



Interim Report 2023
July-September

Net sales LTM
SEK 8,239 million
(7,831)

Operating margin LTM
16.0%
(10.4)

Return on capital
employed (ROCE) R12
36.8%
(33.0%)

Total portfolio
46,724 MW
(36,821)

Comparative figures refer to the same period the previous year

- Net sales increased by 5 percent over the past 12 months, driven by increased revenue from the sale of new projects and higher 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 16.0 percent (10.4) over the last twelve-month period
- Return on capital employed was 36.8 percent (33.0).
- The total portfolio increased to 46,724 MW (36,821). The increase is mainly attributable to growth in the offshore wind portfolio of 2 700 MW while the remaining part of the development portfolio grew by 5,808 MW to 19,640 MW with project acquisitions and new greenfield projects



A good quarter with sales at attractive price levels

July-September 2023

- Net sales amounted to SEK 2,329 million (2,311)
- Operating income amounted to SEK 386 million (30)
- Operating margin amounted to 16.6% (1.3)
- Profit for the period was SEK 356 million (44)
- Earnings per share before and after dilution totalled SEK 1.32 (0.16)
- Cash flow from operating activities amounted to SEK -937 million (-129)

January-September 2023

- Net sales amounted to SEK 5,995 million (5,401)
- Operating income amounted to SEK 696 million (498)
- Operating margin amounted to 11.6% (9.2)
- Profit for the period was SEK 690 million (459)
- Earnings per share was before dilution and after dilution SEK 2.60 (1.68)
- Cash flow from operating activities amounted to SEK -1,288 million (765)

Significant events after the end of the reporting period

On October 12, OX2 announced that an agreement had been signed for the sale of an AgriPV project of 23 MW in France.

The Group's key performance indicators

	Q3		Jan-Sep		LTM	Full year
	2023	2022	2023	2022	Oct-Sep	2022
Net sales, SEK m	2,329	2,311	5,995	5,401	8,239	7,644
Operating income, SEK m	386	30	696	498	1,320	1,122
Operating income adjusted for project development costs, SEK m	464	134	931	733	1,649	1,451
Operating margin, %	16.6%	1.3%	11.6%	9.2%	16.0%	14.7%
Operating margin adjusted for project development costs, %	19.9%	5.8%	15.5%	13.6%	20.0%	19.0%
Profit for the period, SEK m	356	44	690	459	1,317	1,085
Cash flow from operating activities, SEK m	-937	-129	-1,288	765	-826	1,226
Investments in the project development portfolio, SEK m	-175	-111	-688	-351	-1,121	-783
Earnings per share before dilution, SEK	1.32	0.16	2.60*	1.68	4.83*	4.01*
Earnings per share after dilution, SEK	1.32	0.16	2.60*	1.68	4.83*	4.01*
Project acquisitions, MW	694	798	4,728	2,156	5,228	2,656
Sold projects, MW	135	0	3,102	268	7,727	4,893
Projects handed over, MW	0	0	171	482	171	482
Total portfolio, MW	46,724	36,821	46,724	36,821	46,724	37,864
Project development portfolio, MW	34,074	32,132	34,074	32,132	34,074	28,263
Sold MW with potential additional payments	6,566	0	6,566	0	6,566	4,410
Projects under construction, MW	1,335	1,086	1,335	1,086	1,335	1,343
Contracts under management (TCM), MW	4,750	3,603	4,750	3,603	4,750	3,848
Number of employees	475	352	475	352	475	366

* Adjusted for result from non-controlling interests

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

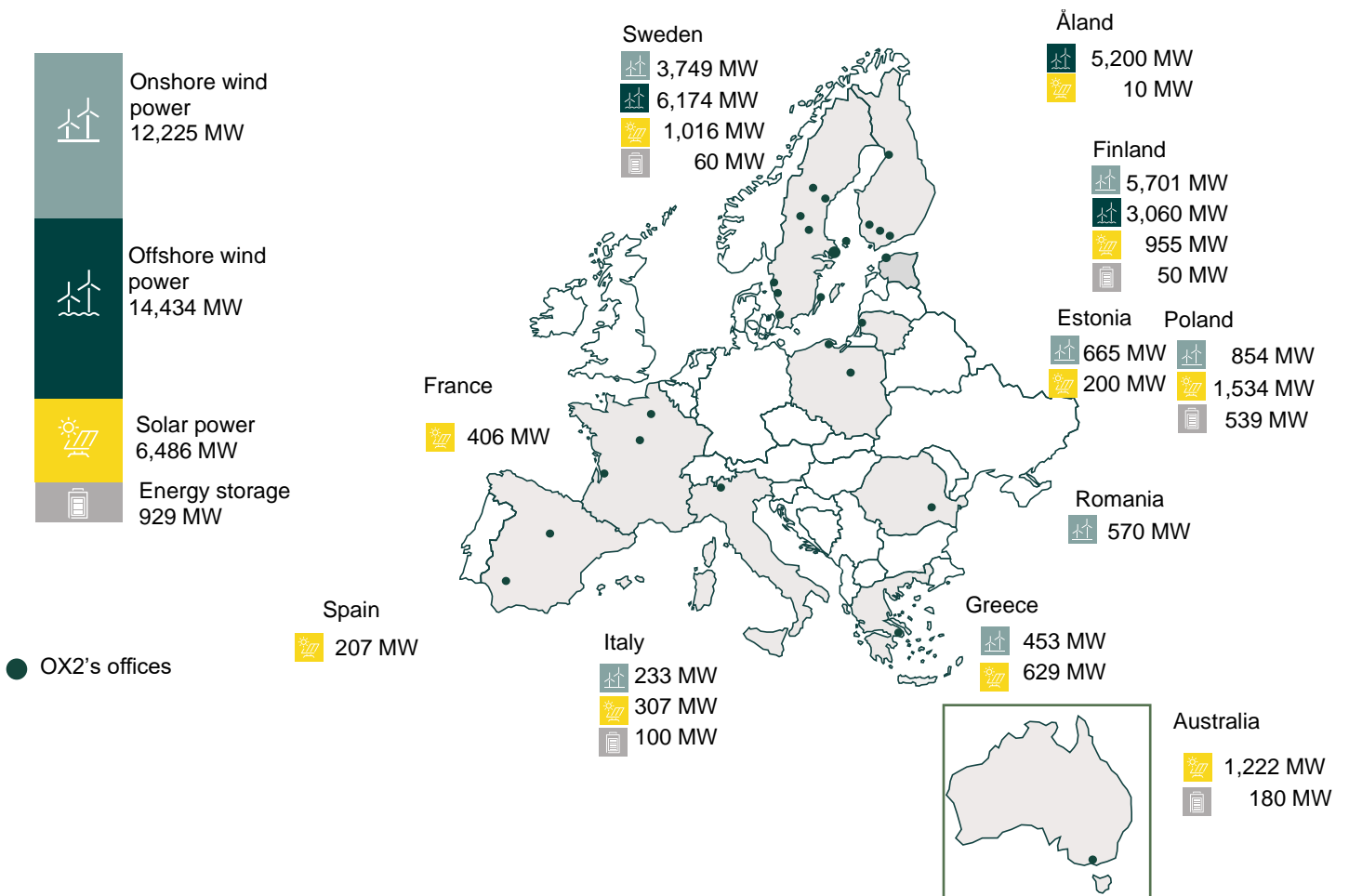
About OX2

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



CEO statement

In the third quarter, our operating income totalled SEK 386 million and we sold two onshore wind farms in Sweden and Poland with a combined contract value of SEK 3.4 billion. To date this year, OX2 has sold projects in five countries and we have a large number of ongoing sales processes in several countries, spanning a range of technologies.

