

# Interim report

Increased portfolio potential

## The expansion continues

During the period revenue increased sooner than expected and an important joint venture was formed in Sweden. All projects moved forward, lowering the portfolio risk level. The expansion continued and after the period new seabed rights were secured in South Korea, significantly increasing the portfolio potential. Hexicon also received an important intention from the European Patent Office to grant Hexicon a European patent for its unique twin turbine design.

### July – September

- Net revenue amounted to 4.4 (0.5) MSEK.
- Operating profit/loss amounted to -11.3 (-4.0) MSEK.
- Profit/loss before tax for the period amounted to -11.3 (-4.0) MSEK.
- Earnings per share basic and diluted amounted to -0.03 (-0.02) SEK.
- Cash flow from operating activities amounted to -42.3 (-4.0) MSEK.
- Cash at the end of the period amounted to 320.9 (1.4) MSEK.
- MunmuBaram, the JV between CoensHexicon and Shell, completed wind measurements, geotechnical surveys and applied for its first electricity generation license in South Korea.
- Hexicon and Aker Offshore Wind formed a 50-50 JV and concluded site consultations in Sweden.
- The TwinWay demonstrator project completed the first engineering phase and received feasibility certification from DNV GL.

### January – September

- Net revenue amounted to 17.0 (3.6) MSEK.
- Operating profit/loss amounted to -34.8 (-11.3) MSEK.
- Profit/loss before tax for the period amounted to -33.6 (-11.8) MSEK.
- Earnings per share basic and diluted amounted to -0.11 (-0.07) SEK.
- Cash flow from operating activities amounted to -41.4 (-6.9) MSEK.

### Key events after July – September

- Korean JV, CoensHexicon, with regional partners, secured additional seabed rights in South Korea with a gross potential of more than 1 GW.
- Korean JV with Shell, MunmuBaram, applied for two additional electricity generation licenses in South Korea.
- The European Patent Office issued its formal intention to grant Hexicon a European patent for its dual-turbine technology.
- Hexicon partnered with global contractor Worley for the fabrication of the TwinWay demonstrator project in Norway.

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Hexicon is a developer of floating wind farms and owns a patented dual turbine foundation technology, the TwinWind. Hexicon's solution increases the power density for a given water area, reducing the cost of energy and minimizing its footprint. Hexicon currently runs projects in England, Norway, Scotland, South Korea and Sweden and pursues early-stage development opportunities in additional countries.

# Technology shift to floating gathering momentum



**Hexicon CEO**  
**Marcus Thor**

At the same time as world leaders gather in Glasgow for COP26 and align on ways to save the planet, the local debate over offshore wind points to a perception that offshore wind pollutes the visual landscape and impacts coastal activities. This is not the case today as floating wind can more flexibly be deployed, further offshore, to avoid such arguments. If you then add the mind-boggling scale of new renewable energy that is needed globally, Hexicon's offering of projects and technology for offshore wind in deep water is more relevant than ever.

I can summarise yet another eventful quarter for Hexicon with several new strategic achievements and increased political ambitions around the globe. While Hexicon's focus remains on the creation of long-term growth and value generation around our first mover advantage, we did see an increase in revenue for the period sooner than forecasted stemming from the value created through origination and early developments of projects.

In parallel to maturing our technology with full speed ahead, we are very focused on building a pipeline of projects in core markets and with strategic partners. This is done for three reasons, 1) to gain revenue in the short to medium term until the technology is proven, 2) to enable future use of the technology in great volumes within these projects, and 3) to build Hexicon's brand as a credible leader in floating offshore wind.

## Advancing the project portfolio

During the period, and more so since our IPO in June, we have moved forward within the entire project portfolio. Our early establishment in South Korea, the 1.4 GW MunmuBaram project, that Shell bought into during spring of 2019, has recently concluded various environmental campaigns and has applied for multiple electricity generation licenses. Before assuming the role as CEO of Hexicon, I was the Project Director on site in South Korea and am pleased to see major milestones achieved out of the groundwork that was put in then. I am not aware of any other floating wind project of this size that is more advanced anywhere in the world.

Additionally, CoensHexicon has been granted priority rights to four additional areas in South Korean waters. This is a major success and confirms our business model of being an originator and early-stage developer in key markets and with local partners. The planned near-term developments of these areas have the potential to translate into promising economics for Hexicon. This expansion is an important improvement compared to our communicated portfolio prospects at the time of the IPO and I look forward to sharing additional updates from South Korea in due course.

