

A photograph of a wind farm in a snowy, mountainous landscape. In the foreground, there is a dense forest of evergreen trees covered in snow. In the middle ground, several large white wind turbines are visible, with the most prominent one in the center-right. The background is a hazy, snow-covered mountain range under a grey sky.

Year-end Report 2023



Net sales LTM
SEK 7,824 million
(7,644)

Operating margin LTM
13.1%
(14.7)

Return on capital
employed (ROCE) LTM
24.8%
(37.1)

Total portfolio
47,460 MW
(37,864)

Comparative figures refer to the same period the previous year

- Net sales increased by 2.4 percent over the past twelve months, driven by increased revenue from the construction portfolio
- A high proportion of project rights sales combined with good cost control in projects under construction resulted in an operating margin of 13.1 percent (14.7) over the last twelve-month period
- Return on capital employed was 24.8 percent (37.1)
- The total portfolio increased to 47,460 MW (37,864). The increase is mainly attributable to increases of 2,032 MW in the onshore wind portfolio, 2,874 MW in the solar portfolio and 3,822 MW in sold MW with potential additional payments



Good profitability driven by sales of offshore wind power and projects delivered to customers

October-December 2023

- Net sales amounted to SEK 1,829 million (2,244)
- Operating income amounted to SEK 332 million (624)
- Operating margin amounted to 18.2% (27.8)
- Profit for the period was SEK 318 million (627)
- Earnings per share before and after dilution totalled SEK 1.19 (2.32*)
- Cash flow from operating activities amounted to SEK 1,517 million (462)

January-December 2023

- Net sales amounted to SEK 7,824 million (7,644)
- Operating income amounted to SEK 1,028 million (1,122)
- Operating margin amounted to 13.1% (14.7)
- Profit for the period was SEK 1,008 million (1,085)
- Earnings per share before and after dilution totalled SEK 3.79 (4.01*)
- Cash flow from operating activities amounted to SEK 229 million (1,226)

Significant events after the end of the reporting period

On 16 January, OX2 announced that it had submitted, together with Ingka Investments, an application to the government under the Act on Sweden's Exclusive Economic Zone for the Neptunus offshore wind farm outside Blekinge in the south of Sweden.

The Group's key performance indicators

	Q4		Jan-Dec	
	2023	2022	2023	2022
Net sales, SEK m	1,829	2,244	7,824	7,644
Operating income, SEK m	332	624	1,028	1,122
Operating income adjusted for project development costs, SEK m	454	718	1,385	1,451
Operating margin, %	18.2%	27.8%	13.1%	14.7%
Operating margin adjusted for project development costs, %	24.8%	32.0%	17.7%	19.0%
Profit for the period, SEK m	318	627	1,008	1,085
Cash flow from operating activities, SEK m	1,517	462	229	1,226
Investments in the project development portfolio, SEK m	-336	-433	-1,025	-783
Earnings per share before dilution, SEK	1.19	2.32*	3.79	4.01*
Earnings per share after dilution, SEK	1.19	2.32*	3.79	4.01*
Project acquisitions, MW	283	500	5,011	2,656
Sold projects, MW	1,327	4,625	4,429	4,893
Projects handed over, MW	374	0	544	482
Total portfolio, MW	47,460	37,864	47,460	37,864
Project development portfolio, MW	33,517	28,263	33,517	28,263
Sold MW with potential additional payments	8,232	4,410	8,232	4,410
Projects under construction, MW	961	1,343	961	1,343
Contracts under management (TCM), MW	4,750	3,848	4,750	3,848
Number of employees	496	366	496	366

* Adjusted for result from non-controlling interests

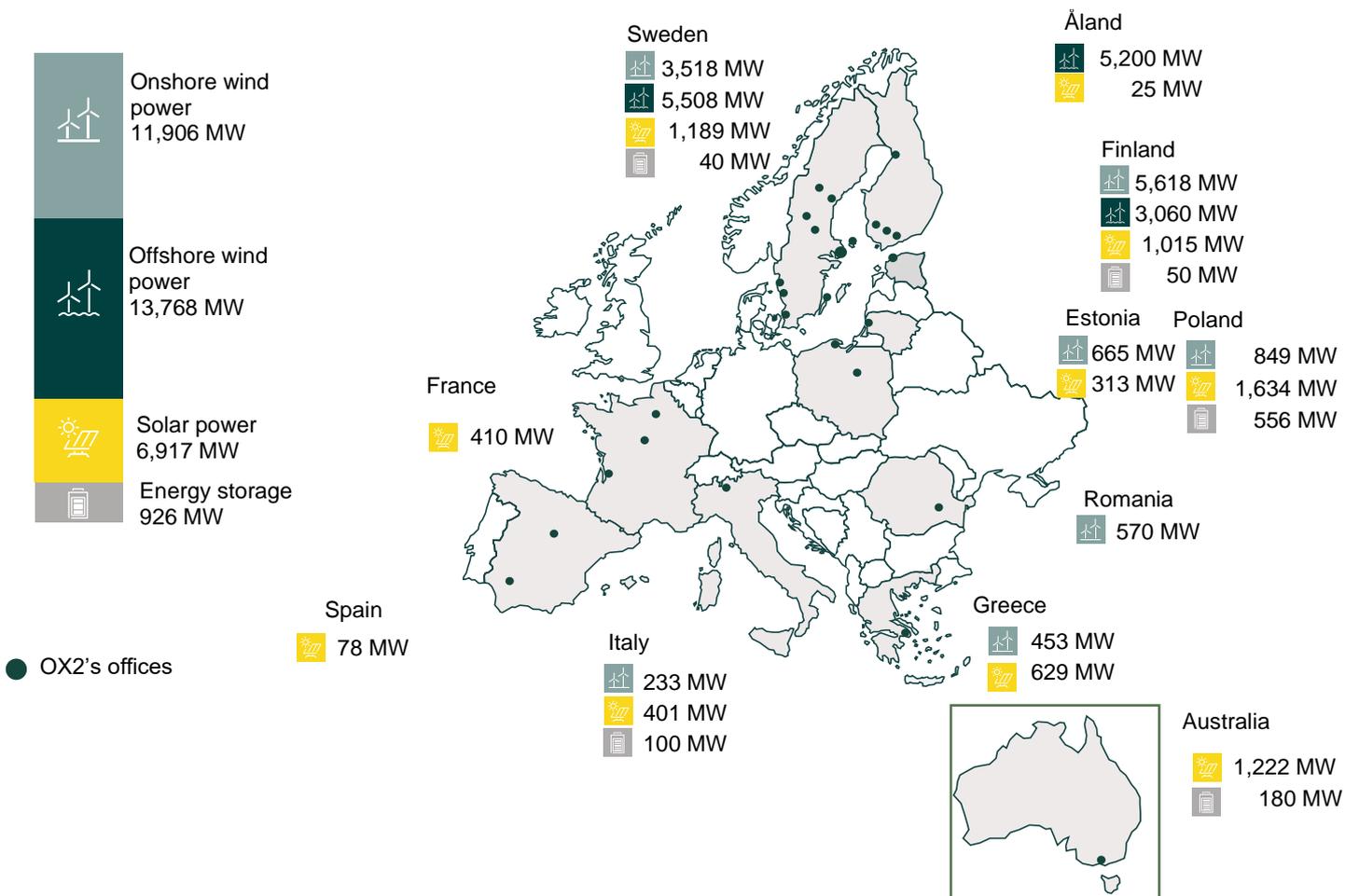
About OX2

OX2 has a three-phase business model for the development and sale of renewable electricity generation capacity: Expand, Develop and Deliver.

OX2's business model



OX2's project development portfolio



The CEO's comments

OX2 demonstrated strong profitability during 2023, propelled by our Northern European wind power business. In the fourth quarter, we sold, among other things, a share of a Swedish offshore wind power portfolio and delivered six completed onshore wind farms to our customers in Poland and Sweden. We look forward to the coming year with confidence and expect an improved operating result for 2024.

Good profitability in 2023

For the second consecutive year, we achieved an operating profit of just over SEK 1,000 million on a full-year basis. The good profitability during the year is mainly attributable to our wind power business in Sweden, Finland and Poland.

Continued development of offshore wind power

In November, we sold 49 percent of a portfolio of Swedish offshore wind power to Ingka Investments for just above SEK 200 million. The deal also includes a contingent consideration of SEK 0,7 million per MW after permits for the projects have been obtained. This was OX2's third sale in offshore wind power and is consistent with our strategy to systematically leverage value creation throughout the entire development phase of our offshore projects.

