



JULY – SEPTEMBER 2024

INTERIM REPORT Q3



EXECUTIVE SUMMARY

The global outlook for offshore wind includes both promising and disappointing news. Outside the quarter, on November 4th, the Swedish government announced it had rejected 13 applications for offshore wind projects along the country's east coast. In contrast, global developments in offshore wind are moving in a more favourable direction, with significant progress and support for offshore wind projects in other regions.

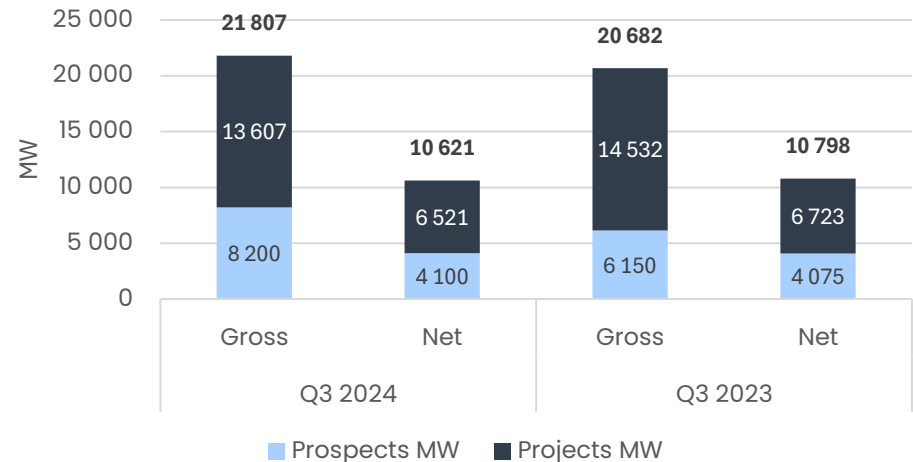
During the third quarter, Hexicon's main focus has been on improving the financing structure and securing regulatory approval for the MunmuBaram project.

On November 22nd, South Korean authorities approved the application to take over the remaining shares in the MunmuBaram project.

In August, the MunmuBaram project reached an important milestone with the approval of its Environmental Impact Assessment.

Hexicon also took a series of measures to further streamline its portfolio, such as cancelling the Pohang project and initiating a search for a site-sharing partner for the TwinHub project.

Development of Project Portfolio*



*NOTE: Changes that happened after the quarter are not included in the diagram.

SUMMARY OF BUSINESS RESULTS

JULY – SEPTEMBER 2024 (2023)

- Net revenue: SEK 3.8 (0.8) million
- Operating profit/loss: SEK -32.9 (-27.6) million
- Profit/loss before tax for the period: SEK -54.1 (-44.3) million
- Earnings per share basic and diluted: SEK -0.15 (-0.14)
- Cash flow from operating activities: SEK -28.3 (-80.4) million

JANUARY – SEPTEMBER 2024 (2023)

- Net revenue: SEK 5.2 (5.1) million
- Operating profit/loss: SEK -79.5 (-147.9) million
- Profit/loss before tax for the period: SEK -134.0 (-146.5) million
- Earnings per share basic and diluted: SEK -0.37 (-0.42)
- Cash flow from operating activities: SEK -65.3 (-104.2) million

KEY HIGHLIGHTS

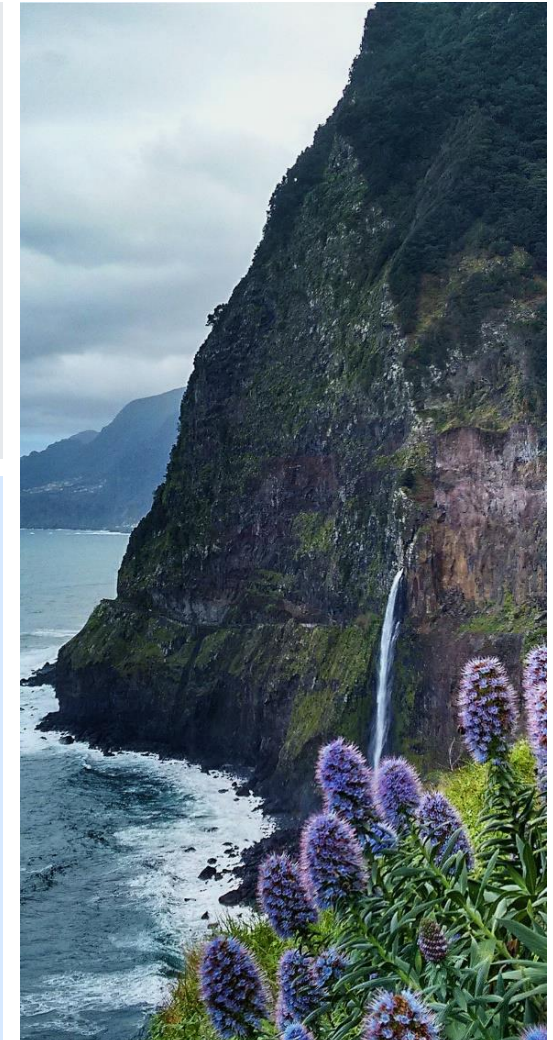
The third quarter was characterised by a focus on the financing structure and the completion of the application to the South Korean authorities for a change of control decision of the MunmuBaram project.

EVENTS DURING THE THIRD QUARTER

- Hexicon completed the operational takeover of MunmuBaram at the end of June, after months of preparations and handover work. From the 1st of July Hexicon formally took over the operating responsibility for the MunmuBaram project.
- In August, the South Korean authorities approved the Environmental Impact Assessment (EIA) for the MunmuBaram project. It is a very important milestone for the project as an approved EIA is required to participate in the offtake auction.

EVENTS AFTER THE QUARTER

- On October 10th, the MunmuBaram project reached a significant milestone as it entered into a Transmission Service Agreement (TSA) with Korea Electric Power Corporation (KEPCO).
- On November 4th, the Swedish Government announced that 13 submitted applications to build offshore wind farms in the Baltic Sea, south of the Sea of Åland, were rejected. As a result, the joint venture partners Hexicon and Mainstream Renewable Power decided to put the work on hold for the Freja Offshore projects, Cirrus and Dyrning.
- On November 22nd, the South Korean Electricity Regulatory Commission (KOREC), approved Hexicon's application, submitted in June to the Ministry of Trade, Industry and Energy (MOTIE) to take over the remaining shares in the MunmuBaram project.



