

2021 Annual Report and Sustainability Report

# Our energy never ends



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The Annual Report and Sustainability Report comprise the statutory annual report on pages 77 to 115 and the sustainability report on pages 38 to 51 and 116 to 123. The Sustainability Report has been prepared in accordance with the GRI Standards 2021 and comprises OX2's statutory sustainability report and Communication on Progress (CoP) in line with the UN Global Compact.



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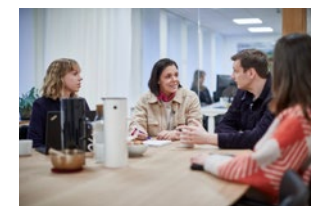
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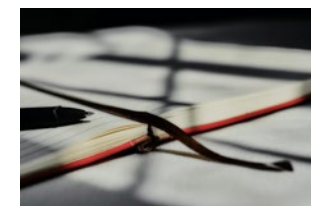
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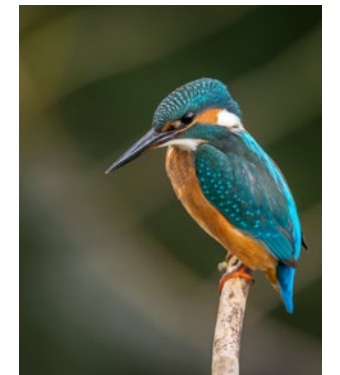


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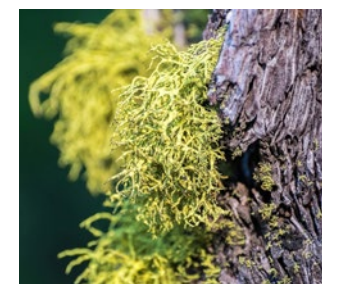


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OX2 develops and sells wind and solar farms. OX2 was founded in 2004 to be at the forefront of the transition to renewable energy, thus contributing to a sustainable future for both human beings and the planet.



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# Welcome to the sustainable transformation of Europe

OX2 develops and sells wind and solar farms and is today one of the largest developers of onshore wind power in Europe. The demand for renewable energy is constantly increasing, along with the electrification of society. With its extensive experience and its profitable business model, OX2 is well positioned to attract long-term willingness to invest on the capital market and hereby strengthen its market-leading role on the rapidly growing European market.

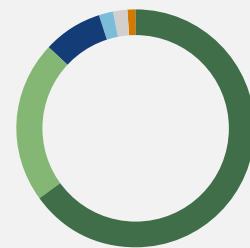
SEK m **4,983**  
Net sales

**719** MW  
Sales

SEK m **455**  
Operating profit adjusted for listing expenses

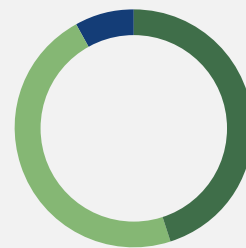
**17,371** MW  
Project development portfolio

Project development portfolio, geographical distribution



● Sweden, 65% ● Romania, 2%  
● Finland, 22% ● Italy, 2%  
● Poland, 8% ● France, 1%

Project development portfolio, distribution by technology



● Onshore wind power, 45%  
● Offshore wind power, 47%  
● Solar power, 8%

## OX2's values

Responsible ambition

Equal belonging

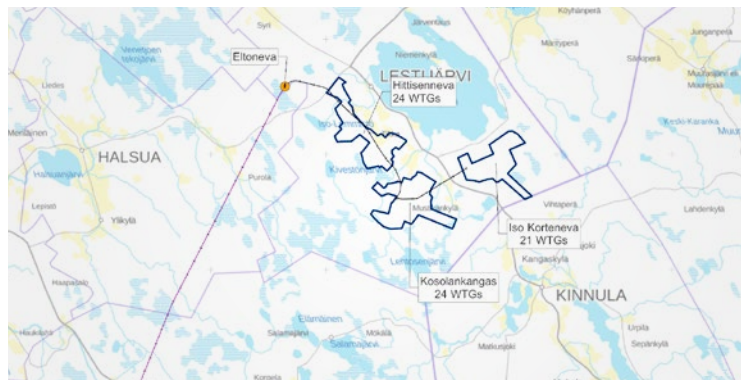
Collaborative impact



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# Significant events



### Finland's largest wind farm

Lestijärvi was acquired in February and reached construction start 10 months later with a consortium of local Finnish electricity companies. The project comprises 69 wind turbines with a total capacity of 455 MW. Once the wind farm is complete, annual energy generation will exceed 1.3 TWh, equivalent to 2% of Finland's total electricity generation.



### First applications for offshore wind power permits in Sweden

In October, OX2 submitted its first application for a Natura 2000 permit for the Galatea-Galene offshore wind farm off the coast of Halland. In December, a similar application was made for the Triton offshore wind farm off the coast of Skåne.



### 95 new employees during the year

In 2021, OX2's staff increased from 182 to 277.



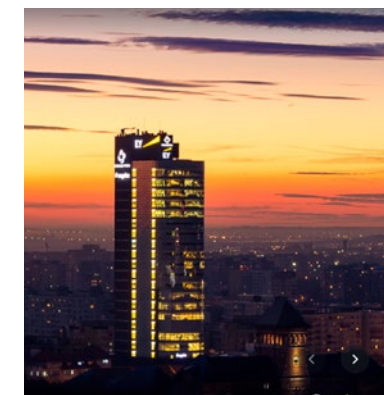
### Listing on First North Premier Growth Market with an intention to Nasdaq Main Market listing

On 23 June, OX2 was listed on First North Premier Growth Market with a market capitalization of SEK 16 billion. OX2 is aiming for listing on Nasdaq Stockholm's Main Market during 2022.



### Completion of OX2's first wind farm in Poland, Zary

OX2 has handed over the Żary wind farm in Poland, with a capacity of 21 MW, to the buyer MEAG Munich Ergo Asset Management GmbH (MEAG). This is OX2's first project in Poland to be handed over to the customer.



### Romania and Italy established as new markets

In 2021, OX2 launched, built up local organizations and acquired its first project rights in Italy and Romania. Country managers have been appointed and the recruitment of local expertise is under way.



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# The CEO's comments

The way forward is clear – the European Union must be climate neutral by 2050. The goal is to be achieved by, among other things, shifting from fossil energy to renewable energy, combined with extensive electrification of society. Electricity is the energy of tomorrow and the best way of generating it is from renewable sources such as wind and solar power.

There is constantly increasing pressure on EU Member States to work towards more ambitious targets for the transition to renewable energy and the electrification of society. We have also seen how the countries over the last years have set more ambitious targets. Sweden, for example, is aiming for 100 percent renewable electricity generation by 2040, the same year that Finland is targeting CO<sub>2</sub>-neutral electricity generation, while Poland is striving to more than double its generation of renewable electricity to 32 percent by 2030. Achieving this transition will require unprecedented expansion, and this is where OX2 comes in.

### Major investments in the energy transition

Demand for renewable energy will increase dramatically. There are essentially two driving forces behind it. The first is that entire societies is to be electrified and everything from the transport sector to energy-intensive industries, such as steelworks and cement factories, has to switch from fossil fuels to renewable energy. New industries are also emerging, which will require large amounts of renewable electricity, such as hydrogen.

The second driving force is one is a steadily increasing interest in the energy sector from major financial players such as pension funds, venture capital, green funds and industrial operators. Renewable sources of energy are, since a few years back, the most competi-

tive, scalable and fastest way to generate electricity. The willingness to pay among the financial actors and the long-term nature of their investments mean that the transition can really take off.

### Geographical expansion

OX2 reached several important milestones in 2021. We have consolidated our strong position in the Nordic region and completed several major deals in Sweden, Finland and Poland.

One particularly large project, which provides evidence of both our capacity and how quickly renewables can provide large amounts of electricity, is the Lestijärvi wind farm. It will be Finland's largest wind farm with an estimated annual generation of around 1.3 TWh. In a single year, we acquired the rights to the project, developed it into an optimised wind farm and then sold it to a consortium of local energy companies. Construction began in November and the handover of the wind farm to our customer is scheduled for early 2025.

In 2019 we established OX2 in Poland and our project development portfolio there has since grown to 1,472 MW, including both onshore wind and solar. In early 2020, OX2 sold its first wind farm in Poland, which has now been completed and handed over to the customer. We envisage significant opportunities for continued expansion on the fast-growing Polish market.



We have also built local organisations and made our first project acquisitions in Italy and Romania, two attractive markets that offer good prospects within both wind and solar power.

### Continued growth

Our project development portfolio has increased to a total of 17.4 GW and projects with a total capacity of 719 MW were sold 2021. These figures are the highest in OX2's history in terms of both acquisitions and sales. In this way we have taken a good step on our continued growth journey.

