



# 2024

## ANNUAL REPORT





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## ABOUT THE ANNUAL REPORT

This annual report, prepared in accordance with the Swedish Annual Accounts Act (1995:1554), provides an overview of Hexicon's financial performance and strategic development during the financial year 2024. The annual report also includes a sustainability report to support our long-term sustainability efforts. The report is published in both Swedish and English.



# OVERVIEW

## The core of our business – a sustainable energy future

We are in the midst of a transition where the industry and transportation sectors are investing heavily in electrification to reduce their emissions. Climate change necessitates a re-evaluation of how we produce and utilise energy. At the same time, energy security is becoming an increasingly important issue, and the demand for clean electricity is growing. In this development, floating wind power and Hexicon play an important role.

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The Hexicon logo, featuring the word "hexicon" in a lowercase, sans-serif font. Above the letter "i", there is a stylized graphic of a wind turbine with three blades.

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# ABOUT HEXICON

## Hexicon – A pioneer in floating offshore wind power

Hexicon is a Swedish company, listed on Nasdaq First North Growth Market, and a global pioneer in floating offshore wind power. We focus on early project development and technology development in collaboration with local partners in key markets. Through consulting, project sales and license revenues from our patented TwinWind™ platform, we create value and drive the industry's development forward.

Since 2009, Hexicon has led the development of innovative solutions for floating wind power. Our journey is characterised by technological advances, strategic collaborations and global projects. From developing cutting-edge design solutions to securing key permits and joint ventures, we have continuously taken small steps forward in pushing the boundaries of floating offshore wind.

### Project developer

Together with partners and local stakeholders, Hexicon initiates and develops floating wind power projects in deep waters, beyond the horizon. We focus on the early phase of project development, from concept and permitting processes to creating value through strategic divestments. Our project portfolio includes active projects on three continents in markets where floating wind power is one of the few sustainable energy solutions.

### Technology developer

We are developing our patented floating wind technology, TwinWind™ – a platform with two turbines on a common floating structure. This innovative solution optimises sea surface usage and increases electricity generation capacity compared to traditional single-turbine platforms.

### Our vision

A future where floating wind power contributes to a more sustainable and electrified world.

### Our mission

Accelerating the global energy transition by developing new markets and technologies for floating offshore wind power.

In collaboration with partners and local actors, Hexicon initiates and develops wind power projects in deep waters – beyond the horizon.

With our long experience and groundbreaking patented technology TwinWind™, we contribute to the efficient development of offshore wind power on a larger scale and with a limited climate footprint.

### What we believe

As pioneers in floating offshore wind, we are convinced that we can play a crucial role in the global energy transition.

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# SUMMARY OF THE YEAR

## The year in review

2024 was, like 2023, a challenging year for the global renewable energy industry, characterised by a continued pressured macroeconomic situation. Although interest rates and material costs started to fall during the year, the economic challenges of recent years have led to delayed growth in the offshore wind power market. In addition to macroeconomic factors, Hexicon's development was both positively and negatively affected by government decisions and government processes.

Despite these challenges, Hexicon has continued to expand its project portfolio and advance its technology. To strengthen the company's long-term competitiveness, essential measures have been implemented, including a strategic review of the project portfolio, cost savings, securing short-term financing and developing a strategy to protect and commercialise the company's technology in the long term.

### Summary of the group's key figures

	2024	2023
MSEK	Jan-Dec	Jan-Dec
Net revenue	9.8	5.7
Operating profit/(loss)	-91.4	-180.3
Profit/(loss) before tax for the period	-258.6	-187.9
Earnings per share basic and diluted (SEK)	-0.71	-0.51
Cash flow from operating activities	-45.1	-158.9
	2024-12-31	2023-12-31
Equity at the end of the period	-284.9	1.2
Equity/asset ratio at the end of the period (%) *	-48%	0%
Cash at the end of the period	23.0	121.2
* Equity / total assets at the end of the period		



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## Key events during 2024

The year 2024 has been characterised by significant events and strategic initiatives that have affected the company's development during the year.



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# CEO COMMENT

Marcus Thor, CEO of Hexicon AB, about 2024 and the plan ahead

“Through more strategic prioritisation, we have been able to optimise our work and ensure that we invest time and capital where it delivers the best results.”

The market for renewable energy has remained challenging, with a difficult investment climate for many companies in the industry. Despite these challenges, Hexicon has continued to grow and has seen an increase in the value of its project portfolio over the past year. In this interview, Marcus Thor, CEO of Hexicon, shares his insights on the past year, the company's financing, and what lies ahead.

## How has the year been for Hexicon?

The year has been marked by macroeconomic challenges, including continued high interest rates and elevated capital costs, which have impacted the entire renewable energy sector. Despite this, we have seen significant progress in several key markets. In the UK, Italy and South Korea, regulatory progress and increased market activity have given positive signals. In addition, three OECD countries – France, the UK and South Korea – conducted their first offtake auctions for floating wind power during the year, which clearly shows that commercialisation is

now gaining momentum. The fact that Hexicon has projects in two of these countries strengthens our position in the industry.

## How has Hexicon adapted to the prevailing market?

In line with the changed market conditions, we have taken measures to streamline operations in order to secure a long-term business. We have optimised our resources and focused more selectively on the projects that have the greatest potential to generate value. Through a more strategic prioritisation, we have been able to optimize our work and ensure that we invest time and capital where it gives the best results.

## How has Hexicon financed itself during the year and what is your plan for financing going forward?

During the year, Hexicon primarily financed its operations through a development loan from Nuveen Infrastructure (formerly Glennmont), which has been a key component of our capital structure. Going forward, our financing strategy will be based on divestments of projects, where we realise value by selling parts of our project portfolio. Depending on market conditions and timing, we may add additional financing solutions to strengthen our financial position.



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#### How will Hexicon continue to work with its business model in 2025?

Our business model will continue to be two-fold. One part is project development, where we create value by developing and then divesting projects at multiples of invested capital. The second part is the TwinWind™ technology, which is a more long-term licensing deal where revenues are generated through partnerships and the commercialisation of our technology. Given the current market conditions and longer lead times, we have prioritised the work with TwinWind™ in 2024 in favour of project development, where we see greater opportunities for short-term value generation.

#### How far have you progressed with your own technology, TwinWind, and what is your plan to commercialise it?

During the year, we have made significant progress with TwinWind through the TwinHub™ project in the UK. We have completed a full pre-FEED1) and are now working on FEED2), where we mainly focus on Integrated Load Analysis3) with our design and Mingyang turbines. This involves extensive calculations of thousands of load cases, and the work is expected to be completed in the second quarter.

Our goal is to demonstrate TwinWind™ on a full scale, which is a crucial milestone for commercialisation. Since we currently lack our own financial resources to take the TwinHub further to full-scale demonstration and commercialization, we are focusing on finding external financing solutions. A crucial aspect of this is identifying potential site-sharing partners, which can lead to a more cost-effective and strategically beneficial path forward.

#### What do you expect from the market development going forward?

The fundamental drivers for floating wind power are strong, but high interest rates, investment costs and lengthy regulatory processes have led to delayed market development. However, over the past year, we have seen signs of recovery, with interest rates falling and a stabilisation in raw material costs.

**“Through a more strategic prioritisation, we have been able to optimise our work and ensure that we invest time and capital where it gives the best results. ”**

Everything indicates that after 2028, the market will enter a phase of substantial and long-term growth – much like bottom-fixed wind power has previously done. We have demonstrated “staying power”, i.e. the ability to stay in the market and adapt to changing conditions during these challenging years. If we can hold out a little longer, the market will lift us forward.

#### What is Hexicon's focus in 2025?

Our main priority in 2025 is to create financial stability. This means a clear focus on divestments of projects to ensure continued operations and investments in future growth. In addition, we will continue to work with our key markets and strategic partnerships to ensure that Hexicon is well positioned when the market turns upward.

- 1.) Pre-Front End Engineering Design
- 2.) Front End Engineering Design
- 3.) Integrated Load Analysis



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# 80%

of the world's  
wind resources  
are located out on  
deep oceans

## FLOATING WIND POWER

Floating wind power – a key in the global energy transition

Offshore wind power plays a central role in the transition to a more sustainable energy mix. According to scenarios from leading energy institutions such as the IEA (International Energy Agency) and IRENA (International Renewable Energy Agency), a rapid and extensive expansion of installed offshore wind power is required to achieve the global goals of carbon neutrality.

Floating wind power opens new opportunities by enabling electricity production in deep waters where the best wind resources are located. The technology enables a more flexible and scalable expansion of renewable energy, making it a crucial component of the future energy system.

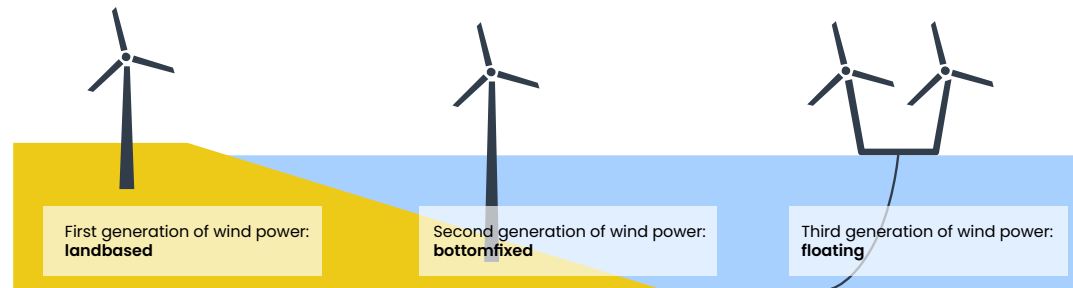
### Third generation wind power

Floating wind power can be seen as the third generation of wind power. The first generation took off in the 1980s when wind power began to be commercialised in earnest, mainly through the

establishment of onshore wind farms. Despite its success, onshore wind power requires large areas and can impact the landscape, which remains a significant challenge. Today, over 100 countries worldwide have electricity production from onshore wind turbines.

The next step in the development was to move the turbines out to sea, where the wind conditions are more stable. Offshore wind power has been particularly beneficial for countries with shallow coastal waters and has been established in 26 countries globally.

By placing turbines further out to sea, stronger and more consistent winds can be utilised while reducing the environmental impact. This is one of the major advantages of the third generation of wind power – floating wind power – which now enables electricity generation even in deep sea areas where traditional, bottom-fixed turbines are not feasible.



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# FLOATING WIND POWER

## A growing market with long-term potential

Despite challenges in the global macroeconomy, the offshore wind industry continues to expand. In 2024, three OECD countries – South Korea, the United Kingdom and France – conducted their first commercial off-take auctions for floating wind power. A total of 1.9 GW was auctioned for floating wind projects, marking an important milestone for the industry.

As in the previous year, 2024 was characterised by continued high interest rates and high material costs. However, unlike 2023, the upturn came to a halt during the year, resulting in minor declines in several markets. During this period, capital and investment in the renewable industry have been directed primarily towards established technologies, which has led to a certain delay in new technologies, including floating wind power.

### Lag in the market

At the same time, the playing field has changed as several of the major oil giants have withdrawn from the renewable industry in favour of their core business. The macro trends of recent years have combined to contribute to the delay we are now seeing both in countries' permitting processes and among the developers who are about to start the construction processes of these large infrastructure projects, something noted by both the IEA (International Energy Agency) and GWEC (Global Wind Energy Council).

### Strong growth after 2028 and significantly reduced costs per MWh

No player in the offshore wind industry has been

completely unaffected by the challenging market conditions. For several large companies in the industry, these delays have led to significant write-downs when projects have been paused.

But despite these delays, we have seen a strong will and drive from both countries and market players around the world to drive the development of floating wind power forward. The industry is gradually adapting to the new market conditions. Through innovation, collaboration and long-term investments, new opportunities are created for the continued expansion of floating wind power.

The industry is currently undergoing a similar development phase to that of bottom-fixed offshore wind power several years ago. Today, the established offshore industry is industrialised, and costs have been reduced by about 45% since its beginning. According to a report by NREL (2024), the cost is expected to fall further from USD 75/MWh in 2021 to USD 53/MWh in 2035, despite global inflation and high interest rates.

For floating wind power, which is currently in the demonstration phase and transitioning to global commercialisation, cost reduction will accelerate as volumes increase. NREL believes that this development will accelerate after 2028, when growth is expected to be the strongest. According to the report, the cost of floating wind power is projected to fall from USD 207/MWh to USD 64/MWh by 2035.

### The industry is here to stay

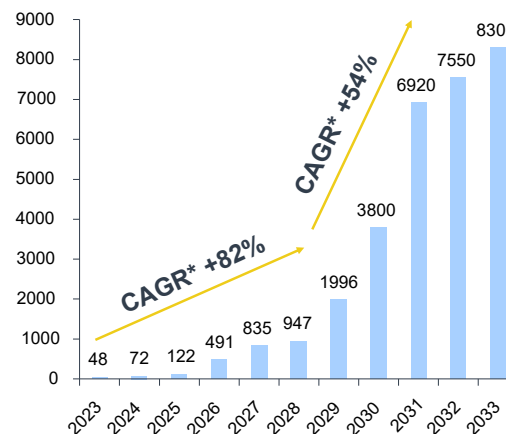
In 2024, seven times as many megawatts were auctioned for floating wind as are currently in operation. This is a clear signal of the industry's long-term potential and continued development.

The projects that are now being driven forward make the industry's continued existence permanent.

The fact that these auctions were also conducted in markets that Hexicon identified as strategic and where we are running projects confirms that we have made the right market assessments.

Source: International Energy Agency, GWEC Report 2024 Global Wind Energy Council, NREL Offshore Wind Market Report 2024

### Prognosis for new floating wind power installations globally (MW)



\*Average annual growth rate

Source: GWEC Market Intelligence, June 2024

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# OUR BUSINESS MODEL

## Hexicon's business model rests on two main business areas – project development and technology delivery

As a **project developer**, Hexicon focuses on initiating and developing floating wind power projects in new and emerging markets, working closely with both local and global industry partners. With a presence in several international markets, our project portfolio is well-diversified and strategically positioned to generate revenues through project divestments and the development of offshore wind power.

As a **technology provider**, Hexicon will be able to offer its patented technology, which provides competitive advantages and contributes to the company's unique position in the industry.

The two legs of the business model are independent of each other, diversifying the business and generating independent revenue streams. At the same time, synergies are created between the two businesses, which strengthens Hexicon's experience, expertise and partnerships.



### Expanding project portfolio

We proactively initiate new projects and establish a strategic presence in key markets, driving growth and solidifying our leadership in floating wind power.



### Building strong partnerships

Our business model is built on collaboration with leading industry players to accelerate project development, secure financing, and optimise execution.



### Developing and scaling technology

We focus on continuous innovation by advancing, optimising, and preparing the TwinWind™ technology for commercialisation through strategic collaborations and technical progress.



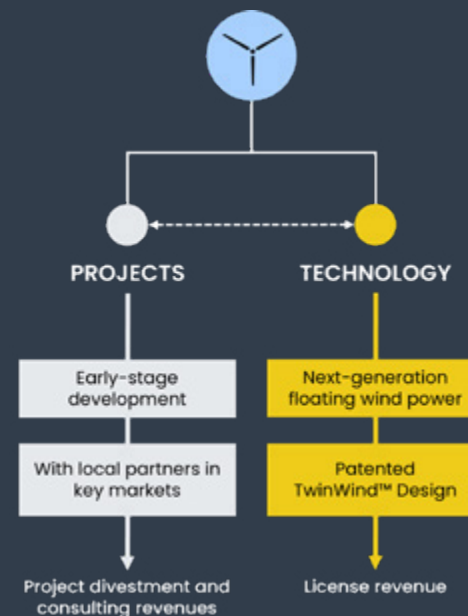
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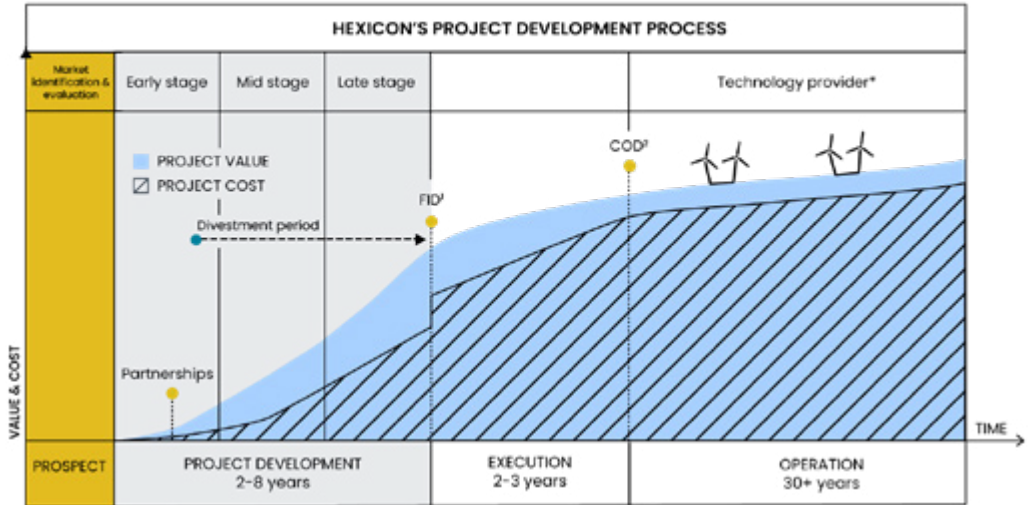
# PROJECT DEVELOPMENT PROCESS

Hexicon's project development process begins with a thorough analysis of water conditions, the political climate and the market conditions for floating wind power in a specific market. If our market criteria are met and the conditions are deemed favourable, a formal decision is made to proceed to the next phase, in which case the work is classified as a prospectus.

In this phase, we actively engage with local stakeholders, conduct in-depth market research and initiate dialogues with potential partners. Once a partnership has been established and a seabed area has been identified, the prospect is redefined as a project, marking the start of its maturity journey towards the Final Investment Decision (FID)<sup>1)</sup>.

In the coming development phases, we are investing, together with our partner, to drive the project through central consent and permission processes. As the project matures, the risks decrease while its value increases.

Value growth, as well as development costs, follows an exponential curve throughout the maturation process. Hexicon works strategically to divest ownership at optimal times along the development curve, aiming to maximise the return on investment. Ownership is gradually reduced and ultimately divested before the project reaches Final Investment Decision (FID), which generates significant revenues for the company.



1) FID: Final Investment Decision

2) COD: Commercial Operation Date

\*Potential licens fees if TwinWind™ is selected as choice of technology.



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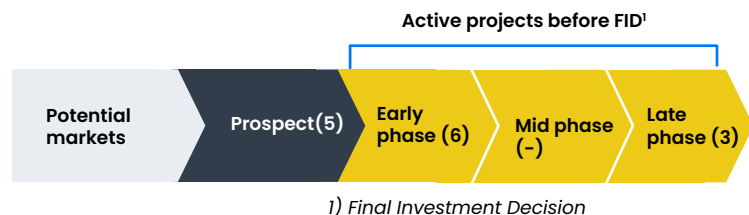
# OUR PROJECT PORTFOLIO

## A diversified project portfolio for long-term value creation

Hexicon's broad and well-balanced project portfolio is a central part of our value creation. To drive growth, we focus on investing in markets with deep waters and a high demand for renewable energy.

By diversifying the portfolio both geographically and based on the maturity of the projects, we diversify the risks while creating the conditions for profitable future divestments. This strategy strengthens our position in the market and enables sustainable and long-term development.

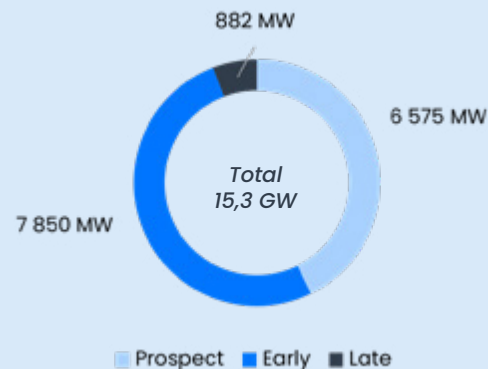
### Hexicon's project phases (number of projects):



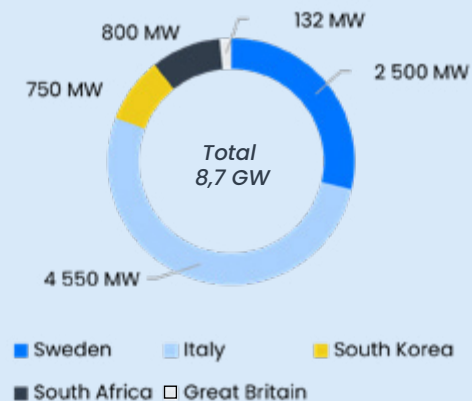
### New markets

The global market for floating offshore wind is vast, and we are still in the early stages of this development journey. Several countries, islands and areas around the world have a great need for renewable electricity production and access to deep water. Our business development team is continually working to identify new opportunities and markets that are investing in floating wind power.

Project & prospect portfolio  
split over phases



Project portfolio  
split over countries



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## Projects & prospects

Active projects are those that have begun their maturity journey towards the final investment decision (FID), while prospects are projects that have not yet transitioned into active projects.

Project portfolio								
Country	Project	Established	Hexicons share	JV partner	Gross MW	Net MW	Phase	Status
Sweden	Mareld	2021	50 %	MRP*	2,500	1,250	Early	Active
South Korea	MunmuBaram	2018	100 %	-	750	750	Late	Active
Italy	Sicily South	2022	50 %	Avapa Energy	1,150	575	Early	Active
Italy	Sardinia NW	2022	50 %	Avapa Energy	1,300	650	Early	Active
Italy	Puglia 1	2022	50 %	Avapa Energy	950	475	Early	Active
Italy	Puglia 2	2022	50 %	Avapa Energy	1,150	575	Early	Active
South Africa	Gagasi	2020	50 %	Genesis Eco-Energy	800	400	Early	Active
UK	Pentland	2020	10 %	CIP	100	10	Late	Active
UK	TwinHub	2021	100 %	-	32	32	Late	Active
Prospect portfolio								
Land	Projekt	Etablerat	Hexicons andel	JV partner	Brutto MW	Netto MW	Fas	Status
Italy	Sardinia 1	2022	50 %	Avapa Energy	1,550	775	-	-
Italy	Sardinia 2	2022	50 %	Avapa Energy	700	350	-	-
Italy	Sardinia NE	2022	50 %	Avapa Energy	1 950	975	-	-
South Korea	MunmuBaram	2018	100 %	-	375	375	-	-
Ireland	Donegal MR	2022	50 %	-	2 000	1000	-	-

\*Mainstream Renewable Power, an Aker Horizon company



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#### + Industrialisation

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



#### + High efficiency

Stable winds with a potential capacity factor of 50-60%.



#### + Small carbon footprint

Electricity generation with a small carbon footprint that coexists with marine life.



#### + Big potential

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

## OUR TECHNOLOGY

### TwinWind™ – A new standard for floating wind power

Hexicon aims to set a new standard for floating wind power with TwinWind™. The floating construction enables installations in deep waters, far off the coast, making previously inaccessible areas accessible for energy extraction. It is often in these deep-water areas that wind resources are at their best.

The innovative design enables both operational and cost-effective operation while increasing energy production per unit area of the wind farm. Additionally, the solution helps reduce transportation and installation costs.

Through extensive research and development, TwinWind has proven to provide aerodynamic benefits through its twin-turbine system, resulting in increased energy production. The design also enables the turbines to dynamically adjust to changing wind directions.

