

# OX2 2023 Q1 report

April 28, 2023



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# Today's presenters



Paul Stormoen  
CEO

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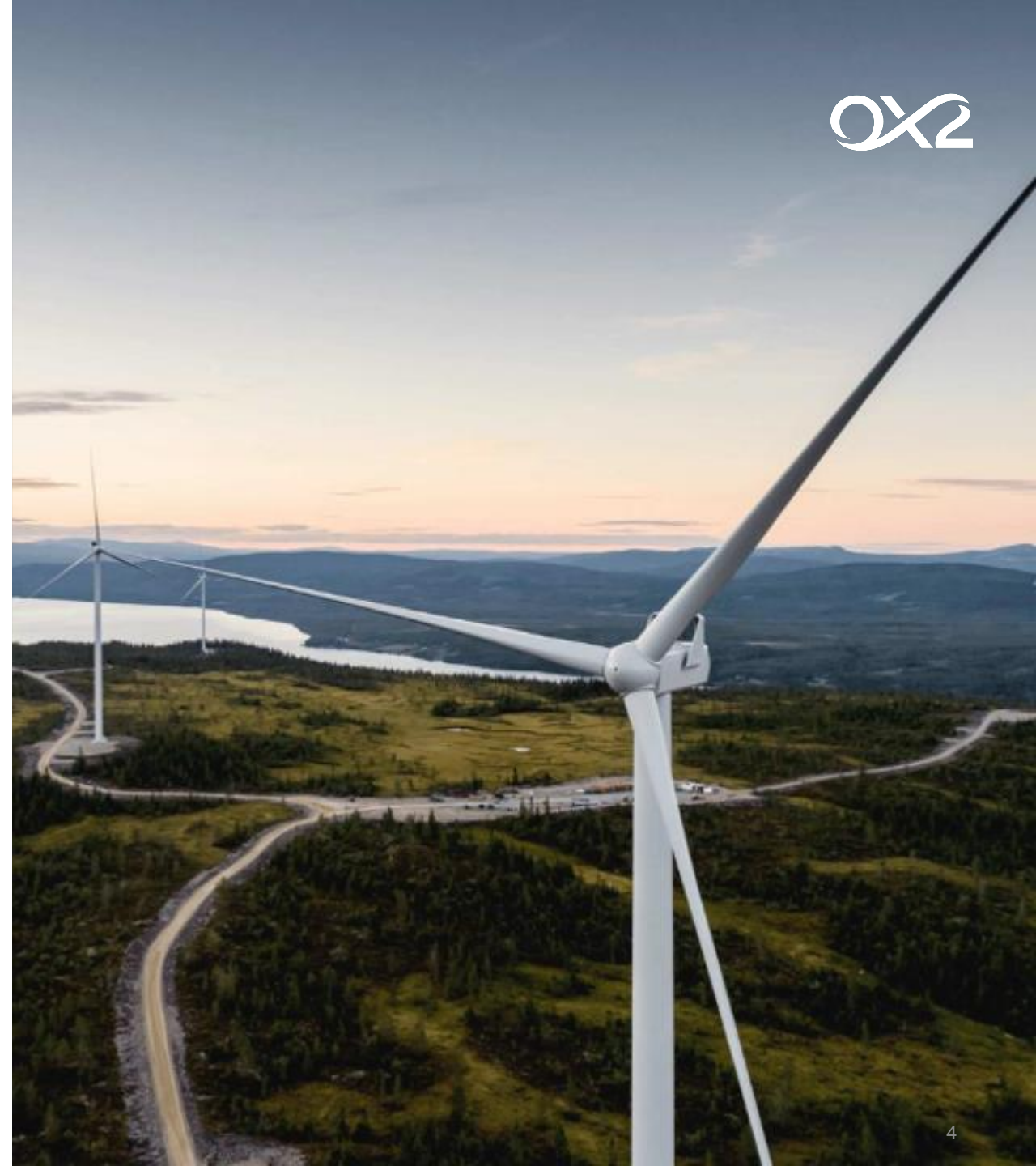


Johan Rydmark  
CFO

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# Agenda


- 1. Highlights and portfolio update – CEO Paul Stormoen**
- 2. Financial review – CFO Johan Rydmark**
- 3. Market and outlook – CEO Paul Stormoen**
- 4. Q&A**




# A European leader in renewable energy




## Overview




**Powering the great shift**




**Onshore wind**



**Offshore wind**



**Solar**



**Energy storage**

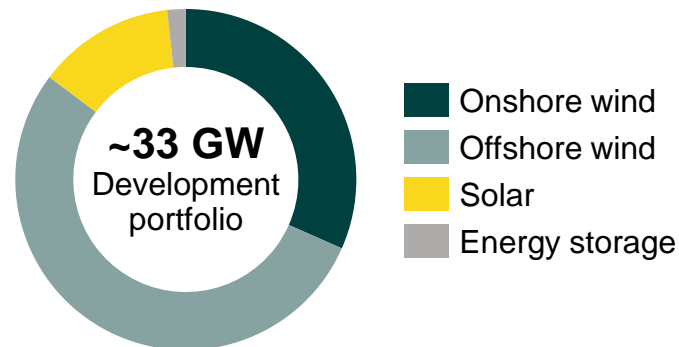
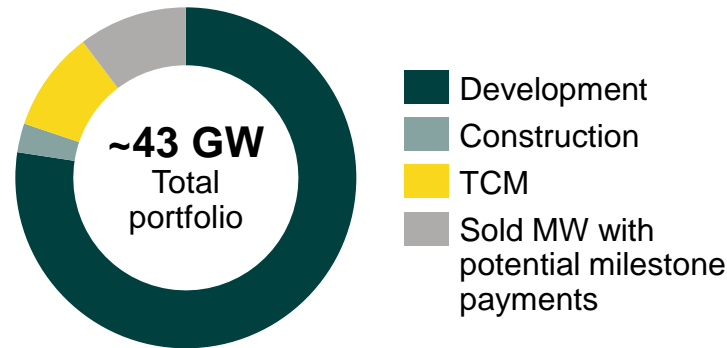
**7.5 bn**  
Net sales 2023 Q1 LTM

