

INTERIM REPORT Q2

JANUARY – JUNE 2024



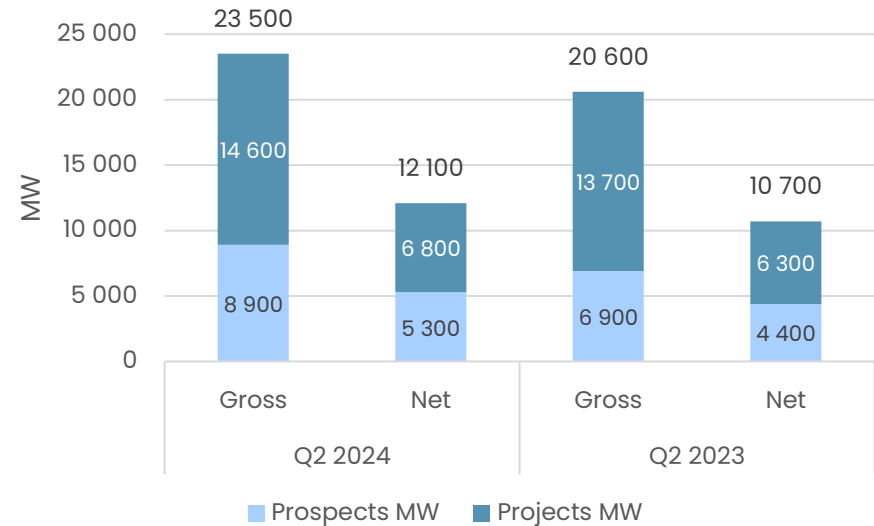
EXECUTIVE SUMMARY

Positive developments for offshore wind power emerged globally last quarter. E.g. the UK government expanded its offshore wind target, Italy enacted new legislation providing clear guidelines for offshore wind development, and South Korea introduced changes to its auction system to support floating offshore wind projects.

Hexicon has formally taken over the operations of the South Korean project MunmuBaram. In parallel, the change of control application has been submitted to the South Korean authorities. Hexicon is now focusing on establishing a new ownership structure for the project.

The current revolving credit facility of SEK 75 million has been extended until the end of the year. Hexicon is evaluating various necessary financing options to support the business and continue advancing prioritised projects as well as proceed with planned portfolio divestments.

Development of Project Portfolio



SUMMARY OF BUSINESS RESULTS

APRIL – JUNE 2024

- Net revenue: SEK 0.9 (2.5) million
- Operating profit/loss: SEK -26.8 (-65.9) million
- Profit/loss before tax for the period: SEK -47.8 (-54.8) million
- Earnings per share basic and diluted: SEK -0.13 (-0.15)
- Cash flow from operating activities: SEK -19.3 (16.9) million

JANUARY – JUNE 2024

- Net revenue: SEK 1.4 (4.2) million
- Operating profit/loss: SEK -46.6 (-120.4) million
- Profit/loss before tax for the period: SEK -79.9 (-102.1) million
- Earnings per share basic and diluted: SEK -0.22 (-0.28)
- Cash flow from operating activities: SEK -37.0 (-23.9) million

QUARTER 2 – KEY HIGHLIGHTS



EVENTS DURING THE SECOND 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.
- During the quarter, Hexicon submitted a change of control application to the South Korean Ministry of Trade, Industry, and Energy (MOTIE). The application is a mandatory step in taking over the shares in the MunmuBaram project.
- On May 30th, Hexicon announced an extension of its current revolving credit facility from July 12th until December 31st, 2024. The credit facility, totalling SEK 75 million, was secured with Wallstreet Aktiebolag, a company within the Wallenius Group, and private investors.
- In June, the County Administrative Board recommended that the Swedish government approve the application for Project Mareld, one of three active projects in Freja Offshore's project portfolio. Freja Offshore is a 50/50 joint venture between Hexicon and Mainstream Renewable Power.

CEO COMMENTS

The market for floating offshore wind is gradually starting to warm up after a couple of challenging years. GWEC (Global Wind Energy Council) highlights in its 2024 report an increasing momentum in the growth of wind energy worldwide. The next wave of offshore wind markets has arrived as governments across Asia-Pacific, Latin America, and Europe are embracing offshore wind as a solution to provide clean energy to their people and industries.

