hexicon

INTERIM REPORT

JAN–MAR 2025

EXECUTIVE SUMMARY

The offshore wind power market is showing encouraging signs of recovery in early 2025, following several years of headwinds that led to project delays and the withdrawal of major oil companies from the market. Despite rising geopolitical tensions in the first quarter, the floating offshore wind segment demonstrates increased resilience and a cautiously optimistic outlook.

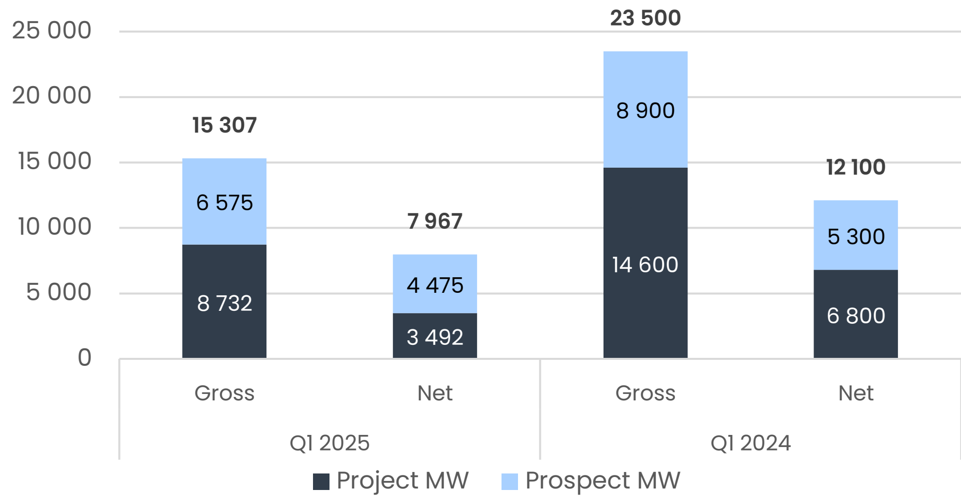
Hexicon views recent market developments as a positive shift, underscored by the successful divestment of two Italian projects to financially solid partners—an indication of strengthening investor confidence and market momentum.

Milestones in the first quarter include the Natura 2000 permit for the Mareld project, developed by Freja Offshore (Hexicon's Swedish joint venture), in January, and the signing of the agreement to sell Hexicon's stakes in the Sicily South and Sardinia Northwest projects to Ingka Investments and Oxan Energy in March.

SUMMARY BUSINESS RESULTS
JANUARY – MARCH 2025

- Net revenue: SEK 5.6 (0.5) million
- Operating profit/loss: SEK -19.7 (-19.9) million
- Profit/loss before tax for the period: SEK -21.7 (-32.1) million
- Earnings per share basic and diluted: SEK -0.06 (-0.09)
- Cash flow from operating activities: SEK -13.4 (-23.0) million

Project Portfolio Development*



**The decrease of the project portfolio is due to the Swedish government's decision to reject two projects in the Baltic Sea (Nov 2024), as well as our decision to cancel the Pohang 1 and 2 projects in South Korea. See Hexicon's Q4 report from 2024.*

SIGNIFICANT EVENTS

JANUARY

- Hexicon's Swedish joint venture, Freja Offshore, received a Natura 2000 permit from the County Administrative Board for the floating offshore wind farm Mareld, which is planned off the west coast of Sweden.

MARCH

- Hexicon signed a sale and purchase agreement (SPA) with Ingka Investments, the investment arm of Ingka Group, the largest IKEA retailer, and Oxan Energy on March 26 to sell its 50% stake in two Italian floating offshore wind projects, Sicily South and Sardinia Northwest.

AFTER THE QUARTER

- The transaction with Ingka Investments and Oxan Energy was closed on the 4th of April.

CEO COMMENTS

2025 has begun on a more positive note than what we experienced last year. The market is showing signs of recovery after a few challenging years, during which several projects were halted and major oil companies withdrew from the market. Despite ongoing geopolitical uncertainty, the market is demonstrating resilience and renewed momentum. Although challenges persist, they are increasingly being countered by growing market optimism. We remain humble in the face of continued volatility, yet we are encouraged by tangible signs of progress – a prime example being our divestment of two Italian projects to financially strong buyers, which signals a clear shift in our market confidence.

The market is on the road to commercialisation

What was previously only a hope for an expansive floating offshore wind market has now become a reality, as commercial-scale projects have been awarded capacity. In 2024, three OECD countries held commercial auctions for floating wind power – among them South Korea and the United Kingdom, both core markets for Hexicon.

In the Swedish market, Hexicon's home market, we have after the quarter seen a shift in the government's rhetoric. A new study proposes the introduction of a guaranteed price of electricity for investments in nuclear power as well as in other renewable energy sources, such as offshore wind power. This is welcome, not least because Hexicon's joint venture company, Freja Offshore, currently has its application for the 2.5 GW project awaiting final approval by the Swedish government. During the quarter the project, called Mareld, received Natura 2000 approval.

A divestment that takes us forward

During the first quarter, we completed an important and strategically well-balanced divestment through the sale of our 50 percent stake in the Italian projects Sicily South and Sardinia Northwest, corresponding to 1,225 MW. The transaction, closed with Ingka Investments and Oxan Energy as buyers, includes an initial purchase price of EUR 2.5 million and additional future milestone payments of up to EUR 17.5 million. Considering the current market situation, we view this as a very good deal, with a potential total compensation of up to EUR 16,500 per MW – and a deal that proves the value in our

portfolio. The projects sold represented less than a third of our Italian portfolio, in which we see strong further development potential as we continue to refine it. The buyers being Ingka Investments and Oxan Energy – two long-term and financially strong players – make us confident that these projects will be carried forward and help Italy in its transition to renewable energy.

Our financial situation

There is no doubt that the past year has posed financial challenges for Hexicon. We have maintained the development of our business and project portfolio through funding secured via the development loan facility established in 2022, as well as through our revolving credit facility arranged in partnership with private investors. Revenues have primarily been generated through consulting assignments and the sale of our Italian projects. Money that will appear in next quarter's financials.

Financing is an integral part of our business model and something we are continuously working actively on. Our business is characterised by long-term investments, where the return is realised over a long period of time. At the same time, our divestment in Italy shows significant value growth, with a return multiple of approximately five times the invested capital, directly from the upfront payment – a result we aim to repeat in future transactions. We are now working intensively to secure project investors in the short- to mid-term and have good hopes of achieving this before the autumn.

Looking ahead

After a period of global lag, we are now seeing signs that the market for Offshore wind power is gradually recovering. Commercial floating projects are beginning to move forward, and several countries are actively working to streamline their permitting processes to accelerate deployment. According to current market analyses, the industry is expected to enter a more mature phase of commercialisation from 2029 onwards. In South Korea, one of our core markets, the political environment is stabilising, and with that, the investor appetite is returning. Once the dust has settled after the presidential election in June, we will restart the divestment process of MunmuBaram.

