INTERIM REPORT

JANUARY–SEPTEMBER 2023

STRONG PROJECT ADVANCEMENTS

HIGHLIGHTS

Following the successful closing of financing in Q2, the third quarter has been focused on project developments, maturing projects, and achieving several important milestones across the portfolio.

The Korean MunmuBaram project has entered late-stage development, thus its development costs are being capitalised.

Convertible loans of SEK 82.5 million were repaid with interest, and the revolving credit facility of SEK 75 million was secured, which is complementary to the development loan facility that was entered into during Q2'2023, allowing for further development of the portfolio.

After the quarter, a permit application was submitted in Sweden for a 2,500 MW offshore wind farm, Dyning, with a potential to generate 10 TWh annually, equivalent to a large nuclear reactor.

JULY – SEPTEMBER 2023

- Net revenue amounted to SEK 0.8 (0.4) million
- Operating profit/loss was SEK -27.6 (-56.2) million
- Profit/loss before tax for the period was SEK -44.3 (-61.1) million
- Earnings per share basic and diluted was -0.14 (-0.33) SEK
- Cash flow from operating activities was SEK -80.4 (-29.0) million

JANUARY – SEPTEMBER 2023

- Net revenue amounted to SEK 5.1 (8.8) million
- Operating profit/loss was SEK -147.9 (-119.7) million
- Profit/loss before tax for the period was SEK -146.5 (-124.1) million
- Earnings per share basic and diluted was SEK -0.42 (-0.17)
- Cash flow from operating activities was SEK -104.2 (-78.3) million

Hexicon is a technology and project developer in the floating offshore wind industry. As a first mover in the industry, Hexicon has managed to develop a vast project portfolio and a promising twin turbine technology. The nature of the business is to invest heavily in project and technology assets, whose value builds up over the project period and materialises once divested. The progress in Sweden, together with further developments in Italy during the year, has increased our net project portfolio to 6,700 MW (3,000 MW) and our net prospect portfolio to 4,000 MW (3,500 MW).

CEO COMMENTS

FOCUS ON MATURING THE PORTFOLIO

Following the intense work during earlier quarters to secure financing, the third quarter has been marked by a core focus on maturing our key projects, leveraging the financial flexibility obtained. As an effect of such recent efforts, MunmuBaram has reached the level of maturity for its development costs to now be capitalised, reducing our operating loss. Separately, we continue to prioritise the developments in Sweden and a high workload during the period led to a third permit application being submitted just after the third quarter. Over in South Africa, one of our prospects off Richards Bay has now started the environment impact assessment and, as such, has been redefined into a project.

Since our project portfolio has now reached a high level of maturity, with significantly improved predictability, we have decided to start making valuations of the project portfolio. These valuations will be made regularly by an external party, and we will communicate the outcome going forward.

From a global perspective, the offshore wind industry continues to develop quickly and in a positive way, but not without some road bumps. During the quarter, leading industry players have announced increased project costs, throughout the entire value chain, as a result of rising inflation and interest rates. In many leading European countries, the auction rounds are in full swing, with mixed results. In Germany and The Netherlands, recent auctions have been successful, while the UK round in September ended without bids. At the same time, we continue to see heavy political initiatives to accelerate investments in offshore wind. The EU has set a target of 60 GW of offshore wind power by 2030. To reach this target and to further speed up the transition to renewable energy production in Europe, the EU, in late October, launched a game-changing initiative called the European Wind Power Action Plan. The initiative will double the funding available for cleantech manufacturing under the next call of the EU Innovation Fund to EUR 1.4 billion, accelerate permitting, facilitate financing and more. It provides a comprehensive framework and support system for companies like Hexicon, ultimately bolstering the success and growth of the floating offshore wind sector in Europe.

Third application filed in Sweden

The activity in the Swedish offshore wind market has continued to be high in the quarter. Freja Offshore, our joint venture with Mainstream Renewable Power, has now submitted three applications for offshore wind farms during 2023. The first two, Mareld and Cirrus, were filed in the second quarter and recently, the application for Dyning was submitted. Dyning is located on Sweden's east coast between the mainland and Gotland. With the potential to deliver 10 TWh per year, Dyning can meet more than the entire energy needs of Sörmland and Östergötland, while barely being visible from land. Hence, Hexicon continues to make value adding actions and grow our global project portfolio.

TwinHub schedule adjustments

As previously communicated, Hexicon was the winner of the British floating wind auction that was held in 2022 with the 32 MW TwinHub project. The economics of the project has so far not been affected to any great extent relative to many other projects globally, in this changed macro situation. This is partly due to the revenue under the CfD (Contract for Difference) accounting for inflation, as well as the project having locked in certain supply chain costs. However, the TwinHub schedule has been affected by disturbance in the value chain, which has led to an adjustment of our estimated time plan for construction start and commissioning to late 2024 and 2026 respectively.

South Korean project maturing

Also worth noting is that one of our two South Korean projects, MunmuBaram, has now reached the level of maturity at which we have decided to start capitalising project development costs. This has resulted in an improved operating result for Hexicon as of the third quarter. However, it is not affecting our cash-flow which continues to mirror our continued investments in our project portfolio.

At the beginning of the summer, we secured development financing with Glennmont Partners of up to EUR 45 million. This agreement gives us the financial flexibility needed to effectively develop our project portfolio and optimise the timing of selective divestments. At the beginning of the third quarter, another agreement was entered into for a credit facility of up to SEK 75 million, issued by, among others, the Wallenius group, which ensures financing of non-project-related expenses and working capital. The withdrawal of funds linked to these financing agreements has started during the third quarter.