Several sales processes in progress

At the time of our full-year report for 2022, we stated that most of the sales in 2023 would be concluded in the latter part of the year. The transactions conducted to date this year have largely adhered to the initial timeline and have been done at attractive price levels. We have ongoing sales processes in several countries within onshore wind, solar power and energy storage that total more than 1.2 GW.

Transactions with industrial customers at attractive price levels

Towards the end of the quarter, we sold the Ånglarna onshore wind farm in Sweden to the Swiss energy company ewz. Ånglarna is located in Dalarna, in electricity price area 3, a region of the country with high demand for additional electrical capacity. The project entails 115 MW with a total contract value of about SEK 2.7 billion. Handover of the wind farm to the customer is expected at the end of 2026.

In September, we entered into an agreement to sell a 20 MW onshore wind farm in Bejsce, located in south eastern Poland, to Enea Nowa Energia, a part of the Polish energy firm Enea S.A. The contract was worth approximately SEK 680 million, with handover to the customer planned for the second half of 2025.

In addition, following the close of the quarter, we completed our first sale in the French market by entering into an agreement for the sale of a 23 MW AgriPV project to CVE, a French producer of renewable electricity.

Good development in construction and asset management

Our construction business has developed well with good profitability and we plan to hand over additional projects in Sweden and Poland before year-end. Both the construction portfolio and the technical and commercial management portfolio have grown, now also encompassing the wind farms that were sold during the quarter.



Paul Stormoen, CEO

Continued growth of development portfolio

The project development portfolio has continued to expand, totalling 34 GW at the close of the period. Onshore projects totalling approximately 700 MW, the majority in Sweden, were acquired during the quarter. We have now also incorporated 500 MW from parts of the Pleione offshore project, located in Swedish territorial waters east of Gotland.

Attractive offshore portfolio

In the spring of 2023, the Swedish government granted a permit for the 400 MW Galene wind farm in Kattegat. Our offshore wind project Triton, planned off the southern coast of Sweden, is currently on the government's table for approval, after a Natura 2000 permit was granted for the project during the quarter.

Triton and Galene belong to the Swedish offshore portfolio, of which we divested 49 percent to Ingka Investments last year. In May, we carried out a similar transaction for our Finnish offshore portfolio, and we are currently developing a total of 13 GW of projects in partnership with Ingka Investments. Under the terms of the agreements, we will receive additional payments after all permits are secured, contingent on mutual consent to proceed with the development of these projects.

Projects sold, MW

3,102

Relates to Jan-Sep 2023

Growth total portfolio,
MW

8,860

Relates to Jan-Sep 2023

Total portfolio,
MW

46,724

As of 30 Sep 2023

The Kattegat and the Baltic Sea provide good conditions conducive to profitable offshore wind power, driven by favourable wind speeds and seabed conditions coupled with proximity to markets with rising energy demand.

Well positioned for growth

We have successfully broadened our business, achieving sales in five countries year-to-date, encompassing both offshore and onshore wind energy, as well as solar power. OX2 has a substantial portfolio of permitted projects in multiple countries, spanning several technologies. Despite a geopolitically sensitive environment, we see good demand for our projects, not least from industrial and strategic buyers. OX2 has shown over a long period of time that our business is resilient to changing external factors such as inflation, increased capital costs and strained supply chains.

The market for renewable energy is growing driven by the electrification of society and rising demand from industry. In order for the EU to reach its climate targets for 2030, more than

a doubling of the new addition of renewable energy from current levels is required.

Following the investments in recent years in a strengthened organization and a significantly increased development portfolio OX2 is today well positioned for continued profitable growth.

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 and energy storage projects in various phases 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 third quarter, the development portfolio totalled 34.1 GW (32.1), comprising offshore wind power of 14.4 GW (18.3), onshore wind power of 12.2 GW (10.0), solar power of 6.5 GW (3.4) and energy storage of 0.9 GW (0.5).

The project development portfolio expanded by 1,627 MW during the quarter, primarily attributable to new greenfield projects totalling 1,076 MW and project acquisitions of 694 MW. Projects totalling 135 MW were divested during the quarter, while existing projects were reduced by 8 MW.

The increase in greenfield projects is primarily explained by the Swedish offshore project Pleione, with a capacity of 500 MW, located east of Gotland in Swedish territorial waters. Other new greenfield projects comprised onshore wind (184 MW) and solar power (392 MW).

In the quarter, onshore wind projects totalling 694 MW were acquired, of which 669 MW in Sweden and 25 MW in Italy.

During the quarter, the Triton Natura offshore project was granted a Natura 2000 permit and is now under government review for final approval. Located off the southern coast of Sweden, the project is designed to have a planned capacity of up to 1.5 GW and an estimated production of about 7 TWh. In total, OX2's offshore wind portfolio amounts to 14.4 GW, of which 6.2 GW in Sweden, 3.1 GW in Finland and 5.2 GW outside Åland.