Hexicon's patent portfolio for TwinWind has expanded to include protection in over 25 countries,

with several patents approved by the European Patent Office (EPO). Through its intellectual property rights, Hexicon can continue to drive innovation and commercialisation of the technology, further strengthening the company's global position.

#### Progress during the year through strategic collaborations and technological innovation

Hexicon is committed to continuing the development and validation of TwinWind™ and is partnering with MingYang Smart Energy to ensure that the technology meets the highest industry standards. By collaborating directly with a leading turbine supplier, we enhance TwinWind's credibility, performance, and investment appeal.

At the same time, we have made significant progress in optimising the operational performance of our technology, refining key components to increase efficiency and reliability further. These improvements consolidate TwinWind™ as a robust and scalable solution for commercial applications.



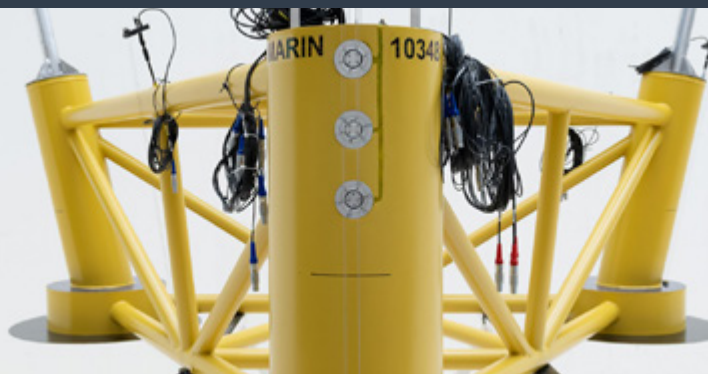
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# INVEST IN HEXICON – A KEY TO A SUSTAINABLE FUTURE



The two overarching macro trends driving Hexicon's positive outlook are the growing need to combat climate change and the increased focus on electricity supply through domestic production.

Hexicon offers an attractive growth opportunity through its diversified project portfolio and patented technology. The global market for floating wind power is poised for commercialisation, with the market expected to gain momentum within a couple of years, leading to rapid growth.

Through project development, Hexicon can leverage its patented technology, opening doors to new projects and partnerships. The strong synergies between the two business areas also provide access to different and independent revenue streams, positioning the company for long-term success in a market with great growth potential. Through project development, we create opportunities for profitability in the short term, while the technology delivery makes the company scalable over time.

## Project divestments

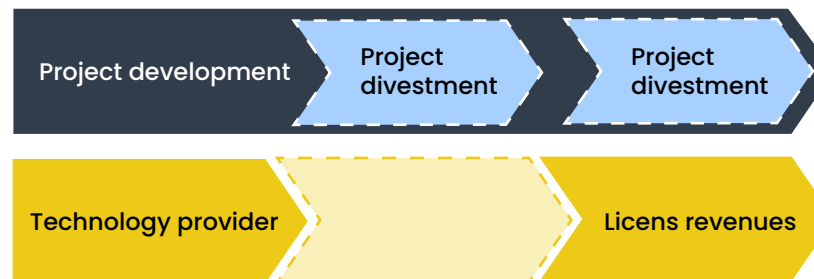
Hexicon's business model is based on the full or partial divestment of its projects before the Final Investment Decision is made. This is done partly because the later phases of a project entail increased costs, and partly because Hexicon's strength lies in identifying and developing projects at an early stage.

### Projects that Hexicon has divested

Over the years, Hexicon has divested a number of projects where payment of the divested project share has been made via either and/or direct payment, milestone payments, free carry.

Year	Project	Capacity (MW)	Transaction terms
2025 <sup>1)</sup>	Sardinia Northwest and Sicily South, Italy	1,225 MW	Up to 16,300 EUR/MW incl. milestone payments
2022	Geonggwang, South Korea	224 MW	Up to 20,000 USD/MW incl. milestone payments
2021	Dounraey Tri, UK	90 MW	11 000 GBP/MW, plus free carry of remaining 10%
2019	MunmuBaram, South Korea	900 MW	8,500 USD/MW as free carry

## REVENUE MODELL



## Track record from early project development

Through its long and deep industry experience, Hexicon has a proven track record of identifying and developing early-stage projects that have significant potential to be divested with high returns during the development phases.

## Established framework with clear criteria for investment decisions

Hexicon has an established framework with clear criteria for its investment decisions and only engages in the preparatory and less capital-intensive development phase with a potentially high return on invested capital.

## Diversified project portfolio

Hexicon has an extensive net portfolio of over 4.7 GW, with an average ownership share of 54%. The portfolio is well diversified both geographically and at different project stages, which creates a good spread of risk. This structure makes Hexicon well-positioned to adapt to different investment levels and market conditions.

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1) Transaction after the financial year

# Hexicon as an investment

## The share

Hexicon's share has been listed on Nasdaq First North Premier Growth Market since June 18, 2021. At the end of 2024, Hexicon's market capitalisation amounted to SEK 47 million divided into 363,802,686 shares.

## About the share

Ticker: HEXI  
ISIN-code: SE0004898799  
Handelsplats: Nasdaq First North Premier Growth Market  
Certified Advisor: FNCA  
Number of shares: 363,802,686  
Trading post: 1 action  
Voting value: 1 vote per share  
Market capitalisation as of December 31, 2024: SEK 47,439,870

## Ownership structure

At the end of the year, Hexicon had 7,621 shareholders. At the same time, Swedish private individuals owned 44.6% of the capital, Swedish institutional owners 11.5% and foreign institutional owners 14.4%. The largest proportion of foreign owners was in the United States (9.58% of the capital) and the United Kingdom (4.65%).

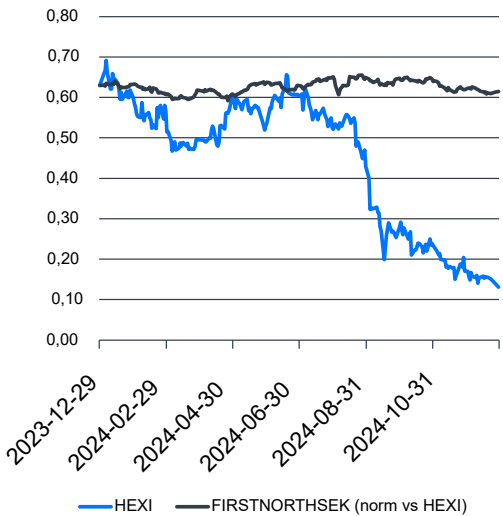
## Financial calendar

2025-04-10 - Annual Report 2024  
2025-05-28 - Interim Report 1, 2025  
2025-08-20 - Interim Report 2, 2025  
2025-11-19 - Interim Report 3, 2025

## Share price and trading

Hexicon's share was listed on Nasdaq First North Premier Growth Market on June 18, 2021, at a subscription price of SEK 3.00. Like other companies, Hexicon's share has traded in a volatile market characterised by high inflation and high interest rates. In 2024, 106,104,134 shares were traded at a high price of SEK 0.69 and a low of SEK 0.13. On average, 422,726 shares were traded per day.

Share Price during 2024



## Share owners

Name	% of votes	% of capital
Ilija Batljan	10.07%	10.07%
Gulfstream Group LLC	9.58%	9.58%
SEB Trygg Liv	5.25%	5.25%
Helikon Investments	4.60%	4.60%
Björn Segerblom	4.09%	4.09%
Back in Black Capital Ltd	3.21%	3.21%
Arne Almerfors	3.14%	3.14%
Index Equity Sweden AB	2.54%	2.54%
Avanza Pension	1.91%	1.91%
Soya Group	1.62%	1.62%
<b>Total 10</b>	<b>46%</b>	<b>46%</b>
<b>Of which shareholders in Sweden</b>		<b>70.5%</b>
<b>Of which shareholders outside Sweden</b>		<b>29.5%</b>



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# HEXICON'S SUSTAINABILITY WORK

Sustainability is crucial to Hexicon's success and a key to strengthening our competitiveness. Through thorough preparatory work in application processes, stakeholder dialogues and area analyses, we lay the foundation for successful project development in the early stages.

We also take responsibility as technology providers by developing sustainable, flexible solutions that enable the floating wind farms of the future. As a global renewable energy company, Hexicon plays an important role in driving development forward, and sustainability is a prerequisite for our business.

Based on our sustainability framework, we work actively to reduce climate and environmental impact throughout the value chain, to ensure responsible and ethical business operations, and to be an attractive and responsible employer.

In this chapter, we summarize Hexicon's sustainability work for the past year and the work we have ahead of us.



Every day, we work to drive the development of renewable energy forward, and that requires us to think and act on sustainability on all fronts.

As technology and early project developers, we lay the foundation for the sustainable wind farms of the future. When we hand over the projects to larger players who will take the projects to the next phase, our goal is for them to have all the conditions needed to develop projects that can deliver enough electricity to strengthen local communities, power industries, create jobs and benefit marine ecosystems.

It requires a sustainable business where we always think one step further – from strategies for project development to safeguarding our employees' health and career goals.

Marcus Thor,  
CEO



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# INTEGRATION OF ESRS INTO HEXICON'S SUSTAINABILITY STRATEGY

Sustainability is a core part of our business, where we strive to contribute to a sustainable future through renewable energy and innovative green technology. In 2024, we formalised our sustainability work by developing concrete strategies, goals and working methods, to better structure and ensure our commitment to sustainability.

The new EU Corporate Sustainability Reporting Directive (CSRD) and its European Sustainability Reporting Standards (ESRS) are projected, according to the updated EU Competitive Compass and its Omnibus package, to enter into force for companies like Hexicon from the financial year 2028\*. We have therefore chosen to start adapting to these requirements right now.

ESRS requires companies to disclose information in their sustainability report about "... their material impacts, risks and opportunities with respect to environmental, social and governance sustainability issues." (Commission Delegated Regulation (EU), 2023/2772, p. 5). By integrating the three key areas of ESRS (Environmental, Social Responsibility and Governance), we ensure that we are in line with international standards and prepare to fully comply with them when they become relevant.

\*Hexicon, with current revenues and number of employees, will report on sustainability according to ESRS for the financial year 2028. This is after the EU Competitiveness Compass published its Omnibus package, which postponed the reporting requirements from the financial year 2026 to 2028.



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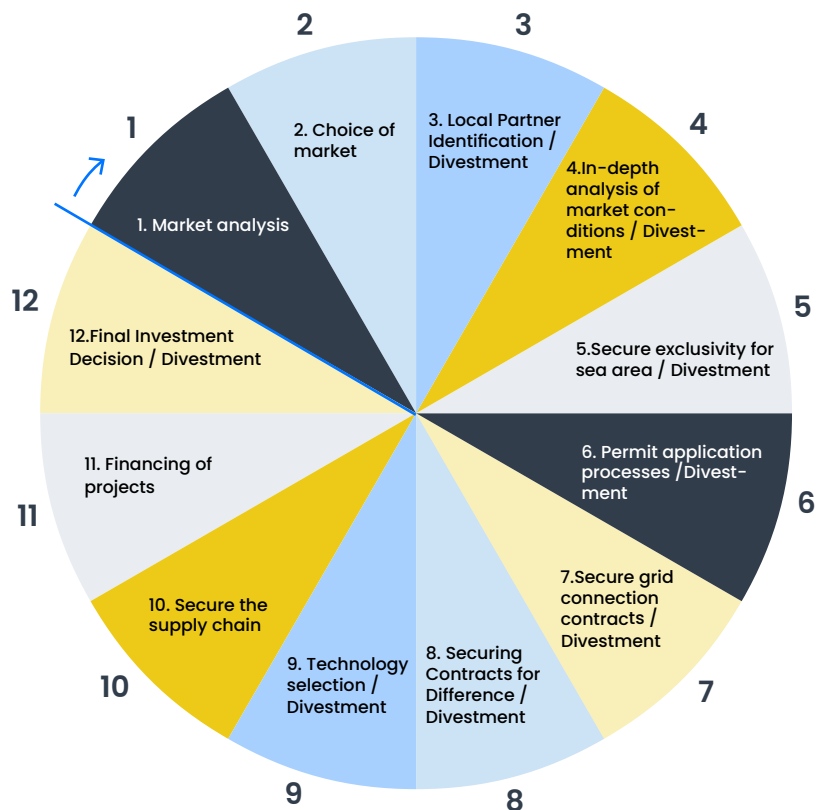


# VALUE CHAINS

Hexicon's value chains for each leg of the business model: project development of offshore wind power and development of floating wind technology.

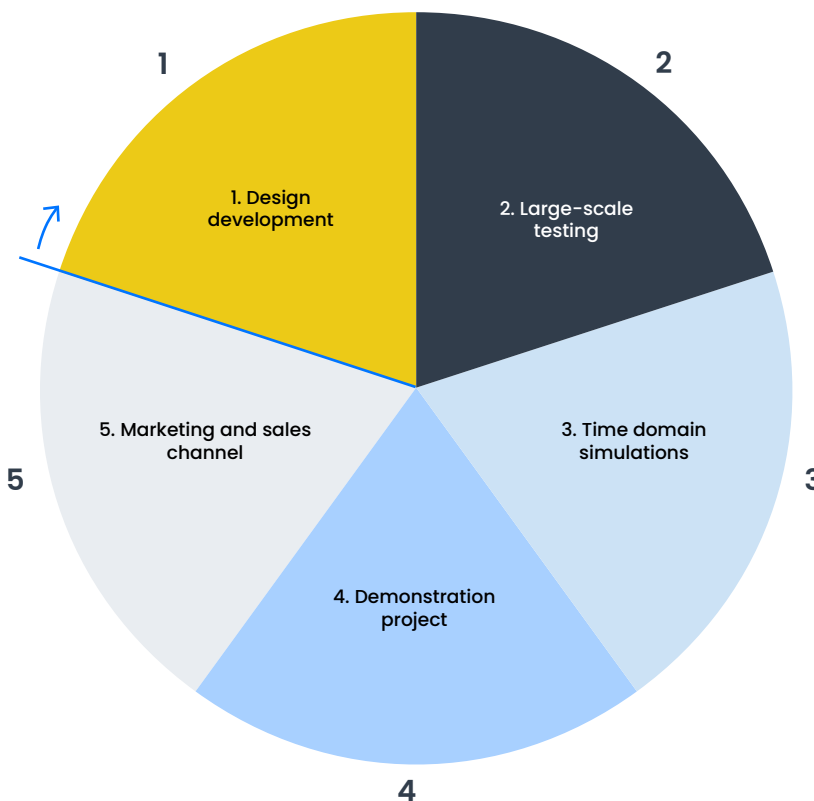
## Project development value chain

This value chain shows how we gradually increase the value of our projects by reducing risks and refining the projects before disposal.



## Value chain for the development of floating wind technology

This value chain clarifies how Hexicon develops and verifies its technology, while building commercial value through licensing.



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# MATERIALITY ANALYSIS

As part of our sustainability work, we have initiated a double materiality analysis of Hexicon's operations during the year.

The double materiality analysis is a criterion in ESRS and a method that helps companies evaluate their impacts, risks and opportunities in the three areas of environment, social responsibility and governance. This analysis forms the basis for our management by objectives and measurement of Hexicon's progress in sustainability work, which we will develop and specify in the coming years.

The analysis identifies the most significant focus areas from two perspectives: financial materiality, which assesses Hexicon's risks and opportunities from a sustainability perspective, and consistent materiality, which assesses Hexicon's positive and negative impact on people and the environment.

## Stakeholder dialogue

To identify which issues are most important to the business, it is necessary to consider perspectives from stakeholders who both affect and are affected by the business. During the year, Hexicon has initiated a stakeholder dialogue with a focus on the internal stakeholders, i.e. our employees and leaders.

We have had ongoing stakeholder dialogues with the aim of understanding what sustainability information stakeholders perceive as important in relation to Hexicon and what impact sustainability issues can have on Hexicon and Hexicon on the outside world. We will continue with stakeholder dialogues with the board and identified external stakeholders in the coming years.



Stakeholder group	Type of dialogue	Disclosed material sustainability information
Employees	- 10 meetings in the Sustainability Group	<div>- 10 meetings in the Sustainability Group</div> <div>- Work environment</div> <div>- Governance</div> <div>- Water and marine resources</div> <div>- Biodiversity and ecosystems</div> <div>- Workers in the value chain</div> <div>- Impact on society</div> <div>- Electricity production</div>
Management	- 2 Management team meetings	<div>- Financial risks and opportunities</div> <div>- Own workforce</div> <div>- Governance</div> <div>- Workers in the value chain</div>



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## Material sustainability information

Based on the stakeholder dialogues, we have identified which sustainability information is material and which is non-material for Hexicon's operations, which are reported in the matrix on the left.

Since Hexicon focuses on the development of projects and technology in the early stages, some of our direct influence opportunities are limited. We are not involved in the construction of wind farms and have not yet started sales or production of our technology. This means that we cannot currently guarantee that projects or technology developed by Hexicon comply with a certain sustainability standard. Therefore, our impact is characterised more by indirect contributions, for example by identifying suitable sites for projects and ensuring that permit processes and environmental impact assessments are carried out in accordance with local regulations.

Based on the materiality analysis, we have developed a sustainability framework based on Hexicon's overall mission: accelerate the world's energy transition by developing new markets and technologies for floating offshore wind power. To support this mission, we have defined three long-term sustainability goals and five priority focus areas, which include essential ESRS standards. These focus areas permeate and guide our work, while continuously measuring our progress to ensure that we reach our goals. On the next page, the framework is presented and each focus area is described in detail on pages 25-29.

	Environment	Social Responsibility	Governance
Material issues	<ul style="list-style-type: none"> <li>- Marine resources</li> <li>- Consequences for the condition of species</li> <li>- Impacts on the extent and condition of ecosystems</li> <li>- Impacts on and dependencies on ecosystem services</li> <li>- Climate change: climate change mitigation, energy</li> <li>- Energy</li> <li>- Resource efficiency and circular economy</li> </ul>	<ul style="list-style-type: none"> <li>- Societies' economic, social, cultural, civic and political rights</li> <li>- Impact of local communities</li> <li>- Accessibility and inclusion of consumers and/or end user</li> <li>- Information-related impact on consumers and/or end-users</li> <li>- Working conditions</li> <li>- Equal treatment and equal opportunities for all</li> <li>- Other work-related rights</li> <li>- Human rights in the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>- Political engagement and lobbying</li> <li>- Ethics and compliance in joint ventures</li> <li>- Corporate</li> <li>- Protection for whistleblowers</li> <li>- Anti-corruption and business ethics</li> <li>- Sustainability in the governance model</li> <li>- Tax practices and transparency</li> <li>- Supplier relationships and ESG risks in the value chain</li> <li>- Internal control and compliance</li> <li>- Management of relationships with suppliers, including payment procedures</li> </ul>
Non-material matters	<ul style="list-style-type: none"> <li>- Air pollution</li> <li>- Chemical management and pollution</li> <li>- Mikroplaster</li> <li>- Water</li> <li>- Direct pressures that lead to biodiversity loss</li> <li>- Adaptation to climate change</li> <li>- Waste</li> </ul>	<ul style="list-style-type: none"> <li>- Personal safety for consumers and/or end user</li> <li>- Indigenous peoples' rights</li> </ul>	<ul style="list-style-type: none"> <li>- Relationship management with suppliers, including payment procedures</li> <li>- Animal protection</li> </ul>



# HEXICON'S SUSTAINABILITY FRAMEWORK



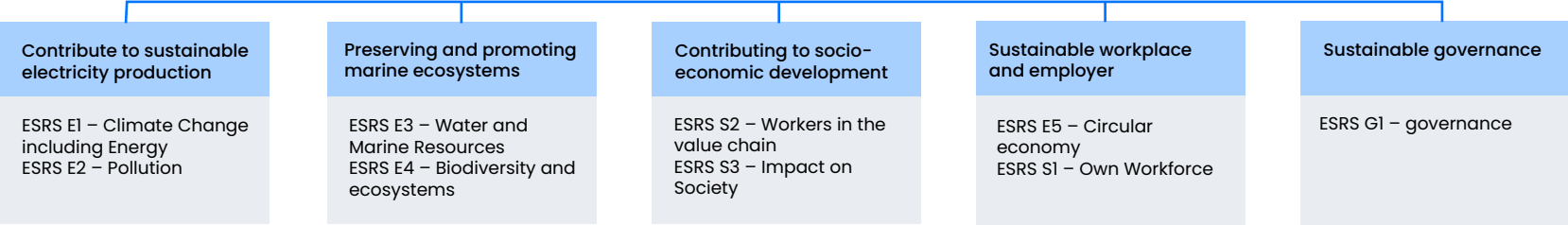
## Hexicon's overall mission

Accelerating the world's energy transition by developing new markets and technologies for floating offshore wind.

### Our long-term sustainability goals



### Our five focus areas



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# ENVIRONMENT

## CONTRIBUTE TO SUSTAINABLE ELECTRICITY PRODUCTION

**E1** Climate Change including Energy

**E2** Pollution

Climate change is a global challenge and is driving the increasing demand for renewable energy – a demand that is at the core of Hexicon's business. By developing floating wind projects, we play an active role in meeting these needs and accelerating the transition to a sustainable energy supply.

Our business concept is to enable renewable energy solutions that reduce climate impact, while driving technology development and strengthening the global energy transition. However, we are aware that our operations may also entail certain risks and potential adverse effects related to climate change, which we address in more detail on the following text.

### How Hexicon is affected (financial):

#### Opportunities

- Growing global need for renewable energy: The increasing demand for fossil-free energy and government climate targets create favourable market conditions for floating wind power.
- Policy and regulatory incentives: Green financing, subsidies and policy support for offshore wind projects facilitate investments and increase the attractiveness of our projects.

- Technological development and economies of scale: Advances in floating wind technology and reduced production costs strengthen competitiveness and enable faster commercialisation.

#### Risks

- Regulatory uncertainty: Changing rules, shifting subsidies and policy decisions can affect the investment climate and the feasibility of projects.
- Complex and unestablished permitting processes: Permitting procedures for floating wind power are often lengthy, complex, and vary widely across markets, which can lead to delays and increased uncertainty.
- Infrastructure constraints: The deployment of floating wind power requires well-developed ports, access to specialised installation vessels and a robust electricity grid to integrate into the energy system, which can limit the pace of development.
- Cost challenges: Although technology development is advancing, floating wind power is still capital intensive and dependent on continued cost reduction to become competitive on a larger scale.

### How Hexicon affects the world (consequential):

#### Positive impact

Through the development of floating wind power, we make a positive contribution to the energy transition and reduced climate impact by enabling the expansion of renewable energy in deeper waters where traditional bottom-fixed wind power is not an option.

#### Negative impact

The projects we develop may have an indirect environmental impact at later stages of their life cycle, for example:

- Material use: The construction of wind farms requires large amounts of raw materials such as steel and concrete, which entails emissions from extraction and production.
- Transport and installation: Extensive transport and the use of special vessels for installation and maintenance lead to emissions.
- Marine ecosystems: The construction and operation phase can affect marine species through noise, changes in bottom structures and water currents.
- Decommissioning: When wind turbines reach the end of their useful life, a sustainable plan for dismantling and recycling is required.

Although we are not responsible for these phases, we take environmental aspects into account already in the project development to promote sustainable solutions.



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# ENVIRONMENT

## PRESERVING AND PROMOTING MARINE ECOSYSTEMS

**E3** Water and Marine Resources

**E4** Biodiversity and ecosystems



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Marine ecosystems are crucial for biodiversity and for the communities that depend on marine resources. Hexicon works actively to minimize our environmental impact and at the same time create positive effects for marine ecosystems in all phases of our project development.