We can see that the market has confidence in us, which in turn creates new opportunities to do more business. OX2 has set the target of achieving sales of wind and solar farms corresponding to an installed capacity of more than 1,500 MW per year by 2023–2024, which is roughly the double of this year's sales.

We are increasing our investment significantly, both in existing markets and in new technologies and territories, and this has provided a good foundation for increased sales.

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719<sub>MW</sub>  
Volume sold

4,710<sub>MW</sub>  
Growth in project development portfolio

17,371<sub>MW</sub>  
Total project development portfolio

The slightly longer-term aim is to generate annual operating income in excess of SEK 2.5 billion, with an operating margin of 10 percent. Operating income in 2021 was approximately SEK 455 million, while the operating margin was 9.1 percent, adjusted for listing expenses.

The Covid-19 pandemic has disrupted the supply chain and increased costs for the entire industry. The pandemic has brought challenges in the supply chain, project logistics and staffing. The effects will remain for a time but we have learned to handle them.

However, demand for OX2's products remains high, and we have been able to handle the structural changes. We have a strong and diversified portfolio, with good progress in our development projects, and we are well prepared to handle greater volumes.

**“ We have a strong and diversified portfolio, with good progress in our development projects, and we are well prepared to handle greater volumes.”**

### A more diversified project development portfolio

We continued to develop our offshore wind power during the year and we submitted two Natura 2000 applications for the windfarms Galatea-Galene and Triton. The windfarms should together have an installed capacity of more than 3 GW and should be able to provide annual generation of 13.5 TWh of renewable electricity for southern Sweden.

OX2 also develops solar farms and they account for about 1.3 GW of the project development portfolio. The last ten years the cost of solar power has fallen by around 75 percent, making it the most cost-effective type of energy on many of today's markets. As the cost falls, this creates opportunities for solar power in countries with fewer hours of sunshine. We see solar power playing a much greater role at OX2 in the future.

Alongside wind and solar power, we are also investigating new technologies, such as hydrogen and storage, which will be important elements of the new energy systems currently being planned in Europe.

Our major investments give us a growing and more diversified project development portfolio, which enables OX2 to increase the supply of renewable energy and at the same time reduce our dependence on individual projects and markets.

### The future is our goal

The path we must take is clear and we know what we have to do. We know it is not enough just to switch to emission-free energy sources. Our expansion of renewable energy can not come at the expense of nature.

We have carried out systematic work during the year towards achieving our long-term goals of net-zero climate footprint, zero waste and net-positive wind and solar farms. OX2 continues to have a clear focus on cooperation with our local communities and on working to ensure good health, a high level of safety and an organisation that is characterised by equality and diversity.

Our sustainability work is based on the UN Global Compact and the ten principles in the areas of human rights, labour, environment and anti-corruption.

### New employees - and new owners

We welcomed 95 new employees during the year, bringing our total number of staff to 277. The strong work we have carried out in relation to values and culture over a number of years has been extremely valuable in handling this growth.

On 23 June 2021, OX2 welcomed more than 25,000 new owners as we went public through our IPO on First North Premier. In 2022 we intend to move the listing of our share from First North Premier to Nasdaq Stockholm's Main Market.

It has been challenging to meet timetables and budgets and maintain a safe and secure environment at workplaces in a year overshadowed by the Covid-19 pandemic. In February 2022 Ukraine was invaded by Russia and we express our full solidarity with the Ukrainian nation and our deepest thoughts are with the citizens of Ukraine.

Finally, I want to offer my sincere thanks to all employees, business partners, customers and suppliers. Together we have done a fantastic job and I am looking forward to a year full of new opportunities.

Paul Stormoen, CEO



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OX2 develops and sells wind and solar farms using a dedicated, profitable business model that is divided into three phases: Expand, Develop and Deliver.



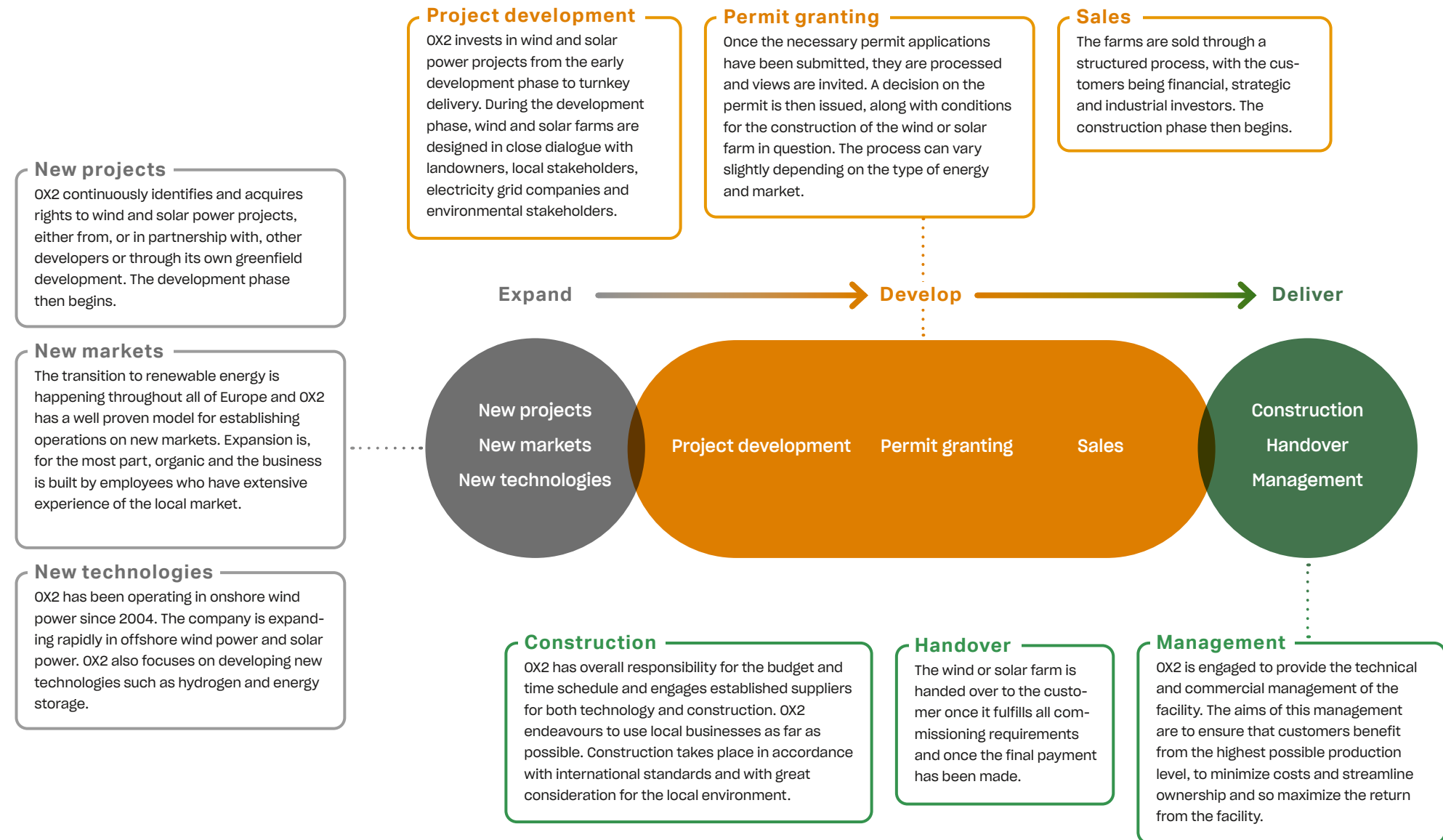
# Business model



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# The business model







# Expand

OX2 continues to expand on the rapidly growing European market. The ongoing transition to renewable energy requires investments in large amounts of new electricity. This enables OX2 to continue to invest long-term, to establish operations on more markets and to expand within new technologies. The result is a larger, more diversified project development portfolio. The project development portfolio grew by 4,710 MW during the year and totalled 17,371 MW at 31 December 2021.

## New projects

OX2 has a clear process for how the company identifies new renewable energy projects. Projects are assessed on the basis of factors such as commercial potential and environmental impact. Expansion takes place in two ways: through the acquisition of project rights or through greenfield development.

### Acquisition of project rights

OX2 continuously evaluates and acquires project rights from other developers. The company's extensive experience of developing complex project rights from development to operation makes OX2 an attractive partner. In 2021, project rights were acquired for 3.5 GW – in a range of technologies, on diverse markets and in different phases of the development process. Acquisitions during the year include project rights for 676 MW of onshore wind power in Sweden, 1,642 MW of onshore wind power in Finland, 297 MW of solar power

in Italy and 115 MW of solar power in Poland.

Projects have increasingly been acquired in the late phase in recent years, which shortens the development time for OX2 and contributes to increased sales.