To support Sweden's goal of net-zero emissions by 2045, the Swedish Government recently directed the Swedish TSO, Svenska Kraftnät, to expand the transmission grid offshore. This decision has been long awaited and confirms the good timing of our developments in Sweden. We have solidified the cooperation with Aker Offshore Wind into a 50-50 joint venture that has already concluded three site consultations and is now ramping up for next steps.

Underpinned by the UK Government's target of having 1 GW of floating wind by 2030, recent announcements include an earmarked budget for floating wind in the next round of Government subsidy auction as well as new leasing rounds of 4 GW of floating wind in the Celtic Sea. These major steps forward provide a transparent and well-structured route to market for floating wind developers and confirms the strategic location of our TwinHub project. TwinHub is very well positioned to be one of very few bidders into the next auction and potentially the first floating wind project in the Celtic Sea.

**Maturing and strengthening our patented design**

The second of the two synergetic parts of our business model, being a foundation technology provider, has taken some important steps forward. The TwinWay demonstrator project has achieved its feasibility certification by DNV GL and recently partnered with global contractor Worley which will fabricate the TwinWind, starting in about a year from now.

Hexicon's strong IP portfolio reflects our ability to be innovative and forward-looking and is a key ingredient of the future success of the company. We were therefore excited to receive a formal notice from the European Patent Office, stating it intends to grant Hexicon a European patent for the company's floating wind power platform with tilted towers.

**COP26 shows there is only one way forward**

Leaders from across the globe have gathered in Glasgow for COP26 over the last two weeks to find common ways to avert a climate disaster. The climate conference has received criticism for it not leading to sufficient concrete measures. While I can sympathise with this, given the existential and time-critical nature of the emergency, I'd like to share a view through the lens of the offshore wind industry.

Multiple announcements from tier one investors increasing their commitments to offshore wind have been made, not the least CIP, our J/V partner in Scotland, which aims to deploy EUR 100 billion into green energy investments by 2030, a third of this to go to offshore wind.

The nearly 200 countries made an unprecedented pledge to phase-out fossil fuel subsidies and reduce coal power and will meet again next year to further strengthen the 2030 climate plans. With a virtually unlimited potential, floating wind will need to make up a significant portion of the clean energy needed to replace coal and other fossil sources of energy during the coming decades.

In summary, over a period of significant increased political ambitions, we have continued to enhance the project portfolio value and have taken significant steps forward in maturing the patented TwinWind technology, all in line with the plan set forth at the time of the IPO in June 2021.

**Marcus Thor**

CEO



## Projects

### MunmuBaram, South Korea

During the third quarter, Hexicon's joint venture CoensHexicon has formally established a new joint venture together with Shell, called MunmuBaram, of which Hexicon's net ownership is 10%. The aim of the new JV is to develop and operate a 1.4 gigawatt (GW) floating offshore wind project off Ulsan, South Korea making it the world's first large scale floating wind farm. To date, three Electricity Generation Business ("EGB") licenses has been applied for, the first one expected to be approved within weeks, in aggregate permitting a wind farm to be deployed over the entire 240 km<sup>2</sup> area. The completion of one year of wind measurements, seabed surveys and the filing for EGB licenses imply an improved risk profile for the value creation for Hexicon from the project. The project is located 70 km off Ulsan, South Korea, in 150 m water depth and has a planned construction start at the end of 2024.

### Freja Offshore, Sweden

The public consultations regarding three sites in Sweden that were initiated in the second quarter have been successfully concluded in the third quarter, having engaged nearly 100 various stakeholders. In the quarter, Hexicon and Aker Offshore Wind have formed the 50-50 joint venture, Freja Offshore, and have appointed a Board of directors which in addition to company representatives also includes former Minister of Finance for Sweden Pär Nuder and former Vattenfall executive Mikael Kramer. The project is progressing three deep water sites in Sweden; Mareld on the west coast and Dying and Kultje on the east coast, with a combined gross capacity of up to 3 GW.

### TwinHub, England

Earlier in the year, Hexicon acquired a former wave energy test site off Cornwall, England. The site had already achieved the majority of the re-permitting needed to install floating wind and included existing grid infrastructure which enabled a fast-tracked route to market. The project aims to deploy a floating wind farm of up to 40 MW using Hexicon's patented TwinWind foundation. Through Hexicon's 100% owned UK subsidiary Twin Hub, Hexicon has partnered with global EPCI contractor Bechtel to prepare for the upcoming Government subsidy auction, Allocation Round 4. Subject to the result of the auction, the project will commence the fabrication phase in early 2023.

