating wind power has significant growth potential globally. Hexicon operates in several markets worldwide and is listed on Nasdaq First North Growth Market.

OUR BELIEF

As pioneers in floating offshore wind power, we believe that we can play a decisive role in the global energy transition from fossil fuels to renewable energy.

OUR VISION

A sustainable world with floating offshore wind – beyond the horizon.

OUR MISSION

To accelerate the world's energy transition by developing new markets and techniques for offshore wind.

In collaboration with partners and local stakeholders, Hexicon initiates and develops floating offshore wind projects in deep water – beyond the horizon .

With our groundbreaking patented technology TwinWindTM and extensive experience, we enable offshore wind to be developed efficiently and at scale with a minimal environment impact.

SIGNIFICANT EVENTS IN 2023

2023 has been a challenging year for the global offshore wind industry, as for Hexicon, because of high-interest rates, raised costs in the supply chain and other changed market conditions. Despite these challenges, Hexicon has throughout the year kept focus on growth and to increase the value of its assets.

Submission of several permit applications

At the beginning of 2023, Hexicon had a total of 9 100 MW of projects in its net portfolio of prospects and projects. At year's end, the number has increased to 12 000 MW globally, largely thanks to our focus on value creation in new and existing markets.

Hexicon's Swedish joint venture with Mainstream Renewable Power, Freja Offshore, submitted three permit applications to the Swedish Ministry of Climate and Enterprise in 2023, totalling 7 500 MW; Mareld (2 500 MW) on the Swedish west coast, Dyning (2 500 MW) on the Swedish east coast and Cirrus (2 000 MW) outside the southeast coast of Sweden. The permit applications mark a significant milestone for Hexicon. Responses are expected during 2024.

In Italy, the Terna SpA from each respective county (Italian Transmission System Operator) has granted Hexicon connection to the national grid for the projects Sicily South and Sardinia Northwest.

In Scotland, the Pentland project (100 MW), in which Hexicon is a co-partner, was granted permission to proceed with the onshore infrastructure plans.

In South Korea, the project MunmuBaram entered the late-stage development phase where development costs have started to be capitalised. After the closing of the year Hexicon signed a SPA (Share and Purchase Agreement) to increase its ownership stake from 20% to 100% of MunmuBaram. The closing of the transaction is subject to governmental approval. The next step is to establish a new long-term partnership structure to take the project to construction and commercialisation.

The South African project Gagasi is moving forward and beginning to take shape. In conjunction with commencement of the EIA process (Environmental Impact Assessment), the Gagasi project has been redefined from a prospect to an active project in our portfolio.

Secured funding enabled strategic opportunities

In the second quarter of 2023, Hexicon secured a long-term loan agreement with Glennmont Partners of EUR 45 million. The funding enabled Hexicon to facilitate and accelerate the development of multiple projects in the portfolio. In conjunction with the Glennmont facility, Hexicon entered into an agreement for a credit facility of up to SEK 75 million, intended to cover Hexicon's working capital needs and to enable the company to divest projects at the best possible time and terms. The main financier for this loan was Wallstreet Aktiebolag, a company within the Wallenius Group, alongside private investors.

TwinWind™ progress

The TwinHub project, located off the coast of Cornwall in the UK, is planned to become the first demo site for Hexicon's TwinWindTM floater. In 2022, the site won the UK's AR4 (Auction Round 4) and thereby the first CfD (Contract for Difference) for floating offshore wind in the UK. The demo site will include two dual turbine floaters with 8 MW turbines, totalling 32 MW. Once commissioned, TwinHub will deliver electricity to the community of Cornwall for decades to come. During the year, the TwinHub team has made great technical progress in collaboration with MingYang, the project's preferred WTG (Wind Turbine Generator) supplier. Hexicon is one of few floating wind developers working in close collaboration with its WTG supplier, which is critical for the success of the project and the commercialization of the TwinWindTM technology. In addition, work on the project's FEED (Front End Engineering Design) started and made great progress throughout the year, with ongoing dialogues with potential suppliers for the procurement of floater, hull and mooring systems.

In the first quarter of 2023, the Swedish Patent and Registration Office (PRV) dismissed a competitor's challenge of the TwinWind™ floater design. This validation reaffirms the patent status and future potential of our technology. In the third quarter an appeal to the Swedish Patent and Market Court (PMD) was filed.

Marcus Thor, CEO of Hexicon AB

”Our strategy for 2024 is to further mature our projects to drive value growth”

Admist challenging market conditions globally, Hexicon has persevered to deliver significant value growth in the project portfolio. Our CEO Marcus Thor gives his reflections on the past year for Hexicon and how he foresees the future.

Marcus, how would you like to summarise 2023?
Our industry has certainly faced unprecedented challenges this year. At Hexicon, I think we have adapted well to these temporary market conditions. With the Glennmont facility, we have been able to keep up the speed in our projects and ensured staying power - where other developers have been forced to exit. Most significantly, we have been able to reach a sizeable project portfolio, which has meant that the focus during the year has consciously shifted to pushing forward current projects, rather than entering and opening new markets. All in all, we have made significant progress across our portfolio.

Describe Hexicon’s strengths.
Our absolute greatest strength is our diversified portfolio, which we’ve managed to reach in a cost-effective way. I dare to say that no other developer has such a broad project portfolio in various development phases, spread across so many regions, in relation to the size of the team behind it. We have fifteen years of experience in the floating offshore wind market – which is as long as the industry is old. We are experts in the origination and development of floating wind projects and finding the right partners to do it with. Ultimately, the business is about identifying, securing and optimising the best deep-water areas poised for dramatic growth and eager markets.

On top of this, we are developing our TwinWind™ technology from which we have gained a lot of knowledge and insight as to how floating wind is best developed. With our dual-turbine solution, patented in over 25 countries, we can better leverage wind resources in a given sea area.

How has Hexicon’s project portfolio changed over the years?
In 2009, Hexicon began its journey as a technology developer but quickly realised that we could use our floating wind knowledge to also develop new markets. With this knowledge came our partnerships and with them new projects. Over the years, our portfolio has grown to become a diversified portfolio spread across regions and in various development stages.

”Our absolute greatest strength is our diversified portfolio,”

Last year was a challenging year for the offshore wind industry. Can you describe how Hexicon has been affected by these challenges and what you have done to mitigate risks?
2023 has certainly been a challenge, although it has had a limited effect on our portfolio. We have seen certain delays, especially in our projects in the late stage, such as in TwinHub. Cost increases are compensated in the project, to a large extent, by having a consumer-indexed revenue contract for 15 years. Additionally, we are working heavily on our cost control in all aspects of our business.

”We are on the cusp of significant growth of floating wind globally”

What do you expect from a market development perspective moving forward?
I believe that the long-term forecasts for renewable energy and offshore wind remain unchanged meaning that we are on the cusp of significant growth of floating wind globally. In the short term, as result of the current market headwinds, we can expect delays in the deployment of floating wind, but we are already seeing signals that the market has weathered this inflection point and is starting to return upward. The uncertainty now lies in how long it will take for the market to come back.

What is Hexicon’s strategy moving forward in 2024?
Our strategy for 2024 is to remain focused on maturing our projects to drive value-growth, but also to continue strategic divestments and to grow in new markets. Everyone who has followed our journey knows that one of our core strengths is our ability to divest and scale up – but the timing needs to be right. As the market picks up, Hexicon is ready, together with our partners, we are diligently working our way towards a prosperous future - beyond the horisonrenewable energy future.

80%

of the world's wind resource potential lies in deep waters

FLOATING WINDPOWER

Offshore wind power plays a critical role as the world transitions its energy supply to a more sustainable energy mix. Under scenarios outlined by the world's leading energy institutions, including IEA (International Energy Agency) and IRENA (International Renewable Energy Agency), achieving carbon neutrality will call for rapid and tremendous growth in offshore wind installed capacity.

To accommodate exponential growth in offshore wind installations, decisive action on licensing, permitting, market design, supply chain, and infrastructure – including grid and port facilities – as well as regional collaboration remains of crucial importance. Today, we see multiple major initiatives taking place globally, such as the European Commission's European Wind Action Plan and Ocean Energy Pathway, whose aim is to speed up permitting and consenting processes and support countries and markets with structures to allow for faster development processes of offshore wind.[1]

80% of the world's offshore wind resources lie in waters deeper than 60 metres, which puts floating offshore wind in a special position for tremendous growth in coming years. Today only 188 MW of floating wind capacity is in operation worldwide, accounting for 0.3 % of total installed offshore wind capacity. By 2030 the global floating wind forecast predicts 10.9 GW to be built globally.[1]

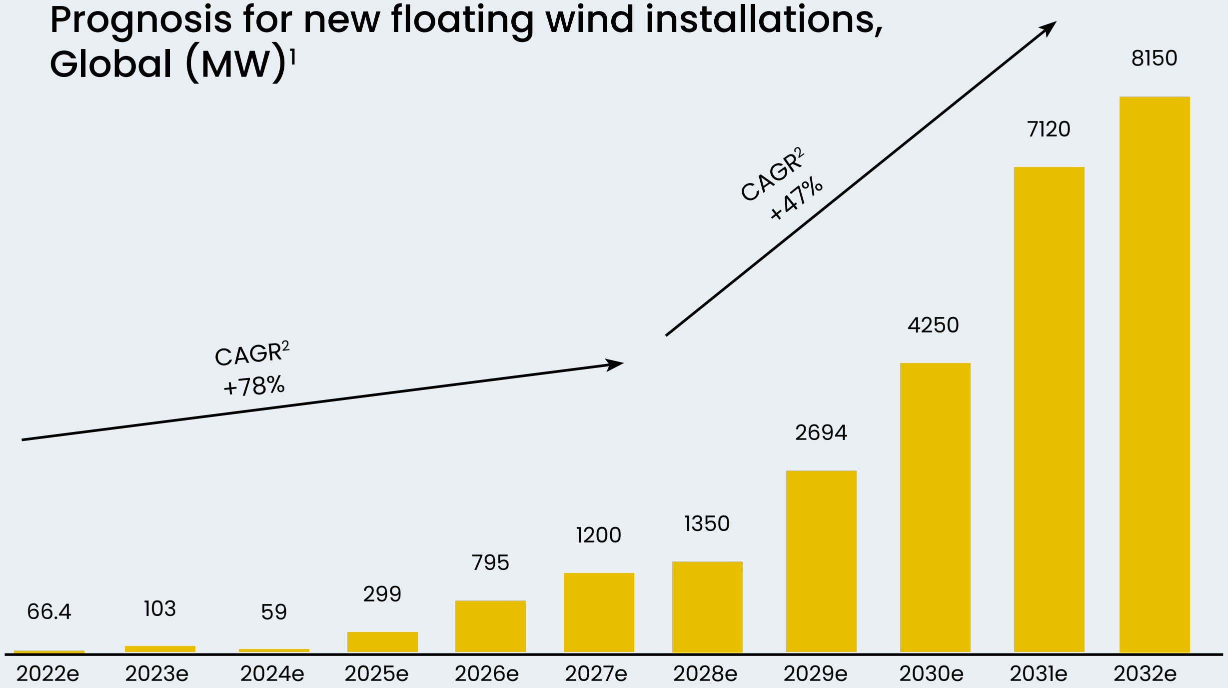
Over the last year, the market has been faced with challenges such as inflation, increased capital cost and a supply chain crunch which have created uncertainty and forced developers to review the viability of their projects. Due to these global market circumstances, true acceleration for floating projects will not be seen before 2030. The global forecast for floating wind will, according to the Global Wind Energy Council (GWEC), be 10.9 GW by 2030.[1]

[1]*Source: GWEC Annual Report 2023; DNV, Floating Offshore Wind: The next five years, 2022.*

GLOBAL EXPANSION

Over the past thirty years, offshore wind has demonstrated its strength as a fast-growing sector with a great future ahead in spite of market challenges. Floating offshore wind, in particular, is still very much in its infancy but is quickly ascending its learning curve by leveraging lessons learned in fixed-bottom projects as it looks to scale up from a handful of demonstration projects to gigawatt-scale developments.

Prognosis for new floating wind installations, Global (MW)[1]



[1]*Source: GWEC Global Offshore Wind Report 2023*
[2]*Compound Annual Growth Rate*

SUCCESSFACTORS

- Seabed availability
- Transparent and cost-effective leasing frameworks established
- Streamlined and reliable permitting processes and timelines
- Strong regulation and market design
- Upgrades to aging grid infrastructure
- Supply chain investment and growth
- Talent

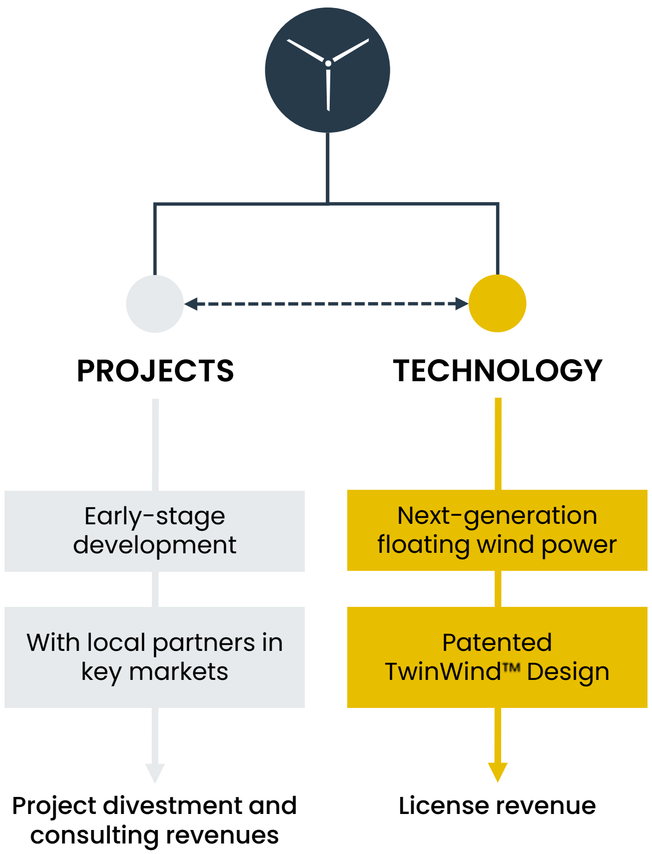
OUR DUAL BUSINESS MODEL

Hexicon operates through a dual business model, as an early-stage project developer and as a technology provider.

As project developer, Hexicon focuses on initiating and developing projects in new and growing markets, in collaboration with both local and global industry partners. With a presence in multiple markets globally, our project portfolio is well-diversified and well-situated to generate revenue in key regions for offshore wind power.

As a technology provider, Hexicon has its patented design TwinWind™, which offers competitive advantages in the race for floating technology and allows the company to hold a unique position in the industry.

The two parts of the business model are independent of each other, diversifying the business and generating independent revenue streams. At the same time, synergies are created between the two activities, uniquely enhancing Hexicon's experience, development expertise, and partnerships.

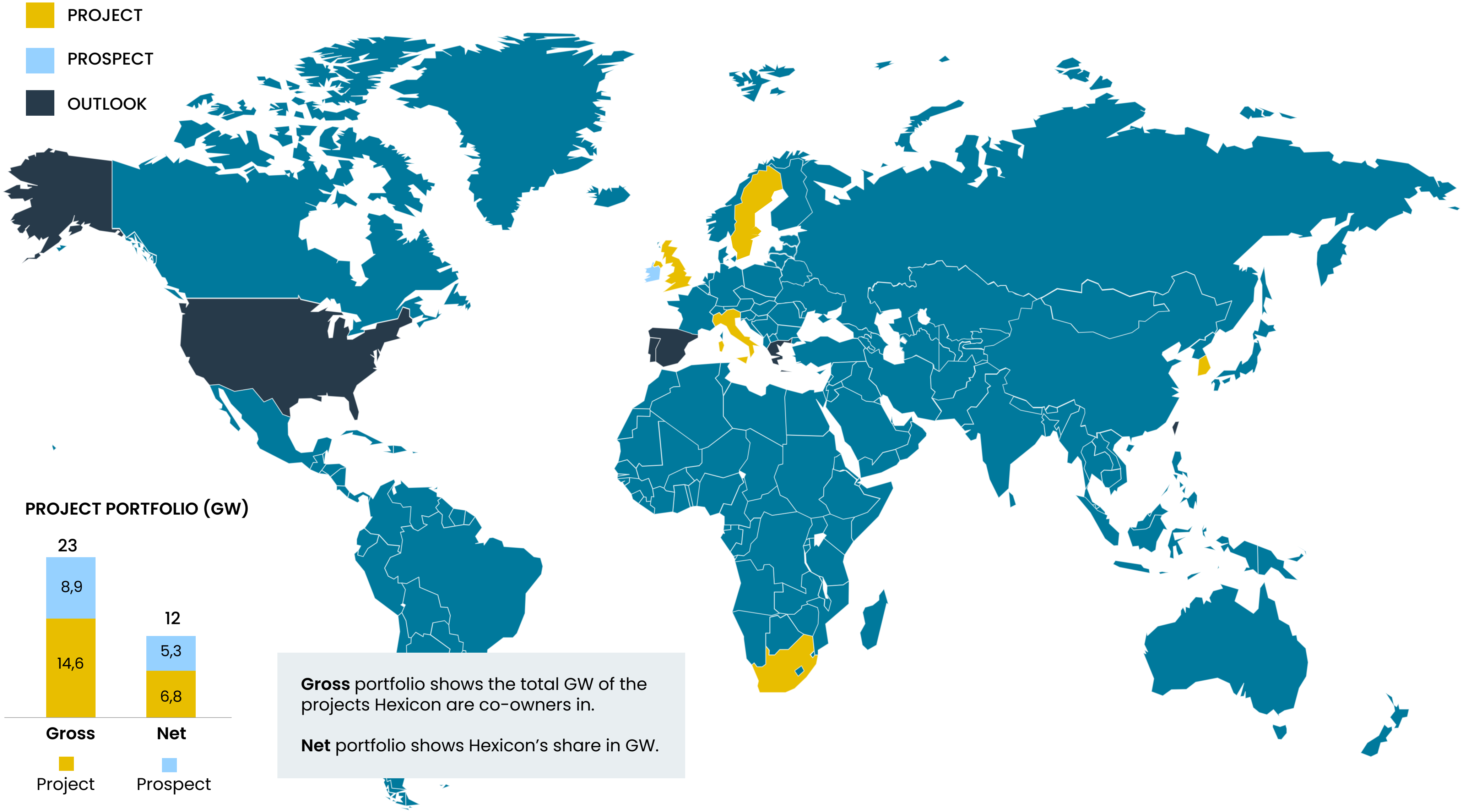


Strive to work with the best-in-class partners in the industry.

Drive growth in the project portfolio by initiating new projects and entering new markets.

Further develop, optimize, commercialize and scale up Hexicon's proprietary TwinWind™ technology.

HEXICON IN THE WORLD



Gross portfolio shows the total GW of the projects Hexicon are co-owners in.

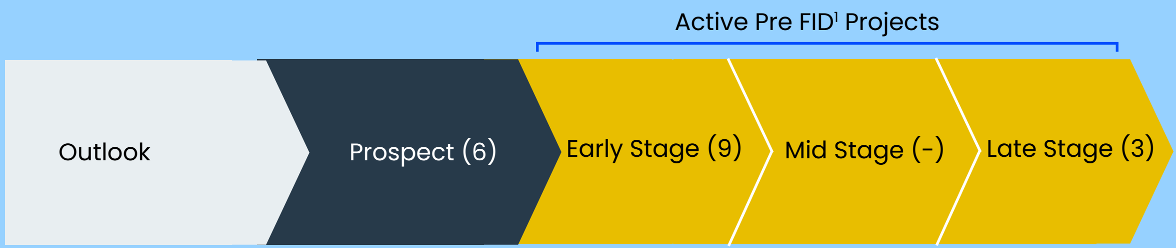
Net portfolio shows Hexicon's share in GW.

A DIVERSIFIED PROJECT PORTFOLIO

At Hexicon, our diversified project portfolio is a key element of the value creation. To drive growth, we continue to invest in markets with deep waters and high demand for renewable energy.

Our portfolio is diversified in terms of project maturity, and geography, which distributes risks and enables successful future strategic divestments.