Through careful planning and consideration for the marine environment, we develop projects that not only contribute to sustainable energy production but can also promote ecosystem recovery. Our offshore wind farms have the potential to enhance biodiversity by creating protected areas that can benefit marine species and reduce the impact of overfishing. At the same time, we are aware that the projects we develop can pose challenges, such as the impact on marine species and ecosystems during the construction and operation phase. We can only influence these risks in the first phases of the project where we are active. For example, through a permit application.

### How Hexicon is affected (financial):

We adapt our work to meet requirements and expectations for biodiversity and marine resources in different markets.

#### *Opportunities*

- The requirements for environmental impact assessments are part of our offering and strengthen our credibility as a sustainable player in wind power.

#### *Risks*

- The varying legislation and processes between different countries mean that adaptations can be resource-intensive and time-consuming, which places high demands on our organization and our partners.

### How Hexicon Affects the World (consequential):

In the early project phases and to the extent possible, Hexicon strives to minimise environmental impact while promoting a positive development of marine ecosystems.

#### *Positive impact*

- Through careful site planning of our offshore wind farms, we can minimise damage and maximise benefits for marine environments.
- Offshore wind farms can create opportunities for favourable conditions for marine life forms, such as reef formation and increased fish stocks, by protecting marine areas from overfishing.

#### *Negative impact*

- The sound production of wind turbines can affect animals that use echolocation, such as marine mammals, which requires extra consideration and measures.



# SOCIAL RESPONSIBILITY

## CONTRIBUTING TO SOCIO-ECONOMIC DEVELOPMENT

S2 Workers in the value chain

S3 Impact on Society

Hexicon contributes to long-term socio-economic benefits by paving the way for projects that create new opportunities for jobs and economic growth in the regions where we operate.

By developing and making available floating wind projects we lay the foundation for a sustainable and reliable energy supply that strengthens both local communities and industries.

We are aware that our projects may also pose challenges, such as impacts on other sectors such as fisheries, shipping or military activities, as well as potential impacts on electricity prices. Therefore, we strive to carry out our projects with the utmost consideration and in dialogue with local communities.

### How Hexicon is affected (financial):

#### *Opportunities*

By developing floating wind projects, Hexicon contributes to increased employment in both the energy sector and related industries, strengthening the local economy.

Increased demand for renewable energy creates opportunities for Hexicon to attract investors and partners, strengthening the company's financial position and long-term growth.

#### *Risks*

Hexicon may be negatively affected by changes in government regulations or by local resistance from affected community groups, such as fisheries and shipping, which may delay or make project development more expensive.

Fluctuations in electricity prices and uncertainty about subsidies and incentives for renewable energy can affect the profitability and willingness to invest of floating wind projects.



### How Hexicon Affects the World (consequential):

#### *Positive impact*

- Creation of new jobs, both within Hexicon and through the projects we develop.
- Economic growth in regions where projects are established through investment and local business opportunities.
- ensuring a reliable and sustainable electricity supply that benefits local communities and industries.

#### *Negative impact*

- The potential to take up sea areas used for fisheries, military activities or shipping, which may adversely affect other sectors.
- The impact of wind power on electricity prices, which can create challenges for some local communities.



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# SOCIAL RESPONSIBILITY

## SUSTAINABLE WORKPLACE AND EMPLOYER

E5 Circular Economy

S1 Own Workforce



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At Hexicon, we strive to create a sustainable workplace where resource efficiency and employee well-being are in focus. We work to minimise our waste and optimize resource use in line with the principles of circular economy.

Our work environment is inclusive and promotes work-life balance as well as opportunities for personal and professional development. At the same time, we are aware of the challenges that remain, such as ensuring equal pay and career opportunities, and we are continuously working to improve our working conditions.

#### How Hexicon is affected (financial):

##### *Opportunities*

- An increased demand for responsible employers strengthens our attractiveness and helps us to recruit and retain qualified employees.
- Investing in skills development creates long-term stability and strengthens our competitiveness in the market.

##### *Risks*

- Skill shortages in our project markets can create bottlenecks and affect our project development.
- High costs for skills development and adaptation to new requirements and expectations can be costly for the business.
- Competition for skilled labour can make it more difficult to recruit and retain key skills.

#### How Hexicon affects the world (consequential):

##### *Positive impact*

- By implementing circular economy principles in our operations, such as minimising waste and optimising resource use, we contribute to a more sustainable development.
- We offer a workplace that prioritises inclusion, work-life balance, and personal and professional development for our employees.

##### *Negative impact*

- Our business processes can generate waste and inefficient use of resources that need to be further minimised.
- Challenges remain in ensuring equal pay and roles, which requires continued work to improve working conditions.

# GOVERNANCE

## SUSTAINABLE GOVERNANCE



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As a listed company with a broad investor base and global partnerships, sustainable and responsible governance is crucial to our business. We adhere to ESRS G1 standards to ensure transparency, integrity, and accountability throughout the organisation.

Hexicon has zero tolerance for corruption and bribery and works for fair business principles. We have clear guidelines for whistleblower protection and ensure responsible engagement in political and lobbying activities. To strengthen leadership and ensure effective governance, our management is offered regular training. Our ambition is to have an inclusive and competent board with an active presence.

We continuously work to maintain high ethical standards and a long-term sustainable business by developing and improving our processes for responsible business, risk management and regulatory compliance.

#### How Hexicon is affected (financial): *Opportunities*

- Strong corporate governance and high transparency strengthen investor confidence and contribute to long-term financial stability.
- Responsible governance reduces business risks and can lead to improved access to finance and partnerships.
- By ensuring compliance with rules and guidelines, we can effectively manage future regulatory changes and strengthen our competitiveness.

#### *Risks*

- Increased regulatory requirements in corporate governance and sustainability reporting may require additional resources and investments.
- Non-compliance with ethical guidelines, either internally or with our partners, can lead to reputational damage and financial consequences.
- External factors, such as political decisions or changing corporate responsibility rules, can affect our operations and business opportunities.

#### How Hexicon affects the world (consequential):

##### *Positive impact*

- By ensuring transparency and responsible governance in our project development processes, we contribute to a more sustainable and ethically conscious energy sector.
- We work actively to create long-term, sustainable partnerships that promote innovation and responsibility in the energy sector.

##### *Negative impact*

- Complex regulatory requirements can create administrative challenges and increase resource consumption in our business.
- If partners or subcontractors do not meet our ethical requirements, it can indirectly affect our credibility and sustainability work.
- Constantly changing political and economic conditions can affect our business model and planning horizon.

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# CORPORATE GOVERNANCE

## Hexicon's decision-making process

1. The Nomination Committee prepares proposals for resolutions to be presented to the Annual General Meeting. The Annual General Meeting resolves on principles for the appointment of the Nomination Committee.
2. The Board of Directors shall establish the committees and appoint their members.
3. The auditor is tasked with reviewing Hexicon's annual report and accounting on behalf of the shareholders as well as the administration of the Board of Directors and the CEO. The auditor reports to the Board of Directors and shareholders.

### External control instruments

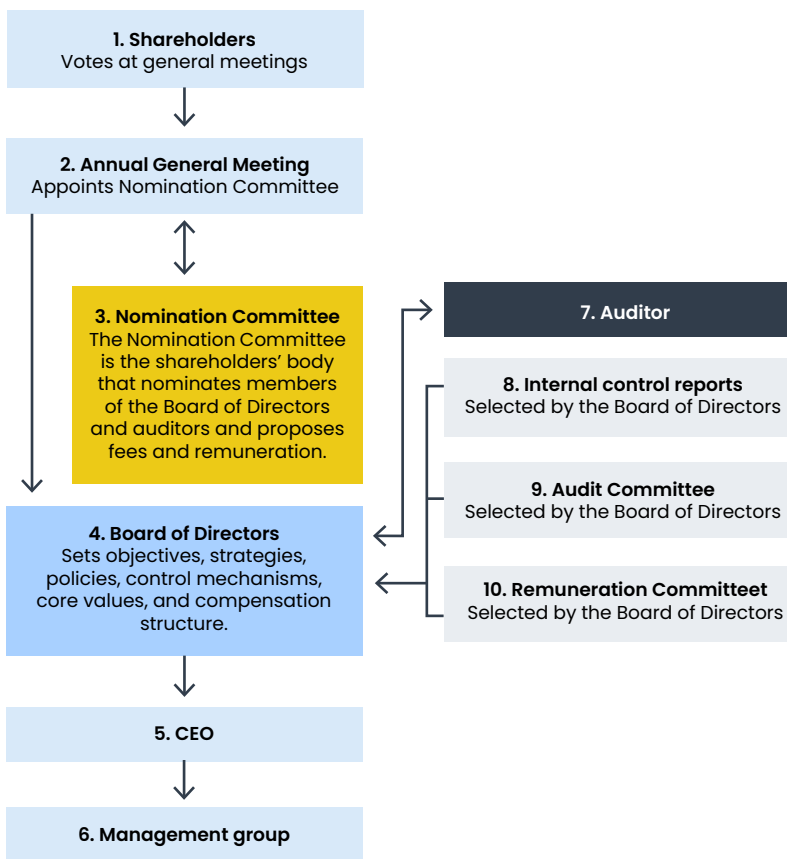
Important external governance instruments that form the framework for corporate governance are:

- Swedish Companies Act
- Swedish Annual Accounts Act
- Nasdaq Stockholm's rules and regulations

### Internal control instruments

Important internal binding governing documents are:

- Incorporation
- Rules of procedure for the Board of Directors
- Instructions for the CEO, the Audit Committee and financial reporting
- Policies



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# BOARD OF DIRECTORS

Hexicon's Board of Directors consists of experienced members with expertise in industry, energy, finance and sustainability. With strategic leadership and industry insight, the Board of Directors drives the company's development in floating offshore wind power.



**Bjarne Borg, Chairman of the Board**  
9,244,068 shares (via Index Investment Equity Sweden AB), 34,865,452 shares (via Gulfstream Investment Group LLC) and 1,345,000 shares personally and as trustee.

**Board member since:** 2021, Chairman of the Board since 2024

**Shareholding:** 9,244,068 shares (via Index Investment Equity Sweden AB), 34,865,452 shares (via Gulfstream Investment Group LLC) and 1,345,000 shares personally and as trustee.

**Other assignments:** Board member Verdex Construction LLC, Ledamot JFB Construction Holdings, Inc (NASDAQ: JFB), Managing Partner, Gulfstream Investment Group LLC, Ledamot Index Energy Ajax Corp, EcoGen Holdings LLC samt advisory board ConnectOne Bancorp, Inc. (NASDAQ: CNOB) and Seacoast Banking Corporation of Florida (NASDAQ: SBCF).



**Mats Jansson, Board member**  
Mats Jansson has extensive experience of corporate governance and leadership in the shipping industry. Mats has held several senior positions, such as CEO of Argonat AB and CEO of Cool Carrier AB.

**Board member since:** 2013

**Shareholding:** 1 443 973 shares

**Other assignments:** -



**Lars Martinsson, Board member**  
Lars Martinsson has solid experience from leading international positions in well-known industrial companies, such as ABB, Alstom, General Electric and Consolis.

**Board member since:** 2022.

**Shareholding:** 150,000 shares

**Other assignments:** Chairman of the Board of Locus Energy AB, a company that invests in green power production and energy storage.



**Mia Batljan, Board Member**  
Mia Batljan has a background in finance and business development, with experience from Nordea Markets and Deloitte. Mia is currently active in Samhällsbyggnadsbolaget i Norden AB and holds several board assignments

**Board member sinc:** 2021.

**Shareholding:** No private shares, but part of the board of directors of Ilja Batljan Invest AB, which owns 36,624,293 shares in Hexicon.

**Other assignment:** Board member of Eniro Group AB, Ilja Batljan Invest AB, Kameo Investment Platform AB and others.



**Göran Öfverström, Board member**  
Göran Öfverström has extensive experience in logistics, business development and sustainability. Göran has held senior roles at Wallenius Wilhelmsen Logistics and currently works within the Soya Group.

**Board member since:** 2024.

**Shareholding:** 5,879,947 shares (via Soya Group) and 900,000 shares personally

**Other assignments:** Business Development and Sustainability, Soya Group



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# MANAGEMENT

This page contains information about the members of the management team. Shareholdings are stated as of the latest update and include both direct and indirect ownership, including holdings via related parties.



Marcus Thor, President and CEO

Marcus Thor has the overall responsibility for Hexicon's projects, business development and new initiatives. He has extensive experience in project management in the offshore sector, including from GVA Consultants.

**Employed since:** 2012

**Shareholding:** 1 828 615

**Education:** Master of Science in Engineering Physics, Royal Institute of Technology (KTH)



Max Ek, Chief Financial Officer

Max Ek is responsible for Hexicon's financial management and operational efficiency. He has broad experience in business analysis and financial control, both from Hexicon and the FMCG sector.

**Employed since:** 2023

**Shareholding:** 40 076

**Education:** Master's degree in Business Administration, Stockholm University



Henrik Baltscheffsky, Business Development Manager

Henrik Baltscheffsky has over 20 years of experience in the offshore, shipping and aerospace industries. He has previously been CEO of Salénia AB and is currently responsible for Hexicon's international joint ventures.

**Employed since:** 2013

**Shareholding:** 5 202 988 (via affiliates)

**Education:** MSc in International Business Development, Stockholm School of Economics



James Brown, Country Manager UK & Ireland

James Brown leads Hexicon's operations in the UK and Ireland. He has played a central role in the acquisition and sale of project rights and has extensive experience in M&A in solar, wind and biomass energy.

**Employed since:** 2015

**Shareholding:** 3 700 871 (via affiliates)

**Education:** MSc in Ocean Use and Marine Policy, London School of Economics



Julius Molzahn, Chief Project Officer

Julius Molzahn is responsible for the development of Hexicon's project portfolio. He has over ten years of experience in portfolio development, M&A and EPC in renewable energy in Europe and Asia.

**Employed since:** 2022

**Shareholding:** 25 334

**Education:** MSc in Energy and Environmental Engineering, Hamburg University of Technology



Pernilla Lindberg Eriksson, Head of Communications and HR

Pernilla Lindberg Eriksson has over 20 years of experience in marketing and communications in global industrial companies, including eight years in the nuclear power industry.

**Employed since:** 2023

**Shareholding:** 38 000

**Education:** MBA in International Marketing



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# DETAILED INFORMATION ABOUT HEXICON'S CORPORATE GOVERNANCE

## Chief Executive Officer

The CEO is subordinate to the Board of Directors and is responsible for day-to-day administration in accordance with the Board's guidelines and instructions. The detailed division of responsibilities between the Board of Directors and the CEO is governed by a written instructions for the CEO adopted by the Board of Directors. The CEO is responsible for ensuring that the Board receives information and the necessary basis for decision-making, leads the work of the management team and makes decisions after consultation with the other members of the management team. The CEO is also the rapporteur at Board meetings and must keep the Board informed of the company's circumstances. The management team currently consists of the CEO, CFO, CTO, Project Manager, Country Manager for UK/Ireland, Head of Communications, In-house Legal Counsel and Business Development Manager. Hexicon's CEO is Marcus Thor.

## Remuneration to the Board of Directors and senior executives

Remuneration to the Board of Directors is resolved by the Annual General Meeting. At the Annual General Meeting on 11 May 2024, it was resolved that remuneration to the Board of Directors (plus any social security contributions) shall be paid in the amount of SEK 157,500 to each member elected by the Annual General Meeting and SEK 315,000 to the Chairman of the Board. Remuneration to senior

executives may consist of fixed salary, variable remuneration, pension and other benefits. The 2024 Annual General Meeting will decide on new guidelines for remuneration to senior executives.

## Annual general meeting

The Annual General Meeting is Hexicon's highest decision-making body. The shareholders will exercise their voting rights to decide on, among other things, the adoption of the income statement and balance sheet (as well as the consolidated income statement and consolidated balance sheet), the appropriation of the Company's profit or loss and discharge from liability towards the Company for the members of the Board of Directors and the CEO. At the Annual General Meeting, the shareholders also make decisions on other matters of importance to the Company, such as the election of members of the Board of Directors and auditor and on remuneration to the Board of Directors and the Company's auditor. The Annual General Meeting shall be held within six months of the end of each financial year.

In addition to the Annual General Meeting, an Extraordinary General Meeting may be convened. Notice of the Annual General Meeting shall be given by means of an announcement in the Swedish Official Gazette and by the notice being made available on the Company's website [hexicongroup.com](https://www.hexicongroup.com). That the notice has been issued shall be announced at the same time in Svenska Dagbladet. The notice shall be issued no earlier than six and no later than four weeks before the meeting. The right to participate in and vote at the General Meeting, either in person or by proxy, shall be granted to those who are registered as shareholders in the Company's share register maintained by Euroclear six banking days prior to the General Meeting (the record date) and who have notified the Company of their intention to participate no later than the date stated in the notice of the Meeting.

Shareholders who wish to have a matter considered at the Annual General Meeting must request this in writing to the Board of Directors. In order for the matter to be discussed at the General Meeting, the request must have been received by the Board

of Directors no later than seven weeks before the General Meeting, or in such time that the matter can be included in the notice of the General Meeting. Notices, communiqués and minutes as well as other associated meeting material are available on Hexicon's website.

## Nominating committee

The Nomination Committee is the body of the Annual General Meeting with the sole task of preparing the Meeting's decisions on election and remuneration matters as well as (where applicable) procedural issues for the next Nomination Committee. The Nomination Committee shall consist of the Chairman of the Board of Directors and three members appointed by the three largest shareholders in terms of voting rights at the end of the third quarter of each year. "The three largest shareholders in terms of voting rights" also refers to known shareholder groups. The Chairman of the Board of Directors shall annually contact the shareholders who have the right to appoint a member. The Nomination Committee appoints a Chairman from among its members.

The Nomination Committee's task is to submit proposals to the Annual General Meeting regarding:

- Election of Chairman of the Board and other members of the Board of Directors
- Resolution on remuneration to the Board of Directors
- Resolution on election of auditor
- Resolution on election of Chairman of the Annual General Meeting
- Resolution on amendments to the Nomination Committee's instructions (if the Nomination Committee deems it necessary)

The Nomination Committee shall apply rule 4.1 of the Code as a diversity policy when preparing the proposal for the Board of Directors, with the aim of achieving a well-functioning composition of the Board of Directors in terms of diversity and breadth, in terms of, among other things, gender, nationality, age and industry experience. The Nomination Com-



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mittee for the 2024 Annual General Meeting consists of:

- Rickard Haraldsson (appointed by Index Equity Sweden AB and Gulfstream Group LLC.)
- Sanja Batljan (appointed by Ilija Batljan Invest AB (publ))
- Leif Almhorn (appointed by SEB Trygg Liv)
- Bjarne Borg (Chairman of the Board)

## Board of Directors

After the Annual General Meeting, the Board of Directors is Hexicon's highest decision-making and executive body. The Chairman of the Board has a special responsibility to lead the work of the Board and to ensure that the Board fulfils its statutory duties. The Board's tasks include, among other things, establishing Hexicon's overall goals and strategies, monitoring major investments, ensuring that there is satisfactory control of the Company's compliance with laws and other regulations, as well as internal guidelines. The Board has adopted written rules of procedure for its work, which are to be evaluated, updated and re-adopted annually. The Board meets regularly according to a programme laid down in the Rules of Procedure and as necessary.

## The Board's work in 2024

In 2024, the Board held 29 meetings recorded in minutes. In addition to ordinary business, the Board of Directors has devoted a great deal of time to the company's capital raising.

## Committees of the Board of Directors

The Board has established committees with the task of preparing decisions on specific issues. The matters discussed at committee meetings must be recorded and reported to the board at the next meeting.

## Remuneration Committee

The Remuneration Committee consists of two members: Mia Batljan and Bjarne Borg. All members of the Remuneration Committee are independent in relation to the company and its management.

The main tasks of the Remuneration Committee are to:

- Prepare the Board's decisions on matters concerning remuneration principles, remuneration and other terms of employment for the company management.
- Monitor and evaluate ongoing and completed programmes for variable remuneration for senior executive

Monitor and evaluate the application of the guidelines for remuneration to senior executives that the Annual General Meeting is required by law to decide on, as well as current remuneration structures and remuneration levels in the company

## Audit committee

The Audit Committee consists of three members: Lars Martinsson, Mia Batljan and Mats Jansson. All members of the Audit Committee are independent in relation to the company and its management. The committee had seven meetings recorded in minutes in 2024.

The Audit Committee's tasks include:

- Monitor the company's financial reporting and make recommendations and suggestions to ensure the reliability of the reporting.
- With regard to financial reporting, monitor the effectiveness of the company's internal control, internal audit and risk management.
- To be informed by the auditor about the annual and consolidated financial statements and about the conclusions of the Inspectorate of Public Accountants' quality control.
- Review and monitor the external auditor's impartiality and independence, paying particular attention to whether the external auditor provides the company with services other than auditing.
- Assist the Nomination Committee in the preparation of proposals for the Annual General Meeting's resolution on the election of auditor.



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# DIRECTORS' REPORT

The Board of Directors and the CEO of Hexicon AB (publ), corporate identity number 556795-9894, hereby submit the annual report for the Group and the Parent Company for the financial year 2024. Amounts are reported in KSEK unless otherwise stated.

## OVERVIEW OF THE BUSINESS

Hexicon is a pioneer in floating offshore wind power and is one of the few companies with over 15 years of experience in the industry. Through a diversified business model that includes both project and technology development, synergies are created by building expertise and networks. The business model generates independent revenue streams from project divestments and license revenues from the technology.

## Project development

Hexicon initiates projects with high potential for attractive risk-adjusted returns. The company leads the project development process in the early years and gradually reduces its ownership before projects reach the final capital-intensive investment phase. Hexicon follows a structured approach with well-defined criteria for investment and divestment decisions. Currently, the active project portfolio - created through close partnerships with strategically selected joint venture partners and wide geographical spread - totals nearly 4.7 GW net capacity (Q4). This diversified portfolio includes large projects in South Korea, South Africa, the UK, Italy and Sweden.

## Technology development

Hexicon continues to drive the development of its 32 MW demonstration project, TwinHub, in the UK. The company is working closely with its selected wind turbine supplier, Mingyang, to carry out the first integrated load analysis (ILA), the results of which are expected to be finalized in the first quarter of 2025.

Since January 2024, Hexicon has been granted Tension Leg Platform (TLP) patents in Japan, South Korea and Brazil. On 16 October, Hexicon was granted a patent in South Korea on the TwinWind™ design. Hexicon now holds patents in 25+ countries.

The accumulated cost of capitalized development costs in the parent company amounts to SEK 13.8 (12.6) million. The capitalized development costs recognized in the Parent Company mainly comprise generic technology development linked to TwinWind™. Within the Group, the accumulated cost of development costs amounted to SEK 147.1 (121.7) million. In addition to what has been capitalized in the parent company, the sum mainly consists of capitalized development costs in the TwinHub project.

### Sweden

Sweden is still at an early stage in the development of floating wind power. The regulatory processes are being shaped, but recently granted licenses and increasing interest from larger players indicate positive developments and significant future opportunities.

### South Korea

South Korea is a leading market for floating offshore wind, driven by strong government support and ambitious energy targets. Since 2024, the country has introduced targeted auctions towards floating wind power with subsidies based on distance from shore. With limited shallow waters, floating wind power is crucial to expanding renewable energy capacity.

### United Kingdom

The UK is consolidating its position as a global

leader in floating wind through established projects, dedicated leasing rounds and government-backed financing. The market continues to expand, strengthening the country's role in the global development of the sector.

### Italy

Italy has made significant strides in floating wind power, driven by ambitious renewable energy targets and growing investor interest. Several large-scale projects are under development, supported by a recently adopted decree establishing an auction-based system for renewable energy.