CEO COMMENTS

Over the past few months, the global offshore wind market has seen more positive movements than in the previous two years. With a forecasted decrease in interest rates, the sector again attracts more developers and investments. According to a global report on offshore wind, the market is estimated to witness healthy growth in the forecast period of 2024–2032. Now, the global pipeline for new floating projects is 244 GW¹⁾, evidencing the great interest in this technology. The growth is driven by countries with long and deep coastlines in Asia-Pacific, Latin America, and Europe, where floating offshore wind is becoming a key solution for clean energy needs.

Hexicon's activities this quarter have revolved around both our financing structure as well as securing the approval, from South Korean authorities, of the Sales and Purchase Agreement (SPA) with Shell earlier this year. And now, finally, I am pleased to announce that on November 22nd, the South Korean Electricity Regulatory Commission (KOREC) approved the transfer of two out of three Electricity Business Licenses (EBLs) for the floating offshore wind project MunmuBaram. This means that we now have the necessary conditions to complete the SPA. The third EBL is undetermined at this stage, and we are currently considering various options. This approval is a major milestone for Hexicon and provides us with a strong foundation to move forward in setting a new ownership structure for the project, which, especially after the approval, stands as our most valuable asset.

In Sweden, however, progress has unfortunately moved in the opposite direction. Recently, the Swedish Government rejected 13 offshore wind farm applications in the Baltic Sea, citing significant defence concerns. We received this unexpected news with great disappointment—not only because two of our Swedish projects were impacted, but also due to the setback it represents for the Swedish industry and its growing need for renewable energy. Yet, amid the negative news, there was a significant milestone; the approval of Vattenfall's project Poseidon, the first floating offshore wind project, in Sweden's history, to receive the green light.

¹⁾IRENA Floating Offshore Wind Outlook 2024





This decision strengthens my belief in the future of floating wind power in Sweden. We are now waiting for an approval from the Swedish Government on our project Mareld planned on the west coast of Sweden. If approved, Mareld will be one of few offshore wind projects in Sweden that can proceed to construction within a short period of time.

In the third quarter, we worked on an action plan with measures aimed at improving our financing structure and streamlining costs while optimising our project portfolio. Key actions include scaling back our presence in specific markets and opening up for partnerships in others. For example, we have fully exited the US market, ceased work on the Pohang projects in South Korea, due to uncertain stakeholder dynamics, and initiated a search for a site-sharing partner for our TwinHub project in the UK.

Our business and portfolio are in constant evolution. Pulling out from certain projects to focus on those in locations with more favourable conditions is a necessary step for our growth.

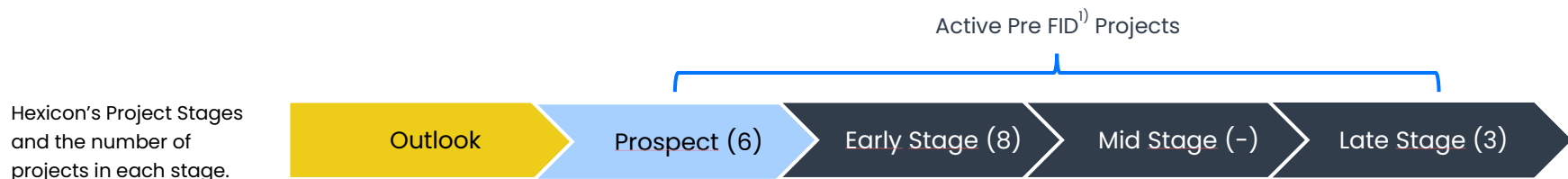
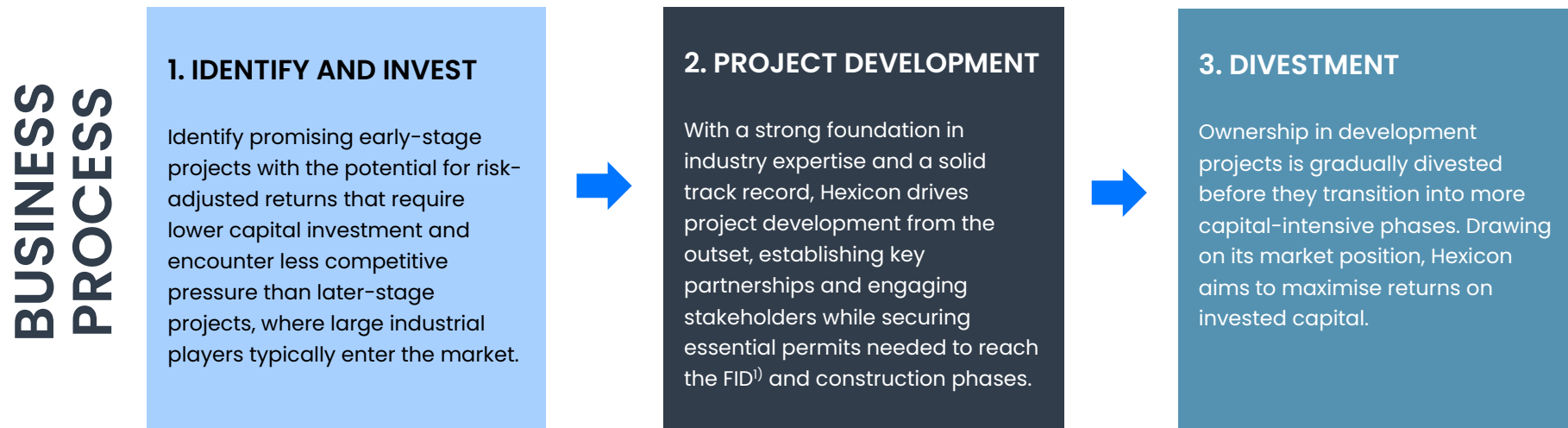
We keep our focus on improving our financial structure, though progress has been delayed by the unexpectedly lengthy process of securing regulatory approval for MunmuBaram. With this approval now obtained—solidifying full ownership of the most valuable asset in our portfolio—we can confidently accelerate efforts to strengthen our financial framework.