Hexicon Project Stages (No of ongoing projects):

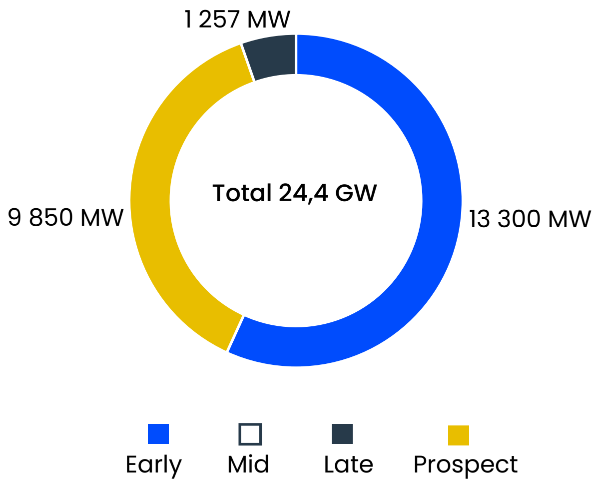


[1]Final investment decision

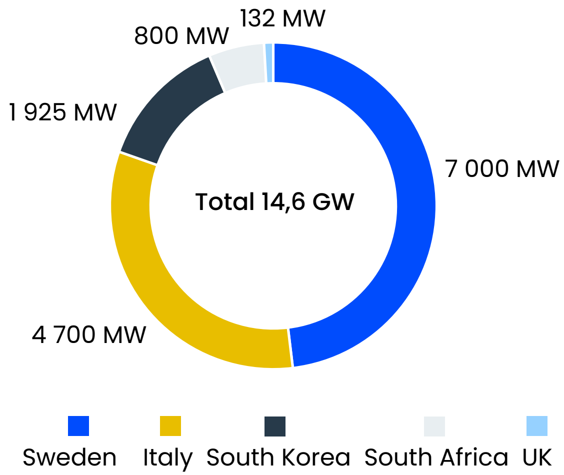
OUTLOOK MARKETS

The global market for floating offshore wind is enormous and we are only at the beginning of its development journey. There are many countries, islands and areas around the world with deep water that are in urgent need of renewable electricity generation. Our business development team is constantly searching for new opportunities and new markets to enter that are getting ready to invest in floating offshore wind.

Distribution of the project portfolio across phases



Distribution of the project portfolio by country



PROJECT PORTFOLIO

PROJECT

*Active projects that have started their maturation journey towards FID***

	Country	Stage	Target FID**	Gross Capacity MW	Est.	Hexicon share %	Partner
Mareld	Sweden	Early	2028	2 500 MW	2021	50%	Mainstream Renewable Power
Dyning	Sweden	Early	TBA	2 500 MW	2021	50%	Mainstream Renewable Power
Cirrus	Sweden	Early	TBA	2 000 MW	2021	50%	Mainstream Renewable Power
Gagasi	Southafrica	Early	TBA	800 MW	2020	50%	Genesis Eco-Energy
Munmubaram	Southkorea	Late	2026	1 125 MW	2018	20%*	Shell
Pohang 02&03	Southkorea	Early	TBD	800 MW	2021	29%	COENS & other
Pentland	UK	Late	2024	100 MW	2020	10%	CIP
Sicily South	Italy	Early	TBA	1 150 MW	2022	50%	Avapa Energy
Sardinia North West	Italy	Early	TBA	1 300 MW	2022	50%	Avapa Energy
Sardinia South 1	Italy	Early	TBA	1 550 MW	2022	50%	Avapa Energy
Sardinia South 2	Italy	Early	TBA	700 MW	2022	50%	Avapa Energy
Twinhub	UK	Late	2024	32 MW	2021	100%	-

**After the period, Hexicon signed an agreement to take over 100% of the project.*
***Final Investment Decision.*

PROSPECT

Projects that have not yet transitioned to an active project

	Country	Gross Capacity MW	Est.	Hexicon share %	Partner
Pohang 04&05	Southkorea	800 MW	2022	29%	COENS & andra
Kultje	Sweden	2 000 MW	2021	50%	Mainstream Renewable Power
Puglia 1	Italy	1 950 MW	2022	50%	Avapa Energy
Puglia 2	Italy	1 150 MW	2022	50%	Avapa Energy
Sardinia NE	Italy	1 950 MW	2022	50%	Avapa Energy
Donegal Marine Renewables	Ireland	2 000 MW	2022	100%	Killybeg Fishermen’s Org. och Sinbad Marine Services

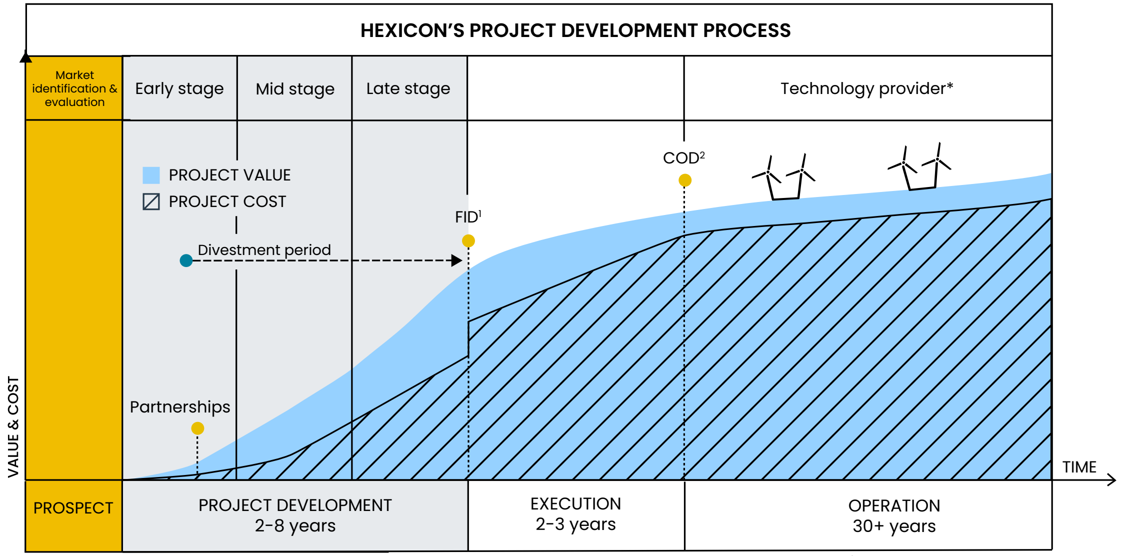
PROJECT DEVELOPMENT PROCESS

Our project development process is initiated by a thorough investigation of wind resource potential and metocean conditions along with careful monitoring of the political environment and market conditions for floating wind power in a selected market. If all market prerequisites are fulfilled, we make a formal decision to step into the next phase, defining it as a Prospect.

In the Prospect phase we are actively engaging with local stakeholders, carrying out further market research as well as building relationships with potential partners.

Once a partnership is formed and a seabed area is selected , the Prospect is redefined as a Project - starting its maturation journey toward FID (Final Investment Decision). In this phase, investments are made together with the chosen partner to take the Project through the key consenting and permitting processes. Once the Project evolves and matures, risks are reduced and value increases.

The growth in value, together with expenditures, takes place exponentially over the entire maturation process. Hexicon's approach is to carry out strategic project stake divestments at the right time of the development curve to ensure a high return on investment generating key revenues for the company. Hexicon's business model is to decrease ownership as the project matures over time and fully divested before the project reaches FID.



*Potential revenues if TwinWind™ is the technology of choice.

1) FID: Final Investment Decision
2) COD: Commercial Operation Date

TECHNOLOGHY

Floating wind power
– the next generation of wind power TwinWind™

TwinWind™, Hexicon's pioneering technology, is dedicated to enhancing the efficiency and sustainability of floating offshore wind projects. By aiming to lower the Levelized Cost of Electricity (LCOE) and reduce environmental impacts, TwinWind™ aims to set a new standard in renewable energy solutions. Its design facilitates increased energy production per area of wind farm, alongside reductions in transportation and installation costs, highlighting its contribution to operational efficiency and cost-effectiveness. Additionally, through extensive research and development, the twin turbine system has been shown to offer aerodynamic benefits that boost energy production.

Central to TwinWind™'s innovation is a triangular floating steel structure that hosts two turbines. This design is complemented by a single-point mooring system, allowing the platform to dynamically align with wind direction. The technology's floating nature permits installations in deep waters including further offshore, in areas with superior wind resources, making previously inaccessible sites viable for development.

Hexicon's patent portfolio for TwinWind™ has grown to encompass protections in 29 countries, including several patents approved by the European Patent Office (EPO). Hexicon's IP portfolio allows Hexicon to drive innovation and commercialisation of the technology, strengthening the company's position at a global scale.

ADVANTAGES

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

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

+ Stable winds with a potential **capacity factor of 50-60%.**

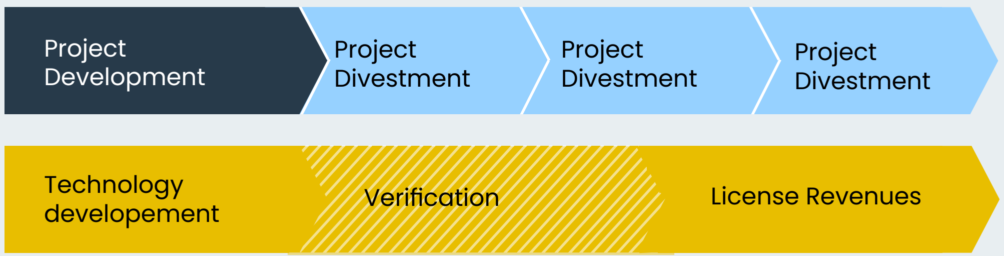
+ Enormous potential
80% of the best wind resources are found in deep water areas, where floating technology is the sole option.

INVESTING IN HEXICON IS INVESTING IN A SUSTAINABLE FUTURE

The two overarching macro trends that characterise Hexicon's positive outlook for the future are the need to address climate change and an increased focus on safe, reliable, and cost-effective electricity supply through domestic production.

Combining both a diversified project portfolio with a patented technology, Hexicon provides an attractive growth opportunity in a fast-evolving and maturing market. Project development enables the use of Hexicon's patented technology, and the technology opens doors to projects and partners. In addition to the strong technical and commercial synergies between the two business lines, they provide exposure to different and independent revenue streams, all within a rapidly growing industry. Through early-stage project development and strategic divestment cycles, we can create a profitable company in the short term, while technology delivery and licensing is what makes the company truly scalable over time.

REVENUE MODEL



PROVEN TRACK RECORD OF DEVELOPING EARLY-STAGE PROJECTS
Hexicon, through its team with long and deep industry experience, has a proven track record of identifying and developing early-stage projects with significant potential for divestment with strong returns along the development phases.

ESTABLISHED FRAMEWORK WITH CLEAR CRITERIA FOR INVESTMENT DECISIONS
Hexicon has an established framework with clear criteria for its investment decisions and only engages in the preparational and less capital-intensive early development stages of a project with a potentially high return on invested capital.

EXTENSIVE PROJECT PORTFOLIO OF ALMOST 15 GW
Hexicon has an extensive project portfolio, of almost 15 GW with a blended owner stake of 46%, with a high degree of geographic risk diversification in a growing market with increasing demand for well-prepared investment projects with a reduced risk profile.

HEXICON AS AN INVESTMENT

SHARE

Hexicon's stock has been listed on Nasdaq First North Premier Growth Market since June 18, 2021.

As of the end of 2022, Hexicon's market capitalization was 241 million SEK, devided into 363 802 686 shares.

STOCK PRICE AND TRADING

Hexicon's stock was listed on Nasdaq First North Premier Growth Market on June 18, 2021, at a subscription price of 3.00 SEK. Like other companies, Hexicon's stock has been traded on a volatile market characterized by high inflation and high interest rates. In 2022, 147,060,766 shares were traded at a highest price of 1.456 and a lowest price of 0.457 SEK. On average, 581,268 shares were traded per day.

OWNERSHIP STRUCTURE

At the end of the year, Hexicon had 8,887 shareholders. Swedish private individuals owned 40.7% of the capital, while Swedish institutional owners owned 10.0%, and foreign institutionalowners owned 14.9%. The largest percentage of foreign owners was in the United States (9.6% of the capital) and the United Kingdom (4.7%).

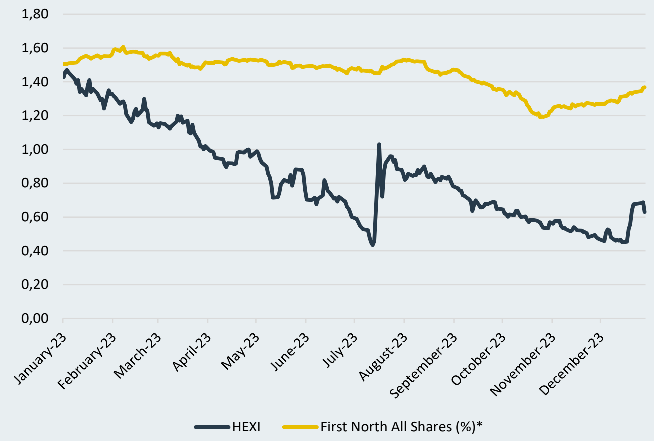
FINANCIAL CALENDAR

2024-04-11 - Annual Report 2023
2024-05-29 - Q1 2024 Interim Report
2024-08-21 - Q2 2024 Interim Report
2024-11-20 - Q3 2024 Interim Report

ABOUT THE STOCK

Ticker symbol: HEXI
ISIN code: SE0004898799
Marketplace: Nasdaq First North Premier Growth Market
Certified Advisor: FNCA
Number of shares: 363,802,68
Trading unit: 1 share
Voting rights: 1 vote per share
Market capitalization as of December 31, 2022: 241 million SEK.

SHARE PRICE 2023



*index for comparability with HEXI

SHAREHOLDERS

Name	% of votes	% of capital
Ilija Batljan	10.7%	10.7%
Gulfstream Group LLC	9.6%	9.6%
SEB Trygg Life	5.2%	5.2%
Helikon Investments	4.6%	4.6%
Björn Segerblom	3.3%	3.3%
Back in Black Capital Ltd	3.2%	3.2%
Arne Almerfors	3.1%	3.1%
Index Equity Sweden AB	2.5%	2.5%
Avanza Pension	2.3%	2.3%
Nordnet Pension Insurance	1.9%	1.9%
Total 10	**45.8%**	**45.8%**
Shareholders in Sweden		74.3%
Shareholders outside Sweden		25.7%

02.

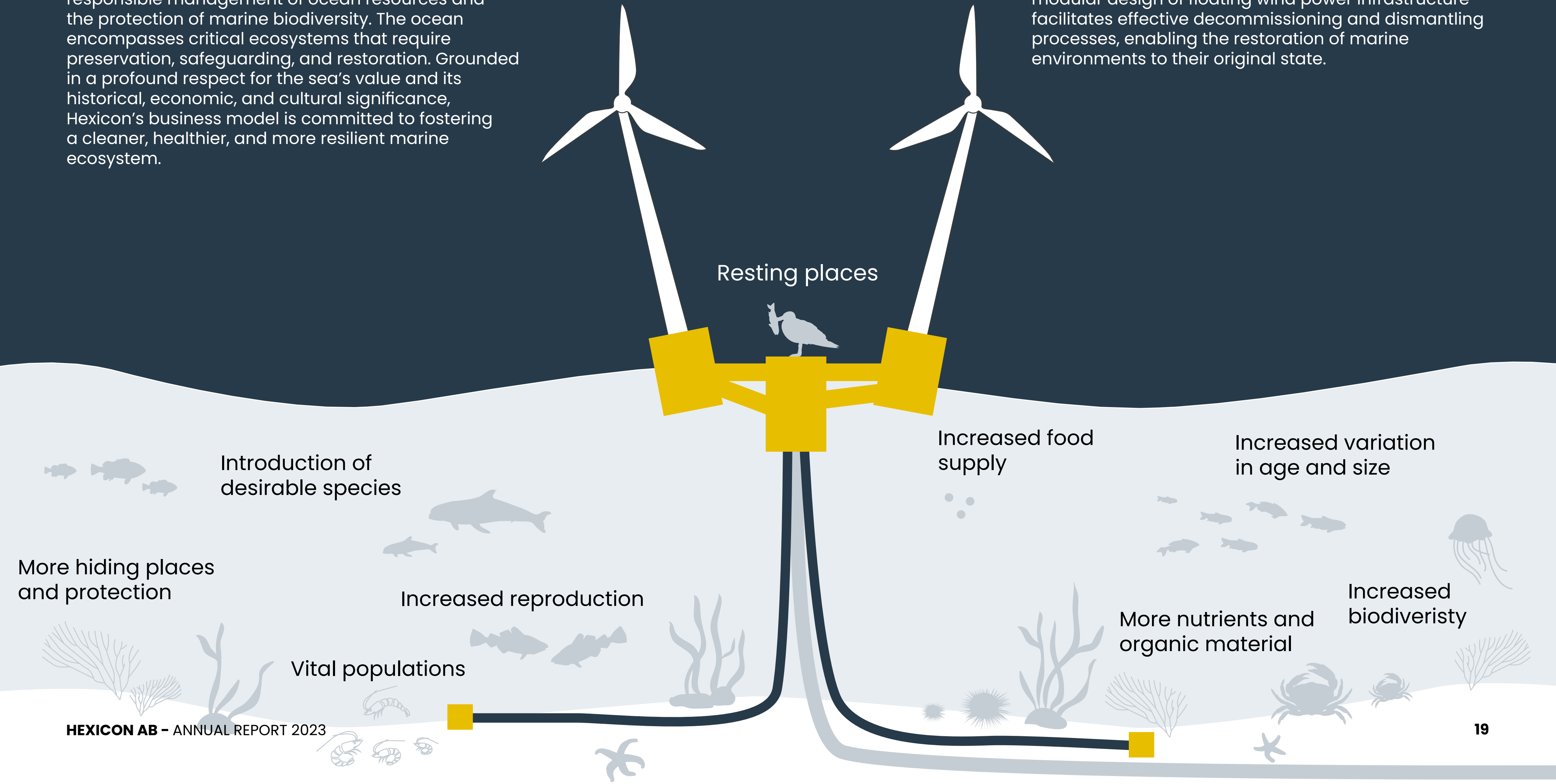
SUSTAINABILITY

FLOATING OFFSHORE WIND

Floating wind power represents a sustainable and renewable energy solution that will play a vital role in developing a greener future. In the following section, we will delve deeper into Hexicon's work with sustainability.

The concept of the blue economy entails the responsible management of ocean resources and the protection of marine biodiversity. The ocean encompasses critical ecosystems that require preservation, safeguarding, and restoration. Grounded in a profound respect for the sea's value and its historical, economic, and cultural significance, Hexicon's business model is committed to fostering a cleaner, healthier, and more resilient marine ecosystem.

Research indicates that floating wind power can have a positive impact on marine ecosystems. For instance, they can serve as artificial reefs, providing sanctuaries for various fish species. Furthermore, the presence of wind farms can mitigate the impacts of large-scale fishing activities, creating protected zones conducive to sustainable fisheries management. Additionally, the modular design of floating wind power infrastructure facilitates effective decommissioning and dismantling processes, enabling the restoration of marine environments to their original state.



SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS

Hexicon supports the 2030 Agenda for Sustainable Development (SDG) and is committed to actively working and striving for a more equitable, environmentally sustainable, and prosperous future for all.

Hexicon has embraced its commitment to work with the SDGs. In the following section, we describe the areas in which we are proud to be successful and which areas we are taking actions to improve performance with the objectives.