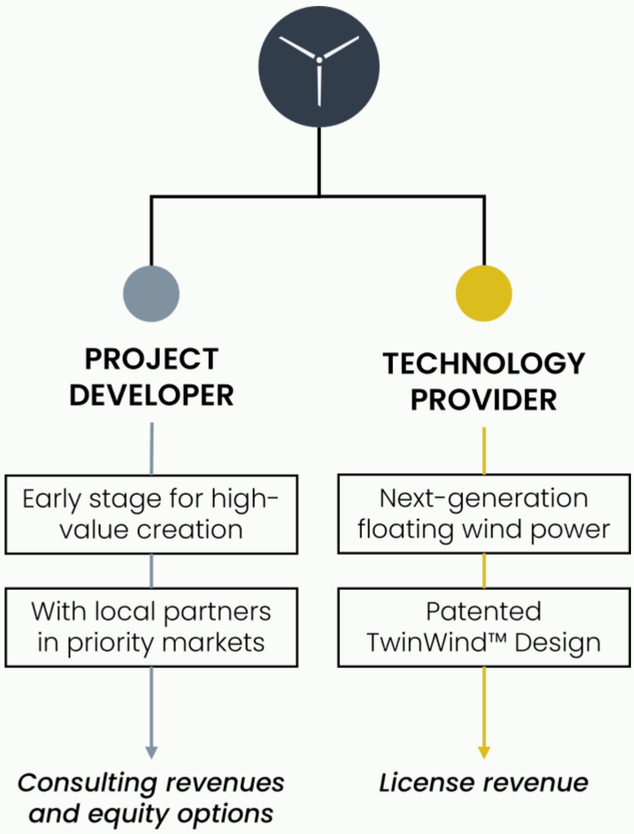
Good long-term conditions

The macroeconomic challenges are undeniably affecting our industry. This, among other things, leads to longer transaction times in our ambition to sell selective projects. However, Hexicon's operations continue to develop according to plan. We now have financing agreements and plans in place that fit well with our strategy for the next year. This means we can drive the right projects to the right timing of realisation of the significant potential they hold. In addition, we see an increasingly strong public opinion and political will for increased investments in large-scale offshore wind power, which provides very good long-term conditions for a company like Hexicon.

Marcus Thor
CEO

THIS IS HEXICON

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



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

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

VALUE-CREATING FACTORS

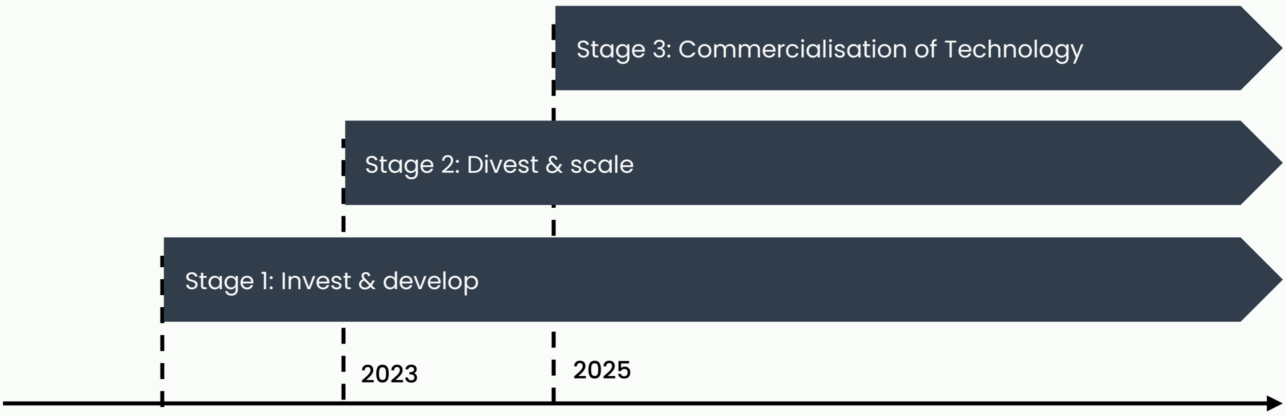
- Drive growth in the project portfolio by initiating new projects and entering new markets.
- Strive to continue to work with the best-in-class partners in the industry.
- Further develop, optimise, and scale up our technology and bring it towards commercialisation.

VISION FOR 2025

PROJECTS	TECHNOLOGY	FINANCIAL
Ongoing revenues from operations in Europe, North America, and Asia.	The TwinWind™ design is verified for external investment and construction.	Positive EBITDA.

DEVELOPMENT IN 3 STAGES

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



Stage 1
Invest and develop a diversified project portfolio by starting projects in various markets.

Stage 2
Divest and scale project shares, followed by reinvesting in new and existing projects.

Stage 3
By verifying the technology and proving its advantages we enable successful commercialisation of our technology.

PROJECTS PROGRESS

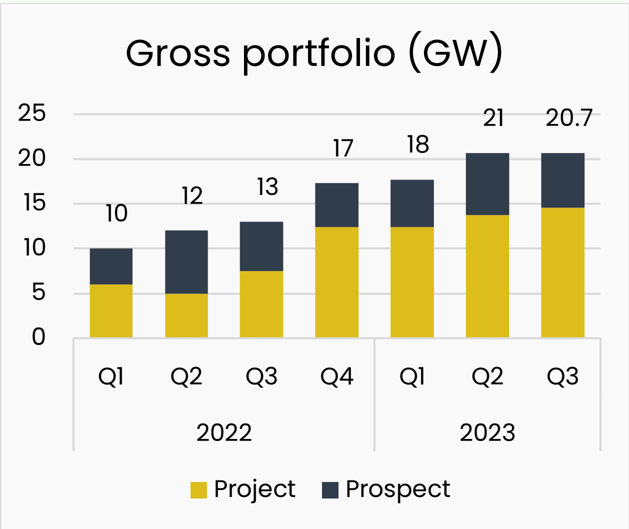
The project portfolio has matured significantly during the period. The MunmuBaram project in South Korea maintains its way to becoming the world's first commercial GW-scale floating offshore wind project. Cooperating with two neighbouring wind farms, the project is expected to reach important milestones within the next six months.