### South Africa

South Africa sees floating wind power as a potential solution to its energy crisis. With favorable conditions for offshore wind, the government is working to develop policy frameworks to attract investment and integrate the technology into the future energy mix.

## SIGNIFICANT EVENTS IN 2024

- In February, Hexicon entered into an agreement to take over ownership, from 20%, of the large-scale MunmuBaram project in South Korea. The takeover needs regulatory approval to be finalized.
- In June, a SEK 75 million credit facility was extended from 12 July 2024 to 31 December 2024. As part of the extension, additional security was added to the loan in the form of Hexicon's shares in the Scottish Pentland project (Highland Wind Ltd.) and the South African Gagasi project (GenesisHexicon Pty).
- In November, the Swedish government announced that 13 permit applications for offshore wind power in the Baltic Sea, south of the Sea of Åland, have been rejected. The decision affected Hexicon's 50-50 joint venture Freja Offshore AB, which developed two projects in the Baltic Sea, Cirrus and Dyrning, which had their license applications rejected.
- On 28 November, Hexicon received approval from the Korean Electricity Regulatory Commission (KOREC) for the transfer of two out



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of three Electricity Business Licenses (EBLs) for the MunmuBaram project. With this approval, all requirements to finalize the acquisition of 100% of the shares in MunmuBaram were met.

- In December, a credit facility, with a principal of SEK 75 million, was extended from 31 December 2024 to 30 June 2025. As part of the extension, additional security was added to the loan in the form of Hexicon's shares in the Korean joint venture Hexicon Korea Co, Ltd. In addition, the lenders will receive a total of 40,422,521 warrants with an exercise price of SEK 0.375 per share. The warrant program has a duration of 12 months and would result in a maximum dilution of 10% upon full exercise.

**THE GROUP'S FINANCIAL POSITION AND LIQUIDITY**

**Net turnover and profit**

Net sales for the year totaled SEK 9.8 (5.7) million and consist of consultancy services related to ongoing development projects. No projects were divested during the period. The operating result totaled SEK -91.3 (-180.3) million, which is an improvement of SEK 89 million compared with the previous year. The main reason for the improved result is that costs in the MunmuBaram project started to be capitalized from the third quarter of 2023, and that the pace of development has been reduced in the project portfolio after a few years of large investments. The total effect of "Result from participations in associated companies" amounts to SEK -14.6 (-82.7) million. Furthermore, the result is positively affected by the capitalization of the wholly owned TwinHub project. At the same time, the underlying costs in the form of "Other external costs" of SEK -44.5 (-65.1) million and "Personnel costs" of SEK -44.3 (-50.3) million have decreased due to reduced exposure to the American and Iberian markets.

Net financial items for the period totaled SEK -167.2 million, compared with SEK -7.6 million in the same period last year, corresponding to a change of SEK -159.7 million. Net financial items for the period can mainly be attributed to interest expenses related

to loan-financed investments in 2024 of SEK -171.2 million, currency effects totaling SEK 4.1 million. The Nuveen loan and its interest are valued at amortised cost with assumptions on future cash flows from project divestments. Other financial expenses, partly related to the Group's external loans, totaled SEK -7.5 million. In addition, a positive effect on financial income of SEK 7.7 million relates to lending to associated companies within the Group. The Group's loss for the period totaled SEK -258.2 (-187.5) million.

**Cash flow**

Cash flow from operating activities after changes in working capital amounted to -139.0 (-158.9) MSEK. The operating loss has been reduced with 89 MSEK. The change in cash flow from changes in working capital related to an increase in operating receivables refers to loans to associated companies. The change in cash flow from changes in working capital related to an increase in operating receivables refers to loans to associated companies. The change in non-cash flow items is primarily driven by reduced losses from associated companies amounting to 67.9 MSEK, as a result of the capitalization of MunmuBaram, but also influenced by increased exchange rate differences of -53.1 MSEK. Cash flow from investing activities amounted to -152.0 (-110.5) MSEK. Investments during the year mainly consist of acquisitions of shares in MunmuBaram. Other investments of 16.2 MSEK are related to ongoing projects and technology development. In addition, 44.5 MSEK is related to dividends from associated companies. Cash flow from financing activities amounted to 192.0 (304.1) MSEK, of which 197.7 MSEK refers to external loans raised. The Group's total cash flow for the period amounted to -99.0 (34.7) MSEK.

**Balance sheet**

The Group's total assets at the end of the year amounted to SEK 599.2 (501.6) million. Intangible assets amounted to SEK 185.8 (158.2) million on 31 December. The increase is mainly due to investments in the UK TwinHub project. Shares in associated companies amounted to SEK 247.7 (149.0) million as of 31 December. The increase in investments

in associated companies is mainly driven by capital contributions in the associated companies, development of the projects and reclassification of MunmuBaram Holding AB, from subsidiary to associated company in Q3 2024. For more information see note 17. Other current assets as of 31 December amounted to SEK 362.8 (272.3) million and equity amounted to SEK -284.9 (1.2) million. The equity ratio was 0 (0) %, which is a consequence of increased investments and the prudent accounting principle of not capitalising development costs in early phases of projects. Current and non-current interest-bearing liabilities have increased related to the loan facilities during the year. The revolving credit facility is classified as current and the loan from Nuveen (formerly Glennmont) is classified as both current and non-current based on expected cash flow and is valued using the effective interest method.

**PARENT COMPANY**

The Parent Company, Hexicon AB, houses the management and the majority of all operational personnel as well as all support functions required to conduct business in project and technology development. The parent company's net sales totaled SEK 17.4 (14.6) million and the profit for the year was SEK -88.4 (-37.8) million. Cash and cash equivalents at 31 December amounted to SEK 6.5 (19.8) million. Total assets at the same date amounted to SEK 342.6 (364.8) million. The total equity of the parent company remains intact at SEK 132.7 (221.1) million.

**RISKS AND UNCERTAINTY FACTORS**

Like many other industries, the renewable energy industry is heavily influenced by the general economic and political situation in the world. The willingness to finance, financing conditions and access to capital can affect a company's ability to divest projects. The entire renewable market is regulated by laws and regulations in terms of support systems and permit processes for development, which can change over time. Despite the risks, development is progressing, and offshore wind is expected to become an essential energy source.



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## Macroeconomic and geopolitical risks

The development of large-scale infrastructure, such as floating offshore wind, is influenced not only by the local political and economic situation but also by changes at regional and global levels. The value chain for floating offshore wind is global and investment decisions are linked to the current and future state of many variable factors such as interest rates, commodity and electricity prices. Stability is a prerequisite for development, changes in the macro-climate can affect timelines and the return potential of projects. Security and defense interests have always been important and influence project location, but in recent years have increasingly focused on where critical infrastructure components are produced. This creates an additional complexity in how to build each project's value chain, which can affect both the timing, cost base, and financing capability of the project.

## Market-related risks

Floating offshore wind power is being commercialized globally but is in the stage between demonstration projects and large-scale commercial projects that rely on government support in the form of subsidies and/or revenue hedging. Hexicon's strategy is to establish itself in markets where processes and regulations for offshore wind power are not yet fully defined, which can affect the project's profitability and ability to obtain permit. Regulatory design in these countries is dependent on political decisions that are difficult to predict. There is also a risk that political decisions already taken will change, which could affect the profitability of projects.

Another market risk that increases over time is the competition risk, as other players can influence both the possibility of water rights and access to electricity grids, which are often limiting factors. With the development of floating offshore wind power, competition has increased globally and locally, which affects the potential for developing the project portfolio and the conditions for gaining access to project rights.

## Technology-related risks

Floating wind power is the third generation of wind power, using floating foundations to support turbines far out to sea in deep waters. Building on previous industries, such as the oil industry, a number of foundation solutions have been built and tested, but often with relatively small turbines. The large-scale global commercialization of floating wind power is expected to be built with turbines of 15 MW or larger. There is limited experience with the integration of large wind turbines and floating foundations, and the development of increasingly larger turbines is progressing. At the same time as turbine sizes are being developed, new foundation solutions of different sizes are being developed and tested. The limitations of proven large-scale integrated solutions between turbines and foundations, especially in large commercial parks, is a technology risk that affects the risk premium, as well as the ability to insure and finance projects.

Hexicon's development of TwinWind™ is still in an early phase and there is a risk that the technical solution is not sufficiently competitive. This could affect the company's future revenues. In addition, there are objections to patents related to the TwinWind™ design. On 14 June 2024, the Patent and Market Court (PMD) rejected Enerocean S.L.'s appeal against the opposition to the patent relevant to the company's TwinWind-design™. The decision has been appealed to the Patent and Market Court of Appeal (PMÖD). A decision by the PMÖD can have three possible outcomes: to reject the appeal and keep the patent as granted, to keep the patent in amended form or to revoke the patent. As a rule, this decision cannot be appealed. This decision only applies to the Swedish patent and a decision on patentability has no impact on Hexicon's right to use the patented solution, only the right to prevent others from using it. In addition, a similar appeal is pending at the European Patent Office (EPO).

## Financial and operational risks

Hexicon is exposed to various financial risks such as currency risk, interest rate risk, and credit and financing risk. The greatest of these financial risks,

with an impact on the company's sustainability, is the financing and liquidity risk. The greatest financial risk, with an impact on the company's ability to continue as a going concern, is the financing and liquidity risk. The company's short- and long-term financing is strained, and Hexicon needs to secure additional funding to meet its short- and long-term obligations. Several processes are ongoing, including external financing and project divestments. The project divestment in Italy, which was completed after the period not sufficient on its own to cover short-term obligations and must be complemented by the completion of additional processes. If these processes cannot be finalized in line with the expectations of the Board and management, there are significant uncertainties regarding the company's ability to finance its ongoing operations. However, the company believes that, based on the efforts being made, there are conditions for continued operations. Financial risks and risk management are described in Note 30, Financial Risks and Management.

One of the key operational risks is related to competences where Hexicon, as a small company in a constantly evolving industry, is dependent on attracting and retaining key people. Other key operational risks are related to permitting and stakeholder work in the projects, cyber and IT security, collaboration with partners, capacity of group and support functions, and building the value chain for each project, where access to wind turbines in particular, is an important constraint.

## EMPLOYEES

At the end of 2024, Hexicon had 27 full-time employees, 11 of whom were women.

## OWNERSHIP, SHARES & BOARD OF DIRECTORS

### Ownership structure

The number of shares outstanding in the parent company at the end of 2024 is the same as at the end of 2023, i.e. 363 802 686. Each share carries one vote. At the end of 2024, the company had 7 621



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shareholders. The following shareholders held more than 10% of the shares as of 31 December 2024: Ilija Batljan Invest (10 %)

## Work of the Board during the year

At the Annual General Meeting on 7 May 2024, Bjarne Borg was elected as new Chairman of the Board and Göran Öfverström as new Board member, Hans von Uthmann (former Chairman of the Board) and Vivianne Holm (former Board member) did not stand for re-election. Mia Batljan, Lars Martinsson, and Mats Jansson, were re-elected as Board members. The Board of Directors held 29 meetings in 2024; see the corporate governance report for further information.

## SUSTAINABILITY INFORMATION

The Group does not conduct any notifiable activities under the Environmental Code, but is working to develop floating wind power technology that reduces the negative environmental impact of energy production. Through research and technological development, the company contributes to the emergence of a fossil-free society. Hexicon does not meet the criteria set out in the Swedish Annual Accounts Act for mandatory inclusion of the sustainability report in the Directors' Report. However, the group sees great value in transparency to analyze risks and opportunities in the company's operations. Therefore, Hexicon has voluntarily chosen to present a report on sustainability separately from the annual report.

## EXPECTATIONS REGARDING FUTURE DEVELOPMENTS

Hexicon is a development company of both projects and technology. In 2025, the Group has the ambition to divest parts of the project portfolio. However, Hexicon remains dependent on external financing and capital for continued progress. During the year, work will continue to offer the company's technical solution and project development capacity in new markets.

The annual report has been prepared on the basis that the company's survival is secured. The Board of Directors and the CEO consider the prospects to be favorable for raising the capital necessary for continued operation until the company becomes profitable. In the short term, capital is expected to be raised through both project divestments and external financing. However, there may be significant uncertainties regarding the timing of this capital raising and there are no guarantees that new capital can be raised.

## Summary of several years' results

Summary of several years' results consolidated	2024	2023	2022	2021	2020
Revenue KSEK	9 845	5 714	11 576	23 105	4 357
Profit after financial items KSEK	-258 644	-187 917	-170 805	-50 980	-36 939
Cash and cash equivalents KSEK	23 023	121 201	86 637	289 587	106 595
Total assets KSEK	599 162	501 639	451 576	432 182	117 902
Equity ratio (%)	0	0	45	75	78
Average number of employees	27	28	35	27	10
Summary of several years' results from parent company	2024	2023	2022	2021	2020
Net sales (KSEK)	17 435	14 612	16 762	24 059	4 357
Profit after financial items (KSEK)	-88 438	-49 948	-121 129	-27 293	-42 119
Total assets (KSEK)	342 583	364 751	410 833	367 843	118 086
Equity ratio (%)	39	61	63	92	78
Average number of employees	18	20	21	17	10

## Proposal for allocation of the parent company's profit

The following profit allocation (SEK) is at the disposal of the Annual General Meeting:

Retained earnings	Amount (SEK)
Share premium reserve	538 057 592
Retained earnings	-334 419 295
Profit for the year	-88 437 768
<b>Total</b>	<b>115 200 529</b>
<i>The Board of Directors proposes that the available profit be allocated as follows:</i>	
Profit/loss carried forward	-422 857 063
<b>Of which to share premium reserve</b>	<b>538 057 592</b>
<b>Total</b>	<b>115 200 529</b>



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## Consolidated statement of comprehensive income

Consolidated statement of comprehensive income (KSEK)	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Net revenue	2,3	9 845	5 714
Other operating income	4	5 523	4 422
<b>Total revenue</b>		<b>15 369</b>	<b>10 136</b>
Capitalized own work		16 302	29 161
Other external expenses	6,7	-44 458	-65 074
Personnel costs	8	-44 334	-50 361
Depreciation of intangible and tangible fixed assets	15, 16, 7	-18 072	-20 427
Other operating expenses	5	-1 568	-1 067
Share of profit/loss in associated companies	17	-14 593	-82 701
<b>Operating result</b>		<b>-91 354</b>	<b>-180 333</b>
Financial income	10	26 723	56 789
Financial expenses	11	-194 013	-64 373
<b>Net financial items</b>		<b>-167 290</b>	<b>-7 585</b>
<b>Profit/loss before tax</b>		<b>-258 644</b>	<b>-187 917</b>
Tax on profit/loss for the year	12	396	431
<b>Profit/loss for the year</b>		<b>-258 248</b>	<b>-187 486</b>
Attributable to:			
Shareholders of the parent company		-258 181	-187 332
Non-controlling interests		-67	-154
<b>Earnings per share</b>			
Basic and diluted, attributable to parent company shareholders (KSEK)	13	-0,71	-0,51



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## Consolidated statement of comprehensive income (KSEK)

Consolidated statement of comprehensive income (KSEK)	2024-01-01 – 2024-12-31	2023-01-01 – 2023-12-31
Profit/loss for the year	-258 248	-187 486
<b>Other comprehensive income</b>		
<i>Items that may subsequently be reclassified to the profit or loss</i>		
Translation differences for the year on translation of foreign operations	-27 866	-10 685
<b>Other comprehensive income for the year</b>	<b>-27 866</b>	<b>-10 685</b>
<b>Total comprehensive income for the year</b>	<b>-286 114</b>	<b>-198 171</b>
<b>Total comprehensive income for the year attributable to:</b>		
Shareholders of the parent company	-286 025	-198 017
Non-controlling interests	-89	-154
<b>Total</b>	<b>-286 114</b>	<b>-198 171</b>



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## Consolidated statement of financial position

Consolidated statement of financial position (KSEK)	Note	2024-12-31	2023-12-31
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible fixed assets	14,15	185 754	158 215
Tangible fixed assets	16	27 498	41 922
Right-of-use assets	7	3 050	7 477
Shares in associated companies	17	12 462	13 218
Financial investment	19	3	3
Receivables from associated companies	20	5 743	6 658
Deferred tax assets	12	122	115
Non-current receivables	21	1 683	1 683
<b>Total fixed assets</b>		<b>236 316</b>	<b>229 292</b>
<b>Current assets</b>	<b>29</b>		
Accounts receivable	30	493	679
Shares in associated companies	17	235 213	135 685
Receivables from associated companies	20	88 877	4 017
Other current receivables		3 590	5 991
Prepaid expenses and accrued income	22	11 649	4 774
Cash and cash equivalents	34	23 023	121 201
<b>Total current assets</b>		<b>362 846</b>	<b>272 347</b>
<b>Total assets</b>		<b>599 162</b>	<b>501 639</b>

Consolidated statement of financial position (KSEK)	Note	2024-12-31	2023-12-31
<b>Equity and liabilities</b>			
<b>Equity capital</b>			
Share capital	23	3 638	3 638
Other contributed capital		538 058	538 058
Reserves (translation differences)		-32 231	-4 388
Conditional additional purchase price		41 000	41 000
Retained earnings including profit for the year		-834 615	-576 434
<b>Total equity attributable to parent company shareholders</b>		<b>-284 151</b>	<b>1 874</b>
Non-controlling interests		-756	-667
<b>Total equity</b>		<b>-284 907</b>	<b>1 207</b>
<b>Non-current liabilities</b>	<b>29</b>		
Long-term provisions	24	35 652	33 207
Deferred tax liability	12	3 783	3 846
Long-term leasing liabilities	25	-	4 802
Long-term interest-bearing liabilities	25	569 437	73 537
Other long-term liabilities	26	13 781	13 857
<b>Total non-current liabilities</b>		<b>622 653</b>	<b>129 249</b>
<b>Current liabilities</b>			
Short-term interest-bearing liabilities	25	184 356	306 253
Short-term leasing liabilities	25	3 347	3 113
Accounts payables	30	6 676	6 354
Liabilities to associated companies		15 299	10 000
Other current liabilities	27	18 071	18 380
Accrued expenses and deferred income	28	33 667	27 084
<b>Total current liabilities</b>		<b>261 416</b>	<b>371 184</b>
<b>Total equity and liabilities</b>		<b>599 162</b>	<b>501 639</b>



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## Consolidated statement of changes in equity

Consolidated statement of changes in equity (KSEK)	Share capital	Other contribut- ed capital	Translation reserve	Retained earn- ings including profit for the year	Total	Total Non-con- trolling inter- ests	Total equity
<b>Opening equity 2023-01-01</b>	<b>3 638</b>	<b>581 458</b>	<b>6 306</b>	<b>-388 566</b>	<b>202 836</b>	<b>-3 458</b>	<b>199 378</b>
Profit/loss for the year	-	-	-	-187 332	-187 332	-154	-187 486
Other comprehensive income for the year	-	-	-10 685	-	-10 685	-	-10 685
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-10 685</b>	<b>-187 332</b>	<b>-198 017</b>	<b>-154</b>	<b>-198 171</b>
<i>Transactions with the group's owners:</i>							
Acquisition of partly owned subsidiaries	-	-	-	-2 948	-2 948	2 948	-
Expired warrants	-	-2 400	-	2 400	-	-	-
Other	-	-	-9	12	3	-3	-
<b>Total transactions with owners of the group</b>	<b>-</b>	<b>-2 400</b>	<b>-9</b>	<b>-536</b>	<b>-2 945</b>	<b>2 945</b>	<b>-</b>
<b>Closing equity 2023-12-31</b>	<b>3 638</b>	<b>579 058</b>	<b>-4 388</b>	<b>-576 434</b>	<b>1 874</b>	<b>-667</b>	<b>1 207</b>
<b>Opening equity 2024-01-01</b>	<b>3 638</b>	<b>579 058</b>	<b>-4 388</b>	<b>-576 434</b>	<b>1 874</b>	<b>-667</b>	<b>1 207</b>
Profit/loss for the year	-	-	-	-258 181	-258 181	-67	-258 248
Other comprehensive income for the year	-	-	-27 844	-	-27 844	-22	-27 866
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-27 844</b>	<b>-258 181</b>	<b>-286 025</b>	<b>-89</b>	<b>-286 114</b>
<b>Closing equity 2024-12-31</b>	<b>3 638</b>	<b>579 058</b>	<b>-32 232</b>	<b>-834 615</b>	<b>-284 151</b>	<b>-756</b>	<b>-284 907</b>



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## Consolidated cash flow statement

Consolidated cash flow statement (KSEK)	Note	2024-01-01 – 2024-12-31	2023-01-01 – 2023-12-31
<b>Operating activities</b>			
Operating result		-91 354	-180 333
Adjustment for items not affecting cash flow	34	60 173	51 185
Interest received		-	433
Interest paid		-420	-4 379
Income tax paid		-307	-647
<b>Cash flow from operating activities before changes in working capital</b>		<b>-31 908</b>	<b>-133 741</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) in current receivables		-86 485	15 769
Increase (+)/Decrease (-) in current liabilities		-20 581	-40 954
<b>Cash flow from operating activities</b>		<b>-138 975</b>	<b>-158 926</b>
<b>Investing activities</b>			
Divestment of subsidiaries, net liquidity impact	34	-	752
Acquisition of intangible fixed assets	15	-16 240	-28 313
Acquisition of tangible assets	16	-	-146
Dividends from associated companies		44 500	21 988

Consolidated cash flow statement (KSEK)	Note	2024-01-01 – 2024-12-31	2023-01-01 – 2023-12-31
Investments and contributions to associated companies		-180 306	-104 750
<b>Cash flow from investing activities</b>		<b>-152 046</b>	<b>-110 469</b>
<b>Financing activities</b>			
Loan repayment		-	-88 209
Loans raised		197 729	394 687
Amortisation of leasing liabilities		-5 406	-2 389
Other financing items		-300	
<b>Cash flow from financing activities</b>		<b>192 023</b>	<b>304 089</b>
<b>Cash flow for the year</b>		<b>-98 998</b>	<b>34 694</b>
Cash and cash equivalents at beginning of year		121 201	86 638
Translation difference in cash and cash equivalents		820	-132
<b>Cash and cash equivalents at year-end</b>	<b>34</b>	<b>23 023</b>	<b>121 201</b>



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## Parent company income statement

Parent company income statement (KSEK)	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Net sales	2,3	17 435	14 612
Capitalized work on own account		1 239	649
Other operating income	4	1 764	887
<b>Total revenue</b>		<b>20 439</b>	<b>16 147</b>
Other external expenses	6,7	-41 044	-35 462
Personnel costs	8	-32 072	-33 059
Depreciation of intangible and tangible fixed assets	15,16	-204	-6 470
Other operating expenses	5	-1 426	-1 008
<b>Operating result</b>		<b>-54 307</b>	<b>-59 852</b>
<b>Financial income and expenses</b>			
Share of profit/loss of associated companies	9	-8 656	-9 728
Other interest income and similar items	10	9 774	48 478
Interest expense and similar items	11	-35 249	-28 846
<b>Profit/loss after financial items</b>		<b>-88 438</b>	<b>49 94 8</b>
Group contributions received/paid		-	12 108
Tax on profit for the year	12	-	-
<b>Net profit/loss for the year</b>		<b>-88 438</b>	<b>-37 840</b>

Parent company statement of comprehensive income (KSEK)	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Profit/loss for the year		-88 438	-37 840
Other comprehensive income		0	0
<b>Total comprehensive income for the year</b>		<b>-88 438</b>	<b>-37 840</b>

The comprehensive result is the same as this year's result.