To conclude, there is indeed a lot of work to be done ahead, but I want to assure you that we are fully committed, and I am convinced we will emerge stronger than ever!

Marcus Thor, CEO

BUSINESS DESCRIPTION AND STRATEGY

Hexicon is a pioneer in floating offshore wind power, initiating projects with strong potential for attractive risk-adjusted returns. The company leads the development process in the initial years, gradually reducing ownership stakes before projects reach the capital-intensive final investment phase. Hexicon follows a structured framework with well-defined criteria for investment and divestment decisions. Currently, its active project portfolio—created through close partnerships with strategically chosen joint venture partners—totals approximately 6.5 GW of net capacity (Q3). This diversified portfolio includes major projects in South Korea, South Africa, the UK, Italy, and Sweden.



1) FID Final Investment Decision

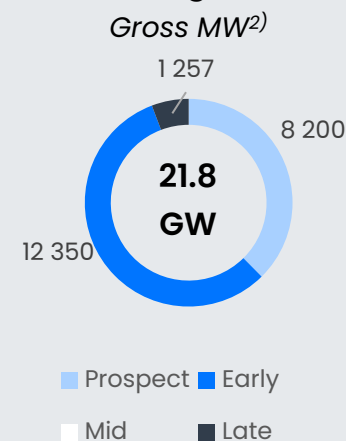
PORTFOLIO OVERVIEW

Country	Project	Gross MW	Net MW	Stage	Status
Project portfolio					
Sweden	Mareld	2,500	1,250	Early	Active
Sweden	Dyning	(2,500)	(1,250)	Early	Cancelled Q4
Sweden	Cirrus	(2,000)	(1,000)	Early	Cancelled Q4
South Korea	MunmuBaram	1,125	304 ¹⁾	Late	Active
South Korea	Pohang 2&3	-	-	-	Cancelled
Italy	Sicily South	1,150	575	Early	Active
Italy	Sardinia NW	1,300	650	Early	Active
Italy	Puglia 1	950	475	Early	Active
Italy	Puglia 2	1,150	575	Early	Active
South Africa	Gagasi	800	400	Early	Active
UK	Pentland	100	10	Late	Active
UK	TwinHub	32	32	Late	Active
Prospect portfolio					
Sweden	Kultje	(2,000)	(1,000)		-
South Korea	Pohang 4&5	-	-		Cancelled
Italy	Sardinia 1	1,550	775		-
Italy	Sardinia 2	700	350		-
Italy	Sardinia NE	1 950	975		-
Ireland	Donegal MR	2 000	1 000		-

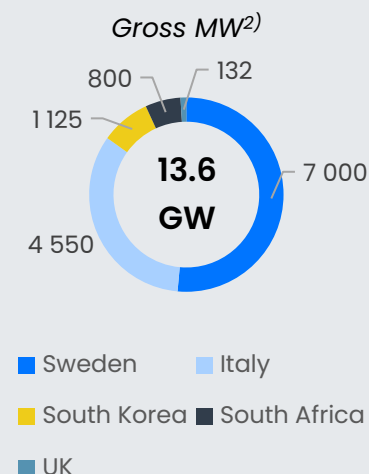
Numbers in parenthesis shows portfolio numbers in Q3.

- 1) In Q4 the number will change to a minimum of 750 MW, post regulatory approval in November.
- 2) NOTE: Changes that happened after the quarter are not included in the diagram.

Total portfolio Q3 - Stages



Active projects Q3 - Countries



● ACTIVE PROJECTS ● PROSPECTS

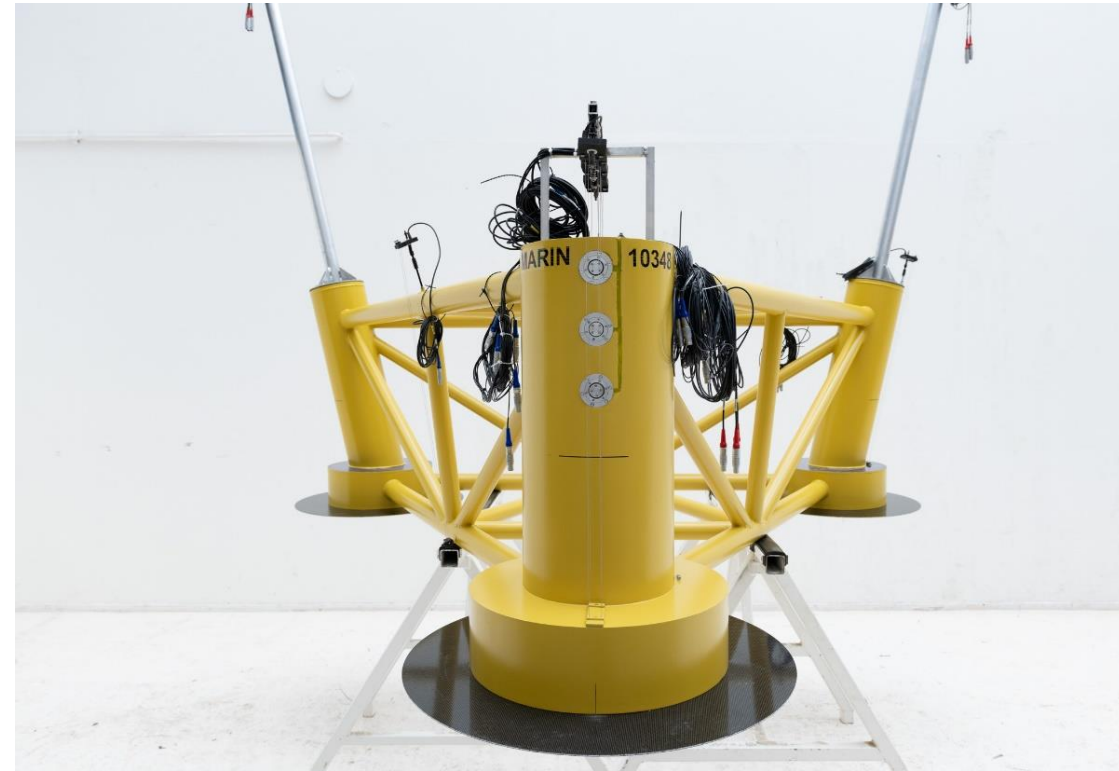
HEXICON'S TOTAL ACTIVE PROJECT OWNERSHIP

48%

TECHNOLOGY ADVANCEMENTS

Hexicon continues to make progress in the TwinHub project through its development work of the TwinWind™ technology.