## Greenfield projects

OX2 has extensive experience in the greenfield development of projects. As of 31 December 2021, we have sold 31 greenfield projects since we began in 2004, equivalent to 1.3 GW. OX2's high implementation rate has become a reliable partner for landowners.

In 2021, two greenfield projects were initiated in onshore wind power and six in solar power, with a total volume of 395 MW.

## New markets

The transition to renewable energy is taking place through out all of Europe and geographic expansion is an important part of OX2's strategy.

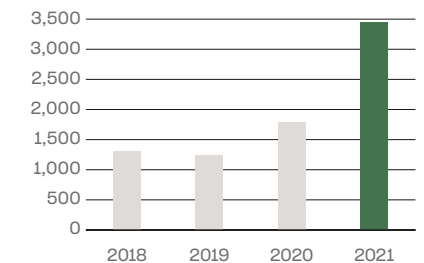
OX2 is established in Sweden, Norway, Finland, Lithuania, Poland and France. In 2021, new offices were opened in Italy, Spain and Romania and recruitment is ongoing in all the countries. All of OX2's offices are set up with employees with extensive local experience in running

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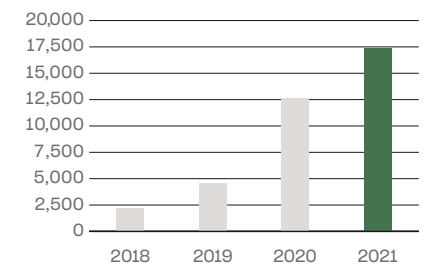
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Project acquisitions, MW



Project development portfolio, MW





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and establishing projects with landowners, politicians and local communities.

### New technologies

OX2 has operated a profitable business in onshore wind power since 2004 and is the company that has constructed the most onshore wind power in Europe since 2014, according to the industry organisation WindEurope. The strategy going forward is to continue to grow in onshore wind power while also expanding in other renewable energy technologies.

The focus in recent years has been on developing offshore wind and solar power. OX2 reached a milestone in its history during the third quarter when the company submitted a Natura 2000 application for its first offshore wind farm, off the coast of Halland in southern Sweden. If development goes according to plan, the farm is expected to be fully operational in 2030. OX2 is also developing offshore wind power off the coast of Finland.

OX2's continued expansion provides good opportunities in areas such as energy storage and hydrogen production.





# Develop

When OX2 has acquired or begun developing a wind or solar power project, the project is added to the company’s project development portfolio. In the development phase, OX2’s work includes the environmental impact assessments, measurements and permits necessary for establishing the farms.

## Project development portfolio

On 31 December 2021, OX2’s development portfolio contained over 90 projects with a total volume of 17.4 GW, an increase of 37 percent compared with the previous year. The portfolio contains a range of products, at various stages of maturity and on six different markets. Approximately 47 percent of the projects are offshore wind power, while about 45 percent are for onshore wind power and 8 percent solar power.

## Development phase

During the development phase, OX2 works with all parts of the value chain, right up to the date of construction of the wind or solar park. The phase

usually begins with the signing of a right of use agreement. Time and resources are then invested in gradually developing the project from the early development phase all the way to building permit approval and sale, a process that often takes between five and seven years. The environmental impact assessment is an important part of this process, as it provides the basis for a permit application in many markets including the environmental impact. OX2 also has a strategy to restore and offset the impact on nature through initiatives promoting biodiversity. The aim is for every wind farm to have a net-positive impact on nature.

Project development portfolio as at 31 December, 2021

Country (MW)	Onshore wind power	Offshore wind power	Solar power	Total
Sweden	2,858	8,300	117	11,274
Finland	3,821	-	-	3,821
Poland	639	0	833	1,472
France	6	0	109	115
Other markets	400	0	289	689
<b>Total:</b>	<b>7,723</b>	<b>8,300</b>	<b>1,348</b>	<b>17,371</b>



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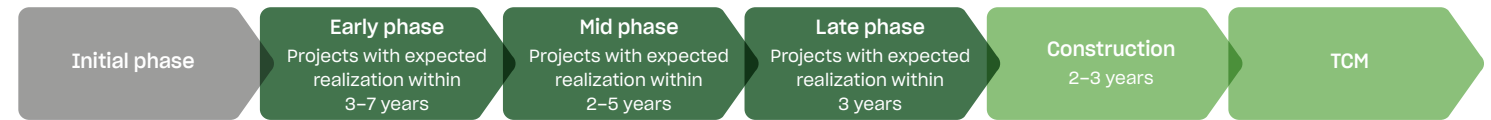
This work is handled by OX2's local offices in close cooperation with landowners, local residents, authorities and other affected stakeholders. OX2's local expertise helps to achieve a high implementation rate in the portfolio as a whole, which is a key advantage in the competition for future project rights.

### Permit granting

The granting of a permit is a key milestone for every project. A final permit is crucial for increasing the proportion of renewable energy. OX2 has a track record of a high implementation rate and has therefore become a trusted partner for landowners and an attractive buyer of project rights.

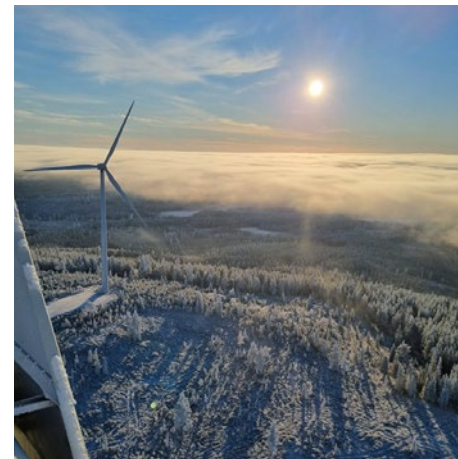
### Sales

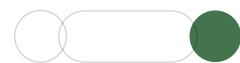
The sale takes place after the permit has been granted and before construction begins. Acquired project rights that were sold during 2021 had an average development time of about 12 months before OX2 was able to begin construction. Payment is made as construction progresses, providing a stable cash flow.



### OX2's customers

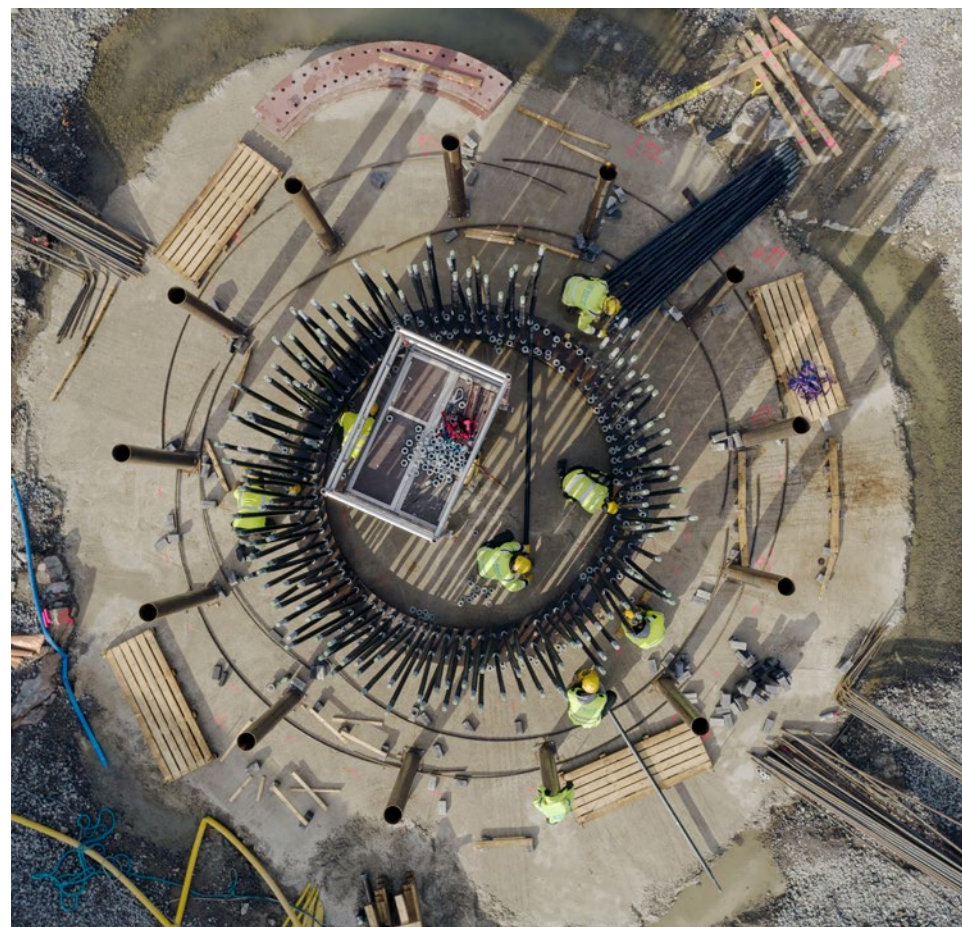
OX2 has two categories of customers – industrial operators and financial investors. The majority of the financial investors are investment firms and pension funds, which see ownership of wind and solar farms as a long-term, sustainable investment with stable cash flows and good risk-adjusted return. For industrial customers, the investment means cost-effective and sustainable production that meets either their own electricity needs or those of their customers.