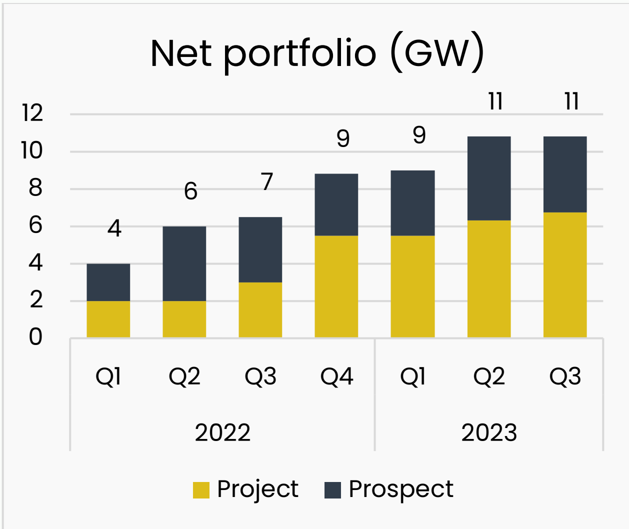
Within the TwinHub project, Hexicon is going through the FEED (Front End Engineering Design) studies to bring the project to FID (Final Investment Decision), requiring intense engagement with suppliers.

In South Africa, we have a strong first-mover advantage as our development area off Richards Bay has entered the environmental assessment stage, which has led us to re-define this prospect into a project.

A lot of work during the quarter has gone into finalising the permit application for the 2,500 MW Dyning project off Sweden's east coast, which was submitted shortly after the third quarter and became our JV Freja Offshore's third application to the Government.

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

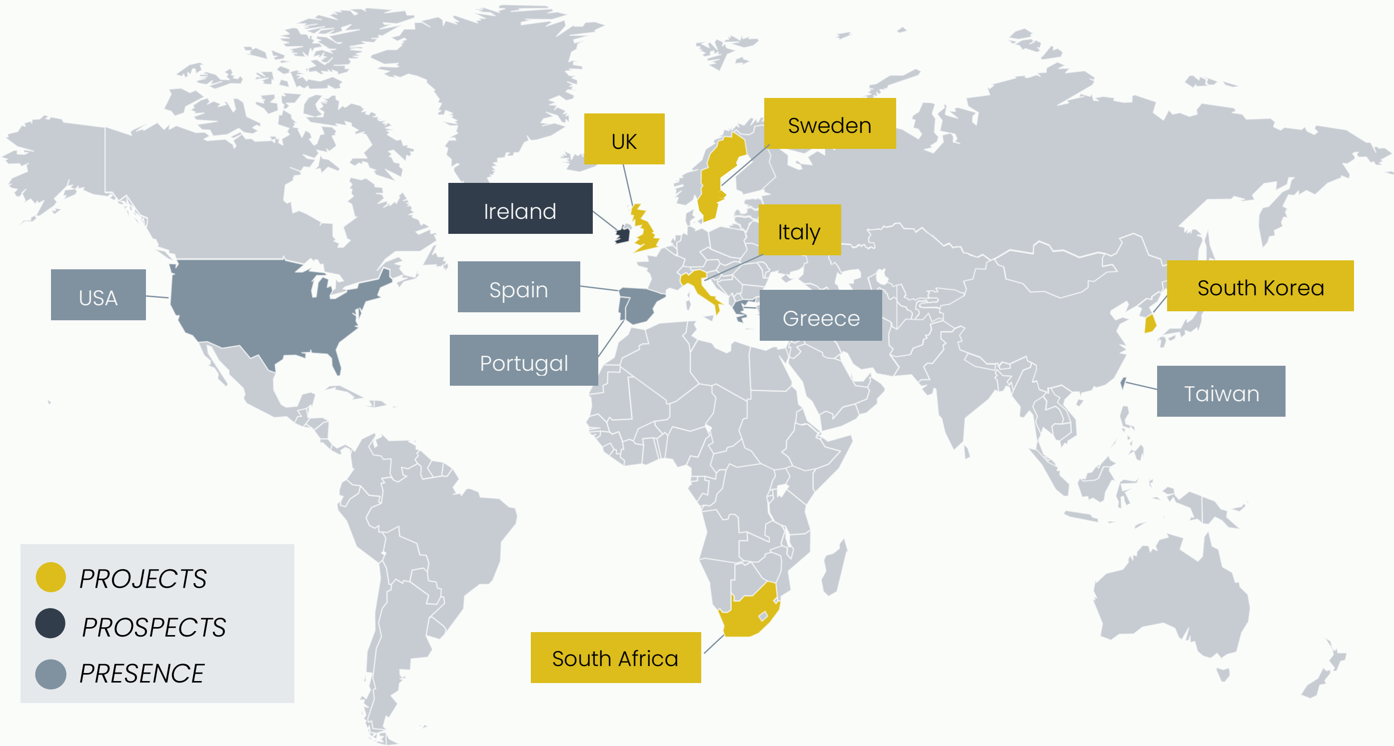




A DIVERSIFIED PORTFOLIO

At Hexicon, our project portfolio is a key element of our value creation, and we will continue to invest in early markets and projects to drive our growth. Thanks to the exceptional expertise of our employees, successful partnerships, and careful investigation in the early stages, our local teams identify optimal markets for new projects. Today, we are present in the key regions - Europe, North America, and Asia. Hexicon's project portfolio is diversified in terms of project maturity and geography, which not only distributes risks but also allows for successful divestments.