Project development portfolio 30 September 2023

Market (MW)	Onshore wind	Offshore wind	Solar	Storage	Total
Sweden	3,749	6,174	1,016	60	10,999
Finland	5,701	3,060	955	50	9,766
Åland	0	5,200	10	0	5,210
Poland	854	0	1,534	539	2,927
Italy	233	0	307	100	640
Australia	0	0	1,222	180	1,402
Other markets	1,688	0	1,442	0	3,129
Total:	12,225	14,434	6,486	929	34,074

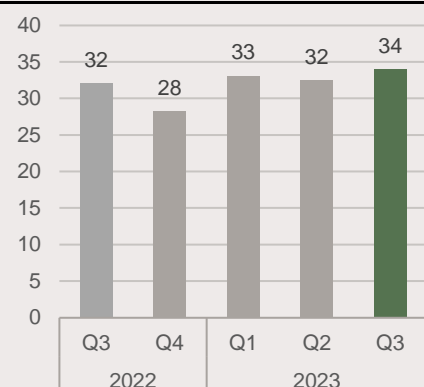
Sold MW with potential additional payments

Sweden	3,626	3,626
Finland	2,940	2,940
Total:	6,566	6,566

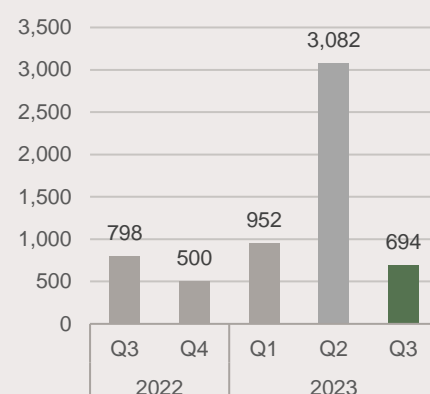
During the third quarter, total external project development costs amounted to SEK -77 million (-104). The project development costs during the third quarter decreased by 26 percent compared to the same quarter last year due to the divestment of the Finnish offshore. Investments in the project development portfolio totalled SEK -175 million (-111) in the quarter and SEK -688 million (-351) so far this year, excluding the acquisition of ESCO Pacific.

External project development costs for offshore wind power amounted in the quarter to SEK -16 million (-56) and other external costs and personnel costs for offshore wind power totalled MSEK -17 (-5). In addition, the Group's share of costs for offshore wind in joint ventures amounted to SEK -22 million (0) for the quarter.

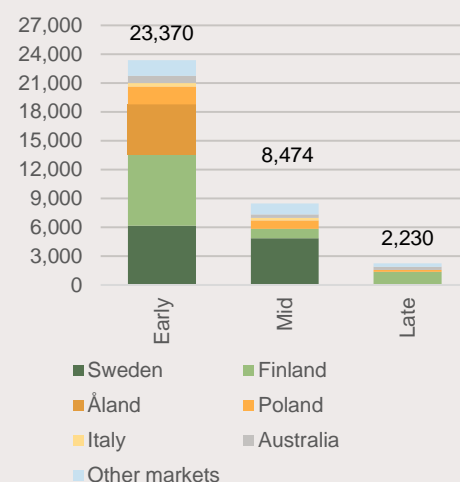
Project development portfolio, GW



Project acquisitions, MW



Project development portfolio/
Development phase, MW



Projects sold

Sales of 135 MW (0) were completed during the quarter. In a transaction valued at around SEK 2.7 billion, OX2 sold the Ånglarna onshore wind farm in Sweden to the Swiss energy company ewz. In addition, OX2 sold the 20 MW wind park Bejsce in Poland to Enewa Nowa Energia, a division of the Polish energy firm Enea S.A. After the end of the quarter, OX2 also completed its first sale on the French market through the sale of an AgriPV project to the French energy company CVE.

OX2 has permitted projects in a several geographical markets and several ongoing sales processes.

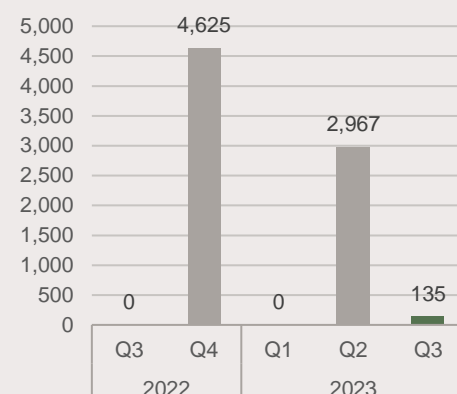
Deliver

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

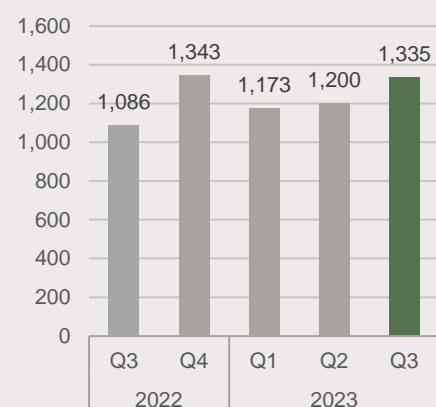
At the end of the quarter, OX2 had 15 projects totalling 1,335 MW (1,086) under construction. During the second quarter, Turbine supplier Siemens Gamesa (wholly owned by Siemens Energy) announced expected delays in future deliveries. OX2 has three projects in progress totalling 670 MW that use Siemens Gamesa turbines (Niinimäki, Ribberget and Lestijärvi) where handover to the customers might be affected by the delays, which is 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 2023					374
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
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					1,335

Projects sold, MW



Total MW under construction



OX2 saw sustained growth in its technical and commercial management business with good profitability over the quarter. Two wind farms were added to the management portfolio, which now covers five European markets plus Australia. At the end of the third quarter, OX2's management contracts totalled 4,750 MW (3,603).

4,750
(3,603)

Financial highlights

Performance and financial position

SEK m	Q3		Jan-Sep		LTM	Full year
	2023	2022	2023	2022	Oct-Sep	2022
Net sales	2,329	2,311	5,995	5,401	8,239	7,644
Cost of goods sold*	-1,615	-2,048	-4,301	-4,243	-5,589	-5,531
Gross profit*	713	262	1,694	1,158	2,650	2,113
Project development costs*	-77	-104	-235	-235	-328	-329
Other external costs	-55	-38	-188	-110	-243	-166
Personnel costs	-165	-88	-474	-305	-607	-438
Result from joint venture	-22	-	-75	-	-119	-44
Depreciation and amortization of tangible and intangible assets	-8	-2	-27	-9	-32	-14
Operating income*	386	30	696	498	1,320	1,122
Operating income adjusted for project development costs*	464	134	931	733	1,649	1,451
Gross margin, %*	30.6%	11.3%	28.3%	21.4%	32.2%	27.6%
Operating margin, %*	16.6%	1.3%	11.6%	9.2%	16.0%	14.7%
Operating margin adjusted for project development costs, %*	19.9%	5.8%	15.5%	13.6%	20.0%	19.0%

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

Net sales

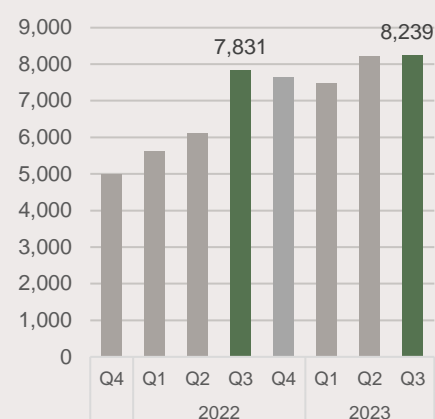
Net sales amounted to SEK 2,329 million (2,311) for the third quarter, and SEK 5,995 million (5,401) to date this year.