- Since January 2024 Hexicon have been granted TLP (Tension Leg Platform) patents in India, Japan, South Korea and Brazil. Outside the quarter, on October 16th, Hexicon was granted a patent in South Korea on the TwinWind™ design. Now Hexicon holds patents in 25+ countries.
- On July 3rd, the Swedish Intellectual Property Office (PRV) decided to reject the opposition filed by Enerocean S.L. against the granted TLP (Tension Leg Platform) patent, and maintain the patent as granted. On August 26th, the decision was appealed by Enerocean S.L.
- On July 5th, Enerocean S.L. appealed the decision by the Swedish Patent and Market Court (PMD) to maintain the Swedish Patent and Registration Office's decision from the opposition proceedings and reject the appeal filed by Enerocean S.L. regarding the patent on the TwinWind™ design.



- On September 3rd, Enerocean S.L. appealed the decision by the European Patent Office to reject the opposition filed by Enerocean S.L. against the EP patent, and maintain the patent as granted on the TwinWind™ design.

Going forward, Hexicon remains committed to the further development of its innovative TwinWind technology™ to contribute to the global energy transition.

OUTLOOK

PRIORITY

- Secure and improve the company's financial structure
- Establishing a new ownership structure for MunmuBaram
- Accomplishing full or partial divestment of selected projects
- Focus on core projects



BEYOND THE HORIZON



FOR FUTURE GENERATIONS

FINANCIAL OVERVIEW

FINANCIAL PERFORMANCE

JULY–SEPTEMBER

NET REVENUE AND EARNINGS

Hexicon identifies and invests in early-stage development projects, leading the development process during the initial years while gradually divesting ownership stakes before projects enter the more capital-intensive final investment phase. Hexicon is also an innovative technology developer generating expertise in the field which is also applied in Hexicon's project development.

Net revenues amount to SEK 3.8 (0.8) million during the period and consist of performed consulting services related to ongoing development projects. No divestments of ownership stakes have occurred during the period.

The operating loss for the period amounted to SEK -32.9 (-27.6) million, which is a deterioration of SEK 5.3 million compared to the same period last year. The primary reason for the weaker results is related to the result from shares in associated companies. The total effect from "Results from shares in associated companies" amounts to SEK -14.3 million compared to SEK -4.7 million same period last year.

Net Financial expenses for the period totalled SEK -21.2 million, compared to SEK -16.7 million in the same period last year, reflecting a change of SEK -4.5 million. The net financial expenses of the period are attributable to interest expenses relating to funded investments amounting to SEK -22.3 million and impacts from currency exchange totalling SEK 0.7 million, and other financial expenses of SEK -3.7 million related to the Group's external loans. Additionally, in Q3 2024 there was a positive effect of SEK 4.0 million from financial income from lending to associated companies within the group.

The group's loss for the period amounted to SEK -54.0 (-44.2) million.

CASH FLOW, FINANCING AND INVESTMENTS

Cash flow from operating activities after a change in working capital amounted to SEK -28.3 (-80.4) million. The improvement is mainly affected by exchange differences and repaid receivables on associated companies.

Cash flow from investment activities amounted to SEK 79.7 (9.9) million. The investments for the period primarily consist of the initial consideration regarding the share purchase in MunmuBaram CO., Ltd by MunmuBaram Holding AB earlier this year. In Q3 2024, MunmuBaram Holding was re-classified as associated company which led to this re-classification in cash flow. See note 12 for further information.

Cash flow from financing activities amounted to SEK -59.2 (101.0) million. The decrease is partly related to less borrowing, also lending to associated company for acquisition of shares in MunmuBaram. See note 12 for further information.

The group's cash flow for the period amounted to SEK -7.8 (30.5) million.

JANUARY–SEPTEMBER

NET REVENUE AND EARNINGS

Net revenues amount to SEK 5.2 (5.1) million during the period and consist of performed consulting services related to ongoing development projects. No divestments of ownership stakes have occurred during the period.

The operating loss for the period amounted to SEK -79.5 (-147.9) million, which is an improvement of SEK 68.4 million compared to the same period last year. The primary reason for the improved results is that expenses in the MunmuBaram project began to be capitalised starting from Q3 2023, and the pace of development has been slightly reduced due to the upcoming structural change in ownership. The total effect from "Results from shares in associated companies" amounts to SEK -21.9 million.

Furthermore, the results are positively influenced by the capitalisation in the wholly owned TwinHub project. The underlying costs in terms of "Other external expenses" of SEK -35.9 (-46.6) million and "Personnel costs" of SEK -33.0 (-39.5) million have simultaneously decreased due to reduced exposure to the US and Iberian markets.

Net financial expenses for the period totalled SEK -54.5 million, compared to SEK 1.4 million in the same period last year, reflecting a change of SEK -53.1 million. The net financial expenses of the period are mainly attributable to interest expenses related to funded investments in 2024 amounting to SEK -61.3 million and impacts from currency exchange totalling SEK 7.5 million. Other financial expenses related to the Group's external loans amounted to SEK -4.6 million. Additionally, there was a positive effect of SEK 4.2 million from financial income from lending to associated companies within the group.

The group's loss for the period amounted to SEK -133.7 (-146.2) million.

CASH FLOW, FINANCING AND INVESTMENTS

Cash flow from operating activities after change in working capital amounted to SEK -65.3 (-104.2) million. The change, SEK 38.9 million, relates to the change in operating losses of SEK 68.4 million and change in adjustment for non-cash-items of SEK -32.2 million. The change in non-cash-items is mainly driven by reduced losses from associated companies of SEK 48.2 million, due to the capitalisation of MunmuBaram.

Cash flow from investment activities amounted to SEK -115.1 (-48.0) million. The investments for the period primarily consist of the acquisition of shares in MunmuBaram. Other investments are related to ongoing projects and technology development, out of which SEK 44.5 million are related to a restructuring of the legal entities in the Swedish project which is netted by the dividend from associated companies of the same amount. See note 12 for further information.

Cash flow from financing activities amounted to SEK 96.9 (108.2) million, of which SEK -93.3 million is lending to associated companies. See note 12 for further information.