GROSS PORTFOLIO CAPACITY: 20+ GW



PROJECTS & PROSPECT

PROJECTS							
Project info	South Korea	South Korea	Scotland	Sweden	England	Italy	South Africa
Name	MunmuBaram	Pohang	Pentland Floating Wind Farm	Freja Offshore	TwinHub	AvenHexicon	Genesis Hexicon
Estimated gross capacity	1,100+ MW	900 MW	100 MW	4,500 MW	32 MW	7,100 MW	~800 MW
Hexicon's share	20%	29%	10%	50%	100%	50%	50%
Partner(s)	Shell	Hexicon Korea	CIP	Mainstream Renewable Power	-	Avapa Energy	Genesis Eco-Energy
Target timeline for FID[1]/COD[2]	2025/2027	TBA	2024/2026	2027/2029	2024/2026	TBA	TBA

PROSPECTS			
Project info	Ireland	Italy	Sweden
Name	TBA	AvenHexicon	Freja Offshore
Estimated gross capacity	~2,000 MW	2,150 MW	2,000+ MW
Hexicon's share	100%	50%	50%
Partner(s)	Killybegs Fishermen's Org.	Avapa Energy	Mainstream Renewable Power

[1] FID – Final Investment Decision

[2] COD – Commercial Operational Date

TECHNOLOGY

TwinWind™ - Hexicon's patented technology

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

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

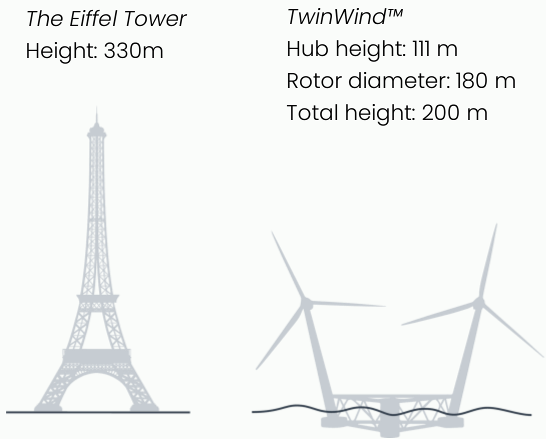
The TwinWind™ technology is now patented in over 20 countries, and more national patents are expected to follow.

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

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

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

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



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

FINANCIAL PERFORMANCE

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

JULY-SEPTEMBER

Net revenue and earnings

Net revenue for the period July to September amounted to SEK 0.8 (0.4) million. The result for the period was SEK -44.2 (-61.0) million. The loss of the period is derived from continued investment in projects. However, the result of the period is better compared to the same period last year, as well as Q2 2023. In associated companies, there has been a decrease of losses driven by capitalisation of project development costs in the MunmuBaram project, starting in Q3 2023. Net financial expenses have increased, mainly driven by early repayment of the convertible loans during Q3, and accrued interest from additional debt facilities.

Cash flow, financing and investments

The group's cash flow from operating activities after changes in working capital amounted to SEK -80.4 (-29.0) million for the quarter. Change between quarters is mostly related to change in working capital, as well as smaller adjustments of non-cash related items driven by large depreciations in Q3 2022. Cash flow from financing activities amounted to SEK 123.0 (-12.9) million, as the firm has started to utilise the available debt facilities. The cash flow from investments amounted to SEK -12.1 (-106.0) million, which is partly related to capitalised development expenses in the TwinHub project and mainly related to investments in associated companies.

JANUARY–SEPTEMBER

Project portfolio

During the period there has been great progress. The joint-venture Freja Offshore applied for two wind farm permits, while maintaining a vast prospect portfolio of multiple other sites. The progress in Sweden, together with further developments in Italy during the year, has increased our net project portfolio 6,700 MW (3,000 MW), and our net prospect portfolio 4,000 MW (3,500 MW).

Net revenue and earnings

Net revenue for the period January to September amounted to SEK 5.1 (8.8) million. The decrease in revenue is derived from a lower level of consultancy services. The result for the period was SEK -146.2 (-123.7) million. The loss of the period is mainly derived from increased costs for developing the maturing project pipeline and increasing personnel costs to keep up with the developments. Net financial income has a strong positive currency effect from the revaluation of holdings in EUR, GBP and USD, largely offsetting the increased financing cost.

Cash flow, financing and investments

The group's cash flow from operating activities after changes in working capital amounted to SEK -104.2 (-78.3) million. Cash flow from financing activities amounted to SEK 130.2 (-15.6) million. The investments amounted to SEK -70.0 (-140.3) million, which are partly related to capitalised development expenses in the project portfolio and mainly related to investments in associated companies.

Balance sheet

The group’s total assets at the end of the reporting period amounted to SEK 364.7(411.6) million and equity was SEK 44.1 (238.4) million. The equity/asset ratio was 12 (58) %. The cash balance as of September 30 amounted to SEK 42.8 (55.3) million. Intangible assets per September 30 were SEK 146.6 (112.2) million. The increase is mainly due to investments in the British TwinHub project. The participations in associated companies per September 30 were SEK 103.6 (154.8) million. The decrease in participations in associated companies is mainly driven by incurred losses from the associated companies as the projects develop.

Parent company

The parent company's net revenue during the third quarter amounted to SEK 2.4 (2.7) million and the result for the third quarter was SEK –10.6 (-35.6) million. The cash balance per September 30 amounted to SEK 28.6 (51.2) million. The total assets at the same date amounted to SEK 368.3 (368.5) million.

OTHER FINANCIAL INFORMATION

Organisation
The group had 27 (39) employees at the end of the reporting period.

Significant events in reporting period
In July, Hexicon entered into an agreement for a credit facility of up to SEK 75 million, which can be utilised as needed, with disbursements of SEK 10 million at a time. The credit facility is intended to cover Hexicon's working capital. The facility secures liquidity up until the summer of 2024. The credit facility is complementary to the EUR 45 million Glennmont development loan, which will be used to fund the main projects going forward, part of which has been used to pay the remaining 50% of the acquisition fee for the MunmuBaram purchase in August of USD 3.85 million.