Net sales in the quarter are in line with the same period last year, but with lower revenue from the construction portfolio and higher revenue from project sales. Activities in Sweden contributed 45 percent (25) of the revenue, followed by Poland with 32 percent (21) and Finland 23 percent (54).

No projects were completed and handed over to customers in the third quarter of 2023, which was also the case for the same period of the previous year. OX2 sold two projects during the quarter: Bejsce (20 MW) and Ånglarna (115 MW). No projects were sold during the same period the previous year.

The increase in net sales so far this year is attributable in part to a larger portfolio in the construction phase, with higher revenues from completed milestones in the construction projects, and in part to higher revenues from the sale of projects. To date this year, activities in Sweden contributed 45 percent (36) of revenue, followed by Finland 30 percent (37) and Poland with 25 percent (37).

Net sales LTM, SEK m



Costs

The cost of goods sold totalled SEK -1,615 million (-2,048) for the third quarter and SEK -4,301 million (-4,243) to date this year. Cost of goods sold is affected by the product mix in the period. Two projects were sold during the quarter. Gross margin increased to 30.6 percent (11.3) compared with the same period last year. The higher margin in the quarter is mainly attributable to a higher share of revenue from the sale of projects, for which the margin is normally higher than for revenue from the construction portfolio. To date this year, the gross margin is 28.3 percent, compared with 21.4 percent last year.

Project development costs amounted to SEK -77 million (-104) in the third quarter and SEK -235 million (-235) for the year to date. Development costs for the third quarter dropped by 26 percent compared with the same quarter in the previous year, primarily as a result of the divestment of the Finnish offshore projects during the year. To date this year, development costs are on par with the previous year. As a share of revenue, project development costs for the quarter amounted to 3.3 percent, compared with 4.5 percent for the corresponding period the previous year. In addition to project development costs, result from joint ventures amounted to SEK -22 million (0) for the quarter and SEK -75 million (0) to date this year. The result is attributable to OX2'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 2023.

Other costs in the third quarter totalled SEK -55 million (-38). The increase is related to ESCO Pacific in Australia, as well as expansion of the business and higher costs for consultants and IT.

Personnel costs in the third quarter amounted to SEK -165 million (-88), an increase of 88 percent compared with the same period the previous year. The change can be attributed to an increase in the workforce (123 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 increased due to the weakening of the SEK.

Profit

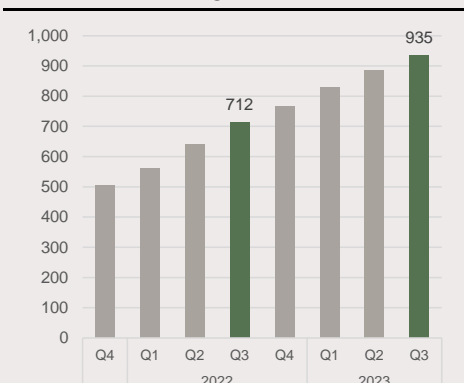
Operating income for the third quarter of 2023 amounted to SEK 386 million (30). The earnings trend for individual quarters is mainly affected by new sales of wind and solar projects, and the rate at which projects under construction are completed and handed over to customers. Operating margin amounted to 16.6 percent (1.3). As mentioned above, the higher margin in the quarter is due to a higher share of revenues from project sales compared with the same period the previous year.

Financial items showed a loss in the third quarter of SEK -19 million (-23). The negative result was primarily due to negative currency effects related to the company's cash and cash equivalents in other currencies. OX2's currency exposure is primarily in EUR and the company uses currency derivatives to hedge these flows. The effective tax rate was 3.1 percent (17.1) for the quarter. The tax rate was affected by non-taxable income from the sale of projects. Profit for the period was SEK 356 million (44).

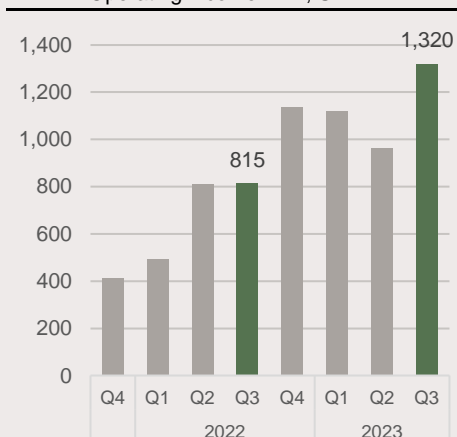
Earnings per share before and after dilution totalled SEK 1.32 (0.16) for the quarter.

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 7,058 million (6,295) at the end of the period, an increase of SEK 763 million compared with the end of December 2022.

The value of the project development portfolio increased to SEK 2,401 million (1,388), with most of the increase attributable to the acquisition of ESCO Pacific in Australia. Work in progress of SEK 294 million (0) is mainly related to the construction of projects in our own book in Italy and Sweden. Accounts receivable totalled SEK 1,541 million (655), with the increase primarily attributable to sold projects where payments were made after the end of the quarter. Other receivables, which mainly consist of expenses incurred by OX2 on behalf of customers, totalled SEK 113 million (115). Prepaid expenses and accrued income amounted to SEK 1,251 million (549). Prepaid expenses and accrued income consisted mainly of items related to construction. Cash and cash equivalents amounted to SEK 1,450 million (3,575). The decline can be attributed in part to the acquisition of ESCO Pacific and partly to negative cash flows from the construction portfolio.

Total current liabilities amounted to SEK 3,008 million (2,772), an increase of SEK 356 million compared with the previous year.

Advance payments from customers amounted to SEK 1,797 million (1,325), an increase of SEK 472 million during the year. The advance payments include 72 percent related to projects under construction in the Finnish market, followed by 25 percent for Swedish projects and 3 percent for Polish projects. Accounts payable totalled SEK 364 million (159), mainly attributable to invoices from the construction business, which vary between periods. Other liabilities amounted to SEK 237 million (358) and current interest-bearing liabilities to 144 (228), where the increase in current interest-bearing liabilities is mainly related to a contingent consideration for ESCO Pacific. Tax liabilities amounted to SEK 50 million (28). Accrued expenses and deferred income amounted to SEK 416 million (673). Accrued expenses consisted mainly of accrued construction and project costs.