Over the quarter, we have observed several new projects and mergers in the global floating wind sector. Countries worldwide are beginning to formalise processes for renewable energy auctions. For instance, in Italy, the new legislation, Law Decree FER2, for the development of renewable energy was entered into force on the 13th of August. This legislation has removed the market uncertainties that offshore wind developers have been faced with. Auctions are expected to be held soon and will offer a 185 EUR/MWh incentive tariff for offshore wind. In the UK, the new government has significant ambitions with the development of offshore wind with a stretched target by 2030 to 60GW, including 5GW of floating offshore wind. They have also decided to increase the budget for the next Allocation Round 6 (AR6) with GBP 300 million, to a total budget of GBP 1.5 billion. The results from AR6 are expected in early September and will thus have a great impact on our Pentland project, in which we hold a 10% stake. In Korea, recent legislative changes have improved the landscape for offshore wind auctions, introducing for example a new structure with dedicated auctions for floating offshore wind.

During the quarter our focus has been on taking over the operational control of MunmuBaram; one of the world's most advanced floating offshore wind projects. After signing the Sales and Purchase Agreement in February, to take back full ownership of the project, the team has dedicated countless hours to ensuring that all data, knowledge, and experience accumulated in the project over the years have been transferred. Everything has gone according to plan, and I am incredibly proud of the team for a successful takeover. Even though Hexicon has worked on





the project since the start, we now have control over the full project scope.

At the end of June, we also submitted the change of control application to the South Korean Ministry of Trade, Industry, and Energy (MOTIE). We are now working on clarifying and completing any additional needs.

For Hexicon, the second quarter has unfolded as anticipated. Considering the relatively cool market conditions, we expected a slower pace in divestment processes. Additionally, we've noted that several market transactions have been carried out with smaller upfront payments in favour of milestone-based payments. This is something that we consider in our processes going forward as it also provides an incentive to stay in longer in some markets. We are continually evaluating our project portfolio to set the right priorities and ensure value creation in our projects moving forward.

The extension of our revolving credit facility on May 30th, from July to December 31st enables us to continue advancing our prioritised projects and proceed with planned portfolio divestments. Hexicon is evaluating various necessary financing options to support the business.

Finally, I am pleased to say we are making steady progress in our projects. For example, in Sweden, our joint venture company, Freja Offshore, reached a crucial milestone when the County Administrative Board in Västra Götaland, in June, recommended that the Swedish government approve the application for Project Mareld. Alongside the government's decision, we are waiting on statements from the respective counties for the other two Swedish projects; Dyrning and Cirrus.

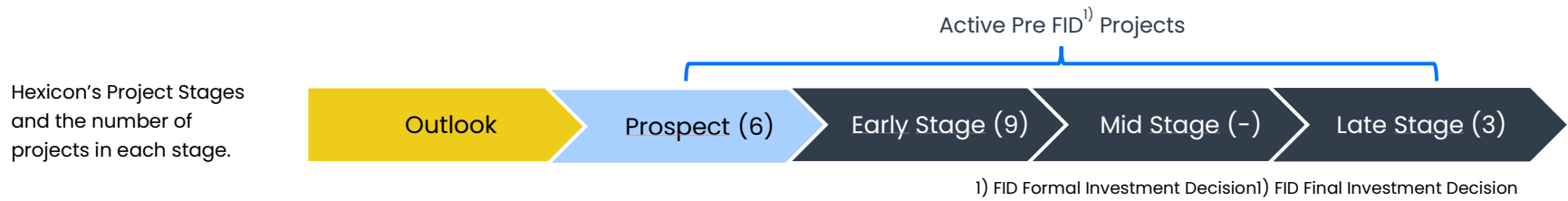
To conclude, we have an exciting and busy quarter ahead of us!

Marcus Thor, CEO

BUSINESS DESCRIPTION AND STRATEGY

Hexicon is a pioneer in the development of floating offshore wind power. The company originates projects with the potential to deliver good risk-adjusted returns, leading the development process during the initial years while gradually divesting ownership stakes before projects enter the final investment phase which is more capital-intensive. Hexicon has an established framework with clear investment and divestment decision criteria. The established portfolio currently consists of approximately 15 GW gross capacity, in close partnership with strategically selected joint venture partners. The portfolio is well diversified, with major projects underway in Sweden, Italy, and South Korea.