As a part of the Glennmont transaction the shares in Hexicon Holding AB, which owns the project companies for MunmuBaram, Freja Offshore, TwinHub, and AvenHexicon, are pledged as security for the Glennmont development loan facility. Similarly, the patents held by Freja Offshore AB are pledged as security for the revolving credit facility. During the period, an additional associated company was established in Sweden, Dyning Green Energy AB.

Furthermore, the Board of Directors rejected an indicative bid from a European actor due to the level and terms of the bid.

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

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

Risks and uncertainty factors
The company's platform will be tested. There are risks related to the development pace and competitiveness of the technology. There are also risks connected to the company's dependence on key employees and partnerships. Lastly, as the company is not yet profitable, it is dependent on external financing, a dependency that increases with the higher level of activity across many markets. The extrapolation of current spending levels shows that further funding will be required in the foreseeable future. The management has analyzed the company's financial situation and made the assessment that sufficient financing can be obtained to ensure continued operation for the next 12 months.

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

Related party transactions
There have been no significant changes in the relationships with related parties for the Group or the Parent Company compared to the information provided in the Annual report/last period. During the period, there were no transactions with related parties.

Parent company
Significant events in the parent company during the period are the same as for the group. The risks and uncertainty factors are the same in the parent company as for the group.

Significant events after the reporting period
Hexicon's joint venture Freja Offshore, owned together with Mainstream Renewable Power, submitted an application for an offshore wind power farm named Dyning on the east coast of Sweden. The wind power farm is planned to have a capacity to generate 10 TWh annually.

For further information, please contact:
The Communications Department,
communications@hexicongroup.com.

Group income statement in summary

MSEK	Note	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Net revenue	4	0.8	0.4	5.1	8.8	11.6
Other operating income		1.5	0.8	3.4	3.3	6.1
Capitalised development	5	1.8	30.8	12.2	49.5	67.5
Raw materials and consumables		0.0	0.0	0.0	0.0	0.7
Other external expenses		-11.2	-45.1	-46.6	-92.1	-119.7
Personnel costs		-11.2	-12.0	-39.5	-32.8	-49.7
Depreciation/amortisation and impairments	7	-4.3	-18.7	-12.2	-31.7	-35.5
Other operating expenses		-0.2	-0.6	-0.4	-0.6	-1.0
Result from share in associated companies		-4.7	-11.6	-70.0	-24.1	-41.1
Operating profit/(loss)		**-27.6**	**-56.2**	**-147.9**	**-119.7**	**-161.1**
Net financial income/(expenses)		-16,7	-4.9	1.4	-4.4	-9.7
Profit/(loss) before tax		**-44.3**	**-61.1**	**-146.5**	**-124.1**	**-170.8**
Tax		0.1	0.1	0.3	0.4	0.5
Profit/(loss) for the period		**-44.2**	**-61.0**	**-146.2**	**-123.7**	**-170.3**
Profit/ (loss) for the period attributable to:						
Equity holder of the parent company		-44.2	-60.5	-146.0	-120.8	-166.9
Non-controlling interests		0.0	-0.5	-0.1	-2.9	-3.4

Group statement of comprehensive income

MSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Profit/(loss) for the period	-44.2	-61.0	-146.2	-123.7	-170.3
OTHER COMPREHENSIVE INCOME					
Exchange differences on translation of foreign operations	-7.9	-1.1	-7.0	-1.7	6.3
Sum other comprehensive income for the period	**-7.9**	**-1.1**	**-7.0**	**-1.7**	**6.3**
Total comprehensive income for the period	**-52.1**	**-62.1**	**-153.2**	**-125.4**	**-164.0**
Total comprehensive income for the period attributable to:					
Equity holder of the parent company	-52.1	-61.6	-153.1	-122.4	-160.6
Non-controlling interests	0.0	-0.6	-0.1	-3.0	-3.4
Earnings per share basic and diluted (SEK)	-0.14	-0.33	-0.42	-0.17	-0.46

Group balance sheet in summary

MSEK	2023-09-30	2022-09-30	2022-12-31
ASSETS			
Non-current asset			
Intangible assets	146.6	112.2	131.3
Plant and equipment	50.0	57.6	55.7
Right of use assets	8.8	11.2	10.5
Participations in associated companies	103.6	154.8	145.3
Non-current financial assets	1.8	1.7	1.7
Total non-current assets	**310.9**	**337.5**	**344.4**
CURRENT ASSETS			
Other current assets	11.0	18.8	20.5
Cash & cash equivalent	42.8	55.3	86.6
Total current assets	**53.8**	**74.0**	**107.2**
TOTAL ASSETS	**364.7**	**411.6**	**451.6**
EQUITY AND LIABILITIES			
Share capital	3.6	3.6	3.6
Additional paid-in capital	540.5	540.5	540.5
Reserves	-0.7	-1.8	6.3
Contingent consideration	41.0	41.0	41.0
Retained earnings including profit/(loss) for the period	-539.7	-341.9	-388.6
Equity attributable to equity holders of the parent company	**44.7**	**241.4**	**202.8**
Non-controlling interest	-0.7	-2.9	-3.5
Total equity	**44.1**	**238.4**	**199.4**
NON-CURRENT LIABILITIES			
Provisions	34.9	32.1	32.7
Deferred tax liabilities	4.1	4.1	4.1
Non-current interest-bearing liabilities	72.1	0.0	2.1
Non-current lease liabilities	5.4	8.2	7.7
Other non-current liabilities	14.7	17.1	16.5
Total non-current liabilities	**131.2**	**61.6**	**63.1**
CURRENT LIABILITIES			
Current interest-bearing liabilities	121,7	1.2	68.5
Current derivative liabilities	-	-	19.9
Accounts payable	14.5	9.1	16.9
Other current liabilities	26.3	68.5	58.8
Accrued expenses and deferred income	26.9	32.7	25.1
Total current liabilities	**189.4**	**111.6**	**189.1**
TOTAL EQUITY AND LIABILITIES	**364.7**	**411.6**	**451.6**