Cash flow

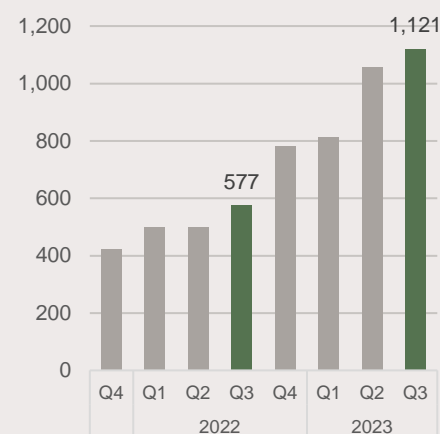
Cash flow from operating activities before changes in working capital totalled SEK 451 million (40) during the quarter and SEK 872 million (516) to date this year. Cash flow from changes in working capital totalled SEK -1,213 million (-57) in the quarter and SEK -1,472 million (600) to date this year. Changes in working capital have a large impact on cash flow in individual quarters. As expected, cash flow was negatively impacted by changes in working capital during the quarter due to prepaid cost and an increase of accounts receivables that were paid after the end of the quarter. So far this year, it is also the prepaid expenses and accounts receivables that has affected the cash flow from operating activities negatively. Investments in the project development portfolio totalled SEK -175 million (-111) for the quarter and SEK -688 million (-351) for the year to date. Cash flow from operating activities amounted to SEK -937 million (129) for the quarter and SEK -1,288 million (765) so far this year.

Cash flow from investing activities totalled SEK -37 million (-1) for the quarter and SEK -905 million (-1) for the year to date, SEK -829 million of which is attributable to the acquisition of ESCO Pacific in Australia, while a smaller portion, SEK -72 million, is attributable to from contributions to joint ventures. Cash flow from financing activities totalled SEK 4 million (-4) for the quarter and SEK 23 million (-9) for the year to date. 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 third quarter of 2023 amounted to SEK -969 million (-133) and SEK -2,170 million (755) for the year to date.

Net debt or (-) net cash, SEK m

-1,283
(-3,105)

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 237 million (93) for the quarter, and SEK 615 million (827) for the year to date. 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 -177 million (-131) for the quarter and SEK -378 million (-478) for the year to date. Other costs amounted to SEK -41 million (-33) for the quarter, and SEK -135 million (-97) for the year to date. The increase for the quarter and for the year was due to the expansion of the business.

Personnel costs totalled SEK -104 million (-64) for the quarter, and SEK -318 million (-224) for the year to date. The increased costs were mainly due to an increase in the number of employees compared with the same quarter the previous year and are in line with planned expansion but has also been affected by the weakening of the SEK.

Operating income amounted to SEK -86 million (-135) for the quarter and SEK -219 million (25) for the year to date. The lower operating income during the year is due to a lower gross margin from sales of projects compared with the previous year and higher other costs and personnel costs. Earnings after financial items amounted to SEK -51 million (-138) for the quarter and SEK 433 million (211) for the year to date. The year-on-year increase in financial income was mainly related to net income from participations in Group companies. Profit totalled SEK -41 million (-111) for the period and SEK 472 million (206) for the year.

Current assets totalled SEK 3,311 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 group receivables.

The parent company's equity as of September 30, 2023 amounted to SEK 2,749 million (2,270).

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 30 September was SEK 52. The three largest shareholders at the end of the quarter were Peas Industries AB at 45.6 percent, Pictet Asset Management 5.0 percent and Handelsbanken Fonder 4.0 percent.

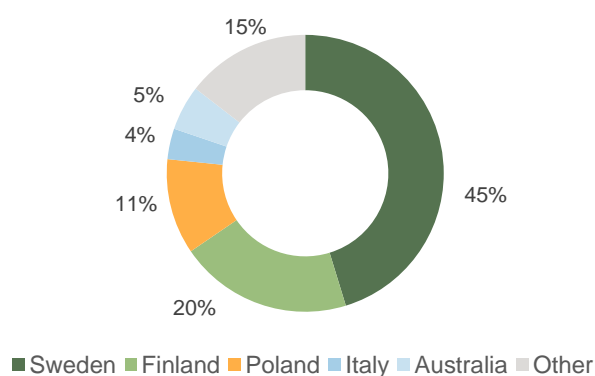
Employees

As of September 30, 2023, the number of employees was 475 (352), of which 41 percent (42) were women. The number of employees increased by 35 percent compared with the previous year. During the quarter, the number of employees increased by 31 people.

Total number of employees	2023/09/30	2022/09/30
Sweden	215	191
Finland	96	68
Poland	53	44
Italy	17	16
Australia	25	-
Other markets	69	33
Total OX2 Group	475	352

At the end of September 2023, 41 (42) percent were women and 59 (58) men.

Number of employees as of September 30, 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 the 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 strong demand for ownership of renewable power generation among its customers.

Planning conditions

Although higher interest rates have affected the financing market, demand for renewable power generation remains 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, and sales exceeding 2,000 MW by 2025. Costs associated with personnel and project development in 2023 are expected to be more than double what was incurred in 2021.

Investments in project acquisitions are expected to be around SEK 1,000 million annually in 2023 and beyond. Depending on the timing of the completion of acquisitions, this may vary between individual calendar years.

For individual quarters, the gross margin is affected by the mix of revenues from the sale of new wind and solar farms and revenues from projects under construction, where the gross margin from new project sales is usually higher.

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 October 12 OX2 announced that an agreement had been signed for the sale of an AgriPV project of 23 MW in France.

Audit

This report has not been subject to review by the Group's auditors.

Annual report

OX2's 2022 annual and sustainability report is available on the OX2 website, ox2.com.

Stockholm, 24 October 2023

OX2 AB (publ)

Paul Stormoen

CEO

Condensed consolidated income statement

SEK m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Net sales	2,329	2,311	5,995	5,401	7,644
Total revenue	2,329	2,311	5,995	5,401	7,644
Cost for goods and project development	-1,692	-2,152	-4,535	-4,478	-5,860
Other external costs	-55	-38	-188	-110	-166
Personnel costs	-165	-88	-474	-305	-438
Result from joint venture	-22	-	-75	-	-44
Depreciation and amortization of tangible and intangible assets	-8	-2	-27	-9	-14
Total operating expenses	-1,942	-2,280	-5,299	-4,903	-6,522
Operating income	386	30	696	498	1,122
Financial income	78	83	254	176	220
Financial costs	-97	-61	-212	-135	-158
Profit after financial items	367	53	738	539	1,184
Income tax	-11	-9	-48	-81	-99
PROFIT FOR THE PERIOD	356	44	690	459	1,085
Profit for the period attributable to:					
Owners of the parent company	360	44	709	459	1,092
Non-controlling interests	-3	0	-19	0	-7
Average number of share before dilution	272,517,586	272,517,586	272,517,586	272,517,586	272,517,586
Average number of share after dilution	272,906,569	272,693,336	272,769,051	272,572,046	272,600,913
Earnings per share before dilution, SEK	1.32	0.16	2.60*	1.68	4.01*
Earnings per share after dilution, SEK	1.32	0.16	2.60*	1.68	4.01*