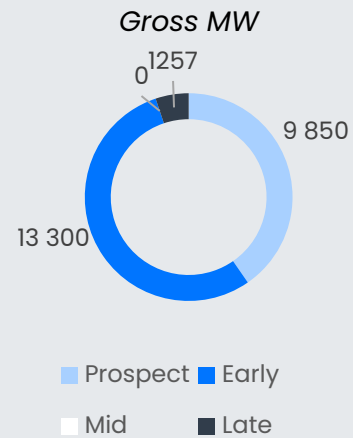
BUSINESS PROCESS



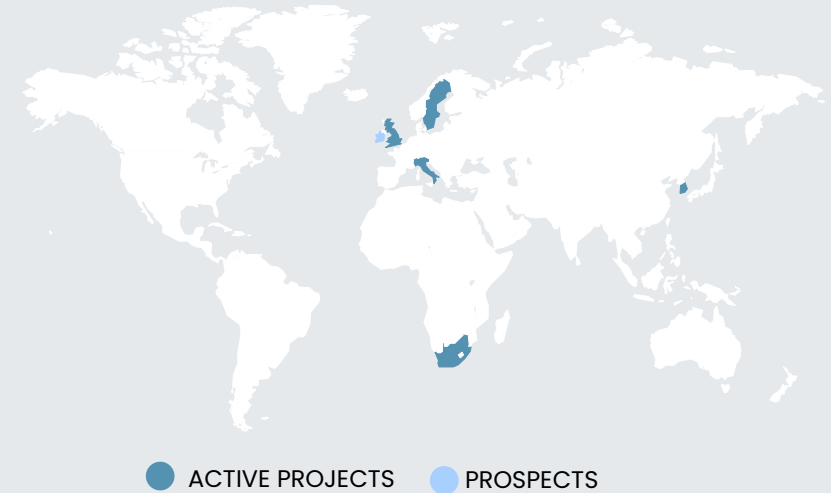
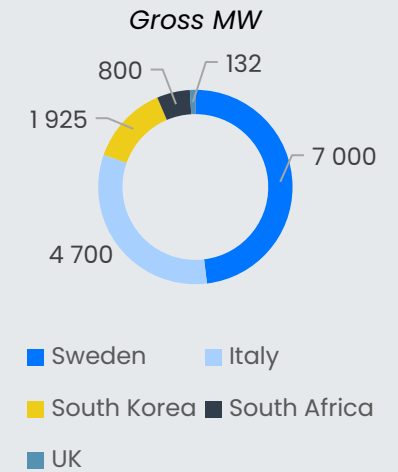
PORTFOLIO OVERVIEW

Country	Project	Gross MW	Net MW
Active project portfolio			
Sweden	Mareld	2 500	1 250
Sweden	Dyning	2 500	1 250
Sweden	Cirrus	2 000	1 000
South Korea	MunmuBaram	1 125	304
South Korea	Pohang 2&3	800	232
Italy	Sicily South	1 150	575
Italy	Sardinia NW	1 300	650
Italy	Sardinia S 1	1 550	775
Italy	Sardinia S 2	700	350
South Africa	Gagasi	800	400
UK	Pentland	100	10
UK	TwinHub	32	32
Total		14 557	6 848
Prospect portfolio			
Sweden	Kultje	2 000	1 000
South Korea	Pohang 4&5	800	232
Italy	Puglia 1	1 950	975
Italy	Puglia 2	1 150	575
Italy	Sardinia NE	1 950	975
Irland	Donegal MR	2 000	1 000
Total		9 850	4 757

Project portfolio - Stages



Project portfolio - Countries



HEXICON'S TOTAL ACTIVE PROJECT OWNERSHIP:

47%

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. Now Hexicon holds patents in 25+ countries.
- On June 14th, the Swedish Patent and Market Court (PMD) decided to maintain the Swedish Patent and Registration Office's decision from the opposition procedure and reject the appeal filed by Enerocean S.L. regarding the patent on the TwinWind™ design.
- Outside the quarter, on June 5th, the decision was appealed by Enerocean S.L.