# Deliver

OX2's product is commissioned wind or solar farms. We also offer services for the long-term management, operation and optimisation of farms.



## Construction

Wind and solar farms are built in close cooperation with suppliers and contractors. As one of the largest developers of wind and solar farms in Europe, OX2 is a preferred partner of many suppliers.

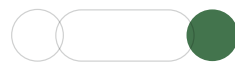
Maintaining close and long-term relationships helps to achieve effective cooperation on OX2's requirements specifications for safety, health, quality and sustainability.

### Projects under construction

Project	Country	Technology	Constr. start	Operat. start	MW
<b>Projects to be handed over to customers in 2022</b>					<b>676</b>
Korkeakangas	Finland	Onshore wind power	2019	2022	43
Merkkikallio	Finland	Onshore wind power	2021	2022	83
Metsälamminkangas	Finland	Onshore wind power	2020	2022	132
Puutikankangas	Finland	Onshore wind power	2020	2022	44
Rustari	Finland	Onshore wind power	2020	2022	44
Sulmierzyce	Poland	Onshore wind power	2021	2022	23
Zary	Poland	Onshore wind power	2020	2022	21
Åndberg	Sweden	Onshore wind power	2019	2022	286
<b>Projects to be handed over to customers in 2023</b>					<b>174</b>
Grajewo	Poland	Onshore wind power	2020	2023	40
Huszlew	Poland	Onshore wind power	2021	2023	48
Karskröv	Sweden	Onshore wind power	2021	2023	86
<b>Projects to be handed over to customers in 2024</b>					<b>24</b>
Krasnik	Poland	Onshore wind power	2021	2024	24
<b>Projects to be handed over to customers in 2025</b>					<b>455</b>
Lestijärvi	Finland	Onshore wind power	2021	2025	455
<b>Total MW under construction at period end</b>					<b>1,329</b>

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OX2's subcontractors commit to working in line with our code of conduct, which has been drawn up in accordance with recognized international guidelines. The company also has a sound due diligence process to ensure the right suppliers are selected.

Before and during construction, OX2 maintains an ongoing dialogue with supervisory authorities, landowners, local residents and other stakeholders. OX2 has a strong focus on local factors and the environmental requirements stipulated in the permit.

The company strives to create a net-positive impact on nature by restoring and offsetting the impact on nature through voluntary biodiversity initiatives.

### Handover

Wind and solar farms are handed over to OX2's customers once construction is complete and the farm is commissioned. During 2021, five wind farms totalling 207 MW were handed over.

### Management

Once a wind or solar farm has been commissioned, OX2 provides management services including day-to-day monitoring and optimization of the facility, contracts, finance and commercial administration. The aim of management is to maximize profitability by ensuring a high level of production, low costs and effective ownership. OX2 currently manages 49 wind farms. This provides 3.0 GW in long-term management contracts, making the company one of the largest managers of wind farms in Europe. These management services are provided through long-term contracts, usually of 10–15 years.

Projects handed over to customers in 2021	Country	MW	Constr. start	Operat. start
Kjölberget	Norway	56	2019	2021
Hornamossen	Sweden	43	2019	2021
Storbacken	Finland	30	2019	2021
Kröpuln	Finland	30	2019	2021
Ljungbyholm	Sweden	48	2020	2021
<b>Total handed over, MW</b>		<b>207</b>		



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OX2's strategy is based on being a leader within energy transition in Europe.

# Goals, goal achievement and strategy



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# Goals



### FINANCIAL TARGETS

OX2's goal is to achieve annual project sales with an equivalent capacity of:

- > 500 MW per year on average during the period 2021–2022
- > 1,500 MW per year on average during the period 2023–2024
- > 2,000 MW per year in the medium-term

### PROFITABILITY TARGETS

OX2's goal is to achieve an operating margin of 10% in the medium-term.

OX2's goal is to achieve annual operating income of SEK 2.5 billion in the medium-term.

### SUSTAINABILITY TARGETS

OX2's goal is to increase the share of renewable energy in the global energy mix.

Read more about our sustainability goals on pages 38–51.

### DIVIDEND

OX2 sees significant opportunities to reinvest the cash flows generated in value-creating growth and does therefore not intend to propose any dividend.

### OUTCOME 2021

719<sub>MW</sub>

### OUTCOME 2021

9.1%\* 0.5<sub>SEK bn\*</sub>

*\*Adjusted for listing expenses*

### OUTCOME 2021

3.2<sub>GW\*</sub>

*\*Cumulative installed capacity*

### DIVIDEND 2021

Reinvestment in the business



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# OX2's strategy is based on three pillars

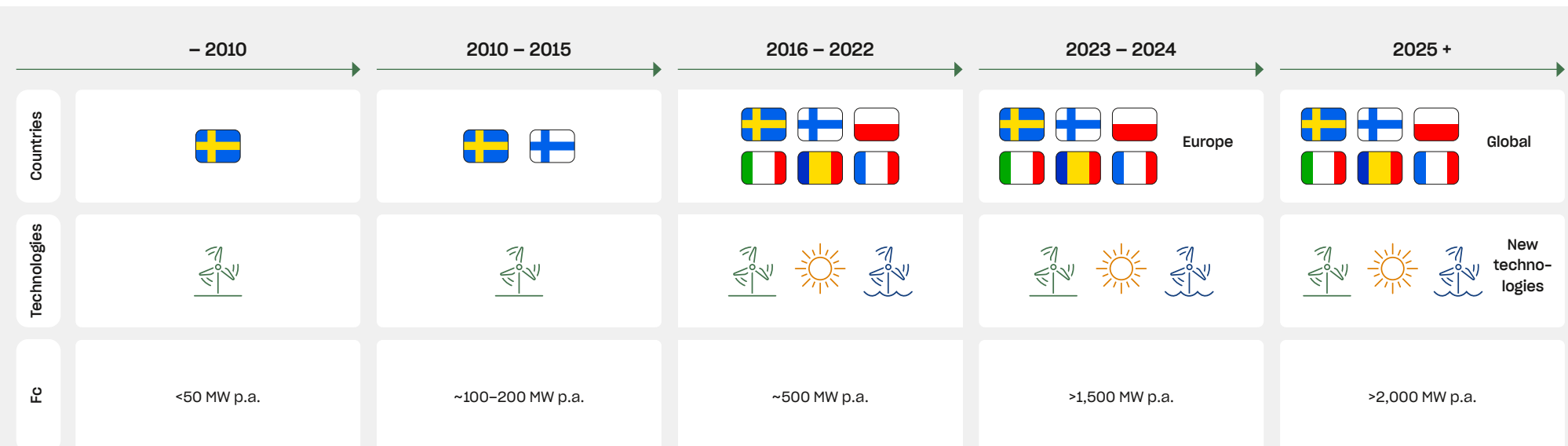
1. Accelerate leadership in existing markets and products

2. Expand into new markets and in new technologies

3. Run an efficient operation and lead sustainable development

As one of the leading players in Europe, with a proven business model and organization, OX2 is in a position to help accelerate the transition to renewable energy. At the same time, the company is able to increase its market share in a rapidly growing market.

### OX2'S STRATEGIC JOURNEY FROM 2004 ONWARDS



p.a. = per annum



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# 1 Accelerate leadership in existing markets and products

OX2 will benefit from its established market presence on the markets where the company occupies a strong position. OX2 will accelerate its market leadership and grow its business in onshore wind power in the Nordics

over the next few years. Greenfield projects will be intensified and the project development portfolio will grow through acquisitions. At the same time, OX2 will increase its efforts in offshore wind power.

### STRATEGIC FOCUS AREAS DURING 2021

#### Stronger market position in onshore wind power

Onshore wind power is the cornerstone of OX2's current business. The company consolidated its strong market position in Sweden, Finland and Poland during the year. OX2's project development portfolio totalled 17.4 GW at year-end, with onshore wind power accounting for 7.7 GW. At the end of the year, OX2 had 13 onshore wind farms under construction with a capacity of 1.3 GW.

OX2 sold and started construction of Finland's largest wind farm, with a capacity of 455 MW, in Lestijärvi municipality.

OX2 is one of the leading developers in Poland, selling its first wind farm in 2020, and had four further projects under construction in 2021.

#### Focus on wind power

Evidence of the long-term potential of offshore wind power can be seen in the figures for offshore wind power projects, which currently total 8.7 GW, equivalent to 47 percent of OX2's total project development portfolio. In 2021, the company submitted its first two Natura 2000 applications for offshore wind power projects. One off the coast of Halland and one off the coast of Skåne, both in Sweden.