Group report on changes in equity in summary

MSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Opening balance equity attributable to equity holders of the parent company	83.5	261.9	202.8	322.8	322.7
Total result for the period					
Income/(loss) for the period	-44.2	-60.5	-146.2	-120.8	-166.9
Other comprehensive income/(loss)	5.7	-1.1	-11.9	-1.7	6.1
Total comprehensive income/(loss) for the period	**-38.5**	**-61.6**	**-158.1**	**-122.5**	**-160.9**
Contingent consideration	–	41.0	–	41.0	41.0
Closing balance equity attributable to equity holders of the parent company	**44.7**	**241.4**	**44.7**	**241.4**	**202.8**
Opening balance equity attributable to non-controlling interests	-0.7	-2.4	-3.5	0.1	0.1
Total comprehensive income/ (loss) for the period	0.0	-0.6	-0.1	-3.0	-3.4
Non-controlling interest from business combinations	0.0	–	3.0	–	-0.2
Closing balance equity attributable to non-controlling interests	-0.7	-2.9	-0.7	-2.9	-3.5

Group cash flow statement in summary

MSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
OPERATING ACTIVITIES					
Operating profit/(loss)	-27.6	-56.2	-147.9	-119.7	-161.1
Adjustment for non-cash-items	-14.4	30.3	82.5	55.7	75.8
Interest received	0.0	0.0	-0.0	0.0	0.0
Interest paid	-3.3	-0.3	-4.2	-0.8	-0.2
Income tax paid	0.4	-	-0.5	-	-
Cash flow from operating activities before changes in working capital	**-44.9**	**-26.1**	**-70.2**	**-64,7**	**-85.5**
Increase (-)/Decrease (+) of operating receivables	17.1	-11.3	9.6	-32.7	-18.3
Increase (+)/Decrease (-) of operating payables	-52.6	8.5	-43.6	19.1	8.6
Cash flow from operating activities after changes in working capital	**-80.4**	**-29.0**	**-104.2**	**-78.3**	**-95.1**
INVESTMENT ACTIVITIES					
Acquisition of intangible assets	-2.6	-31.0	-14.0	-50.5	-68.8
Other investments	-9.5	-75.0	-56.0	-89.8	-119.8
Cash flow from investment activities	**-12.1**	**-106.0**	**-70.0**	**-140.3**	**-188.7**
FINANCING ACTIVITIES					
Dividend from associated companies	22.0	-	22.0	-	-
Repayment of convertible loans	-88.2	-	-88.2	-	-
Borrowings	200.0	-	200.0	-	83.2
Other financing items	-10.8	-12.9	-3.6	-15.6	-2.5
Cash flow from financing activities	**123.0**	**-12.9**	**130.2**	**-15.6**	**80.7**
Cash flow for the period	30.5	-147.9	-44.0	-234.1	-203.1
Cash at the beginning of the period	12.3	203.5	86.6	289.6	289.6
Exchange-rate difference in cash	0.0	-0.4	0.2	-0.2	0.1
Cash at the end of the period	**42.8**	**55.3**	**42.8**	**55.3**	**86.6**

Parent company income statement in summary

MSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Net revenue	2.4	2.7	7.7	14.3	16.8
Capitalised development	0.2	0.1	0.4	6.4	6.5
Other operating income	0.5	0.0	0.7	0.0	1.5
Other external expenses	-9.7	-10.6	-27.2	-46.2	-61.8
Personnel costs	-8.3	-7.8	-25.0	-23.9	-33.1
Depreciation/amortisation and impairments	-0.6	-15.4	-1.7	-15.5	-16.0
Other operating expenses	-0.2	-0.6	-0.3	-0.6	-1.0
Operating profit/(loss)	**-15.7**	**-31.6**	**-45.4**	**-65.5**	**-87.2**
Net financial income/(expenses)	5.1	-3.8	19.4	-10.2	-33.9
Profit/(loss) before tax	**-10.6**	**-35.4**	**-26.0**	**-75.7**	**-121.1**
Appropriations	-	-0.2	-0.4	-0.2	0.9
Tax	-	-	-	-	-
Profit/(loss) for the period	**-10.6**	**-35.6**	**-26.4**	**-75.9**	**-120.2**

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

Parent company balance sheet in summary

MSEK	2023-09-30	2022-09-30	2022-12-31
ASSETS			
Non-current asset			
Intangible assets	12.4	11.9	11.9
Plant and equipment	13.6	15.8	15,3
Non-current financial assets	282.6	187.1	187.2
Total non-current assets	**308.6**	**214.7**	**214.5**
Current assets			
Other current assets	31.1	102.6	117.5
Cash & cash equivalent	28.6	51.2	78.8
Total current assets	**59.7**	**153.8**	**196.3**
TOTAL ASSETS	**368.3**	**368.5**	**410.8**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	3.6	3.6	3.6
Restricted equity for development expenses	12.4	11.9	11.9
Non-restricted equity			
Share premium reserve	538.1	538.1	538.1
Contingent consideration	41.0	41.0	41.0
Retained earnings	-336.1	-215.4	-215.5
Profit/(loss) for the period	-26.4	-75.9	-120.2
Total Equity	**232.6**	**303.3**	**259.0**
Current liabilities			
Current interest-bearing liabilities	88.2	-	68.3
Current derivative liabilities	-	-	19.9
Accounts payable	14.1	4.1	10.0
Other current liabilities	22.1	53.7	42.5
Accrued expenses and deferred income	11.3	7.5	11.2
Total current liabilities	**135.8**	**65.3**	**151.9**
TOTAL EQUITY AND LIABILITIES	**368.3**	**368.5**	**410.8**

NOTE

Note 1: ACCOUNTING PRINCIPLES
This report was prepared in accordance with IAS 34 Interim Financial Reporting and in applicable parts in accordance with the Swedish Annual Accounts Act (ÅRL). The interim financial statement for the parent company has been prepared in accordance with Swedish Annual Accounts Act (ÅRL), chapter 9, Interim Financial Reporting, except for the requirement of being in Swedish. The group's and the parent company's accounting principles and basis of computations are unchanged compared to the latest annual report. The figures in all tables are rounded off.