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

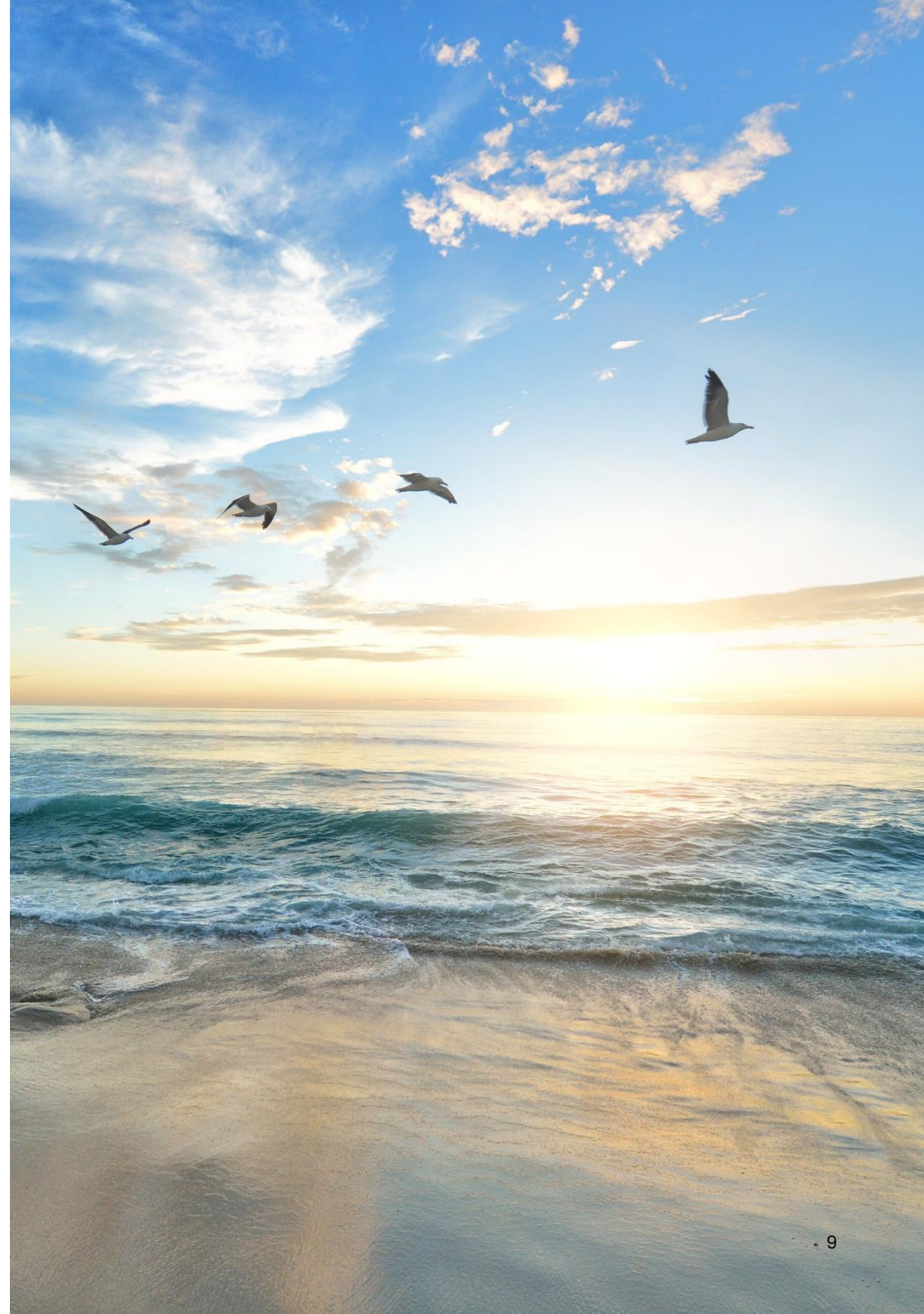
OUTLOOK

FIRST PRIORITY

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

SECOND PRIORITY

- Increase project maturity in selected projects for value-creation
- Secure new additions to the project portfolio



BEYOND THE HORIZON



FOR FUTURE GENERATIONS

FINANCIAL OVERVIEW

FINANCIAL PERFORMANCE

APRIL – JUNE

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. This generates expertise in the field that is also applied in Hexicons project development.

Net revenues amount to SEK 0.9 (2.5) 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 -26.8 (-65.9) million, which is an improvement of SEK 39.1 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 slightly been reduced due to the upcoming structural change in ownership. The total effect from "Results from shares in associated companies" amounts to SEK 37.2 million, or equivalent to 95% of the change.

Furthermore, the results are positively influenced by the capitalisation in the wholly owned TwinHub project, which was developed at a reduced rate compared to the same period last year. The reduced rate of development of TwinHub can also be seen in the decrease "Other external expenses" of SEK -12.5 (-19.6) million.

Financial expenses for the period totalled SEK -21.0 million, compared to SEK 11.1 million in the same period last year, reflecting a change of SEK -32.1 million. This variation is attributable to funded investments in 2023 amounting to SEK -23.1 million and impacts from currency exchange totalling SEK 0.6 million. Additionally, in Q2 2023 there was a positive effect of SEK 7.5 million from revaluation of the outstanding convertible loans, which were repaid in Q3 2023.

The group's loss for the period amounted to SEK -47.7 (-54.6) million.

CASH FLOW, FINANCING AND INVESTMENTS

Cash flow from operating activities after a change in working capital amounted to SEK -19.3 (16.9) million. In addition to the change in operating loss, the cash flow is primarily affected by the change in "Adjustments for non-cash items" with SEK -49.7 million, mainly driven by reduced losses from associated companies due to the capitalisation of MunmuBaram.

Cash flow from investment activities amounted to SEK -96.2 (-54.9) 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, 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.

Cash flow from financing activities amounted to SEK 9.3 (5.6) million, as the firm has continued to utilize the available debt facilities entered into during the summer of 2023.

The group's cash flow for the period amounted to SEK -105.8 (-32.4) million.

JANUARY–JUNE

NET REVENUE AND EARNINGS

Net revenues amount to SEK 1.4 (4.2) 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 -46.6 (-120.4) million, which is an improvement of SEK 73.7 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 57.9 million, or equivalent to 78% of the change.