Several Swedish development projects in the Baltic Sea and the Kattegatt, as well as further greenfield projects, will be presented in 2022. Projects in Finland will also be added to the project development portfolio in 2022. OX2 is preparing to take part in the Polish government's upcoming auctions for offshore wind power.



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## 2 Expand into new markets and in new technologies

Geographic and technological diversification are a key part of OX2's strategy. Learning from its launch in Poland in 2019, the company has established

new organizations in Spain, France, Italy and Romania.

OX2 is accelerating its investments in offshore wind power and solar power.

### STRATEGIC FOCUS AREAS DURING 2021

#### Expansion of the project organization

In 2021, OX2 acquired its first project rights in Italy and Romania, while broadening the project development portfolio in France. Country managers have been appointed in Spain, France, Italy and Romania and the recruitment of local expertise is under way.

Expansion into other markets is expected over the next few years.

#### Centre of expertise for solar in Spain

The company has established a dedicated development hub in Spain for solar power, with the aim of scaling up the customer offering, the organization and sales. There are currently around 50 employees working with solar power and the portfolio contains projects in Sweden, Poland, France and Italy.

#### Establishment in offshore wind power

At the end of the year, offshore wind power accounted for 8.7 GW of the project development portfolio. OX2 submitted its first two Natura 2000 applications for offshore wind farms in southern Sweden. The company is working to add projects to the portfolio in both Finland and Poland in 2022.

#### New technologies

Technological diversification also means that OX2 is involved in the development of electricity storage and hydrogen. Hydrogen and storage are extremely important for the phasing out of fossil fuels in the transition of transport, heavy industry and other energy-intensive operations.



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# 3 Operational excellence and lead sustainable development

OX2's rapid growth on several markets and within new technologies means that the complexity of the company's operations is expected to increase in the future. During this growth phase, the company is focusing strongly on developing its own organization, leadership, operational models and OX2's culture. The company will grow while

retaining its quality, innovative strength and entrepreneurial spirit.

Sustainability is of particular strategic importance, as OX2 was founded on the idea of developing profitable and large-scale energy solutions that drive the transition to a sustainable future.

### STRATEGIC FOCUS AREAS DURING 2021

#### Improved operational excellence

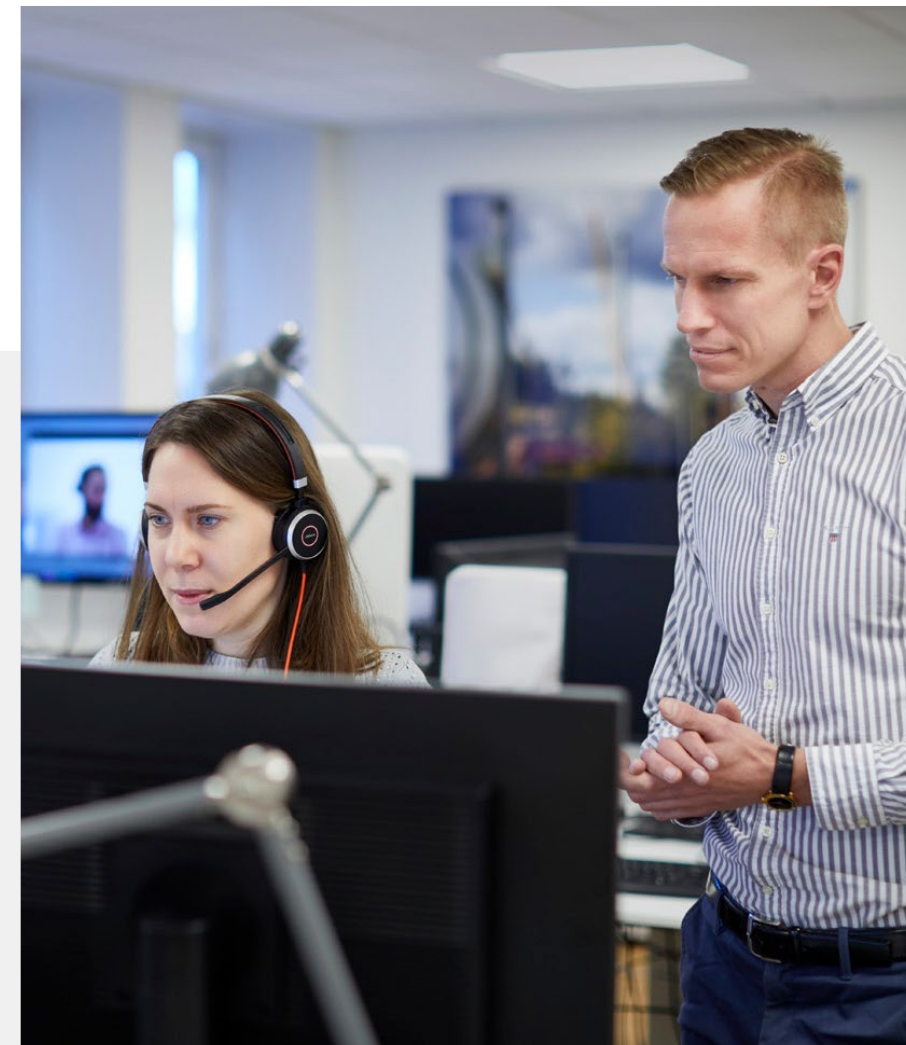
In 2021, OX2 has, among other things, improved its procurement processes, streamlined technical and commercial management and developed agile working methods with clear project management and follow-up. From an organizational perspective, the local project teams have been given greater support from central support functions in areas such as HR, communications, finance, IT and sustainability.

#### A broad sustainability strategy

By constantly increasing the supply of renewable energy, OX2 is contributing to secure continued growth and to achieve EU and Swedish climate targets. Combating the negative impact of climate change is a higher purpose for OX2.

To be an industry leader in sustainable development, the company has developed a broad sustainability strategy that encompasses "people, planet, profit".

Read more about OX2's sustainability work on pages 38–51.



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# OX2 as an investment

OX2 is one of Europe's leading developers of renewable energy sources. An attractive business model, a strong financial position and strong underlying demand for our product creates value for shareholders.

## Market leader in renewable energy sources in Europe

OX2 has nearly two decades of experience in developing renewable energy sources and has developed and sold more onshore wind power than any other player on the European market. We have a strong and diversified project development portfolio which, since 2018, through a combination of acquisitions and new project development, has grown from 2 GW to a total of 17.4 GW as of 31 December 2021. The fast-growing portfolio consists of around 90 projects related to onshore and offshore wind power and solar power. Our operations are spread across OX2's geographic markets of Sweden, Finland, Poland, France, Italy and Romania, but we are also focused on further geographic expansion and growth in existing markets.

## A financially attractive business model

OX2 has a capital-efficient and proven business model covering all stages of development in the value chain through to commercial operation, ensuring a steady flow of new wind and solar farms. Projects are acquired either

through greenfield development or through the acquisition of projects. OX2 drives development and project implementation, including securing permits and financing. In the later stages of development, our focus shifts to selling off the farms to our customers, as well as organizing structured electricity sales agreements and providing technical and commercial management of wind and solar farms for our customers. We are well positioned in the value chain as access to permits to build new wind and solar farms is in short supply. Since 2004, we have developed and sold more than 3.2 GW, including 719 MW in 2021.

## Growing demand for renewable energy

OX2 occupies a strong position on the rapidly growing renewable energy market. The market is an important part of the climate transition, with an increasing demand connected to the ongoing electrification in Europe. Renewable energy sources are not only sustainable, but for some years have also been the most competitive, scalable and fastest way to increase electricity. The cost of generating onshore and

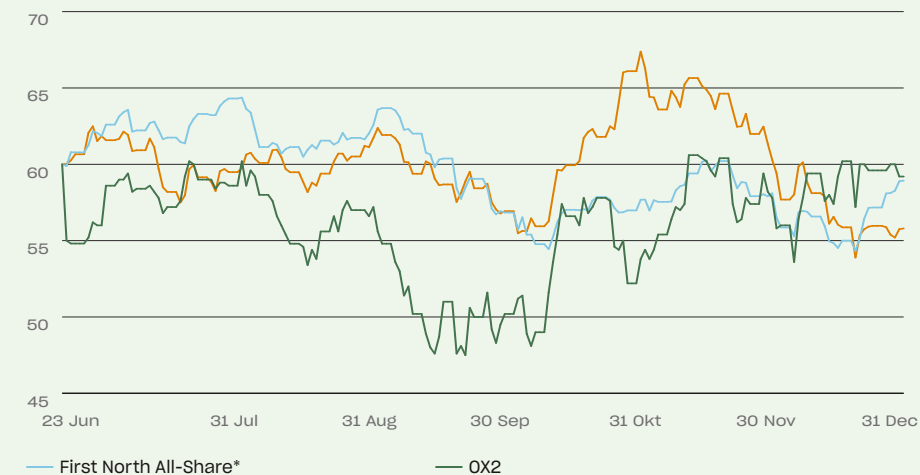
offshore wind power and solar power has decreased significantly in recent years. Willingness to pay and the long-term nature of investments in renewable energy means that the transition has really taken off.