### Pentland Floating Wind Farm, Scotland

End of 2020, Hexicon entered into an agreement with Copenhagen Infrastructure Partners (CIP) to sell a majority interest in the then called Dounreay Trí project and rename it to Pentland Floating Wind Farm. The joint efforts with CIP are now full speed ahead to re-permit the site for 100 MW and to participate in future floating wind subsidy auctions. During the period, the public consultation and seabed surveys were both successfully completed, and the project received its Scoping Opinion from the Scottish Government confirming the planned permitting work. The project is located 9 km from shore in Dounreay, Scotland in 90-100 m water depth and plans for a construction start in 2025 and operations from 2026. Hexicon's ownership of the project is 10%.

## Technology

### TwinWay Demonstrator Project, Norway

The first installation of Hexicon's patented foundation technology, the TwinWind, will be within the TwinWay project. The project aims to install the TwinWind equipped with 2 x Vestas 3 MW wind turbines at the offshore site MetCentre, Haugesund, by end 2023. The project has received a statement of feasibility and certification report from DNV GL, validating the project specific design, and partnered with global contractor Worley to plan and execute the fabrication of the TwinWind, planned to commence in late 2022.

### Intellectual Property

Following the end of the quarter, Hexicon received a formal notice from the European Patent Office, stating it intends to grant Hexicon a European patent for the company's floating wind power platform with tilted towers. In the next step, Hexicon will receive a formal decision about the grant, followed by a validation of the patent in the markets for which Hexicon wish to obtain patent protection. Notable is that EPO, in connection with its patent assessment, also examined a third-party submission, of similar kind as the one that was received days ahead of the IPO in June, and did not find it relevant, which proves the robustness of the IP.

# Financial information

## Third quarter (July 1 – September 30)



### Group result and financial position

#### Net revenue and result

Net revenue for the quarter amounted to 4.4 (0.5) MSEK, an increase of 780 % in comparison with the same period last year. The increase in revenue is attributed to invoiced project development fees. Project development revenue is one of three main revenue streams, as well as license revenue and project divestment revenue, where the two latter will increase in the years to come as the project portfolio matures.

The result for the quarter was -11.2 (-4.0) MSEK. Even though revenue increased, the result for the period was negative and mainly due to the continued development of the project portfolio.



### Cash flow, financing and investments

The group's cash flow from operating activities, before changes in working capital, amounted to -15.2 (-4.0) MSEK. Changes in working capital had an effect on the cash flow of -27.1 (0.0) MSEK in the quarter. Cash flow from financing activities amounted to 4.2 (5.7) MSEK. The investments totalled 15.3 (0.4) MSEK and related to activated development expenses of the project portfolio as well as the acquisition of Wave Hub, see note 7.

## Year to date (January 1 – September 30)



### Group result and financial position

#### Net revenue and result

Net revenue for the reporting period was 17.0 (3.6) MSEK, an increase of 372 % compared with the same period last year. The increase is mainly attributable to the project

divestment in Scotland of 11.4 MSEK in Q1, see note 6. The result for the period was -33.5 (-11.8) MSEK.

The cost increase and the period's result is according to plan and budget and mainly related to development of the four active wind farm projects and demonstrator project. The group's continued recruitment, with a larger payroll to be able to capitalise on the current momentum for offshore wind, result in an increased personnel cost.

#### Balance sheet

The group's total assets at the end of the reporting period amounted to 446.6 (25.0) MSEK and equity totalled 340.4 (5.2) MSEK. The equity/asset ratio was 76 (21) %.



### Cash flow, financing and investments

The group's cash flow from operating activities before changes in working capital amounted to -33.5 (-11.2) MSEK. Changes in working capital affected the cash flow with -7.9 (4.3) MSEK during the period. Cash flow from financing activities amounted to 281.8 (8.9) MSEK, out of which 10.5 MSEK were warrant premiums and exercised warrants. The investments amounted to 26.6 (1.1) MSEK, mainly activated development expenses related to the project portfolio.



### Organisation

The group had 26 (12) employees at the end of the reporting period.



### Significant events in reporting period

Hexicon signed a Share Purchase Agreement on April 13 with Cornwall Council, acquiring the company Wave Hub Ltd, holding a lease of a water area and certain infrastructure in England.

The assets are considered an attractive opportunity for the company to participate in a subsidy scheme, the so-called CfD auction scheme. On July 30, the acquisition of Wave Hub Ltd was completed and 100 % of the shares were transferred to TwinHub Ltd, 100 % owned by Hexicon, see note 7.