**14.9%**  
Operating margin 2023 Q1 LTM

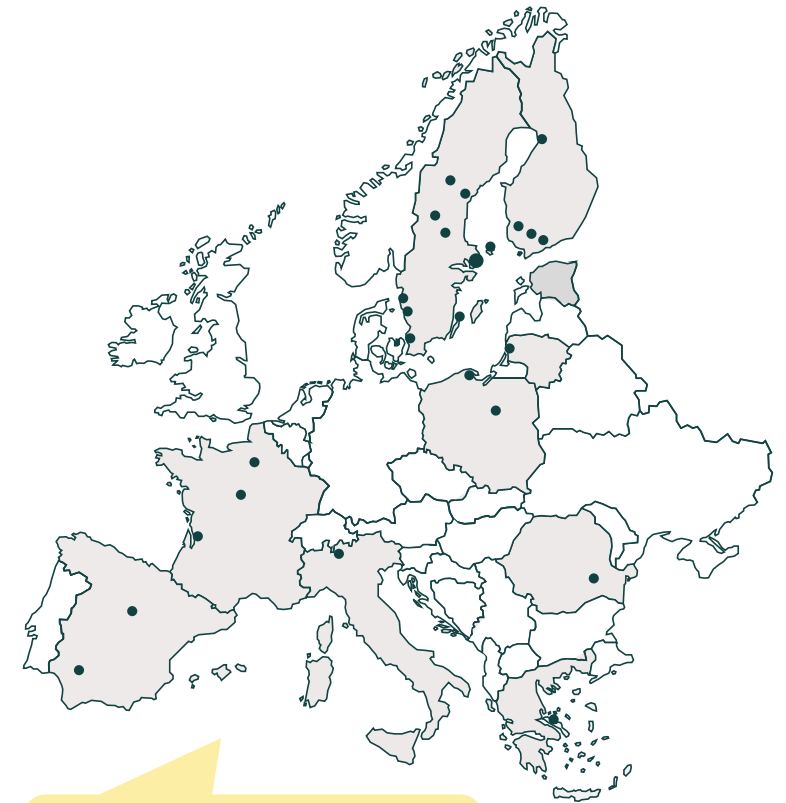
**35.3%**  
ROCE 2023 Q1 LTM

**8.1 GW**  
Sold<sup>2</sup>

## Portfolio breakdown (Q1 2023)



## Geographical presence<sup>1</sup>



*OX2 signed an agreement to acquire ESCO Pacific – renewable developer in Australia*

1. Countries with portfolio / projects highlighted; 2. Out of which OX2 has taken 3.7 GW to construction

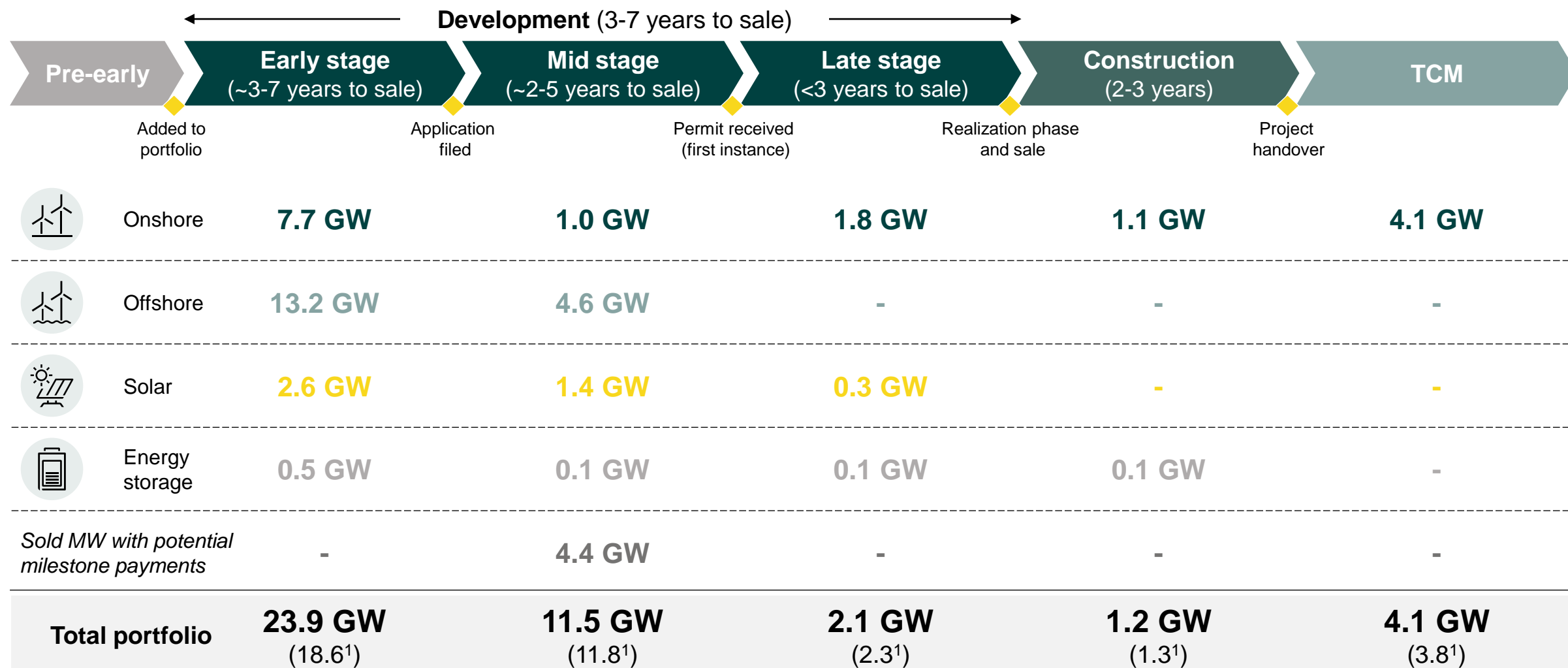


# Q1 2023: Acquisition of ESCO Pacific – Good profitability in handed over projects

- **Development portfolio of 33,095 MW**
  - Signed agreement to acquire ESCO Pacific – renewable developer in Australia
  - Added two offshore projects totaling 3,300 MW
  - Permits in legal force for Ånglarna (Sweden, onshore wind) and Rajamäskylä (Finland, onshore wind)
- **Sales**
  - No new sales during Q1 – sales processes ongoing across several markets
- **Construction of 1,173 MW**
  - Handed over three projects totaling 171 MW in Finland to Renewable Power Capital
- **Significant events after end of period**
  - Acquisition of a 475 MW solar project in Finland