## Strong team and company culture

OX2 is a knowledge-based organization with an experienced team of experts within the energy field, permit granting, financing, construction and technical

and commercial management. We have a history of successful renewable energy development. OX2 is on a growth journey, with ambitious financial targets and a strong corporate culture that is imbued with both solid expertise and entrepreneurship. In both 2019 and 2020, OX2 received the 'Best Managed Companies of Sweden' award sponsored by Deloitte in cooperation with Nasdaq.

Stock price, SEK



\*Index for First North and S&P Global Clean Energy are scaled to 60 to be compared to OX2.



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## Ownership

On 23 June 2021, OX2 was listed on First North Premier Growth Market. At the end of 2021, OX2's market capitalization totalled SEK 16,133 million, divided between 272,517,586 shares.

### Share price and turnover

OX2 was introduced on First North Premier Growth Market on 23 June 2021 at a subscription price of SEK 60. OX2 has encountered a volatile market since listing, a market marked by uncertainty as to inflation and interest rates as well as the consequences of the Covid-19 pandemic. Between the beginning of September and the beginning of October, OX2's share price and First North All-Share fell slightly. OX2's share price recovered during the latter part of the year and OX2 ended the year with a share price of SEK 59.20.

From 23 Juni to 31 December, the turnover of OX2's shares on First North Premier Growth Market was 38,760,452 shares, which corresponds to a turnover rate of 14.2%. The highest share price during the year was SEK 62.60 on 19 November and the lowest share price was SEK 46.50 on 1 September. Earnings per share before and after dilution at the end of December was SEK 1.28.

### Ownership structure

At the end of 2021, OX2 had 11,685 shareholders. The majority of the company's shareholders are Swedish institutional and financial organizations. The company's principal shareholders, Peas Industries AB and Altor, together hold 183,548,843 shares, corresponding to 67.4% of the company's capital and votes.

### Dividend policy

OX2 sees significant opportunities to reinvest the cash flows generated in value-creating growth and therefore does not expect to propose any dividend in the short-term.

### Analyses of OX2

Information about the analytics used to track the OX2 share can be found at [corporate.ox2.com](http://corporate.ox2.com)

### The largest shareholders in OX2 as at 31 December 2021

Shareholder	% of votes	% of capital
Peas Industries AB	50.70%	50.70%
Altor	16.65%	16.65%
Danica Pension	4.28%	4.28%
Pictet Asset Management	3.67%	3.67%
Handelsbanken Fonder	3.60%	3.60%
Lannebo Fonder	2.12%	2.12%
Länsförsäkringar Fonder	1.91%	1.91%
Schroders	1.69%	1.69%
AFA Försäkring	0.94%	0.94%
Livförsäkringsbolaget Skandia	0.86%	0.86%
<b>10 largest shareholders in OX2</b>	<b>86.41%</b>	<b>86.76%</b>
Other shareholders in OX2	13.59%	13.59%
<b>Total</b>	<b>100%</b>	<b>100%</b>
Of which shareholders in Sweden	87.29%	87.29%
Of which shareholders abroad	12.71%	12.71%

#### Financial calendar

Interim Report Jan–Mar 2022	27 April 2022
Annual General Meeting	4 May 2022
Interim Report Jan–Jun 2022	29 July 2022
Interim Report Jan–Sep 2022	27 October 2022

#### IR contact

Johan Rydmark, CFO  
+46 8 559 310 00  
[ir@ox2.com](mailto:ir@ox2.com)

#### In brief

Market capitalisation as at 31 Dec 2021	SEK 16,133 million
ISIN	SE0016075337
Ticker	OX2
LEI	549300DSIIWP6USPXU21
Listing	Nasdaq First North Premier Growth Market
Closing share price 31/12/2021	SEK 59.20
Highest/lowest share price 2021	SEK 62.60/46.50



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Demand for renewable energy is increasing, as electrification is ongoing through society. Renewable sources of energy are sustainable, competitive, scalable and a fast way of generating new electricity.



# Markets and driving forces

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# Rapidly growing demand for renewable energy

OX2 develops and sells wind and solar farms in Europe. The company occupies a strong position on the rapidly growing renewable energy market. A market that is an important part of the climate transition, as demand for electricity is strongly increasing.

### Megatrends driving a growing market

The global and European markets for renewable energy systems are being driven by a number of megatrends, in particular factors such as decreasing technology costs, increased pressure on countries to work towards more ambitious targets in the transition to renewable energy and greater interest in renewable energy production among investors.

### Falling technology costs

Renewable energy has previously been associated with various kinds of subsidies, but today renewable energy technology is the most competitive, scalable and fastest way to increase electricity generation. The cost of generating onshore and offshore wind power and solar power has decreased significantly in recent years. Between 2010 and 2020, the cost of generating one Megawatt hour (MWh) has decreased

by 67% for offshore wind power, 38% for onshore wind power and 75% for solar power. The main underlying reason for this is more efficient energy extraction from solar and wind power. Wind farms and solar modules are also becoming larger and more efficient.

### Tougher targets for EU Member States

The pressure is increasing on countries to work towards more ambitious targets in the transition to renewable energy. To address the impact of climate change, the EU is aiming to be climate neutral, with net-zero greenhouse gas emissions, by 2050. Countries that have signed up to the Paris Agreement have also committed to taking steps to limit the global temperature increase to 1.5 degrees Celsius. Increased pressure from environmental organizations and the general public is expected to prompt the EU to focus more strongly on climate policy. Phasing out fossil fuels is

a top priority on the political agenda. In December 2019, the EU presented the “European Green Deal”, the EU’s plan for a clean, circular economy and for restoring lost biodiversity and cutting pollution. Achieving the EU’s targets is expected to require a significant expansion of the capacity for renewable sources of energy, which in turn will increase growth on the renewable energy market.



Between 2010 and 2020, the cost of producing one Megawatt hour (MWh) of energy decreased with

**67%**  
for offshore  
wind power

**38%**  
for onshore  
wind power

**75%**  
for solar power

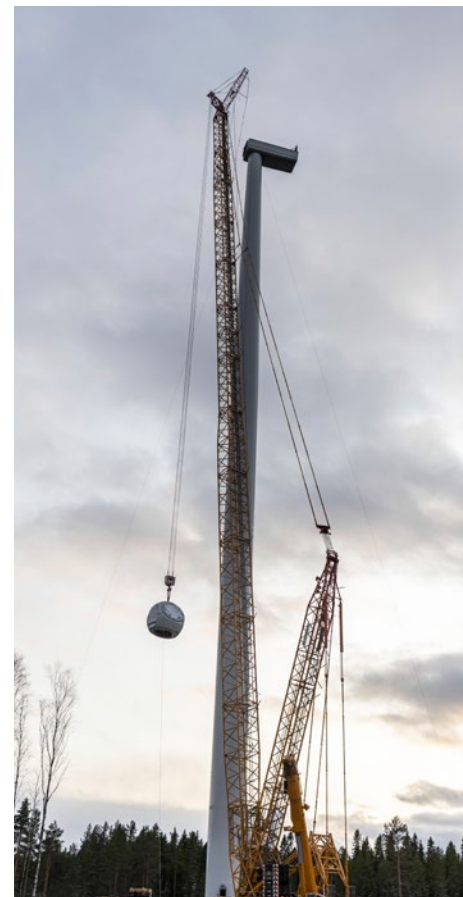


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## Increased interest in investing in renewables

The acquisition and ownership of wind and solar farms has become increasingly attractive. Investments in renewable energy capacity increased from EUR 32 billion in 2004 to EUR 251 billion in 2019. This represents an almost eight-fold increase and activity levels in renewable energy are high right now.



## Transition from fossil to renewable

The transition has led to rapidly increasing demand for electricity. The installed capacity of renewable energy in Europe is expected to almost double from its current level by 2030, when it is expected to reach 1,271 GW.

## Growing electrification

Electrification will affect large parts of society, including the industry. The industry's energy requirements are expected to drive electrification at large scale and companies are increasingly committing to becoming carbon neutral in the near future. A large proportion of the rising demand for electricity in industry is also expected to be driven by hydrogen technology in the future. According to the European Commission, the transition to hydrogen will almost double the EU's demand for electricity by 2050. Further demand for green hydrogen is anticipated from both the green replacement of existing uses for hydrogen as a raw material, such as in the ammonia, methanol, refineries and base chemicals industries, as well as new applications for hydrogen, for instance as an energy carrier or as a raw material in the steel industry for example.