The group's cash flow for the period amounted to SEK -83.5 (-44.0) million.

BALANCE SHEET

The group's total assets at the end of the reporting period amounted to SEK 603.8 (364.7) million.

Intangible assets per September 30 were SEK 180.1 (146.6) million. The increase is mainly due to investments in the British TwinHub project.

The participation in associated companies per September 30 was SEK 218.4 (103.6) million. The increase in participation in associated companies is mainly driven by capital injections in the associated companies developing the projects and re-classification of MunmuBaram Holding AB, from subsidiary to associated company in Q3 2024. For more information see note 12.

Other current assets as September 30 amount to SEK 118.7 (11.0) million. The increase relates to an upfront payment for the share purchase of MunmuBaram which has been treated as a prepayment before finalisation of the purchase.

The cash balance as of September 30 amounted to SEK 38.2 (42.8) million. Out of the two available credit facilities, Hexicon still has SEK 5.0 million available to draw at our discretion.

Equity was SEK -140.9 (44.1) million. The equity/asset ratio was -23 (12) %, which is a consequence of the prudent accounting policy of not capitalising on early project development costs. The total equity in the parent company remains intact at SEK 160.9 (232.6) million.

Current and non-current interest-bearing liabilities have increased related to the debt facilities during the year. The revolving credit facility is classified as current and the Nuveen (formerly Glennmont) facility is classified as partly current and non-current based on expected cash flow and valued at amortized cost.

Parent company

The parent company's net revenue during the third quarter amounted to SEK 4.3 (2.4) million and the result for the third quarter was SEK -19.4 (-10.6) million. The cash balance on September 30 amounted to SEK 10.5 (28.6) million. The total assets at the same date amounted to SEK 355.2 (368.3) million.

OTHER FINANCIAL INFORMATION

ORGANISATION

The group had 26 (27) employees at the end of the reporting period.

SIGNIFICANT EVENTS IN THE REPORTING PERIOD

In July an external board member was added to the board of Hexicon Holding AB and MunmuBaram Holding AB and articles of association were amended. Leading to Hexicon losing autonomous control over the subsidiary MunmuBaram Holding AB and a re-classification of the entity from a subsidiary to an associated company and deconsolidation of the subsidiary from July 2024.

In August the MunmuBaram project successfully completed the Environmental Impact assessment. It is a very important milestone for the project as approval is required to participate in the offtake auction.

In September Hexicon Holding AB entered into an option agreement with an external party for up to 70% of shareholding of MunmuBaram Holding AB.

HEXICON GROUP

Hexicon AB is the parent company and the following subsidiaries are fully consolidated in the group accounts. Sweden: Hexicon Holding AB. Freja Offshore AB. USA: Hexicon USA LLC. Hexicon North America LLC. UK: TwinHub Ltd. Wave Hub Ltd. Hexicon Developments UK Ltd. Norway: TwinWay AS. Spain: Hexicon Renewable Energy Spain SL. HAB Iberia Development 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., EWS Co., Ltd. MunmuBaram, Co., Ltd. Mauritius: Hexagon Ocean Energies Ltd.. Sweden: MunmuBaram Holding AB, Freja Offshore AB, Mareld Green Energy AB, Passad Green Energy AB, Dying Green Energy AB, Freja Grid AB, Offshore Access

Sweden AB. Italy: AvenHexicon SRL. South Africa: GenesisHexicon Pty. Greece: Hexicon Power S.A. UK: Wave Hub Grid Connection Ltd. Taiwan: Hexicon Taiwan CO., Ltd.

As a part of the Nuveen 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 Nuveen development loan facility. Similarly, the patents held by Freja Offshore AB, and the shares in the project companies for the Scottish Pentland (Highland Wind Ltd) and the South African Gagasi (GenesisHexicon Pty) projects are pledged as security for the revolving credit facility.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In October the MunmuBaram project reached a significant milestone as it entered into a Transmission Service Agreement with Korean Electric Power Corporation.

In November the Swedish Government announced that 13 submitted applications to build offshore wind farms in the Baltic Sea, south of the Sea of Åland, were rejected. Two of Hexicon's JV Freja Offshore's projects, Cirrus and Dying, were rejected.

The write-down of the shares for the loss in these entities would not impact the group's consolidated financial report.

Additionally in November, a decision was made by the patent appeals court PMÖD to review the case regarding Enerocean's objection to patent relevant to the company's TwinWind technology.

KOREC, the Electricity Regulatory Commission in South Korea, approved, on November 22nd, Hexicon's application, submitted in June to the Ministry of Trade, Industry and Energy (MOTIE) to take over Shell's stake in the MunmuBaram project.

RISKS AND UNCERTAINTY FACTORS

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

On June 14th, the Swedish Patent and Market Court (PMD) rejected Enerocean S.L.'s appeal regarding the objection to the patent relevant to the company's TwinWind™ design. The decision has been appealed to the Swedish Patent and Market Appeals Court (PMÖD). A decision by PMÖD may have three possible outcomes: To reject the appeal and maintain the patent as granted, to maintain the patent in amended form, or to revoke the patent. This decision is normally not appealable. This decision concerns only the Swedish patent and a decision on patentability does not have any implications on Hexicon's right to use the patented solution, only the right to prevent others from using it.

The company's short-term financing is stressed. In addition to operational costs, significant debts are maturing in December. The company is actively seeking to secure additional financing to meet its short-term obligations. If these efforts are not achieved, to the board and management's expectations, there are material uncertainties regarding the company's ability to finance its ongoing operations. Based on the current efforts to secure additional financing, the board and management assess that prerequisites are in place for the company to continue its operations.

RELATED PARTY TRANSACTIONS

One member of the management team left their permanent position and entered into a consultancy agreement in Q4 2023. The expense in the quarter Q3 accumulated 2024 is SEK 2.1 (0) million. In an associated company in the group, a board member in the associated company has received remuneration for other assignments of SEK 3.6 (0) million. The board member has per Q3 left the board.