* Adjusted for result from non-controlling interests

Consolidated statement of comprehensive income

SEK m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Profit for the period	356	44	690	459	1,085
Other comprehensive income:					
<i>Items that may reclassified subsequently to profit or loss</i>					
Foreign exchange differences on translation of foreign subsidiaries	-55	7	50	19	22
<i>Cash flow hedges</i>					
Changes in fair value	24	-32	8	-119	-100
Income tax attributable to cash flow hedges	-5	7	-2	23	19
Total other comprehensive income after tax	320	25	747	381	1,026
Total comprehensive income for the period attributable to:					
Owners of the parent company	324	25	766	381	1,033
Non-controlling interests	-3	0	-19	0	-7

Consolidated statement of financial position

SEK m	2023/09/30	2022/12/31	2022/09/30
ASSETS			
Non-current assets			
Goodwill	139	-	-
Other intangible assets	7	3	3
Fixtures, tools and installations	4	3	4
Right-of-use assets	44	45	41
Shares in joint ventures	130	17	-
Other financial assets	4	2	1
Total Non-current assets	328	70	48
Current assets			
Project development portfolio	2,401	1,388	846
Construction in progress	294	0	22
Accounts receivable	1,541	655	259
Tax receivables	-	-	-
Other receivables	113	115	74
Prepaid expenses and accrued income	1,251	549	495
Derivative financial instruments	9	14	0
Cash and cash equivalents	1,450	3,575	3,147
Total Current assets	7,058	6,295	4,842
TOTAL ASSETS	7,386	6,365	4,891
EQUITY AND LIABILITIES			
Equity			
Share capital	1	1	1
Retained earnings including profit for the period	4,232	3,413	2,739
Equity attributable to the shareholders of the parent company	4,221	3,421	0
Equity attributable to non-controlling interests	11	-7	-0
Total equity	4,232	3,414	2,739
Non-current liabilities			
Long-term interest-bearing liabilities	23	29	25
Derivative financial instruments	110	107	123
Deferred tax liabilities	13	44	22
Total Long-term liabilities	147	179	170
Current liabilities			
Advance payments from customers	1,797	1,325	844
Accounts payable	364	159	242
Tax liabilities	50	28	40
Other Current liabilities	237	358	254
Current interest-bearing liabilities	144	228	17
Accrued expenses and deferred income	416	673	585
Total Current liabilities	3,008	2,772	1,981
TOTAL EQUITY AND LIABILITIES	7,386	6,365	4,891

Consolidated statement of changes in equity

SEK m	2023/09/30	2022/12/31	2022/09/30
Opening balance	3,414	2,355	2,355
Total comprehensive income for the period	747	1,026	381
Change in minority interest	37	0	0
Share-based payments	3	2	1
Other contribution	27	29	-
Shareholder contribution	5	2	2
Closing balance	4,232	3,414	2,739
Attributable to:			
Owners of the parent company	4,221	3,421	2,740
Non-controlling interest	11	-7	0
Total equity	4,232	3,414	2,739

Consolidated statement of cash flows

SEK m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Profit after financial items	367	53	738	539	1,184
Adjustments for items not included in cash flow, etc.	101	3	201	11	62
Income taxes paid	-17	-16	-67	-34	-43
Cash flow from operating activities before changes in working capital	451	40	872	516	1,203
Cash flow from changes in working capital					
Decrease(+)/increase(-) in work in progress	31	-29	-174	-31	96
Decrease(+)/increase(-) in accounts receivable	-1,058	22	-884	39	-356
Decrease(+)/increase(-) in current receivables	-900	-37	-702	-52	-170
Decrease(+)/increase(-) in accounts payables	143	170	203	-69	-151
Decrease(-)/increase(+) in current liabilities	571	-184	86	712	1,389
Cash flow from operating activities before investment in project development portfolio	-761	-17	-600	1,116	2,010
Investments in project development portfolio	-175	-111	-688	-351	-783
Cash flow from operating activities	-937	-129	-1,288	765	1,226
Acquisition/sale of fixed assets	-2	-1	-4	-1	-33
Acquisition of shares in other companies	-35	-	-72	-	-
Acquisiton of subsidiary	0	-	-829	-	-
Cash flow from investment activities	-37	-1	-905	-1	-33
Shareholder contribution	11	-	41	2	2
Repayments of lease liabilities	-6	-4	-18	-11	-15
Cash flow from financing activities	4	-4	23	-9	-13
Cash flow for the period	-969	-133	-2,170	755	1,180
Translation difference in cash and cash equivalents	-52	7	46	18	21
Cash and cash equivalents at beginning of the period	2,471	3,273	3,575	2,374	2,374
Cash and cash equivalents at period end	1,450	3,147	1,450	3,147	3,575

Condensed parent company income statement

SEK m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Net sales	237	93	615	827	1,034
Other operating revenue	0	0	0	0	7
Total revenue	237	93	615	827	1,041
Cost of goods and project development	-177	-131	-378	-478	-584
Other external costs	-41	-33	-135	-97	-139
Personnel costs	-104	-64	-318	-224	-313
Depreciation and amortization of tangible and intangible assets	-1	-1	-2	-2	-2
Total operating expenses	-323	-228	-834	-801	-1,038
Operating income	-86	-135	-219	25	3
Financial income	67	7	774	209	221
Financial costs	-32	-10	-122	-23	-35
Profit after financial items	-51	-138	433	211	188
Year-end appropriations	0	-	0	-	198
Tax	10	28	38	-5	-42
Profit for the period	-41	-111	472	206	345

Parent company statement of comprehensive income

SEK m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Profit for the period	-41	-111	472	206	345
Total other comprehensive income after tax	-41	-111	472	206	345

Condensed parent company balance sheet

SEK m	2023/09/30	2022/12/31	2022/09/30
ASSETS			
Non-current assets			
Other intangible assets	1	3	3
Fixtures, tools and installations	3	3	3
Participations in Group companies	2,016	940	623
Other non-current assets	2	1	1
Total Non-current assets	2,022	947	630
Current assets			
Project development portfolio and construction in progress	390	310	231
Accounts receivable	105	17	1
Tax receivable	60	-	28
Other receivables	42	13	32
Receivables from group companies	1,567	559	748
Prepaid expenses and accrued income	9	14	17
Cash and cash equivalents	1,137	3,440	2,760
Total Current assets	3,311	4,353	3,817
TOTAL ASSETS	5,332	5,301	4,447
EQUITY AND LIABILITIES			
Equity	2,749	2,270	2,129
Untaxed reserves	152	152	94
Current liabilities			
Accounts payable	30	26	40
Current tax liabilities	-	7	-
Other Current liabilities	14	12	119
Liabilities to group companies	2,226	2,687	1,923
Accrued expenses and deferred income	161	147	143
Total Current liabilities	2,431	2,879	2,225
TOTAL EQUITY AND LIABILITIES	5,332	5,301	4,447