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## Parent company balance sheet

Parent company balance sheet (KSEK)	Note	2024-12-31	2023-12-31
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible fixed assets	15	13 837	12 598
Tangible fixed assets	16	496	8 967
<b>Financial fixed assets</b>			
Shares in group companies	33	272 169	276 799
Shares in associated companies	18	5 493	5 154
Equity interests in other companies	19	3	3
Other long-term receivables	21	1 683	1 683
<b>Total financial fixed assets</b>		<b>279 348</b>	<b>283 639</b>
<b>Total fixed assets</b>		<b>293 682</b>	<b>305 204</b>
<b>Current assets</b>			
<b>Short-term receivables</b>			
Accounts receivable		6 816	8 181
Receivables from group companies		29 069	23 048
Receivables from associated companies	20	207	11
Other current receivables		848	2 303
Prepaid expenses and accrued income	22	5 471	6 236
<b>Total current receivables</b>		<b>42 410</b>	<b>39 779</b>
Cash and bank	34	6 491	19 769
<b>Total current assets</b>		<b>48 901</b>	<b>59 548</b>
<b>Total assets</b>		<b>342 583</b>	<b>364 752</b>



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Parent company balance sheet (KSEK)	Note	2024-12-31	2023-12-31
<b>Equity and liabilities (ksek)</b>			
<b>Equity</b>	<b>23</b>		
<b>Restricted equity</b>			
Share capital		3 638	3 638
Fund for development expenses		13 837	12 598
<b>Total restricted equity</b>		<b>17 475</b>	<b>16 236</b>
<b>Unrestricted equity</b>			
Share premium reserve		538 058	538 058
Conditional additional purchase price		41 000	41 000
Accumulated deficit		-375 419	-336 340
Result for the year		-88 438	-37 840
<b>Total unrestricted equity</b>		<b>115 201</b>	<b>204 878</b>
<b>Total equity</b>		<b>132 676</b>	<b>221 113</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	25	0	12
Accounts payables		4 188	1 796
Liabilities to credit institutions		75 000	20 000
Liabilities to group companies	30	84 356	101 419
Other current liabilities	27	916	2 762
Accrued expenses and deferred income	28	45 448	17 648
<b>Total current liabilities</b>		<b>209 907</b>	<b>143 638</b>
<b>Total equity and liabilities</b>		<b>342 583</b>	<b>364 751</b>

## Statement of changes in equity of the parent company

Statement of changes in equity of the parent company (KSEK)	Share capital	Fund for development expensed	Share premium reserve	Retained earnings*	Profit/loss for the year	Total Equity
<b>Opening equity 2023-01-01</b>	<b>3 638</b>	<b>11 949</b>	<b>538 058</b>	<b>-174 455</b>	<b>-120 237</b>	<b>258 953</b>
Transfer of previous year's result	-	-	-	-120 237	120 237	-
Development expense fund	-	649	-	-649	-	-
<b>Total comprehensive income for the year</b>						
Profit/loss for the year	-	-	-	-	-37 840	-37 840
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-37 840</b>	<b>-37 840</b>
<b>Closing equity 2023-12-31</b>	<b>3 638</b>	<b>12 597</b>	<b>538 058</b>	<b>-295 341</b>	<b>-37 840</b>	<b>221 113</b>
<b>Opening equity 2024-01-01</b>	<b>3 638</b>	<b>12 597</b>	<b>538 058</b>	<b>-295 341</b>	<b>-37 840</b>	<b>221 113</b>
Transfer of previous year's result	-	-	-	-37 840	37 840	-
Development expense fund	-	1 239	-	-1 239	-	-
<b>Total comprehensive income for the year</b>						
Profit/loss for the year	-	-	-	-	-88 438	-88 438
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-88 438</b>	<b>-88 438</b>
<b>Closing equity 2024- 12 -31</b>	<b>3 638</b>	<b>13 837</b>	<b>538 058</b>	<b>-334 419</b>	<b>-88 438</b>	<b>132 676</b>

\*The contingent consideration (SEK 41,000 thousand) was incorrectly reported as restricted equity in the parent company's balance sheet for the financial year 2023. This has been corrected this year and the contingent consideration is reported as unrestricted equity in the parent company's balance sheet, as of December 31, 2023 and December 31, 2024.



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## Parent company cash flow statement

Parent company cash flow statement (KSEK)	Note	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
<b>Operating activities</b>			
Operating result		-54 307	-59 852
Adjustments for items not affecting cash flow	34	10 623	19 749
Interest received		32	432
Interest paid		-303	-3 298
Income tax paid		-307	-647
<b>Cash flow from operating activities before changes in working capital</b>		<b>-44 261</b>	<b>-43 617</b>
<b>Changes in working capital</b>			
Increase/decrease in other current receivables		11 077	-275
Increase/decrease in other current liabilities		4 775	-49 373
<b>Cash flow from operating activities</b>		<b>-28 409</b>	<b>-93 265</b>
<b>Investing activities</b>			
Acquisition of subsidiaries and shareholder contributions		-5 558	-5 558
Acquisition of intangible assets	15	-1 239	-649
Acquisition of tangible assets	16	-	-86

Parent company cash flow statement (KSEK)	Note	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Acquisition and contributions to associated companies		-344	-13 437
<b>Cash flow from investing activities</b>		<b>-1 583</b>	<b>-19 730</b>
<b>Financing activities</b>			
Amortization of external loans		-	-88 209
External loans raised		55 000	20 000
Group contributions received		-	12 108
Intra-group loans		-38 286	110 029
<b>Cash flow from financing activities</b>		<b>16 714</b>	<b>53 928</b>
<b>Cash flow for the year</b>		<b>-13 278</b>	<b>-59 066</b>
Cash and cash equivalents at beginning of year		19 769	78 835
Translation difference in cash and cash equivalents		-	-
<b>Cash and cash equivalents at year-end</b>	<b>34</b>	<b>6 491</b>	<b>19 769</b>



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# NOTES TO THE CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS

## Note 1 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements, unless otherwise stated below.

### Compliance with standards and legislation

The group financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the EU. Furthermore, the Council for Financial Reporting's recommendation RFR 1, Supplementary Accounting Guidelines for Groups, has been applied. The accounting policies set out below have been applied in the preparation of the group's financial statements for the fiscal year 2024 and for the comparative year 2023.

### Functional and reporting currency

The functional currency of the parent company is the Swedish krona, which is also the reporting currency of the parent company and the Group. This means that the financial statements are presented in Swedish kronor. All amounts are rounded to the nearest

thousand unless otherwise stated.

### Changed Accounting Policies

Amendments to IFRS accounting standards, effective from January 1, 2024, have not had a material impact on the Group's financial reporting.

### New IFRS not yet applied

New and amended IFRS with future application are not expected to have any material effect on the consolidated and parent company financial statements.

### Consolidation principles and business combinations

#### *Subsidiaries*

Subsidiaries are companies that are under a controlling influence from Hexicon. Control exists if Hexicon has influence over the investee, is exposed to, or has rights to, variable returns from its involvement with the investee and can use its power over the investee to affect those returns. When assessing whether a controlling influence exists, potential voting shares and whether de facto control exists are taken into account.

#### *Associated companies*

Associated companies are entities over which the Group has significant influence, but not control, over the operating and financial policies, generally accompanying a shareholding of between 20% and 50% of the voting rights.

### Financial instruments

Financial instruments are measured and recognized in accordance with IFRS 9.

### Accounting and first valuation

Account receivables are recognized when they are issued. Other financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

## CLASSIFICATION AND SUBSEQUENT VALUATION

### Financial instruments

#### *Derivative instruments*

All derivative instruments are measured at fair value and recognized as either assets or liabilities in the balance sheet depending on whether the fair value of the instrument is positive or negative at the balance sheet date. The Group has only one derivative instrument relating to share options in connection with the acquisition of 73.7% of the shares of Munmubaram Co, Ltd.

The options for 70% of the shares in MunmuBaram Holding AB, entered into in July 2024, are classified as a short-term derivative liability under other current liabilities in the balance sheet. The options are measured at fair value through profit or loss in the financial statements.

### Parent company accounting policies

The parent company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The statements issued by the Swedish Financial Reporting Board for listed companies are also applied. RFR 2 means that the parent company in the annual report for the legal entity shall apply all IFRS and statements adopted by the EU as far as possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act and with regard to the relationship between accounting and taxation.

The recommendation sets out the exceptions and additions to be made to IFRS.

### Differences between Group and Parent Company accounting policies

The differences between the Group's and the Parent Company's accounting policies are set out below. The accounting policies of the parent company



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set out below have been applied consistently to all periods presented in the Parent Company financial statements.

## Classification and presentation formats

An income statement and a statement of profit or loss and other comprehensive income are presented for the parent company. For the Group, an income statement and a statement of profit or loss and other comprehensive income are also presented. Furthermore, for the parent company, the terms balance sheet and cash flow statement are used for the reports that, in the consolidated accounts, are titled statement of financial position and statement of cash flows, respectively. The income statement and balance sheet for the parent company are presented in accordance with the formats prescribed by the Swedish Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity, and the cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows, respectively. The differences between the parent company's reports and those of the Group mainly relate to the reporting of financial income and expenses, equity, and leasing.

## Subsidiaries, associated companies, and jointly controlled entities

Investments in subsidiaries, associated companies, and jointly controlled entities are accounted for in the Parent Company using the acquisition value method. This means that transaction costs are included in the carrying amount of investments in subsidiaries, associated companies, and jointly controlled entities. In the consolidated financial statements, transaction costs relating to subsidiaries are recognized directly in profit or loss as incurred.

## Financial instruments

The Parent Company has chosen not to apply IFRS 9 for financial instruments. However, some of the principles of IFRS 9 are still applicable, such as impairment, recognition/derecognition, and the effective interest method for interest income and

interest expense.

In the Parent Company, financial fixed assets are valued at acquisition cost less any impairment and financial current assets according to the lowest value principle. For financial assets carried at amortized cost, the impairment rules of IFRS 9 are applied.

## Leased assets

The Parent Company does not apply IFRS 16, in accordance with the exemption in RFR 2. As a lessee, lease payments are recognized as an expense on a straight-line basis over the lease term and thus rights of use and lease liabilities are not recognized in the balance sheet.

## Taxes

In the Parent Company, any untaxed reserves recognized in the balance sheet without a split between equity and deferred tax liabilities, unlike in the Group. Similarly, in the income statement of the parent company, no allocation is made of the portion of appropriations to deferred tax expense.

## Group contribution

Group contributions received and paid are recognized as appropriations according to the alternative rule.



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## Note 2 Revenue

### Revenue streams

Hexicon's business model consists of two business areas. These two are project development services, where Hexicon supports the customer in making construction investment decisions, and revenues from the sale of project shares.

In addition, the Group expects to generate license revenue in the future from the use of Hexicon's patented technology. In project development, invoices are issued on a monthly basis for time spent, while the larger revenues from project divestments are invoiced when agreed performance obligations have been met.

### Breakdown of revenue from contracts with customers

The breakdown of revenue from contracts with customers by main geographical markets, major product and service areas and timing of revenue recognition is summarized below.

	Group		Parent company	
Revenue includes sales from:	2024	2023	2024	2023
Services	9 845	5 714	17 435	14 612
Project rights	-	-	-	-
<b>Total</b>	<b>9 845</b>	<b>5 714</b>	<b>17 435</b>	<b>14 612</b>

	Revenue from external customers		Fixed assets	
Breakdown of revenue from contracts with customers	2024-12-31	2023-12-31	2024-12-31	2023-12-31
<b>Geographical market</b>				
Sweden	3 021	4 465	213 252	200 137
Europe	-	212	-	-
Asia	6 824	1 037	-	-
<b>Total</b>	<b>9 845</b>	<b>5 714</b>	<b>213 252</b>	<b>200 137</b>

Timing of revenue recognition	2024-12-31	2023-12-31
Goods and services recognized at a point in time	-	-
Goods and services recognized over time	9 845	5 714
<b>Total revenue from contracts with customers</b>	<b>9 845</b>	<b>5 714</b>
<b>Total external revenue</b>	<b>9 845</b>	<b>5 714</b>

Revenue from major customers	2024-12-31	2023-12-31
Customer A	31%	78%
Customer B	69%	18%

## Note 3 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Hexicon's CEO is the Group's chief operating decision maker. The company has identified one operating segment which represents the Group's operations as a whole. The assessment is based on the fact that the business as a whole is regularly reviewed by the management team as a basis for decisions on the allocation of resources and assessment of its performance. The chief operating decision maker is the function responsible for allocating resources and assessing the performance of the operating segments.



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## Note 4 Other operating income

	Group		Parent company	
Other operating income	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Government grants	3 665	3 502	-	-
Exchange gains on operating receivables/liabilities	1 785	576	1 764	576
Other services	73	344	-	311
<b>Total</b>	<b>5 523</b>	<b>4 422</b>	<b>1 764</b>	<b>887</b>

## Note 5 Other operating expenses

	Group		Parent company	
Other operating expenses	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Exchange rate losses on operating receivables/liabilities	-1 568	-1 067	-1 426	-1 008
<b>Total</b>	<b>-1 568</b>	<b>-1 067</b>	<b>-1 426</b>	<b>-1 008</b>

## Note 6 Fees to auditors

Audit assignment refers to the statutory audit of the annual and consolidated financial statements and accounting records and the administration of the Board of Directors and the CEO, as well as audits and other reviews carried out in accordance with agreements or contracts.

This includes other tasks that are incumbent on the company's auditor, as well as advice or other assistance arising from observations made during such an audit or the performance of such other tasks.

Group 2024-12-31	KPMG	MacIntyre Hudson	Others	Total
Audit assignments	1 168	600	-	1 768
Non-audit activities	409	-	-	409
Tax advice	36	-	-	36
Other services	313	-	-	313
<b>Total</b>	<b>1 926</b>	<b>600</b>	<b>-</b>	<b>2 526</b>

Group 2023-12-31	KPMG	MacIntyre Hudson	Others	Total
Audit assignments	1 652	463	-	2 115
Non-audit activities	118	-	-	118
Tax advice	-	-	188	188
<b>Total</b>	<b>1 770</b>	<b>463</b>	<b>188</b>	<b>2 422</b>



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Parent company	2024-12-31	2023-12-31	
Audit firm	KPMG	KPMG	Others
Audit assignments	1 168	1 612	-
Non-audit activities	409	118	-
Tax advice	36	-	188
Other services	313	-	-
<b>Total</b>	<b>1 926</b>	<b>1 730</b>	<b>188</b>

## Not 7 Lease agreements

### Leases where the company is the lessee

Leases where the company is the lessee The Group's property, plant and equipment consists of both owned and leased assets. The Group leases several types of office premises and car parks. None of the leases contain covenants or other restrictions beyond the security of the leased asset.

### Property leasing

The Group's leases for office premises mainly consist of non-cancellable periods of 5 years, which are extended for further periods of 3 years each time with an unchanged period of notice. If the Group does not terminate the lease, the lease is extended with 9 months' notice. For offices, the Group considers in the majority of cases that it is not reasonably certain that the leases will be extended beyond the initial period - i.e. the lease term is usually considered to be one period. Property leases do not include electricity, water, heating and other charges, only rent is included. Some of the Group's leases for office premises have a term of less than 12 months. These leases are short-term leases. The Group has chosen not to recognize any right-of-use asset or lease liability for these leases. Some leases contain lease payments that are based on changes in local price indices.

### Extension and termination options

Some leases contain extension and termination options that the Group can exercise or not exercise up to three months before the end of the non-cancellable lease term. Where practical, the Group endeavors to include such options in new leases because it contributes to operational flexibility. Whether or not it is reasonably certain that an extension option will be exercised is determined at the commencement date of the lease. The Group reassesses whether it is reasonably certain that an extension option will be exercised if there is a significant event or

significant change in circumstances that is within the Group's control.

### Other leasing contracts

The Group also leases car parks with a normal term of 3 months. For leases with a lease term of 12 months or less or with an underlying asset of low value, less than SEK 50 thousand, no right-of-use assets and lease liability are recognized. Lease payments for these leases are recognized as an expense on a straight-line basis over the lease term. The above cash outflow includes both amounts for leases recognized as lease liabilities and amounts paid for variable lease payments, short-term leases and low-value leases.

The following amounts related to leases are recognized in the consolidated balance sheet:

	Group	
Assets with right of use	2024-12-31	2023-12-31
<b>Opening acquisition value</b>	<b>13 085</b>	<b>13 021</b>
Terminated contracts	-953	-188
Assets held under operating leases	1 663	116
Translation difference	68	136
<b>Closing accumulated cost</b>	<b>13 863</b>	<b>13 085</b>
<b>Opening depreciation</b>	<b>-5 608</b>	<b>-2 531</b>
Terminated contracts	953	188
Translation difference	-46	11
Depreciation for the year	-6 112	-3 275
<b>Closing accumulated amortization</b>	<b>-10 813</b>	<b>-5 608</b>
<b>Closing net book value</b>	<b>3 050</b>	<b>7 477</b>



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## Group

The following amounts related to lease agreements are recognized in the consolidated income statement:	2024-12-31	2023-12-31
Depreciation of assets held under operating leases	-6 112	-3 275
Interest expense related to lease liabilities	-703	-535
Short-term leasing costs	-449	-345
The total cash flow for leases in 2024 amounts to SEK 5,435 thousand		

Change in lease liability, see note 34 for reconciliation of liabilities from financing activities.

## Lease agreements in the Parent Company

## Parent Company

Non-cancellable lease payments amount to:	2024-12-31	2023-12-31
Due for payment within 1 year	3 510	2 991
Due later than 1 but within 2 years	3 454	2 493
Due later than 2 years	-	2 925
<b>Total</b>	<b>6 963</b>	<b>8 410</b>

## Parent company

Expensed fees amount to:	2024-12-31	2023-12-31
Lease payments recognized as an expense	-3 974	-3 407

## Parent company

Amounts reported in the cash flow statement	2024-12-31	2023-12-31
Cash outflows related to lease payments	-2 997	-2 991

The above cash outflows include both amounts for leases recognised as lease liabilities and amounts paid for variable lease payments, short-term leases and low-value leases.

## Note 8 Employees and personnel costs

Average number of employees	2024		2023	
Parent company	Number of employees	Male	Number of employees	Male
Sweden	18	56%	20	71%
Total parent company	18	56%	20	71%
Subsidiaries				
England	6	67%	4	50%
USA	1	0%	1	0%
Spain	2	100%	3	94%
Total subsidiaries	9	67%	8	59%
Consolidated group	27	60%	28	68%
Consolidated group	27	60%	28	68%

Salaries and other remuneration, pension expenses and social security contributions for the Board of Directors, senior executives and other employees

	Group		Parent company	
Salaries, remunerations, social security contributions and pension expenses	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Salaries and remuneration of the Board of Directors and other senior executives	16 777	14 922	12 561	10 870
Salaries and remuneration of other employees	14 330	23 902	7 702	12 249
<b>Total</b>	<b>31 107</b>	<b>38 824</b>	<b>20 263</b>	<b>23 119</b>
Pension expenses for the Board of Directors and other senior executives	1 699	1 705	1 699	1 705
Pension expenses for other employees	1 991	2 267	1 493	2 024
Social security contributions according to law	8 319	8 959	7 164	7 565
<b>Total</b>	<b>12 008</b>	<b>12 931</b>	<b>10 356</b>	<b>11 294</b>

Board members and senior executives	2024	2023
<b>Number of Board members on the balance sheet date</b>		
Female	1	2
Men	4	4
<b>Total</b>	<b>5</b>	<b>6</b>
Number of CEOs and other senior executives		
<b>Female</b>	<b>1</b>	<b>1</b>
Men	7	6
Total	8	7
<b>Totalt</b>	<b>8</b>	<b>7</b>



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## Information regarding the remuneration of the Board and senior executives

2024	Basic salary, board fees	Variable remuneration <sup>1</sup>	Pension cost	Other remuneration <sup>3</sup>	Total
<b>Chairman of the Board of Directors</b>					
Bjarne Borg	315	-	-	-	315
<b>Board members</b>					
Lars Martinson	158	-	-	-	158
Mats Jansson	158	-	-	-	158
Mia Batljan	158	-	-	-	158
Göran Öfverström	158	-	-	-	158
<b>Senior executives</b>					
CEO	2 566	153	590	-	3 309
Other senior executives, <sup>72</sup>	9 681	558	1 109	3 820	15 167
<b>Total</b>	<b>13 192</b>	<b>711</b>	<b>1 699</b>	<b>3 820</b>	<b>19 421</b>

2023	Basic salary, board fees	Variable remuneration <sup>1</sup>	Pension cost	Other remuneration <sup>3</sup>	Total
<b>Chairman of the Board of Directors</b>					
Hans von Uthmann	300	-	-	-	300
<b>Board members</b>					
Bjarne Borg	150	-	-	-	150
Vivianne Holm	150	-	-	-	150
Mats Jansson	150	-	-	-	150
Mia Batljan	150	-	-	-	150
Lars H Martinsson	150	-	-	-	150
<b>Senior executives</b>					
CEO	2 325	140	502	5	2 971
Other senior executives, <sup>62</sup>	9 367	1 367	1 203	858	12 796
<b>Total</b>	<b>12 742</b>	<b>1 507</b>	<b>1 705</b>	<b>863</b>	<b>16 817</b>



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## Information regarding the remuneration of the Board and senior executives

1) Variable remuneration refers to the amount expensed for each financial year, which may differ from future amounts paid.

2) Other senior management consists of Chief Financial Officer, Chief Technology Officer, Chief Project Officer, Head of Communications, Managing Director UK / Ireland, Business Development Manager, Legal

3) Legal Counsel is new for this year. Two of the senior executives invoice as consultants and have invoiced SEK 3 820 (845) thousand during the year.

### Severance payments

The Chief Executive Director is entitled to six months' salary in the event of dismissal.

### Defined contribution pension plan

In Sweden, the Group has defined contribution pension plans for employees that are fully funded by the companies. Abroad, there are defined contribution plans which are partly funded by the subsidiaries and partly covered by contributions paid by the employees. Payments to these plans are made on an ongoing basis according to the rules of each plan. Costs for defined contribution plans correspond to recognized pension costs.

## Note 9 Income from participation in group companies

	Parent company	
Income from participation in group companies	2024	2023
Provision for financial receivables from subsidiaries	-4 024	-9 728
Impairment of investments in subsidiaries	-4 632	-
<b>Total</b>	<b>-8 656</b>	<b>-9 728</b>

Provision has been made for the receivable from the Spanish subsidiary Wunder Hexicon, the American subsidiary Hexicon USA and the Portuguese subsidiary Hexicon Portugal.