After securing our first government permit for the Galene wind farm in the Kattegat in 2023, we initiated the process of connecting to the electricity grid and recently signed a collaborative agreement with the grid company Ellevio. We assess that the contingent consideration of just over SEK 200 million for Galene will be received in 2024 and our aim is to start the construction of the wind farm in 2026.

Six onshore wind farms delivered to customers

The profitability of OX2's construction business has remained stable over time, even in periods of challenging supply chain dynamics. The business performed well in the fourth quarter, including delivery of three Swedish and three Polish completed onshore wind farms to our customers.

A development portfolio for future growth

In just two years, our project development portfolio has almost doubled, reaching 33.5 GW at year-end. We have gradually fortified our position in our key markets in the Nordic region and Poland, which currently represent around 80 percent of our



Paul Stormoen, CEO

portfolio, while also becoming established in several new markets.

During the fourth quarter, we entered into a cooperation agreement with the forestry group Stora Enso to jointly develop onshore wind power, mainly in Electricity Price Area 3, in Sweden. The agreement covers a total of approximately 1,000 MW on Stora Enso's land, of which a smaller part was added to the development portfolio during the quarter.

During the quarter, we also included new solar and offshore wind greenfield projects in the development portfolio.

OX2's total portfolio, including the construction and management portfolios as well as sold projects with potential additional payments, amounted to just over 47 GW at year-end.

Good prospects for 2024

In recent years, OX2 has delivered good results despite a challenging environment. Although our business is inherently volatile on a quarterly basis, we have demonstrated stability on an annual basis. During this period, we have also made significant investments to further strengthen our organization

Projects sold, MW

4,429

Relates to Jan-Dec 2023

Growth total portfolio,
MW

9,596

Relates to Jan-Dec 2023

Total portfolio,
MW

47,460

As of 31 Dec 2023

and project development portfolio, which will contribute to our future growth and earnings capacity.

We look forward to the coming year with confidence and expect our operating income to increase in 2024 compared to the previous year. At the close of 2023, ongoing sales processes were underway in numerous countries, spanning onshore wind power, solar power and energy storage, totalling just over 1 GW. During the coming year, we expect to sell substantial onshore wind power projects in Finland and solar power in Poland, while anticipating our first sales in Romania and Australia, as well as our first sale of energy storage projects.

Strong position in a growing market

Creation of renewable energy supply has strong political support. The market is expected to grow strongly in the coming years and we see great interest from our customers for our projects. To achieve the goal of tripling the global capacity for renewable energy set at the recent UN climate conference COP28, a doubling of the current installation rate is required.

It is worth noting that long-term electricity price expectations have shown an upward trajectory in some of our key markets at

the outset of 2024, a factor that may positively affect demand from our customers.

Following our extensive investments to build a robust project development portfolio in recent years, OX2 is well-positioned to spearhead the transition with profitable growth.

Finally, I would like to extend my sincere thanks to our employees, business partners, customers, suppliers and owners for 2023. We look forward to a very exiting 2024.

Paul Stormoen

Expand and develop

It is OX2's project development portfolio that creates long-term value and determines the company's ability to drive the transition to renewable energy. The portfolio consists of greenfield projects, as well as acquired wind, solar projects and energy storage projects in various stages of development and in different markets. Development and optimization of these projects take a long time and not all projects will be realized. The probability of a project being realized increases the further on in the development phase the project is.

At the end of the fourth quarter, the development portfolio totalled 33.5 GW (28.3), comprising offshore wind power of 13.8 GW (13.9), onshore wind power of 11.9 GW (9.9), solar power of 6.9 GW (4.0) and energy storage of 0.9 GW (0.5).

The project development portfolio decreased by 557 MW during the quarter, mainly attributable to project sales of 1,327 MW and a downward revision of existing projects of 472 MW. This was offset in part by new greenfield projects of 959 MW and project acquisitions of 283 MW.

The increase in greenfield projects can mainly be attributed to the inclusion of the Swedish offshore wind project Ran with 510 MW. The project is located near Pleione, east of Gotland in Swedish territorial waters. Other new greenfield projects included 449 MW of solar energy in several markets including Sweden, Finland and Estonia.

During the quarter, onshore wind projects totalling 161 MW were acquired in Sweden and solar projects totalling 122 MW were acquired in Italy and France.

Overall, the development portfolio made good progress, with several projects advancing to mid- and late-stage status. During the quarter, the portfolio was reduced by 477 MW due to limited progress in municipal permit processes, primarily for onshore wind projects in Sweden.

Project development portfolio as at 31 December 2023

Market (MW)	Onshore wind	Offshore wind	Solar	Storage	Total
Sweden	3,518	5,508	1,189	40	10,255
Finland	5,618	3,060	1,015	50	9,743
Åland	0	5,200	25	0	5,225
Poland	849	0	1,634	556	3,039
Italy	233	0	401	100	734
Australia	0	0	1,222	180	1,402
Other markets	1,688	0	1,430	0	3,117
Total:	11,906	13,768	6,917	926	33,517

Sold MW with potential additional payments

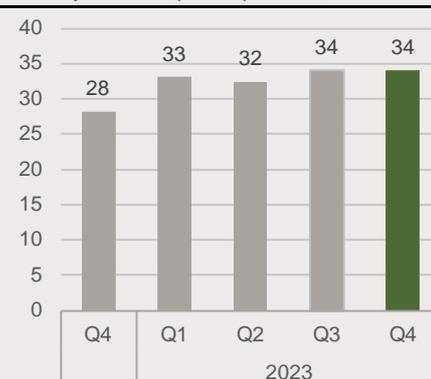
Sweden	5,292	5,292
Finland	2,940	2,940
Total:	8,232	8,232

During the fourth quarter, total external project development costs amounted to SEK -122 million (-94).

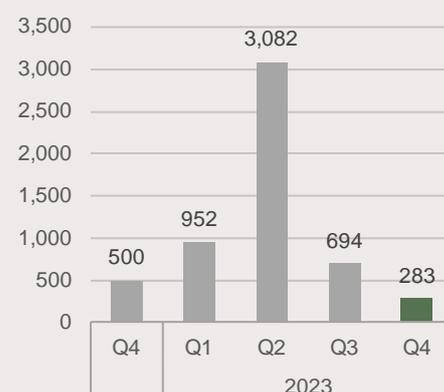
Development costs increased in the fourth quarter by 30 percent year-on-year due to increased costs related to onshore wind and solar power projects in several geographic markets. Investments in the project development portfolio totalled SEK -336 million (-433) for the quarter and SEK -1,025 million (-783) for the year, excluding the acquisition of ESCO Pacific.

External project development costs for the quarter for offshore wind amounted to SEK -36 million (-41), while other external costs and personnel costs for offshore wind amounted to SEK -19 million (-24). In addition, the Group's share of costs for offshore wind in joint ventures amounted to SEK -41 million (-44) for the quarter.

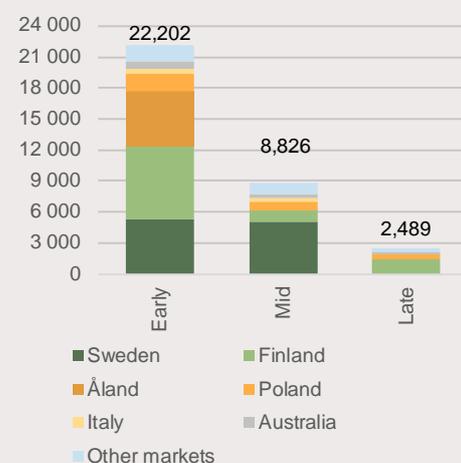
Project development portfolio, GW



Project acquisitions, MW



Project development portfolio/development phase, MW



Projects sold

Sales of 1,327 MW (4,625) were completed during the quarter. The largest transaction was the sale of 49 percent of a portfolio of offshore wind projects in Sweden to Ingka Investments, OX2's third sale of offshore wind power. The initial payment from Ingka was approximately SEK 200 million. After obtaining the necessary permits, OX2 will receive a pre-agreed payment corresponding to about SEK 0.7 million per MW for 49 percent of the planned capacity.