At a corporate level, we continue to refine our portfolio and advance the development of our prioritised projects with the aim of increasing long-term portfolio value. Our short-term focus is to secure staying power, where we will pay extra attention to the dialogues with our investors as well as overseeing our cost base.

While I take pride in what we have achieved this quarter, particularly the divestment in Italy, this is no time to lean back. On the contrary, we are accelerating our momentum and moving forward with full force so that we, in the near term, can realise parts of the value embedded in our portfolio.

Marcus Thor, CEO

MARKET PERSPECTIVE

Since the beginning of 2025, the global market for offshore wind, both bottom-fixed and floating, has shown signs of recovery following a challenging period. This renewed momentum is emerging despite heightened geopolitical uncertainty that has marked the early part of the year, reflecting the sector's underlying resilience and long-term relevance.

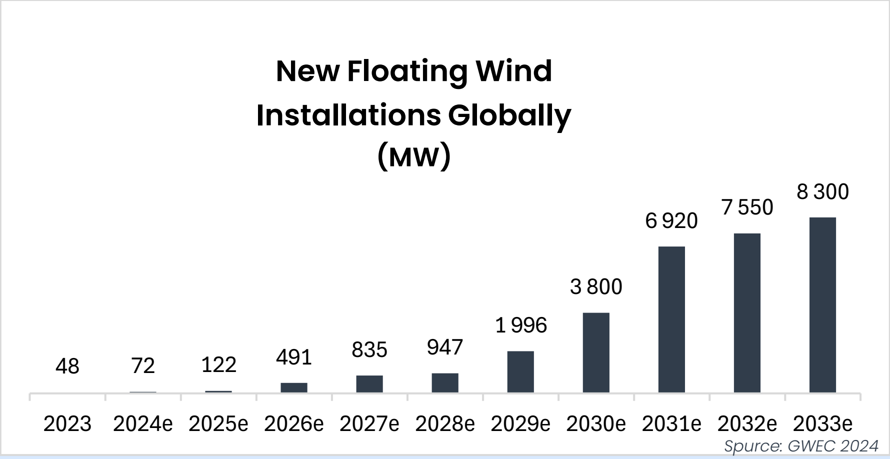
According to Rystad Energy, the global new installation for offshore wind power (both fixed and floating) is expected to amount to 19,000 MW during the year, surpassing previous record levels. At the same time, investments are estimated to reach USD 80 billion, which testifies to a reviving interest in renewable energy sources on a global scale. China accounts for most of the growth, but European markets such as the UK, Germany and Poland are also showing strong activity.

Floating wind power

The floating part of the offshore wind market is still in its early stages, but the development has taken a clear step towards commercialisation. During the past year, the first commercial auctions for floating projects were conducted in countries such as France, the United Kingdom and South Korea, resulting in 1,900 MW being allocated. Several of these projects are now approaching final investment decision (FID), signalling a transition from the demonstration phase to industrial establishment. Challenges remain, especially in the US, where the market is characterised by political uncertainty and temporary halts in federal leasing programs.

A study from DNV states that the majority of the industry players expect the technology to reach full commercial status without subsidies before 2035. Crucial factors for continued progress include standardisation, streamlining of supply chains, and expansion of port and manufacturing infrastructure. At the end of 2023, the installed global capacity for floating wind power amounted to 236 MW, with Norway, the UK and Portugal as the main contributors. According to GWEC's market forecast for 2024, capacity is expected to increase to 8,500 MW by 2030 and further to 31,000 MW by 2033 – which will correspond to about six percent of total offshore wind power. The majority of this capacity is expected to be installed from 2029, when the technology is deemed to have reached commercial maturity.

The compound annual average growth rate (CAGR) of floating offshore wind power is estimated at 82 % in the period 2024-2028 and 54 % in the period 2029-2033. This underlines the potential of the technology as a future strategic contribution to the global energy transition. Provided that regulatory reforms and investments in industrial capacity are realised, the market development is expected to accelerate sharply in the second half of the decade.



Sources: Rystad Energy, DNV, GWEC 2024, NREL

BUSINESS MODEL

Hexicon's business model is built on two pillars: early-stage development of offshore wind projects and the advancement of its proprietary floating wind technology. The company has three distinct types of revenue streams, each with different time horizons. In the short term, through day-to-day operations, the company generates revenue by providing consulting services to its joint venture companies and external clients. In the medium and long term, revenue is also generated from project divestments through sales and milestone payments from previously sold projects. In the long term, the company aims to receive licensing revenues from projects that utilise Hexicon’s TwinWind™ technology.