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

Note 2: Estimates and assumptions
The preparation of the financial reports in accordance with IFRS requires estimates and assumptions from the management that effect the accounting principles and the recorded amount of assets, liabilities, revenue, and expenses. The actual value can differ from these estimates and assumptions. The critical assessments and the cause of uncertainty in the estimates are the same as in the latest annual report except for the calculation of the fair value of the contingent consideration related to the acquisition of the shares in the associated company MunmuBaram Co., Ltd.

The calculation of fair value contingent consideration related to the acquisition of the shares in the associated company MunmuBaram Co., Ltd was made by discounting future expected cash flows related to the contingent consideration. In addition, management has applied judgement when determining that the fair value of the contingent consideration at the date of acquiring the shares should be presented in equity and hence not be subsequently re-measured. The initial acquisition price amounts to 7.7 MUSD, of which 50% was paid at acquisition in August 2022 and the remaining 50% was paid in August 2023. The contingent consideration relates to profit share agreement, which is valued to 3.9 MUSD, SEK 41 million. The profit share agreement stipulates that, if the company sells off the 20% shares in MunmuBaram, the profit from the sale minus Hexicon's total capital investment (initial purchase price plus remaining expenditure by Hexicon) shall be distributed according to the ratio under separate profit share agreement.

Hexicon has entered into a loan agreement with a loan framework of EUR 45 million that can be used until May 2029, to finance specified projects. During the third quarter, loans of EUR 15.5 million were drawn. Hexicon has the option of early repayment for a certain fee that changes over time. Hexicon has made the assessment that the right to early repayment is an embedded derivative that is closely associated with the loan agreement, and hereby reports a loan liability at amortized cost, based on expected cash flows. Expected short-term net repayments of cash flows are reported as the short-term part of long-term debt.

Note 3: Operating segment
The operating segment is reported in a corresponding method as in the internal reporting to the chief operating decision-maker (CODM). Hexicon's CEO is the CODM for the group. The company has identified an operating segment that constitutes the business. assessment is based on the basis that the business is regularly reviewed by the management to support decisions on the allocation of resources and evaluation of its result. The CODM is the function responsible for allocation of resources and evaluation of the operating segment's result.

Note 4: DISTRIBUTION OF REVENUE

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

MSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Net revenue					
Services	0.8	0.4	5.1	8.8	11.6
Total net revenue	0.8	0.4	5.1	8.8	11.6
Allocation per market					
Sweden	0.5	0.2	3.9	8.2	10.7
Rest of Europe	-	-	0.2	-	-
Asia	0.3	0.2	0.9	0.6	0.9
Allocation per point in time					
Recognized over time	0.8	0.4	5.1	8.8	11.6

Note 5: Capitalised development expenses

Other external expenses amounted to MSEK-11.2 (-45.1) million during the third quarter and out of these SEK 1.8 (30.8) million were capitalised development expenses during the last quarter, mainly related to the TwinHub project.

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

Note 6: Fair value of financial assets and liabilities

The carrying amount is considered to be a reasonable estimate of the fair value of all financial assets and liabilities. The items that have been measured at fair value are unlisted shareholding and contingent considerations. All instruments are categorized as Level 3 in the fair value hierarchy. For the unlisted shareholding, the cost constitutes a reasonable approximation of the fair value on the balance sheet date and current inputs provided by the managing company.

The contingent consideration has been measured as the present value of the amount that the group is expected to pay in accordance with the agreement for the acquisition of Wave Hub Ltd which, as of September 30, 2023, includes a pending contingent consideration of SEK 11.5 million (GBP 1.0 million) if the project reaches Final Investment Decision (FiD). The contingent consideration will not be paid if the milestone is not reached. The opening balance 2023 of contingent considerations was SEK 12.0 million and the closing balance at the 30th of September 2023 was SEK 11.4 million (GBP 1.0 million). The change was due to currency fluctuations between SEK and GBP of SEK 0.6 million and the new estimated date of payment to November 30 2024 of SEK -1.3 million. An increase of decrease in the cost of capital of +/- 2% would have resulted in a conditional consideration of SEK 11.2 million and SEK 11.6 million respectively.

Note 7: Depreciations, amortisations and impairments

The group's depreciation/amortization and impairments were SEK -4.3 (-18.7) million during the third quarter. The group management assesses on an ongoing basis indication of impairments and in that case conducts an impairment test.

