

Hexicon to take full ownership of South Korean floating offshore wind project

Today Hexicon AB (publ.) signed a Sales and Purchase Agreement (SPA) to take full ownership of MunmuBaram Co., Ltd. from its joint venture partner Shell Overseas Investments B.V. Under the agreement, Hexicon AB will increase its stake in the project from 20 % to 100 %, increasing the project portfolio by 900 MW. Completion of the transaction is subject to regulatory approval.

The MunmuBaram project, originally initiated by the joint venture Hexicon Korea in 2018, is developing a 1.125 GW floating offshore wind farm, planned off the coast of Ulsan City in the southeastern region of South Korea.

Hexicon's full ownership of the MunmuBaram project is enabled through the support of Glennmont Partners, one of Europe's largest infrastructure funds focused on clean energy. The commitment in the agreement falls within the existing framework of Hexicon's Glennmont loan facility. The purchase price for the acquisition will be paid with a first down payment of US\$5 million. In addition, the SPA includes a profit-sharing arrangement of up to US\$50 million over a three-year period.

In the event that Hexicon sells its shares in MunmuBaram, the size of the profit-sharing will depend on several parameters, including the timing and the net proceeds. Hexicon has already started the process of setting the long-term ownership structure for MunmuBaram, as well as the process for government approvals to proceed with existing licenses. In the short term, Hexicon will reallocate resources to optimise value in the project whilst working in close collaboration with Shell to ensure a smooth transition. Once concluded, the MunmuBaram project will represent ~15% of Hexicon's net portfolio in terms of megawatts (MW).

"South Korea continues to be a leading market with good conditions for the development of floating offshore wind. Through this transaction, South Korea remains a core market for Hexicon and strengthens our position as a leading global developer of floating offshore wind," says Marcus Thor, CEO of Hexicon AB.

About Hexicon

Hexicon is an early project-developer in floating wind, opening new markets in deep water areas, and a technology provider with a patented floating wind design – TwinWind™. The dual business model supports the world's transition to sustainable energy. Floating wind is an important part of the future energy mix. It can be deployed quickly and at scale, contributing to the electrification of society at large. Hexicon operates in several markets across Europe, Africa, Asia, and North America. Hexicon is listed on Nasdaq First North Premier Growth Market (ticker HEXI). Certified Adviser is FNCA Sweden AB.

www.hexicongroup.com

For more information, please contact:

Hexicon's Communications Department
communications@hexicongroup.com

This information is information that Hexicon AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-02-22 07:34 CET.

Attachments

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