Furthermore, the results are positively influenced by the capitalisation in the wholly owned TwinHub project, which was developed at a higher pace than in the same period last year. The underlying costs in terms of "Other external expenses" of SEK -24.7 (-35.3) million and "Personnel costs" of SEK -23.3 (-28.3) million have simultaneously decreased due to reduced exposure to the US and Iberian markets.

Financial expenses for the period totalled SEK -33.3 million, compared to SEK 18.1 million in the same period last year, reflecting a change of SEK -51.4 million. This variation is attributable to funded investments in 2023 amounting to SEK -38.9 million and impacts from currency exchange totalling SEK -4.0 million. Additionally, in Q2 2023 there was a positive effect of SEK 7.5 million from revaluation of the outstanding convertible loans, which were repaid in Q3 2023.

The group's loss for the period amounted to SEK -79.8 (-101.8) million.

CASH FLOW, FINANCING AND INVESTMENTS

Cash flow from operating activities after a change in working capital amounted to SEK -37.0 (-23.9) million. In addition to the change in operating loss, the cash flow is primarily affected by the change in "Adjustments for non-cash items" with SEK -62.1 million, mainly driven by reduced losses from associated companies due to the capitalisation of MunmuBaram.

Cash flow from investment activities amounted to SEK -194.8 (-57.9) 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.

Cash flow from financing activities amounted to SEK 156.1 (7.2) million, as the firm has continued to utilize the available debt facilities entered during the summer of 2023.

The group's cash flow for the period amounted to SEK -75.7 (-74.5) million.

BALANCE SHEET

The group's total assets at the end of the reporting period amounted to SEK 655.2 (375.0) million.

Intangible assets per June 30 were SEK 178.1 (149.3) million. The increase is mainly due to investments in the British TwinHub project.

The participation in associated companies per June 30 was SEK 220.5 (118.2) million. The increase in participation in associated companies is mainly driven by capital injections in the associated companies developing the projects.

Other current assets per June 30 amount to SEK 159.5 (29.8) million. The increase relates to the share purchase of MunmuBaram.

The cash balance as of June 30 amounted to SEK 45.9 (12.3) million. Out of the two available credit facilities Hexicon still has SEK 35 million available to draw at our discretion.

Equity was SEK -88.0 (82.9) million. The equity/asset ratio was -13 (22)%, which is a consequence of the prudent accounting policy of not capitalising on early project development costs. The share capital in the parent company remains intact at SEK 180.3 (202.1) million.

Current and non-current interest-bearing liabilities have increased related to the debt facilities entered into during the summer of 2023. 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 according to effective rate methodology.

Parent company

The parent company's net revenue during the second quarter amounted to SEK 2.4 (2.9) million and the result for the second quarter was SEK -22.4 (-9.8) million.

The cash balance on June 30 amounted to SEK 4.1 (9.0) million. The total assets at the same date amounted to SEK 340.4 (304.9) million.

OTHER FINANCIAL INFORMATION

ORGANISATION

The group had 27 (31) employees at the end of the reporting period.

SIGNIFICANT EVENTS IN THE REPORTING PERIOD

On May 30th, Hexicon announced an extension of its current credit facility from July 12th until December 31st, 2024. The credit facility, totalling SEK 75 million, was secured with Wallstreet Aktiebolag, a company within the Wallenius Group, and private investors. As part of the extension, additional security was given through the Pentland and Gagasi project.

HEXICON GROUP

Hexicon AB is the parent company, and the following subsidiaries are fully consolidated in the group accounts. Sweden: Hexicon Holding AB. Freia Offshore AB. MunmuBaram Holding 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. 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: Freja Offshore AB, Mareld Green Energy AB, Passad Green Energy AB, Dyning 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 Freia 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.

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 Supreme Court (PMD).

The MunmuBaram project and acquisition need to be approved by the Ministry of Trade, Industry, and Energy (MOTIE). Without approval, the company risks losing important licenses.

Lastly, the company is dependent on external financing. The extrapolation of current spending levels shows that further funding will be required in the foreseeable future. The company is continuously evaluating various financing options and assesses that necessary operating financing can be secured for the coming 12 months.