Note 8: Group key performance indicators

	2023	2022	2023	2022	2022
MSEK	**Jul-Sep**	**Jul-Sep**	**Jan-Sep**	**Jan-Sep**	**Jan-Dec**
Net revenue	0.8	0.4	5.1	8.8	11.6
Operating profit/(loss)	-27.6	-56.2	-147.9	-119.7	-161.1
Profit/(loss) before tax for the period	-44.3	-61.1	-146.5	-124.1	-170.8
Earnings per share basic and diluted (SEK)	-0.14	-0.33	-0.42	-0.17	-0.46
Cash flow from operating activities	-80.4	-29.0	-104.2	-78.3	95.1
			2023-09-30	**2022-09-30**	**2022-12-31**
Equity at the end of the period	44.1	238.4	44.1	238.4	199.4
Equity/asset ratio at the end of the period (%)*	12%	58%	12%	58%	44%
Cash at the end of the period	42.8	55.3	42.8	55.3	86.6

*Equity / total assets at the end of the period

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

Note 9: Number of shares

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

Note 10: Amendment of Group income statement for Q2 2023 and Q2 YTD

During Q3 a correction has been made regarding transaction costs related to the Glennmont credit facility. The transaction costs were taken as a cost in the income statement in Q2 but should have been capitalised on the balance sheet and accrued on the income statement over time with the interest costs. A correction has been made in other external expenses in Q2 of SEK 10.7 million which has been reversed and booked as a current asset pending the loan being paid out in Q3.

During Q3 the company became aware of, that the handling of lease expenses in Q2 related to IFRS16, was not correct. Correction has been made in Q2 in other external expenses, depreciations, and net financials.

Other external costs were adjusted by the fact that a too high amount of current rents, SEK 3.2 millions was booked. Depreciation is affected by SEK 2.5 million related to a too high amout of depreciation in the period. The financial net is also affected by SEK 0.6 million. There are no adjustments in the balance sheet for these items.

The correction also affects the report on changes in equity for the group as of June 30, 2023, where retained earnings, including the year's profit, increase by SEK 10.7 million, from SEK-513.1 million to SEK -502.5 million. Also, other current assets increased with SEK 10.7 million from SEK 19.1 million to SEK 29.8 million. The cashflow statement is affected between Operating profit/ loss and change in working capital with amount SEK 10.7 million, all within cashflow from operating activities.

	Before amendment Q2	Amendmen t	After amendmen t Q2	Before amendmen t Q2 YTD	Amendmen t	After amendmen t Q2 YTD
	2023	2023	2023	2023	2023	2023
MSEK	**Apr-Jun**	**Apr-Jun**	**Apr-Jun**	**Jan-Jun**	**Jan-Jun**	**Jan-Jun**
Other external expenses	-27.1	7.5	-19.6	-42.8	7.5	-35.3
Depreciation/amortisation and impairments	-6.6	2.5	-4.1	-10.4	2.5	-7.9
Operating profit/(loss)	**-75.9**	**10.0**	**-65.9**	**-130.4**	**10.0**	**-120.4**
Net financial income/(expenses)	10.4	0.6	11.1	17.5	0.6	18.1
Profit/(loss) before tax	**-65.5**	**10.7**	**-54.8**	**-112.8**	**10.7**	**-102.1**
Profit/(loss) for the period	**-65.3**	**10.7**	**-54.6**	**-112.6**	**10.7**	**-101.9**

Amendment of Parent company income statement for Q2 2023 and Q2 YTD 2023

The parent company's income statement is also affected by the SEK 10.7 million adjustment.

Additionally, the parent company is affected by the fact that the write-down of intra-group loans was not included in the figures presented for Q2 2023. The excluded write-down affects the net financials by SEK -7.1 million for Q2 and SEK -9.9 million for Q2 YTD.

The balance sheet are in total affected via retained earnings including the year's result of SEK 0.8 m for Q2 YTD 2023. Other current assets also increase from 284.2 million to SEK 285.0 million related to transaction costs for the loan of SEK 10.7 million in Q2 and write down of intra-group loans of SEK -9.9 million

	Before amendment Q2	Amendment	After amendment Q2	Before amendment Q2 YTD	Amendment	After amendment Q2 YTD
	2023	2023	2023	2023	2023	2023
MSEK	**Apr-Jun**	**Apr-Jun**	**Apr-Jun**	**Jan-Jun**	**Jan-Jun**	**Jan-Jun**
Other external expenses	-19.6	10.7	-8.9	-28.1	10.7	-17.4
Operating profit/(loss)	**-25.5**	**10.7**	**-14.9**	**-40.3**	**10.7**	**-29.6**
Net financial income/(expenses)	12.5	-7.1	5.3	24.1	-9.9	14.2
Profit/(loss) before tax	**-13.0**	**3.5**	**-9.6**	**-16.2**	**0.8**	**-15.4**
Profit/(loss) for the period	**-13.2**	**3.5**	**-9.8**	**-16.6**	**0.8**	**-15.8**

SIGNATURES

Hans von Uthmann Chairman	Mia Batljan Board member	Bjarne Borg Board member
Vivianne Holm Board member	Mats Jansson Board member	Lars Martinsson Board member
Marcus Thor CEO	Stockholm 2023-11-17	

FINANCIAL CALENDAR

2024-02-21	Year-end report 2023
2024-04-11	Annual report 2023
2024-05-29	Q1 2024 report
2024-08-21	Q2 2024 report
2024-11-20	Q3 2024 report

This report includes information that Hexicon is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the CEO, at 2023-11-17 08:00 CET.

This report has been reviewed by Hexicon's auditors.

Hexicon AB (publ.), Östra Järnvägsgatan 27, 111 20, Stockholm, Sweden, www.hexicongroup.com

Review report

To the Board of Directors of Hexicon AB (publ)

Corp. id. 556795-9894

Introduction

We have reviewed the condensed interim financial information (interim report) of Hexicon AB (publ) as of 30 September 2023 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Emphasis of matter

We draw attention to the information on page 13, under the heading Risks and uncertainty factors, that further funding will be required in the foreseeable future, and that management has analysed the company's financial situation and made the assessment that sufficient financing can be obtained to ensure continued operation for the next 12 months.
Our conclusion is not modified in respect of this matter.

Stockholm 17 November 2023

KPMG AB

Fredrik Wollmann

Authorized Public Accountant