THE GLOBAL GOALS		TARGET	HEXICON APPROACH
5 GENDER EQUALITY	When women and men have equal access to power, resources, and influence, it lays the foundation for a more sustainable and peaceful future.	A sub-target for goal 5 is to ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.	Traditionally the energy industry has been dominated by the male gender which also is reflected on the Hexicon team. Hexicon is working to improve its gender diversity through recruitment, development of employees and encouraging promotion we create a more inclusive workplace with a desire to become more equal.
7 AFFORDABLE AND CLEAN ENERGY	To combat challenges such as poverty and climate change a prerequisite is to provide access to sustainable, reliable, and renewable energy.	A sub-target for goal 7 is to significantly increase the share of renewable energy in the global energy mix by 2030.	As future societies and industries become increasingly electrified, the demand for renewable and fossil-free energy will continue to rise. Recognising this, Hexicon has made it a central part of its mission to drive and support this development by helping both mature and developing countries harness the potential of floating offshore wind.
8 DECENT WORK AND ECONOMIC GROWTH	Innovation and entrepreneurship, as well as ensuring decent working conditions for all, are critical for sustainable economic growth that includes the entire society.	A sub-target for goal 8 is to achieve higher economic productivity through diversification, technological upgrading, and innovation, including a focus on sectors with high-value addition and high labour intensity.	To create sustainable economic development, innovation and entrepreneurship are required, where the growing market for floating wind power will create enormous demand for labour both in the long and short term. For sustainable growth, Hexicon develops projects and technologies that will set the foundation for many family-sustaining new jobs for years to come.
13 CLIMATE ACTION	Climate change poses an undeniable threat to our civilisation. Greenhouse gas emissions are rising, with severe consequences for ecosystems, ocean acidification etc.	Climate action involves implementing measures to reduce greenhouse gas emissions, transitioning to renewable energy sources, and promoting sustainable practices across all sectors. This requires innovative solutions, collaborative efforts, and a commitment to long-term sustainability.	At Hexicon, we work every day to develop markets, projects and technology for floating wind power, a technology that will be able to significantly contribute to the global transition to more sustainable energy systems.
14 LIFE BELOW WATER	How we manage our oceans is crucial for humanity as a whole and for balancing the effects of climate change.	A sub target for goal 14 is to manage and protect marine and coastal ecosystems sustainably to avoid significant adverse effects, including by enhancing their resilience and taking actions to restore them for healthy and productive oceans.	As responsible stewards of the ocean, we at Hexicon understand the importance of respecting the ocean and all its incumbent users, including its inherent nature and wildlife. We recognise the value of collaboration and coexistence and work closely with local, national and international stakeholders such as fisheries and environmental groups, to maintain and improve the health of our oceans.

WORKING AT HEXICON

At Hexicon, we have gathered individuals with special skills and different backgrounds from all over the world. Our employees are the cornerstone of our success – and together we shape Hexicon.

When our employees thrive, so does our business. Ensuring a true understanding of our organisational culture is therefore of great importance for us. We firmly believe in gaining insights "from the inside out" as a fundamental approach to comprehensively assessing and continuously evolving our working culture. In 2023, our focus on understanding employee well-being, fostering professional and personal growth, and nurturing an environment of openness and innovation remained central to our objectives.

To provide an insight into what it is like to work at Hexicon, three of our colleagues here give their views by answering the following questions: What is it like working at Hexicon? What are Hexicon's greatest strengths as an employer?

Benjamin King,
Head of Consents & Permitting

"Hexicon allows its employees the authority and freedom to work in a way that supports them in finding the most appropriate solutions. Hexicon's nimble and fast-moving nature really promotes an ability for employees to find where their skills are and then provides the opportunities to excel."

Guilherme Nunes,
Chief Technology Officer

"Our culture is deeply collaborative, valuing every team member equally and fostering an environment where ideas are freely shared, professional growth is encouraged, and everyone contributes to our collective progress. Hexicon's greatest strength as an employer lies in the empowerment and trust we extend to our employees, forming the cornerstone of our success."

Natalia Ivanova,
Project Manager

"Working at Hexicon allows for freedom and responsibility, providing good opportunities for personal and professional development. The working atmosphere in the company is friendly and supportive. The greatest strength as an employer is prioritising the employees' well-being, demonstrating care for their personal and professional lives."

EMPLOYEES

During the past year, we initiated our first employee survey, which provided valuable insights. Notably, our employees gave Hexicon high scores in the areas of mutual support and respect within our workforce, which reaffirms our commitment to a culture grounded in inclusivity and collaboration. We take great pride in our diverse workforce, comprising individuals from various cultural backgrounds, contributing to a vibrant and dynamic work environment. While celebrating the strengths of our culture, we also recognize areas for improvement identified through the 2023 employee survey. Efforts to refine our mission and vision, enhance collective milestone celebrations, and establish clear pathways for personal and professional development have therefore been priorities for our cultural work throughout the year.

Our committed dedication to promoting a solid and supportive workplace culture remains fixed. We view our commitment to inclusivity and employee well-being not only as essential for adopting a sense of belonging but also as instrumental in maintaining an environment contributing to openness, compassion, and dedication.

WORK-LIFE BALANCE

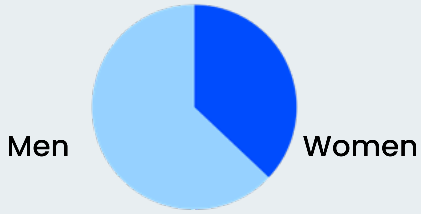
At Hexicon, we recognise the importance of holistic employee well-being as a cornerstone of a productive workforce. Our commitment extends beyond merely supporting professional development; we strive to further a culture of overall employee wellness and respect. Central to this ethos is our dedication to promoting a healthy work-life balance, acknowledging that flexibility and self-motivation are connected to achieving sustainable balance.

We take pride in our workforce's unwavering dedication and place considerable trust in our employees. Hexicon firmly believes that job satisfaction is fundamentally linked to a harmonious balance between work and personal life. We understand that cultivating such balance is necessary for safeguarding both physical and mental health, nurturing job satisfaction, accelerating personal growth, and ultimately enhancing overall happiness and fulfilment. At Hexicon, we remain steadfast in our commitment to fostering an environment where employees thrive both personally and professionally, recognising that their collective ability to thrive is essential to our shared success.

RESPECT FOR HUMAN RIGHTS AND ANTI-CORRUPTION

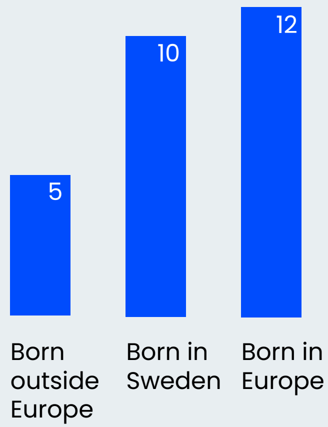
Hexicon carefully evaluates its customers, suppliers, and partners to ensure that fundamental human rights are being upheld in its operations. We actively promote fair and honest competition and strive to be an ethical player in the energy industry. We support efforts that promote sustainable business practices. The company's suppliers should be reliable partners who act fairly. Hexicon complies with applicable competition laws and related regulations in the countries where the company operates. There is zero tolerance for activities that violate the laws and regulations that affect the company. Hexicon prescribes zero tolerance for bribery and corruption in all respects. As the company grows, Hexicon also operates in countries where legislation and conditions may be more challenging. This changed landscape has increased the risk level for the company's subsidiaries regarding incidents. Hexicon is working to reduce these risks .

HEXICON IN NUMBERS*



Age average

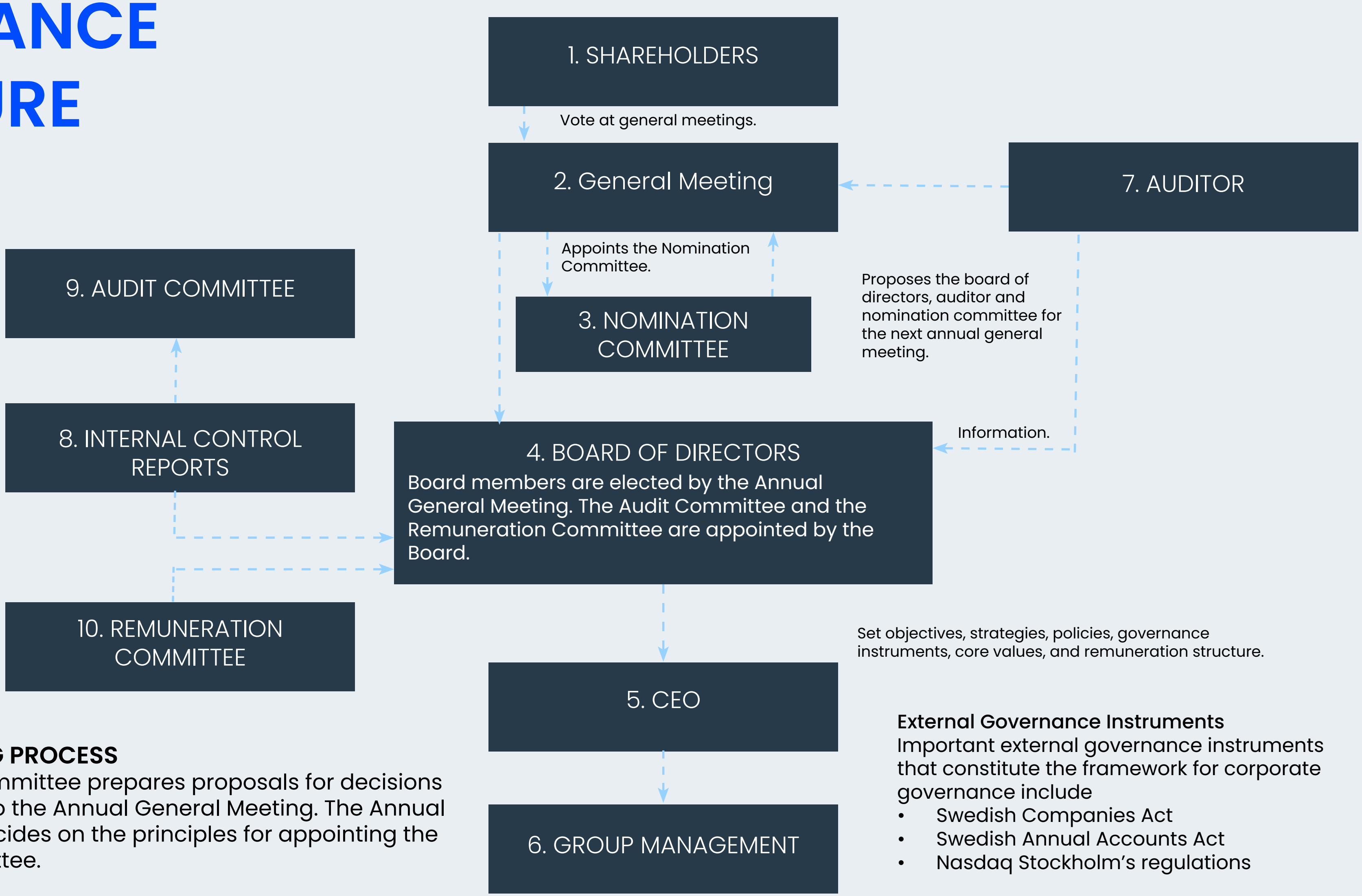
38 years



*At the end of the year

03.
CORPORATE GOVERNANCE REPORT

GOVERNANCE STRUCTURE



DECISION-MAKING PROCESS

1. The Nomination Committee prepares proposals for decisions that arepresented to the Annual General Meeting. The Annual General Meeting decides on the principles for appointing the Nomination Committee.

2. The Board of Directorsestablishes committees and appoints their members.

3. The auditor is responsible for examining Hexicon's annual report and accounting on behalf of the shareholders, as hell as the management of the Board of Directors and CEO. The auditor reports to the Board of Directors and shareholders.

External Governance Instruments
Important external governance instruments that constitute the framework for corporate governance include

- Swedish Companies Act
- Swedish Annual Accounts Act
- Nasdaq Stockholm's regulations

Internal Governance Instruments
Important internal binding governance documents include

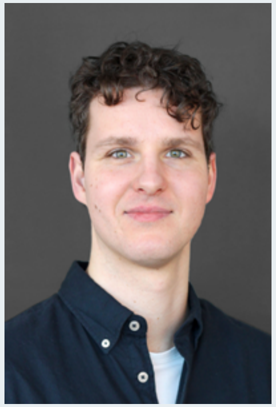
- Articles of Association
- Rules of Procedure for the Board of Directors
- Instructions for the CEO, Audit Committee,
- and Financial Reporting
- Policies

BOARD OF DIRECTORS

Hans von Uthmann, Chairman of the Board
Mia Batljan
Bjarne Borg
Vivianne Holm
Mats Jansson
Lars Martinsson

MANAGEMENT TEAM

Marcus Thor,
CEO



Max Ek,
CFO

Guilherme Nunes,
CTO

Julius Molzahn,
CPO

James Brown,
Country Manager UK / Ireland

Henrik Baltscheffsky,
Business Development Manager

CHIEF EXECUTIVE OFFICER (CEO)

The Chief Executive Officer is subordinate to the board and is responsible for the day-to-day management in accordance with the board's guidelines and instructions. The specific division of responsibilities between the board and the CEO is regulated by a written CEO instruction adopted by the board. The CEO is responsible for ensuring that the board receives information and necessary decision-making material, leads the work of the executive management team, and makes decisions in consultation with other members of the executive management team. The CEO also presents at board meetings and keeps the board informed of the company's affairs. The executive management team currently consists of the CEO, CFO, CTO, Project Manager, UK/Ireland Country Manager, Head of Communications and Business Development Manager. The CEO of Hexicon is Marcus Thor.

COMPENSATION FOR BOARD MEMBERS AND SENIOR EXECUTIVES

Compensation for the board is decided by the general meeting of the shareholders. At the annual general meeting held on May 12, 2022, it was decided that remuneration for the board (plus any social charges) should be SEK 150,000 for each elected member and SEK 300,000 for the chairman of the board. Compensation for senior executives may consist of base salary, variable compensation, pension, and other benefits. The 2024 annual general meeting will decide on new guidelines for compensation for senior executives.

Pernilla Eriksson Lindberg,
Head of Communications

Annual General Meeting

The annual general meeting is Hexicon's highest decision-making body. Shareholders use their voting rights to decide on, among other things, the adoption of the income statement and balance sheet (as well as the consolidated income statement and consolidated balance sheet), the appropriation of the company's profit or loss, and discharge from liability for the board members and the CEO. At the general meeting, shareholders also make decisions on other important matters for the company, such as the election of board members and auditors, and on compensation for the board and the company's auditors. The annual general meeting must be held within six months from the end of each financial year.

In addition to the annual general meeting, an extraordinary general meeting may be convened. The notice of the general meeting shall be made by announcement in the Swedish Official Gazette (Post- och Inrikes Tidningar) and by making the notice available on the company's website, hexicongroup.com, at the same time. The fact that notice has been given shall also be announced in Svenska Dagbladet. The notice shall be issued no earlier than six weeks and no later than four weeks before the meeting. The right to attend and vote at the general meeting, either in person or by proxy, belongs to those who are entered in the company's share register kept by Euroclear six banking days before the general meeting (the record date) and who have notified the company of their intention to attend no later than the day specified in the notice of the meeting.

Shareholders who wish to have a matter addressed at the annual general meeting must request it in writing to the board of directors. For the matter to be addressed at the annual general meeting, the request must have been received by the board of directors no later than seven weeks before the meeting, or in such time that the matter can be included in the notice of the meeting. Notices, press releases, and minutes, as well as other related materials, are made available on Hexicon's website.

Nominating Committee

The Nominating Committee is the organ of the shareholders' meeting with the sole task of preparing the meeting's decisions on election and remuneration issues, as well as (if applicable) procedural issues for the next nominating committee. The Nominating Committee shall consist of the Chairman of the Board and three members appointed by the three largest shareholders in terms of voting rights at the end of the third quarter of each year. The term "the three largest shareholders in terms of voting rights" also refers to known shareholder groups. The Chairman of the Board shall annually contact the shareholders who have the right to appoint a member. The Nominating Committee appoints a Chairman from among its members.

The task of the Nominating Committee is to submit proposals to the annual general meeting regarding:

- Election of the Chairman of the Board and other Board members
- Resolution on Board remuneration
- Election of the auditor
- Decision on the election of the Chairman of the meeting
- Decision on amendments to the Nominating Committee's instructions (if the Nominating Committee deems it necessary)

The Nominating Committee shall apply Rule 4.1 of the Code as a diversity policy in developing the proposal for the Board, with the aim of achieving a wellfunctioning Board composition in terms of diversity and breadth, including gender, nationality, age, and industry experience, among other things. The Nominating Committee for the 2023 annual general meeting consists of:

- Sanja Batljan (appointed by Ilija Batljan Invest)
- Rickard Haraldsson (appointed by Gulfstream Group)
- Leif Almhorn (appointed by SEB Trygg Liv)
- Hans von Uthmann (Chairman of the Board)

Board of Directors
After the general meeting, the Board of Directors is Hexicon's highest decisionmaking and executive body. The Chairman of the Board has a special responsibility to lead the Board's work and ensure that the Board fulfills its statutory duties. The Board's tasks include, among other things, establishing Hexicon's overall goals and strategies, monitoring major investments, ensuring that there is satisfactory control of the Company's compliance with laws and regulations as well as internal guidelines. The Board has established a written working order for its work, which shall be evaluated, updated, and re-adopted annually. The Board meets regularly according to a program established in the working order and when necessary.

The Board's work during 2023
The Board held 24 recorded meetings during 2022. In addition to regular matters, the Board has devoted a lot of time to the Company's capital raising.

Board Committees
The Board has established committees with the task of preparing decisions on specific issues. The matters discussed at committee meetings shall be recorded and reported to the Board at the next meeting.

Compensation Committee
The Compensation Committee consists of two members: Mia Batljan and Hans von Uthmann. All members of the Compensation Committee are independent in relation to the Company and its management.

The main tasks of the Compensation Committee are
- To prepare the board's decisions on compensation principles, compensation, and other employment terms for the company's management
- To monitor and evaluate ongoing and completed programs for variable compensation for the company's management during the year
- To monitor and evaluate the application of guidelines for compensation of senior executives that the Annual General Meeting is required by law to decide on, as well as current compensation structures and levels in the company

Audit Committee
The Audit Committee consists of three members: Vivianne Holm, Lars Martinsson, and Mats Jansson. All members of the Audit Committee are independent in relation to the company and its management. The committee had four recorded meetings during 2023

The tasks of the Audit Committee include
- Monitoring the company's financial reporting and providing recommendations and proposals to ensure the reliability of reporting
- With regard to financial reporting, monitoring the effectiveness of the company's internal control, internal audit, and risk management
- Keeping informed by the auditor about the annual and consolidated financial statements, as well as the conclusions of the Auditor's Inspection Quality Control
- Reviewing and monitoring the external auditor's impartiality and independence, particularly paying attention to whether the external auditor provides the company with other services besides auditing
- Assisting the nominating committee in preparing proposals for the annual general meeting's decision on the election of auditor.

04.

FINANCIAL REPORT

CONTENT

DIRECTORS' REPORT

The Board of Directors and the Chief Executive Officer of Hexicon AB (publ) with organisation number 556795-9894 hereby submit the annual report for the group and the parent company for the fiscal year 2023. Amounts are reported in thousands of SEK (TSEK) unless otherwise stated.

The Hexicon group

The group structure consists of Hexicon AB as the parent company and at the end of December 2023 the group was comprised of 11 subsidiaries and 13 associated companies. The 11 subsidiaries operate in Sweden, the USA, the UK, Norway, Spain and Portugal, and the associated companies' operations are in Sweden, South Korea, the UK, Italy, Mauritius, Greece and South Africa. Hexicon's business concept is to develop technology and projects in offshore floating wind power.

Technology development mainly takes place in the subsidiaries, and project development mainly takes place in the associated companies to be able to scale the business and at the same time maintain a diversified project and risk profile. Below is a description of activities in the group's parent company, its subsidiaries and its associated companies.

Parent company

During 2023, Hexicon as a Group has focused on driving its large project portfolio forward at the same time as further investments in developing the technology have been made. Most employees sit in the Parent Company and actively support the global operations with resource hours and expert skills.

TwinHub (UK)

The TwinHub project in the UK is a 32 MW demonstration project with permission to build two floating platforms. The project has grid connection, installed transmission equipment at sea and on land, permission to build and generate electricity from 32 MW, and a contract-for-difference (CfD) agreement which gives the project 15 years of subsidised electricity price of 87.3 GBP/MWh in 2012 prices. This makes the project one of the most advanced projects in the world and could be ready to make a construction decision in 2024. Hexicon operates this wholly-owned project intending to make a construction decision by the end of the year using Hexicon's proprietary and patented technology TwinWind™ for floating foundations. During the year, front-end engineering design (FEED) has been worked on in close collaboration with the wind turbine supplier and potential shipyards to optimise the technical design and make preparations to be able to make an investment decision. The project is developed by the project company Wave Hub Ltd.

Freja Offshore (Sweden)

Hexicon operates together with Irish Mainstream Renewable Power (a merger of Aker Offshore Wind and Mainstream Renewable Power) the associated company Freja Offshore AB (Freja). Freja is developing three large-scale wind power projects, two in the Baltic Sea and one in the Skagerrak sea, in deep waters far out at sea. The projects are well placed to be able to deliver electricity to southern Sweden while minimising visual and other environmental impacts. During the year, all three projects have completed environmental impact assessments and submitted permit applications to Sweden's Ministry of Climate and Enterprise.