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 Q2 accumulated 2024 is SEK 1.7 (0) million. In an associated company in the group, a board member in the associated company has received remuneration for other assignments of SEK 2.9 (0) million

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	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net revenue	4	0.9	2.5	1.4	4.2	5.7
Other operating income		1.3	0.8	2.8	2.0	4.4
Capitalised development	5	3.3	7.8	12.7	10.4	29.2
Other external expenses		-12.5	-19.6	-24.7	-35.3	-65.1
Personnel costs		-13.5	-13.9	-23.3	-28.3	-50.4
Depreciation/amortisation and impairments	7	-3.6	-4.1	-7.2	-7.9	-20.4
Other operating expenses		-0.4	-0.1	-0.8	-0.2	-1.1
Result from share in associated companies		-2.2	-39.4	-7.5	-65.4	-82.7
Operating profit/(loss)		-26.8	-65.9	-46.6	-120.4	-180.3
Net financial income/(expenses)		-21.0	11.1	-33.3	18.1	-7.6
Profit/(loss) before tax		-47.8	-54.8	-79.9	-102.1	-187.9
Tax		0.1	0.2	0.2	0.2	0.4
Profit/(loss) for the period		-47.7	-54.6	-79.8	-101.9	-187.5
Profit/ (loss) for the period attributable to:						
Equity holder of the parent company		-47.7	-54.6	-79.7	-101.8	-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	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Profit/(loss) for the period	-47.7	-54.6	-79.8	-101.9	-187.5
OTHER COMPREHENSIVE INCOME					
Items that are or may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	-7.0	0.3	-9.5	0.9	-10.7
Total comprehensive income for the period	-54.7	-54.3	-89.2	-101.0	-198.2
Total comprehensive income for the period attributable to:					
Equity holder of the parent company	-54.7	-54.3	-89.2	-100.9	-198.0
Non-controlling interests	0.0	0.0	0.0	-0.1	-0.2
Earnings per share basic and diluted (SEK)	-0.13	-0.15	-0.22	-0.28	-0.51

GROUP BALANCE SHEET IN SUMMARY

MSEK	2024-06-30	2023-06-30	2023-12-31
ASSETS			
<i>Non-current asset</i>			
Intangible assets	178.1	149.3	158.2
Plant and equipment	31.0	54.0	41.9
Right of use assets	7.0	9.7	7.5
Participations in associated companies	12.4	38.1	19.9
Non-current financial assets	13.2	1.8	1.8
Total non-current assets	241.7	252.8	229.3
<i>Current assets</i>			
Participations in associated companies	208.0	80.1	135.7
Other current assets	159.5	29.8	15.4
Cash & cash equivalent	45.9	12.3	121.2
Total current assets	413.5	122.2	272.3
TOTAL ASSETS	655.2	375.0	501.6

MSEK	2024-06-30	2023-06-30	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	-13.9	0.9	-4.4
Contingent consideration	41.0	41.0	41.0
Retained earnings including profit/(loss) for the period	-656.2	-502.5	-576.4
Equity attributable to equity holders of the parent company	-87.3	83.5	1.9
Non-controlling interest	-0.7	-0.7	-0.7
Total equity	-88.0	82.9	1.2
NON-CURRENT LIABILITIES			
Provisions	35.6	36.1	33.2
Deferred tax liabilities	3.9	4.3	3.8
Non-current interest-bearing liabilities	183.6	2.2	73.5
Non-current lease liabilities	3.5	6.0	4.8
Other non-current liabilities	12.7	16.1	13.9
Total non-current liabilities	239.3	64.7	129.2
CURRENT LIABILITIES			
Current interest-bearing liabilities	395.1	68.3	306.3
Current derivative liabilities	0.0	1.0	-
Accounts payable	4.8	7.7	6.4
Other current liabilities	68.0	101.7	28.1
Accrued expenses and deferred income	36.0	48.7	30.5
Total current liabilities	503.9	227.4	371.2
TOTAL EQUITY AND LIABILITIES	655.2	375.0	501.6

GROUP REPORT ON CHANGES IN EQUITY IN SUMMARY

	2024	2023	2023
MSEK	Jan-Jun	Jan-Jun	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	-79.7	-101.8	-187.5
Other comprehensive income/(loss)	-9.5	-17.5	-10.7
Total comprehensive income/(loss) for the period	-89.2	-119.3	-198.2
Acquisition of minority	-	-	-2.9
Other	-	-	0.2
Closing balance equity attributable to equity holders of the parent company	-87.3	83.5	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	2.9	3.0
Closing balance equity attributable to non-controlling interests	-0.7	-0.7	-0.7

GROUP CASH FLOW STATEMENT IN SUMMARY

	2024	2023	2024	2023	2023
MSEK	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
OPERATING ACTIVITIES					
Operating profit/(loss)	-26.8	-65.9	-46.6	-120.4	-180.3
Adjustment for non-cash-items	5.1	54.8	35.4	97.5	51.2
Interest received	-	-	-	-	0.4
Interest paid	-0.2	-0.9	-0.4	-0.9	-4.4
Income tax paid	-0.2	-0.1	0.2	-0.9	-0.6
Sum	-22.1	-12.0	-11.4	-24.6	-133.7
Increase (-)/Decrease (+) of operating receivables	-42.2	-9.7	-45.2	-8.3	15.8
Increase (+)/Decrease (-) of operating payables	45.4	38.7	19.6	9.0	-41.0
Cash flow from operating activities	-19.3	16.9	-37.0	-23.9	-158.9
INVESTMENT ACTIVITIES					
Acquisition of intangible assets	-3.4	-8.2	-12.7	-11.4	-28.3
Dividend from Associated companies	44.5	-	44.5	-	22.0
Other investments	-137.4	-46.7	-226.7	-46.5	-104.1
Cash flow from investment activities	-96.2	-54.9	-194.8	-57.9	-110.5

