

OX2 Annual General Meeting 2021 CEO's speech

Dear shareholders, directors and employees,

It is particularly pleasing to be standing here this year and welcoming you to OX2's first general meeting as a public company. It's incredibly exciting to have been part of the journey leading to a listing on Nasdaq Stockholm's Large Cap Segment this year, alongside some of Sweden's biggest and finest companies.

When I started at OX2 almost 14 years ago, our sector and our world looked different – renewable was something peripheral and marginal, but at the same time it was something new. Curiosity was a strong motivator for me, but it was mainly the culture of the company that captivated me – a culture that was unlike anything I had seen in the sector. During the period in which we've grown into the company we are today, and despite all the strategic choices we've made along the way, the commercial and entrepreneurial culture has still remained, and it continues to draw people to work with us. For me, the culture at OX2 represents a long-term responsibility to all our stakeholders, both internal and external, and it's also this culture that underpins our vision of a 100% renewable society and our strategy to lead the energy sector's transition in a profitable way.

Our stated values for the company are

- Responsible Ambition
- Collaborative Impact
- Equal Belonging

These values explain very well what we stand for and it's also important for us that you, as owners, can feel confident that we spend our days at OX2 continuing to manage and refine a value-creating culture.

We are driven by high ambitions that have been defined in a responsible way. We believe in an OX2 that achieves a greater impact through good relationships and collaboration. And we are operating a company that is inclusive rather than exclusive.

The transition to renewable energy

To meet the Paris Agreement's target of a 1.5-degree temperature rise, the world needs to make a rapid transition away from fossil fuels. Everything – from transport to energy-intensive industries such as steel and cement production – will have to switch to renewables.

New industries are also emerging in the wake of the transition. This means that not only do we need to transform our energy supply, but we also need to expand it. In Sweden alone, the need for electricity is expected to double.



About four years ago, our market changed. Technology had advanced to the point where renewable energy was viable without subsidies. The cost of wind energy has fallen by about 70 percent over the last ten years and the price of solar energy has decreased by almost 80 percent. At the same time, technological development in these forms of energy continues at a surprisingly rapid pace.

This has made renewables an attractive investment, particularly for long-term investors seeking stable returns. But major industrial companies have also started to invest in renewable energy to secure the supply of emission-free electricity.

The transition is no longer driven by politics and policies alone. It's a business case.

Today, renewables are the fastest and most cost-effective way of building new energy generation and we are seeing a steady increase in interest from large financial players looking for long-term investments with stable returns and low risk.

According to a report presented in early April by the IPCC, which is the UN's climate change panel, it is also the investment with the highest climate benefit.

I don't think I speak just for myself when I say that is extremely motivating to be part of this development.

The year 2021

Let me tell you a little about last year and where the company is today.

A few years ago, we set the target of selling an average installed capacity of 1,500 MW by 2023-2024. The longer-term target is to reach a plateau of 2,000 MW of projects sold per year and an operating margin of at least 10 percent.

To meet this goal, we are working hard to expand our geographical presence and diversify into different technologies.

Last year, we made our first acquisitions in Italy and Romania, where we also built up local organisations. We signed a major cooperation agreement on offshore wind off Åland and established an office in Mariehamn, Åland. At the beginning of this year, we also entered Greece and Estonia and are now present in eleven markets in Europe.

We are continually exploring markets and opportunities for us to expand our geographical presence. We are particularly interested in large electricity markets with a significant share of fossil energy and clear needs and opportunities to increase the share of renewable energy.

New technologies

Last year, our portfolio of development projects grew to 17.4 GW, from 12.7 GW at the end of 2020. Much of the growth has been in our offshore projects.

We submitted Natura 2000 applications for the Galatea-Galene wind farm off the west coast of Sweden and the Triton wind farm off the coast of Skåne.



We are experiencing keen interest in offshore wind power as it is increasingly clear that this is an energy source that has a natural and necessary place in the European energy system. Projects are normally much larger than onshore ones and tend to have much better wind conditions. In terms of MW, offshore wind projects account for a larger share of our portfolio than onshore projects.

We also see significant opportunities in solar power. The cost of solar power has come down so much that it is now the world's most cost-effective form of energy together with wind power, and solar panels are now so efficient that they are profitable even in countries with fewer hours of sunshine, like up here in the Nordic region.

During the year, we acquired several project rights in solar power. We are currently developing solar power in five of our markets: Sweden, France, Poland, Italy and Greece.

We are convinced that solar power will grow steadily in our portfolio. In parallel, we are also exploring opportunities in storage and hydrogen – technologies that will be key components of the new energy system that will emerge.

Overall, this will give us a more diversified portfolio and better opportunities to grow, making us less dependent on individual markets or projects.

Financial results for 2021

Last year, we achieved project sales with an equivalent installed capacity of 719 MW. This is an increase from 329 MW the previous year.

Gross profit showed a significant increase, rising to SEK 1,060 million from SEK 850 million the previous year. And despite a sharp increase in investments in the project development portfolio and in the organisation, operating profit rose to SEK 455 million, compared with SEK 416 million the previous year.

We have a strong cash position and are currently well placed to achieve both our 2023-2024 targets and our long-term targets.

The external environment

Last year was also largely dominated by the Covid-19 pandemic. We have had to find new ways of working and to introduce testing procedures to keep our employees safe and healthy, while also managing the market impact. We have seen price increases and disruptions in supply chains.

I am extremely proud of the work that has been done and can say that we have managed the situation well. We are still seeing some bottlenecks in supply chains and price increases in projects not yet sold. However, this has not had a major impact on our margins as we have had strong cost protection in our supply contracts.

Last year, the Covid-19 vaccine was rolled out and things began to slowly return to normal. On 24 February this year, Russia invaded neighbouring Ukraine. This spring, we have seen horrific scenes unfold.



We believe in a Europe of open and free democracies working together. Several of our markets border Ukraine and we are monitoring the situation closely to determine how we can best contribute.

We are also working on contingency plans in case any of our projects are affected as a result of the war or the geopolitical uncertainty that has arisen, but we have not experienced any direct impact so far.

The future

This has been a spectacular year for us. We were listed on Nasdaq First North Growth Premier and then less than a year later, there we were in the Large Cap segment of the main list. I would therefore also like to take this opportunity to welcome new owners. We look forward to making this journey with you.

During the same year, we also increased our number of employees by almost 50 percent, while continuing to grow our business and improve our profitability.

This wouldn't have been possible without all the great employees who helped their new colleagues to settle in quickly. Our inclusive culture has continued to create value and is crucial for a growing company like OX2.

I would therefore like to conclude by extending a warm and heartfelt thankyou to all colleagues at OX2 for their fantastic efforts during a very special year in our history.

Paul Stormoen

CEO, OX2