The projects are Mareld of 2,500 MW which submitted the application via the project company Mareld Green Energy AB, Cirrus of 2,000 MW which submitted the application via the project company Passad Green Energy AB and Dyning of 2,500 MW which submitted its application via the project company Dyning Green Energy AB.

Hexicon Korea (South Korea)

Hexicon Korea (formerly CoensHexicon) is owned by Hexicon together with local partner Coens. The company has developed several projects in the South Korean market. The company owns 60% of the Pohang project, 800 MW, which is operated by the project company EWS CO., Ltd. The project has prioritised development permits. Hexicon Korea also sells consulting services to several projects in South Korea, of which the largest customer is MunmuBaram CO., Ltd.

MunmuBaram (South Korea)

MunmuBaram off the coast of Ulsan in southeastern South Korea is on course to become the world's first gigawatt-scale commercial offshore wind project. During the year, the environmental impact assessment was completed and submitted in early 2024 to the South Korean Ministry of Trade, Industry and Energy. In 2023, the project was considered to have reached a sufficiently developed phase and degree of maturity for the development costs to begin to be capitalised.

AvenHexicon (Italy)

The associated company AvenHexicon is managed together with partner Avapa Energy. The company is developing several projects on the Italian market where the two most developed are Sicily South 1,150 MW and Sardinia Northwest 1,300 MW. Both have initiated the environmental impact process which through investigations and risk assessments will lead to permit applications. Other projects in the market are being prepared to start the environmental impact assessment process.

GenesisHexicon (South Africa)

Together with Genesis Eco Energy Hexicon is developing several projects on the South African market. The 800 MW Gagasi project has come the furthest where active work with environmental impact assessment has continued during the year and will continue into 2024.

Other subsidiaries and associated companies

The Swedish subsidiary Freia Offshore holds Hexicon's patent rights for its unique floating platforms for offshore wind turbines. The Spanish subsidiary Hexicon Renewable Spain develops offshore wind projects in

Spain and Portugal and investigates the possibility of integrating Hexicon's technology with green hydrogen at sea. Hexicon USA works with business development in the USA, and Hexicon Power does the same in Greece. Other subsidiaries and associated companies were dormant at the end of the year.

Overview of the business

Hexicon is one of the few companies in the market with more than 15 years of experience. As both a project developer and a technology provider, Hexicon has a favourable position in the industry creating valuable networks. With active teams and a presence in key markets within Europe, Asia and North America, Hexicon initiates and drives projects in floating wind power in collaboration with local partners. The company has its own patented technology - TwinWind™, consisting of a floating platform with dual turbines. Hexicon's design can be used to increase energy production per sea area, reduce the amount of maintenance work, minimize the impact on the surrounding environment and take advantage of the wind potential in deep water.

Ownership conditions

The number of outstanding shares in the parent company at the end of 2023 is the same as at the end of 2022, i.e. 363,802,686. Each share has one vote. At the end of 2023, the company had 8,887 shareholders.

The following owners had more than 10% of the shares as of 2023-12-31.
Ilja Batljan Invest (10%)

Business model

Hexicon's diversified business model is based on two different business areas, project development and technology development. The two areas are independent of each other but also create synergies through Hexicon's experience, expertise and partnership. The business model generates independent revenue streams from project development and licensing revenue from the technology. The project development not only generates revenue from the sale of project shares but also consulting revenue from the company's expertise in project development. By initiating and owning projects at an early stage and driving the development from the start to the final investment decision, a large increase in value is created which later is realised via sales of ownership shares. Hexicon's role as a technology developer also leads to license revenue being created when Hexicon's technology becomes the chosen technology, by the project owners in external or internal projects.

Research and development activities

The accumulated acquisition cost of capitalised development costs within the parent company amounts to SEK 12.6 million. The capitalised development costs reported in the parent company mainly relate to generic technology development linked to Twinwind™. Within the Group, the accumulated acquisition cost of development costs amounted to SEK 121.7 million. In addition to the amount capitalised in the parent company, the sum mainly consists of capitalised development costs in the TwinHub project.

Development of company operations, results and position

Operations

Hexicon has continued to drive its business forward, both on the technology and project development side. Great progress has been made during the year. The joint venture company Freja Offshore submitted three permit applications for floating wind farms, while the company retained an extensive prospect portfolio. The progress in Sweden together with the continued development in Italy has during the year increased the net project portfolio by 6 800 MW (3 000 MW) and the net prospect portfolio by 5 300 MW (3 500 MW).

Gagasi in South Africa has moved to a project status, compared to its previous prospect status, and MunmuBaram has developed to a sufficient degree of maturity for development costs to have begun to be capitalised.

On the technology side, the TwinHub project is being driven towards an investment decision by the end of 2024. Through deep collaboration with the wind turbine manufacturer, MingYang, and potential shipyards for fabrication, the FEED work is now being carried out. Through close collaboration with suppliers, the design can be optimised and prepared for construction decisions.

During the year, Hexicon entered into a loan agreement of EUR 45 million with Glennmont Partners to drive specific projects forward and into a revolving credit facility of SEK 75 million via some private investors in Sweden.

Information on risks and uncertainty factors

Like many other industries, the renewable energy industry is dependent on the general economic and political situation around the world. Willingness to finance, financing conditions and access to capital can affect the company's ability to divest projects. The entire market for renewable energy is regulated by laws and regulations regarding support systems and permit processes for development. Despite the risks, development is progressing and offshore wind power is expected to become an essential source of energy.

Market-related risks

In many countries, wind power production is dependent on subsidies for investments to be profitable. Hexicon's strategy is partly to enter markets where it is not yet regulated what the offshore wind system will look like. The regulatory design in these countries is dependent on political decisions that are difficult to predict. There is also a risk that already made political decisions will be changed, which can affect the profitability of the projects.

Financial risks

Hexicon is exposed to various financial market risks such as currency risk, interest rate risk, credit and financing risks. The biggest financial risks with an impact on the company's survival are the refinancing and liquidity risks. The company needs income from the sale of project assets and/or additional external financing to secure its survival in the coming months. Financial risks and risk management are described in note 31, Financial risks and management.

Risks associated with partnerships
Hexicon is highly dependent on the progress and development of the group's various projects. Hexicon must maintain its partnerships and secure good relations with them. There is a risk that Hexicon will not succeed in finding new projects with existing and new partners.

Technical risks
Hexicon's development of TwinWind™ is still in an early phase and there is a risk that the technical solution is not competitive enough, which would affect the company's future revenues. Work to develop the design and test the technology at full scale is ongoing in the British project TwinHub.

Risks linked to key competence
Hexicon depends on attracting and retaining senior executives and other key personnel for their knowledge, experience and commitment.

Legal risks
The projects for offshore wind power are dependent on permits to be built. Hexicon is therefore exposed to the risk of these permit processes taking time and new legislation as the industry is still developing.

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

Personnel
At the end of 2023, Hexicon had 28 full-time employees, of which 9 were women.

Significant events during the fiscal year
- In February, Hexicon Korea entered into a partnership with IX Wind for project development in Taiwan.
- In April, Freja Offshore submitted the permit application for the Mareld wind farm, 2,500 MW, followed by Cirrus 2,000 MW in June and Dyning, 2,500 MW, in October.
- In May, Hexicon entered into a long-term credit facility, of EUR 45 million, with Glennmont Partners. The loan is placed in the wholly owned subsidiary Hexicon Holding AB and is earmarked for the development of specific projects. The included projects are TwinHub, MunmuBaram, AvenHexicon and Freja Offshore AB. With the agreement, a legal reorganisation was made where the ownership shares in the project development companies, for the included projects, were transferred to Hexicon Holding AB as owner.
- As part of the Glennmont facility, the outstanding convertible loans of SEK 82.5 million were repaid in August.
- In July, Hexicon entered into a revolving credit facility of SEK 75 million, where the main lender is Wallstreet AB, part of the Wallenius group. The loan is a supplement to the Glennmont facility.
- In August, Max Ek was appointed acting CFO.

During the year, the inactive subsidiary Dounreay Holding AB was sold for liquidation, and two associated companies in Portugal were divested Innovakeme LDA., Wunderocean LDA. Several companies were opened: Hexicon Holding AB, Mareld Green Energy AB, Passad Green Energy AB, Dyning Green Energy AB.

Sustainability information
The Group does not conduct any notifiable activities under the Environmental Code, but works to develop floating wind power technology that reduces the negative environmental impact of energy production. Through R&D, the company contributes to the emergence of a fossil-free society. Hexicon does not meet the criteria set out in the Swedish Annual Accounts Act; to make the sustainability report mandatory in the management report. On the other hand, the Group value in transparency for analysing risks and opportunities in the company's operations. That's why Hexicon has voluntarily chosen to present a report on the sustainability separately from the annual report.

Expectations regarding the future development
Hexicon is a development company of both projects and technology, and in 2024 the group has the ambition to divest parts of the project portfolio. However, Hexicon remains dependent on external financing and capital to continue developing the group. During 2024, the work will continue to offer the company's technical solution and project development capacity in new markets.

The annual report has been prepared with the premise that the company's survival is secured. The Board of Directors and the Chief Executive Officer assess the prospects as good for acquiring the capital necessary for continued operations until the company becomes profitable. Capital acquisition is assessed in the short term both via project divestments and external financing. However, there may be significant uncertainties regarding the timing of this capital raising and there are also no guarantees issued that new capital can be raised.

Summary of several years' results consolidated	2023	2022	2021	2020	2019
Revenue (TSEK)	5 714	11 576	23 105	4 357	9 846
Profit after financial items (TSEK)	-187 917	-170 805	-50 980	-36 939	-7 976
Cash and cash equivalents	121 201	86 637	289 587	106 595	537
Total assets (TSEK)	501 639	451 576	432 182	117 902	28 347
Equity ratio (%)	0	45	75	78	17
Average number of employees	28	35	27	10	7

Summary of several years' results parent company	2023	2022	2021	2020	2019
Net sales (TSEK)	14 612	16 762	24 059	4 357	9 846
Profit after financial items (TSEK)	-49 948	-121 129	-27 293	-42 119	-8 885
Total assets (TSEK)	364 751	410 833	367 843	118 086	29 343
Equity ratio (%)	61	63	92	78	36
Average number of employees	20	21	17	10	7

For definitions of key figures, see Note 1.

Proposal for appropriation of parent company's profit

The following profit appropriation (SEK) is at the disposal of the Annual General Meeting:

Share premium reserve	538 057 592
Retained earnings	-336 340 437
Profit for the year	-37 839 523
Total	163 877 632
The board proposes that available profits be disposed of in such a way that they are transferred to a new account	-374 179 960
Of which to share premium reserve	*538 057 592*
Total	**163 877 632**

Regarding the company's results and financial position, please refer to the following financial reports with accompanying financial statements and comments.

Consolidated statement of comprehensive income

(TSEK)	Note	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Net revenue	2, 3	5 714	11 576
Other operating income	4	4 422 **10 136**	6 073 **17 649**
Capitalized own work		29 161	67 515
Raw materials and consumables		-	691
Other external expenses	6, 7	-65 074	-119 650
Staff costs	8, 9	-50 361	-49 671
Depreciation of intangible and tangible fixed assets	16, 17, 7	-20 427	-35 497
Other operating expenses	5	-1 067	-1 014
Share of profit/loss in associates and joint ventures	18	-82 701	-41 136
Operating profit/loss		**-180 333**	**-161 113**
Financial income	11	56 789	1 941
Financial expenses	12	-64 373	-11 634
Net financial items		**-7 584**	**-9 692**
Profit/loss before tax		**-187 917**	**-170 805**
Tax on profit/loss for the year	13	431	470
Profit/loss for the year		**-187 486**	**-170 335**
Attributable to:			
Owners of the parent company Non-controlling interests		-187 332 -154	-166 931 -3 404
Earnings per share			
Basic and diluted, attributable to owners of the parent company (SEK)	14	-0,51	-0,46

Consolidated statement of comprehensive income

(TSEK)	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Profit / (loss) for the year	**-187 486**	**-170 335**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss Exchange differences on translating foreign operations	-10 685	6 306
Other comprehensive income for the year	**-10 685**	**6 306**
Comprehensive income for the year	**-198 171**	**-164 029**
Comprehensive income for the year attributable to:		
Owners of the parent company Non-controlling interests	-198 017 -154	-160 625 -3 404
	-198 171	**-164 029**

Consolidated statement of financial position

(TSEK)	Note	2023-12-31	2022-12-31
ASSETS			
Fixed Assets			
Non-current assets Intangible assets	15, 16	158 215	131 253
Property, plant and equipment	17	41 922	55 723
Right-of-use assets	7	7 477	10 490
Investments in associates	18	13 218	47 050
Financial investment	20	3	19
Receivables from associates	21	6 658	0
Deferred tax asset	13	115	0
Long-term receivables	22	1 683	1 683
Total non-current assets		**229 292**	**246 219**
Current Assets	30		
Accounts receivable	31	679	2 392
Investments in associates	18	135 685	98 205
Receivables from associates		4 017	1 113
Other short-term receivables		5 991	4 889
Prepaid expenses and accrued income	23	4 774	12 121
Cash and cash equivalents	35	121 201	86 637
Total current assets		**272 347**	**205 357**
TOTAL ASSETS		**501 639**	**451 576**

(TSEK)	Note	2023-12-31	2022-12-31
OWNERS' EQUITY AND LIABILITIES			
Owners' equity	24		
Share capital		3 638	3 627
Other contributed capital		538 058	540 458
Reserves (translation differences)		-4 388	6 306
Conditional additional purchase price		41 000	41 000
Accumulated profits including current years earnings		-576 434	-388 554
Total owners' equity attributable to parent company shareholders		**1 874**	**202 837**
Non-controlling interest		-667	-3 458
Total owners' equity		**1 207**	**199 378**
Long-term liabilities	**30**		
Long-term provisions	25	33 207	32 731
Deferred tax liability	13	3 846	4 091
Long-term leasing liabilities	26	4 802	7 684
Long-term interest-bearing liabilities	26	73 537	2 095
Other long-term liabilities	27	13 857	16 486
Total long-term liabilities		**129 248**	**63 087**
Short-term liabilities	**30**		
Short-term interest-bearing liabilities	26	306 253	68 468
Short-term derivative liability		-	19 905
Short-term leasing liabilities	26	3 113	2 436
Accounts payable	31	6 354	16 863
Liabilities to affiliated companies		10 000	40 183
Other short-term liabilities	28	18 380	19 462
Accrued expenses and deferred income	29	27 084	21 794
Total short-term liabilities		**371 184**	**189 111**
TOTAL OWNERS' EQUITY AND LIABILITIES		**501 639**	**451 576**

Consolidated statement of changes in equity

(TSEK)	Share capital	Other contributed capital	Translation reserve	Accumulated profits including current year earning	Total	Total Non-controlling interest	Total equity
Beginning equity 2022-01-01	3 638	540 458	-174	-221 161	322 761	92	322 853
Net income for the year	–	–	174	-166 931	-166 757	-3 404	-170 161
Other comprehensive income for the year	–	–	6 306	-462	5 844	-146	5 698
Total comprehensive income for the year	–	–	6 480	-167 393	-160 913	-3 550	-164 463
Contingent consideration	–	41 000	–	–	41 000	–	41 000
Transactions with owners of the group:							
Translation differences	–	–	–	–12	-12	–	-12
Total transactions with owners of the group	–	–	–	–12	-12	–	-12
Shareholder's equity at 2022-12-31	3 638	581 458	6 306	-388 566	202 836	-3 458	199 378
Shareholder's equity at 2023-01-01	3 638	581 458	6 306	-388 566	202 836	-3 458	199 378
Profit / (loss) for the year	-	-	-	-187 332	-187 332	-154	-187 486
Other comprehensive income for the year	–	–	-10 685	–	-10 685		-10 685
Total comprehensive income for the year	–	–	-10 685	-187 332	-198 017	-154	-198 171
Contingent consideration	–		–	–		–	
Transactions with owners of the group:							
Acquisition of partly owned subsidiaries	–	–	–	-2 948	-2 948	2 948	-
Expired coverage options	–	-2 400	-	2 400	–	–	-
Other	–	–	-9	12	3	-3	
Total transactions with owners of the parent	–	-2 400	-9	-536	-2 945	2 945	–
Shareholder's equity at 2023-12-31	3 638	579 058	-4 388	-576 434	1 874	-667	1 207

Consolidated cash flow statement

(TSEK)	Note	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Operating activities			
Operating profit		-180 333	-161 113
Adjustments for items not affecting cash flow	35	51 185	75 840
Interest received		433	28
Interest paid		-4 379	-208
Income tax paid		-647	–
Net cash flow from operating activities before changes in working capital		**-133 741**	**-85 453**
Cash flow from changes in working capital			
Decrease (+)/Increase (-) in Accounts receivable		15 769	-18 255
Increase (+)/Decrease (-) in Accounts payable		-40 954	8 594
Cash flow from operating activites		**-158 926**	**-95 114**
Investing activities			
Acquisition of subsidiaries, net cash impact	35	–	-42
Divestment of subsidiaries, net liquidity impact	35	752	–
Acquisition of intangible assets	16	-28 313	-68 825
Acquisition of property, plant, and equipment	17	-146	-14 125
Dividend from associated companies		21 988	–
Investment in and contributions to associates		-104 750	-104 037
Deposits		–	-1 683
Cash flow from investing activites		**-110 469**	**-188 713**
Financing activities			
Loan repayment		-88 209	–
Borrowing raised		394 687	83 213
Contingent consideration		–	–
Other financing items		-2 389	-2 448
Cash flow from financing activities		**304 089**	**80 765**

(TSEK)	Note	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Net cash flow for the year		**34 694**	**-203 063**
Cash and cash equivalents at beginning of the year		86 638	289 587
Exchange rate differences on cash and cash equivalents		-132	112
Cash and cash equivalents at end of year	35	**121 201**	**86 638**

Parent company's income statement

(TSEK)	Note	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Net sales	2, 3	14 612	16 762
Capitalized work for own account		649	6 477
Other operating income	4	887	1 465
		16 147	**24 705**
Raw materials and consumables		-	-
Other external expenses	6, 7	-35 462	-61 827
Personnel costs	8, 9	-33 059	-33 064
Depreciation of intangible and tangible fixed assets	16, 17	-6 470	-16 034
Other operating expenses	5	-1008	-972
Operating profit		**-59 852**	**-87 192**
Financial income and expenses			
Share of profit/loss of associates	10	-9 728	-27 362
Other interest income and similar items	11	48 478	4 059
Interest expenses and similar items	12	-28 846	-10 634
Profit/loss after financial items		**-49 948**	**-121 129**
Received/Paid group contributions		12 108	892
Tax on the years' profit/loss	13	-	-
Net profit/loss for the year		**-37 840**	**-120 237**
Parent company statement of comprehensive income			
Net profit/loss for the year		-37 840	-120 237
Other comprehensive income		-	-
Total comprehensive income for the year		**-37 840**	**-120 237**

Parent company's balance sheet

(TSEK)	Note	2023-12-31	2022-12-31
ASSETS			
Fixed Assets			
Intangible fixed assets	16	12 598	11 949
Tangible fixed assets	17	8 967	15 313
Financial fixed assets			
Shares in group companies	34	276 799	1 401
Shares in associated companies	19	5 154	184 145
Equity interests in other companies	20	3	13
Other long-term receivables	22	1 683	1 683
Total financial fixed assets		**283 639**	**187 242**
Total fixed assets		**305 204**	**214 504**
CURRENT ASSETS			
Short-term receivables			
Accounts receivable	31	8 181	1 077
Receivables from group companies		23 048	107 287
Receivables from associated companies		11	1 113
Other short-term receivables		2 303	2 597
Prepaid expenses and accrued income	23	6 236	5 420
Total short-term receivables		**39 779**	**117 493**
Cash and bank	35	19 769	78 835
Total current assets		**59 548**	**196 329**
TOTAL ASSETS		364 751	410 833

(TSEK)	Note	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity	24		
Restricted equity			
Share capital		3 638	3 638
Conditional additional purchase price		41 000	41 000
Fund for development expenses		12 598	11 949
Unrestricted equity		57 236	56 587
Share premium reserve accumulated deficit		538 058	538 058
Accumulated deficit		**-336 340**	**-215 455**
Current year earnings		-37 840	-120 237
		163 878	**202 366**
Total equity		**221 113**	**258 953**
Current liabilities			
Current interest-bearing liabilities	26	20 012	68 316
Short-term derivative liability		-	19 905
Accounts payable		1 796	9 989
Liabilities to group companies	31	101 419	-
Liabilities to associated companies		-	40 183
Other current liabilities	28	2 762	2 306
Accrued expenses and deferred income	29	17 648	11 181
Total current liabilities		**143 638**	**151 880**
TOTAL EQIUTY AND LIABILITIES		364 751	410 833