OX2 completed its first sales in France and Spain during the quarter. In Spain, project rights to solar power projects in Andalusia and Castilla la Mancha, which were acquired in 2022, were sold to two industrial buyers. In addition, an AgriPV project was sold to CVE, a local producer of renewable electricity in the Lorient region of France. These sales have had a limited effect on OX2's performance in the quarter.

OX2 has projects with permits in several countries, and ongoing sales processes totalling just over 1 GW. Current sales processes include onshore wind power of approximately 350 MW in Finland and approximately 200 MW in Romania, as well as solar power projects of approximately 270 MW in Australia and 100 MW in Poland.

Deliver

In addition to developing wind and solar farms and energy storage solutions, OX2 is responsible for construction of the projects and has expertise to deliver long-term technical and commercial management.

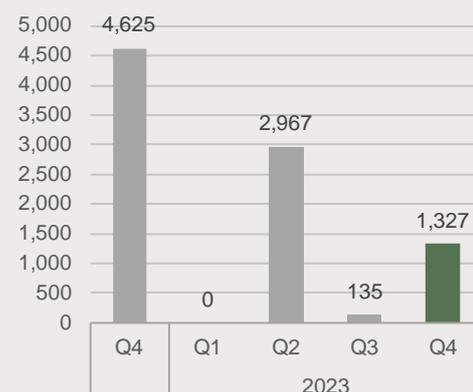
During the fourth quarter, six completed onshore wind farms were delivered to customers: Karskröv 86 MW, Marhult 32 MW and Klevberget 145 MW in Sweden, as well as Huszlew 48 MW, Grajewo 40 MW and Sulmierzyce 23 MW in Poland.

At the end of the quarter, OX2 had 9 projects under construction totalling 961 MW (1,343). In the second quarter, turbine supplier Siemens Gamesa (wholly owned by Siemens Energy) announced expected delays in future deliveries. OX2 has three projects under construction totalling 670 MW that use Siemens Gamesa turbines (Niinimäki, Ribberget and Lestijärvi) where handover to the customer may be delayed, reflected in the table below. OX2's construction contracts are based on fixed prices and terms of delivery, which means that delays caused by the turbine suppliers generally have no financial impact on OX2.

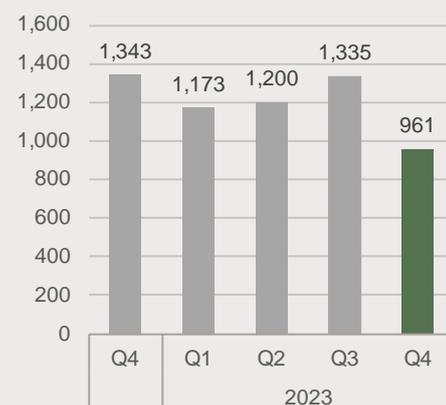
Projects	Country	Technology	Constr. start	Operat. start	MW
Projects to be completed in 2024					156
Krasnik	Poland	Onshore wind	2021	2024	24
Wysoka	Poland	Onshore wind	2021	2024	63
Bredhälla	Sweden	Energy storage	2022	2024	43
Eolia	Italy	Onshore wind	2023	2024	27
Projects to be completed in 2025					690
Ribberget	Sweden	Onshore wind	2022	2025	70
Niinimäki	Finland	Onshore wind	2022	2025	145
Lestijärvi	Finland	Onshore wind	2021	2025	455
Bejsce	Poland	Onshore wind	2023	2025	20
Projects to be completed in 2026					115
Ånglarna	Sweden	Onshore wind	2023	2026	115
Total MW under construction at period end					961

Projects handed over	Land	Technology	Constr. start	Operat. start	MW
Grajewo	Poland	Onshore wind	2020	2023	40
Huszlew	Poland	Onshore wind	2021	2023	48
Karskröv	Sweden	Onshore wind	2021	2023	86
Klevberget	Sweden	Onshore wind	2022	2023	145
Marhult	Sweden	Onshore wind	2022	2023	32
Sulmierzyce	Poland	Onshore wind	2021	2023	23
Total handed over, MW					374

Projects sold, MW



Total MW under construction



At the end of the quarter, OX2's technical and commercial management activities encompassed 4,750 MW (3,848), spread across five European markets and Australia. The focus during the quarter was on integrating the Australian business and strengthening the customer offering in solar energy and energy storage.

Technical and commercial management contracts, MW

4,750
(3,848)

Financial highlights

Performance and financial position

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Net sales	1,829	2,244	7,824	7,644
Cost of goods sold*	-1,044	-1,288	-5,345	-5,531
Gross profit*	785	956	2,479	2,113
Project development costs*	-122	-94	-357	-329
Other external costs	-79	-55	-267	-166
Personnel costs	-204	-133	-678	-438
Result from joint venture	-41	-44	-115	-44
Depreciation and amortization of tangible and intangible assets	-6	-5	-34	-14
Operating income*	332	624	1,028	1,122
Operating income adjusted for project development costs*	454	718	1,385	1,451
Gross margin, %*	42.9%	42.6%	31.7%	27.6%
Operating margin, %*	18.2%	27.8%	13.1%	14.7%
Operating margin adjusted for project development costs, %*	24.8%	32.0%	17.7%	19.0%

*For definitions of alternative performance measures, see page 23.

Net sales

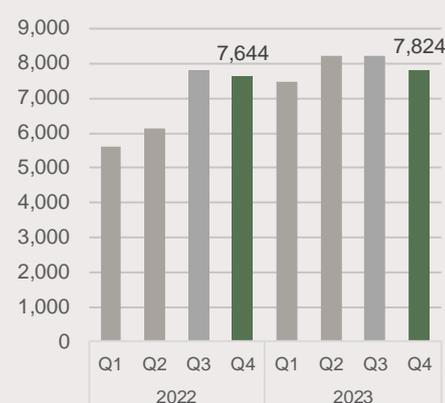
Net sales amounted to SEK 1,829 million (2,244) for the fourth quarter, and SEK 7,824 million (7,644) for the full year.

Net sales for the quarter were lower than the same period last year because of lower revenue from project sales, which was offset in part by revenue from the construction portfolio. Projects in Sweden contributed 23 percent (54) of the revenue, Poland with 32 percent (10), Finland 28 percent (36), Spain 12 percent (0) and France 5 percent.

Six projects were completed and delivered to customers in the fourth quarter of 2023. In the same period last year, no projects were handed over to customers. During the quarter, 49 percent of a portfolio of offshore wind projects in Sweden was sold to Ingka Investments (1,176 MW), as well as a solar project in France (27 MW) and solar projects in Spain (127 MW). In the corresponding quarter last year, two sales of onshore wind projects and one sale of 49 percent of a portfolio of offshore wind projects were completed.

The increase in net sales this year was attributable to a larger portfolio in the construction phase and higher revenue from milestones achieved in the construction projects. During the year, operations in Sweden contributed 40 percent (41) of net sales followed by Finland with 29 percent (37), Poland 27 percent (22), Spain 3 percent (0) and France 1 percent (0).

Net sales LTM, SEK m



Costs

The cost of goods sold was SEK -1,044 million (-1,288) for the fourth quarter and SEK -5,345 million (-5,531) for the year. Cost of goods sold as a percentage of net sales is affected by the product mix in the period. Gross margin increased to 42.9 percent (42.6) compared with the same period last year. A higher gross margin in construction projects delivered to customers contributed positively to the higher margin in the period. Gross margin for the year was 31.7 percent, up from 27.6 percent the previous year.

Project development costs totalled SEK -122 million (-94) for the fourth quarter and SEK -357 million (-329) for the year. Development costs increased in the fourth quarter by 29.8 percent year-on-year due to increased costs related to onshore wind and solar power projects in several geographic markets. During the year, total development costs were higher than the previous year due to increased costs in Continental Europe and Australia, which were offset by lower costs in Sweden and Finland. As a share of revenue, project development costs for the quarter amounted to 6.7 percent, compared with 4.3 percent for the corresponding period the previous year. In addition to project development costs, result from interests in joint ventures amounted to SEK -41 million (44) for the quarter and SEK -115 million (-44) for the year. The result is attributable to OX's share of the offshore wind development costs of the companies that were partially divested to Ingka Investments in the fourth quarter of 2022, as well as the projects sold to the same counterparty in June and November 2023.

Other costs amounted to SEK -79 million (-55) for the fourth quarter, and SEK -267 million (-166) for the year. The increase is related to operations in Australia, as well as expansion of the business and higher costs for consultants and IT.