On March 28, Hexicon entered a Joint Development Agreement with Aker Offshore Wind AS (AOW) with the purpose to develop floating wind farms in Sweden. On September 6, Hexicon and AOW entered a Shareholder's Agreement that regulates their ownership in a joint venture company. For this purpose, Goldcup 28280 AB, was incorporated in August, owned 50 % by Hexicon and 50 % by AOW.

In June, CoensHexicon, (49 % owned by Hexicon), Shell and MunmuBaram signed a Shareholder's Agreement stipulating CoensHexicon and Shell's ownership in the Korean project company, MunmuBaram, which is now 20 % owned by CoensHexicon. The purpose of the MunmuBaram is to develop and operate floating wind projects off Ulsan, South Korea.

In May, Hexicon acquired additional shares in WunderHexicon. With this acquisition Hexicon increased its shareholding from 50 % to 75 % and thus its consolidated numbers are included from June 2021, see note 7.

The annual general meeting was held on May 3 where it was resolved to authorise the board of directors to issue new shares.

At a board meeting on June 2, it was resolved to apply for a listing and subsequently list the company's shares on the Nasdaq First North Premier Growth Market. The first day of trading for shares in Hexicon (HEXI) was June 18. In connection with the listing, there was a new share issue of 345.0 MSEK, 45.0 MSEK of the 345.0 MSEK was over-allotment, the so called Greenshoe Option and settled after June 30.

Expenses directly related to the IPO was 32.4 MSEK booked against equity by the end of the reporting period and indirect IPO related costs were 1.0 MSEK in Q1 and 2.0 MSEK in Q2. In July, Pareto Securities, in its capacity as stabilisation manager for the listing, notified Hexicon that the Over-Allotment Option (Greenshoe Option) has been exercised in respect of 1,269,207 shares. Hexicon received 3.8 MSEK for the share issue.

The dormant subsidiary Hexicon Malta Ltd was liquidated on June 23.

The company's business has not been considerably affected by Covid-19 during the reporting period.



## Risks and uncertainty factors

Development of offshore wind power continues in Europe, USA and Asia and is presumed to become a key energy source. The offshore wind power industry is increasing rapidly with new initiatives and auctioning of water areas. Windfarms are being built in for instance the US, Scotland, France, and Norway.

Deep water placement is not yet used on a large scale and several technical challenges are yet to be commercially tested.



## Related party transactions

A member of the management team has been paid remuneration of 2.3 (0.5) MSEK during the period January–September, including expenses of 0.2 (0.0) MSEK. Personnel, management, and board members subscribed for 11 800 000 warrants at a premium of 0.20 SEK each, maturing in 3 years and with an exercise price of 2.80 SEK. 8 100 000 warrants from an earlier employee share-option plan were exercised and converted into the same number of shares for an exercise price of 1.00 SEK. Both employee share-option plans are described in the 2020 annual report, note 6.



### Significant events after the reporting period

On October 4, a subsidiary 100 % owned by Hexicon was incorporated in the UK. The entity, Hexicon Developments UK Ltd, will explore new project opportunities and engage in business development activities in the UK.

In October, Hexicon's CFO Sebastian Robson resigned from his role to assume the same position in a non-competitive business. He will remain in his current role during the 4 month notice period.

### Third quarter (July 1 – September 30)



#### Parent company results and financial position

##### Net revenue and result

Net revenue in the parent company amounted to 4.5 (0.5) MSEK. The reason behind the increase is related to invoiced project development fees, as for the group. The result for the period amounted to -8.5 (-4.0) MSEK. The main reason for the increased loss is continued project development.

### Year to date (January 1 – September 30)



#### Parent company results and financial position

##### Net revenue and result

Net revenue in the parent company amounted to 17.1 (3.6) MSEK. The increase is attributable to the earlier mentioned project divestment in Scotland. Result for the reporting period amounted to -25.1 (-11.6) MSEK. The main reason for the increased loss is continued project development.

##### Liquidity and financial position

The cash balance per September 30 amounted to 316.8 (1.4) MSEK. Total assets at the same date amounted to 366.8 (25.7) MSEK.



#### Parent company risks and uncertainty factors

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



#### Parent company related party transactions

The related party transactions are the same as described above for the group.



