

Hexicon and Glennmont Partners enter long-term development financing agreement of up to EUR 45 million – to accelerate project pipeline and make early repayment of convertible loans

Hexicon AB, through its subsidiary Hexicon Holding AB (“Hexicon”) has entered into a development financing agreement of up to EUR 45 million with Glennmont Partners (“Glennmont”), one of Europe’s largest fund managers focusing exclusively on investments in clean energy infrastructure, as lender (the “Agreement”). Hexicon intends to use the proceeds to fund the development of its project pipeline and to carry out early repayment of Hexicon’s outstanding convertible loans (the “Convertible Loans”). The facility will enable Hexicon to optimize value creation of its project pipeline and provide long-term financial flexibility. The Agreement is a solution which provides for the specific needs of Hexicon as a growing developer, while providing Glennmont’s institutional investors with a foothold in the critical and rapidly growing floating offshore wind sector.

“We are pleased to have secured a new loan facility that will propel our growth journey to the next level. This agreement offers us the financial flexibility needed to effectively develop our project pipeline and optimize the divestment of selected projects at the best possible time and terms. With this solution, we are not only achieving our growth goals but also fully repaying the outstanding convertible loan from November 2022”, says Marcus Thor, CEO of Hexicon.

“Glennmont Partners is delighted to be partnering with Hexicon in financing its large and geographically diversified offshore wind project pipeline, which reflects our continued conviction in the growth of the offshore wind sector globally. We believe the development financing agreement has potential to deliver strong value to our clients through exposure to this critically important sector, and in developing promising growth markets with a well-established developer in Hexicon”, says Francesco Cacciabue, CFO and Partner of Glennmont Partners.

The Agreement in short

The loan, totalling up to EUR 45 million, is divided into the following uses:

- Up to EUR 35 million, to fund the development of Hexicon's project pipeline.
- Up to EUR 10 million, for general corporate purposes and fully repaying the outstanding Convertible Loans.

Use of proceeds

The main part of the facility will be used to fund the development of Hexicon’s project portfolio, enabling Hexicon to maintain its position as a global leader in floating offshore wind and accelerate its next phase of development and expansion.

Up to a maximum of EUR 35 million is available to fund the development of the projects:

- TwinHub, in the UK
- MunmuBaram, a project in South Korea under a JV with Shell
- AvenHexicon, a pipeline in Italy under a JV with Avapa Energy
- Freja Offshore, a pipeline in Sweden under a JV with Mainstream Renewable Power, including Mareld Green Energy AB

Up to a maximum of EUR 10 million will be drawn down in a single tranche with the intention to repay the outstanding Convertible Loans at the next possible occasion in accordance with the terms of the Convertible Loans, which is 25 August 2023. Upon receipt of the loan amount under this tranche, Hexicon will, in accordance with the terms of the Convertible Loans, send a notice on early repayment to each convertible holder recorded in the Company's central securities depository register. Any remaining amount will be used for general corporate purposes.

Terms and conditions

- The loan bears a fixed base interest rate (payable at sale events), with a provision for a balanced upside sharing should certain projects achieve valuations in line with targets.
- The loan is subject to the satisfaction of industry and customary conditions.
- Full repayment at the maturity date 31 May 2029, with a possible extension.
- Possible repayment of loan, in part or in full at any time at the option of Hexicon.
- Hexicon Holding AB is the borrower under the Agreement with Hexicon AB as guarantor.
- The loans are secured by the shares, including all property and all other rights deriving from the shares, in Hexicon Holding AB (which is the legal owner of Hexicon AB's interests in TwinHub (UK), AvenHexicon (IT), MunmuBaram (KR), Freja Offshore (SE) and Mareld Green Energy AB (SE)), pledged by Hexicon AB to Glennmont.

About Glennmont

Glennmont Partners is one of Europe's largest fund managers focusing exclusively on investment in clean energy infrastructure. The company raises long-term capital to invest in alternative power generation projects, such as wind farms, biomass power stations, solar parks and small-scale hydro power plants. Glennmont is wholly owned by leading, global asset manager, Nuveen – a TIAA company with c. US\$ 1.1 trillion in assets under management. Glennmont has been in operation for over 15 years and has raised over EUR 4 billion in capital from investors to date.

Advisors

SNOW, who is specialized in raising financing and development support for early-stage renewable projects acted as financial advisor and Eversheds acted as legal advisor to Hexicon in connection with the transaction.

Orrick's UK based Energy and Infrastructure practice acted as legal advisor to Glennmont on the transaction.

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About Hexicon

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

www.hexicongroup.com

This information is information that Hexicon AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-05-31 09:22 CEST.

Attachments

[Hexicon and Glennmont Partners enter long-term development financing agreement of up to EUR 45 million – to accelerate project pipeline and make early repayment of convertible loans](#)