PARENT COMPANY

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

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

GROUP INCOME STATEMENT IN SUMMARY

		2024	2023	2024	2023	2023
MSEK	Note	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net revenue	4	3.8	0.8	5.2	5.1	5.7
Other operating income		1.3	1.5	4.1	3.4	4.4
Capitalised development	5	1.3	1.8	14.0	12.2	29.2
Other external expenses		-11.2	-11.2	-35.9	-46.6	-65.1
Personnel costs		-9.6	-11.2	-33.0	-39.5	-50.4
Depreciation/amortisation and impairments	7	-3.7	-4.3	-10.9	-12.2	-20.4
Other operating expenses		-0.4	-0.2	-1.2	-0.4	-1.1
Result from share in associated companies		-14.3	-4.7	-21.9	-70.0	-82.7
Operating profit/(loss)		-32.9	-27.6	-79.5	-147.9	-180.3
Net financial income/(expenses)		-21.2	-16.7	-54.5	1.4	-7.6
Profit/(loss) before tax		-54.1	-44.3	-134.0	-146.5	-187.9
Tax		0.1	0.1	0.3	0.3	0.4
Profit/(loss) for the period		-54.0	-44.2	-133.7	-146.2	-187.5
Profit/ (loss) for the period attributable to:						
Equity holder of the parent company		-54.0	-44.2	-133.7	-146.0	-187.3
Non-controlling interests		0.0	0.0	0.0	-0.1	-0.2

GROUP STATEMENT OF COMPREHENSIVE INCOME

	2024	2023	2024	2023	2023
MSEK	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Profit/(loss) for the period	-54.0	-44.2	-133.7	-146.2	-187.5
OTHER COMPREHENSIVE INCOME					
Items that are or may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	1.1	-7.9	-8.4	-7.0	-10.7
Total comprehensive income for the period	-52.9	-52.1	-142.1	-153.2	-198.2
Total comprehensive income for the period attributable to:					
Equity holder of the parent company	-52.9	-52.1	-142.1	-153.1	-198.0
Non-controlling interests	0.0	0.0	0.0	-0.1	-0.2
Earnings per share basic and diluted (SEK)	-0.15	-0.14	-0.37	-0.42	-0.51

GROUP BALANCE SHEET IN SUMMARY

MSEK	2024-09-30	2023-09-30	2023-12-31
ASSETS			
<i>Non-current asset</i>			
Intangible assets	180.1	146.6	158.2
Plant and equipment	29.1	50.0	41.9
Right of use assets	6.2	8.8	7.5
Participations in associated companies	11.8	14.3	19.9
Non-current financial assets	13.1	1.8	1.8
Total non-current assets	240.3	221.6	229.3
<i>Current assets</i>			
Participations in associated companies	206.6	89.3	135.7
Other current assets	118.7	11.0	15.4
Cash & cash equivalent	38.2	42.8	121.2
Total current assets	363.5	143.1	272.3
TOTAL ASSETS	603.8	364.7	501.6

MSEK	2024-09-30	2023-09-30	2023-12-31
EQUITY AND LIABILITIES			
Share capital	3.6	3.6	3.6
Additional paid-in capital	538.1	540.5	538.1
Reserves	-12.7	-0.7	-4.4
Contingent consideration	41.0	41.0	41.0
Retained earnings including profit/(loss) for the period	-710.2	-539.7	-576.4
Equity attributable to equity holders of the parent company	-140.2	44.7	1.9
Non-controlling interest	-0.7	-0.7	-0.7
Total equity	-140.9	44.1	1.2
NON-CURRENT LIABILITIES			
Provisions	35.8	34.9	33.2
Deferred tax liabilities	3.8	4.1	3.8
Non-current interest-bearing liabilities	177.3	72.1	73.5
Non-current lease liabilities	2.9	5.4	4.8
Other non-current liabilities	14.4	14.7	13.9
Total non-current liabilities	234.2	131.2	129.2
CURRENT LIABILITIES			
Current interest-bearing liabilities	456.2	121.7	306.3
Current derivative liabilities	1.6	-	-
Accounts payable	6.2	14.5	6.4
Other current liabilities	16.9	26.3	28.1
Accrued expenses and deferred income	29.6	26.9	30.5
Total current liabilities	510.5	189.4	371.2
TOTAL EQUITY AND LIABILITIES	603.8	364.7	501.6

GROUP REPORT ON CHANGES IN EQUITY IN SUMMARY

	2024	2023	2023
MSEK	Jan-Sep	Jan-Sep	Jan-Dec
Opening balance equity attributable to equity holders of the parent company	1.9	202.8	202.8
<i>Total result for the period</i>			
Income/(loss) for the period	-133.7	-146.2	-187.5
Other comprehensive income/(loss)	-8.3	-11.9	-10.7
Total comprehensive income/(loss) for the period	-142.1	-158.1	-198.2
Acquisition of minority	-	-	-2.9
Other	0.0	0.0	0.2
Closing balance equity attributable to equity holders of the parent company	-140.2	44.7	1.9
Opening balance equity attributable to non-controlling interests	-0.7	-3.5	-3.5
Total comprehensive income/ (loss) for the period	0.0	-0.1	-0.2
Non-controlling interest from business	0.0	3.0	3.0
Closing balance equity attributable to non-controlling interests	-0.7	-0.7	-0.7

GROUP CASH FLOW STATEMENT IN SUMMARY

	Note	2024	2023	2024	2023	2023
MSEK		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
OPERATING ACTIVITIES						
Operating profit/(loss)		-32.9	-27.6	-79.5	-147.9	-180.3
Adjustment for non-cash-items		14.9	-14.4	50.3	82.5	51.2
Interest received		-	-	-	-	0.4
Interest paid		-0.0	-3.3	-0.4	-4.2	-4.4
Income tax paid		-0.3	0.4	-0.1	-0.5	-0.6
Sum		-18.3	-44.9	-29.7	-70.2	-133.7
Increase (-)/Decrease (+) of operating receivables		40.9	17.1	-4.3	9.6	15.8
Increase (+)/Decrease (-) of operating payables		-50.9	-52.6	-31.3	-43.6	-41.0
Cash flow from operating activities		-28.3	-80.4	-65.3	-104.2	-158.9
INVESTMENT ACTIVITIES						
Acquisition of intangible assets		-1.3	-2.6	-14.0	- 14.0	-28.3
Dividend from Associated companies*	11	-	22.0	44.5	22.0	22.0
Other investments		81.1	-9.5	-145.6	-56.0	-104.1
Cash flow from investment activities		79.7	9.9	-115.1	-48.0	-110.5

* Dividend was wrongly reported in Financing activity in Q3 2023. It was corrected in Q4 2023 and therefore Q3 2023 in this report has been corrected. It is now reported in Investment activities.