## Group income statement in summary

MSEK	2021	2020	2021	2020	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net revenue	4.4	0.5	17.0	3.6	4.4
Other operating income	18.2	0.5	24.7	1.2	2.0
Raw materials and consumables	-	-	-0.1	-	-0.2
Other external expenses	-30.0	-1.6	-55.4	-5.7	-8.5
Personnel costs	-7.5	-3.4	-19.3	-10.1	-15.1
Depreciation/amortisation and impairments	-1.5	-	-1.8	-	-18.1
Other operating expenses	-0.3	0.0	-0.6	-0.2	-0.2
Result from share in associated companies	5.4	-	0.7	-0.1	-0.2
<b>Operating profit/(loss)</b>	<b>-11.3</b>	<b>-4.0</b>	<b>-34.8</b>	<b>-11.3</b>	<b>-35.9</b>
Net financial income/(expenses)	0.0	0.0	1.2	-0.5	-1.0
<b>Profit/(loss) before tax</b>	<b>-11.3</b>	<b>-4.0</b>	<b>-33.6</b>	<b>-11.8</b>	<b>-36.9</b>
Tax	0.1	-	0.1	-	-
<b>Profit/(loss) for the period</b>	<b>-11.2</b>	<b>-4.0</b>	<b>-33.5</b>	<b>-11.8</b>	<b>-36.9</b>
Profit/ (loss) for the period attributable to:					
Equity holder of the parent company	-10.9	-4.0	-33.2	-11.8	-36.9
Non-controlling interests	-0.3	0.0	-0.3	0.0	0.0

## Group statement of comprehensive income

MSEK	2021	2020	2021	2020	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Profit/(loss) for the period	-11.2	-4.0	-33.5	-11.8	-36.9
<b>OTHER COMPREHENSIVE INCOME</b>					
<i>Items that are or may be reclassified to profit or</i>					
Exchange differences on translation of foreign operations	0.0	-	0.0	0.0	0.1
Other comprehensive income for the period	0.0	-	0.0	0.0	0.1
<b>Total comprehensive income for the period</b>	<b>-11.2</b>	<b>-4.0</b>	<b>-33.5</b>	<b>-11.8</b>	<b>-36.7</b>
Total comprehensive income for the period					
Equity holder of the parent company	-10.9	-4.0	-33.2	-11.8	-36.8
Non-controlling interests	-0.3	-	-0.3	-	-
Earnings per share basic and diluted (SEK)	<b>-0.03</b>	<b>-0.02</b>	<b>-0.11</b>	<b>-0.07</b>	<b>-0.19</b>



## Group balance sheet in summary

MSEK	2021-09-30	2020-09-30	2020-12-31
<b>ASSETS</b>			
<i>Non-current assets</i>			
Intangible assets	64.2	22.3	7.3
Tangible assets	47.1	-	-
Right of use assets	-	-	0.8
Participations in associated companies	2.0	0.3	1.4
Non-current financial assets	0.1	0.3	0.1
<b>Total non-current assets</b>	<b>113.4</b>	<b>22.9</b>	<b>9.6</b>
<i>Current assets</i>			
Accounts receivables	4.4	-	0.5
Other current assets	7.9	0.7	1.2
Cash & cash equivalent	320.9	1.4	106.6
<b>Total current assets</b>	<b>333.2</b>	<b>2.1</b>	<b>108.3</b>
<b>Total assets</b>	<b>446.6</b>	<b>25.0</b>	<b>117.9</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	3.6	1.8	2.5
Additional paid-in capital	540.5	148.7	259.8
Reserves	0.1	0.1	0.1
Retained earnings including profit/(loss) for the period	-203.7	-145.4	-170.5
<b>Equity attributable to equity holders of the parent company</b>	<b>340.5</b>	<b>5.2</b>	<b>91.9</b>
Non-controlling interest	-0.1	-	-
<b>Total equity</b>	<b>340.4</b>	<b>5.2</b>	<b>91.9</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	42.9	-	-
Deferred tax liabilities	4.4	-	-
Liabilities to credit institutions	0.4	-	-
Other non-current liabilities	16.5	-	-
	<b>64.2</b>	<b>-</b>	<b>-</b>
<b>CURRENT LIABILITIES</b>			
Convertible loan	-	5.8	-
Provision	11.5	-	-
Accounts payable	11.5	0.7	12.9
Other current liabilities	4.8	9.9	8.0
Accrued expenses and deferred income	14.2	3.4	5.1
<b>Total current liabilities</b>	<b>42.0</b>	<b>19.8</b>	<b>26.0</b>
<b>Total equity and liabilities</b>	<b>446.6</b>	<b>25.0</b>	<b>117.9</b>