Key performance indicators, Group

	Q3		Jan-Sep		LTM	Full year
	2023	2022	2023	2022	Oct-Sep	2022
Profitability						
Net sales, SEK m	2,329	2,311	5,995	5,401	8,239	7,644
Net sales growth, %	0.8%	285.2%	11.0%	111.5%	5.2%	53.4%
Operating income, SEK m	386	30	696	498	1,320	1,122
Operating income adjusted for development costs, SEK m	464	134	931	733	1,649	1,451
Operating margin, %	16.6%	1.3%	11.6%	9.2%	16.0%	14.7%
Operating margin adjusted for development costs, %	19.9%	5.8%	15.5%	13.6%	20.0%	19.0%
Profit for the period, SEK m	356	44	690	459	1,317	1,085
Earnings per share before dilution, SEK	1.32	0.16	2.60*	1.68	4.83*	4.01*
Earnings per share after dilution, SEK	1.32	0.16	2.60*	1.68	4.83*	4.01*
Financial position						
Net debt or (-) net cash, SEK m	-1,283	-3,105	-1,283	-3,105	-1,283	-3,318
Equity ratio, %	57.3%	56.0%	57.3%	56.0%	57.3%	53.6%
Effective tax rate, %	3.1%	17.1%	6.5%	15.0%	4.8%	8.3%
Operating cash flow, SEK m	-1,030	-137	-2,342	755	-1,971	1,127
Cash conversion, %	-261%	-419%	-324%	149%	-145.8%	99.2%
Construction related working capital, SEK m	385	-1,075	385	-1,075	385	-1,197
Net working capital, SEK m	2,786	-229	2,786	-229	2,786	191
Equity per share, SEK	16	10	16	10	16	13
Return on equity, %	8.8%	1.6%	18.1%	18.0%	37.8%	37.6%
Return on capital employed, %	9.0%	1.1%	17.2%	19.3%	36.8%	37.1%
Investments in the project development portfolio, SEK m	-175	-111	-688	-351	-1,121	-783
Operational key figures						
Project acquisitions, MW	694	798	4,728	2,156	5,228	2,656
Sold projects, MW	135	0	3,102	268	7,727	4,893
Projects handed over, MW	0	0	171	482	171	482
Total portfolio, MW	46,724	36,821	46,724	36,821	46,724	37,864
Project development portfolio, MW	34,074	32,132	34,074	32,132	34,074	28,263
Sold MW with potential additional payments	6,566	0	6,566	0	6,566	4,410
Projects under construction, MW	1,335	1,086	1,335	1,086	1,335	1,343
Contracts under management, MW	4,750	3,603	4,750	3,603	4,750	3,848
Number of employees	475	352	475	352	475	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	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Net sales per category					
Sales of wind and solar projects, wind farms and technical and commercial management	2,329	2,311	5,995	5,401	7,644
Total	2,329	2,311	5,995	5,401	7,644
Income divided by country*					
Sweden	1,046	584	2,674	1,959	3,155
Finland	531	1,246	1,781	2,007	2,820
Poland	746	480	1,520	1,435	1,669
Australia	6	-	20	-	-
Total	2,329	2,311	5,995	5,401	7,644

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

SEK m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Time of revenue recognition					
At a certain time	10	7	389	85	749
Over time	2,318	2,304	5,605	5,315	6,896
Total	2,329	2,311	5,995	5,401	7,644

SEK m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Contract assets					
Ongoing work in progress on behalf of others	33	22	33	22	0
Accrued income	224	206	224	206	179
Total	257	228	257	228	179
Of which Long-term assets	-	-	-	-	-
Of which Current assets	257	228	257	228	179
Total	257	228	257	228	179
SEK m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Contract liabilities					
Advance payments from customers	1,797	844	1,797	844	1,325
Prepaid income	224	49	224	49	45
Total	2,021	893	2,021	893	1,370
Of which Long-term liabilities	-	-	-	-	-
Of which Current liabilities	2,021	893	2,021	893	1,370
Total	2,021	893	2,021	893	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	2023/09/30	2022/12/31	2022/09/30
Financial assets at fair value			
Derivative instruments	9	14	0
Financial assets measured at amortized cost			
Accounts receivables	1,541	655	259
Other current receivables	113	115	74
Cash and cash equivalents	1,450	3,575	3,147
Total financial assets	3,113	4,359	3,480
Financial liabilities at fair value			
Derivative instruments	110	107	123
Current interest-bearing liabilities	121	210	-
Financial liabilities measured at amortized cost			
Other Long-term liabilities	23	29	25
Accounts payable	364	159	242
Other Current liabilities	237	358	254
Current interest-bearing liabilities	23	18	17
Total financial liabilities	879	881	661

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 Pacific	
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

	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Project development cost	-77	-104	-235	-235	-329
Of which are cost for off-shore wind	-16	-56	-72	-102	-143
Other external and personnel cost	-220	-126	-662	-416	-604
Of which are cost for off-shore wind	-17	-5	-47	-16	-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 28 people are participating in the plan as of September 30, 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; the plan has 36 participants as of September 30, 2023.

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

Note 8 Pledged assets and contingent liabilities

The Group has pledged assets of SEK 63 million (0). Contingent liabilities amounted to SEK 5.8 billion (4) at September 30, 2023 compared with the beginning of the year. Changes in the value of 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 September 30, 2023, the parent company's contingent liabilities amounted to SEK 5.8 billion (4) and pledged assets were SEK 63 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 23–27 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	Q3		Jan-Sep		LTM	Full year
	2023	2022	2023	2022	Oct-Sep	2022
Shareholders' equity, beginning of period	3,900	2,714	3,414	2,355	2,739	2,355
Shareholders' equity, end of period	4,232	2,739	4,232	2,739	4,232	3,414
Average equity	4,066	2,727	3,823	2,547	3,486	2,885
Profit for the period	356	44	690	459	1,317	1,085
Average equity	4,066	2,727	3,823	2,547	3,486	2,885
Return on equity	8.8%	1.6%	18.1%	18.0%	37.8%	37.6%

Reconciliation of return on capital employed

SEK m	Q3		Jan-Sep		LTM	Full year
	2023	2022	2023	2022	Oct-Sep	2022
Equity	4,232	2,739	4,232	2,739	4,232	3,414
Interest-bearing liabilities (long-term and short-term)	167	42	167	42	167	257
Capital employed	4,399	2,782	4,399	2,782	4,399	3,671
Average capital employed						
Capital employed, beginning of period	4,208	2,748	3,671	2,383	2,782	2,383
Capital employed, end of period	4,399	2,782	4,399	2,782	4,399	3,671
Average capital employed	4,304	2,765	4,035	2,583	3,591	3,027
Operating income	386	30	696	498	1,320	1,122
Average capital employed	4,304	2,765	4,035	2,583	3,591	3,027
Return on capital employed	9.0%	1.1%	17.2%	19.3%	36.8%	37.1%