## Note 10 Financial income

	Group		Parent company	
Financial income	2024	2023	2023	2024
Dividend from associated companies	-	-	-	21 988
Interest income	7 741	433	2 376	9 190
Translation differences	18 983	55 687	7 399	16 794
Other financial income	0	669		505
<b>Total</b>	<b>26 723</b>	<b>56 789</b>	<b>9 774</b>	<b>48 478</b>
<i>Of which interest income from group companies</i>	-	-	2 271	8 758

## Note 11 Financial expenses

	Group		Parent company	
Financial expenses	2024	2023	2024	2023
Interest costs	-171 021	-33 274	-25 620	-28 268
Interest expenses attributable to lease liabilities	-703	-535	-	-
Translation differences	-14 804	-44 985	-2 725	-15 224
Derecognition/revaluation of derivative liability of convertible loan	-	17 242	-	17 242
Other financial charges	-7 485	-2 821	-6 904	-2 596
<b>Total</b>	<b>-194 013</b>	<b>-64 373</b>	<b>-35 249</b>	<b>-28 648</b>
<i>Of which interest expenses from group companies</i>	-	-	-12 222	-4 747



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## Note 12 Tax on profit for the year

	Group		Parent company	
Reported tax	2024	2023	2024	2023
Current tax for the year	-	-	-	-
Adjustment regarding previous years	-	-	-	-
Change in deferred tax related to temporary differences	396	431	-	-
Deferred tax regarding unrecognized loss carry-forwards	-	-	-	-
<b>Total</b>	<b>396</b>	<b>431</b>	<b>-</b>	<b>-</b>

	Group		Parent company	
Reconciliation of effective tax rate	2024	2023	2024	2023
Profit/loss before tax	-258 644	-187 917	-88 438	-37 840
Tax at current rate 20.6%	53 281	38 711	18 218	7 795
Effect of other rates for foreign subsidiaries	1 303	-30	-	-
Tax on non-deductible expenses	-54 326	-5 836	-8 078	-7 815
Tax on non-taxable income	1 748	3 893	1	8 422
Increase in loss carry-forwards without corresponding recognition of deferred tax liability	-1 611	-36 307	-10 141	-8 402
<b>Reported tax</b>	<b>396</b>	<b>431</b>	<b>-</b>	<b>-</b>
<b>Effective tax rate</b>	<b>-0,2%</b>	<b>-0,2%</b>	<b>0,0%</b>	<b>0,0%</b>

The Income tax on the Group's profit before tax differs from the theoretical amount that would have been computed using the weighted average tax rate applicable to the results of the consolidated entities as follows:

The Group has tax deductions for share issue costs which are recognized directly in equity.  
No deferred tax has been recognized for this.

The Group's loss carryforwards amount to SEK 403.0 (379.4) million. The Group's tax deficit has not been valued as the business is still under development and future earnings development is therefore uncertain. As these loss carry-forwards are attributable to Swedish legal entities, they have no expiry date.



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## Deferred tax assets and liabilities

Group	Deferred tax assets	Deferred tax liabilities	Net
<b>Deferred tax as of December 31, 2024</b>			
Fixed assets	122	-3 783	-3 661
<b>Tax assets/liabilities, net</b>	<b>122</b>	<b>-3 783</b>	<b>-3 661</b>

Group	Amount at beginning of year	Recognized in the income statement	Increase through business combinations	Translation difference	Amount at year-end
Change in deferred tax, 2024					
Fixed assets	-3 731	396	-	-326	-3 661
<b>Tax assets/liabilities, net</b>			<b>-</b>	<b>-326</b>	<b>-3 661</b>

Group	Deferred tax assets	Deferred tax liabilities	Net
<b>Deferred tax as of December 31, 2023</b>			
Fixed assets	115	-3 846	-3 731
<b>Tax assets/liabilities, net</b>	<b>115</b>	<b>-3 846</b>	<b>-3 731</b>

Group	Amount at beginning of year	Recognized in the income statement	Increase through business combinations	Translation difference	Amount at year-end
Change in deferred tax, 2023					
Fixed assets	-4 091	431	-	-71	-3 731
<b>Tax assets/liabilities, net</b>			<b>-</b>	<b>-71</b>	<b>-3 731</b>



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## Note 13 Earnings per share

The calculation of basic earnings per share is based on the consolidated profit for the year attributable to the Parent Company's owners and on the weighted average number of shares outstanding during the year. When calculating earnings per share after dilution, profit or loss and the average number of shares are adjusted to take account of the effects of dilutive potential ordinary shares.

Earnings per share before and after dilution (KSEK)	2024	2023
Profit/loss for the year attributable to the Parent Company's shareholders	-258 181	-187 332
Average number of outstanding ordinary shares	363 803	363 803
<b>Basic and diluted earnings per share</b>	<b>-0,71</b>	<b>-0,51</b>

To calculate the earnings per share, the weighted average number of outstanding ordinary shares is adjusted. See also note 23 Equity.

### Instruments that may have a future dilutive effect and changes after the balance sheet date

In February 2025, the company issued a warrant program to external lenders for a total of 40 422 521 warrants with an exercise price of SEK 0.375/share and a maturity of 12 months. If the entire program is exercised, it will result in a 10% dilution.

## Note 14 Business combinations

In 2024, 4 new companies have been opened. Two companies in Italy have been opened, AvenHex Dentice SRL and AvenHex Ricciola SRL, both of which are 50% owned by Hexicon Holding AB with the aim of transferring two of the Italian projects to their own project companies. MunmuBaram Holding AB, 100% owned by Hexicon Holding AB, was opened with the intention of taking over the remaining shares of MunmuBaram CO, Ltd as part of the purchase of the remaining shares of MunmuBaram CO, LTD in 2024. Freja Grid AB, a wholly owned company of Freja Offshore AB, was started in 2024, with the intention of being operated as a grid company for the Swedish projects.

In February 2024, a sale and purchase agreement (SPA) was signed to take over full ownership of MunmuBaram CO, LTD . According to the agreement, Hexicon would increase its company ownership from 20% to 100%. However, completion of the

transaction was subject to regulatory approval which was received in November 2024. In addition to the purchase price of USD 6.3 million (SEK 65.6 million) and USD 2.3 million (SEK 24.1 million) for the working capital of the company, the SPA includes a contingent consideration valued at USD 5.3 million. The contingent consideration has been measured at fair value by discounting the expected future cash flows at the current market interest rate, and management has made the judgement that the contingent consideration should constitute an equity instrument and thus not be revalued. The contingent consideration is valued at USD 5.3 million (SEK 58.1 million) and is a profit share that stipulates that Hexicon shall distribute part of the profit arising within 36 months from the signing of the SPA, in February 2024, from any future divestments of shares less any capital costs triggered by the divestments and less the initial purchase price for the shares and any future investments in the company after the signing of the purchase agreement.

The acquisition of the above remaining shares in MunmuBaram CO, LTD has taken place in the wholly owned company MunmuBaram Holding AB. In July 2024, the articles of association of Hexicon Holding AB, which owns MunmuBaram Holding AB, were amended, resulting in Hexicon losing its controlling influence over MunmuBaram Holding AB. Therefore, MunmuBaram Holding AB was reclassified as an associated company and hence the shares in MunmuBaram CO, LTD are classified as shares in associated companies despite 100% ownership. For more information see note 17.

In August 2022, Hexicon acquired 20% of MunmuBaram CO, Ltd, from the joint venture Hexicon Korea with a purchase price that included a contingent consideration. The fair value of the contingent consideration was calculated by discounting future expected cash flows. Management has made the judgement that the contingent consideration should be an equity instrument and therefore not revalued. The contingent consideration relates to a profit-sharing agreement valued at USD 3.9 million, SEK 41 million. The profit-sharing agreement stipulates that if the company sells 20% of the shares in MunmuBaram, the profit from the sale minus Hexicon's total capital investment (original purchase price plus remaining expenses by Hexicon) shall be distributed according to the ratio under the separate profit-sharing agreement.

As part of the acquisition of Wave Hub Ltd in July 2021, through Hexicon's wholly owned subsidiary TwinHub Ltd, the purchase agreement included two contingent earn-outs, one of which was paid in July 2022 and one of which remains in case the project reaches Final Investment Decision (FID).

The contingent earn-out will not be paid if the milestone is not reached. The opening balance in 2024 of the remaining contingent earn-out was SEK 11.5 million and the closing balance as of December 31, 2024 was SEK 12.9 million (GBP 0.9 million). The change is due to exchange rate fluctuations between SEK and GBP of SEK 0.9 million, a new estimated payment date of June 30, 2025 of SEK -0.5 million, and a change in the cost of capital to 14.0% of SEK 1.6 million. An increase/decrease in the cost of capital of +/- 2% would have resulted in a contingent consideration of SEK 12.8 million and SEK 13.0 million respectively.



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## Note 15 Intangible assets and impairment

### Impairment testing of intangible assets

On each balance sheet date, the Group assesses whether there is any indication of impairment of any of its intangible assets. If such indication exists, the asset's recoverable amount is calculated as the higher of its fair value, less costs to sell and its value in use. An impairment loss is recognized if the recoverable amount is less than the carrying amount and the impairment of the individual asset is deemed to be permanent.

### Goodwill

The assessment of the Group's goodwill is based on the recoverable amount of the smallest cash-generating unit, which for Hexicon is deemed to be its sub-groups. In the impairment testing of goodwill, Group management has based its evaluation on the value of the recoverable amount of the project and technology development. As of December 31, 2024, the Group's goodwill amounted to SEK 12,914 thousand (11,907), and is attributable to the UK sub-group TwinHub through its acquisition of Wave Hub Ltd.

### Research and development

Expenditure for research activities aimed at obtaining new scientific or technical knowledge is recognized as a cost when incurred.

Expenditure for development activities, where research findings or other knowledge are applied to create new or improved products or processes, is recognized as an asset in the statement of financial position, if the product or process is technically and commercially feasible and the entity has sufficient resources to complete the development and subsequently use or sell the intangible asset. The reported value includes all directly attributable expenses, e.g. for materials and services, employee benefits, registration of legal rights, depreciation of patents and licenses, loan expenses in accordance with IAS 23.

### Other intangible assets

The Group's other intangible fixed assets comprise expenditure related to patent rights and technology and project development expenses. The recovery value of the assets is based on the probability-adjusted cash flow expected to be generated over the life of the asset. When testing intangible assets for impairment, several key assumptions are made. The assumptions relate to access to financing, success in technical development, development cost and the level of commercialization of the Group's technical solutions. The Group's other intangible fixed assets amounted to SEK 172.8 (146.3) million as of December 31, 2024. There is no indication of impairment of other intangible assets at Group level.

### Depreciation principles

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, unless such useful life is indefinite. The period of use is reviewed at least annually. Goodwill and other intangible assets with indefinite useful life or that are not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. Intangible assets with determinable useful lives are depreciated from the date they are available for use.

The estimated useful lives are:

- Patent: 5–15 years
- Capitalized development expenditure: 5–15 years

- 1) Patent depreciation starts when the patent is granted
- 2) Depreciation of capitalized development expenditure begins when the technology or project is ready for commercialization.



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Group	Goodwill	Development expenditure	Patent and related rights	Total
<b>2023-01-01 - 2023-12-31</b>				
Opening accumulated acquisition value	11 733	118 658	26 576	156 967
Business combinations	-	-	-	-
Acquisitions		25 619	2 694	28 313
Disposals and retirements				-
Reclassification				-
Translation difference	174	414	350	938
<b>Closing accumulated acquisition value</b>	<b>11 907</b>	<b>144 691</b>	<b>29 620</b>	<b>186 218</b>
Opening accumulated amortization	-	-7 634	-2 680	-10 314
Depreciation	-	-	-2 336	-2 336
Disposals and retirements	-	-	-	-
Translation difference	-	22	25	47
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>-7 612</b>	<b>-4 991</b>	<b>-12 603</b>
Opening accumulated impairment	-	-15 400	-	-15 400
Disposals and retirements	-	-	-	-
Translation difference	-	-	-	-
<b>Closing accumulated impairment</b>	<b>-</b>	<b>-15 400</b>	<b>-</b>	<b>-15 400</b>
<b>Closing book value</b>	<b>11 907</b>	<b>121 679</b>	<b>24 630</b>	<b>158 215</b>

Group	Goodwill	Development expenditure	Patent and related rights	Total
<b>2024-01-01 - 2024-12-31</b>				
Opening accumulated cost	11 907	144 691	29 620	186 218
Business combinations	-	-	-	-
Acquisitions		16 240	2 372	18 612
Disposals and retirements				-
Reclassification				-
Translation difference	1 007	9 454	2 061	12 521
<b>Closing accumulated acquisition value</b>	<b>12 914</b>	<b>170 385</b>	<b>34 053</b>	<b>217 352</b>
Opening accumulated depreciation	-	-7 612	-4 991	-12 603
Depreciation	-		-2 993	-2 993
Disposals and retirements	-			-
Translation difference	-	-268	-334	-602
<b>Closing accumulated amortization</b>	<b>-</b>	<b>-7 880</b>	<b>-8 318</b>	<b>-16 198</b>
Opening accumulated impairment	-	-15 400	-	-15 400
Impairment	-	-	-	-
Disposals and retirements	-	-	-	-
Translation difference	-	-	-	-
<b>Closing accumulated impairment</b>	<b>-</b>	<b>-15 400</b>	<b>-</b>	<b>-15 400</b>
<b>Closing book value</b>	<b>12 914</b>	<b>147 105</b>	<b>25 735</b>	<b>185 754</b>

Parent company	Development expenditure	Patent and related rights	Total
<b>2023-01-01 - 2023-12-31</b>			
Opening accumulated acquisition value	27 350	-	27 350
Acquisitions	649	-	649
Disposals and retirements	-	-	-
Reclassification	-	-	-
Translation difference	-	-	-
Closing accumulated acquisition value	27 999	-	27 999
<b>Opening accumulated depreciation</b>	-	-	-
Depreciation	-	-	-
Disposals and retirements	-	-	-
Translation difference	-	-	-
Closing accumulated amortization	-	-	-
<b>Opening accumulated impairment</b>	<b>-15 400</b>	-	<b>-15 400</b>
Impairment	-	-	-
Disposals and retirements	-	-	-
Translation difference	-	-	-
<b>Closing accumulated impairment</b>	<b>-15 400</b>	-	<b>-15 400</b>
<b>Closing book value</b>	<b>12 598</b>	-	<b>12 598</b>

Parent company	Development expenditure	Patent and related rights	Total
<b>2024-01-01 - 2024-12-31</b>			
Opening accumulated acquisition value	27 999	-	27 999
Acquisitions	1 239	-	1 239
Disposals and retirements		-	-
Reclassification	-	-	-
Translation difference	-	-	-
Closing accumulated acquisition value	29 238	-	29 238
<b>Opening accumulated depreciation</b>	-	-	-
Depreciation	-	-	-
Disposals and retirements	-	-	-
Translation difference	-	-	-
Closing accumulated depreciation	-	-	-
<b>Opening accumulated impairment</b>	-15 400	-	-15 400
Impairment		-	-
Disposals and retirements	-	-	-
Translation difference	-	-	-
<b>Closing accumulated impairment</b>	-15 400	-	-15 400
<b>Closing book value</b>	13 837	-	13 837

## Note 16 Property, plant and equipment

Property, plant and equipment are recognized as assets in the balance sheet if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably.

### Depreciation principles

Depreciation according to plan on tangible fixed assets is based on the determined useful life. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, taking into account their residual values. The following depreciation periods are applied:

The estimated useful lives are:

- Machinery and other technical installations: 7 years
- Equipment, tools and installations: 5-10 years
- Buildings: 20-25 years

### Depreciation

An impairment loss is recognized when the carrying amount of an asset or cash-generating unit (group of units) exceeds its recoverable amount. An impairment loss is recognized as an expense in profit or loss.

Group	Buildings and land	Machinery and other technical equipment	Equipment, tools and installations	Total
<b>2023-01-01 - 2023-12-31</b>				
Opening accumulated cost	907	70 450	863	72 220
Business combinations	-	-	-	-
Acquisitions			146	146
Disposals and retirements	-	-	-	-
Reclassification	-	-	-	-
Translation difference	11	822	0	833
<b>Closing cost</b>	<b>918</b>	<b>71 272</b>	<b>1 009</b>	<b>73 199</b>



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Group	Buildings and land	Machinery and other technical equipment	Equipment, tools and installations	Total
Opening accumulated depreciation	-15	-16 353	-128	-16 497
Depreciation	-38	-10 452	-189	-10 679
Sales/transfers				-
Translation difference		34	1	35
<b>Closing accumulated depreciation</b>	<b>-53</b>	<b>-26 771</b>	<b>-316</b>	<b>-27 141</b>
Opening accumulated impairment		-	-	-
Impairment		-4 136	-	-4 136
<b>Disposals and retirements</b>		-	-	-
Translation difference		-	-	-
<b>Closing accumulated impairment</b>		<b>-4 136</b>	<b>-</b>	<b>-4 136</b>
<b>Closing book value</b>	<b>865</b>	<b>40 364</b>	<b>693</b>	<b>41 922</b>

Group	Buildings and land	Machinery and other technical installations	Equipment, tools and installations	Total
<b>2024-01-01 - 2024-12-31</b>				
Opening accumulated acquisition value	918	71 272	1 009	73 199
Business combinations	-	-	-	-
Acquisitions	-	-	-	-
Sales/transfers	-	-15 099	-	-15 099
Reclassification	-	-	-	-
Translation difference	62	4 749	7	4 818
<b>Closing cost</b>	<b>979</b>	<b>60 922</b>	<b>1 016</b>	<b>62 918</b>
Opening accumulated depreciation	-53	-26 771	-316	-27 141
Depreciation and depreciation	-38	-8 733	-197	-8 968
Sales/transfers		2 696		2 696
Translation difference		-2 005	-2	-2 008
<b>Closing accumulated depreciation</b>	<b>-91</b>	<b>-34 813</b>	<b>-515</b>	<b>-35 420</b>
Opening accumulated impairment		-4 136	-	-4 136
Impairment			-	-
Disposals and retirements		4 136	-	4 136
Translation difference		-	-	-
<b>Closing accumulated impairment</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing book value</b>	<b>888</b>	<b>26 109</b>	<b>502</b>	<b>27 498</b>

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Parent company	Buildings and land	Machinery and other technical installations	Equipment, tools and installations	Total
<b>2023-01-01 - 2023-12-31</b>				
Opening accumulated acquisition value	190	15 099	657	15 946
Acquisitions	-	-	86	86
Disposals and retirements	-	-	70	70
Reclassification	-	-	-	-
<b>Closing cost</b>	<b>190</b>	<b>15 099</b>	<b>813</b>	<b>16 102</b>
Opening accumulated depreciation	-15	-539	-79	-633
Depreciation	-38	-2 157	-137	-2 332
Disposals and retirements	-	-	-33	-33
Translation difference	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>-53</b>	<b>-2 696</b>	<b>-249</b>	<b>-2 998</b>
Opening accumulated impairment	-	-	-	-
Impairment	-	-4 136	-	-4 136
Disposals and retirements	-	-	-	-
Translation difference	-	-	-	-
<b>Closing accumulated impairment</b>	<b>-</b>	<b>-4 136</b>	<b>-</b>	<b>-4 136</b>
<b>Closing book value</b>	<b>137</b>	<b>8 267</b>	<b>564</b>	<b>8 967</b>

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Parent company	Buildings and land	Machinery and other technical installations	Equipment, tools and installations	Total
<b>2024-01-01 - 2024-12-31</b>				
Opening accumulated cost	190	15 099	813	16 102
Acquisitions	-	-	-	-
Sales/transfers	-	-15 099	-	-15 099
Reclassification	-	-	-	-
<b>Closing cost</b>	<b>190</b>	<b>-</b>	<b>813</b>	<b>1 003</b>
Opening accumulated depreciation	-53	-2 696	-249	-2 998
Depreciation	-38	-	-166	-204
Sales/transfers	-	2 696	-	2 696
Translation difference	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>-91</b>	<b>-</b>	<b>-415</b>	<b>-506</b>
Opening accumulated impairment	-	-4 136	-	-4 136
Impairment	-	-	-	-
Disposals and retirements	-	4 136	-	4 136
Translation difference	-	-	-	-
<b>Closing accumulated impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing book value</b>	<b>99</b>	<b>-</b>	<b>398</b>	<b>496</b>

## Note 17 Group's interests in associated companies and joint ventures

Businesses	Form	Seat/Country	Classification	Ownership share
Hexicon Power S.A	Joint venture	Greece	Non-current asset	50
AvenHexicon S.R.L.	Joint venture	Italy	Current asset	50
AvHex Dentice SRL	Joint venture	Italy	Current asset	50
AvHex Ricciola SRL	Joint venture	Italy	Current asset	50
Munmu Baram Co, Ltd*	Associated companies	South Korea	Current asset	100
Hexicon Korea Co, Ltd	Associated companies	South Korea	Non-current asset	49
EWS Co, Ltd	Associated companies	South Korea	Current asset	29
Hexagon Ocean Energies Ltd	Associated companies	Mauritius	Non-current asset	20
Wavehub Grid Connection Ltd	Associated companies	United Kingdom	Current asset	50
MunmuBaram Holding AB*	Associated companies	Sweden	Current asset	100
Freja Offshore AB	Joint venture	Sweden	Current asset	50
Mareld Green Energy AB	Joint venture	Sweden	Current asset	50
Passad Green Energy AB	Joint venture	Sweden	Current asset	50
Dyning Green Energy AB	Joint venture	Sweden	Current asset	50
Freja Grid AB	Joint venture	Sweden	Current asset	50
Offshore Access Sweden AB	Associated companies	Sweden	Non-current asset	23
Hexicon Taiwan CO., Ltd	Associated companies	Taiwan	Non-current asset	50
Genesis Hexicon (Ply) Ltd	Joint venture	South Africa	Current asset	50

\*MunmuBaram Co, Ltd is owned partly through a direct holding of 26.3% and through an indirect holding of 73.7% via the wholly owned associated company MunmuBaram Holding AB. MunmuBaram Holding AB is a holding company that only manages shares in the associated company MunmuBaram Co.

\*During the year, Hexicon Holding AB acquired an additional 6.3% in MunmuBaram CO, LTD through a private placement and Hexicon's direct holding in the company increased from 20% to 26.3%.

In November 2024, Hexicon acquired the remaining shares (73.7%) in MunmuBaram CO, LTD via the wholly owned company MunmuBaram Holding AB. In July 2024, the articles of association of Hexicon Holding AB, which owns MunmuBaram Holding AB, were amended, resulting in Hexicon losing its controlling interest in MunmuBaram Holding AB. Therefore, MunmuBaram Holding AB was reclassified as an associated company and hence the shares in MunmuBaram CO, LTD are classified as shares in associated companies despite 100% ownership.



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As a project developer focused on the early stage of the development cycle, Hexicon's business model is to divest the projects before they reach the start of construction, with no intention of being the ultimate asset holder during operation. Although the development cycles for infrastructure projects are long and span many years, Hexicon's view is that the projects are held for sale within their operating cycle and should be classified as current assets. The table above shows the classification for each company.

The summarized IFRS financial information, fair value adjustments (acquisitions) and adjustments to the Group's accounting policies are detailed below.