Personnel costs in the fourth quarter amounted to SEK -204 million (-133), an increase of 53 percent compared with the same period the previous year. During the year, personnel costs totalled SEK -678 million (-438). The change can be attributed to an increase in the workforce (130 employees) compared with the same period the previous year, which is in line with OX2's expansion plan. Personnel expenses for staff located outside Sweden have also increased in Swedish currency due to the weakening of the SEK.

Profit

Operating income totalled SEK 332 million (624) for the fourth quarter of 2023, and SEK 1,028 million (1,122) for the full year. The earnings development for individual quarters is mainly affected by new sales of wind and solar projects, and the rate at which projects under construction are completed and handed over to customers. Operating margin amounted to 18.2 percent (27.8). The lower margin in the quarter was mainly attributable to higher development and personnel costs related to the larger organisation, as well as the larger development portfolio.

Results from financial items amounted to SEK 56 million (21) for the fourth quarter and SEK 98 million (-62) for the year. The positive contribution from profit from financial items in the quarter was mainly attributable to positive currency effects related to the revaluation of the company's cash and cash equivalents denominated in other currencies. For the full year, interest income from the company's cash was the main contributor to earnings. OX2's currency exposure in construction projects is primarily denominated in EUR and the company uses currency derivatives to hedge these flows. The effective tax rate was 18.1 percent (2.8) for the quarter. The tax rate was mainly affected by non-taxable income from the sale of projects. Profit totalled SEK 318 million (627) for the period and SEK 1,008 million (1,085) for the year.

Earnings per share before and after dilution totalled SEK 1.19 (2.32*) for the quarter.

OX2 applies hedge accounting and changes in fair value relating to currency derivatives are recognized in equity.

Project development and personnel costs LTM, SEK m



Operating income LTM, SEK m



Financial position and liquidity

Current assets amounted to SEK 7,417 million (6,295) at the end of the period, an increase of SEK 1,122 million compared with the end of December 2022.

The value of the project development portfolio increased to SEK 2,383 million (1,388), with most of the increase attributable to the acquisition of ESCO Pacific in Australia. Work in progress of SEK 469 million (0) is mainly linked to the construction of projects in our own book in Italy and Sweden. Accounts receivable totalled SEK 514 million (655). Other receivables, which largely consist of expenses incurred by OX2 on behalf of customers, totalled SEK 185 million (115). Prepaid expenses and accrued income amounted to SEK 947 million (549). Prepaid expenses and accrued income consisted mainly of items related to construction. Cash and cash equivalents amounted to SEK 2,876 million (3,575). The decrease is mainly attributable to the acquisition of ESCO Pacific.

Total current liabilities amounted to SEK 3,037 million (2,772), an increase of SEK 265 million over the previous year.

Advance payments from customers amounted to SEK 1,885 million (1,325), an increase of SEK 560 million during the year. 92 percent of the advance payments was related to projects under construction in the Finnish market, followed by 6 percent for Swedish projects and 1 percent for Polish projects. Accounts payable totalled SEK 215 million (159), mainly attributable to invoices from the construction business, which vary between periods. Other liabilities amounted to SEK 327 million (358) and current interest-bearing liabilities to SEK 54 million (228), where the decrease in current interest-bearing liabilities is mainly related to a contingent consideration related to Spanish projects. Tax liabilities amounted to SEK 75 million (28). Accrued expenses and deferred income amounted to SEK 481 million (673). Accrued expenses consisted mainly of accrued construction and project costs.

Cash flow

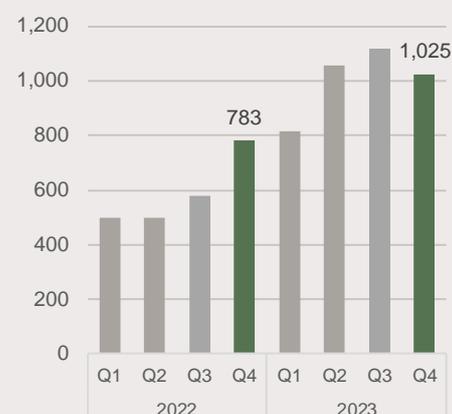
Cash flow from operating activities before changes in working capital totalled SEK 370 million (687) for the quarter and SEK 1,242 million (1,203) for the year. Cash flow from changes in working capital totalled SEK 1,483 million (208) in the quarter and SEK -12 million (807) this year. Changes in working capital have a large impact on cash flow in individual quarters. Cash flow in the quarter was positively affected by changes in working capital related to a decrease in accounts receivable. During the year, current receivables had a negative impact on cash flow from operating activities, while accounts receivable and current liabilities had a positive impact. Investments in the project development portfolio totalled SEK -336 million (-433) for the quarter and SEK -1,025 million (-783) for the year. Cash flow from operating activities amounted to SEK 1,517 million (462) for the quarter and SEK 229 million (1,226) for the year.

Cash flow from investing activities totalled SEK -30 million (-32) for the quarter and SEK -935 million (-33) for the year, SEK -829 million of which is attributable to the acquisition of ESCO Pacific in Australia, while a smaller portion, SEK -104 million, is attributable to contributions to joint ventures. Cash flow from financing activities totalled SEK 6 million (-4) for the quarter and SEK 29 million (-13) for the year. On an annual basis, the positive effect is largely attributable to contributions from minority shareholders in jointly owned development projects. Total cash flow for the fourth quarter of 2023 amounted to SEK 1,493 million (425) and SEK -677 million (1,180) for the year.

Net debt or (-) net cash, SEK m

-2,800
(-3,318)

Investments in the project development portfolio LTM, SEK m



Parent company

The employees of the parent company (OX2 AB) work with project development, financing, project sales and project implementation. Group management and group-wide functions are also based within the parent company. Total revenue amounted to SEK 276 million (214) for the quarter, and SEK 891 million (1,041) for the year. Net sales in the parent company consists of sales of wind and solar farms, development services and internal invoicing of service and management fees. Income from the sale of wind and solar farms varies between quarters and is also affected by the transaction structure of the projects sold.

Costs of goods and project development amounted to SEK -208 million (-106) for the quarter and SEK -586 million (-584) for the year. Other costs amounted to SEK -52 million (-41) for the quarter, and SEK -187 million (-139) for the year. The increase for the quarter and for the year was due to the expansion of the business.

Personnel costs amounted to SEK -125 million (-89) for the quarter, and SEK -444 million (-313) for the year. The increased costs were mainly attributable to an increase in the number of employees compared with the same quarter the previous year and are in line with planned expansion. However, costs were also affected by the weakening of the SEK against the EUR during the year.

Operating income amounted to SEK -109 million (-23) for the quarter and SEK -328 million (3) for the year. Operating income was lower during the year because of a lower gross margin from sales of projects compared with the previous year, as well as higher other costs and personnel costs. Earnings after financial items amounted to SEK -118 million (-22) for the quarter and SEK 315 million (188) for the year. The year-on-year increase in financial income was mainly related to net income from participations in Group companies. Profit totalled SEK 250 million (139) for the period and SEK 722 million (345) for the year.

Current assets totalled SEK 4,500 million (4,353) at the end of the quarter compared with the end of the previous year. The change was due to a decrease in cash related to acquisitions.

The parent company's equity amounted to SEK 3,012 million (2,270) as of 31 December 2023.

Financial goals

Growth

Operating income

- Compound annual growth rate (CAGR) for operating income of more than 25 percent during the period 2023-2027

Sold MW

- > 1,500 MW sold per year on average during the period 2023–24
- > 2,000 MW sold per year from 2025

Profitability

- Operating margin >10 percent

Return

- Return on capital employed > 25 percent

Other information

Shareholder information

OX2 AB (publ) is listed on Nasdaq Stockholm's main list under the ticker symbol OX2. The total number of shares is 272,517,586. The last price per share paid on 31 December was SEK 54.85. The three largest shareholders at the end of the quarter were Peas Industries AB at 45.6 percent, Pictet Asset Management 4.5 percent and SEB Fonder 3.7 percent.