	2024	2023	2024	2023	2023
MSEK	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
FINANCING ACTIVITIES					
Lending to associated companies	-0.0	-	-4.8	-	-
Repayments of convertible loan	-	-	-	-	-88.2
Borrowings	10.0	-	162.4	-	394.7
Other financing items	-0.7	5.6	-1.5	7.2	-2.4
Cash flow from financing activities	9.3	5.6	156.1	7.2	304.1
Cash flow for the period	-105.8	-32.4	-75.7	-74.5	34.7
Cash at the beginning of the period	151.6	44.5	121.2	86.6	86.6
Exchange-rate difference in cash	0.0	0.2	0.4	0.2	-0.1
Cash at the end of the period	45.9	12.3	45.9	12.3	121.2

PARENT COMPANY INCOME STATEMENT IN SUMMARY

	2024	2023	2024	2023	2023
MSEK	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net revenue	2.4	2.9	8.1	5.3	14.6
Capitalised development	0.3	0.1	0.7	0.3	0.6
Other operating income	0.3	0.0	1.0	0.3	0.9
Other external expenses	-9.1	-8.9	-18.3	-17.4	-35.5
Personnel costs	-9.5	-8.3	-16.9	-16.8	-33.1
Depreciation/amortisation and impairments	-0.1	-0.6	-0.1	-1.2	-6.5
Other operating expenses	-0.4	-0.1	-0.7	-0.1	-1.0
Operating profit/(loss)	-15.9	-14.9	-26.4	-29.6	-59.9
Net financial income/(expenses)	-6.5	5.3	-14.4	14.2	9.9
Profit/(loss) before tax	-22.4	-9.6	-40.8	-15.4	-49.9
Appropriations	0.0	-0.2	0.0	-0.4	12.1
Tax	0.0	0.0	0.0	0.0	0.0
Profit/(loss) for the period	-22.4	-9.8	-40.8	-15.8	-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	2024-06-30	2023-06-30	2023-12-31
ASSETS			
Non-current asset			
Intangible assets	13.3	12.2	12.6
Plant and equipment	0.6	14.2	9.0
Non-current financial assets	284.0	12.1	283.7
Total non-current assets	297.8	38.5	305.2
Current assets			
Other current assets	38.4	257.3	39.8
Cash & cash equivalent	4.1	9.0	19.8
Total current assets	42.6	266.4	59.5
TOTAL ASSETS	340.4	304.9	364.8

MSEK	2024-06-30	2023-06-30	2023-12-31
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	3.6	3.6	3.6
Restricted equity for development expenses	12.6	12.2	12.4
Non-restricted equity			
Share premium reserve	538.1	538.1	538.1
Contingent consideration	41.0	0.0	41.0
Retained earnings	-374.2	-336.0	-336.1
Profit/(loss) for the period	-40.8	-15.8	37.8
Total Equity	180.3	202.1	221.1
Current liabilities			
Current interest-bearing liabilities	126.0	68.3	121.4
Current derivative liabilities	0.0	1.0	0.0
Accounts payable	3.2	0.9	1.8
Other current liabilities	1.7	1.7	2.8
Accrued expenses and deferred income	29.3	30.8	17.6
Total current liabilities	160.1	102.8	143.6
TOTAL EQUITY AND LIABILITIES	340.4	304.9	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 assets, liabilities, revenue, and expenses. The actual value can differ from these estimates and assumptions. The critical assessments and the cause of uncertainty in the estimates are the same as in the latest annual report.

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

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

In May 2023 Hexicon entered into a loan agreement with a loan framework of EUR 45 million that can be used until May 2029, to finance specified projects. 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.

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.