## Group report on changes in equity in summary

	2021	2020	2021	2020	2020
MSEK	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
<b>Opening balance equity attributable to equity holders of the parent company</b>	<b>347.4</b>	<b>9.2</b>	<b>91.9</b>	<b>4.8</b>	<b>4.8</b>
<i>Total result for the period</i>					
Income/(loss) for the period	-10.9	-4.0	-33.2	-11.8	-36.9
Other comprehensive income/(loss)	0.0	-	0.0	0.0	0.1
<b>Total comprehensive income/(loss) for the period</b>	<b>-10.9</b>	<b>-4.0</b>	<b>-33.2</b>	<b>-11.8</b>	<b>-36.8</b>
<b>TRANSACTIONS WITH OWNERS</b>					
New share issue	3.8	0.1	303.8	12.2	134.5
Cost attributable to new share issue	0.2	-0.1	-32.4	-0.0	-10.7
Exercise of warrants	-	-	8.1	-	-
Issue of warrants subscriptions	-	-	2.3	-	0.1
<b>Total transactions with owners</b>	<b>4.0</b>	<b>-</b>	<b>281.8</b>	<b>12.2</b>	<b>123.9</b>
<b>Closing balance equity attributable to equity holders of the parent company</b>	<b>340.5</b>	<b>5.2</b>	<b>340.5</b>	<b>5.2</b>	<b>91.9</b>
<b>Opening balance equity attributable to non-controlling interests</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total comprehensive income/ (loss) for the period	-0.3	-	-0.3	-	-
Non-controlling interest from business	-	-	0.2	-	-
<b>Closing balance equity attributable to non-controlling interests</b>	<b>-0.1</b>	<b>-</b>	<b>-0.1</b>	<b>-</b>	<b>-</b>

## Group cash flow statement in summary

	2021	2020	2021	2020	2020
MSEK	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
<b>OPERATING ACTIVITIES</b>					
Operating profit/(loss)	-11.3	-4.0	-34.8	-11.3	-35.9
Adjustment for non-cash-items	-3.9	0.0	1.3	0.1	18.2
Interest received	-0.0	-	0.0	-	0.0
Interest paid	-0.0	-0.0	-0.0	-0.0	-0.1
<b>Cash flow from operating activities before changes in working capital</b>	<b>-15.2</b>	<b>-4.0</b>	<b>-33.5</b>	<b>-11.2</b>	<b>-17.8</b>
Increase (-)/Decrease (+) of operating	-3.2	0.7	-6.3	5.2	4.3
Increase (+)/Decrease (-) of operating	-23.9	-0.7	-1.6	-0.9	10.1
<b>Cash flow from operating activities</b>	<b>-42.3</b>	<b>-4.0</b>	<b>-41.4</b>	<b>-6.9</b>	<b>-3.4</b>
<b>INVESTMENT ACTIVITIES</b>					
Acquisition of intangible assets	-10.2	-0.4	-21.6	-1.1	-4.1
Other investments	-5.1	-0.0	-5.0	-0.0	-1.0
<b>Cash flow from investment activities</b>	<b>-15.3</b>	<b>-0.4</b>	<b>-26.6</b>	<b>-1.1</b>	<b>-5.1</b>
<b>FINANCING ACTIVITIES</b>					
New share issue	3.8	0.1	303.8	-	116.4
Cost attributable to new share issue	0.2	-0.1	-32.4	-0.0	-10.7
Received premiums and exercised warrants	-	-	10.5	-	0.1
Borrowings	0.2	5.7	0.2	8.9	9.1
Other financing items	-	-	-0.3	-	-0.4
<b>Cash flow from financing activities</b>	<b>4.2</b>	<b>5.7</b>	<b>281.8</b>	<b>8.9</b>	<b>114.5</b>
<b>Cash flow for the period</b>	<b>-53.4</b>	<b>1.3</b>	<b>213.8</b>	<b>0.9</b>	<b>106.0</b>
Cash at the beginning of the period	374.2	0.1	106.6	0.5	0.5
Exchange-rate difference in cash	0.1	-	0.5	-	0.1
<b>Cash at the end of the period</b>	<b>320.9</b>	<b>1.4</b>	<b>320.9</b>	<b>1.4</b>	<b>106.6</b>

## Parent company income statement in summary

MSEK	2021	2020	2021	2020	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net revenue	4.5	0.5	17.1	3.6	4.4
Capitalised development	4.0	0.5	10.5	1.1	1.8
Other operating income	0.0	0.0	0.0	0.1	0.2
Raw materials and necessities	-	-	-0.1	-	-0.2
Other external expenses	-11.7	-1.5	-36.7	-5.7	-8.6
Personnel costs	-5.2	-3.4	-17.0	-10.1	-15.1
Depreciation/amortisation and impairments	-	-	-0.0	-	-17.9
Other operating expenses	-0.3	0.0	-0.6	-0.2	-0.2
<b>Operating profit/(loss)</b>	<b>-8.7</b>	<b>-3.9</b>	<b>-26.8</b>	<b>-11.2</b>	<b>-35.6</b>
Net financial income/(expenses)	0.2	-0.1	1.7	-0.4	-6.5
<b>Profit/(loss) before tax</b>	<b>-8.5</b>	<b>-4.0</b>	<b>-25.1</b>	<b>-11.6</b>	<b>-42.1</b>
Tax	-	-	-	-	-
<b>Profit/(loss) for the period</b>	<b>-8.5</b>	<b>-4.0</b>	<b>-25.1</b>	<b>-11.6</b>	<b>-42.1</b>