REVENUE STREAMS

SHORT TERM

Consultancy revenues / Divestments

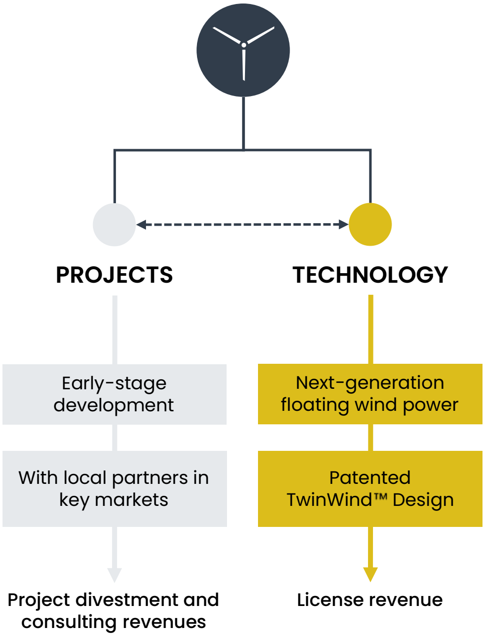
MID-LONG TERM

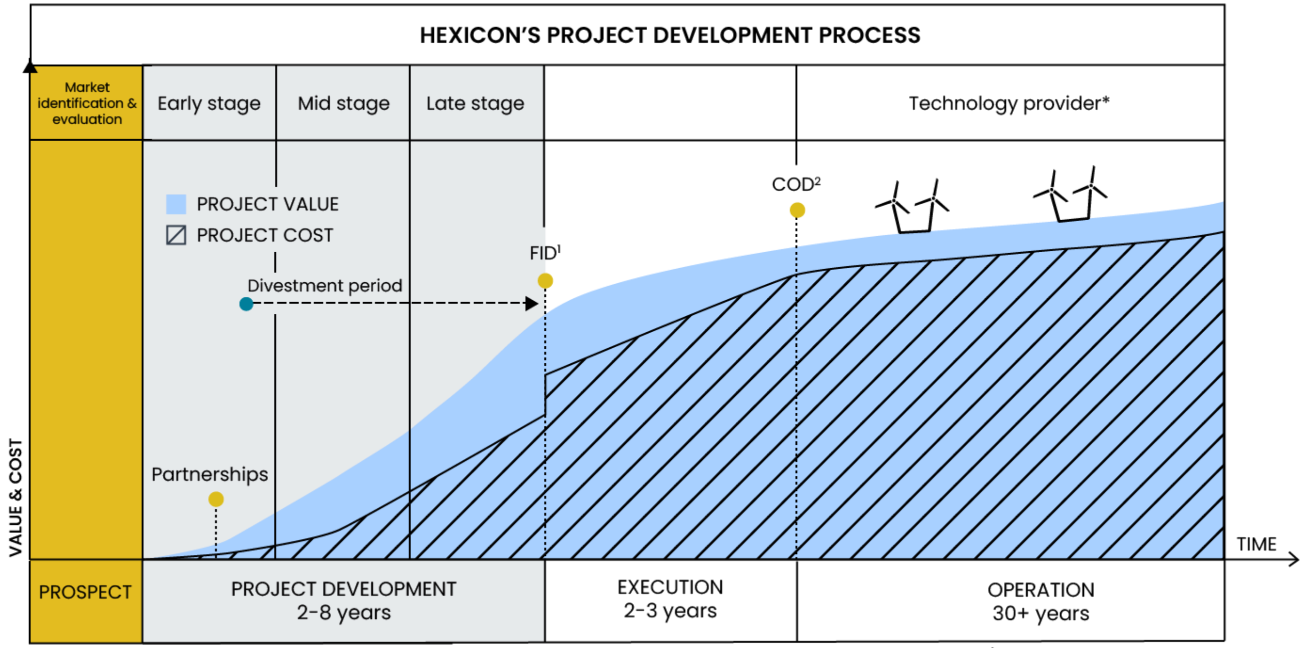
Consultancy revenues / Divestments Milestone payments

LONG-TERM

License revenue/Divestments/ Milestone payments

BUSINESS MODEL





*Potential revenues if TwinWind™ is the technology of choice.

1) FID: Final Investment Decision
2) COD: Commercial Operation Date

PROJECT DEVELOPMENT

Hexicon initiates projects in markets with great potential for floating offshore wind power and an attractive risk-adjusted return. The company leads the development process in the first years and gradually reduces the ownership stakes before the projects reach the capital-intensive final investment phase. Hexicon follows a structured framework with well-defined criteria for investment and divestment decisions. Currently, the active project portfolio – created through close partnerships with strategically selected joint venture partners – amounts to approximately 4.7 GW of net capacity. This diversified portfolio includes major projects in South Korea, South Africa, the United Kingdom, Italy, and Sweden.

PROJECT DEVELOPMENT PROCESS

1. IDENTIFY AND INVEST

Identify promising early-stage projects with risk-adjusted return potential that require lower capital investment and face less competitive pressure than late-stage projects, where large industrial players typically enter the market.

2. PROJECT DEVELOPMENT

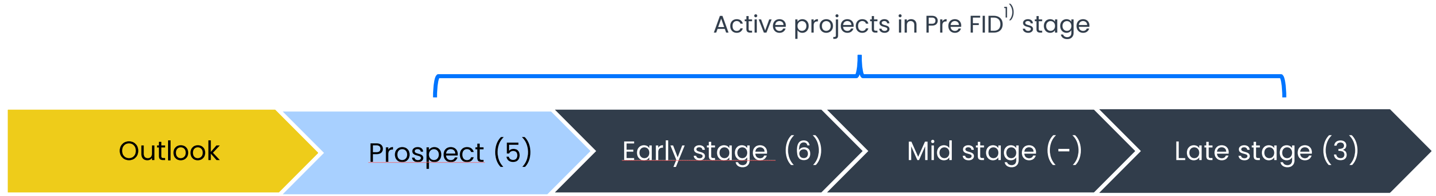
With a strong foundation of industry expertise and a solid track record, Hexicon drives project development from the start, establishing key partnerships and engaging stakeholders while securing key permits needed to reach the FID1) and construction phases.

3. DIVESTMENT

Ownership in development projects is gradually divested and then transitions to more capital-intensive phases. Based on its market position, Hexicon aims to maximise the return on invested capital.

PROJECT STAGES

Hexicon's project stages and number of projects in each stage (Q1).



1) FID Final Investment Decision

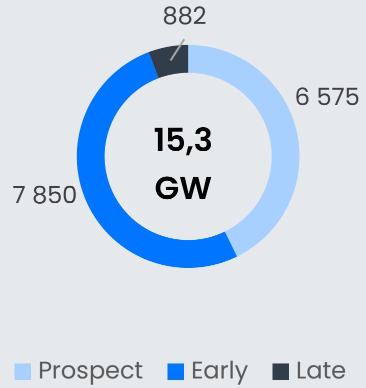
PROJECT PORTFOLIO

Country	Project	Gross MW	Net MW	Stage	Status
Project portfolio					
Sweden	Mareld	2,500	1,250	Early	Active
South Korea	MunmuBaram	750	750	Late	Active
Italy	Sicily South *	1,150	575	Early	Active
Italy	Sardinia Northwest*	1,300	650	Early	Active
Italy	Puglia 1	950	475	Early	Active
Italy	Puglia 2	1,150	575	Early	Active
South Africa	Gagasi	800	400	Early	Active
UK	Pentland	100	10	Late	Active
UK	TwinHub	32	32	Late	Active
Prospect portfolio					
Italy	Sardinia South 1	1,550	775	-	-
Italy	Sardinia South 2	700	350	-	-
Italy	Sardinia NE	1 950	975	-	-
South Korea	MunmuBaram	375	375	-	-
Ireland	Donegal MR	2 000	2,000	-	-

Project divested under Q1. Transaction closed after the quarter.