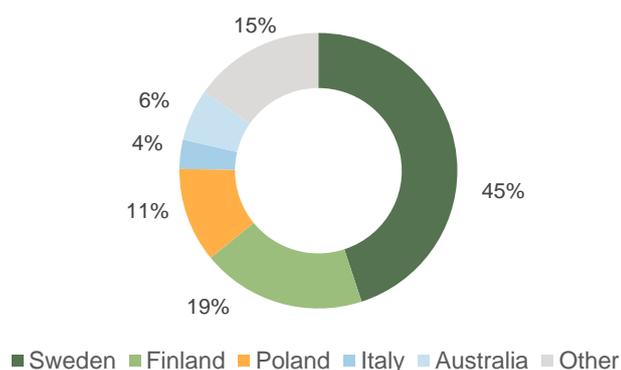
Employees

As at December 31 2023, the company had 496 employees (366), 41 percent (41) of whom were women. The number of employees has increased by 36 percent compared with the previous year. During the quarter, the number of employees increased by 21 people.

Total number of employees	2023/12/31	2022/12/31
Sweden	223	195
Finland	95	75
Poland	55	44
Italy	17	-
Australia	30	-
Other markets	76	52
Total OX2 Group	496	366

At the end of December 2023, 41 (41) percent were women and 59 (59) men.

Number of employees as at December 31, 2023, %



Risks and uncertainties

The renewable energy industry is dependent on the general global economic and political situation. Access to capital and investment appetite may affect the company's ability to sell projects. The climate and environmental targets adopted by the EU and individual countries in which OX2 operates also affect prospects for the wind and solar power market and OX2's growth potential.

For a detailed description of the risks, please refer to the directors' report in the company's 2022 Annual Report.

Sustainability

OX2's sustainability strategy is based on four strategic focus areas: basis for good governance, contribution to climate and nature, sustainable leadership and local commitment. Together, these focus areas will help us achieve our long-term sustainability goals and accelerate the transition to renewable energy in a sustainable way. Each focus area addresses key issues about which we continuously communicate and report. OX2's long-term sustainability goals aim to increase renewable energy production and reduce emissions in line with the 1.5 degree target, be a leader in health and safety, and create nature-positive wind and solar farms.

Future prospects

The transition to a renewable energy supply is a long-term and important goal for our society. Despite the uncertainty related to the war in Ukraine and rising interest rates, OX2 performed well over the past year, with an expanded project development portfolio, geographical expansion and good progress in projects under construction. Creation of renewable energy supply has strong political support as it creates growth in the economy and we consider it to be the most effective way of reducing global CO2 emissions. OX2 is optimistic about the future and is experiencing good demand for ownership of renewable power generation among its customers.

Planning conditions

Although higher interest rates have had an impact on the financing market, demand for renewable energy production continues to be strong. OX2 has a large number of permitted projects on several markets which gives confidence for the coming year.

OX2 has made substantial investments in both the organisation and project development in recent years, setting the stage for the company to reach its targets of at least a 25 percent Compound Annual Growth Rate (CAGR) in operating profit from 2023 to 2027. As a result of the completed investments in the organization and project development portfolio, the need for increased costs for personnel and project development is decreasing. In 2024, the increase in personnel and project development costs is expected to be below 5 percent for the full year compared to 2023. The outcome depends on the growth and progress of the project portfolio.

OX2 expects operating profit growth for full-year 2024. At the close of 2023, ongoing sales processes were underway in numerous countries, spanning onshore wind power, solar power and energy storage, totalling just over 1 GW. Timing of new project sales is expected to continue to cause fluctuations in quarterly results, with operating results potentially being negative in a quarter if no new project sales are completed.

Investments in project acquisitions are expected to total approximately SEK 1,000 million per year. Depending on the timing of the completion of acquisitions, this may vary between individual calendar years.

Estimates and assessments for accounting purposes

Preparation of financial statements in accordance with IFRS requires the Board of Directors and management to make accounting estimates and judgements and to make assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, revenues and expenses. The actual outcome may differ from these estimates and judgements.

Significant events after the end of the reporting period

On 16 January, OX2 announced that it had submitted, together with Ingka Investments, an application to the government under the Act on Sweden's Exclusive Economic Zone for the Neptunus offshore wind farm outside Blekinge.

Dividend

The company sees good opportunities to reinvest cash flow from operations in value-creating growth.

The Board of Directors proposes that no dividend be paid.

Annual report and Annual General Meeting

OX2's annual and sustainability report for 2023 will be available on the OX2 website, ox2.com, in the week beginning 8 April 2024. OX2's annual general meeting will be held at 10:00 a.m. on 14 May at Brygghuset, Norrtullsgatan 12N, in Stockholm.

Stockholm, 20 February 2024

OX2 AB (publ)

Paul Stormoen

CEO

The auditor's review report on interim financial information

Review report

To the Board of Directors of OX2 AB (publ), corporate registration number 556675–7497

Introduction

We have reviewed the interim report for Ox2 AB (publ) for the period January 1 – December 31, 2023. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm - February 20, 2024

Deloitte AB

Kent Åkerlund
Authorised Public Accountant

Condensed consolidated income statement

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Net sales	1,829	2,244	7,824	7,644
Total revenue	1,829	2,244	7,824	7,644
Cost for goods and project development	-1,166	-1,382	-5,702	-5,860
Other external costs	-79	-55	-267	-166
Personnel costs	-204	-133	-678	-438
Result from joint venture	-41	-44	-115	-44
Depreciation and amortization of tangible and intangible assets	-6	-5	-34	-14
Total operating expenses	-1,497	-1,620	-6,796	-6,522
Operating income	332	624	1,028	1,122
Financial income	133	43	387	220
Financial costs	-77	-23	-289	-158
Profit after financial items	388	645	1,126	1,184
Income tax	-70	-18	-118	-99
PROFIT FOR THE PERIOD	318	627	1,008	1,085
Profit for the period attributable to:				
Owners of the parent company	324	633	1,033	1,092
Non-controlling interests	-6	-6	-25	-7
Average number of share before dilution	272,517,586	272,517,586	272,517,586	272,517,586
Average number of share after dilution	272,597,371	272,695,986	272,640,065	272,600,913
Earnings per share before dilution, SEK	1.19	2,32*	3.79	4,01*
Earnings per share after dilution, SEK	1.19	2,32*	3.79	4,01*

* Adjusted for result from non-controlling interests

Consolidated statement of comprehensive income

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Profit for the period	318	627	1,008	1,085
Other comprehensive income:				
<i>Items that may reclassified subsequently to profit or loss</i>				
Foreign exchange differences on translation of foreign subsidiaries	-70	3	-20	22
<i>Cash flow hedges</i>				
Changes in fair value	70	19	78	-100
Income tax attributable to cash flow hedges	-14	-4	-16	19
Total other comprehensive income after tax	303	645	1,050	1,026
Total comprehensive income for the period attributable to:				
Owners of the parent company	309	651	1,075	1,033
Non-controlling interests	-6	-7	-25	-7

Consolidated statement of financial position

SEK m	2023/12/31	2022/12/31
ASSETS		
Non-current assets		
Goodwill	135	-
Other intangible assets	7	3
Fixtures, tools and installations	4	3
Right-of-use assets	45	45
Shares in joint ventures	118	17
Other financial assets	2	2
Total Non-current assets	312	70
Current assets		
Project development portfolio	2,383	1,388
Construction in progress	469	0
Accounts receivable	514	655
Tax receivables	-	-
Other receivables	185	115
Prepaid expenses and accrued income	947	549
Derivative financial instruments	43	14
Cash and cash equivalents	2,876	3,575
Total Current assets	7,417	6,295
TOTAL ASSETS	7,729	6,365
EQUITY AND LIABILITIES		
Equity		
Share capital	1	1
Retained earnings including profit for the period	4,548	3,413
Equity attributable to the shareholders of the parent company	4,545	3,421
Equity attributable to non-controlling interests	4	-7
Total equity	4,549	3,414
Non-current liabilities		
Long-term interest-bearing liabilities	22	29
Derivative financial instruments	72	107
Deferred tax liabilities	49	44
Total Long-term liabilities	143	179
Current liabilities		
Advance payments from customers	1,885	1,325
Accounts payable	215	159
Tax liabilities	75	28
Other Current liabilities	327	358
Current interest-bearing liabilities	54	228
Accrued expenses and deferred income	481	673
Total Current liabilities	3,037	2,772
TOTAL EQUITY AND LIABILITIES	7,729	6,365