Report of changes in the parent companys's equity

(TSEK)	Share capital	Fund for development expenses	Share premium reserve	Retained earnings	Net income for the year	Total Equity
Opening equity as of 2022-01-01	3 638	20 873	538 058	-188 317	-36 061	338 190
Transfer of previous year's results	-	-	-	-36 061	36 061	-
Development expense fund	-	-8 924	-	8 924	-	-
Total comprehensive income for the year						
Profit for the year	-	-	-	-	-120 237	-120 237
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-120 327	-120 237
Contingent consideration	-	-	-	41 000	-	41 000
Closing equity as of 2022-12-31	3 638	11 949	538 058	-174 455	-120 237	258 953
Opening equity as of 2023-01-01	3 638	11 949	538 058	-174 455	-120 237	258 953
Transfer of previous year's results	-	-	-	-120 237	120 237	-
Development expense fund	-	649	-	-649	-	-
Total comprehensive income for the year						
Profit for the year	-	-	-	-	-37 840	-37 840
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-37 840	-37 840
Contingent consideration	-	-	-	-	-	-
Closing equity as of 2023-12-31	3 638	12 597	538 058	-295 341	-37 840	221 113

Parent company's cash flow analysis

(TSEK)	Note	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Operating activities			
Operating profit		-59 852	-87 192
Adjustments for items not affecting cash flow	35	19 749	15 030
Interest received		432	52
Interest paid		-3 298	-2 059
Income tax paid		-647	-
Net cash flow from operating activities before changes in working capital		**-43 617**	**-74 170**
Changes in working capital			
Increase/Decrease in other short-term receivables		-275	-4 005
Increase/Decrease in other current liabilities		-49 373	2 891
Cash flow from operating activities		**-93 265**	**-75 284**
Investing Activities			
Acquisition of subsidiaries and contributed equity		- 5 558	-32
Repayment of contributed equity		-	9 000
Acquisition of intangible assets	16	-649	-6 477
Acquisition of property, plant, and equipment	17	-86	-14 089
Acquisition and contributions to associates and joint ventures		-13 437	-91 722
Other investments and deposits		-	-1 634
Cash flow from investing activities		**-19 729**	**-104 954**

(TSEK)	Note	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Financing activities			
Amortization of external loans		-88 209	-
External borrowings taken		20 000	82 045
Received group contributions		12 108	892
Group internal borrowings		110 029	-111 187
Cash flow from financing activities		**53 928**	**-28 250**
Cash flow for the year		**-59 066**	**-208 488**
Cash and cash equivalents at the beginning of the year		78 835	287 323
Currency exchange differences in cash and cash equivalents		0	0
Cash and cash equivalents at the end of the year	35	**19 769**	**78 835**

Notes to group and parent company accounting

Note 1 Essential accounting principles

The accounting principles stated below for the group have been consistently applied to all periods presented in the group's financial reports unless otherwise indicated below.

Compliance with regulations and laws
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. Furthermore, the Swedish Accounting Standards Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied.

The accounting principles specified below have been applied in the preparation of the group's financial reports for the fiscal year 2023 and the comparative year 2022.

Changed accounting principles
Change has been made by IAS 1 Design of financial reports. The amendment aims to increase the usefulness of disclosures about applied accounting principles by encouraging that only material principles are described and that these descriptions explain how those principles are applied. The description of the accounting principles has therefore been further concentrated on essential principles and more focused on the application of these principles.

Functional currency and reporting currency
The parent company's functional currency is Swedish kronor, which is also the reporting currency for the parent company and for the group. This means that the financial reports are presented in Swedish kronor. All amounts are, unless otherwise stated, rounded to the nearest thousand.

New IFRS not yet applied
New and amended IFRS with future application are not expected to have any significant effect on the company's financial reports.

Consolidation principles and business combinations

Subsidiaries
Subsidiaries are companies that are under significant influence from Hexicon. Significant influence exists if Hexicon has control over the investment object, is exposed to or entitled to a variable return from its involvement and can use its influence over the investment to affect returns. In assessing whether significant influence exists, potential voting shares are considered, as well as whether de facto control exists.

Associated companies
Associated companies are companies over which the group has a significant, but not a controlling, influence over the operational and financial management, usually through shareholdings between 20 and 50% of the voting rights.

Financial instruments
Financial instruments are valued and reported in accordance with IFRS 9.

Accounting and first valuation
Accounts receivables are reported when they are issued. Other financial assets and financial liabilities are reported when the group becomes a party to the contractual terms of the instrument.

Classification and subsequent valuation

Derivative instruments
All derivative instruments are valued at fair value and reported as either assets or liabilities in the balance sheet, depending on whether the instrument's fair value is positive or negative on the balance sheet date. The group only has one derivative instrument that refers to the option part of the short-term convertible loan that was issued in November 2022. This loan was repaid in 2023 and therefore there are no derivatives at the end of 2023.

Financial assets
All financial assets - apart from the group's holdings of shares in unlisted holdings - are valued at amortised cost. This is because they are held within the framework of a business model whose goal is to obtain the contractual cash flows at the same time as the cash flows from the assets only consist of payments of capital and interest. Shares in unlisted holdings are valued at fair value via the income statement.

Financial liabilities
The group's financial liabilities are classified as valued at amortized cost except for the additional purchase price for Wavehub Ltd. Subsequent valuation of financial liabilities takes place at amortized cost using the effective interest method, alternatively be revalued to fair value via the income statement. Other financial liabilities are reported at amortized cost.
At the time of the acquisition, the financial commitment relating to the conditional additional purchase price of SEK 41 million for the acquisition of shares in MunmuBaram CO., Ltd. was valued from 2022 at fair value against equity at the time of acquisition and will thus not be revalued on an ongoing basis.

Accounting principles of the parent company
The parent company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Council's recommendation RFR 2 Accounting for legal entities. Statements issued by the Swedish Financial Reporting Council regarding listed companies are also applied. RFR 2 means that the parent company in the annual report for the legal entity must apply all IFRS and statements adopted by the EU as far as this is possible - within the framework of the Annual Accounts Act, the Insurance Act and with regard to the connection between accounting and taxation.

The recommendation states which exceptions to and additions to IFRS should be made.

Issued convertible debentures

Convertible debentures that can be converted into shares by the counterparty exercising its option to convert the claim into shares are reported as a compound financial instrument divided into a debt part and an equity part. The fair value of the debt at the time of issue is calculated by discounting the future payment flows with the current market interest rate for a similar debt, without the right to conversion. The value of the equity instrument is calculated as the difference between the issue proceeds when the convertible bond was issued and the fair value of the financial debt at the time of issue. Any deferred tax attributable to the debt at the time of issue is deducted from the reported value of the equity instrument. Transaction costs in connection with the issue of a compound financial instrument are allocated to the debt part and the equity part proportionally to how the issue proceeds are distributed. The interest expense is reported in the year's profit and calculated using the effective interest method.

Differences between the accounting principles of the group and the parent company

The differences between the accounting principles of the group and the parent company are outlined below. The accounting principles for the parent company, as stated below, have been consistently applied to all periods presented in the parent company's financial reports.

Classification and presentation formats

The parent company reports an income statement and a statement of income and other comprehensive income, whereas, for the group, these two reports together constitute a statement of income and other comprehensive income. Furthermore, the parent company uses the terms balance sheet and cash flow analysis for the reports titled statement of financial position and statement of cash flows in the group. The income statement and balance sheet for the parent company are presented according to the templates of the Annual Accounts Act, while the statement of income and other comprehensive income, statement of changes in equity, and cash flow analysis are based on the IAS 1 Presentation of Financial Statements and the IAS 7 Statement of Cash Flows. The main differences between the parent company's profit and loss statements and balance sheet mainly consist of the reporting of financial income and expenses, equity and leasing.

Subsidiaries, associated companies and jointly controlled entities

Shares in subsidiaries, associated companies and jointly controlled companies are reported in the parent company at cost using the acquisition value method. This means that transaction costs are included in the reported value of investments in subsidiaries, associated companies and jointly controlled entities. Transaction costs are reported in the consolidated accounts attributable to subsidiaries directly in the result when they arise.

Financial instruments

The parent company has chosen not to apply IFRS 9 for financial instruments. However, parts of the principles in IFRS 9 are still applicable - such as impairment, booking/de-booking and the effective interest rate method for interest income and interest expenses.

In the parent company, financial fixed assets are valued at cost minus any impairment, while financial current assets are valued at the lowest value principle. For financial assets that are measured at amortised cost, the impairment rules of IFRS 9 are applied.

Leased assets

The parent company does not apply IFRS 16, in accordance with the exemption provided by RFR 2. As a lessee, lease payments are reported as an expense linearly over the leasing period and therefore the right of use and lease liability are not reported in the balance sheet.

Inventory

In the parent company, advances to suppliers are reported under inventory, in contrast to the group where advances to suppliers are reported under Other receivables.

Taxes

In the parent company, any untaxed reserves are reported in the balance sheet without division into equity and deferred tax liability, unlike in the group. In the income statement, in the parent company, no distribution of part of the end-of-year appropriations to deferred tax expense is made correspondingly.

Group contribution

Received and provided group contributions are reported as end-of-year appropriations according to the alternative rule.

Note 2 Revenue

Revenue streams
Hexicon's business model consists of two business areas, one of which currently generates income for the group. This area is project development services where Hexicon supports the customer in decisions about construction investment as well as income from the sale of project shares.

In addition, the Group is expected to generate license revenues in the future from the use of Hexicon's patented technology. Invoices for project development services are issued monthly based on time spent and are typically due within 30 days, as it corresponds to the performance achieved to date. In case of project divestment, a purchase agreement is drawn up agreed performance commitments have been met.

Distribution of income from agreements with customers
The distribution of revenue from contracts with customers in main geographic markets, major product and service areas and timing of revenue recognition is summarised below.

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Revenue, including sales from:				
Goods		-		
Services	5 714	11 576	14 612	16 762
Project rights	-	-	-	-
Total	**5 714**	**11 576**	**14 612**	**16 762**

	Revenue from External Customers		Fixed Assets	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Geographic Market				
Sweden	4 465	10 669	200 137	186 977
Other Europe	212	-		-
Asia	1 037	907		
Total	**5 714**	**11 576**	**200 137**	**186 977**
Timing of Revenue Recognition				
Goods and services recognized at a point in time				
Summa intäkter från avtal med kunder	5 714	11 576		
Other revenue	-	-		
Total External Revenue	**5 714**	**11 576**		
Revenue from Major Customers				
Customer A	78%	92%		
Customer B	18%	8%		
Customer C	4%	-		

Distribution of income from agreements with customers
The distribution of revenue from contracts with customers in main geographic markets, major product and service areas and timing of revenue recognition is summarized below.

Note 3 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief executive decision maker. Hexicon's Cheif director is the group's highest executive decision-maker. The company has identified an operating segment which constitutes the group's operations as a whole. The assessment is based on resources and assessment of the operating segments' results.

Audit assignments refer to statutory audits of the annual and consolidated accounts and bookkeeping as well as the management of the board and the managing director as well as audits and other reviews carried out in accordance with an agreement or agreement.

This includes other tasks that the company's auditor is responsible for performing as well as advice or other assistance that is prompted by observations during such review or the implementation of such other tasks.

Note 4 Other operating income

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Government grants	3 502	3 299	-	10
Exchange gains on operating receivables/liabilities	576	253	576	253
Other services	344	2 521	311	1 202
Total	4 422	6 073	887	1 465

Note 5 Other operating expenses

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Exchange rate losses on receivables/liabilities of an operating nature	-1 067	-1 014	-1 008	-972
Total	-1 067	-1 014	-1 008	-972

Note 6 Fees to auditors

Group 2023-12-31

	KPMG	MacIntyre Hudson	Other	Total
Audit services	1 652	463	-	2 115
Other audit-related services	118	-	-	118
Tax advisory	-	-	188	188
Total	1 770	463	188	2 422

Group 2022-12-31

	KPMG	MacIntyre Hudson	Other	Total
Audit services	1 174	547	0	1 721
Other audit-related services	913	-	29	942
Tax advisory	-	-	16	16
Other services	119	-	0	119
Total	2 206	547	45	2 797

Parent Company

	2023-12-31		2022-12-31
	KPMG	Other	KMPG
Audit services	1 612	-	1 076
Other audit-related services	118	-	913
Tax advisory	-	188	0
Other services	-	-	119
Total	1 730	188	2 108

Audit assignments refer to statutory audits of the annual and consolidated accounts and bookkeeping as well as the management of the board and the managing director as well as audits and other reviews carried out in accordance with an agreement or agreement.

This includes other tasks that it is up to the company's auditor to perform as well as advice or other assistance that is prompted by observations during such review or the implementation of such other tasks.

Note 7 Lease agreements

Leasing agreements where the company is the lessee
The Group's tangible fixed assets consist of both owned and leased assets.

The group leases several types of office premises and parking spaces. No lease agreements contain covenants or other restrictions beyond the security of the leased asset.

Property leasing
The group's leases for office premises mainly consist of non-cancellable periods of 5 years, which are extended by further periods of 3 years each time with unchanged notice periods. If the group does not terminate the agreement, the agreement is extended with a notice period of 9 months. For offices, the Group assesses in the majority of cases that it is not reasonably certain that the agreements will be extended beyond the first period – i.e. the leasing period is usually assessed as one period. Property leasing does not include electricity, water, heating and other supplements, only rent is included. Some of the Group's leases for office premises have a term of less than 12 months. These leases are short-term leases. The group has chosen not to report any right-of-use asset or lease liability for these agreements. Some leases contain lease fees that are based on changes in local price indices.

Extension and termination options
Certain leasing agreements contain extension options and termination options respectively, which the Group can use or not use up to three months before the end of the non-cancellable leasing period. When practical, the Group tries to include such options in new leases as it contributes to operational flexibility. Whether it is reasonably certain that an extension option will be exercised or not is determined on the start date of the leasing agreement. The Group reconsiders whether it is reasonably certain that an extension option will be exercised or not if there is an important event or significant changes in circumstances that are within the Group's control.

Other leasing agreements
The group also leases parking spaces with a normal term of 3 months.

For leasing agreements that have a leasing period of 12 months or less or with an underlying asset of low value, less than SEK 50,000, no right-of-use asset and lease liability are reported. Leasing fees for these leasing agreements are reported as an expense linearly over the leasing period. The above cash outflow includes both amounts for leasing agreements that are reported as lease liabilities as well as amounts paid for variable lease fees, short-term leases and leases of low value.

In the consolidated balance sheet, the following amounts related to leasing agreements are reported:

	Group	
Assets held under operating leases	**2023-12-31**	**2022-12-31**
Opening acquisition value	13 021	-
Terminated agreement	-188	-
Omräkningsdifferans	136	-
Tillkommande nyttjanderättstillgångar	116	13 021
Closing accumulated acquisation values	**13 085**	**13 021**
Opening depreciation	-2 531	-
Terminated agreements	188	-
Translation difference	11	-
Depreciation during the year	-3 275	-2 531
Closing accumulated depreciation	**-5 608**	**-2 531**
Closing carrying amount	**7 477**	**10 490**

The following amounts related to leasing agreements are reported in the Group's income statement:	Group 2023-12-31	2022-12-31
Depreciation of assets held under operating leases	-3 275	-2 531
Interest expenses relating to lease liabilities	-535	-636

Change in lease liability, see note 35 regarding reconciliation of liabilities from financing activities.

Lease agreements in the Parent Company *Non-cancellable lease payments amount to:*	Parent Company 2023-12-31	2022-12-31
Due within 1 year	2 991	2 991
Due between 1 and 2 years	2 493	2 991
Due after 2 years	2 925	5 422
	8 410	11 404

Expensed fees amount to:	-3 407	-2 526
Lease expenses recognized in profit or less	-3 407	-2 526

Amounts reported in the cash flow statement	-2 991	-2 091
Total cash outflows related to lease payments	-2 991	-2 091

The above cash outflow includes both amounts for lease agreements that are reported as lease liabilities such as amounts paid for variable lease payments, short-term leases and low-value leases.

Note 8 Employees and personnel expenses

Average number of employees

	2023		2022	
Parent company	Number of employees	Male	Number of employees	Male
Sweden	20	71%	21	77%
Total parent company	**20**	**71%**	**21**	**77%**
Subsidiaries				
England	4	50%	2	63%
USA	1	0%	3	45%
Spain	3	94%	10	70%
Total subsidiaries	**8**	**59%**	**14**	**72%**
Consolidated Group	**28**	**68%**	**35**	**72%**

Saleries, Remunerations, Social Contributions, and Pension Expenses Group

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Salaries and remunerations to the Boars and other executives	14 922	7 590	10 870	7 590
Salaries and remunerations to other employees	23 902	18 410	12 249	12 666
Total	**38 824**	**26 000**	**23 119**	**20 256**
Pension expenses for the Board and other executives	1 705	1 245	1 705	1 245
Pension expenses for other employees	2 267	2 506	2 024	2 303
Social contributions according to law	8 959	8 636	7 565	7 451
Total	**12 931**	**12 387**	**11 294**	**11 000**

Board members and executives

	2023	2022
Number of board members at the balance sheet date		
Women	2	2
Men	4	4
Total	**6**	**6**
Number of CEOs and other executives		
Women	1	1
Men	6	5
Total	**7**	**6**

Information regarding remuneration to the board and other senior executives

2023	Base salary, Board remuneration	Variable compensation[1]	Pension cost	Other compensation[3]	Total
Chairman of the Board Hans von Uthmann	300	–	–	–	300
Board members					
Bjarne Borg	150	–	–	–	150
Vivianne Holm	150	–	–	–	150
Mats Jansson	150	–	–	–	150
Mia Batljan	150	–	–	–	150
Lars H Martinsson	150	–	–	–	150
Executives					
CEO	2 325	140	502	5	2 971
Other executives, 6 people[2]	9 367	1 367	1 203	858	12 796
Total	**12 742**	**1 507**	**1 705**	**863**	**16 817**

2022	Base salary, Board remuneration	Variable compensation[1]	Pension cost	Other compensation[3]	Total
Chariman of the Board Hans von Uthmann	300	–	–	–	300
Board members					
Bjarne Borg	150	–	–	–	150
Vivianne Holm	150	–	–	–	150
Mats Jansson	150	–	–	–	150
Mia Batljan	150	–	–	–	150
Lars H Martinsson	150	–	–	–	150
Executives					
CEO	2 040	336	499		2 875
Other executives, 5 st[2]	3 754	410	746	2 313	7 223
Total	**6 844**	**746**	**1 245**	**2 313**	**11 148**

Information regarding remuneration to the board and senior executives

[1] Variable remuneration refers to the expensed amount for each financial year, which may differ from future amounts paid.

[2] Other senior executives consist of Chief Financial Officer, Chief Technology Officer, Chief Project Officer, Business Development Manager and Country Manager UK/Ireland, and new for the year Head of Communications.

[3] One of the senior executives invoices his fee amounting to SEK 0,000 (2,313) and reported as other compensation until the end of November 2022 when he was hired. Another has started invoicing during October 2023 and has during 2023 invoiced a total of SEK 845 (0) thousand.

Severance pay

The Executive Director and the Business Development Manager are entitled to 6 months' salary in the event that they are dismissed.

Defined contribution pension plans

In Sweden, the group has defined contribution pension plans for workers that are fully paid for by the companies. Abroad, there are defined contribution plans which are partly paid for by the subsidiaries and partly covered by fees paid by the employees. Payment to these plans takes place on an ongoing basis according to the rules in each plan. Costs for defined contribution plans correspond to reported pension costs.

Note 9 Equity-related compensations

Subscription options

Since the beginning of 2021, employees, board members and other key persons have been offered to buy subscription warrants with the right to subscribe for shares in Hexicon AB. The program participants have paid fair value for the options. These have expired in 2023 and because the market price was lower than the subscription price, they expired. At the general meeting in May 2022, it was decided to issue 10,500,000 options. These options have not yet been assigned to management and employees and were therefore outstanding at the end of the year.

Since fair value was paid when the options were issued, no personnel costs are reported for the option programs.

The fair value of the options has been estimated using Black Scholes. The table below summarises important data about the option program.

The changes and holdings of warrants by the board, the managing director and other senior executives as of the balance sheet date are shown below.