# OX2's value chain: Portfolio across development, construction and TCM

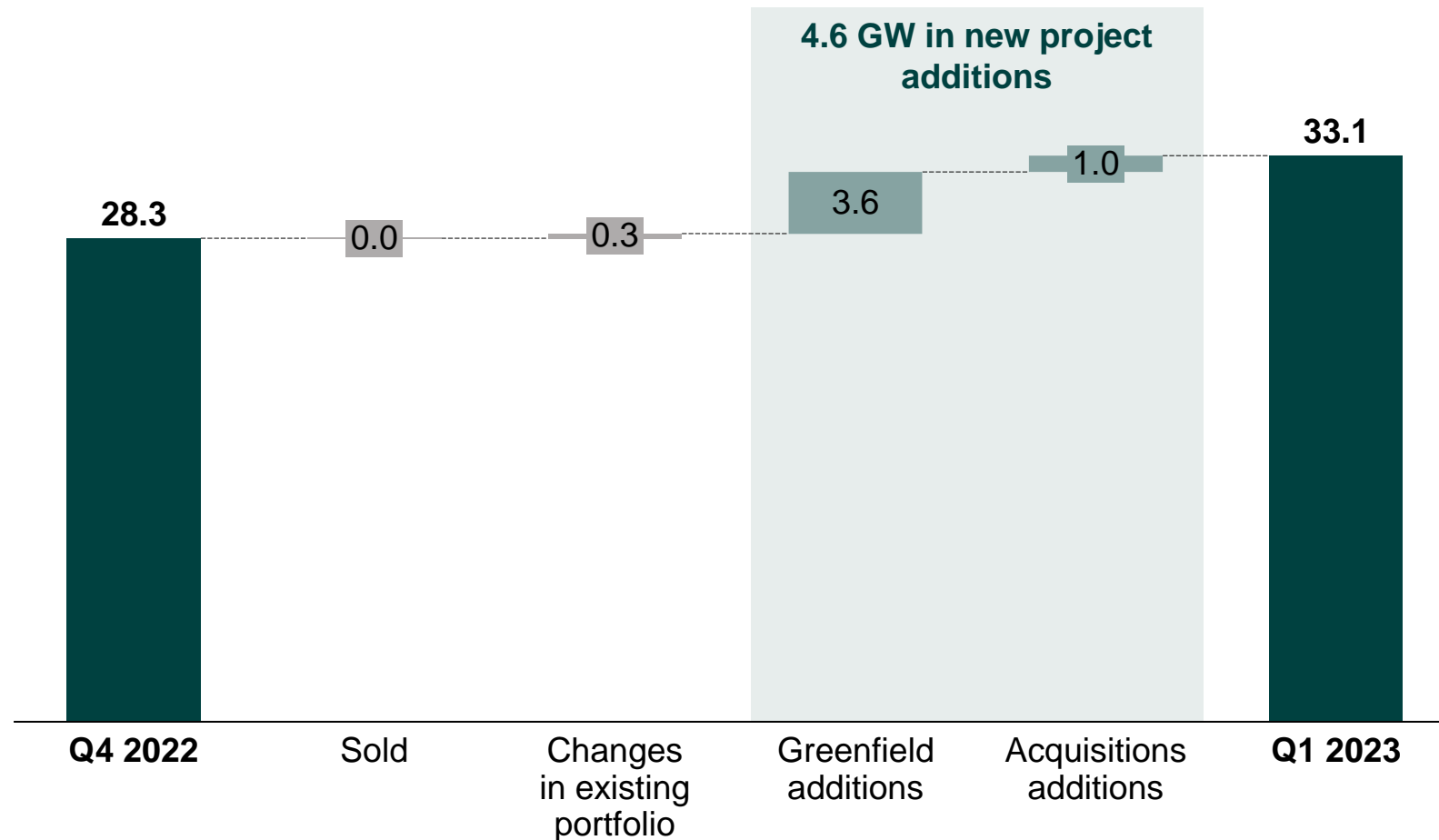


■ Onshore ■ Offshore ■ Solar ■ Energy storage

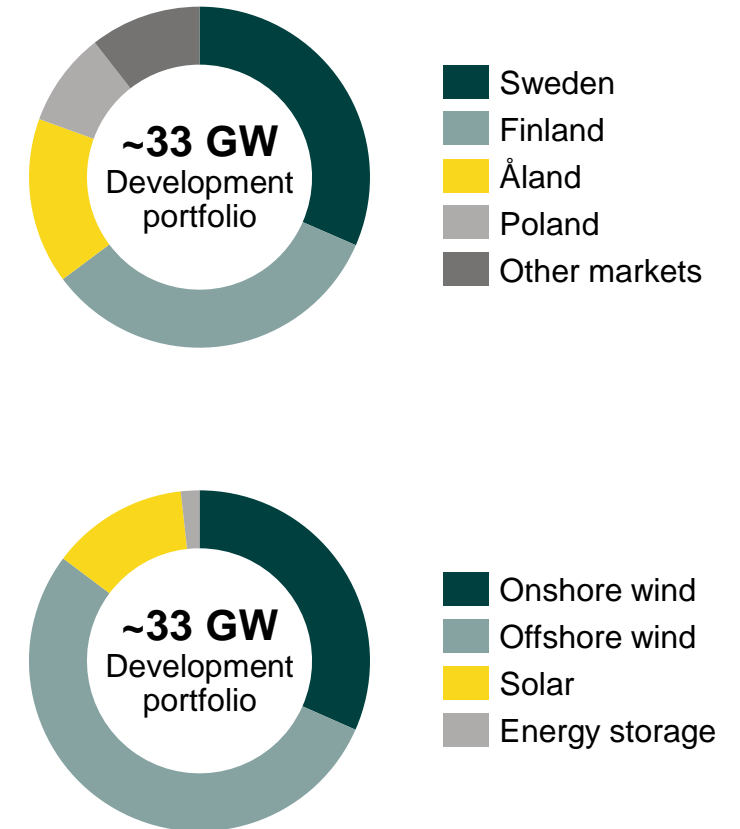
# Development portfolio: Continued traction in acquisitions, development and greenfield