Freja Offshore AB	2024-12-31	2023-12-31
<b>Summary of comprehensive income</b>		
<b>Net sales (100%)</b>	<b>129 279</b>	<b>-</b>
Profit after tax (100%)	88 923	-53 509
<i>of which depreciation 0 (0)</i> <i>of which interest income 0 (0)</i> <i>of which interest expenses 0 (0)</i> <i>of which tax expense/income (0)</i>		
Other comprehensive income (100%)	-	-
<b>Total comprehensive income 100%</b>	<b>88 923</b>	<b>-53 509</b>
<b>Group share of comprehensive income (50%)</b>	<b>44 462</b>	<b>-26 754</b>
<b>Recognized value</b>	<b>44 462</b>	<b>-26 754</b>
<b>Condensed balance sheet</b>		
Fixed assets (100%)	25	-
Current assets (100%):	152 868	28 015
<b>of which cash and cash equivalents 754 (6 260) KSEK</b>		
Long-term liabilities (100%):	-	-
Current liabilities (100%):	-121 662	-3 111
<b>of which financial current liabilities 648 (3 432) KSEK</b>		

Freja Offshore AB	2024-12-31	2023-12-31
<b>Net assets (100%)</b>	<b>31 231</b>	<b>24 904</b>
Group share of net assets (50.0%)	15 616	12 452
<b>Recognized value</b>	<b>15 616</b>	<b>12 452</b>

Hexicon Korea Co., Ltd. (formerly CoensHexicon Co.,Ltd)	2024-12-31	2023-12-31
<b>Summary of comprehensive income</b>		
Net sales (100%)	4 231	-
Profit after tax (100%)	-470	-18 009
<i>of which depreciation 46 (48) KSEK</i> <i>of which interest income 660 (42) KSEK</i> <i>of which interest expenses 9 (0) KSEK</i> <i>of which tax expense/income (0 KSEK)</i>		
<b>Other comprehensive income (100%)</b>	<b>-758</b>	<b>-</b>
<b>Total comprehensive income 100%</b>	<b>-1 228</b>	<b>-18 009</b>
<b>Group share of comprehensive income (49%)</b>	<b>-602</b>	<b>-8 824</b>
<b>Recognized value</b>	<b>-602</b>	<b>-8 824</b>
<b>Condensed balance sheet</b>		
Fixed assets (100%)	3 471	2 803
Current assets (100%):	19 556	20 663
<b>of which cash and cash equivalents 14 871 (19 723) KSEK</b>		
Long-term liabilities (100%):	-9	-112
<b>of which non-current financial liabilities 0 (0)</b>		
Current liabilities (100%):	-2 977	2 084



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Hexicon Korea Co., Ltd. (formerly CoensHexicon Co.,Ltd)	2024-12-31	2023-12-31
of which financial current liabilities 1 734 (1 364) KSEK		25 439
<b>Net assets (100%)</b>	<b>20 042</b>	<b>25 439</b>
<b>Group share of net assets (49.0%)</b>	<b>9 820</b>	<b>5 088</b>
<b>Recognized value</b>	<b>9 820</b>	<b>5 088</b>

AvHex Dentice SRL	2024-12-31	2023-12-31
<b>Summary of comprehensive income</b>		
Net sales (100%)	-	-
Profit after tax (100%)	-	-
Other comprehensive income (100%)	-	-
<b>Total comprehensive income 100%</b>	<b>-</b>	<b>-</b>
<b>Group share of comprehensive income (50%)</b>	<b>-</b>	<b>-</b>
<b>Recognized value</b>	<b>-</b>	<b>-</b>
<b>Fixed assets (100%)</b>	<b>5 571</b>	<b>-</b>
Current assets (100%):	-	-
Long-term liabilities (100%):	-	-
Current liabilities (100%):	-	-
<b>Net assets (100%)</b>	<b>5 571</b>	<b>-</b>
Group share of net assets (50.0%)	2 785	-
<b>Recognized value</b>	<b>2 785</b>	<b>-</b>

AvHex Ricciola SRL	2024-12-31	2023-12-31
<b>Summary of comprehensive income</b>		
Net sales (100%)	-	-
Profit after tax (100%)	-	-
Other comprehensive income (100%)	-	-
<b>Total comprehensive income 100%</b>	<b>-</b>	<b>-</b>
<b>Group share of comprehensive income (50%)</b>	<b>-</b>	<b>-</b>
<b>Recognized value</b>	<b>-</b>	<b>-</b>
<b>Condensed balance sheet</b>		
Fixed assets (100%)	5 892	-
Current assets (100%):	-	-
Long-term liabilities (100%):	-	-
Current liabilities (100%):	-	-
<b>Net assets (100%)</b>	<b>5 892</b>	<b>-</b>
Group share of net assets (50.0%)	2 946	-
<b>Recognized value</b>	<b>2 946</b>	<b>-</b>



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Munmu Baram Co., Ltd

MunmuBaram Holding AB

Munmu Baram Co., Ltd

Direct holding (26.3%)

MunmuBaram Holding AB (100%) direct  
holding. Munmu Baram Co.,Ltd (73.7%)

Direct holding (20%)



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Munmu Baram Co., Ltd	2024-12-31	2024-12-31	2023-12-31
<b>Net sales (100%)</b>	<b>3 891</b>	<b>3 891</b>	<b>-</b>
Profit after tax from continuing operations (100%)	-40 152	-53 962	-229 271
Profit after tax from discontinued operations (100%)	-	-	-
Results for the period (100%)	-40 152	-53 962	-229 271
Other comprehensive income (100%)	-12 796	-13 163	-
<b>Total comprehensive income</b>	<b>-52 947</b>	<b>-67 125</b>	<b>-229 271</b>
<b>Group share of comprehensive income in KSEK</b>	<b>-14 420</b>	<b>-52 130</b>	<b>-45 854</b>
<b>Condensed balance sheet</b>			
Fixed assets (100%)	160 482	160 482	20 663
Current assets (100%)	120 952	120 959	1 685
Holdings without best influence	-	-71 301	-
Long-term liabilities (100%):	-	-	-
Current liabilities (100%):	-10 325	-108 801	-51 185
<b>Net assets</b>	<b>271 108</b>	<b>101 339</b>	<b>-28 837</b>
<b>Group's share in %</b>	<b>26,3%</b>	<b>100,0%</b>	<b>20%</b>
Group share in KSEK	71 301	101 339	-5 767
Goodwill	40 818	-	-
<b>Recognized value</b>	<b>112 120</b>	<b>101 339</b>	<b>-5 767</b>

## Note 18 Parent company interests in associated companies and joint ventures

Businesses	Form	Registered Country	Ownership share
Genesis Hexicon (Pty) Ltd	Joint venture	South Africa	50
Hexicon Korea Co, Ltd	Associated companies	South Korea	49
Offshore Access Sweden AB	Associated companies	Sweden	23
Hexicon Power S.A.	Joint venture	Greece	50
Hexagon Ocean Energies Ltd	Associated companies	Mauritius	20

	Associated companies		Joint ventures		Total	
Parent company	2024-12-31	2023-12-31	2024-12-31	2023-12-31	2024-12-31	2023-12-31
<b>Accumulated cost of acquisition</b>						
Opening balance at beginning of year	3 594	144 445	1 582	39 722	5 176	184 167
Acquisitions	-	-	-	-	-	-
New issue	-	4 130	-	-	-	4 130
Divestment	-	-103 981	-	-47 644	-	-151 625
Shareholders' contributions paid	338	-	-	9 504	338	9 504
Repaid shareholder contributions	-	-	-	-	-	-
Conditional additional purchase price	-	-41 000	-	-	-	-41 000
<b>Closing balance 31 December</b>	<b>3 932</b>	<b>3 594</b>	<b>1 582</b>	<b>1 582</b>	<b>5 514</b>	<b>5 176</b>
<b>Accumulated impairment losses</b>						
Opening balance at beginning of year	-22	-22	-	-	-22	-22
New issue	-	-	-	-	-	-
Impairment losses for the year	-	-	-	-	-	-
<b>Closing balance 31 December</b>	<b>-22</b>	<b>-22</b>	<b>-</b>	<b>-</b>	<b>-22</b>	<b>-22</b>
<b>Recognized value</b>	<b>3 910</b>	<b>3 572</b>	<b>1 582</b>	<b>1 582</b>	<b>5 493</b>	<b>5 154</b>



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## Not 19 Ownership interests in other companies

Ownership interest in other companies	Registered Country	Ownership share
Highland Wind Limited	United Kingdom	10

	Group		Parent company	
Ownership interests in other companies	2024-12-31	2023-12-31	2024-12-31	2023-12-31
<b>Accumulated cost of acquisition</b>				
Opening balance at beginning of the year	3	19	3	13
Purchasing	-	-	-	-
Business combinations	-	-	-	-
Divestment	-	-16	-	-11
<b>Closing balance December 31st</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Accumulated revaluations</b>				
<b>Opening balance at beginning of the year</b>				
Revaluations for the year	-	-	-	-
<b>Closing balance December 31st</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated impairment losses</b>				
Opening balance at beginning of the year	-	-	-	-
Impairment losses for the year	-	-	-	-
Reclassification	-	-	-	-
<b>Closing balance December 31st</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Recognized value</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>



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## Note 20 Receivables from associated companies

	Group		Parent company	
Receivables from associated companies	2024-12-31	2023-12-31	2024-12-31	2023-12-31
At the beginning of the year	6 658	-	-	-
New loans	4 828	6 658	-	-
Conversion of loans into shareholder contributions	-5 743	-	-	-
<b>Closing balance December 31st</b>	<b>5 743</b>	<b>6 658</b>	<b>-</b>	<b>-</b>
<b>Recognized value</b>	<b>5 743</b>	<b>6 658</b>	<b>-</b>	<b>-</b>

	Group		Parent company	
Receivables from associated companies, reported as current assets	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Beginning of the year	4 017	1 113	11	1 113
New loans issued	88 866	2 904	205	11
Conversion of loans to shareholder contributions	-4 006	-	-	-1 113
<b>Closing balance as of December 31</b>	<b>88 877</b>	<b>4 017</b>	<b>205</b>	<b>11</b>
<b>Reported carrying amount</b>	<b>88 877</b>	<b>4 017</b>	<b>205</b>	<b>11</b>

## Note 21 Long-term receivables

	Group		Parent company	
Non-current receivables that are fixed assets	2024-12-31	2023-12-31	2024-12-31	2023-12-31
At the beginning of the year	1 683	1 683	1 683	1 683
<b>Closing balance as of December 31st</b>	<b>1 683</b>	<b>1 683</b>	<b>1 683</b>	<b>1 683</b>

Non-current receivables relate to deposits paid and bank guarantees.

## Note 22 Prepaid expenses and accrued income

	Group		Parent company	
Prepaid expenses and accrued income	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Financing fees	-	1 167	-	1 167
Accrued interest income	9 068	-	3 786	1 442
Other prepaid expenses	2 581	3 608	1 685	3 627
<b>Total</b>	<b>11 649</b>	<b>4 774</b>	<b>5 471</b>	<b>6 236</b>

## Note 23 Equity capital

Thousands of shares	2024	2023
Common share		
Issued as of January 1st	363 803	363 803
New issue	-	-
Issued as of December 31st - paid	363 803	363 803

As at December 31, 2024, the registered share capital consisted of 363,802,686 common shares (363,802,686) with a nominal value of SEK 0.01 (0.01).

### The Group

#### Translation reserve

The translation reserve includes all translation differences that arise when translating financial reports from foreign operations that have drawn up their financial reports in a currency other than the currency in which the group's financial reports are presented. The parent company and the group present their financial reports in Swedish kronor.

### Parent company

#### Restricted funds

Restricted funds may not be reduced by the distribution of profits.

#### Fund for development expenditure

The amount capitalized in respect of internally generated development expenditure shall be transferred from unrestricted equity to the development expenditure fund in restricted equity. The fund shall be reduced as the capitalized expenditure is amortized or impaired.

#### Unrestricted equity

The following funds, together with the profit for the year, constitute unrestricted equity, i.e. the amount available for distribution to shareholders.

#### Share premium account

When shares are issued at a premium, i.e. more is paid for the shares than their quota value, an amount equal to the amount received in addition to the quota value of the shares shall be transferred to the share premium fund.

#### Retained earnings

Retained earnings consist of the previous year's retained earnings and profit after deduction of dividends paid during the year.

## Note 24 Provisions

A provision differs from other liabilities in that there is uncertainty about the timing or amount of the payment to settle the provision. A provision is recognized in the statement of financial position when there is an existing legal or constructive obligation resulted from a past event, and it is probable that an outflow of financial resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are made with the amount that is the best estimate of the amount required to settle the existing obligation at the balance sheet date. Where the effect of the timing of payments is material, provisions are calculated by discounting the expected future cash flow at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks associated with the liability.

### Long-term provisions Group

Group 2023	Rehabilitation of projects	Other provisions	Total
Amount at beginning of year January 1st, 2023	32 574	157	32 731
Provisions for the year	-	-	-
Business acquisitions	-	-	-
Regulated provision	-	-	-
Reclassification	-348	348	-
Translation difference	476	-	476
<b>Closing balance December 31, 2023</b>	<b>32 702</b>	<b>505</b>	<b>33 207</b>

Group 2024	Rehabilitation of projects	Other provisions	Total
Amount at beginning of year January 1st, 2024	32 702	505	33 207
Provisions for the year	-	-	-
Business acquisitions	-	-	-
Regulated provisioning	-	-320	-320
Reclassification	-	-	-
Translation difference	2 765	-	2 765
<b>Closing balance December 31, 2024</b>	<b>35 467</b>	<b>185</b>	<b>35 652</b>

### Restoring projects

Project restoration is a commitment to restore the water area in Cornwall, England where the Group is developing the TwinHub project. There is a risk that security for this provision will be required within 12 months.

### Other provisions

Other provisions consist of negative profit share in associated companies. The group then has a commercial commitment in the associated company's loss.

## Note 25 Interest-bearing liabilities

The following provides information on the contractual terms of the entity's interest-bearing liabilities. For more information on the entity's exposure to interest rate risk and foreign currency risk, see note 30.

Short-term interest-bearing liabilities include the current portion of the loan from Nuveen and the revolving credit facility. There is also a long-term portion of the loan to Nuveen. All interest rates are considered fixed.

In July 2023, Hexicon entered into an agreement for a credit facility of up to SEK 75 million that was fully utilised by December 31, 2024. The credit facility complements the project development loan of EUR 45 million from Nuveen that was also entered



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into in 2023, also fully utilised at year-end. Long-term interest-bearing loans of SEK 1,584 (1,530) thousand refer to loans attributable to the Spanish subsidiary Hexicon Renewable Energy Spain.

The facility entered with Nuveen, of up to EUR 45 million, has an early repayment option for a certain fee that changes over time. Hexicon has made the assessment that the early repayment option is an embedded derivative linked to the loan agreement and thus recognises a loan liability at amortized cost based on expected cash flows. Expected net short-term payments of cash flows are recognized as the current portion of non-current liabilities. The loan and its interest are valued at amortised cost with assumptions on future cash flows from project divestments

The loan is subject to a number of covenants. Hexicon and Nuveen are in continuous discussions regarding how market conditions—such as project divestitures, declined permit applications, and project acquisitions—as well as Hexicon's financial situation, affect the loan and its covenants.

	Group		Parent company	
Interest-bearing liabilities	2024-12-31	2023-12-31	2024-12-31	2023-12-31
<b>Long-term liabilities</b>				
Long-term interest-bearing liabilities	569 437	73 537	-	-
Non-current portion of lease liabilities	-	4 802	-	-
<b>Total non-current liabilities</b>	<b>569 437</b>	<b>78 339</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Short-term interest-bearing liabilities	184 356	306 253	75 000	20 012
Short-term portion of lease liabilities	3 347	3 113	-	-
<b>Total current liabilities</b>	<b>187 703</b>	<b>309 366</b>	<b>75 000</b>	<b>20 012</b>

Terms and repayment terms 2024 (KSEK)	Currency	Interest rate	Decay	Nominal value	Recognized value
Long-term interest-bearing liabilities	EUR	37,84%	1 to 6 years	567 853	567 853
Long-term interest-bearing liabilities	EUR	0,00%	1 to 9 years	1 584	1 584
Short-term interest-bearing liability	EUR	37,84%	Within 1 year	109 356	109 356
Short-term interest-bearing liability	SEK	17,41%	Within 1 year	75 000	75 000
Short-term leasing debt	SEC	6,00%	Within 1 year	3 347	3 347

<b>Total interest-bearing liabilities</b>		<b>757 140</b>	<b>757 140</b>
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Terms and repayment terms 2023 (KSEK)	Currency	Interest rate	Decay	Nominal value	Recognized value
Long-term interest-bearing liabilities	EUR	13,65%	1 to 6 years	72 007	72 007
Long-term interest-bearing liabilities	EUR	0,00%	1 to 9 years	1 530	1 530
Long-term lease liabilities	SEC	3,00%	1 to 5 years	4 802	4 802
Short-term interest-bearing debt	EUR	13,65%	Within 1 year	286 237	286 237
Short-term interest-bearing debt	SEC	15,60%	Within 1 year	20 017	20 017
Short-term leasing debt	SEC	3,00%	Within 1 year	3 113	3 113

<b>Total interest-bearing liabilities</b>		<b>387 705</b>	<b>387 705</b>
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## Note 26 Other long-term liabilities

Group 2024	Conditional purchase price	Prepaid government project grants	Other loan liabilities	Total
Balance on January 1st	-	13 857	-	13 857
Additional liabilities	-	2 595	-	2 595
Business acquisitions	-	-	-	-
Settled liabilities	-	-3 665	-	-3 665
Recognized in income statement	-	-	-	-
Reclassification to current liabilities	-	-	-	-
Translation difference	-	995	-	995
<b>Balance on December 31st</b>	<b>-</b>	<b>13 781</b>	<b>-</b>	<b>13 781</b>

Group 2023	Conditional purchase price	Prepaid government project grants	Other loan liabilities	Total
Balance on January 1st	-	16 486	-	16 486
Additional liabilities	-	-	-	-
Business acquisitions	-	-	-	-
Settled liabilities	-	-3 368	-	-3 368
Recognized in the income statement	-	-	-	-
Reclassification to current liabilities	-	559	-	559
Translation difference	-	179	-	179
<b>Balance on December 31st</b>	<b>-</b>	<b>13 857</b>	<b>-</b>	<b>13 857</b>



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## Note 27 Other current liabilities

### Conditional purchase price

Contingent consideration consists of the contractual purchase price from the acquisition of Wave Hub, see note 15

Other current liabilities	Group		Parent company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Employee-related liabilities for taxes and fees	2 682	2 817	2 682	2 762
VAT liabilities	-	700	-	-
Conditional purchase price	13 047	11 385	-	-
Other liabilities	2 341	3 478	-	-
Other receivables	-	-	-1 766	-
<b>Total</b>	<b>18 070</b>	<b>18 380</b>	<b>916</b>	<b>2 762</b>

## Note 28 Accrued expenses and deferred income

Accrued expenses and deferred income	Group		Parent company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Accrued salaries and fees	2 214	1 529	2 214	1 573
Accrued holiday pay	2 906	3 152	2 906	3 152
Social security contributions	1 609	1 484	1 609	1 484
Accrued administrative expenses	3 052	1 942	3 052	1 970
Accrued project costs	5 780	14 254	591	-
Accrued interest expense	18 106	4 722	35 076	9 470
<b>Total</b>	<b>33 667</b>	<b>27 084</b>	<b>45 448</b>	<b>17 648</b>



## Note 29 Financial assets and liabilities

The table below shows the reported values and the fair values of the group's financial assets and financial liabilities, including their level in the valuation hierarchy.

### Calculation of fair value

According to IFRS 13, information must be provided per level in the hierarchy to which the valuations at fair value are attributed in their entirety (Level 1, 2 or 3). Below follows a summary description of each level.

Level 1: financial instruments valued by quoted prices in an active market for identical instruments.

Level 2: financial instruments not included in Level 1 where the fair value is based as far as possible on observable market data.

Level 3: financial instruments for which the significant inputs are not based on observable market data.

The items that have been subject to fair value measurement are an unlisted shareholding and conditional purchase price, all instruments belonging to level 3 of the valuation hierarchy. For the unlisted shareholding, the cost is a reasonable approximation of the fair value at the balance sheet date and the current inputs provided by the management company. The contingent consideration has been calculated as the present value of the amounts that the Group expects to pay out under the acquisition agreement, see note 14.

The share options are classified in the consolidated balance sheet as a current derivative liability under other current liabilities in the balance sheet. The options are measured at fair value through profit or loss in the financial statements. The purchase price has been used to calculate the fair value in 2024. The option liability is discounted at 15% WACC and the applied probability of being in the money is 0%, at the end of 2024. The derivative liability has been valued at SEK 0.0 million as of December 31, 2024.

Group 2024	Carrying amount			Fair value			
	Valued at fair value	Valued at accrued acquisition cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets valued at fair value</b>							
Financial investments, participating interests in other companies	3	-	3	-	-	3	3
<b>Financial liabilities measured at fair value</b>							
Conditional purchase price	13 047	-	13 047	-	-	13 047	13 047

Group 2023	Carrying amount			Fair value			
	Valued at fair value	Valued at accrued acquisition cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets valued at fair value</b>							
Financial investments, participating interests in other companies	3	-	3	-	-	3	3
<b>Financial liabilities measured at fair value</b>							
Conditional purchase price	11 385	-	11 385	-	-	11 385	11 385

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#### Group

Financial assets not recognized at fair value	2024-12-31	2023-12-31
<b>Financial assets</b>		
Long-term receivables	1 694	1 683
Receivables from affiliated companies	94 621	10 675
Accounts receivable	493	679
Cash and cash equivalents	23 023	121 201
<b>Total</b>	<b>119 831</b>	<b>134 238</b>

#### Group

Financial liabilities not recognized at fair value	2024-12-31	2023-12-31
<b>Financial liabilities</b>		
Long-term interest-bearing liabilities	569 437	73 537
Short-term interest-bearing liabilities	184 356	306 253
Accounts payables	6 676	6 354
Liabilities to affiliated companies	15 299	10 000
Accrued expenses to suppliers	8 832	16 196
<b>Total</b>	<b>784 600</b>	<b>412 340</b>

#### Reconciliation of fair values in level 3

The table below presents a reconciliation between the opening and closing balances of financial instruments measured at Level 3.

Group 2023	Financial investments	Conditional purchase price	Derivative debt
<b>Fair value as of January 1, 2023</b>	<b>19</b>	<b>-12 113</b>	<b>-19 905</b>
<b>Total recognized gains and losses:</b>			
Recognized in profit or loss for the year <sup>1</sup>	-	908	-
Proceeds from sales	-16	-	-
Repayment of convertible	-	-	19 905
Translation difference	-	-180	-
<b>Fair value as of December 31, 2023</b>	<b>3</b>	<b>-11 385</b>	<b>-</b>

Group 2024	Financial investments	Conditional purchase price	Derivative debt
<b>Fair value as of January 1, 2024</b>	<b>3</b>	<b>-11 385</b>	<b>-</b>
<b>Total recognized gains and losses:</b>			
Recognized in profit or loss for the year <sup>1</sup>	-	-700	-
Translation difference	-	-962	-
<b>Fair value as of December 31, 2024</b>	<b>3</b>	<b>-13 047</b>	<b>-</b>

1) There are no unrealized gains or losses on financial investments.

# Note 30 Financial risks and management

Through its operations, the Group is exposed to various types of financial risks, which are described below.

## Framework for financial risk management

The group's financial policy for managing financial risks has been designed by the board and forms a framework of guidelines and rules in the form of risk mandates and limits for financial operations. Responsibility for the group's financial transactions and risks is managed centrally. The group's financial risks are managed by the group's finance function within the parent company. The overall objective of the finance function is to provide cost-effective financing and to minimize negative effects on the group's results arising from market risks. The head of the central finance function is the CFO who reports to the CEO.

## Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market prices. According to IFRS, market risk is categorized into currency risk, interest rate risk and other price risks. Hexicon is affected by both currency risk and interest rate risk, but also by prices of raw materials such as electricity. Changes in electricity prices and input goods such as steel indirectly affect Hexicon by affecting future cash flows in projects.

The group's objective is to manage market risks within established parameters and at the same time optimize the result of risk-taking within given frameworks.

The parameters are determined with the aim that market risks in the short term (6-12 months) should only marginally affect the group's results and position. In the longer term, however, will be lasting changes in exchange rates, interest rates and electricity prices have an impact on the consolidated result.

## Interest rate risk

Interest rate risk refers to the risk that the group is negatively affected by changes in the interest rate level, as a result of changes in the general interest rate situation and in instruments that run with a fixed interest rate due to changes in market values. The group's exposure to interest rate risk arises mainly through external loans and possible negative interest on deposits in cash and cash equivalents. The group's funding sources consist of equity and credit facilities. Interest bearing borrowing means that the group is exposed to an interest rate risk, see note 26 Interest-bearing liabilities.