Granted stock options	Accumulated number outstanding	Avergae exercise price, SEK
As of 2022-12-31	11 999 996	2,8
As of 2023-12-31	0	-

Outstanding by year, stock options	Number oustandings As of 2022-12-31	Number oustandings As of 2023-12-31	Exercise price, SEK	Option value, SEK	Values per share, SEK	Volatility	Term
Stock options program 2021	11 999 996	–	2,80	0,020	1,77	45%	3 år
Total	11 999 996	0					

The changes and holdings of warrants by the board, the managing director and other senior executives as of the balance sheet date are shown below.

Shareholders	Number oustandings As of 2021-12-31	Change	Number oustandings As of 2022-12-31	Change	Number oustandings As of 2023-12-31
Executive officers	6 999 996	-	6 999 996	-6 999 996	-
Other employees and consultants	5 000 000	-	5 000 000	-5 000 000	-
Total	11 999 996	-	11 999 996	-11 999 996	-

INCENTIVE PROGRAM

The purpose of the incentive program and the reason for the deviation from the shareholders' preferential right was to create incentives for the Company's board, senior executives, employees and new recruits in the Company who greatly contribute to the Company's positive development. Transfer to the participants has taken place against cash compensation corresponding to the market value of the warrants at the time of transfer. The fair value of services received from employees in exchange for granted options is valued on the basis of those the fair value of the options granted. The fair value of the options has been estimated using Black Scholes.

At the general meeting on December 30, 2020, it was decided to establish a warrant-based incentive program for the board, senior executives, employees, newly recruited and other key personnel in the Company, through the directed issue of a maximum of 13,000,000 warrants, and to approve the transfer of such warrants from the Company. At the board meeting on January 15, 2021 in the Company, it was decided to extend the subscription period for the options to March 31, 2021. In deviation from the shareholders' pre-emptive right, subscription options have been subscribed by those entitled to subscription, at a subscription price corresponding to the assessed market value.

The subscription price and the number of shares to which each warrant entitles is subject to customary conversion regulations into new shares in the Company against cash payment at a subscription price amounting to SEK 2.80 per share. The option right may be exercised during the period between 30 June 2023 up to and including 30 December 2023, and upon full exercise of the option rights for subscription of new shares, the Company's share capital will increase by SEK 130,000 and the number of shares will increase by 13,000,000, which corresponds to a dilution of approximately 5 percent of the total number of shares in the Company at the time of the offer. As the market price fell below the subscription price, these options expired in 2023.

Calculations for assessed market value have been made through an independent valuation using the Black & Scholes model.

Note 10 Results from investments in subsidiaries

	2023	2022
Reservation for financial receivable from subsidiary	-9 728	-27 362
Reversal of previous reservations	-	-
	-9 728	-27 362

Provision has been made for a receivable from the Spanish subsidiary Wunder Hexicon, the American Hexicon USA and the Portuguese subsidiary Hexicon Portugal.

Note 11 Financial income

	Group		Parent Company	
	2023	2022	2023	2022
Dividend from associated companies	-	-	21 988	-
Interest income	433	53	9 190	3 682
Translation differences	55 687	-	16 794	69
Other financial income	669	1 889	506	307
	56 789	**1 941**	**48 478**	**4 059**
Of which interest income from group companies	-	-	*8 758*	*3 631*

Note 12 Financial expenses

	Group		Parent Company	
	2023	2022	2023	2022
Interest expenses	-33 274	-1 933	-28 268	-1 913
Interest expenses related to lease liabilities	-535	-636	-	-
Additional purchase at fair value adjustment				
Translation differences	-44 985	-267	-15 224	-
Reverse/revaluation of derivative liability of convertible loan	17 242	-5 709	17 242	-5 709
Other financial expenses	-2 821	-3 089	-2 596	-3 012
	-64 373	**-11 634**	**-28 846**	**-10 634**
Of which interest expenses from group companies	-	-	*-4 747*	-

Note 13 Tax on the year's results

	Group		Parent company	
	2023	2022	2023	2022
Current tax for the year	-	-	-	-
Adjustment regarding previous years	-	-	-	-
Change in deferred tax related to temporary differences	431	470	-	-
Deferred tax regarding non valued tax loss carryforwards	-	-	-	-
Reported tax	**431**	**470**	**-**	**-**

Reconciliation of effective tax rate
The income tax on the group's profit before tax differs from the theoretical amount that would have been obtained using the weighted average tax rate for the results in the consolidated companies as follows:
The group has tax deductions for issuance costs that are reported directly in equity.
No deferred tax has been reported for these.

The group's loss carryforwards amounts to SEK 379.4 (338.6) million. The group's tax deficit has not been valued as the business is still under development, and future earnings development consequently is uncertain. As these loss carryforwards are attributable to Swedish legal entities, there is no expiration date for the loss carryforwards.

	Group		Parent company	
	2023	2022	2023	2022
Profit/Loss before tax	-187 917	-170 805	-37 840	-120 237
Tax at current tax rate	38 711	35 186	7 795	24 769
Effect of other rates for foreign subsidiaries	-30	-185	-	-
Tax on non-deductible expenses	-5 836	-8 697	-2 922	-5 763
Tax on non-taxable income	3 893	-	8 422	0
Utilization of unrecorded loss carryforwards	-	60	-	-
Increase in loss carryforwards without corresponding recognition of deferred tax liability	-36 307	-25 894	-13 295	-19 006
Deductible expenses charged to equity	-	-	-	-
Reported tax	431	470	0	0
Effective tax rate	**-0.2%**	**-0.3%**	**0.0%**	**0.0%**

Deferred tax assets and liabilities

The Group	Deferred tax asset	Deferred tax liabilities	Net
Deferred tax as of 31 december, 2023			
Fixed assets	115	-3 846	-3 731
Tax assets/liabilities, net	**115**	**-3 846**	**-3 731**

The Group	Amount at the beginning of the year	Reported in income statament	Increase through business acquisition	Translation difference	Amount at the end of the year
Change in deferred tax, 2023					
Fixed assets	-4 091	431	-	-71	-3 731
Tax assets/liabilities, net			**-**	**-71**	**-3 731**

The Group	Deferred tax asset	Deferred tax liabilities	Net
Deferred tax as of 31 december, 2022			
Fixed assets	-	-4 091	-4 091
Tax assets/liabilities, net	**-**	**-4 091**	**-4 091**

The Group	Amount at the beginning of the year	Reported in income statament	Increase through business acquisition	Translation difference	Amount at the end of the year
Change in deferred tax, 2022					
Fixed assets	-4 421	470	-	-140	-4 091
Tax assets/liabilities, net			**-**	**-140**	**-4 091**

Note 14 Earnings per share

The calculation of earnings per share before dilution is based on the year's earnings in the group attributable to the parent company's owners and on the weighted average number of shares outstanding during the year. When calculating earnings per share after dilution, earnings and the average number of shares are adjusted to take into account the effects of dilutive potential ordinary shares, which in reported periods derive from convertible debentures and options issued to employees.

Earnings per share before and after dilution	2023	2022
Net profit / (loss) for the year (TSEK) attributable to the parent company's shareholders	-187 332	-166 931
Avergae number of outstanding ordinary shares (TSEK)	363 803	363 803
Earnings per share before and after dilution (TSEK)	**-0.51**	**-0.46**

To calculate the earnings per share, the weighted average number of outstanding common shares is adjusted. There is no dilution effect for issued warrants, as the result for the years as described above has been negative, see also note 24 Equity.

Instruments that can provide future dilution effects and changes after the balance sheet date
In 2022, the company had an outstanding warrant program whose exercise price (2.80 SEK per share) exceeded the average share price during the period that the company has been listed. These options therefore have no dilutive effect and have been excluded from the calculation of earnings per share after dilution. The options have expired in 2023. In 2022, convertible loans were issued for a nominal amount of SEK 82.5 million, where the lenders have the right to convert to shares. These convertible loans have been repaid in 2023.

Note 15 Business Acquisitions

During 2023, four new companies have been established. Hexicon Holding AB, wholly owned by Hexicon AB, as well as Mareld Green Energy AB, Passad Green Energy AB and Dyning Green Energy AB, all three 50 percent owned by Hexicon Holding AB.

During the year, Hexicon acquired an additional 20% of the shares in the Spanish subsidiary Wunder Hexicon SL. In addition, no other business aquisitions were made during 2023.

In July 2021, Hexicon acquired 100% of the shares and voting rights in Wave Hub Ltd through Hexicon's wholly owned subsidiary TwinHub Ltd. Wave Hub is a renewable energy production facility in Cornwall, England. The purpose of the acquisition was to obtain the company's license for seabed area and electricity production, its installed infrastructure and the opportunity to obtain subsidies. A cash purchase price of SEK 8.6 million was paid for the acquisition and transaction costs were SEK 2.9 million. In addition, the acquisition included two additional purchase prices of SEK 12.2 million (1 MGBP) each, which will be paid in cash if Wave Hub is granted support from the UK government's Contract for Difference (CfD) program, and if the project reaches the Final Investment Decision (FiD). The two additional purchase prices will not be paid if these milestones are not reached.

In July 2022, the project won the CfD auction in the UK, and the first additional purchase price of SEK 12.5 million was paid. The conditional additional purchase price for the acquisition of Wave Hub Ltd, as of December 31, 2023, includes a pending conditional additional purchase price of SEK 11.5 million (GBP 1.0 million) if the project reaches a decision on final investment (FID). The conditional additional purchase price will not be paid if the milestone is not met. Incoming balance for 2023 of the conditional additional purchase price was SEK 12.0 million and the closing balance as of 31 December 2023 was SEK 11.3 million (GBP 0.9 million). The difference of about SEK 0.2 million is due to exchange rate fluctuations between SEK and GBP, new estimated payment date to November 30, 2024 of SEK -0.1 million, and a difference in cost of capital at 14.0 % of SEK -0.9 million. An increase/ decrease of the cost of capital by +/- 2 % would have resulted in a conditional purchase price of SEK 11.2 million and SEK 11.6 million, respectively.

Note 16 Intangible Assets and Impaitment Testing

Examination of the need for impairment of intangible fixed assets
At each balance sheet date, an assessment is made as to whether there are indications of a need for impairment of any of the intangible fixed assets. If such an indication exists, the asset's recovery value is calculated as the highest of fair value with deductions for sales costs and value in use. A write-down is made if the recoverable amount is less than the reported value and if the decrease in value for the individual asset is deemed to be permanent.

Goodwill
The assessment of the value of the group's goodwill is based on the recovery value of the smallest cash-generating unit, which for Hexicon is judged to be its subgroups.

The assessment of goodwill in the smallest cash-generating units is based on probability-adjusted cash flow models that have been established by management based on experience, knowledge and market expectations. The group's goodwill as of 31 December 2023 amounted to SEK 11,907 (11,733) million and originates from the British subsidiary TwinHub through its acquisition of Wave Hub Ltd. When testing goodwill for impairment, group management has based the recovery value on the value in use and used a discount rate of 5.4%. The cash flows are calculated over a project duration of 15 years, which is in line with the UK government's Contract for Difference (CfD). Important assumptions have concerned access to loans and equity financing, subsidies and estimated project costs. When developing these assumptions, the group management took the help of external consultants in each area. There is no indication of impairment of goodwill at group level.

Research and Development
Expenditures for research aimed at obtaining new scientific or technical knowledge are reported as costs when they arise.

Expenditures for development, where research results or other knowledge are applied to create new or improved products or processes, are reported as an asset in the statement of financial position, if the product or process is technically and commercially useful and the company has sufficient resources to complete the development and then use or sell the intangible asset. The reported value includes all directly attributable expenses, e.g. for materials and services, compensation to employees, registration of a legal right, depreciation on patents and licenses, loan expenses in accordance with IAS23.

Other intangible assets
The group's other intangible fixed assets consist of expenses linked to patent rights and technology and project development expenses. The recovery value for the assets is based on the probability-adjusted cash flows that are estimated to be generated during the asset's lifetime. When testing the intangible fixed assets for impairment, a number of key assumptions are made. The assumptions relate to access to financing, success in technical development, cost development and level of commercialisation of the group's technical solutions. The group's other intangible fixed assets amounted to SEK 146,309 (119,521) thousand as of December 31, 2023. There is no indication of write-downs of other intangible fixed assets at group level.

Depreciation principles
Depreciation is recognised in the year's profit on a straight-line basis over the estimated useful lives of intangible assets, unless such useful lives are undeterminable. The periods of use are reviewed at least annually. Goodwill and other intangible assets with an indeterminate useful life or which are not yet ready to be used are tested for impairment annually and also as soon as there are indications that the asset in question has decreased in value. Intangible assets with determinable useful lives are depreciated from the time they are available for use.

The estimated useful lives are:

- Patents[1] 5-15 years
- Balanced development expenditure[2] 5-15 years

The Group	Goodwill	Development costs	Patents and similar rights	Total for the period
2022-01-01-2022-12-31				
Opening accumulated acquisition value	11 358	48 581	25 166	85 105
Business acquisitions	-	-	-	-
Aquisitions	-	94 075	1 460	95 534
Disposals and retirements	-	-26 710	-	-26 710
Reclassifications	-	-	-	-
Translation differences	375	2 712	-49	3 037
Closing accumulated acquisition value	**11 733**	**118 658**	**26 576**	**156 967**
Opening accumulated depreciation	-	-	-655	-655
Depreciation	-	-7 293	-1 769	-9 062
Disposals and retirements	-	-	-	-
Translation differences	-	-341	-256	-597
Closing accumulated depreciation	**-**	**-7 634**	**-2 680**	**-10 314**
Opening accumulated impairments	-	-	-	-
Impairments	-	-15 400	-	-15 400
Disposals and retirements	-	-	-	-
Translation differences	-	0	.	0
Closing accumulated impairments	**-**	**-15 400**	**-**	**-15 400**
Closing book value	**11 733**	**95 624**	**23 897**	**131 253**

[1]Amortization of patents begins when the patent is granted
[2]Amortization of balanced development expenses begins when the technology or project is ready for commercialization

The group	Goodwill	Development expenses	Patents and similar rights	Total for the period
2023-01-01–2023-12-31				
Opening accumulated acquisition value	11 733	118 658	26 576	156 967
Business acquisitions	–	–	–	–
Aquisitions	–	25 619	2 694	28 313
Disposals and retirements	–	–	–	–
Reclassification	–	–	–	–
Translation differences	174	414	350	938
Closing accumulated acquisition value	**11 907**	**144 691**	**29 620**	**186 218**
Opening accumulated depreciation	–	-7 634	-2 680	-10 314
Depreciation		–	-2 336	-2 336
Disposals and retirements	–	–	–	–
Translation differences	–	22	25	47
Closing accumulated depreciation	**–**	**-7 612**	**-4 991**	**-12 603**
Opening accumulated impairments	–	-15 400	–	-15 400
Impairments	–	–	–	–
Disposals and retirements	–	–	–	–
Translation differences	–	–	–	0
Closing accumulated impairments	**–**	**-15 400**	**–**	**-15 400**
Closing book value	**11 907**	**121 679**	**24 630**	**158 215**

Parent Company	Development expenses	Patents and similar rights	Total for the period
2022-01-01-2022-12-31			
Incoming accumulated acquisition cost	20 873	–	20 873
Acquisitions	6 477	–	6 477
Disposals and retirements	–	–	–
Reclassifications	–	–	–
Translation differences	–	–	–
Outgoing acquisition cost	**27 350**	**–**	**27 350**
Incoming accumulated depreciation	–		–
Depreciation	–	–	–
Incoming acculmulated impairment losses	–	–	–
Impairment losses	-15 400	–	-15 400
Outgoing carrying amount	**11 949**	**0**	**11 949**

2023-01-01-2023-12-31			
Opening accumulated acquisition cost	27 350	–	27 350
Acquisitions	649	–	649
Disposals and retirements	–	–	–
Reclassification	–	–	–
Exchange rate differences	–	–	–
Closing accumulated acquisitions cost	**27 999**	**–**	**27 999**
Opening accumulated write downs	-15 400	–	-15 400
Impaitment losses	–	–	–
Disposals and retirements	–	–	–
Exchange rate differences	–	–	–
Closing accumulated write downs	**-15 400**	**–**	**-15 400**
Outgoing carrying amount	**12 598**	**–**	**12 598**

Note 17 Property, plant and equipment

Tangible fixed assets are reported as assets in the balance sheet if it is likely that future financial benefits will accrue to the company and the acquisition value of the asset can be calculated reliably.

Depreciation principles
Depreciation according to plan on tangible fixed assets is based on the determined useful period. Depreciation takes place linearly over the assets' estimated useful life and taking residual value into account. The following depreciation periods apply

The estimated useful lives are:
- Machinery and other technical facilities 7 years
- Equipment, tools and installations 5-10 years

Impairment
A write-down is reported when the reported value of an asset or cash-generating unit (group of units) exceeds the recovery value. A write-down is reported as an expense in the year's profit.

Koncernen	Buildings and land	Machinery and other technical facilities	Fixtures, tools and fittings	Total
2022-01-01-2022-12-31				
Opening accumulated acquisition cost	694	50 974	145	51 813
Business acquisitions	-	-	-	-
Acquisitions	190	13 242	704	14 136
Disposals and retirements	-	-	-	-
Reclassifications	-	-	-	-
Translation difference	23	6 234	14	6 271
Closing accumulated acquisition cost	**907**	**70 450**	**863**	72 220
Opening accumulated depreciation	-	-3 189	-2	-3 191
Depreciation	-15	-8 374	-124	-8 514
Sales/Retirements	-	-	-	-
Translation difference	-	-4 790	-2	-4 792
Closing accumulated depreciation	**-15**	**-16 353**	**-128**	**-16 497**
Closing book value	**892**	**54 096**	**735**	**55 723**

2023-01-01-2023-12-31				
Opening accumulated acquisition cost	907	70 450	863	72 220
Business acquisitions	-	-	-	-
Acquisitions	-	-	146	146
Translation difference	11	822	-	833
Closing accumulated acquisition cost	**918**	**71 272**	**1 009**	**73 199**
Opening accumulated depreciation	-15	-16 353	-128	-16 497
Depreciation	-38	-10 452	-189	-10 679
Translation difference	-	34	1	35
Outgoing accumulated depreciation	**-53**	**-26 771**	**-316**	**-27 141**
Incoming accumulated impairment losses	-	-	-	-
Impairment losses		-4 136		-4 136
Outgoing accumulated impairment losses	**-**	**-4 136**	**-**	**-4 136**
Closing book value	**865**	**40 364**	**693**	**41 922**

Parent Company	Buildings and land	Machinery and other technical facilities	Fixtures, tools and fittings	Total
2022-01-01-2022-12-31				
Incoming accumulated acquisitions value	–	1 857	–	1 857
Acquisitions	190	13 242	657	14 089
Outgoing acquisitions value	**190**	**15 099**	**657**	**15 946**
Incoming avvumulated depreciation	–	–	–	–
Depreciation	-15	-539	-79	-633
Disposals and retirements	–	–	–	–
Exchange rate differences	–	–	–	–
Outgoing axquisitions value	**-15**	**-539**	-79	**-633**
Outgoing book value	**175**	**14 560**	579	**15 313**

2023-01-01-2023-12-31				
Incoming accumulated acquisition value	190	15 099	657	15 946
Acquisition	–	–	86	86
Disposals and retirements	–	–	70	70
Reclassification	–	–	–	–
Outgoing acquisition value	**190**	**15 099**	**813**	**16 102**
Incoming accumulated depreciation	-15	-539	-79	-633
Deprecitation	-38	-2 157	-137	-2 332
Disposals and retirements	–	–	-33	-33
Exchange rate difference	–	–	–	–
Outgoing accumulated depreciation	**-53**	**-2 696**	**-249**	**-2 998**
Incoming accumulated impairments	–	–	–	–
Impairments	–	-4 136	–	-4 136
Outgoing accumulated impairments	**–**	**-4 136**	**–**	**-4 136**
Outgoing book value	137	8 267	564	8 967

Note 18 Investments in associates and joint ventures

Associated companies and joint ventures	Form	Domicile/Country	Ownership %
Genesis Hexicon (Ply) Ltd	Associate	South Africa	50
Hexicon Korea Co., Ltd. (f.d. CoensHexicon Co.,Ltd)	Associate	South Korea	49
EWS Co., Ltd	Associate	South Korea	29
Offshore Access Sweden AB	Associate	Sweden	23
Munmu Baram Co., Ltd	Associate	South Korea	20
Hexagon Ocean Energies Ltd	Associate	Mauritius	20
AvenHexicon S.R.L.	Joint venture	Italy	50
Freja Offshore AB	Joint venture	Sweden	50
Mareld Green Energy AB	Joint venture	Sweden	50
Passad Green Energy AB	Joint venture	Sweden	50
Dyning Green Energy AB	Joint venture	Sweden	50
Hexicon Power S.A.	Joint venture	Greece	50
Wave Hub Grid Connection Ltd	Joint venture	UK	50

Below, financial information is specified in summary according to IFRS, adjustments to fair value (acquisitions) and adjustments to the group's accounting principles.