Consolidated statement of changes in equity

SEK m	2023/12/31	2022/12/31
Opening balance	3,414	2,355
Total comprehensive income for the period	1,050	1,026
Change in minority interest	36	0
Share-based payments	4	2
Other contribution	28	29
Shareholder contribution	17	2
Closing balance	4,549	3,414
Attributable to:		
Owners of the parent company	4,545	3,421
Non-controlling interest	4	-7
Total equity	4,549	3,414

Consolidated statement of cash flows

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Profit after financial items	388	645	1,126	1,184
Adjustments for items not included in cash flow, etc.	8	51	209	62
Income taxes paid	-26	-9	-93	-43
Cash flow from operating activities before changes in working capital	370	687	1,242	1,203
Cash flow from changes in working capital				
Decrease(+)/increase(-) in work in progress	240	127	66	96
Decrease(+)/increase(-) in accounts receivable	1,028	-396	143	-356
Decrease(+)/increase(-) in current receivables	232	-119	-471	-170
Decrease(+)/increase(-) in accounts payables	-149	-82	55	-151
Decrease(-)/increase(+) in current liabilities	133	677	219	1,389
Cash flow from operating activities before investment in project development portfolio	1,853	894	1,253	2,010
Investments in project development portfolio	-336	-433	-1,025	-783
Cash flow from operating activities	1,517	462	229	1,226
Acquisition/sale of fixed assets	2	-32	-2	-33
Acquisition of shares in other companies	-31	-	-104	-
Acquisition of subsidiary	0	-	-829	-
Cash flow from investment activities	-30	-32	-935	-33
Shareholder contribution	13	-	53	2
Repayments of lease liabilities	-6	-4	-24	-15
Cash flow from financing activities	6	-4	29	-13
Cash flow for the period	1,493	425	-677	1,180
Translation difference in cash and cash equivalents	-68	3	-22	21
Cash and cash equivalents at beginning of the period	1,450	3,147	3,575	2,374
Cash and cash equivalents at period end	2,876	3,575	2,876	3,575

Condensed parent company income statement

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Net sales	263	207	878	1,034
Other operating revenue	13	7	13	7
Total revenue	276	214	891	1,041
Cost of goods and project development	-208	-106	-586	-584
Other external costs	-52	-41	-187	-139
Personnel costs	-125	-89	-444	-313
Depreciation and amortization of tangible and intangible assets	0	-1	-2	-2
Total operating expenses	-385	-237	-1,219	-1,038
Operating income	-109	-23	-328	3
Financial income	44	12	819	221
Financial costs	-53	-12	-175	-35
Profit after financial items	-118	-22	315	188
Year-end appropriations	434	198	434	198
Tax	-66	-37	-28	-42
Profit for the period	250	139	722	345

Parent company statement of comprehensive income

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Profit for the period	250	139	722	345
Total other comprehensive income after tax	250	139	722	345

Condensed parent company balance sheet

SEK m	2023/12/31	2022/12/31
ASSETS		
Non-current assets		
Other intangible assets	2	3
Fixtures, tools and installations	2	3
Participations in Group companies	2,899	940
Other non-current assets	3	1
Total Non-current assets	2,906	947
Current assets		
Project development portfolio and construction in progress	455	310
Accounts receivable	32	17
Tax receivable	5	-
Other receivables	83	13
Receivables from group companies	1,179	559
Prepaid expenses and accrued income	69	14
Cash and cash equivalents	2,677	3,440
Total Current assets	4,500	4,353
TOTAL ASSETS	7,405	5,301
EQUITY AND LIABILITIES		
Equity	3,012	2,270
Untaxed reserves	185	152
Current liabilities		
Accounts payable	92	26
Current tax liabilities	-	7
Other Current liabilities	10	12
Liabilities to group companies	3,956	2,687
Accrued expenses and deferred income	150	147
Total Current liabilities	4,208	2,879
TOTAL EQUITY AND LIABILITIES	7,405	5,301

Key performance indicators, Group

	Q4		Jan-Dec	
	2023	2022	2023	2022
Profitability				
Net sales, SEK m	1,829	2,244	7,824	7,644
Net sales growth, %	-18.5%	-7.7%	2.4%	53.4%
Operating income, SEK m	332	624	1,028	1,122
Operating income adjusted for development costs, SEK m	454	718	1,385	1,451
Operating margin, %	18.2%	27.8%	13.1%	14.7%
Operating margin adjusted for development costs, %	24.8%	32.0%	17.7%	19.0%
Profit for the period, SEK m	318	627	1,008	1,085
Earnings per share before dilution, SEK	1.19	2,32*	3.79	4,01*
Earnings per share after dilution, SEK	1.19	2,32*	3.79	4,01*
Financial position				
Net debt or (-) net cash, SEK m	-2,800	-3,318	-2,800	-3,318
Equity ratio, %	58.9%	53.6%	58.9%	53.6%
Effective tax rate, %	18.1%	2.8%	10.5%	8.3%
Operating cash flow, SEK m	1,456	372	-886	1,127
Cash conversion, %	430%	59%	-83%	99%
Construction related working capital, SEK m	-793	-1,197	-793	-1,197
Net working capital, SEK m	1,590	191	1,590	191
Equity per share, SEK	17	13	17	13
Return on equity, %	7.2%	20.4%	25.3%	37.6%
Return on capital employed, %	7.4%	19.3%	24.8%	37.1%
Investments in the project development portfolio, SEK m	-336	-433	-1,025	-783
Operational key figures				
Project acquisitions, MW	283	500	5,011	2,656
Sold projects, MW	1,327	4,625	4,429	4,893
Projects handed over, MW	374	0	544	482
Total portfolio, MW	47,460	37,864	47,460	37,864
Project development portfolio, MW	33,517	28,263	33,517	28,263
Sold MW with potential additional payments	8,232	4,410	8,232	4,410
Projects under construction, MW	961	1,343	961	1,343
Contracts under management, MW	4,750	3,848	4,750	3,848
Number of employees	496	366	496	366

* Adjusted for result from non-controlling interests

For definitions of alternative performance measures and key performance indicators, see pages 23 and 27.

Notes

Note 1 Accounting policies

The consolidated accounts for OX2 have been prepared in accordance with the International Financial Reporting standards (IFRS) adopted by the EU. The same accounting policies have been applied for the current year as for the comparative year. No new or amended standards have had a material impact on the financial statements. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. In addition to the financial statements and related notes, further disclosures in accordance with IAS 34 can be found in other parts of the interim report.

The parent company OX2 AB applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities.

Items have been measured in the consolidated financial statements at cost, except in the case of certain financial instruments that are measured at fair value and at amortized cost. There have been no changes in accounting policies since the latest annual report.

Project assets are normally sold through the sale of shares in project companies. Revenue will be recognized on condition that OX2 no longer controls the subsidiary. There is no remeasurement of the remaining shares given that the assets were classified as current assets before the sale. Earnings from interests in Joint Ventures have been deemed to be part of operations and are therefore reported as an item within operating income.

Note 2 Revenue

The Group has one segment.

The Group's revenue mainly comprises sales of wind and solar projects and commissioned wind farms. The Group normally recognizes revenue over time and, in certain cases, at a specific time.

For a description of segment reporting, see the 2022 Annual Report, Note 2, "Accounting policies".

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Net sales per category				
Sales of wind and solar projects, wind farms and technical and commercial management	1,829	2,244	7,824	7,644
Total	1,829	2,244	7,824	7,644
Income divided by country*				
Sweden	423	1,196	3,098	3,155
Finland	519	813	2,300	2,820
Poland	581	234	2,102	1,669
Australia	3	-	23	-
Spain	218	-	218	-
France	85	-	85	-
Total	1,829	2,244	7,824	7,644

*The income divided by country is based on where projects are localised

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Time of revenue recognition				
At a certain time	557	663	946	749
Over time	1,272	1,580	6,878	6,896
Total	1,829	2,244	7,824	7,644

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Contract assets				
Ongoing work in progress on behalf of others	0	0	0	0
Accrued income	505	179	505	179
Total	505	179	505	179
Of which Long-term assets	-	-	-	-
Of which Current assets	505	179	505	179
Total	505	179	505	179

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Contract liabilities				
Advance payments from customers	1,885	1,325	1,885	1,325
Prepaid income	13	45	13	45
Total	1,898	1,370	1,898	1,370
Of which Long-term liabilities	-	-	-	-
Of which Current liabilities	1,898	1,370	1,898	1,370
Total	1,898	1,370	1,898	1,370

Note 3 Fair value measurement

The carrying amount of financial assets and financial liabilities, allocated by valuation category, is shown in the table below. Fair value is determined on the basis of three levels:

- 1) Observable (unadjusted) quoted prices in an active market
- 2) Valuation models based on observable data other than quoted prices
- 3) Valuation models in which the input data is based on non-observable data.