Reconciliation of cost of goods sold

SEK m	Q3		Jan-Sep		LTM	Full year
	2023	2022	2023	2022	Oct-Sep	2022
Cost for goods and project development	-1,692	-2,152	-4,535	-4,478	-5,917	-5,860
Of which cost of goods sold	-1,615	-2,048	-4,301	-4,243	-5,589	-5,531
Of which project development costs	-77	-104	-235	-235	-328	-329

Reconciliation of gross profit and gross margin

SEK m	Q3		Jan-Sep		LTM	Full year
	2023	2022	2023	2022	Oct-Sep	2022
Net sales	2,329	2,311	5,995	5,401	8,239	7,644
Cost of goods sold	-1,615	-2,048	-4,301	-4,243	-5,589	-5,531
Gross profit	713	262	1,694	1,158	2,650	2,113
Gross margin, %	30.6%	11.3%	28.3%	21.4%	32.2%	27.6%

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

SEK m	Q3		Jan-Sep		LTM	Full year
	2023	2022	2023	2022	Oct-Sep	2022
Net sales	2,329	2,311	5,995	5,401	8,239	7,644
Operating income	386	30	696	498	1,320	1,122
<i>Operating margin, %</i>	16.6%	1.3%	11.6%	9.2%	16.0%	14.7%
Depreciation and amortization of tangible and intangible assets	8	2	27	9	32	14
EBITDA	394	33	723	507	1,352	1,136
Operating income	386	30	696	498	1,320	1,122
Project development costs	77	104	235	235	328	329
Operating income adjusted for development costs	464	134	931	733	1,649	1,451
<i>Operating margin adjusted for development costs, %</i>	19.9%	5.8%	15.5%	13.6%	20.0%	19.0%

Reconciliation of equity per share

SEK m	Q3		Jan-Sep		LTM	Full year
	2023	2022	2023	2022	Oct-Sep	2022
Equity	4,232	2,739	4,232	2,739	4,232	3,414
Average number of shares before dilution	272,517,586	272,517,586	272,517,586	272,517,586	272,517,586	272,517,586
Average number of shares after dilution	272,906,569	272,693,336	272,769,051	272,572,046	272,695,726	272,600,913
Equity before dilution (SEK)	16	10	16	10	16	13

Reconciliation of net sales growth

SEK m	Q3		Jan-Sep		LTM	Full year
	2023	2022	2023	2022	Oct-Sep	2022
Net sales for the previous period	2,311	600	5,401	2,553	7,831	4,983
Net sales for the current period	2,329	2,311	5,995	5,401	8,239	7,644
<i>Net sales growth, %</i>	0.8%	285.2%	11.0%	111.5%	5.2%	53.4%

Reconciliation of net debt or (-) net cash

SEK m	Q3		Jan-Sep		LTM	Full year
	2023	2022	2023	2022	Oct-Sep	2022
Interest-bearing liabilities (long-term and short-term)	167	42	167	42	167	257
Interest-bearing receivables (long-term and short-term)	-	-	-	-	-	-
Cash and cash equivalents	-1,450	-3,147	-1,450	-3,147	-1,450	-3,575
Net debt or (-) net cash	-1,283	-3,105	-1,283	-3,105	-1,283	-3,318

Reconciliation of equity ratio

SEK m	Q3		Jan-Sep		LTM	Full year
	2023	2022	2023	2022	Oct-Sep	2022
Equity	4,232	2,739	4,232	2,739	4,232	3,414
Balance sheet total	7,386	4,891	7,386	4,891	7,386	6,365
Equity ratio %	57.3%	56.0%	57.3%	56.0%	57.3%	53.6%

Reconciliation of effective tax rate, %

SEK m	Q3		Jan-Sep		LTM	Full year
	2023	2022	2023	2022	Oct-Sep	2022
Income tax	-11	-9	-48	-81	-66	-99
Profit after financial items	367	53	738	539	1,383	1,184
Effective tax rate, %	3.1%	17.1%	6.5%	15.0%	4.8%	8.3%

Reconciliation of cash conversion, %

SEK m	Q3		Jan-Sep		LTM	Full year
	2023	2022	2023	2022	Oct-Sep	2022
EBITDA	394	33	723	507	1,352	1,136
Changes in net working capital	-1,213	-57	-1,472	600	-1,264	807
Investments in project development portfolio	-175	-111	-688	-351	-1,121	-783
Cash flow from investment activities	-37	-1	-905	-1	-938	-33
Operating cash flow	-1,030	-137	-2,342	755	-1,971	1,127
Cash conversion, %	-261.4%	-419.0%	-324.0%	148.9%	-145.8%	99.2%

Reconciliation of construction-related working capital and net working capital

SEK m	Q3		Jan-Sep		LTM	Full year
	2023	2022	2023	2022	Oct-Sep	2022
Construction in progress	294	22	294	22	294	0
Accounts receivable	1,541	259	1,541	259	1,541	655
Other receivables	113	74	113	74	113	115
Prepaid expenses and accrued income	1,251	495	1,251	495	1,251	549
Construction working capital assets	3,199	849	3,199	849	3,199	1,319
Advance payments from customers	-1,797	-844	-1,797	-844	-1,797	-1,325
Accounts payable	-364	-242	-364	-242	-364	-159
Other Current liabilities	-237	-254	-237	-254	-237	-358
Accrued expenses and deferred income	-416	-585	-416	-585	-416	-673
Construction working capital liabilities	-2,814	-1,925	-2,814	-1,925	-2,814	-2,516
Construction working capital	385	-1,075	385	-1,075	385	-1,197
Project development portfolio	2,401	846	2,401	846	2,401	1,388
Net working capital	2,786	-229	2,786	-229	2,786	191
As % of LTM net sales						
LTM net sales	8,239	7,831	8,239	7,831	8,239	7,644
Construction related working capital assets	38.8%	10.8%	38.8%	10.8%	38.8%	17.3%
Construction related working capital liabilities	-34.2%	-24.6%	-34.2%	-24.6%	-34.2%	-32.9%
Construction related working capital	4.7%	-13.7%	4.7%	-13.7%	4.7%	-15.7%
Net working capital %	33.8%	-2.9%	33.8%	-2.9%	33.8%	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.
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

Year-end Report 2023:	21 February 2024
Interim Report January–March 2024:	25 April 2024
Interim Report April- June 2024:	25 July 2024
Interim Report July-September 2024:	23 October 2024

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