## Parent company statement of comprehensive income

MSEK	2021	2020	2021	2020	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Profit/(loss) for the period	-8.5	-4.0	-25.1	-11.6	-42.1
<b>OTHER COMPREHENSIVE INCOME</b>					
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-8.5</b>	<b>-4.0</b>	<b>-25.1</b>	<b>-11.6</b>	<b>-42.1</b>

## Parent company balance sheet in summary

MSEK	2021-09-30	2020-09-30	2020-12-31
<b>ASSETS</b>			
<i>Non-current assets</i>			
Intangible assets	16.0	22.2	6.7
Non-current financial assets	3.8	1.4	2.5
<b>Total non-current assets</b>	<b>19.8</b>	<b>23.6</b>	<b>9.2</b>
<i>Current assets</i>			
<i>Current receivables</i>			
Accounts receivable	4.4	-	0.4
Other current receivables	25.8	0.7	1.9
<b>Total current receivables</b>	<b>30.2</b>	<b>0.7</b>	<b>2.3</b>
Cash and cash equivalents	316.8	1.4	106.6
<b>Total current assets</b>	<b>347.0</b>	<b>2.1</b>	<b>108.9</b>
<b>Total assets</b>	<b>366.8</b>	<b>25.7</b>	<b>118.1</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Restricted equity</i>			
Share capital	3.6	1.8	2.5
Restricted equity for development expenses	5.4	5.0	5.2
<i>Non-restricted equity</i>			
Share premium reserve	538.1	148.3	259.2
Retained earnings	-172.8	-132.4	-132.4
Profit/(loss) for the period	-25.1	-11.6	-42.1
<b>Total equity</b>	<b>349.2</b>	<b>11.1</b>	<b>92.4</b>
<b>CURRENT LIABILITIES</b>			
Convertible loans	-	5.8	-
Accounts payable	5.0	0.7	12.9
Other current liabilities	4.7	5.2	8.2
Accrued expenses and deferred income	7.9	2.9	4.6
<b>Total current liabilities</b>	<b>17.6</b>	<b>14.6</b>	<b>25.7</b>
<b>Total equity and liabilities</b>	<b>366.8</b>	<b>25.7</b>	<b>118.1</b>

## Note 1: Accounting principles

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and in applicable parts in accordance with 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. The group's and the parent company's accounting principles and basis of computations are unchanged compared to the latest annual report.

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.

## Note 3: Operating segment

Operating segment is reported in a corresponding method as in the internal reporting to the chief operating decision-maker (CODM). Hexicon's CEO is the CODM for the group. The company has identified an operating segment that constitutes the business. The assessment is based on the basis that the business is regularly reviewed by the management to support decisions on 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: Other operating income and other external expenses

The group's other operating income was 18.2 (0.5) MSEK for the third quarter and contains capitalised development expenses. The increase is mainly due to progress in the English TwinHub project and Norwegian TwinWay project.

External capitalised expenses are explaining 15.7 MSEK out of the group's total other external expenses, which amounted to 30.0 (1.6) MSEK during the third quarter. In addition to that, 10.0 MSEK were costs that were not capitalised related to the different projects

## Note 5: Number of shares

There were 363,802,686 registered shares at the end of the period. The average number of shares for the quarter was 363,499,180.

## Note 6: Distribution of revenue

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

Group	2021	2020	2021	2020	2020
MSEK	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
<b>REVENUE FROM CUSTOMER AGREEMENTS</b>					
Goods	-	-	-	0.1	0.2
Services	4.4	0.5	5.6	3.5	4.2
Project rights	-	-	11.4	-	-
<b>GEOGRAPHICAL MARKET</b>					
Europe	4.3	-	16.7	-	-
Asia	0.1	0.5	0.3	3.6	4.4
<b>ALLOCATION PER TYPE OF REVENUE</b>					
Goods	-	-	-	0.1	0.2
Services	4.4	0.5	5.6	3.5	4.2
Project rights	-	-	11.4	-	-
<b>ALLOCATION PER POINT IN TIME</b>					
Goods, services and project rights at one point in time	-	-	11.4	-	-
Goods, services and project rights over time	4.4	0.5	5.6	3.6	4.4
<b>Total revenue from customer agreement</b>	<b>4.4</b>	<b>0.5</b>	<b>17.0</b>	<b>3.6</b>	<b>4.4</b>
Other revenue					
<b>Total external revenue</b>	<b>4.4</b>	<b>0.5</b>	<b>17.0</b>	<b>3.6</b>	<b>4.4</b>
Revenue 3 largest customers					
Customer A	2%	100%	1%	100%	100%
Customer B	0%	0%	67%	0%	0%
Customer C	98%	0%	31%	0%	0%