## Overview



## Portfolio split (Q1 2023)





# Portfolio: Project examples



## Sweden & Finland (Offshore)



### *Project development*

- Added Tyrsky (1,400 MW) in Finland and Neptunus (1,900 MW) in Sweden to the portfolio
- ~18 GW in total offshore portfolio with strong opportunities for value creation across the development phase

## Sweden & Finland (Onshore)



### *Project development*

- Received permits in legal force for Ånglarna (105+ MW, Sweden) and Rajamäenkylä (356 MW, Finland)
- Preparatory sales processes and procurement of turbines initiated

## Finland (Onshore)



### *Project construction*

- Handed over three projects Merkkikallio, Puutikankangas, Rustari to Renewable Power Capital – total of 171 MW
- Slightly later than planned but with good profitability







## Acquisition of ESCO Pacific: Strategic rationale



- Australia is sizeable market (265 TWh) with strong case for renewables
- ESCO is a leading solar and energy storage developer with strong track record and experienced team
- Sizeable and strong development portfolio of 1.4 GW with additional projects in pre-early
- Significant potential for value creation incl.
  - Product expansion to sale of turnkey solutions at construction start
  - Technology expansion (e.g. onshore)
  - Ramp-up project / portfolio acquisitions

# Transaction overview: Acquisition of ESCO Pacific



Area	Key highlights
 <b>Transaction consideration</b>	 <b>Enterprise value:</b> AUD 126 mn (SEK 872 mn <sup>1</sup> ) on a debt free basis – contingent consideration on top <sup>2</sup> <b>Sellers:</b> Shell, founder (Steve Rademaker), private investors <b>Estimated closing:</b> Subject to fulfillment of certain conditions and expected to close in Q2
 <b>Impact on balance sheet</b>	 <b>Funding:</b> Cash deal <b>OX2 cash balance end of 2023 Q1:</b> SEK 4,468 mn
 <b>Impact on P&amp;L</b>	 <b>ESCO operating costs (FY 2022)<sup>3</sup>:</b> AUD 7.4 mn (SEK 51 mn) <b>EPS:</b> Estimated to be EPS accretive in 2024 and beyond
 <b>Impact on financial targets</b>	 <b>Growth:</b> MW sold (1st project expected to be sold 2024), positive contribution to operating income growth CAGR <b>Profitability (Operating margin):</b> Expected to be above 10% <b>Return on Capital Employed:</b> Significant value creation from existing and new portfolio

1. 6.95 AUD/SEK exchange rate; 2. Additional contingent consideration of up to AUD 17 million to founder Steve Rademaker based on ability to sell and generate margins during 2025-2027 from the acquired portfolio; 3. Development costs, Personnel costs, Other external costs; Depreciation



# Construction portfolio: 1,173 MW under construction end of Q1 (171 MW handed over during Q1)



Project	Country	Technology	Construction start	Operations date	MW
<b>To be handed over during 2023</b>					<b>374 MW</b>
Grajewo	Poland	Onshore wind	2020	2023	40
Sulmierzyce	Poland	Onshore wind	2021	2023	23
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
<b>To be handed over during 2024</b>					<b>344 MW</b>
Krasnik	Poland	Onshore wind	2021	2024	24
Wysoka	Poland	Onshore wind	2022	2024	63
Niinimäki	Finland	Onshore wind	2022	2024	70
Riberget	Sweden	Onshore wind	2022	2024	145
Bredhälla	Sweden	Energy storage	2022	2024	43
<b>To be handed over during 2025</b>					<b>455 MW</b>
Lestijärvi	Finland	Onshore wind	2021	2025	455
<b>Total under construction at end of period</b>					<b>1,173 MW</b>



**Under construction**



**Sweden: 375 MW**  
(5 projects)



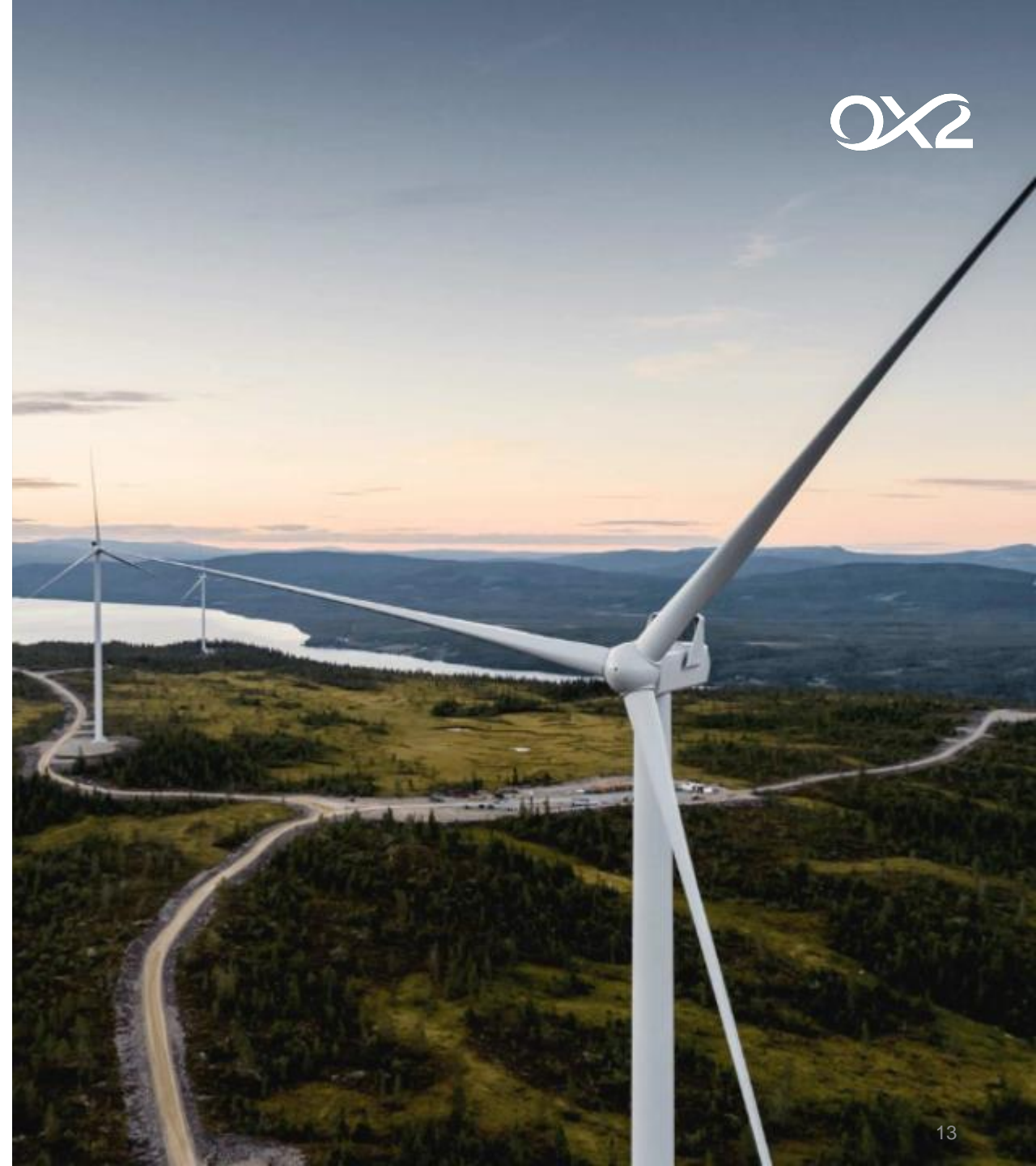
**Finland: 600 MW**  
(2 projects)