As a project developer focusing on the early phase of the development cycle, Hexicon's business model is to divest the projects before construction starts and with no intention of being the ultimate owner during the operational phase. Upon further analysis, although development cycles for infrastructure projects are long and span many years, Hexicon believes that the projects are held with the intention of being sold within their operating cycle. To clarify this for the reader, the associated companies that currently hold projects or exploration have been reclassified as current assets. The comparative figures in 2022 have also been reclassified. The profit and cash flow report is not affected.

Assets	2022-12-31 Before correction	Correction	2022-12-31 After correction
Fixed assets			
Shares in associated companies	145 255	-98 205	47 050
Total fixed assets	344 424	-98 205	246 218
Omsättningstillgångar			
Current assets	-	98 205	98 205
Total current assets	107 152	98 205	205 357
Total assets	451 576	0	451 576

Freja Offshore AB	2023-12-31	2022-12-31
Net revenue	-	-
Profit after taxes:	-53 509	-54 421
of which depreciation (0 TSEK)	-	-
of which tax cost/income (0 TSEK)	-	-
Other comprehensive income	-	-
Total comprehensive income 100%	**-53 509**	**-54 421**
Group's share of total comprehensive income (50%)	-26 754	-27 156
Elimination unrealized gain on sale to joint venture	-	-
Current asset (100%):	28 015	21 086
of which cash and cash equivalents are 6 260 (19 527 TSEK)		
Fixed assets (100%)		
Current liabilities (100%):	-3 111	-7 595
Net assets	**24 904**	**13 491**
Group's share of net assets (50,0%) Elimination unrealized gain on sale to joint venture	12 452	6 746
Reported value at year-end	**12 452**	**6 746**

Hexicon Korea Co., Ltd. (f.d. CoensHexicon Co.,Ltd)	2023-12-31	2022-12-31
Net revenue	-	-
Profit after taxes:	-18 009	78 452
of which depreciation 48 (560 TSEK)		
of which interest income 42 (68 TSEK)		
of which interest costs 0 (29 TSEK)		
of which tax cost/income (0 TSEK)		
Other comprehensive income		
Total comprehensive income 100%	**-18 009**	**-78 452**
Group's share of total comprehensive income (49%)	-8 824	38 441
Elimination unrealized gain on sale to joint venture	-	-
Total comprehensive income	**-8 824**	**38 441**
Current assets	20 663	90 682
of which cash and cash equivalents are 19 723 (46 512 TSEK)		
Fixed assets (100%)	2 803	3 393
Current liabilities (100%):	2 084	-2 088
of which financial current liabilities are 1 364 (1 407 TSEK)		
Long-term liabilities (100%):	-112	-1 560
of which financial long-term liabilities are 0 (-1 560 TSEK)		
Net assets	**25 439**	**90 427**
Group's share of net assets (20,0%)	5 088	18 085
Reported value at year-end	**5 088**	**18 085**

Munmu Baram Co., Ltd	2023-12-31	2022-12-31
Net revenue	-	-
Profit after tax:	-229 271	-64 720
of which interest income 42 (68 TSEK)		
of which interest costs 0 (29 TSEK)		
of which tax cost/income (0 TSEK)		
Other comprehensive income		
Total comprehensive income 100%	**-229 271**	**-64 720**
Group's share of total comprehensive income (20.0%)	-45 854	- 12 944
Elimination of unrealized gain on sale to joint venture		
Group's share of total comprehensive income	**-45 854**	**-12 944**
Current assets	**20 663**	**74 492**
of which cash and cash equivalents 86 850 (68 859 TSEK)		
Non-current assets	1 685	1 681
Current liabilities (100%)	-51 185	-39 660
of which financial current liabilities are 6 341 (25 505 TSEK)		
Long-term liabilities (100%)	-	-
of which financial long-term liabilities are 0 (0 TSEK)		
Net assets	**-28 837**	**36 513**
Group's share of net assets (20,0%)	-5 767	7 303
Elimination of unrealized gain on sale to joint venture		
Carrying amount at year-end	**-5 767**	**-7 303**

Financial information in summary for non-significant holdings in associates	2023-12-31	2022-12-31
Carrying amount	277	1 391
Profit after tax	-1 268	-1 114
Other comprehensive income	-	-
Total comprehensive income	**-1 268**	**-1 114**

Note 19 Parent company's investments in associates and joint ventures

Associated companies and joint ventures	Form	Domicile/Country	Ownership %
Genesis Hexicon (Ply) Ltd	Associate	South Africa	50
Hexicon Korea Co., Ltd. (f.d. CoensHexicon Co.,Ltd)	Associate	South Korea	49
Offshore Access Sweden AB	Associate	Sweden	23
Hexicon Power S.A.	Joint venture	Greece	50
Hexagon Ocean Energies	Associate	Mauritus	20

	Associated companies		Joint ventures		Total	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Accumulated acquisition cost						
At the beginning of the year	144 445	3 594	39 722	7 683	184 167	11 277
Acquisitions	-	99 851	-	830	-	100 682
Rights issue	4 130	-	-	-	4 130	-
Disposals	-103 981	-	-47 644	-	-151 625	-
Contributions - shareholder investments	-	-	9 504	31 209	9 504	31 209
Repayments - shareholder investments		-		-	-	-
Conditional additional purchase considera-tion	-41 000	41 000	-	-	-41 000	41 000
Closing balance December 31	3 594	144 445	1 582	39 722	5 176	184 167
Accumulated impairment losses						
At the beginning of the year	-22	-22	-	-	-22	-22
Rights issue		-	-	-	-	-
Impairment losses for the year		-	-	-	-	-
Closing balance December 31	-22	-22	-	-	-22	-22
Reported amount	3 572	144 423	1 582	39 722	5 154	184 145

Note 20 Ownership interest in other companies

Ownership interest in other companies	Registered office/Country	Ownership interest %
Highland Wind Limited	UK	10

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Accumulated aquisition cost				
At the beginning of the year	19	13	13	13
Purchases	-	6	-	-
Business acquisition	-	-	-	-
Disposals	-16	-	-11	-
Ending balance on December 31	3	19	3	13
Accumulated appreciations				
At the beginning of the year	-	-	-	-
Appreciations	-	-	-	-
Ending balance on December 31	-	-	-	-
Accumulated write-downs				
At the beginning of the year	-	-	-	-
Write-downs	-	-	-	-
Reclassifications	-	-	-	-
Ending balance on December 31	-	-	-	-
Reported value	3	19	3	13

Note 21 Receivables from associates

	Group		Parent company	
Receivables from associates	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Accumulated acqusition values				
At the beginning of the year	-	-	-	-
New loan	6 658	-	-	-
Ending balance on December 31	6 658	-	-	-
Reported value	6 658	-	-	-

Note 22 Long-term receivables

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
At the beginning of the year	1 683	54	1 683	49
Provided deposits/ guarantees	-	1 636	-	1 636
Business acquisition	-	-	-	-
Reclassification from short-term receivable	-	-	-	-
Returned deposits/ guarantees	-	-7	-	-2
Reclassification from ownership interests in other companies				
Impairment	-	-	-	-
Exchange rate differences	-	-	-	-
Closing balance as of December 31	1 683	1 683	1 683	1 683

Long-term receivables refer to deposits and bank guarantees provided.

Note 23 Prepaid expenses and accrued income

	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Prepaid rent	0	436	0	1 002
Insurance premiums	-	-	-	315
Financing fees	1 167	-	1 167	-
Accrued interest income	-	-	1 442	-
EU grants	-	9 837	-	-
Other prepaid expenses	3 607	1 848	3 627	4 103
	4 774	**12 121**	**6 236**	**5 420**

Note 24 Equity capital

Thousans of shares	2023	2022
Common share		
Issued as of January 1	363 803	363 803
New issue	-	-
Issued as of December 31 - paid	363 803	363 803

As of December 31, 2023, the registered share capital consisted of 363,802,686 common shares (363,802,686) with a nominal value of SEK 0.01 (0.01).

The Group

Translation reserve

The translation reserve includes all exchange rate differences that arise when translating financial reports from foreign operations that have drawn up their financial reports in a currency other than the currency in which the group's financial reports are presented. The parent company and the group present their financial reports in Swedish kronor.

Parent Company

Closed funds

Restricted funds may not be reduced by profit distribution.

Fund for development expenses

The amount that is capitalised in respect of self-generated development expenses must be transferred from unrestricted equity to the fund for development expenses in restricted equity. The fund must be reduced as the capitalised expenses are written off or written down.

Unrestricted equity

The following funds, together with the year's profit, constitute unrestricted equity, i.e. the amount available for distribution to the shareholders.

Premium fund

When shares are issued at a premium, i.e. more must be paid for the shares than the quota value of the shares, an amount corresponding to the amount received in addition to the quota value of the shares must be transferred to the premium fund.

Retained Earnings

Retained earnings consist of the previous year's retained earnings and results after deduction of dividends paid during the year.

Note 25 Provision

A provision differs from other liabilities in that there is uncertainty about the time of payment or the sise of the amount to settle the provision. A provision is recognised in the statement of financial position when there is an existing legal or informal obligation as a result of an event that has occurred, and it is probable that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made .

Provisions are made with the amount that is the best estimate of what is required to settle the existing obligation at the balance sheet date. Where the effect of when in time payment occurs is material, provisions are calculated by discounting the expected future cash flow at a pre-tax interest rate that reflects current market assessments of the time value of money and, if applicable, the risks associated with the liability.

The Group	Restoration of projects	Other provisions	Total
Amount at the beginning of the year January 1, 2023	32 574	157	32 731
Year's provisions	-	-	-
Business acquisitions	-	-	-
Regulated provision	-	-	-
Reclassification	-348	348	-
Translation differences	476	-	476
Closing balance December 31, 2023	**32 702**	**505**	**33 207**
Amount at the beginning of the year January 1, 2022	31 393	157	31 350
Year's provisions	-	-	-
Business acquisitions	-	-	-
Regulated provision	-	-	-
Reclassification	-	-	-
Translation differences	1 381	-	1 381
Closing balance December 31, 2022	**32 574**	**157**	**32 731**

Restoring projects
Project restoration is a commitment to restore the water area in Cornwall, England where the Group is developing the TwinHub project. There is a risk that security for this provision will be required within 12 months.

Other provisions
Other provisions consist of negative profit share in associated companies. The group then has a commercial commitment in the associated company's loss.

Note 26 Interest-bearing liabilities

	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Long-term liabilities				
Long-term interest-bearing debt	73 537	2 095	-	-
Long-term portion of leasing liabilities	4 802	7 684	-	-
	78 339	9 779	-	-
Short-term liabilities				
Short-term interest-bearing debt	306 253	68 468	20 012	68 316
Short-term portion of leasing liabilities	3 113	2 436	-	-
	309 366	70 904	**20 012**	68 316

The following provides information on the company's contractual terms regarding interest-bearing liabilities. For more information on the company's exposure to interest rate risk and risk of exchange rate changes, refer to note 31.

Short-term interest-bearing liabilities include the short-term part of the loan from Glennmont as well as a newly taken out credit facility of a maximum of SEK 75 million, SEK 20 million utilised by December 2023. There is also a long-term part of the loan to Glennmont. See more information below.

In July, Hexicon entered into an agreement for a credit facility of up to SEK 75 million, which can be used as needed, with payments of SEK 10 million at a time. At the turn of the year, SEK 20 million of this credit facility had been used. The credit facility complements the project development loan of EUR 45 million from Glennmont, which will be used to finance the main projects going forward. At the turn of the year, EUR 31.4 million has been drawn on the loan. Long-term interest-bearing loan EUR 138 (188) thousand refers to loans attributable to the Spanish subsidiary Wunder Hexicon. The convertible loan of SEK 82.5 million has been repaid early during the year, including interest

Hexicon has entered into a loan agreement of up to EUR 45 million that can be used until May 2029, to finance specified projects. A total of EUR 31.4 million has been withdrawn. Hexicon has the option of early payment 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 linked to the loan agreement and hereby reports a loan liability at amortised cost based on expected cash flows. Expected short-term net payments of cash flows are reported as the short-term part of long-term liabilities.

Terms and repayment terms

Terms and repayment times see table below.

2022

(TSEK)	Currency	Interest	Maturity	Nominal amount	Carrying amount
Long-term interest-bearing liabilities	EUR	3.26%	1 to 2 years	2 095	2 095
Long-term lease liabilities	SEK	3.00%	1 to 5 years	7 684	7 684
Short-term interest-bearing liability	SEK	12.00%	Within 1 year	82 500	68 468
Short-term lease liabilities	SEK	3.00%	Within 1 year	2 436	2 436
Total interest-bearing liabilities				**94 715**	**80 683**

Short-term interest-bearing liabilities include the short-term part of the loan from Glennmont as well as a newly taken out credit facility of a maximum of SEK 75 million, SEK 20 million utilized by December 2023. There is also a long-term part of the loan to Glennmont. See more information below.

2023

Long-term interest-bearing liabilities	EUR	13.65%	1 to 2 years	72 007	72 007
Long-term interest-bearing liabilities	EUR	0.00%	1 to 9 years	1 530	1 530
Long-term lease liabilities	SEK	3.00%	1 to 5 years	4 802	4 802
Short-term interest-bearing liability	EUR	13.65%	Within 1 year	286 237	286 237
Short-term interest-bearing liability	SEK	15.60%	Within 1 year	20 017	20 017
Short-term lease liabilities	SEK	3.00%	Within 1 year	3 113	3 113
Total interest-bearing liabilities				**387 705**	**387 705**

Note 27 Other long-term liabilities

Group 2023	Earn-out liabilities	Prepaid government project grants	Other current loans	Total
Balance at January 1, 2023	0	16 486	–	16 486
Regulated liabilities	-	-3 368	–	-3 368
Reclassification to current liabilities	-	559	–	559
Translation differences	-	179	–	179
Balance at December 31	**0**	**13 857**	**–**	**13 857**

Group 2022				
Balance at January 1, 2022	11 564	18 040	1 051	30 655
Additional liabilities	666	–	–	666
Reclassification to current liabilities	-12 484	–	-1 051	-13 535
Translation differences	255	-1 554	–	-1 299
Balance at December 31	**0**	**16 486**	**–**	**16 486**

Note 28 Other long-term liabilities

Conditional purchase price

Conditional purchase price consists of the contractual purchase price from the acquisition of Wave Hub, see note 15.

	Group		Parent company	
Other current liabilities	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Employee-related liabilities for taxes and fees	2 817	2 231	2 762	1 998
VAT payable	700	-	-	-
Contingent consideration	11 385	12 113	-	-
Reverse loan		-		-
Other liabilities	3 478	5 118	-	307
Total	18 380	19 462	2 762	2 306

Note 29 Accrued expenses and prepaid revenue

Accrued expenses and prepaid revenue	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Accrued salaries and fees	1 529	1 450	1 573	1 500
Accrued holiday pay	3 152	3 145	3 152	3 145
Social security contributions	1 484	1 460	1 484	1 460
Accrued administrative expenses	1 942	2 920	1 970	3 334
Accrued decelopment costs	-	40	-	-
Accrued project cost	14 254	11 038	-	-
Accrued interest expense	4 722	1 742	9 470	1 742
State project grants	-	1	-	1
Other				
Total	27 084	21 794	17 648	11 181

Note 30 Financial assets and liabilities

The table below shows the reported values and the fair values of the group's financial assets and financial liabilities, including their level in the valuation hierarchy.

Calculation of fair value
According to IFRS 13, information must be provided per level in the hierarchy to which the valuations at fair value are attributed in their entirety (Level 1, 2 or 3). Below follows a summary description of each level.

Level 1: financial instruments valued by quoted prices in an active market for identical instruments.
Level 2: financial instruments not included in level 1 where fair value is based as far as possible on observable market data
Level 3: financial instruments where the material inputs are not based on observable market data.

The items that have been subject to valuation at fair value are an unlisted shareholding, conditional purchase price and option portion of convertible loan, all instruments belong to level 3 in the valuation hierarchy. The convertible loan has been repaid in 2023. For the unlisted shareholding, the acquisition value is a reasonable approximation of the fair value on the balance sheet date as well as current input provided by the management company. The conditional purchase price has been calculated as the present value of the amounts that the group is expected to pay out according to the acquisition agreement, see note 15. The option part of the convertible loan has been calculated using Black Scholes.

	Carrying amount		Fair value				
Group 2023	Valued at fair value	Valued at accried acquisition cost	Total	Level 1	Level 2	Level 3	Level 4
Financial assets valued at fair value							
Financial investments, ownership interest in other companies	3	–	3	–	–	3	3
Financial liabilities valued at fair value							
Contitional purchase price	11 385	–	11 385	–	–	11 385	11 385
Derivative liability (option componentin convertible bond)			–			-	–
	11 385	**0**	**11 385**			**11 385**	**11 385**

	Carrying amount	Fair value
Financial assets not reported at fair value		
Financial assets		
Long-term receivables	1 683	1 683
Receivables from affiliated companies	10 675	10 675
Accounts receivable	679	679
Cash and cash equivalents	121 201	121 201
	134 238	**134 238**
Financial assets not reported at fair value		
Financial liabilities		
Long-term interest-bearing liabilities	73 537	73 537
Other long-term liabilities	–	–
Short-term interest-bearing liabilities	306 253	306 253
Accounts payable	6 354	6 354
Liabilities to affiliated companies	10 000	10 000
Accrued expenses to suppliers	16 196	16 196
	412 340	**412 340**

	Carrying amount		Fair value				
Group 2022	Valued at fair value	Valued at accried acquisition cost	Total	Level 1	Level 2	Level 3	Level 4
Financial assets valued at fair value							
Financial investments, ownership interest in other companies	19	–	19	–	–	19	19
Financial liabilities valued at fair value							
Contitional purchase price	12 113	–	12 113		–	12 113	12 113
Derivative liability (option component in convertible bond)	19 905		19 905			19 905	19 905
	31 952	0	31 952			31 952	31 952
Financial assets not reported at fair value							
Financial assets							
Long-term receivables		1 683	1 683				
Receivables from affiliated companies		2 392	2 392				
Accounts receivable		1 113	1 113				
Cash and cash equivalents		86 637	86 637				
		91 825	91 825				
Financial liabilities not reported at fair value							
Financial liabilities							
Long-term interest-bearing liabilities		2 095	2 095				
Short-term interest-bearing liabilities		68 468	68 468				
Accounts payable		16 863	16 863				
Liabilities to affiliated companies		40 183	40 183				
Accrued expenses to suppliers		14 831	14 831				
		142 440	142 440				

Reconciliation of fair values at level 3
The table below presents a reconciliation of the opening and closing balance for financial instruments valued at level 3

The Group	Financial Investments	Conditional Purchase Price	Derivative liability
Fair value 2022-01-01	**13**	**-23 539**	**–**
Total gains and losses reported:			
Reported in other comprehensive income	6	–	–
Business acquisitions	–	12 484	–
Recognition of derivative liability	–	–	-19 905
Translation differences	–	-1 058	–
Fair value 2022-12-31	**19**	**-12 113**	**-19 905**
Fair value 2023-01-01	**19**	**-12 113**	**-19 905**
Total gains and losses reported			
Reported in profit or loss[1]	–	908	–
Sales proceeds from sale	-16	–	–
Repayment of convertible	–	–	19 905
Translation differences	–	-180	–
Fair value 2023-12-31	**3**	**-11 385**	**–**

[1]There are no unrealized gains or losses on financial investments

Note 31 Financial risks and management

Through its operations, the Group is exposed to various types of financial risks, which are described below.

Framework for financial risk management
The group's financial policy for managing financial risks has been designed by the board and forms a framework of guidelines and rules in the form of risk mandates and limits for financial operations. Responsibility for the group's financial transactions and risks is managed centrally.

The group's financial risks are managed by the group's finance function within the parent company. The overall objective of the finance function is to provide cost-effective financing and to minimise negative effects on the group's results arising from market risks. The head of the central finance function is the CFO who reports to the CEO.

Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market prices. According to IFRS, market risk is categorised into currency risk, interest rate risk and other price risks. Hexicon is affected by both currency risk and interest rate risk, but also by prices of raw materials such as electricity. Changes in electricity prices and input goods such as steel indirectly affect Hexicon by affecting future cash flows in projects.

The group's objective is to manage market risks within established parameters and at the same time optimise the result of risk-taking within given frameworks.

The parameters are determined with the aim that market risks in the short term (6-12 months) should only marginally affect the group's results and position. In the longer term, however, will be lasting changes in exchange rates, interest rates and electricity prices have an impact on the consolidated result.

Interest rate risk

Interest rate risk refers to the risk that the group is negatively affected by changes in the interest rate level, as a result of changes in the general interest rate situation and in instruments that run with a fixed interest rate due to changes in market values. The group's exposure to interest rate risk arises mainly through external loans and possible negative interest on deposits in cash and cash equivalents. The group's funding sources consist of equity and credit facilities. Interest-bearing borrowing means that the group is exposed to an interest rate risk, see note 26 Interest-bearing liabilities.

Currency risk

Currency risk is the risk that fair values and cash flows regarding financial instruments may fluctuate when the value of foreign currencies changes is called currency risk. During the year, project development mainly took place in projects financed with USD, SEK and GBP. These have been financed with loans in EUR, which is a continuing currency exposure.

	Impact on profit/loss after tax		Impact on equity, net after tax	
	Increase	Decrease	Increase	Decrease
EUR/SEK - change with 10%	34 916	-34 916	34 916	-34 916
GBP/SEK - change with 10%	15 913	-15 913	15 913	-15 913
USD/SEK - change with 10%	2 817	-2 817	2 817	-2 817

Sensitivity analysis currency risk

The group is exposed to currency risk on transactions in EUR, GBP and USD. When payment is received, the currency is exchanged to SEK, which is the parent company's functional currency.

The table below shows how a reasonably possible change in the Swedish krona against these currencies as of 31 December 2023 would affect the valuation of financial instruments denominated in a foreign currency and its impact on equity and earnings. The sensitivity analysis is based on all other factors (eg the interest rate) remaining unchanged.

Translation exposure of foreign subsidiaries

The group has a translation exposure that arises from the translation of foreign subsidiaries' earnings and net assets to SEK as of the balance sheet date.

The translation exposure in GBP amounts to SEK -45,869 thousand (SEK -7,177 thousand). A 10% stronger SEK against GBP would have a positive impact on equity of approximately SEK 4,587 thousand.

The translation exposure in USD amounts to SEK -27,945 thousand (SEK -17,593 thousand). A 10% stronger SEK against the USD would have a positive impact on equity of approximately SEK 2,794 thousand.

The translation exposure in EUR amounts to SEK -12,390 thousand (SEK 2,973 thousand). A 10% stronger SEK against the EUR would have a positive impact on equity of approximately SEK 1,239 thousand.

Parent Company

Write-downs of financial assets are reported in the result as follows	2023	2022
Write-downs of financial receivables	–	–
Reserve financial receivable subsidiaries	-9 728	-27 522
Impairment of value in subsidiaries	–	–
Total	–9728	-27 522

Reserve for expected credit losses

Expected credit losses for individual customers

The credit risk exposure and expected credit losses for trade receivables for individual customers are summarized below.

	Reported value, gross	Loss reserves	Reported value, gross	Loss reserves
	2023-12-31		2022-12-31	
Not yet due	679	–	2 392	–
Due 1-30 days	–	–	–	–
Due > 31–60 days	–	–	–	–
Due > 61–90 days	–	–	–	–
Due > 90 days	–	–	–	–
Total	**679**	**–**	**2 392**	**–**

Credit risk in cash and cash equivalents

The group has cash and cash equivalents of SEK 121,201 (86,637) thousand on 31 December. For liquid funds, banks and financial institutions are counterparties.

Impairment of cash and cash equivalents has been measured as expected loss on a 12-month basis and reflects the short maturities of the exposure. The group's exposure to credit risk is limited to the credit risk in bank balances in banks with a high credit rating, which means that the group considers that there is no significant credit risk, and therefore no provision for credit risk is reported.

The Group uses a similar approach for assessing expected credit losses for cash and cash equivalents as used for debt instruments.

Capital management

The goal of the group's capital structure is to be able to provide a good return to shareholders, benefit other stakeholders and to maintain an optimal capital structure to keep the costs of capital at a reasonable level. The capital structure can be adapted to the needs that arise through, for example, investment in the business, repayment of debts or dividends to shareholders. As the business looks today, investments in the business are a priority for the group.

Liquidity and refinancing risk

Liquidity risk is the risk that the group may have problems fulfilling its obligations associated with financial liabilities. Liquid funds and financial investments must be available to cover at least the next 3 months' liquidity needs. Cash and cash equivalents for the group amounted to SEK 121 (87) million at the end of the period. Financial liabilities at the turn of the year amounted to SEK 412 M (141), the increase is mainly linked to newly taken out loans to finance existing projects. Management and board of directors have made the assessment that additional financing and or internally generated funds are needed within 6 months and that this is feasible.

Currency risk

Group 2023	Currency	Nomnial amount original currecny	<1 month	1-3 month	3 month-1 year	1-5 years	>5 years
Conditional purchase consideration	GBP	886			11 385		
Long-term interest-bearing liabilities	SEK	72 007				72 007	
Long-term interest-bearing liabilities	EUR	138				714	816
Other long-term liabilities	EUR	338				3 754	
Other long-term liabilities	GBP	791				10 103	
Short-term interest-bearing liabilities	SEK	306 253			306 253		
Accounts payable	SEK	2 093	2 093				
Accounts payable	GBP	322	4 106				
Accounts payable	EUR	3	32				
Accounts payable	USD	12	122				
Liabilities to affiliated companies	SEK	10 000	10 000				
Accrued expenses to suppliers	SEK	1 982		1 982			
Accrued expenses to suppliers	GBP	1 044		13 327			
Accrued expenses to suppliers	EUR	80		887			

Other financial liabilities, see note 26
Interest-bearing liabilities

Group 2022	Currency	Nomnial amount original currecny	<1 month	1-3 month	3 month-1 year	1-5 years	>5 years
Conditional purchase consideration	GBP	958	–	–	12 047	-	–
Long-term interest-bearing liabilities	EUR	188	–	–	–	2 095	–
Other long-term liabilities	EUR	289				3 213	–
Other long-term liabilities	GBP	1 055				13 273	
Short-term interest-bearing liabilities	SEK	68 648			68 468		
Accounts payable	SEK	16 863	16 863	–	–	–	–
Liabilities to affiliated companies	SEK	40 183	–	–	40 183	–	–
Accrued expenses to suppliers	SEK	13 997	13 997	–	–	–	–

Other financial liabilities, see note 26
Interest-bearing liabilities

Note 32 Related party transactions

Related parties

The group has a related party relationship with its associated companies (note 18) and the parent company has a related party relationship with its subsidiaries (note 19).

Summary of related party transactions

The Group	Year	Sales of goods/ services from related parties	Purchase of goods/ services from related parties	Other (e.g. interest, dividens)	Receivables from related parties as of December 31	Debt to related parties as of December 31
Related party relationship						
Associated companies	2023	5 495	–	21 988	6 658	10 000
Associated companies	2022	11 927	–	–	1 203	40 238

Parent Company	Year	Sales of goods/ services from related parties	Purchase of goods/ services from related parties	Other (e.g. interest, dividens)	Receivables from related parties as of December 31	Debt to related parties as of December 31
Related party relationship						
Subsidiary	2023	8 974	–	–	10 063	-101 419
Subsidiary	2022	6 242	–	–	135 191	–

Transactions with related parties are priced on market terms. The group and another of the partners in the joint venture company receive an ongoing share of the results from the joint venture company's research and development activities.

No compensation is provided to the joint venture company. The partners in the joint venture company support the operations of the joint venture company by increasing their investments in this company.

One of the members of the management group invoices his fee and it amounts to SEK 676 thousand (2,313) in 2023. Different people invoiced their fee in 2022 and 2023 respectively.

Chairman of the board Hans von Uthmann and board member Bjarne Borg have had their convertibles totaling SEK 1.5 million in 2023 repaid as the convertible loan was paid off early.

Specification of subscription warrants to related parties is specified in note 9.

Note 33 Pledged collateral, contingent liabilities, and other commitments

In the group, collateral pledged amounted to SEK 2 (2) thousand, which consisted of rent deposits.

As part of the Glennmont transaction, the shares in the subsidiary Hexicon Holding AB, which owns the project companies for MunmuBaram, Freja Offshore, TwinHub and AvenHexicon, are pledged as security for the loan to Glennmont. Similarly, the patents held by Freia Offshore AB are pledged as collateral for the SEK 75 million credit facility.

Note 34 Group companies

Ownership in subsidiaries

Subsidiaries/Organisation number/Registered office	Number of shares	Percentage of ownership % 2023-12-31	2022-12-31	Carrying amount 2023-12-31	2022-12-31
Freia Offshore AB/556837-4630/	500	100	100	2 295	135
Dounreay Holding AB/559027-2042/Stockholm, Sweden	326 034	–	100	–	554
Hexicon North America, LLC/Delaware, USA	100	100	100	–	–
Highland Floating Winds Ltd. SC675148/Edinburgh, Storbritannien	100	100	100	–	–
TwinHub Ltd/ 13262476/Devon, UK	0	–	100	–	0
Hexicon Developments UK Ltd/ 13658274/Devon, UK	1	100	100	–	–
Hexicon Renewables Spain SL/B76183490/Las Palmas, Spain	65 000	95	75	4 632	680
TwinWay AS/928754359/Kristiansand, Norway	–	100	100	32	32
Hexicon Holding AB/559428-2781/Stockholm, Sweden	25 000	100	–	269 840	–

Parent company

Accumulated acquisition values	**2023**	**2022**
At the beginning of the year	2 146	11 114
Reclassification from affiliated companies	-	-
Acquisitions during the year	273 792	32
Divestments during the year	-1 265	–
Contributions from shareholders	2 160	–
Repayments of contributions from sharholders	–	-9 000
Closing balance as of December 31	276 833	2 146
Accumulated write-ups		
At the beginning of the year	–	–
Write-ups during the year		
Closing balance as of December 31		
Accumulated write-downs		
At the beginning of the year	-745	-745
Reclassification from affiliated companies	-	-
Divestments during the year	711	–
Write-downs during the year	–	–
Reversal of previous write-downs	–	–
Closing balance as of December 31	-34	-745
Reported value as of December 31	**276 799**	**1 401**

Note 35 Specifications for cash flow statement

	Group		Parent Company	
Cash and Cash Equivalents	2023-12-31	2022-12-31	2023-12-31	2022-12-31
The following components are included in cash and cash equivalents				
Cash and bank balances	121 201	86 637	19 769	78 835
Receivables from the Group account at the Parent Company	–	–	–	–
Total as reported in the statement of financial position	121 201	86 637	19 769	78 835
Total as reported in the statement of cash flow	121 201	86 637	19 769	78 835

	Group		Parent Company	
Adjustments for item not included in the cash flow statement	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Depreciation and impairments	20 427	35 497	6 470	16 034
Change in accrued interest	-18 262	–	–	–
Provisions changes	–	–	–	–
Gain on sale of asset	198	-793	198	-834
Share of profit in associates	82 503	41 136	–	-160
Dividends from associated companies	-21 988	-	-	-
Group contribution received	–	–	12 108	–
Foreign exchange differences	-9 814	–	973	-9
Other	-1 880	–	–	–
	51 185	75 840	19 749	15 030

Changes in liabilities from Financing Activities - Consolidated	Liabilities	Lease liabilities	Loan liabilities	Total liabilities from financing activities
Opening balance 2023	**70 563**	**10 120**	**–**	**80 683**
Cash flow within financing activities				
- Issued loans	394 687	–	–	394 687
- Loan repayments	-88 209	–	–	-88 209
- Dividends from associated companies	–	–		–
- Lease repayments	–	-2 389	–	-2 389
Total cash flows within financing activities	**306 478**	**-2 389**	**–**	**304 089**
Other changes not affecting cash flows				
Exchange rate differences	-16 128	68	–	-16 060
Change in lease contracts	–	116	–	116
Net effect on equity	–	–	–	–
Change in amortized cost	-1 016	–	–	-1 016
Redemption convertible	14 196	–	–	14 196
Interest on convertible	5 697	–	–	5 697
Transfers, etc		–	–	–
Total other changes	**2 749**	**184**	**0**	**2 933**
Closing balance 2023	**379 790**	**7 915**	**-**	**387 704**
Opening balance 2022	**1 910**	**–**	**50**	**1 960**
Cash flow within financing activities				
- Issued loans	82 500	–	–	82 500
- Loan repayments	-104	–	-50	-154
- Lease repayments	–	-2 901	–	-2 901
Total cash flows within financing activities	**82 396**	**-2 901**	**-50**	**79 445**
Other changes not affecting cash flows				
Exchange rate differences	453	–	–	453
Change in lease liabilities	–	13 021	–	13 021
Net effect on equity	–	–	–	–
Change in derivative liability	-14 196	–	–	-14 196
Total other changes	**-13 743**	**13 021**	**0**	**-722**
Closing balance 2022	**70 563**	**10 120**	**–**	**80 683**

Change in liabilities from Financing Activities - Parent Company	Interest-bearing liabilities	Total liabilities from financing activities
Opening balance 2023	68 316	68 316
Cash flow within financing activities		
- Issued loans	20 000	20 000
- Loan repayments	-88 209	-88 209
- Lease repayments		–
Other changes not affecting cash flow		
Exchange rate differences	–	–
Change in derivative liability	14 196	14 196
Interest/year's revaluation convertible	5 697	5 697
Change in other short-term liabilities	12	12
Total other changes	**19 905**	**19 905**
Closing balance 2023	**20 012**	**20 012**
Opening balance 2022	**–**	**–**
Cash flow within financing activities		
- Issued loans	82 500	82 500
- Loan repayments	–	–
- Lease repayments	–	–
Cash flow within financing activities	**82 500**	**82 500**
Other changes not affecting cash flow		
Exchange rate differences	–	–
Change in derivative liability	-14 196	-14 196
Change in other short-term liabilities	12	12
Transfers, etc.	–	–
Total other changes	**-14 184**	**-14 184**
Closing balance 2022	**68 316**	**68 316**

Note 36 Proposal for distribution of profits

The following profit appropriation is at the disposal of the Annual General Meeting 2023 (TSEK)	2023-12-31
Share premium reserve	538 058
Retained earnings	-336 340
Profit for the year	-37 840
Total	**163 878**
The board proposes that available profits be disposed of in such a way that they are transferred to a new account	-374 180
Of which to share premium reserve	*538 058*
Total	**163 878**

Note 37 Post-balance sheet event

In February 2024, Hexicon AB (publ.) signed a sale and purchase agreement (SPA) to take over full ownership of MunmuBaram Co., Ltd. from its joint venture partner Shell Overseas Investments B.V. According to the agreement, Hexicon AB will increase its share in the project from 20% to 100% and thus expand its project portfolio by 900 MW. Completion of the transaction is subject to regulatory approval.

Note 38 Significant Estimates and Assumptions

The company's management has discussed the development, choice and disclosures regarding the group's important accounting principles and estimates, as well as the application of these principles and estimates.

Important assessments when applying the group's accounting principles
Some important accounting judgments made when applying the group's accounting principles are described below.

Capitalized Development Expenses
Development expenses regarding the group's technology for floating wind power are capitalised based on assumptions that the technology will gain market share within the renewable energy market.

Group management has taken into account that the industry is characterised by conservatism and the new floating technology competes against the more established land-based and seabed-mounted wind power and other renewable energy types. At the same time, the advantages of floating wind power have increasingly been noticed by industry actors, politicians and the media.

Expenditures attributable to project development in offshore wind power are capitalised based on assumptions about being able to realise project shares.

The projects will require additional capital contributions from investors in order for the values to be realised and the willingness to invest will be affected by the development of market prices for renewable energy, access to subsidies and other price mechanisms. There, the electrification of society in recent years and the green transition show that the market for renewable energy is growing. In addition, several political initiatives have been taken at national and continental level to promote investments in renewable energy.

The board and the CEO make the assessment that Hexicon's technical solution will be part of the energy production of the future and generate revenue streams. During the third quarter of 2023, the board and management considered, based on achieved milestones and forecasts for the projects, that the probability of reaching production is high enough in the MunmuBaram project to justify capitalising development costs in the associated company.

Important sources of uncertainty in estimates
Write-down of capitalised development fees
Hexicon's technology is continuously being developed and improved and the development of the group's generation 2 platform is still in an early phase.

Product development in the wind power industry is complex and it is difficult to predict both the time required and the financial consequences for individual investments. There is a risk that planned product development requires more time and investments than estimated or that investments do not meet group management's expectations and assumptions, which could negatively affect the group's future results.

Furthermore, the current or future development of products or techniques may also turn out to have hidden errors, the consequences of which may become apparent in the future and thus affect the Group's ongoing operations and financial position.

Group management has made assumptions about market conditions and that set targets will be met. In the case of assessments, there are underlying uncertainties about whether the assessments will turn out to be correct in the future if, for example, archival conditions and goals are not met.

Group management is convinced that there is a high probability that the project will be realised and that the technology is competitive. Based on that, an impairment test was carried out and the assessment was made that no further impairment needs exist at the turn of the year.

Conditional additional purchase price in Equity
The calculation of the contingent consideration at fair value related to the acquisition of 20% of the shares the shares in the associated company MunmuBaram Co., Ltd was made by discounting future expected cash flows related to the contingent consideration. In addition, the management has applied judgments when they determined that the fair value of the conditional purchase price at the time of the acquisition of the shares should be presented in equity and consequently not revalued on an ongoing basis.

The initial acquisition price amounted to SEK 7.7 million, of which 50% was paid at the time of acquisition and 50% was paid in August 2023. The conditional purchase price refers to a profit sharing agreement with the seller Hexicon Korea Co., Ltd which is valued at SEK 41.1 million (USD 3.9 million).

The profit sharing agreement provides that, if Hexicon sells part or all of the 20% holding in MunmuBaram Co., Ltd, the profit from the sale less Hexicon's total capital investment (initial purchase price plus residual expenses of Hexicon) shall be distributed according to the ratio under separate profit sharing agreement.

Valuation of loans
Hexicon has entered into a loan agreement of up to EUR 45 million that can be used until May 2029, to finance specified projects. During that year, loans of EUR 33.6 million were taken out. Hexicon has the option and, to a certain extent, the obligation to pay early/refund a certain fee that changes over time. Hexicon has made the assessment that the right to early repayment is an embedded derivative that is linked to the loan agreement and hereby reports a loan liability at amortised cost based on expected cash flows. Expected short-term net payments of cash flows are reported as the short-term part of long-term liabilities.

Note 39 Information about the parent company

Hexicon AB (publ) is a Swedish-registered limited company with its seat in Stockholm. The address of the head office is Östra Järnvägsgatan 27, 111 20, Stockholm, Sweden.

The consolidated accounts for the year 2023 consist of the parent company and its subsidiaries, together referred to as the group. The group also includes the owned share of holdings in associated companies.

Note 40 Definitions of key ratios

Revenue – The main revenue of the operation, invoiced costs and revenue corrections

Profit after financial items – Profit after financial income and expenses, but before taxes

Cash and cash equivalents – Cash and cash equivalents at the end of the period. Information is taken from the statement of financial position

Balance sheet total – The operation's total assets at the end of the period

Equity ratio (%) – Adjusted equity as a percentage of total assets

Average number of employees – Average number of employees during the reporting period.

Board's certification
The board and the CEO certify that the annual report has been prepared in accordance with good accounting practice in Sweden and the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

The annual report and the consolidated report give a fair picture of the parent company's and the group's position and results. The management report for the parent company and the group respectively provides a fair overview of the development of the parent company's and the group's operations, position and results and describes significant risks and uncertainty factors that the parent company and the companies that are part of the group face.

The annual report and the consolidated accounts have, as shown above, been approved for issue by the board and the CEO on April the 10th 2024.

The group's report on results and report on financial position and the parent company's income statement and balance sheet are subject to approval at the annual general meeting.

Stockholm,

Hans von Uthmann
Chairman of the Board

Mats Jansson
Board Member

Vivianne Holm
Board Member

Mia Batljan
Board Member

Lars H Martinsson
Board Member

Bjarne Borg
Board Member

Marcus Thor
Cheif Executive Officer

Our audit report has been submitted 2024
KPMG AB

Fredrik Wollmann
Accountant