## Currency risk

Currency risk is the risk that the fair values and cash flows of financial instruments will fluctuate because of changes in the value of foreign currencies.

Currency risk	Impact on profit/loss after tax		Impact on equity, net after tax	
	Increase	Decrease	Increase	Decrease
EUR/SEK - change by 10%	66 859	-66 859	66 859	-66 859
GBP/SEK - change by 10%	2 570	-2 570	2 570	-2 570
USD/SEK - change by 10%	3 245	-3 245	3 245	-3 245

Project development during the year was mainly in projects financed in USD, SEK and GBP, financed by loans in EUR, which is an ongoing currency exposure.

## Sensitivity analysis of currency risk

The Group is exposed to currency risk on transactions in EUR, GBP and USD. When payment is received, the currency is exchanged to SEK, which is the functional currency of the parent company.

The table below shows how a reasonably possible change in the SEK against these currencies as of December 31, 2024, would affect the valuation of financial instruments denominated in a foreign currency and its impact on equity and profit or loss. The sensitivity analysis assumes that all other factors (e.g. interest rates) remain unchanged.

## Translation difference exposure of foreign subsidiaries

The Group has a translation difference exposure that arises from the translation of foreign subsidiaries' results and net assets into SEK on the balance sheet date. The translation difference exposure in GBP amounts to SEK -94,528 (-45,869) thousand. 10% stronger SEK against GBP would have a positive impact on equity of approximately SEK 9,453 thousand. The translation difference exposure in USD, amounts to SEK -31,930 (-27,945) thousand. 10% stronger SEK against USD would have a positive impact on equity of approximately SEK 3,193 thousand. The translation exposure in EUR, amounts to SEK -14,178 (-12,390) thousand. 10% stronger SEK against EUR would have a positive impact on equity of about SEK 1,418 thousand.



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## Reserve for expected credit losses

### Expected credit losses for individual customers

The credit risk exposure and expected credit losses for trade receivables for individual customers are summarized below.

	2024-12-31		2023-12-31	
Expected credit losses for individual customers	Reported value, gross	Loss reserves	Reported value, gross	Loss reserves
Not overdue	493	-	679	-
Past due 1-30 days	-	-	-	-
Past due > 31-60 days	-	-	-	-
Past due > 61-90 days	-	-	-	-
Past due > 90 days	-	-	-	-
<b>Total</b>	<b>493</b>	<b>-</b>	<b>670</b>	<b>-</b>

## Credit risk in cash and cash equivalents

The Group has cash and cash equivalents of SEK 23,023 (121,201) thousand on December 31st. For cash and cash equivalents, banks and financial institutions are counterparties.

The impairment of cash and cash equivalents has been measured as an expected loss on a 12-month basis and reflects the short maturities of the exposure. The Group's exposure to credit risk is limited to the credit risk of deposits with banks with high credit ratings, meaning that the Group considers that there is no significant credit risk, and therefore no provision for credit risk is recognized. The Group uses a similar approach to assessing expected credit losses for cash and cash equivalents as those used for debt instruments.

Parent company	2024	2023
<b>Impairment losses on assets are recognized in profit or loss as follows</b>		
Impairment losses on receivables	-	-
Impairment of receivables from subsidiaries	-4 024	-9 728
Impairment of shares in subsidiaries	-4 632	-
<b>Total</b>	<b>-8 656</b>	<b>-9 728</b>

## Capital management

The objective of the Group's capital structure is to provide good returns to shareholders, benefits to other stakeholders and to maintain an optimal capital structure to keep the cost of capital at a reasonable level. The capital structure can be adjusted according to the needs arising from, for example, investment in the business, repayment of debt or dividends to shareholders. As the business stands today, investments in the business are a priority for the group.

## Liquidity and refinancing risk

The company's short- and long-term financing is under pressure, and Hexicon needs to secure additional funding to meet its short- and long-term obligations. Several processes are currently underway, including external financing and project divestments. The divestment of the project in Italy, which was completed after the balance sheet date, is not sufficient on its own to cover the short-term obligations and needs to be complemented by the successful completion of additional processes. If these processes cannot be finalized in line with the expectations of the Board and management, there are material uncertainties regarding the company's ability to finance its ongoing operations. However, based on the efforts currently being made, the company believes that there are conditions in place to continue as a going concern.

Cash and cash equivalents for the Group amounted to SEK 23 (121) million at the end of the period. Financial liabilities at year-end amounted to SEK 785 (412) million, the increase is mainly linked to new loans raised to finance existing projects. Management and the Board have made the assessment that additional financing and/or internally generated funds are needed within 6 months and that this is feasible.



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## Liquidity Risk

Group 2024	Currency	Nominal amount original currency	< 1 month	1-3 months	3 months-1 year	1-5 years	> 5 years
Conditional purchase price	GBP	942			13 047		
Long-term interest-bearing liabilities	SEK	567 853				567 853	
Long-term interest-bearing liabilities	EUR	138				714	816
Other long-term liabilities	EUR	564				6 477	
Other long-term liabilities	GBP	528				7 305	
Short-term interest-bearing liabilities	SEK	3 352			3 352		
Accounts payables	SEK	4 716	4 716				
Accounts payables	GBP	78	1 087				
Accounts payables	EUR	69	794				
Accounts payables	USD	7	78				
Liabilities to associated companies	SEK	15 299	15 299				
Accrued expenses to suppliers	SEK	3 108		3 108			
Accrued expenses to suppliers	GBP	412		5 703			
Accrued expenses to suppliers	EUR	2		21			



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## Liquidity Risk

Group 2023	Currency	Nominal amount original currency	< 1 month	1-3 months	3 months-1 year	1-5 years	> 5 years
Conditional purchase price	GBP	886			11 385		
Long-term interest-bearing liabilities	SEC	72 007				72 007	
Long-term interest-bearing liabilities	EUR	138				737	842
Other long-term liabilities	EUR	338				3 754	
Other long-term liabilities	GBP	791				10 103	
Short-term interest-bearing liabilities	SEC	306 253			306 253		
Account payables	SEC	2 093	2 093				
Account payables	GBP	322	4 106				
Account payables	EUR	3	32				
Account payables	USD	12	122				
Liabilities to associated companies	SEC	10 000	10 000				
Accrued expenses to suppliers	SEC	1 982		1 982			
Accrued expenses to suppliers	GBP	1 044		13 327			
Accrued expenses to suppliers	EUR	80		887			

Other financial liabilities, see note 25 Interest-bearing liabilities.



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# Note 31 Related party transactions

## Related parties

The Group has a related party relationship with its associated companies (note 17) and the Parent Company has a related party relationship with its subsidiaries (note 18).

Group	Year	Sales of goods/services to related parties	Purchases of goods/services from related parties	Other (e.g. interest, dividends)	Receivable from related parties as of December 31	Debt to related parties as of December 31
<i>Related party relationship</i>						
Associated companies	2024	9 845	-	44 540	94 621	15 299
Associated companies	2023	5 495	-	21 988	6 658	10 000

Group	Year	Sales of goods/services to related parties	Purchases of goods/services from related parties	Other (e.g. interest, dividends)	Receivable from related parties as of December 31	Debt to related parties as of December 31
<i>Related party relationship</i>						
Subsidiary	2024	7 590	-	-	26 727	-101 916
Subsidiary	2023	8 974	-	-	10 063	-101 419

Transactions with related parties are priced on market terms. Two of the members of the management team invoice their fees, which amount to SEK 3,820 (676) thousand in 2024. In an associated company in the Group, a board member of the associated company has received remuneration for other assignments of SEK 3,685 (0) thousand. The board member has left the assignment as of Q3 2024.

# Note 32 Pledged assets, contingent liabilities and other commitments

In the Group, pledged assets amounted to SEK 2 thousand (2), consisting of rental deposits. As part of the Nuveen transaction, the shares in Hexicon Holding AB (carrying amount SEK 269,840 thousand), which owns the project companies for MunmuBaram (carrying amount SEK 288,455 thousand), Freja Offshore (carrying amount SEK 52,057 thousand), TwinHub (carrying amount SEK 0 thousand), and AvenHexicon (carrying amount SEK 8,562 thousand), have been pledged as collateral for Nuveen's development loan. Similarly, the shares in Freia Offshore (carrying amount SEK 2,329 thousand), Hexicon Korea (carrying amount SEK 3,572 thousand), and the project companies for the Scottish Pentland (carrying amount SEK 3 thousand) and South African Gagasi (carrying amount SEK 0 thousand) projects have been pledged as collateral for the revolving credit facility.



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## Note 33 Group companies

### Ownership in subsidiaries

Subsidiary / Organization number / Registered office	Number of shares	Percentage of ownership %		Carrying amount	
		2024-12-31	2023-12-31	2024-12-31	2023-12-31
Freia Offshore AB/556837-4630/Stockholm, Sweden	500	100	100	2 295	2 295
Hexicon North America, LLC/Delaware,USA	100	100	100	-	-
Highland Floating Winds Ltd./SC675148/Edinburgh/UK	100	100	100	-	-
TwinHub Ltd/13262476/Devon/UK	1	-	-	-	-
Hexicon Developments UK Ltd/13658274/Devon/UK	1	100	100	-	-
Hexicon Renewable Energy Spain/B76183490/Las Palmas/Spain	65 000	95	95	-	4 632
TwinWay AS /928754359/Kristiansand/Norway	-	-	100	-	32
Hexicon Holding AB/559428-2781/ Stockholm, Sweden	25 000	100	100	269 840	269 840
HAB IBERIA Development SL/ N0302982D/Las Palmas/Spain	1 000	100	-	34	-
Hexicon Portugal LDA/516866451/Funchal/Portugal	1 000	-	95	-	11

Parent company	2024	2023
<b>Accumulated acquisition value</b>		
At the beginning of the year	276 833	2 146
Reclassification from associated companies	-	-
Acquisitions during the year	34	273 792
Divestments during the year	-32	-1 265
Shareholders' contribution paid	-	2 160
Repaid shareholder contribution	-	-
<b>Closing balance December 31</b>	<b>276 835</b>	<b>276 833</b>



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Parent company	2024	2023
<b>Accumulated revaluations</b>		
At the beginning of the year	-	-
Revaluations for the year	-	-
<b>Closing balance December 31</b>	-	-
<b>Accumulated impairment losses</b>		
At the beginning of the year	-34	-745
Reclassifications from associated companies	-	-
Divestments during the year	-	711
Impairment losses for the year	-4 632	-
Reversal of previous impairment losses	-	-
<b>Closing balance December 31</b>	<b>-4 666</b>	<b>-34</b>
<b>Carrying amount as of December 31</b>	<b>272 169</b>	<b>276 799</b>

## Note 34 Specifications for cash flow statement

	Group		Parent company	
Cash and cash equivalents	2024-12-31	2023-12-31	2024-12-31	2023-12-31
<b>The following sub-components are included in cash and cash equivalents:</b>				
Cash and bank balances	23 023	121 201	6 491	19 769
Receivables from the Group account at the Parent Company	-	-	-	-
<b>Total as reported in the statement of financial position</b>	<b>23 023</b>	<b>121 201</b>	<b>6 491</b>	<b>19 769</b>
<b>Total as reported in the statement of cash flow</b>	<b>23 023</b>	<b>121 201</b>	<b>6 491</b>	<b>19 769</b>

Adjustments for items not included in the cash flow statement	Group		Parent company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
<b>Depreciation and impairments</b>	<b>18 072</b>	<b>20 427</b>	<b>204</b>	<b>6 470</b>
Change in accrued interest	-15 595	-18 262	8 420	-
Provisions change	-505	-	-	-
Gain on sale of asset	-	198	-	198
Share of profit in associated companies	14 593	82 503	-	-
Dividends from associated companies	-	-21 988	-	-
Impairment of participation in associated companies	-	-	4 630	-
Group contribution received	-	-	-	12 108
Translation differences	43 287	-9 814	- 2 631	973
Other	321	-1 880	-	-
<b>Total</b>	<b>60 173</b>	<b>51 185</b>	<b>10 623</b>	<b>19 749</b>



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Change in liabilities from financing activities	Interest-bearing liabilities	Leasing debt	Other loan liabilities	Total
<b>The Group</b>				
<b>Opening balance 2023</b>	<b>70 563</b>	<b>10 120</b>	<b>-</b>	<b>80 683</b>
<i>Cash flows from financing activities</i>				
- Loan issued	394 687	-	-	394 687
- Loan repayment	-88 209	-	-	-88 209
- Dividends from associated companies	-	-	-	-
- Amortization of lease debt	-	-2 389	-	-2 389
<b>Total cash flows from financing activities</b>	<b>306 478</b>	<b>-2 389</b>	<b>-</b>	<b>304 089</b>
<i>Other changes not affecting cash flows</i>				
Translation differences	-16 128	68	-	-16 060
Change in lease contracts	-	116	-	116
Net effect on equity	-	-	-	-
Change in amortized cost	-1 016	-	-	-1 016
Redemption convertible	14 196	-	-	14 196
Interest on convertible	5 697	-	-	5 697
Transfers, etc.	-	-	-	-
<b>Total other changes</b>	<b>2 748</b>	<b>184</b>	<b>0</b>	<b>2 932</b>
<b>Closing balance 2023</b>	<b>379 790</b>	<b>7 915</b>	<b>-</b>	<b>387 704</b>

Change in liabilities from financing activities	Interest-bearing liabilities	Leasing debt	Other loan liabilities	Total
<b>Opening balance 2024</b>	<b>379 790</b>	<b>7 915</b>	<b>-</b>	<b>387 704</b>
<i>Cash flows from financing activities</i>				
- Loan issued	197 429	-	-	197 429
- Loan repayment	-	-	-	-
- Amortization of lease debt	-	-5 406	-	-5 406
<b>Total cash flows from financing activities</b>	<b>197 429</b>	<b>-5 406</b>	<b>-</b>	<b>192 022</b>
<i>Other changes not affecting cash flows</i>				
Translation differences	15 028	42	-	15 070
Change in lease liabilities	-	886	-	886
Net effect on equity	-	-	-	-
Interest on Nuveen	161 504	-	-	161 504
<b>Total other changes</b>	<b>176 532</b>	<b>881</b>	<b>-</b>	<b>177 413</b>
<b>Closing balance 2024</b>	<b>753 750</b>	<b>3 389</b>	<b>-</b>	<b>757 140</b>



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Change in liabilities from financing activities	Interest-bearing liabilities	Total
<b>Parent company</b>		
<b>Opening balance 2023</b>	<b>68 316</b>	<b>68 316</b>
<i>Cash flows from financing activities</i>		
- Loan issued	20 000	20 000
- Loan repayment	-88 209	-88 209
- Amortization of lease debt	-	-
<b>Total cash flows from financing activities</b>	<b>-68 209</b>	<b>-68 209</b>
<i>Other changes not affecting cash flows</i>		
Translation differences	-	-
Change in derivative liability	14 196	14 196
Interest/ revaluation for the year convertible	5 697	5 697
Change in other current liabilities	12	12
<b>Total other changes</b>	<b>19 905</b>	<b>19 905</b>
<b>Closing balance 2023</b>	<b>20 012</b>	<b>20 012</b>
<b>Opening balance 2024</b>	<b>20 012</b>	<b>20 012</b>
<i>Cash flows from financing activities</i>		
- Loan issued	55 000	55 000
- Loan repayment	-	-
- Amortization of lease debt	-	-
<i>Other changes not affecting cash flows</i>		
Translation difference	-	-
Change in leasing contracts	-	-

Change in liabilities from financing activities	Interest-bearing liabilities	Total
Net effect on equity	-	-
Change in derivative liability	-	-
Transfers, etc.	-12	-12
<b>Total other changes</b>	<b>54 988</b>	<b>54 988</b>
<b>Closing balance 2024</b>	<b>75 000</b>	<b>75 000</b>



## Note 35 Proposal for allocation of profits

The following profit allocation is at the disposal of the Annual General Meeting (KSEK) 2024		2024-12-31
Share premium reserve		538 058
Retained earnings		-334 419
Profit/loss for the year		-88 438
<b>Total</b>		<b>115 201</b>
The Board of Directors proposes that the available profits be allocated so that		-422 857
Profit/loss are carried forward		538 058
Of which to share premium reserve		115 201
<b>Total</b>		<b>115 201</b>

## Note 36 Post-balance sheet event

- In January 2024, Hexicon's joint venture Freja Offshore was granted a Natura 2000 permit for its project Mareld on the Swedish west coast.
- On February 11th, 40,422,521 warrants were issued with an exercise price of SEK 0.375 per share. The warrant program has a duration of 12 months and would result in a maximum dilution of 10% at full exercise. The program is part of the extension of the SEK 75 million credit facility that expired on December 31, 2024, and was extended to June 30, 2025.
- On March 26th, Hexicon entered into a Sale and Purchase Agreement to divest its entire 50% ownership in two of its projects in Italy, Sicily South and Sardinia Northeast, to Ingka Investments and Oxan Energy. As payment for this, Hexicon will receive up to a total of EUR 20 million paid out over 2 future milestones, of which EUR 2.5 million will be paid out immediately upon signing.

## Note 37 Significant Estimates and Assumptions

Management has discussed the development, selection and disclosure of the Group's significant accounting policies and estimates, and the application of those policies and estimates.

### Important assessments when applying the group's accounting principles

Some important accounting judgments made when applying the group's accounting principles are described below.

### Capitalized development expenditure

Development expenditure on the Group's floating wind power technology is capitalized based on assumptions that the technology will gain market share. Management has taken into account that the industry is characterized by conservatism and the new floating technology competes with the more established onshore and offshore wind power and other renewable energy sources. At the same time, the benefits of floating wind power have been increasingly recognized by industry players, politicians and the media.

Expenditure attributable to project development in offshore wind power is capitalized based on assumptions about being able to realize project shares.

Projects will require additional capital injections from investors to realize value. The willingness to invest will be influenced by the development of market prices for renewable energy, access to subsidies and other pricing mechanisms. In this respect, the electrification of society and the green transition in recent years show that the market for renewable energy is growing. In addition, several policy initiatives have been taken at national and continental levels to promote investment in renewable energy.

The Board of Directors and the CEO believe that Hexicon's technology solution will be part of the future of energy production and generate revenue streams.

### Key sources of uncertainty in estimates

#### *Key sources of uncertainty in estimates*

Hexicon's technology is continuously developed and improved, and the development of the Group's generation 2 platform is still in an early phase. Product development in the wind power industry is complex and it is difficult to predict both the time and financial consequences of individual investments. There is a risk that planned product development will require more time and investment than estimated or that investments will not fulfil Group management's expectations and assumptions,



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which could have a negative impact on the Group's future earnings. Furthermore, the current or future development of products or technologies may also prove to have hidden defects, the consequences of which may materialize in the future and thus affect the Group's ongoing operations and financial position.

Group management has made assumptions about market conditions and the fulfilment of set targets. When making assessments, there are underlying uncertainties as to whether the judgements will prove to be correct in the future if, for example, market conditions and targets are not met.

Group management is convinced that there is a high probability that projects will be realized and that the technology is competitive. On this basis, an impairment test has been carried out and the assessment is that there is no further need for impairment at year-end.

### Contingent consideration in Equity

The calculation of the contingent consideration at fair value related to the acquisition of the shares of the associated company MunmuBaram Co. in 2022 was done by discounting future expected cash flows related to the contingent consideration. In addition, management applied judgement in determining that the fair value of the contingent consideration at the date of acquisition of the shares should be presented in equity and consequently not remeasured on an ongoing basis.

The initial purchase price amounted to USD 7.7 million, of which 50% has been paid at the time of acquisition and 50% was paid in August 2023. The contingent consideration relates to the profit sharing agreement with the seller Hexicon Korea Co, Ltd which is valued at SEK 41.1 million (USD 3.9 million).

The profit-sharing agreement provides that, if Hexicon sells part or all of the 20% holding in MunmuBaram Co., Ltd, the profit from the sale less Hexicon's total capital investment (initial purchase price plus residual expenses of Hexicon) shall be distributed according to the ratio under separate profit sharing agreement.

The calculation of the contingent consideration at fair value related to the acquisition of the remaining 80% of the shares in the associate MunmuBaram Co. in 2024 was done by discounting future expected cash flows related to the contingent consideration. In addition, management has applied judgement in determining that the fair value of the contingent consideration at the date of acquisition of the shares should be presented in equity and therefore not remeasured on an ongoing basis.

The initial purchase price was USD 6.3 million (65.6) and USD 2.3 million (24.1) for the working capital of the company. The contingent consideration relates to the profit sharing agreement with the seller Shell Overseas Investments B.V., which is valued at USD 58.1 million (USD 5.3 million)

The contingent consideration is a profit share, which stipulates that Hexicon shall distribute part of the profit arising within 36 months from the signing of the SPA, in

February 2024, from any future disposals of shares less any capital costs triggered by the disposals and less the initial purchase price of the shares and any future investments in the company after the signing of the purchase agreement, and capped at USD 50 million.

### Valuation of loans

Hexicon has entered into a loan agreement of up to 45 MEUR, via Nuveen, which can be utilized until May 2029, to finance specified projects. The entire loan is drawn. Hexicon has the option and to some extent the obligation to prepay/repay 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 linked to the loan agreement and thus recognizes a loan liability at amortized cost based on expected cash flows. Expected net short-term payments of cash flows are recognized as the current portion of non-current liabilities. The loan and its interest are valued at amortised cost with assumptions on future cash flows from project divestments.

## Note 38 Information on the parent company

Hexicon AB (publ) is a Swedish registered limited liability company with its registered office in Stockholm. The address of the head office is Östra Järnvägsgatan 27, 111 20, Stockholm, Sweden.

The consolidated financial statements for the year 2024 comprise the parent company and its subsidiaries, together referred to as the group. The Group also includes the owned share of the investments in associated companies.

## Note 39 Definitions of key figures

**Revenue** – Main operating revenue, invoiced expenses and revenue adjustments

**Profit after financial items** – Profit after financial income and expenses, but before taxes.

**Cash and cash equivalents** – Cash and cash equivalents at the end of the period. Information is taken from the statement of financial position.

**Balance sheet total** – The operation's total assets at the end of the period

**Equity ratio (%)** – Adjusted equity as a percentage of total assets.

**Average number of employees** – Average number of employees during the reporting period



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## Certification by the Board of Directors

The Board of Directors and the Managing Director certify that the annual report has been prepared in accordance with good accounting practice in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

The annual report and the consolidated report give a fair picture of the parent company's and the group's position and results. The management report for the parent company and the group respectively provides a fair overview of the development of the Parent Company's and the Group's operations, financial position and results of operations and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm,

Bjarne Borg,  
**Chairman of the Board**

Lars Martinsson,  
**Board Member**

Mats Jansson,  
**Board Member**

Göran Öfverström,  
**Board Member**

Mia Batljan,  
**Board Member**

Marcus Thor,  
**Chief Executive Officer**

*Our auditor's report was submitted as indicated by our electronic signature.*

KPMG AB.

Fredrik Wollmann,  
**Authorized Auditor**

As stated above, the annual report and consolidated accounts have been approved for issue by the Board of Directors and the CEO on April 9th, 2025.

The annual report and the consolidated report give a fair picture of the parent company's and the group's position and results. The management report for the parent company and the group respectively provides a fair overview of the development of the parent.

*This English version of the Annual Report is a translation of the original Swedish version. In the event of any discrepancies or differences in interpretation, the Swedish version shall prevail. The Swedish version has been reviewed and audited.*



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