The electrification of road vehicles, which is already ongoing, is expected to be more rapid than previously

estimated. Improvements in battery technology for electric vehicles and changed consumer habits are bringing about a rapid rise in the proportion of electric vehicles in the overall vehicle fleet. It is expected that the majority of passenger cars in the EU will be electrified by 2050.

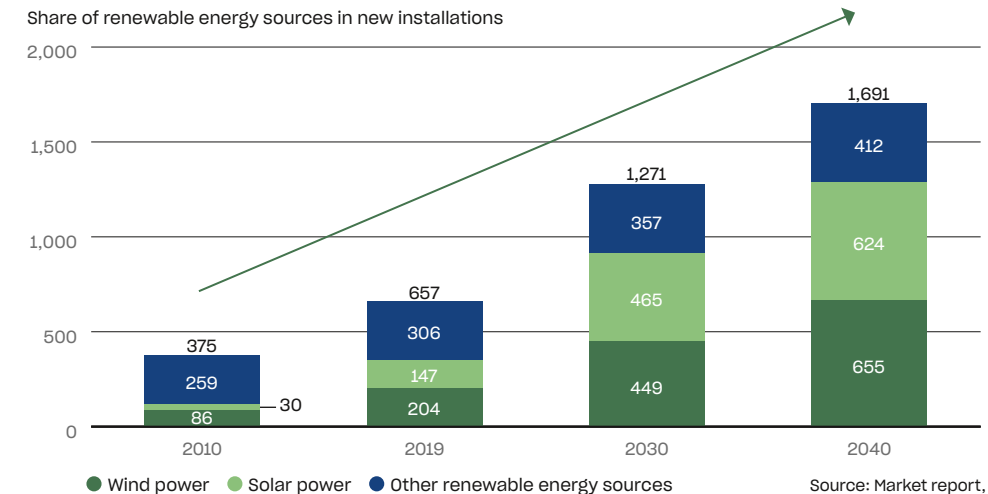
The electrification of district heating systems within the EU is expected to grow. Demand for electricity will also increase as a result of households changing the way they heat their homes and switching from gas- and oil-fuelled heating systems to heat pumps driven by renewable energy.

## Turnkey products increasingly attractive

Demand for turnkey renewable energy projects is rising rapidly in Europe and there is consolidation taking place in the industry among end product manufacturers on the wind power market. These two developments provide a competitive advantage for an operator such as OX2 that is able to deliver turnkey projects and has relationships with many of the manufacturers.

The increase in fixed-price contracts for electricity, known as Power Purchase Agreements (PPA), has also contributed to generating increased interest in renewable energy.

Installed capacity in Europe, 2010–2040 (in GW)



Source: Market report, produced by Arthur D. Little



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## OX2's markets

OX2's primary markets are Sweden, Finland and Poland. In 2021, the company has also increased its presence in countries such as France, Spain, Italy and Romania.

Sweden and Finland are mature markets for renewable energy, where pricing is controlled by the market operators. Other markets, such as Poland, have government subsidy schemes, but the Polish market is developing in the same direction as Sweden and Finland.

A common challenge to all regions is identifying suitable and available sites for establishing energy facilities, owing to for example complex development and permit processes.

### Sweden

Renewable energy in Sweden is expected to increase strongly over the next decade. The government's aim is for 100 percent of the electricity supply to be renewable by 2040. The current energy mix in Sweden is dominated by hydropower and nuclear power, which together generated 75 percent of the total electricity output of 159 TWh in 2020, according to the Swedish Energy Agency. Wind power currently accounts for 15 percent of Sweden's total energy output and its share is rising rapidly. The Swedish market for onshore wind power is one of the first in Europe to have developed into a market that does not

require government subsidies. New legislation reducing the grid connection cost for offshore wind power projects is expected to contribute to its competitiveness.

### Finland

Finland's current energy mix is diversified across several types of energy, with nuclear power being the largest source of energy. Nevertheless, the proportion of renewable energy is currently almost 40 percent. The Finnish market for renewable energy is controlled by the market operators, with no government subsidies. Market development is expected to be driven by financially attractive projects and commercial PPAs. Renewable energy in Finland is expected to benefit from delays to the country's development of nuclear power. Major investment in renewable energy sources is likely to be needed in order to meet the increased demand for electricity.

### Poland

Highly ambitious initiatives are being implemented in Poland to change the

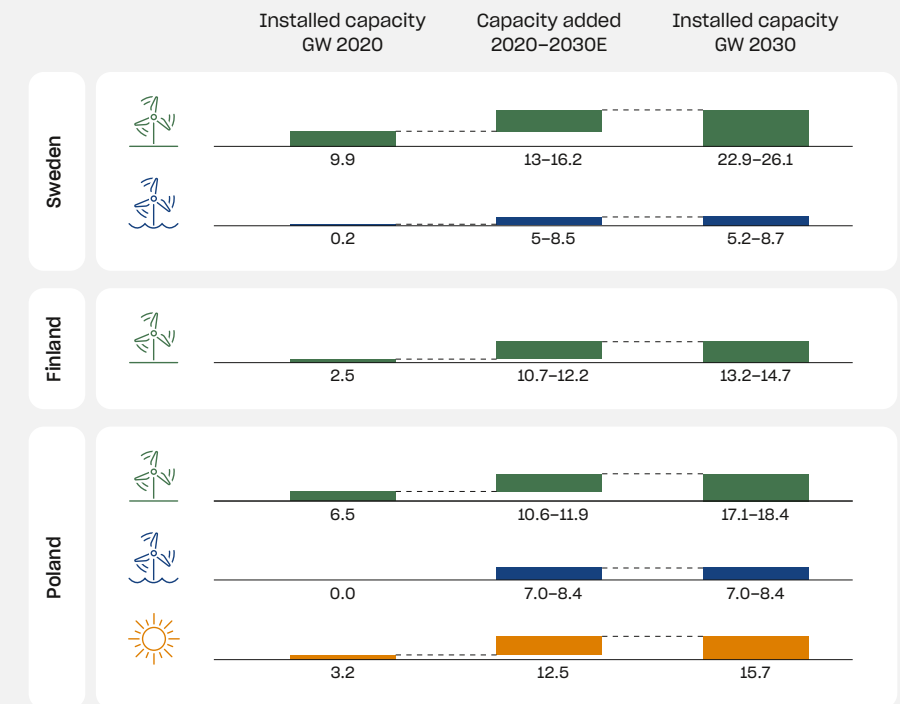
energy mix by 2030. Poland's current energy mix is dominated by coal, which accounted for 74 percent of electricity generation in 2019. Wind power accounted for just under 10 percent and solar power for less than 1 percent. The regulations are, however, being revised and will facilitate installment of both onshore wind power and solar power. Polish industry is expected to undergo large-scale electrification, including

steelworks, refineries and the ammonia industry. The main driving forces on the Polish market are expected to be the electrification of industry, the phasing out of coal-fired power in Poland and the electrification of the country's vehicle fleet.

### Other markets

Other markets of interest to OX2 are in southern and eastern Europe. There is

Capacity by country



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a more obvious need to change the energy mix in this region, as several countries have a greater dependence on fossil fuels and many of the markets are more regulated than OX2's existing markets. More hours of sunshine on these markets also make solar energy of interest. The table below shows the

market development for different countries that are relevant to OX2's operations.