For a description of segment reporting, see the 2022 Annual Report, Note 2, "Accounting principles" and Note 4. For items measured at amortized cost, this is deemed to be consistent with fair value.

SEK m	2023/12/31	2022/12/31
Financial assets at fair value		
Derivative instruments	43	14
Financial assets measured at amortized cost		
Accounts receivables	514	655
Other current receivables	185	115
Cash and cash equivalents	2,876	3,575
Total financial assets	3,618	4,359
Financial liabilities at fair value		
Derivative instruments	72	107
Current interest-bearing liabilities	29	210
Financial liabilities measured at amortized cost		
Other Long-term liabilities	22	29
Accounts payable	215	159
Other Current liabilities	327	358
Current interest-bearing liabilities	25	18
Total financial liabilities	691	881

Note 4 Acquisitions

On May 8, 2023, OX2 acquired 100 percent of the ESCO Pacific group in Australia, a leading developer of renewable energy, for SEK 863 million. The acquisition price includes a contingent consideration of SEK 26 million, which is expected to be paid on 1 July 2024. The purchase price has been fully settled in cash. The agreement includes additional contingent considerations of SEK 117 million that are not part of the acquisition analysis, since they are based on performance criteria that have not been considered likely to be achieved. None of the contingent considerations are linked to the continued employment of key personnel. If ESCO Pacific had been part of the OX2 Group from January 1, earnings for the year would have been negatively affected by SEK 11 million. The preliminary acquisition analysis for ESCO Pacific is presented below. Goodwill from the acquisition is deemed to be attributable to ESCO Pacific's future ability to develop new projects that were not part of the project portfolio at the time of acquisition.

ESCO Pacific is a leading and profitable developer of renewable solar and energy storage projects in Australia, with an experienced team of 21 people. The project development portfolio consists of a total of 1,420 MW, including 1,220 MW in solar power and 200 MW in energy storage. The split between early/mid/late phase in the portfolio is 317 MW / 395 MW / 708 MW. The company also has several ongoing projects that are expected to be included in the project development portfolio in 2023.

ESCO Pacific has had a strong track record with rapid growth and has developed and brought more than 800 MW to construction since its inception in 2015.

The Australian renewable energy market has significant growth potential. In 2022, total electricity production amounted to 265 TWh, of which the share of fossil energy sources was around 70 percent. The Australian government has decided that the net zero target will be achieved by 2050 and is planning significant infrastructure investments to enable the build-up of renewable capacity.

OX2 has identified great potential for value creation in ESCO Pacific by expanding the product range from the sale of project rights to the sale of turnkey projects at the start of construction. OX2 plans to scale up the business through project acquisitions in solar and energy storage and aims to expand the business to onshore wind power, while also evaluating offshore wind power and hydrogen projects. The acquisition is expected to make a positive contribution to OX2's earnings from 2024. ESCO Pacific was previously owned by Shell (49 percent), founder Steve Rademaker and private investors. Under the agreement with OX2, Steve Rademaker will stay with the company for two years, first as CEO and then as an advisor to management. OX2 and Shell will maintain a dialogue on future cooperation, including power purchase agreements (PPAs).

SEK m	
Purchase price allocation ESCO Pasitic	
Customer agreements	12
Deferred Tax Asset	8
Other financial assets	80
Inventories	633
Other current assets	10
Cash and Cash Equivalents	7
Non-current liabilities	-1
Other non-current liabilities	-7
Deferred Tax Liability	-13
Net assets	730
Goodwill	133
Purchase price	863
Paid at acquisition date	837
Additional purchase price	26

Note 5 Project development costs, personnel and other costs

	Q4		Jan-Dec	
	2023	2022	2023	2022
Project development cost	-122	-94	-357	-329
Of which are cost for off-shore wind	-36	-41	-108	-143
Other external and personnel cost	-283	-188	-945	-604
Of which are cost for off-shore wind	-19	-24	-66	-40

Note 6 Related party transactions

On 28 October 2016, 28 December 2016 and 15 December 2017, Peas Industries AB entered into three contracts under which Peas undertakes to provide accounting services to certain investors in four of the company's former projects. The services under the contracts are provided by the company, which in turn invoices Peas for the services provided. Unless terminated prematurely, in accordance with certain specific conditions, the contracts are valid for seven years from the date of handover of the projects. The contracts are therefore expected to expire on December 27, 2025 and April 27, 2027. In 2022, two members of the Board of Directors joined an option plan issued by Peas Industries AB. The plan runs for three years and is designed so that the investment has been made at market value and the plan does not result in any expense under IFRS 2.

Note 7 Incentive plan

The Annual General Meeting in May 2022 resolved to implement a long-term incentive plan designed as a share savings plan for certain current and future key individuals in the group who do not participate in the company's current shareholder plan (which was implemented before the company was listed on Nasdaq First North Premier Growth Market). The Share Savings Plan requires participants to acquire shares in the company using their own funds on the marketplace where the company's shares are listed. The investment in shares that can be acquired in this manner as "savings shares" is limited to a minimum of SEK 20,000 and with a maximum investment that depends on the category to which the participant belongs. Each savings share entitles the participant to receive 0.5 shares and an additional 1-3 shares free of charge (up to 6 for a future key individual) at the end of a three-year vesting period, depending on the group to which the participant belongs, as well as certain other restrictions and possible conversions in accordance with the full terms of the warrants. A total of 27 people are participating in the plan as of 31 December 2023. The right to receive Matching Shares and Performance Shares is conditional upon the participant retaining the Savings Shares throughout the vesting period and the participant's employment not having been terminated at the end of the vesting period. The right to receive performance shares is conditional on the fulfilment of the defined performance conditions related to the share price performance during the vesting period.

In total, a maximum of 61,216 matching shares and 414,741 performance shares may be allocated to participants in the share savings plan.

The Annual General Meeting in May 2023 resolved to introduce a long-term incentive plan designed as a share savings plan for certain current and future key individuals with the same conditions as the 2022 plan and 35 people are participating in the plan as of 31 December 2023.

In total, a maximum of 73,743 matching shares and 442,467 performance shares may be allocated to Share Savings Plan participants.

The total dilutive effect denominated in SEK is 0.002 as of 31 December.

Note 8 Pledged assets and contingent liabilities

The Group has pledged assets of SEK 61 million (0). Contingent liabilities amounted to SEK 6.9 billion (4) at 31 December 2023 compared with the beginning of the year. Changes in contingent liabilities are related to guarantees that are issued regularly to support the Group's obligations.

The parent company has a related party relationship with its Group companies. As of 31 December 2023, the parent company's contingent liabilities amounted to SEK 6.9 billion (4) and pledged assets were SEK 61 million (0) compared with the end of the previous year.

Alternative performance measures

Alternative performance measures refer to financial measures of historical or future earnings performance, financial position, financial result or cash flows that are not defined or specified in the applicable rules for financial reporting (for OX2's consolidated accounts this is IFRS).

In the financial statements issued by OX2, alternative performance measures are specified that supplement the measures defined or specified in the applicable financial reporting rules such as income, profit or loss or earnings per share.

Alternative performance measures are published as they complement, in context, the measures defined in IFRS. The basis for the alternative performance measures provided is that they are used by management to assess financial performance and are therefore considered to provide valuable information for analysts and other stakeholders.

Pages 25–29 show the definition and reconciliation of significant alternative performance measures with the most directly reconcilable item, subtotal or total stated in the financial statements for the corresponding period.