**Poland: 198 MW**  
(5 projects)

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# Financial highlights: Quarter and Last Twelve Months (LTM)



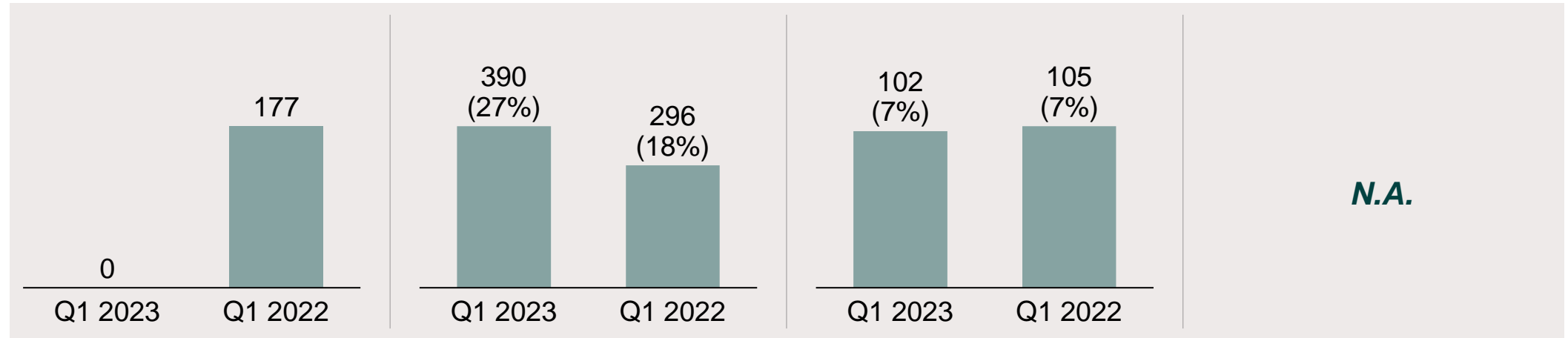
**MW sold**  
(MW)

**Gross profit**  
(SEK mn, % of sales)

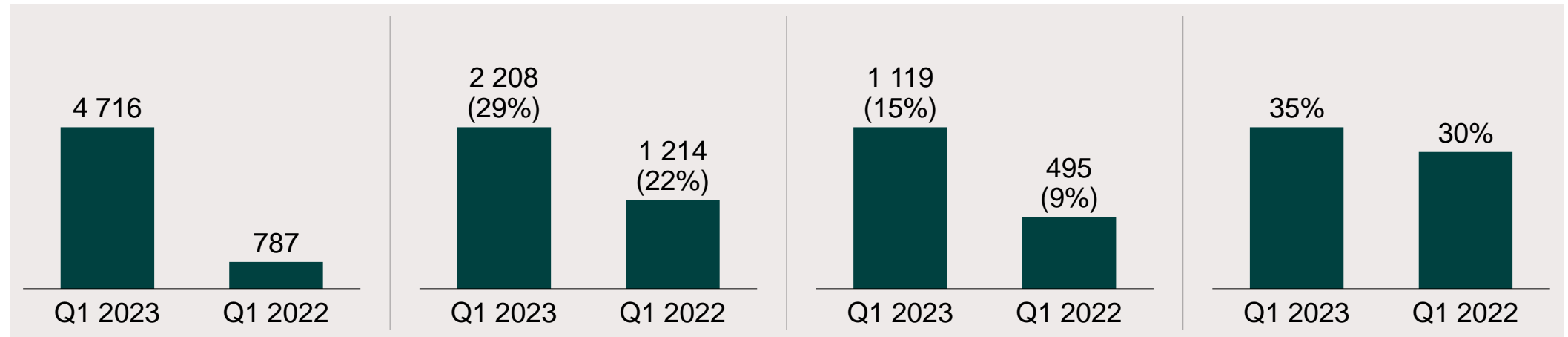
**Operating income**  
(SEK mn, % of sales)