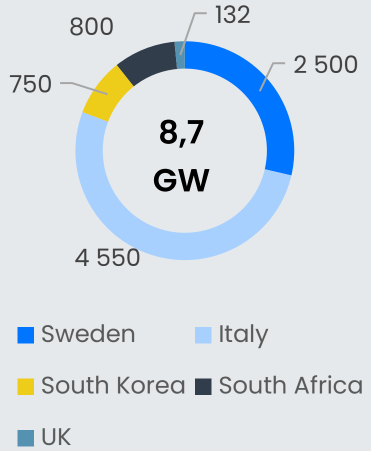
Total portfolio Q1 – Stages

Gross MW

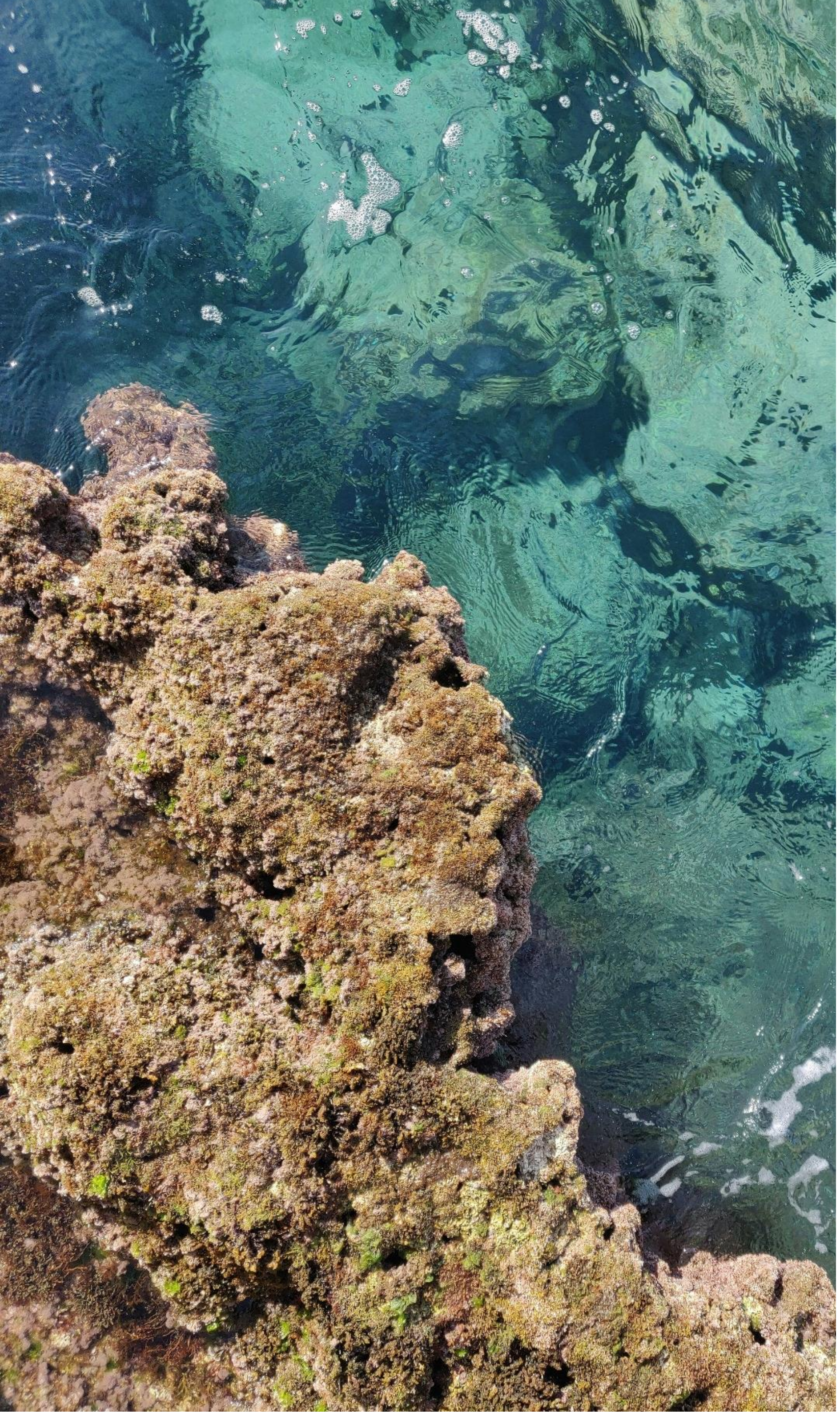


Active project Q1 – Countries

Gross MW



HEXICON'S TOTAL ACTIVE OWNERSHIP 54%



QUARTERLY DEEP-DIVE

PROJECT DIVEST-MENT IN ITALY

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.

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.

Divestment of Sicily South and Sardinia Northwest

On March 26, 2025, Hexicon divested two early-phase offshore wind projects in Italy, with a combined capacity of 1,225 MW. The buyers Ingka Investments and Oxan Energy acquired the projects for an upfront payment of EUR 2.5 million. In addition, Hexicon is eligible for milestone-based payments of up to EUR 17.5 million, depending on the projects' future development progress.

Hexicon Divestments from 2019 until today

Year	Project	Capacity (MW)	Transaction terms
2025*)	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

** Closed after the first quarter.*

TECHNOLOGY DEVELOPMENT

TwinWind Update Q1 2025

Hexicon reached an important milestone in Q1 through its collaboration with Mingyang Smart Energy, where a first set of load assessments was completed. This marks one of the first times in the industry where a turbine manufacturer has conducted such an evaluation for a floating foundation hosting two third-party turbines. It provides strong external validation of the TwinWind™ platform.

The results showed particularly promising load performance, without any significant risks identified for the structural integrity of the turbine. These results reinforce the technical credibility of the TwinWind design and further support its development towards demonstration and commercialisation.

TwinWind™ is a strategic asset for Hexicon, protected by patents, and represents long-term potential in the floating wind segment. While it is not expected to generate significant near-term revenues, maintaining and managing this asset is crucial to preserving its value and ensuring its viability as market conditions evolve.

FOCUS 2025

PORTFOLIO DEVELOPMENT

Focus on core projects

- Develop key projects through milestones
- Divest selected projects
- Continuous improvement of our project development process

TECHNOLOGY DEVELOPMENT

Maintain technology value

- Maintain and manage technical asset value
- Establish route to market

FINANCING

Secure staying power

- Improve operational efficiency
- Focus on divestment
- Establish sufficient operational runway

FINANCIAL OVERVIEW

FINANCIAL PERFORMANCE

JANUARY-MARCH

NET REVENUE AND EARNINGS

Hexicon identifies and invests in early-stage development projects, leading the development process during the initial years while gradually divesting ownership stakes before projects enter the more capital-intensive final investment phase. Hexicon is also an innovative technology developer generating expertise in the field which is also applied in Hexicon's project development.

Net revenues amount to SEK 5.6 (0.5) million during the period and consist of performed consulting services related to ongoing development projects. No divestment of ownership stakes has occurred during the period.

The operating loss for the period amounted to SEK -19.7 (-19.9) million. The capitalisation of the development costs is amounted to SEK 1.7 (9.4) million during the first quarter of the year attributed to the wholly owned TwinHub project, which was developed at a lower rate than the same period last year.

Net Financial expenses for the period totalled SEK -2.0 million, compared to SEK -12.3 million in the same period last year, reflecting a change of SEK -10.3 million. The net financial expenses of the period are attributable to interest expenses amounting to SEK -46.9 million and impacts from currency exchange totalling SEK 42.4 million. Additionally, in Q1 2025 there was a positive effect of SEK 3.0 million from financial income from lending to associated companies within the group. For more information, see note 8.

The group's loss for the period amounted to SEK -21.7 (-32.1) million.