Definitions alternative performance measures

Return on equity, %	Net profit/loss in relation to average shareholders' equity.
Return on capital employed, %	Operating income/loss in relation to average capital employed.
Gross profit	Net sales for the period less cost of goods sold and transaction costs related to the sale of projects.
Gross margin, %	Gross profit as a percentage of net sales.
Construction-related working capital	Current assets reduced by the project development portfolio, derivative financial instruments and cash and cash equivalents reduced by current liabilities adjusted for receivables and liabilities against Group companies and tax liability adjusted for interest-bearing current liabilities.
Equity per share	Shareholders' equity divided by the average number of shares.
Cash conversion, %	Operating cash flow as a percentage of the Company's EBITDA for the period.
Cost of goods sold	Total cost of goods sold and transaction costs related to the sale of projects.
Net sales growth, %	Change in net sales compared with the same period previous year.
Net working capital	Current assets reduced by derivative financial instruments and cash and cash equivalents reduced by non-interest-bearing current liabilities adjusted for receivables and liabilities against group companies and tax liability.
Net debt or (-) net cash	Interest-bearing non-current and current liabilities less cash and cash equivalents, current investments and interest-bearing current and non-current receivables.
Operating cash flow	EBITDA reduced by changes in net working capital minus investments in project development portfolio as well as cash flows from investment activities.
Project development costs	External development expenses related to refinement of the project development portfolio, and expenses occurred in connection with investments in the project development portfolio.
EBITDA	Operating income before depreciation and impairment of tangible and intangible assets.
Operating margin, %	Operating income as a percentage of net sales.
Operating margin adjusted for development costs, %	Operating income before project development costs as a percentage of net sales.
Operating profit adjusted for development costs	Operating income excluding project development costs.
Equity ratio, %	Shareholders' equity divided by total assets.
Capital employed	The total of equity and interest-bearing liabilities. Average capital employed is calculated as the average of the values of the opening and closing balances for each measurement period.
LTM	Refers to sales, profitability, or other earnings as an annual result up to the year-end date.

Reconciliation of alternative performance measures

Reconciliation of return on equity

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Shareholders' equity, beginning of period	4,232	2,739	3,414	2,355
Shareholders' equity, end of period	4,549	3,414	4,549	3,414
Average equity	4,391	3,077	3,981	2,885
Profit for the period	318	627	1,008	1,085
Average equity	4,391	3,077	3,981	2,885
Return on equity	7.2%	20.4%	25.3%	37.6%

Reconciliation of return on capital employed

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Equity	4,549	3,414	4,549	3,414
Interest-bearing liabilities (long-term and short-term)	76	257	76	257
Capital employed	4,625	3,671	4,625	3,671
Average capital employed				
Capital employed, beginning of period	4,399	2,782	3,671	2,383
Capital employed, end of period	4,625	3,671	4,625	3,671
Average capital employed	4,512	3,226	4,148	3,027
Operating income	332	624	1,028	1,122
Average capital employed	4,512	3,226	4,148	3,027
Return on capital employed	7.4%	19.3%	24.8%	37.1%

Reconciliation of cost of goods sold

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Cost for goods and project development	-1,166	-1,382	-5,702	-5,860
Of which cost of goods sold	-1,044	-1,288	-5,345	-5,531
Of which project development costs	-122	-94	-357	-329

Reconciliation of gross profit and gross margin

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Net sales	1,829	2,244	7,824	7,644
Cost of goods sold	-1,044	-1,288	-5,345	-5,531
Gross profit	785	956	2,479	2,113
<i>Gross margin, %</i>	<i>42.9%</i>	<i>42.6%</i>	<i>31.7%</i>	<i>27.6%</i>

Reconciliation of operating income, operating income adjusted for project development costs and margins for all of the above

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Net sales	1,829	2,244	7,824	7,644
Operating income	332	624	1,028	1,122
<i>Operating margin, %</i>	18.2%	27.8%	13.1%	14.7%
Depreciation and amortization of tangible and intangible assets	6	5	34	14
EBITDA	339	629	1,062	1,136
Operating income	332	624	1,028	1,122
Project development costs	122	94	357	329
Operating income adjusted for development costs	454	718	1,385	1,451
<i>Operating margin adjusted for development costs, %</i>	24.8%	32.0%	17.7%	19.0%

Reconciliation of equity per share

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Equity	4,549	3,414	4,549	3,414
Average number of shares before dilution	272,517,586	272,517,586	272,517,586	272,517,586
Average number of shares after dilution	272,597,371	272,695,986	272,640,065	272,600,913
Equity before dilution (SEK)	17	13	17	13

Reconciliation of net sales growth

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Net sales for the previous period	2,244	2,430	7,644	4,983
Net sales for the current period	1,829	2,244	7,824	7,644
<i>Net sales growth, %</i>	-18.5%	-7.7%	2.4%	53.4%

Reconciliation of net debt or (-) net cash

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Interest-bearing liabilities (long-term and short-term)	76	257	76	257
Interest-bearing receivables (long-term and short-term)	-	-	-	-
Cash and cash equivalents	-2,876	-3,575	-2,876	-3,575
Net debt or (-) net cash	-2,800	-3,318	-2,800	-3,318

Reconciliation of equity ratio

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Equity	4,549	3,414	4,549	3,414
Balance sheet total	7,729	6,365	7,729	6,365
Equity ratio %	58.9%	53.6%	58.9%	53.6%

Reconciliation of effective tax rate, %

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Income tax	-70	-18	-118	-99
Profit after financial items	388	645	1,126	1,184
Effective tax rate, %	18.1%	2.8%	10.5%	8.3%

Reconciliation of cash conversion, %

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
EBITDA	339	629	1,062	1,136
Changes in net working capital	1,483	208	12	807
Investments in project development portfolio	-336	-433	-1,025	-783
Cash flow from investment activities	-30	-32	-935	-33
Operating cash flow	1,456	372	-886	1,127
Cash conversion, %	430.0%	59.1%	-83.5%	99.2%

Reconciliation of construction-related working capital and net working capital

SEK m	Q4		Jan-Dec	
	2023	2022	2023	2022
Construction in progress	469	0	469	0
Accounts receivable	514	655	514	655
Other receivables	185	115	185	115
Prepaid expenses and accrued income	947	549	947	549
Construction working capital assets	2,115	1,319	2,115	1,319
Advance payments from customers	-1,885	-1,325	-1,885	-1,325
Accounts payable	-215	-159	-215	-159
Other Current liabilities	-327	-358	-327	-358
Accrued expenses and deferred income	-481	-673	-481	-673
Construction working capital liabilities	-2,908	-2,516	-2,908	-2,516
Construction working capital	-793	-1,197	-793	-1,197
Project development portfolio	2,383	1,388	2,383	1,388
Net working capital	1,590	191	1,590	191
As % of LTM net sales				
LTM net sales	7,824	7,644	7,824	7,644
Construction related working capital assets	27.0%	17.3%	27.0%	17.3%
Construction related working capital liabilities	-37.2%	-32.9%	-37.2%	-32.9%
Construction related working capital	-10.1%	-15.7%	-10.1%	-15.7%
Net working capital %	20.3%	2.5%	20.3%	2.5%

Key performance indicator definitions

Number of employees	The number of employees in the Group at the year-end date.						
Balance sheet total	Total assets.						
Total portfolio, MW	OX2's projects under development, projects under construction, sold projects with additional purchase prices and technical and commercial management contracts.						
Management contracts, MW	Technical and commercial management contracts.						
Investment in project development portfolio	Payment for acquired project rights and additional project-related investments.						
Project acquisitions, MW	Acquired rights to renewable energy projects.						
Project development portfolio, MW	OX2's projects under development.						
Projects under construction, MW	Projects under construction.						
Projects handed over to customers, MW	Completed projects handed over to the customer.						
Earnings per share	Profit divided by the average number of shares.						
Projects sold, MW	Projects sold.						
Development phase	OX2 divides its project development portfolio into three phases based on how far a project has come in the development process. Projects that have been postponed or where no active development work is in progress are not included in the OX2 project development portfolio. The time required for project development and realisation depends on several factors such as technology and geography.						
	<table> <tr> <td>Early</td> <td>Projects with expected realisation within 3–7 years</td> </tr> <tr> <td>Medium</td> <td>Projects with expected realisation within 2–5 years</td> </tr> <tr> <td>Late</td> <td>Projects with expected realisation within < 3 years</td> </tr> </table>	Early	Projects with expected realisation within 3–7 years	Medium	Projects with expected realisation within 2–5 years	Late	Projects with expected realisation within < 3 years
Early	Projects with expected realisation within 3–7 years						
Medium	Projects with expected realisation within 2–5 years						
Late	Projects with expected realisation within < 3 years						

Financial calendar

Interim Report January–March 2024:	25 April 2024
Annual General Meeting 2024:	14 May 2024
Interim Report April–June 2024:	25 July 2024
Interim Report July–September 2024:	23 October 2024

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