**ROCE**  
(% of capital employed)

Quarterly



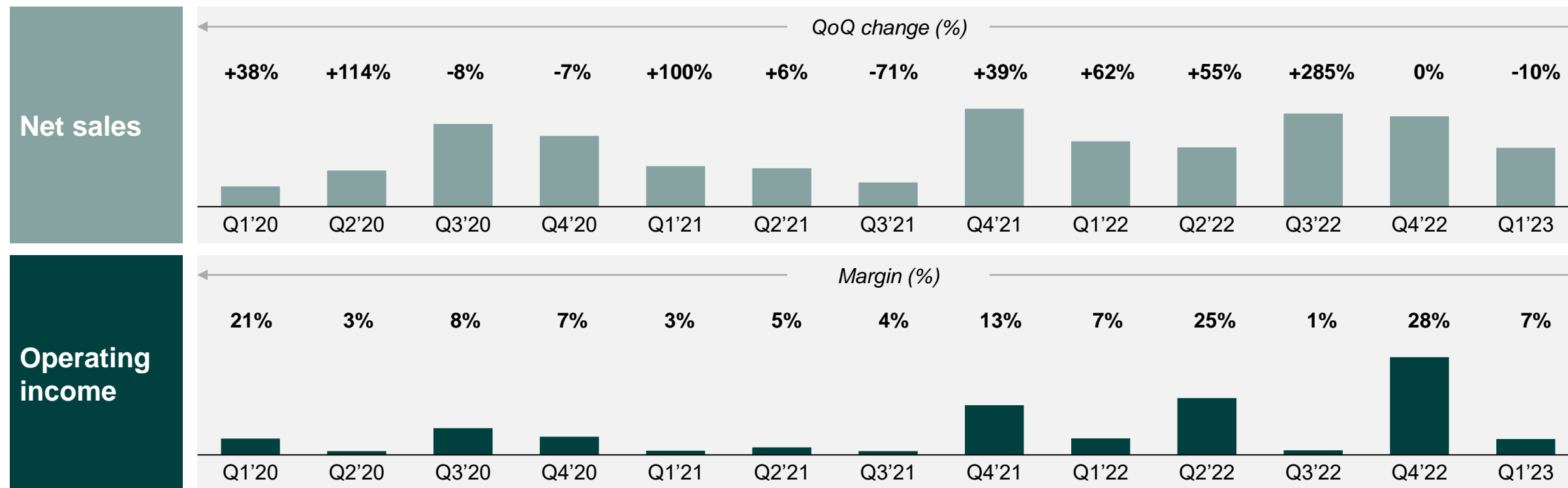
LTM



# Quarterly fluctuations in net sales and earnings due to new sales and construction timing



## Quarterly fluctuations in key items (Q1 2020 to Q1 2023)



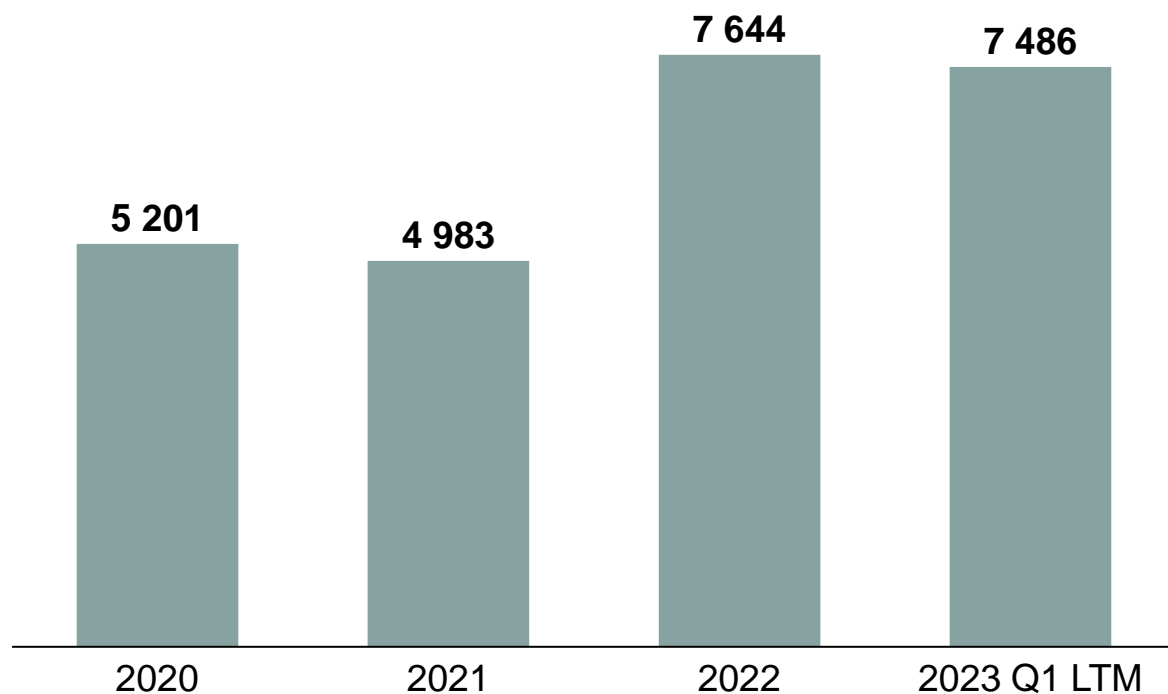
MW sold	201	-	-	128	109	111	17	483	177	92	-	4 625	-
MW handed over	-	408	78	-	-	48	-	159	153	329	-	-	171

# Development of Net sales and Operating income



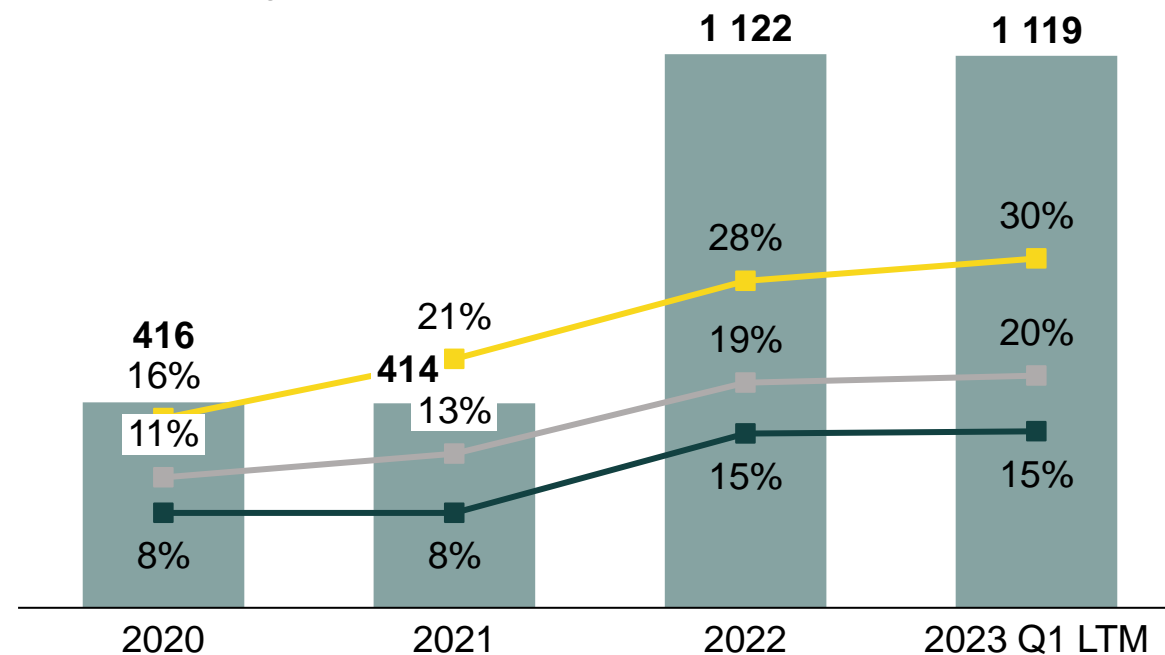
## Net sales development (SEK mn)