CASH FLOW, FINANCING, AND INVESTMENTS

Cash flow from operating activities after a change in working capital amounted to SEK -13.4 (-23.0) million. The change is mainly affected by exchange differences.

Cash flow from investment activities amounted to SEK -3.2 (-98.6) million. The change is mainly attributed to the initial consideration regarding the share purchase in MunmuBaram Co., Ltd by MunmuBaram Holding AB in Q1 2024. Other investments are related to ongoing projects and technology development.

Cash flow from financing activities amounted to SEK -0.9 (151.7) million, as there has been no additional borrowing during the period.

The group's cash flow for the period amounted to SEK -17.6 (30.0) million.

BALANCE SHEET

The group's total assets at the end of the reporting period amounted to SEK 542.3 (635.6) million. The increase in other current assets and the participation in associated companies attributable to increased shares in MunmuBaram CO., LTD. Acquisition of MunmuBaram CO., LTD last year also reflects in less cash & cash equivalents at the end of the period, which amounted to SEK 5.3 (151.6) million, compared to the same period last year.

Intangible assets as of March 30 were SEK 177.3 (175.4) million.

Participation in associated companies as of March 30 was SEK 212.9 (147.1) million. The increase in participation in associated companies is mainly driven by the re-classification of MunmuBaram Holding AB, from subsidiary to associated company, and the acquisition of MunmuBaram Co., Ltd., in Q3 2024.

Other current assets as of the end of March amount to SEK 113.2 (107.5) million.

The cash balance as of March 30, amounted to SEK 5.3 (151.6) million. Hexicon has drawn the entire available debt from the different loan facilities.

Equity was SEK -323.9 (-33.4) million. The equity/asset ratio was -60 (-5) %. The total equity in the parent company remains intact at SEK 113.9 (203.5) million. Warrants were issued in February 2025, as part of the extension of the revolving credit facility in December 2024 and are valued at market value through the Black and Scholes model at SEK 1.4 million in additional paid-in capital.

Current and non-current interest-bearing liabilities have continued to compound interest during the quarter. The revolving credit facility is classified as current, and the Nuveen (formerly Glennmont) facility is classified as partly current and non-current based on expected cash flow and valued at amortised cost based on expected future cash flows. SEK 25.9 million of accrued interest was re-classified from accrued interest expenses to current interest-bearing liabilities and is related to the accrued interest on the revolving credit facility.

PARENT COMPANY

The parent company's net revenue during the first quarter amounted to SEK 6.0 (5.6) million, and the result for the first quarter was SEK –20.1 (-17.6) million. The cash balance as of March 30 amounts to SEK 2.9 (28.4) million. The total assets on the same date amount to SEK 341.7 (364.8) million.

OTHER FINANCIAL INFORMATION

ORGANISATION

The group had 23 (27) employees at the end of the reporting period.

SIGNIFICANT EVENTS IN THE REPORTING PERIOD

In January, Hexicon's Swedish joint venture, Freja Offshore, received a Natura 2000 permit from the County Administrative Board for the floating offshore wind farm Mareld, which is planned off the west coast of Sweden.

In February, a warrants program was issued of 40.4 million shares, maximum shareholder dilution of 10%, with a 12-month maturity and a strike price of 0.375 SEK/share, as part of the extension of the revolving credit facility from December 2024 to June 30th 2025.

In March, Hexicon signed a sale and purchase agreement (SPA) with Ingka Investments, the investment arm of Ingka Group, the largest IKEA retailer, and Oxan Energy on March 26 to sell its 50% stake in two Italian floating offshore wind projects, Sicily South and Sardinia Northwest. The transaction was closed in early April.

During the period, the Korean subsidiary EWS Co., Ltd. Was liquidated.

HEXICON GROUP

Hexicon AB is the parent company, and the following subsidiaries are fully consolidated in the group accounts. Sweden: Hexicon Holding AB. Freia Offshore AB. USA: Hexicon USA LLC., Hexicon North America LLC. UK: TwinHub Ltd., Wave Hub Ltd., Hexicon Developments UK Ltd. Spain: Hexicon Renewable Energy Spain SL., HAB Iberia Development SL.

Profit shares from the following joint ventures and associated companies are recognised in the group's income statement. South Korea: Hexicon Korea, Co., Ltd. MunmuBaram, Co., Ltd. Mauritius: Hexagon Ocean Energies Ltd. Sweden: MunmuBaram Holding AB, Freja Offshore AB, Mareld Green Energy AB, Passad Green Energy AB, Dyning Green Energy AB, Freja Grid AB, Offshore Access Sweden AB. Italy: AvenHexicon SRL., AvHex Ricciola SRL, AvHex Dentice SRL. South Africa: GenesisHexicon Pty. Greece: Hexicon Power S.A. UK: Wave Hub Grid Connection Ltd. Taiwan: Hexicon Taiwan Co., Ltd.

As a part of the Nuveen transaction the shares in Hexicon Holding AB, which owns the project companies for MunmuBaram, Freja Offshore, TwinHub, and AvenHexicon, are pledged as security for the Nuveen development loan facility. Similarly, the patents held by Freia Offshore AB, the shares in Hexicon Korea, and the shares in the project companies for the Scottish Pentland (Highland Wind Ltd) and the South African Gagasi (GenesisHexicon Pty) projects are pledged as security for the revolving credit facility.

In July 2024, an external board member was added to the board of Hexicon Holding AB and MunmuBaram Holding AB, and the articles of association were amended. Leading to Hexicon losing autonomous control over the subsidiary MunmuBaram Holding AB and a re-classification of the entity from a subsidiary to an associated company. Additionally, Hexicon Holding AB has entered into an option agreement with an external party for up to 70% of the shareholding of MunmuBaram Holding AB.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The transaction with Ingka Investments and Oxan Energy, regarding 2 projects in Italy (Sicily South and Sardinia Northwest) entered during March 2025 was closed in April 2025 for an upfront fee of EUR 2.5 million. In addition, Hexicon is eligible for milestone-based payments of up to EUR 17.5 million, depending on the project's future development progress.

RISKS AND UNCERTAINTY FACTORS

The company's platform will be tested. There are risks related to the technology development pace and competitiveness. There are also risks connected to the company's dependence on key employees and partnerships.

On June 14th, 2024, the Swedish Patent and Market Court (PMD) rejected Enerocean S.L.'s appeal regarding the objection to the patent relevant to the company's TwinWind™ design. The decision has been appealed to the Swedish Patent and Market Appeals Court (PMÖD). A decision by PMÖD may have three possible outcomes: To reject the appeal and maintain the patent as granted, to maintain the patent in amended form, or to revoke the patent. This decision is normally not appealable. This decision concerns only the Swedish patent, and a decision on patentability does not have any implications on Hexicon's right to use the patented solution, only the right to prevent others from using it. Additionally, there is also a similar appeal process in the European Patent Office (EPO).