	Note	2024	2023	2024	2023	2023
MSEK		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
FINANCING ACTIVITIES						
Lending to associated companies		-88.5	-	-93.3	-	-
Repayments of convertible loan		-	-88.2	-	-88.2	-88.2
Borrowings		29.6	200.0	192.0	200.0	394.7
Other financing items		-0.4	-10.8	-1.9	-3.6	-2.4
Cash flow from financing activities	11	-59.2	101.0	96.9	108.2	304.1
Cash flow for the period		-7.8	30.5	-83.5	-44.0	34.7
Cash at the beginning of the period		45.9	12.3	121.2	86.6	86.6
Exchange-rate difference in cash		0.1	0.0	0.5	0.2	-0.1
Cash at the end of the period		38.2	42.8	38.2	42.8	121.2

PARENT COMPANY INCOME STATEMENT IN SUMMARY

	2024	2023	2024	2023	2023
MSEK	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net revenue	4.3	2.4	12.4	7.7	14.6
Capitalised development	0.0	0.2	0.7	0.4	0.6
Other operating income	0.4	0.5	1.4	0.7	0.9
Other external expenses	-10.9	-9.7	-29.3	-27.2	-35.5
Personnel costs	-6.8	-8.3	-23.8	-25.0	-33.1
Depreciation/amortisation and impairments	-0.1	-0.6	-0.2	-1.7	-6.5
Other operating expenses	-0.4	-0.2	-1.1	-0.3	-1.0
Operating profit/(loss)	-13.4	-15.7	-39.8	-45.4	-59.9
Net financial income/(expenses)	-5.9	5.1	-20.4	19.4	9.9
Profit/(loss) before tax	-19.4	-10.6	-60.2	-26.0	-49.9
Appropriations	0.0	0.0	0.0	-0.4	12.1
Tax	0.0	0.0	0.0	0.0	0.0
Profit/(loss) for the period	-19.4	-10.6	-60.2	-26.4	-37.8

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	2024-09-30	2023-09-30	2023-12-31
ASSETS			
Non-current asset			
Intangible assets	13.3	12.4	12.6
Plant and equipment	0.5	13.6	9.0
Non-current financial assets	284.0	282.6	283.7
Total non-current assets	297.8	308.6	305.2
Current assets			
Other current assets	46.9	31.1	39.8
Cash & cash equivalent	10.5	28.6	19.8
Total current assets	57.4	59.7	59.5
TOTAL ASSETS	355.2	368.3	364.8

MSEK	2024-09-30	2023-09-30	2023-12-31
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	3.6	3.6	3.6
Restricted equity for development expenses	13.0	12.4	12.4
Non-restricted equity			
Share premium reserve	538.1	538.1	538.1
Contingent consideration	41.0	41.0	41.0
Retained earnings	-374.5	-336.1	-336.1
Profit/(loss) for the period	-60.2	-26.4	-37.8
Total Equity	160.9	232.6	221.1
Current liabilities			
Current interest-bearing liabilities	154.3	88.2	121.4
Accounts payable	5.4	14.1	1.8
Other current liabilities	0.8	22.1	2.8
Accrued expenses and deferred income	33.7	11.3	17.6
Total current liabilities	194.3	135.8	143.6
TOTAL EQUITY AND LIABILITIES	355.2	368.3	364.8

NOTE

NOTE 1: ACCOUNTING PRINCIPLES

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

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

NOTE 2: ESTIMATES AND ASSUMPTIONS

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

The calculation of fair value contingent consideration related to the acquisition of the shares in the associated company MunmuBaram Co.. Ltd, in 2022, was made by discounting future expected cash flows related to the contingent consideration. In addition, management has applied judgement when determining that the fair value of the contingent consideration at the date of acquiring the shares should be presented in equity and hence not be subsequently re-measured. The initial acquisition price amounts to 7.7 MUSD, of which 50% was paid at acquisition in August 2022 and the remaining 50% was paid in August 2023. The contingent consideration relates to profit share

agreement, which is valued to USD 3.9 million. SEK 41 million. The profit share agreement stipulates that, if the company sells off the 20% shares in MunmuBaram, the profit from the sale minus Hexicon's total capital investment (initial purchase price plus remaining expenditure by Hexicon) shall be distributed according to the ratio under separate profit share agreement.

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

In September 2024, an external party received stock options in MunmuBaram Holding AB. The stock options which are valid until end of August 2025, could result in Hexicon becoming a minority shareholder in MunmuBaram Holding AB. The stock options are classified as a financial liability in the group's balance sheet.

NOTE 3: OPERATING SEGMENT

The operating segment is reported in a corresponding method as in the internal reporting to the chief operating decisionmaker (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.

	2024	2023	2024	2023	2023
MSEK	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net revenue					
Goods	-	-	-	-	-
Services	3.8	0.8	5.2	5.1	5.7
Project rights	-	-	-	-	-
Total net revenue	3.8	0.8	5.2	5.1	5.7
Allocation per market					
Sweden	0.9	0.5	2.3	3.9	4.5
Rest of Europe	-	-	-	0.2	0.2
Asia	2.9	0.3	2.9	0.9	1.0
Allocation per point in time					
Recognised at one point in time	-	-	-	-	-
Recognised over time	3.8	0.8	5.2	5.1	5.7

NOTE 5: CAPITALISED DEVELOPMENT EXPENSES

Other external expenses amounted to SEK-11.2 (-11.2) million in third quarter and personnel costs to SEK -9.6 (-11.2) million and out of these SEK 1.3 (1.8) million were capitalised development expenses during the third quarter. Mainly related to the TwinHub project.

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, options and contingent considerations. All instruments are categorised 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, 2024, includes a pending contingent consideration of SEK 12.3 million (GBP 0.9 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 2024 of contingent considerations was SEK 11.3 million and the closing balance at the 30th of September 2024 was SEK 12.3 million (GBP 0.9 million). The change was due to currency fluctuations between SEK and GBP of SEK 0.7 million. The new estimated date of payment to June 30 2025 of SEK 0.3 million. An increase or decrease in the cost of capital of +/- 2% would have resulted in a conditional consideration of SEK 12.1 million and SEK 12.4 million respectively.