■ Net sales, SEK mn



## Profit development (SEK mn, % of Net Sales)

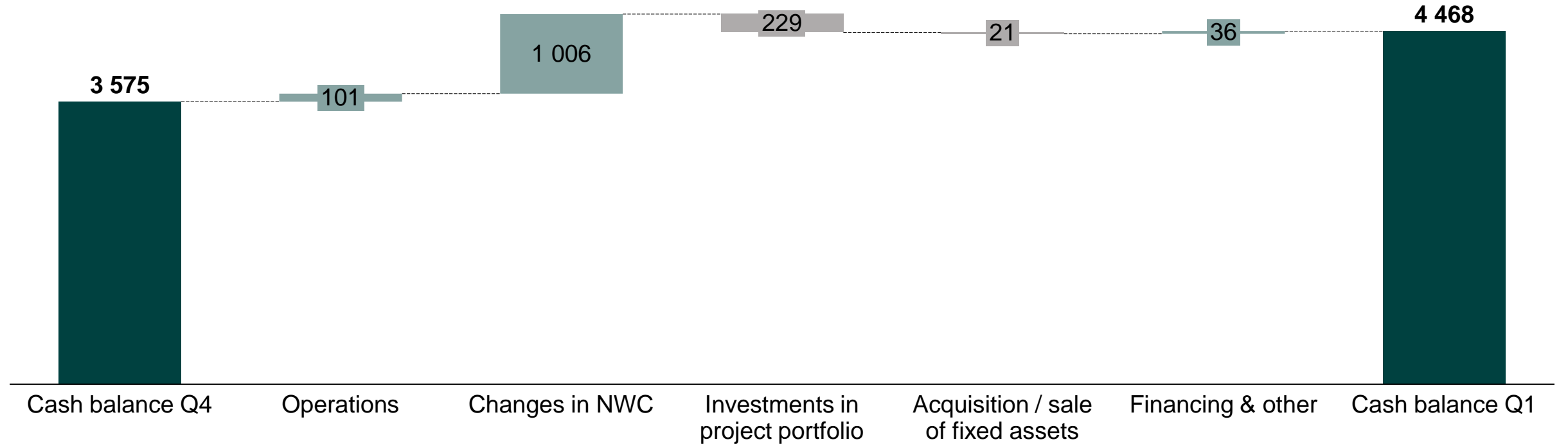
■ Gross margin  
 ■ Operating margin adj. Development costs  
 ■ Operating margin %  
 ■ Operating income SEK mn



# Q1 2023 changes in cash position



2023 Q1 (SEK mn)



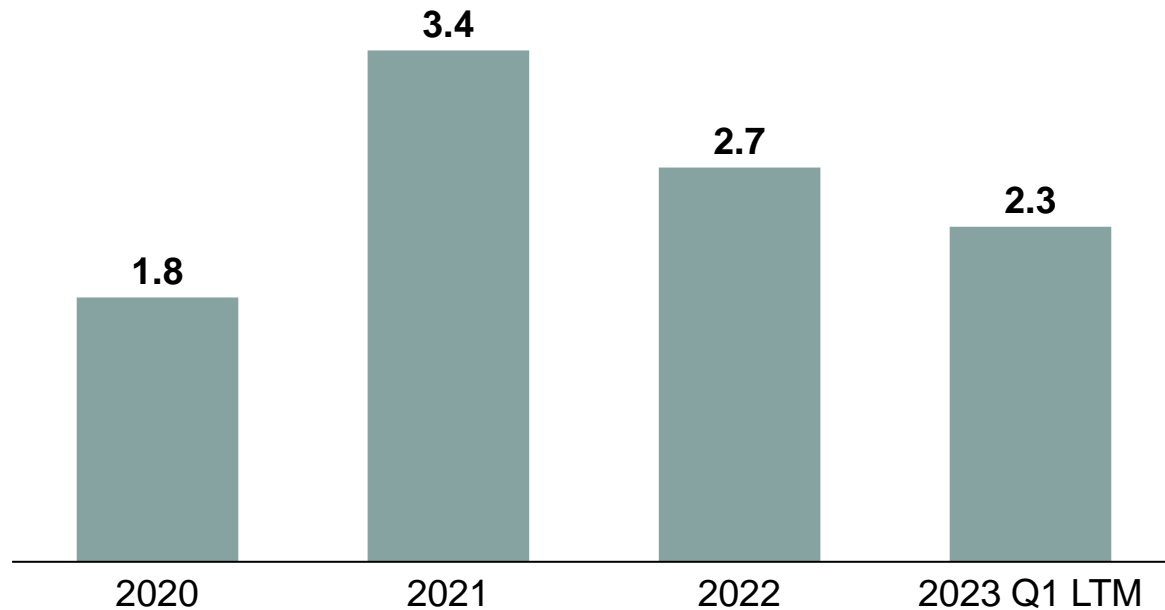
# Project acquisitions and Investments in project development portfolio