The loan with Nuveen is subject to several 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

The company's short-term financing is stressed. The company is actively seeking to secure additional financing to meet its short-term obligations. If these efforts are not achieved, to the board and management's expectations, there are material uncertainties regarding the company's ability to finance its ongoing operations. Based on the current efforts to secure additional financing, the board and management assess that prerequisites are in place for the company to continue its operations.

RELATED PARTY TRANSACTIONS

One member of the management team left their permanent position and entered into a consultancy agreement in Q4 2023. The expense in Q1 2025 is SEK 0.6 (1.0) million.

PARENT COMPANY

Significant events in the parent company during the period are the same as for the group. The risks and uncertainty factors are the same in the parent company as for the group.

For further information. please contact:
The Communications Department.
communications@hexicongroup.com

GROUP INCOME STATEMENT IN SUMMARY

		2025	2024	2025
MSEK	**Note**	**Jan-Mar**	**Jan-Mar**	**Jan-Dec**
Net revenue	4	5.6	0.5	9.8
Other operating income		1.0	1.5	5.5
Capitalised development	5	1.7	9.4	16.3
Other external expenses		-8.0	-12.2	-44.5
Personnel costs		-9.3	-9.8	-44.3
Depreciation/amortisation and impairments	7	-3.1	-3.6	-18.1
Other operating expenses		-0.6	-0.4	-1.6
Result from share in associated companies		-7.1	-5.3	-14.6
Operating profit/(loss)		**-19.7**	**-19.9**	**-91.4**
Net financial income/(expenses)	8	-2.0	-12.3	-167.3
Profit/(loss) before tax		**-21.7**	**-32.1**	**-258.6**
Tax		–	0.1	0.4
Profit/(loss) for the period		**-21.7**	**-32.1**	**-258.2**
Profit/ (loss) for the period attributable to:				
Equity holder of the parent company		**-21.7**	-32.1	-258.2
Non-controlling interests		0.0	0.0	-0.1

GROUP STATEMENT OF COMPREHENSIVE INCOME

	2025	2024	2024
MSEK	**Jan-Mar**	**Jan-Mar**	**Jan-Dec**
Profit/(loss) for the period	-21.7	-32.1	-258.2
OTHER COMPREHENSIVE INCOME			
Items that are or may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	-18.7	-2.5	-27.9
Sum other comprehensive income for the period	**-18.7**	**-2.5**	**-27.9**
Total comprehensive income for the period	**-40.4**	**-34.6**	**-286.1**
Total comprehensive income for the period attributable to:			
Equity holder of the parent company	-40.4	-34.6	-286.1
Non-controlling interests	–	–	-0.1
Earnings per share basic and diluted (SEK)	**-0.06**	**-0.09**	**-0.71**

GROUP BALANCE SHEET IN SUMMARY

MSEK	2025-03-31	2024-03-31	2024-12-31
ASSETS			
Non-current asset			
Intangible assets	177.3	175.4	185.8
Plant and equipment	23.7	33.3	27.5
Right of use assets	2.7	7.3	3.0
Participations in associated companies	10.2	13.1	12.5
Non-current financial assets	7.1	13.3	7.6
Total non-current assets	**221.0**	**242.5**	**236.3**
Current assets			
Participations in associated companies	202.8	134.0	235.2
Other current assets	113.2	107.5	104.6
Cash & cash equivalent	5.3	151.6	23.0
Total current assets	**321.3**	**393.1**	**362.8**
TOTAL ASSETS	**542.3**	**635.6**	**599.2**

MSEK	2025-03-31	2024-03-31	2024-12-31
EQUITY AND LIABILITIES			
Share capital	3.6	3.6	3.6
Additional paid-in capital	539.4	538.1	538.1
Reserves	-51.0	-6.9	-32.2
Contingent consideration	41.0	41.0	41.0
Retained earnings including profit/(loss) for the period	-856.3	-608.5	-834.6
Equity attributable to equity holders of the parent company	**-323.2**	**-32.7**	**-284.2**
Non-controlling interest	-0.7	-0.7	-0.8
Total equity	**-323.9**	**-33.4**	**-284.9**
NON-CURRENT LIABILITIES			
Provisions	33.6	35.4	35.7
Deferred tax liabilities	3.5	4.0	3.8
Non-current interest-bearing liabilities	558.1	198.3	569.4
Non-current lease liabilities	–	4.2	–
Other non-current liabilities	21.4	25.2	13.8
Total non-current liabilities	**616.6**	**267.0**	**622.7**
CURRENT LIABILITIES			
Current interest-bearing liabilities	202.3	358.3	184.4
Accounts payable	6.4	7.9	6.7
Other current liabilities	22.2	5.2	33.1
Accrued expenses and deferred income	18.7	30.7	37.3
Total current liabilities	**249.6**	**402.0**	**261.4**
TOTAL EQUITY AND LIABILITIES	**542.3**	**635.6**	**599.2**

GROUP REPORT ON CHANGES IN EQUITY IN SUMMARY

	2025	2024	2024
MSEK	**Jan-Mar**	**Jan-Mar**	**Jan-Dec**
Opening balance equity attributable to equity holders of the parent company	**-284.9**	1.9	1.9
Total result for the period			
Income/(loss) for the period	-21.7	-32.1	-258.2
Other comprehensive income/(loss)	-18.7	-2.5	-27.9
Total comprehensive income/(loss) for the period	**-40.4**	**-34.6**	**-286.1**
Warrant	1.4	–	–
Closing balance equity attributable to equity holders of the parent company	**-323.9**	**-32.7**	**-284.2**
Opening balance equity attributable to non-controlling interests	**-0.8**	**-0.7**	**-0.7**
Total comprehensive income/ (loss) for the period	–	–	–
Non-controlling interest from business	0.0	0.0	-0.1
Closing balance equity attributable to non-controlling interests	**-0.7**	**-0.7**	**-0.8**

GROUP CASH FLOW STATEMENT IN SUMMARY

	2025	2024	2024
MSEK	**Jan-Mar**	**Jan-Mar**	**Jan-Dec**
OPERATING ACTIVITIES			
Operating profit/(loss)	-19.7	-19.9	-91.4
Adjustment for non-cash-items	-6.8	30.3	60.2
Interest received	–	–	–
Interest paid	–	-0.2	-0.4
Income tax paid	0.4	0.4	-0.3
Sum	**-26.1**	**10.7**	**-31.9**
Increase (-)/Decrease (+) of operating receivables*	-4.7	-7.9	-86.5
Increase (+)/Decrease (-) of operating payables	17.4	-25.8	-20.6
Cash flow from operating activities*	**-13.4**	**-23.0**	**-139.0**
INVESTMENT ACTIVITIES			
Acquisition of intangible assets	-2.7	-9.3	-16.2
Dividend from Associated companies	–	–	44.5
Other investments	-0.5	-89.3	-180.3
Cash flow from investment activities	**-3.2**	**-98.6**	**-152.0**