The stock options, (issued in September 2024) in the group balance sheet are classified as a current derivative liability among other current liabilities in the balance sheet (valid until the end of August 2025) amounting to 1.6 MSEK (USD 0.16 million). The options are/will be measured at fair value through profit and loss in the financial reports. A purchase price of MUSD 115.2, for 70% of the MunmuBaram Holding AB shares, is used to calculate the fair value at the end of September. The option liability is discounted by 15% WACC and the applied probability of being in the money is 5%. An increase or decrease in the cost of capital of +/- 2% would have resulted in a conditional consideration of SEK 1.1 million and SEK 2.2 million respectively.

NOTE 7: DEPRECIATIONS, AMORTISATIONS AND IMPAIRMENTS

The group's depreciation/amortisation and impairments were SEK -3.7 (-4.3) 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

	2024	2023	2024	2023	2023
MSEK	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net revenue	3.8	0.8	5.2	5.1	5.7
Operating profit/(loss)	-32.9	-27.6	-79.5	-147.9	-180.3
Profit/(loss) before tax for the period	-54.1	-44.3	-134.0	-146.5	-187.9
Earnings per share basic and diluted (SEK)	-0.15	-0.14	-0.37	-0.42	-0.51
Cash flow from operating activities	-28.3	-80.4	-65.3	-104.2	-158.9
	2024-09-30	2023-09-30	2024-09-30	2023-09-30	2023-12-31
Equity at the end of the period	-140.9	44.1	-140.9	44.1	1.2
Equity/asset ratio at the end of the period (%) *	-23%	12%	-23%	12%	0%
Cash at the end of the period	38.2	42.8	38.2	42.8	121.2
* Equity / total assets at the end of the period					

NOTE 9: TAX LOSS DEDUCTIONS

There are tax loss deductions in the group amounting to SEK 403 million. Tax losses in Swedish entities may be carried forward indefinitely. No deferred tax has been reported for these.

NOTE 10: NUMBER OF SHARES

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

NOTE 11: AMENDMENT OF GROUP BALANCE SHEET

CLASSIFICATION OF ASSOCIATED COMPANIES

As a project developer focusing on the early stage of the development cycle Hexicon's business model is to divest the projects before reaching construction start, without intention to be a final asset holder during operation. After further

analysis, although the development cycles are long for infrastructure projects, spanning many years, the view of the Hexicon is that the projects are held with the purpose to be sold within their operating cycle. To clarify this to the reader the associated companies which currently hold projects or prospects have been reclassified as current assets. The tables below show the correction amounts and figures before and after correction for the items affected. Income- and Cash flow statement are not affected.

Company	Form	Country	Balance Sheet Definition
Freja Offshore AB	Joint venture	SE	current asset
Munmu Baram Co., Ltd	Associated	KR	current asset
Hexicon Power S.A	Joint venture	GR	non-current asset
AvenHexicon S.R.L.	Joint venture	IT	current asset
Genesis Hexicon (Ply) Ltd	Joint venture	ZA	current asset
Hexicon Korea Co., Ltd	Associated	KR	non-current asset
EWS Co., Ltd	Associated	KR	current asset
MunmuBaram Holding AB	Associated	SE	current asset
Mareld Green Energy AB	Joint venture	SE	current asset
Passad Green Energy AB	Joint venture	SE	current asset
Dyning Green Energy AB	Joint venture	SE	current asset
Freja Grid AB	Joint venture	SE	current asset
Wavehub Grid Connection Ltd	Associated	UK	current asset
Hexagon Ocean Energies Ltd	Associated	MU	non-current asset
Offshore Access Sweden AB	Associated	SE	non-current asset

BALANCE SHEET AFTER CORRECTION

	Before correction	Correction	After correction
MSEK	2023-09-30		2023-09-30
ASSETS			
<i>Non-current asset</i>			
Participations in associated companies	103.6	-89.3	14.3
Total non-current assets	310.9	-89.3	221.6
<i>Current assets</i>			
Participations in associated companies	-	89.3	89.3
Total current assets	53.8	89.3	143.1
TOTAL ASSETS	364.7	-	364.7

CLASSIFICATION OF DIVIDEND IN CASHFLOW STATEMENT

Dividend was wrongly reported in Financing activity in Q3 2023. It was corrected in Q4 2023 and therefore Q3 2023 in this report has been corrected. It is now reported in Investment activities.

NOTE 12: RE-CLASSIFICATION

In July 2024 an external board member was added to the board of Hexicon Holding AB and MunmuBaram Holding AB. Additionally the articles of association were amended, leading to Hexicon's loss of autonomous control over the subsidiary MunmuBaram Holding AB and a re-classification of the entity from a subsidiary to an associated company and deconsolidation of the subsidiary from July 2024.

Since the sales and purchase agreement to take over the remaining ownership in Munmu Baram Co., Ltd, lies with MunmuBaram Holding AB following a novation of the sales and purchase agreement, the initial consideration of 8.5 MUSD paid in the first quarter of 2024 will be included in the shares in associated companies once the transactions approval process is completed. The completion of the transaction is subject to regulatory approval but is expected during the fourth quarter of 2024.

SIGNATURES

Bjarne Borg
Chairman

Mia Batljan
Board member

Mats Jansson
Board member

Lars Martinsson
Board member

Göran Öfverström
Board member

Marcus Thor
CEO

Stockholm 2024-11-29

This report includes information that Hexicon is obliged to make public according to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the CEO, at 2024-11-29 08:00 CET.

The report has been reviewed by Hexicon's auditors.

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

FINANCIAL CALENDAR

2024-11-29	Q3 2024 Report
2025-02-19	Q4 2024 Report
2025-04-10	Annual Report 2024



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 2024 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.

Material uncertainty related to going concern

We draw attention to the information on page 16, under the heading Risks and uncertainty factors, where it is disclosed that the company's short-term financing is stressed. In addition to operational costs, significant debts are maturing in December. The company is actively seeking to secure additional financing to meet its short-term obligations. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Stockholm 29 November 2024

KPMG AB

Fredrik Wollmann

Authorized Public Accountant