	2024	2023	2024	2023	2023
MSEK	Apr- Jun	Apr- Jun	Jan- Jun	Jan- Jun	Jan- Dec
Net revenue					
Goods	-	-	-	-	-
Services	0.9	2.5	1.4	4.2	5.7
Project rights		-	-	-	-
Total net revenue	0.9	2.5	1.4	4.2	5.7
Allocation per market					
Sweden	0.9	2.1	1.4	3.4	4.5
Rest of Europe	-	-	-	0.2	0.2
Asia	-	0.4	-	0.6	1.0
Allocation per point in time					
Recognised at one point in time	-	-	-	-	-
Recognised over time	0.9	2.5	1.4	4.2	5.7

NOTE 5: CAPITALISED DEVELOPMENT EXPENSES

Other external expenses amounted to SEK-12.5 (-19.6) million and personnel costs to SEK -13.5 (-13.9) million and out of these SEK 3.3 (7.8) million were capitalised development expenses during the second 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 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 June 30, 2024, includes a pending contingent consideration of SEK 11.8 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 June 2024 was SEK 11.8 million (GBP 0.9 million). The change was due to currency fluctuations between SEK and GBP of SEK 0.5 million. The new estimated date of payment to June 30 2025 of SEK -0.1 million. An increase of decrease in the cost of capital of +/- 2% would have resulted in a conditional consideration of SEK 11.6 million and SEK 12.0 million respectively.

NOTE 7: DEPRECIATIONS, AMORTISATIONS AND IMPAIRMENTS

The group's depreciation/amortisation and impairments were SEK -3.6 (-4.1) million during the second 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	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net revenue	0.9	2.5	1.4	4.2	5.7
Operating profit/(loss)	-26.8	-65.9	-46.6	-120.4	-180.3
Profit/(loss) before tax for the period	-47.8	-54.8	-79.9	-102.1	-187.9
Earnings per share basic and diluted (SEK)	-0.13	-0.15	-0.22	-0.28	-0.51
Cash flow from operating activities	-19.3	16.9	-37.0	-23.9	-158.9
	2024-06-30	2023-06-30	2024-06-30	2023-06-30	2023-12-31
Equity at the end of the period	-88.0	82.9	-88.8	82.9	1.2
Equity/asset ratio at the end of the period (%) *	-13%	20%	-13%	20%	0%
Cash at the end of the period	45.9	12.3	45.9	12.3	121.2

* Equity / total assets at the end of the period

NOTE 9: TAX LOSS DEDUCTIONS

There are tax loss deductions in the Swedish companies amounting to SEK 379 million. 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 (CORRECTION 1)

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
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

AMENDMENT OF GROUP INCOME STATEMENT FOR Q2 2023 AND Q2 2023 YTD (CORRECTION 2)

During Q3 2023 a correction has been made regarding transaction costs related to the Nuveen credit facility. The transaction costs were taken as a cost in the income statement in Q2 2023 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 2023 of SEK 10.7 million which has been reversed and booked as a current asset pending the loan being paid out in Q3 2023.

During Q3 the company became aware of, that the handling of lease expenses in Q2 2023 related to IFRS16, was not correct. Correction has been made in Q2 2023 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 amount 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, Adjustment for non-cash-items and change in working capital with amount SEK 10.7 million. All within cashflow from operating activities.

INCOMESTATEMENT AND BALANCESHEET AFTER CORRECTION 1 & 2

	Before amendment Q2	Correction 2	After amendment Q2	Before amendment Q2	Correction 2	After amendment Q2
	2023	2023	2023	YTD	2023	YTD
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

	Before correction	Correction 1	Correction 2	After correction
MSEK	2023-06-30			2023-06-30
ASSETS				
<i>Non-current asset</i>				
Participations in associated companies	118.2	-80.1	-	38.1
Total non-current assets	332.9	-80.1	-	252.8
<i>Current assets</i>				
Participations in associated companies	-	80.1	-	80.1
Other current assets	19.1	-	10.7	29.8
Total current assets	31.4	80.1	10.7	122.2
TOTAL ASSETS	364.3	-	10.7	375.0
EQUITY AND LIABILITIES				
Retained earnings including profit/loss	-513.1	-	10.7	-502.5
Total Equity	72.2	-	10.7	82.9
TOTAL EQUITY AND LIABILITIES	364.3	-	10.7	375.0

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 for Nuveen credit facility.

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 2023 and SEK -9.9 million for Q2 2023 YTD.

The balance sheet is in total affected via retained earnings including the year's result of SEK 26.7 million for Q2 YTD 2023. SEK -27,5 million via retained earing and SEK 0.8 million via year's result. Other current assets also decrease from 284.2 million to SEK 257.3 million related to transaction costs for the loan of SEK 10.7 million in Q2 and write down of intra-group loans of total SEK -37.4, SEK -9.9 million for the period and -27.5 from earlier periods.

	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

Bjarne Borg
Chairman

Mia Batljan
Board member

Mats Jansson
Board member

Lars Martinsson
Board member

Göran Öfverström
Board member

Marcus Thor
CEO

Stockholm 2024-08-21

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 2024-08-21 08:00 CET.

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

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FINANCIAL CALENDAR

2024-11-20

Q3 2024 Report