	2025	2024	2024
MSEK	**Jan-Mar**	**Jan-Mar**	**Jan-Dec**
FINANCING ACTIVITIES			
Lending to associated companies*	–	–	–
Borrowings	–	152.4	197.7
Other financing items	-0.9	-0.8	-5.7
Cash flow from financing activities*	**-0.9**	**151.7**	**192.0**
Cash flow for the period	-17.6	30.0	-99.0
Cash at the beginning of the period	23.0	121.2	121.2
Exchange-rate difference in cash	-0.1	0.4	0.8
Cash at the end of the period	**5.3**	**151.6**	**23.0**

**Lending to associated companies in Interim Reports during 2024 was wrongly reported in financing activities. It was corrected (reported in operating activities) in the annual report 2024. Therefore Q1 2024 and YTD 2024 in this report have been corrected.*

PARENT COMPANY INCOME STATEMENT IN SUMMARY

	2025	2024	2025
MSEK	**Jan-Mar**	**Jan-Mar**	**Jan-Dec**
Net revenue	6.0	5.6	17.4
Capitalised development	0.6	0.4	1.2
Other operating income	0.1	0.7	1.8
Other external expenses	-6.8	-9.3	-41.0
Personnel costs	-7.2	-7.4	-32.1
Depreciation/amortisation and impairments	-0.1	-0.1	-0.2
Other operating expenses	-0.6	-0.3	-1.4
Operating profit/(loss)	**-7.9**	**-10.4**	**-54.3**
Net financial income/(expenses)	-12.2	-7.2	-34.1
Profit/(loss) before tax	**-20.1**	**-17.6**	**-88.4**
Tax	-	-	-
Profit/(loss) for the period	**-20.1**	**-17.6**	**-88.4**

Total comprehensive income for the period in the parent company is the same as profit/loss for the period.

PARENT COMPANY BALANCE SHEET IN SUMMARY

MSEK	2025-03-31	2024-03-31	2024-12-31
ASSETS			
Non-current asset			
Intangible assets	14.4	13.0	13.8
Plant and equipment	0.4	0.6	0.5
Non-current financial assets	279.3	284.0	279.3
Total non-current assets	**294.2**	**297.6**	**293.7**
Current assets			
Other current assets	44.6	38.8	42.4
Cash & cash equivalent	2.9	28.4	6.5
Total current assets	**47.5**	**67.2**	**48.9**
TOTAL ASSETS	**341.7**	**364.8**	**342.6**

MSEK	2025-03-31	2024-03-31	2024-12-31
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	3.6	3.6	3.6
Restricted equity for development expenses	14.4	12.6	13.0
Non-restricted equity			
Share premium reserve	538.1	538.1	538.1
Contingent consideration	41.0	41.0	41.0
Retained earnings	-463.1	-374.2	-374.5
Profit/(loss) for the period	-20.1	-17.6	-88.4
Total Equity	**113.9**	**203.5**	**132.7**
Current liabilities			
Current interest-bearing liabilities	194.3	111.4	159.4
Accounts payable	2.1	2.0	4.2
Other current liabilities	0.9	21.9	0.9
Accrued expenses and deferred income	30.5	26.0	45.4
Total current liabilities	**227.8**	**161.3**	**209.9**
TOTAL EQUITY AND LIABILITIES	**341.7**	**364.8**	**342.6**

NOTE

NOTE 1: ACCOUNTING PRINCIPLES

This report was prepared in accordance with IAS 34 Interim Financial Reporting and in applicable parts with the Swedish Annual Accounts Act (ÅRL). The interim financial statement for the parent company has been prepared in accordance with Swedish Annual Accounts Act (ÅRL), chapter 9, Interim Financial Reporting, except for the requirement of being in Swedish. The group's and the parent company's accounting principles and basis of computations are unchanged compared to the latest annual report. The figures in all tables are rounded off.

Information applicable to IAS 34.16A§ is disclosed in all parts of the report, in addition to the financial reports and the supporting notes.

NOTE 2: ESTIMATES AND ASSUMPTIONS

The preparation of the financial reports in accordance with IFRS requires estimates and assumptions from the management that effect the accounting principles and the recorded amount of asset, liabilities, revenue and expenses. The actual value can differ from these estimates and assumptions. The critical assessments and the cause of uncertainty in the estimates are the same as in the latest annual report.

The calculation of fair value contingent consideration related to the acquisition of the shares in the associated company MunmuBaram Co. Ltd, in 2022, was made by discounting future expected cash flows related to the contingent consideration. In addition, management has applied judgment when determining that the fair value of the contingent consideration at the date of acquiring the shares should be presented in equity and hence not be subsequently re-measured. The contingent consideration relates to profit share agreement, which is valued to USD 3.9 million. SEK 41 million. The profit share agreement stipulates that. if the company sells off the 20% shares in MunmuBaram, the profit from the sale minus Hexicon's total capital investment (initial purchase price plus remaining expenditure by Hexicon) shall be distributed according to the ratio under separate profit share agreement.

Additionally, the acquisition of the remaining 80% of MunmuBaram CO., LTD. finalised in Q4'2024 has a similar contingent consideration as part of the purchase agreement. It has also been valued at fair value by discounting future expected cash flows with the current market rate, and management has applied the judgment that the contingent consideration should present an equity instrument and hence not be re-measured. The contingent consideration is valued at USD 5.3 million (SEK 58.1 million), and relates to a profit share that stipulates that Hexicon shall distribute parts of the profits incurred 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 fee of the shares and any future investments in the company post signing of the SPA, and capped at USD 50.0 million.

The facility entered with Nuveen, of EUR 45 million, which is fully drawn, has an early repayment option for a certain fee that changes over time. Hexicon has assessed that the early repayment option is an embedded derivative linked to the loan agreement. 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

In September 2024, an external party received stock options in MunmuBaram Holding AB. The stock options which are valid until end of August 2025, could result in Hexicon becoming a minority shareholder in MunmuBaram Holding AB. The stock options (SEK 0.0 million) are classified as a financial liability in the group's balance sheet.

NOTE 3: OPERATING SEGMENT

The operating segment is reported in a corresponding method as in the internal reporting to the chief operating decisionmaker (CODM). Hexicon's CEO is the CODM for the group. The company has identified an operating segment that constitutes the business, assessment is based on the basis that the business is regularly reviewed by the management to support decisions on the allocation of resources and evaluation of its result. The CODM is the function responsible for allocation of resources and evaluation of the operating segment's result.