## Note 7: Acquisitions

### WunderHexicon

In May, Hexicon increased its stake in WunderHexicon by 25 % to a participating interest of 75 %. Total purchase price for 75 % amounted to 0.7 MSEK, which was settled with a conversion of existing loans to equity.

There were no transaction costs related to the purchase. The remeasurement to fair value at the date of the acquisition has not resulted in any gain or loss recognised in the income statement and no surplus value or goodwill were identified. The balance sheet of the acquisition may be revised in the coming quarters even if the purchase price is considered as not significant.

### Wave Hub

On July 30, 2021, Hexicon announced the completion of the acquisition of 100 % of the shares and votes in Wave Hub Ltd through its subsidiary TwinHub Ltd. Wave Hub is a renewable energy production test site in Cornwall, England. The upfront cash consideration was 8.6 MSEK and, if certain milestones are achieved in 2022 and 2025, an earn-out consideration of 22.8 MSEK, will be paid in cash. The transaction costs amounted to 2.8 MSEK. Wave Hub was consolidated into Hexicon's financial reporting from July 30, 2021, and onwards. The preliminary purchase price allocation analysis of Wave Hub is provided below. The purchase price allocation is based on assumptions regarding the fair value of the intangible assets and earnouts among other things, that may be adjusted during the twelve-months period following the acquisition. The recognised goodwill of the acquisition pertains to the value of the company in terms of its capability to produce and deliver renewable energy.

Purchase price allocation	MSEK
<b>PURCHASE PRICE</b>	
Cash and cash equivalents	8.6
Provision for earnout	22.8
<b>Total purchase consideration</b>	<b>31.4</b>
<b>THE FAIR VALUE OF ACQUIRED ASSETS AND ASSUMED LIABILITIES</b>	
Intangible assets	22.8
Tangible assets	49.3
Current receivables	1.0
Cash and cash equivalents	4.0
Non-current liabilities	-51.2
Deferred tax liabilities	-4.5
Current liabilities	-1.2
<b>Total fair value of acquired net assets excluding goodwill</b>	<b>20.2</b>
Goodwill	11.2
<b>Total fair value of acquired net assets</b>	<b>31.4</b>
<b>CASH OUTFLOW AT ACQUISITION</b>	
Cash and cash equivalents	-4.0
Provision for earnout	-22.8
<b>Total cash outflow at acquisition</b>	<b>4.6</b>



**Note 8: Group key performance indicators**

MSEK	2021	2020	2021	2020	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net revenue	4.4	0.5	17.0	3.6	4.4
Operating profit/(loss)	-11.3	-4.0	-34.8	-11.3	-35.9
Profit/(loss) before tax for the period	-11.3	-4.0	-33.6	-11.8	-36.9
Earnings per share basic and diluted (SEK)	-0.03	-0.02	-0.11	-0.07	-0.19
Cash flow from operating activities	-42.3	-4.0	-41.4	-6.9	-3.4
			<b>2021-09-30</b>	<b>2020-09-30</b>	<b>2020-12-31</b>
Equity at the end of the period			340.4	5.2	91.9
Equity/asset ratio at the end of the period (%) <sup>1)</sup>			76%	21%	78%
Cash at the end of the period			320.9	1.4	106.6

<sup>1)</sup> Equity/total assets at the end of the period

**Signatures**

Arne Almerfors  
Chairman

Bjarne Borg  
Board member

Björn Segerblom  
Board member

Peter M. Anker  
Board member

Vivianne Holm  
Board member

Mia Batljan  
Board member

Mats Jansson  
Board member

**Stockholm 2021-11-16**

**Financial Calendar 2022**

2022-02-23	Q4 2021 report
2022-04-06	Annual report
2022-05-11	Q1 2022 report
2022-05-12	Annual General Meeting
2022-08-18	Q2 2022 report
2022-11-09	Q3 2022 report

This report has not been audited.

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 2021-11-16 08:00 CET.