## Project acquisitions (GW)

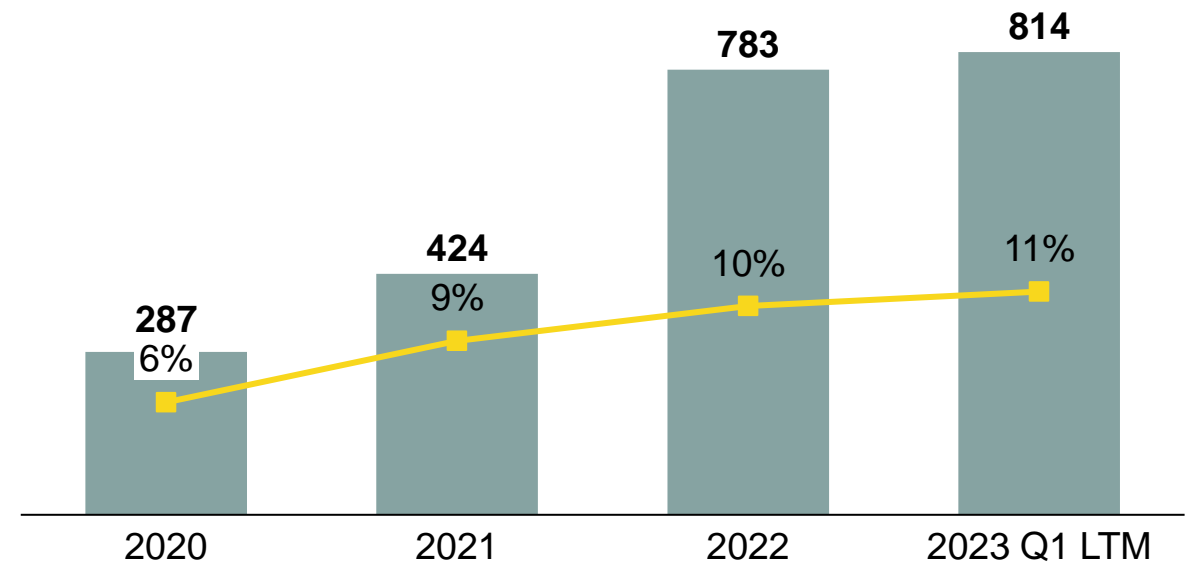
■ GW acquired

*Poland (0.7 GW), Estonia (0.7 GW), Italy (0.3 GW), Spain (0.2 GW). Greece (0.1 GW), Other markets (0.2 GW) split by onshore wind (1.2 GW), solar (0.6 GW), and storage (0.5 GW)*



## Investments in project dev. portfolio – NWC (SEK mn)

■ % of sales ■ SEK mn





## 2023 planning assumptions

- Majority of new project sales second half of the year
- Continued investments in portfolio and personnel
- Investments in project acquisitions expected to exceed SEK 800 mn
- Australian acquisition expected to be completed in Q2
- Construction-related working capital expected to normalize

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# Focus ahead

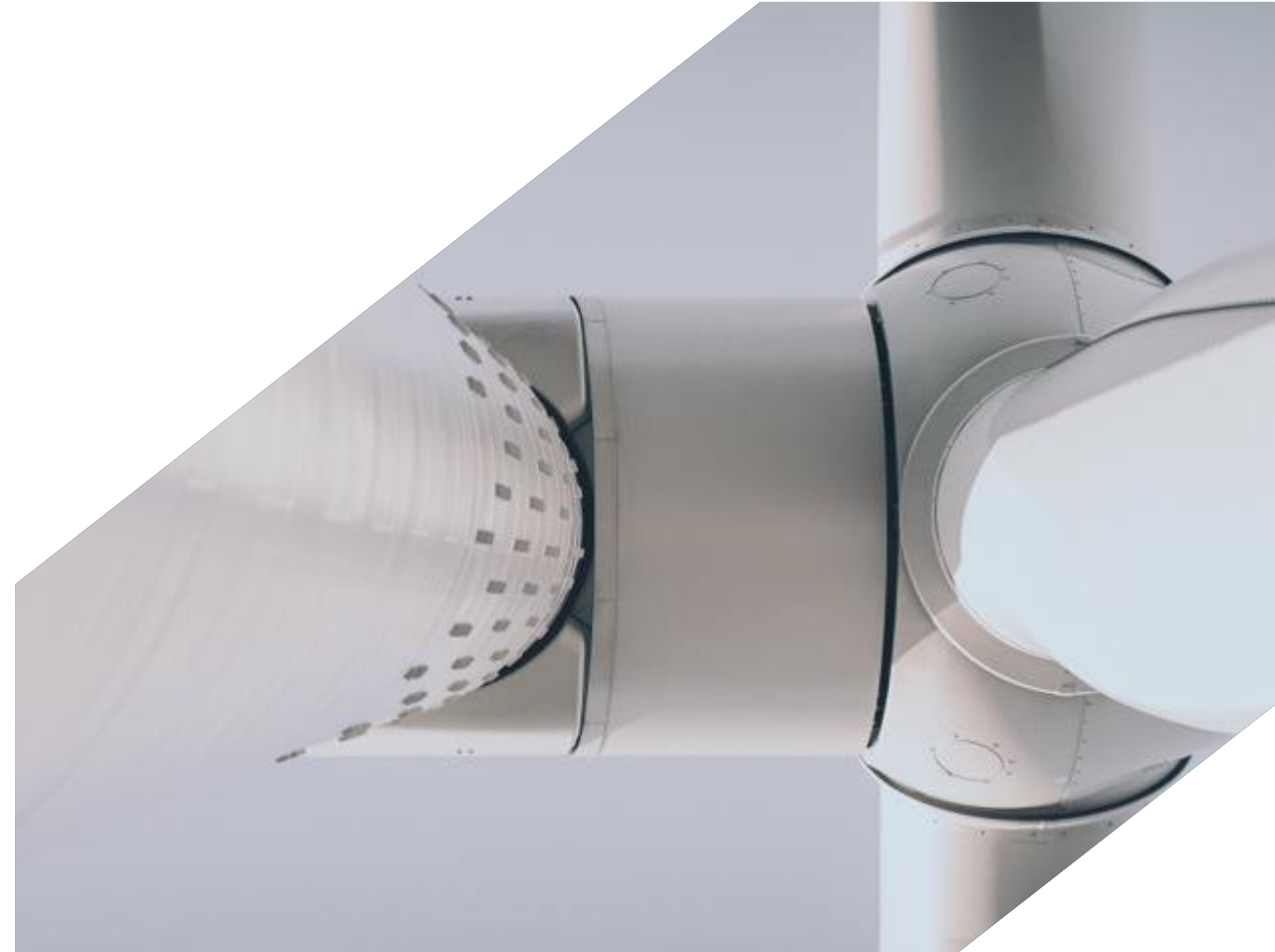


## Concluding Q1

- Signed agreement to acquire ESCO Pacific
- Continued development progress incl. two new offshore projects
- Handed over 171 MW to Renewable Power Capital

## Re-cap of our focus 2023

- Grow sales – multiples sales processes ongoing
- Grow portfolio through acquisitions and greenfield
- Geographical expansion incl. integration of ESCO



OX2