NOTE 4: DISTRIBUTION OF REVENUE

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

	2025	2024	2024
MSEK	**Jan-Mar**	**Jan-Mar**	**Jan-Dec**
Net revenue			
Goods	-	-	-
Services	5.6	0.5	9.8
Project rights	-		-
Total net revenue	5.6	0.5	9.8
Allocation per market			
Sweden	0.8	0.5	2.9
Rest of Europe		-	-
Asia	4.9	-	6.9
Allocation per point in time			
Recognised at one point in time	-	-	-
Recognised over time	5.6	0.5	9.8

NOTE 5: CAPITALISED DEVELOPMENT EXPENSES

Other external expenses amounted to SEK-8.0 (-12.2) million in first quarter and personnel costs to SEK -9.3 (-9.8) million and out of these SEK 1.7 (9.4) million were capitalised development expenses during the first quarter. Mainly related to the TwinHub project.

NOTE 6: FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amount is considered to be a reasonable estimate of the fair value of all financial assets and liabilities. The items that have been measured at fair value are unlisted shareholding, options and contingent considerations. All instruments are categorised as Level 3 in the fair value hierarchy. For the unlisted shareholding, the cost constitutes a reasonable approximation of the fair value on the balance sheet date and current inputs provided by the managing company.

The contingent consideration has been measured as the present value of the amount that the group is expected to pay in accordance with the agreement for the acquisition of Wave Hub Ltd which, as of March 30 2025 includes a pending contingent consideration of SEK 9.9 million (GBP 9.8 million) if the project reaches Final Investment Decision (FiD). The contingent consideration will not be paid if the milestone is not reached. The opening balance 2025 of contingent considerations was SEK 13.0 million and the closing balance at the March 30 2025 was SEK 9.9 million (GBP 9.8 million). The change was due to currency fluctuations between SEK and GBP of SEK -0.8 million. The new estimated date of payment to October 31 2027, of SEK -2.9 million. An increase or decrease in the cost of capital of +/- 2% would have resulted in a conditional consideration of SEK 9.4 million and SEK 10.3 million respectively.

The stock options, (issued in September 2024) in the group balance sheet are classified as a current derivative liability among other current liabilities in the balance sheet (valid until the end of August 2025) amounting to 0.0 MSEK (USD 0.0 million). The options are/will be measured at fair value through profit and loss in the financial reports. A purchase price of MUSD 115.2, for 70% of the MunmuBaram Holding AB shares, is used to calculate the fair value at the end of March. The option liability is discounted by 15% WACC and the applied probability of being in the money is 0%. An increase or decrease in the cost of capital of +/- 2% would have resulted in a conditional consideration of SEK 0.0 million and SEK 0.0 million respectively.

NOTE 7: DEPRECIATIONS, AMORTISATIONS AND IMPAIRMENTS

The group's depreciation/amortisation and impairments were SEK -7.2 (-8.3) million during the fourth quarter. The group management assesses on an ongoing basis indication of impairments and in that case conducts an impairment test.

NOTE 8: FINANCIAL INCOME/EXPENSES

	2025	2024	2024
MSEK	**Jan-Mars**	**Jan-Mars**	**Jan-Dec**
Interest costs*	-46.9	-10.3	-171.7
Interest income**	3.0	0.3	7.7
Translation differences***	42.4	-0.9	4.2
Other financial expenses****	-0.5	-1.4	-7.5
Total net financial income/expenses	**-2.0**	**-12.3**	**-167.3**

** Interest costs are valued at amortised cost with assumptions on future cash flows*
*** The Group's interest income is attributed to lending to associated companies*
**** Currency fluctuations between SEK and EUR and SEK and GBP during the period, mainly impacted by -5.2% and -6.2% change, respectively*
***** Other financial expenses are related to the Group's external loans*

NOTE 9 – GROUP KEY PERFORMANCE INDICATOR

	2025	2024	2024
MSEK	**Jan-Mars**	Jan-Mars	**Jan-Dec**
Net revenue	5.6	0.5	9.8
Operating profit/(loss)	-19.7	-19.9	-91.4
Profit/(loss) before tax for the period	-21.7	-32.1	-258.6
Earnings per share basic and diluted (SEK)	-0.06	-0.09	-0.71
Cash flow from operating activities	-13.4	-23.0	-139.0
	2025-03-31	**2024-03-31**	**2024-12-31**
Equity at the end of the period	-323.9	-33.4	-284.9
Equity/asset ratio at the end of the period (%)*	-60%	-5%	-48%
Cash at the end of the period	5.3	151.6	23.0

** Equity / total assets at the end of the period*

NOTE 10: TAX LOSS DEDUCTIONS

There are tax loss deductions in the group amounting to SEK 403 million. Tax losses in Swedish entities may be carried forward indefinitely. No deferred tax has been reported for these.

NOTE 11: NUMBER OF SHARES

There were 363 802 686 registered shares at the end of the period and on average during the quarter.

NOTE 12: CLASSIFICATION OF ASSOCIATED COMPANIES & JOINT VENTURES

As a project developer focusing on the early stage of the development cycle Hexicon's business model is to divest the projects before reaching construction start, without intention to be a final asset holder during operation. Thus, although the development cycles are long for infrastructure projects, spanning many years, the view of Hexicon is that the projects are held with the purpose of being sold within their operating cycle and should be classified as current assets. The table below shows the classification of each company.

Company	Form	Country	Balance Sheet Definition
Hexicon Power S.A	Joint venture	GR	non-current asset
AvenHexicon S.R.L.	Joint venture	IT	current asset
AvHex Dentice SRL	Joint venture	IT	current asset
AvHex Ricciola SRL	Joint venture	IT	current asset
Munmu Baram Co., Ltd	Associated	KR	current asset
Hexicon Korea Co., Ltd	Associated	KR	non-current asset
Hexagon Ocean Energies Ltd	Associated	MU	non-current asset
Wavehub Grid Connection Ltd	Associated	UK	current asset
MunmuBaram Holding AB	Associated	SE	current asset
Freja Offshore AB	Joint venture	SE	current asset
Mareld Green Energy AB	Joint venture	SE	current asset
Passad Green Energy AB	Joint venture	SE	current asset
Dyning Green Energy AB	Joint venture	SE	current asset
Freja Grid AB	Joint venture	SE	current asset
Offshore Access Sweden AB	Associated	SE	non-current asset
Hexicon Taiwan CO., Ltd.	Associated	TW	non-current asset
Genesis Hexicon (Ply) Ltd	Joint venture	ZA	current asset

SIGNATURES

Bjarne Borg Chairman	Mia Batljan Board member	Mats Jansson Board member
Lars Martinsson Board member	Göran Öfverström Board member	
Marcus Thor CEO	*Stockholm 2025-05-28*	

This report includes information that Hexicon is obliged to make public according to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the CEO, at 2025-05-28 08:00 CET.

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

Hexicon AB (publ.), Östra Järnvägsgatan 27, 111 20 Stockholm, Sweden
www.hexicongroup.com

FINANCIAL CALENDAR

2025-08-20	Q2 2025 Interim Report
2025-11-19	Q3 2025 Interim Report