### OX2's role and competitive situation

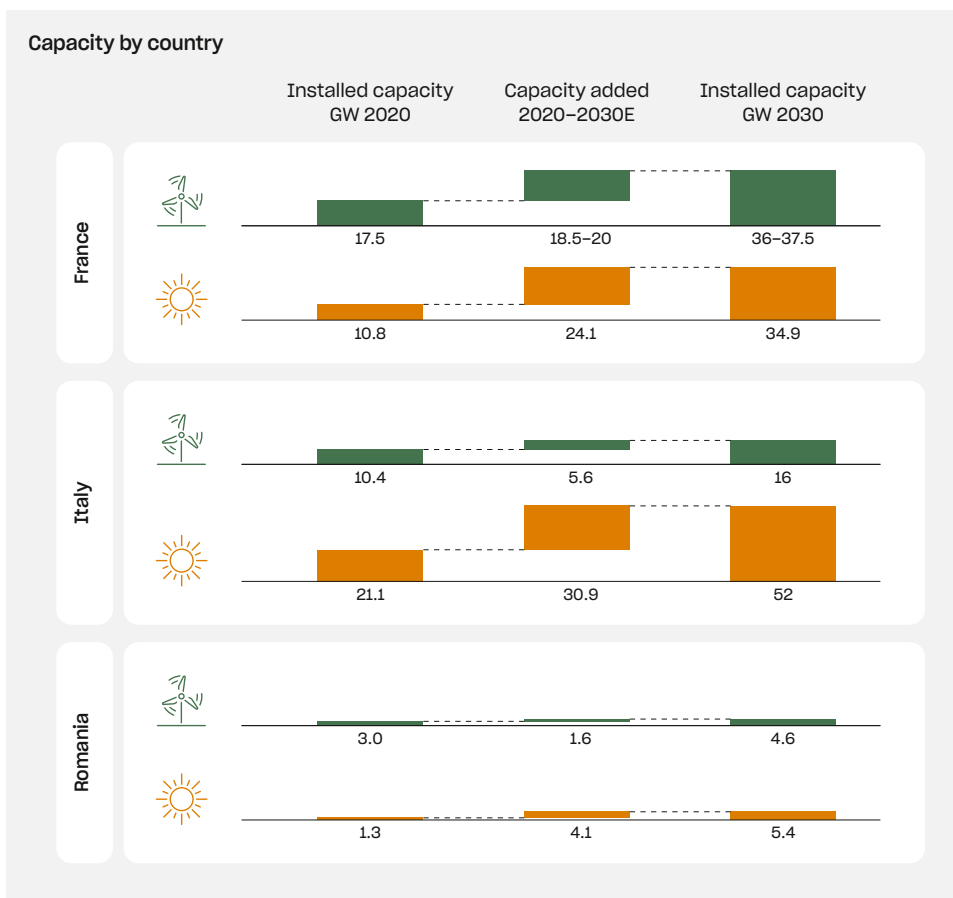
OX2 is a dedicated developer that covers all stages of project development, right up to the date of commercial

operation. In the early stages, OX2 identifies and selects projects and manages the overall development and project implementation, including for example permit granting. The anchoring process is extremely important when establishing a wind farm. Projects are acquired either through in-house 'greenfield' development or through the acquisition of projects in early or later phases as well as through joint development agreements.

OX2 is competing with other dedicated developers as well as with early-stage and fully integrated developers. Competitors include large traditional

energy companies such as Vattenfall, Fortum and Iberdrola, as well as specialist suppliers of renewable energy such as EDF. Overall, the competitive landscape comprises many different company profiles, but there is no competitor with the same breadth of range.

OX2's regional strategy and the fact that company operates within several technologies (offshore, onshore, solar) help to achieve a risk spread in the product portfolio. OX2 is a leading player in Europe within project development for renewable energy, accounting for 4 percent of the installed capacity of onshore wind power in Europe over the past six years.



## Energy storage

Battery energy storage has an important role in facilitating the full decarbonisation of the energy system by 2050 as targeted by the European Green Deal. Batteries and other storage technologies will support the transition of the energy systems at many different levels: enabling renewable energy projects to be integrated in the grid, contributing to the security of supply, grid flexibility and energy sector integration, as well as providing several services to the grid such as frequency and voltage control, peak shaving, congestion management and black start services. The growing investor interest in renewable energies also applies to battery and other storage technologies.

Global energy storage capacity is expected to increase at a compound annual growth rate of 31% through 2030, reaching a total capacity of 741 GWh by 2030.

The energy storage will be essential for the further build-out of PV and wind energy. OX2 is assessing the development of storage assets which can be stand-alone as well as systems coupled with PV or wind projects.

OX2's interest in developing storage is backed by a growing pipeline of battery energy storage projects across Europe. The envisioned product will be similar to onshore wind and PV. OX2 is also committed to providing battery storage asset management services to clients and investors.



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OX2 has built up a diversified project development portfolio of 17.4 GW, consisting of onshore and offshore wind power and solar power.



# Technologies



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# Onshore wind power

## Market leader in onshore wind power

Large-scale onshore wind power is the cornerstone of OX2's current business. The company has established a leading position in this technology over the past 17 years, having developed and sold over 3 GW of wind power to industrial and institutional customers. During the period 2014–2020, OX2 established more onshore wind power than any other European developer, according to an industry report from WindEurope. 2021 has been another successful year.

In Sweden and Finland, OX2 has shown that energy from onshore wind power is sustainable, cost-effective for consumers, profitable for investors and competitive on its own merits – without any government subsidies. Onshore wind power has also strongly contributed to the economic growth of regions and countries. OX2 utilizes these experiences when expanding on new markets.

OX2 takes overall responsibility for the development, construction and sale of turnkey wind farms. The process begins with a right-of-use agreement and a



## Significant events in 2021

In Sweden, the Karskruv (86 MW) wind farm was sold to Swedish company Lundin Energy.

Renewable Power Capital, an investment platform funded by Canada Pension Plan, signed an agreement to acquire another project in Finland, Merkkikallio, with a capacity of 83 MW.

The Huszlew (48 MW) wind farm was sold to UK company Octopus Renewables, a repeat customer and one of Europe's leading investors in onshore wind power.

The Krašník (24 MW) wind farm was sold to Equitix, a new UK customer that invests in infrastructure and renewable energy in Europe.

The Zary (21 MW) wind farm in Poland was completed in 2021 and handed over in 2022.

OX2 also signed a contract with a consortium of Finnish energy companies to sell and construct the Lestijärvi (455 MW) wind farm, the largest wind farm in Finland and one of the largest onshore wind farms to commence construction in Europe in 2021.

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lease agreement with the landowners. Project development then commences along with the process of obtaining permits, which usually takes five to seven years. Once all permits are in place, a sales process begins, which normally takes six to twelve months. Once the project has been sold does construction start. When the farm is commissioned, OX2's technical and commercial team take over the technical and commercial management. By providing long-term management and operation, OX2 makes ownership easy and efficient for the purchaser.

OX2's project development portfolio totalled 17.4 GW at year-end, with onshore wind power in various phases of development accounting for 7.7 GW.

OX2 acquired the rights to Finland's largest wind farm, Lestijärvi (455 MW), in February 2021 and was able to complete the sale before the end of the year. In Sweden, the rights were acquired to Hälsingeskogen (170 MW) from Stora Enso, Klevberget (146 MW) from Vattenfall, and Riberget (68 MW) from RWE Renewables. The Romanian business acquired its first project, South Wind (300 MW). On the rapidly growing Polish market, we secured a subsidy for a wind power project of 83 MW in the government auction. The growth of the project development portfolio is impor-



tant for OX2 to achieve its medium-term target of delivering over 2 GW per year.

As of 31 December, OX2 had 13 onshore wind farms with a capacity of 1.3 GW under construction on three different markets. Five farms with a capacity of 207 MW were completed and handed over to their respective customers in 2021. OX2 is responsible for the technical and commercial management of the farms. In total, OX2

manages 49 wind farms with a capacity of 2,986 MW, making the company one of the largest managers of wind farms in Europe.

The year's sales and development of projects are a direct result of OX2's investments in the project development portfolio. The annual inflow of capital is expected to continue to rise for a long time to come, partly as a result of the EU's Green Deal, which predicts a strong

## Nature-positive wind farms

OX2's extensive experience puts the company well ahead of the field on environmental issues relating to wind power. The goal is for the company to be nature positive by 2030, which means that the expansion of wind power must help to reduce climate emissions and at the same time have a positive net impact on nature. The biodiversity strategy means that not only should OX2 avoid and minimise impacts on nature, but also restore and compensate through voluntary biodiversity initiatives. See page 48 for more information.

increase in wind power over the next 30 years. According to the EU's roadmap for a sustainable economy, wind power is expected to generate half of the EU's electricity by 2050.

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# Continued strong demand for wind power in Finland

Finland is one of the fastest growing markets for wind power investments. Finland is also one of a growing number of European countries in which wind power is being developed and built on a fully commercial, market economy basis. Large areas of land, the possibility of tall wind turbines and a relatively strong grid infrastructure provide favourable conditions. Wind power accounts for 9.3 percent of Finland's total electricity consumption and is expanding rapidly, which is natural as wind power is the most competitive technology for generating electricity.



“When government subsidies are removed, markets are driven by supply and demand. It has become clear that renewable energy is not only sustainable, but also cost-effective for consumers and profitable for investors. Moreover, it is a great feeling to increase the availability of renewable energy and contribute to the

economy with both jobs and tax revenue,” says Teemu Loikkanen, OX2 Country Manager in Finland.

OX2 has 18 onshore wind power projects in its Finnish project development portfolio and more than 800 MW of wind power under construction. In 2021, the company strengthened its leading position in Finland by expanding and advancing projects and by selling several large-scale wind farms.

### Metsälamminkangas - the third-largest wind farm in Finland

The Metsälamminkangas wind farm consists of 24 wind turbines with a total capacity of 132 MW in northern Finland. It is the third-largest wind farm to be built in Finland and has been built without government subsidy. OX2 acquired the project rights in 2019 and subsequently optimized the project. Throughout the process, OX2 maintained a close dialogue with landowners, local residents, local authorities and stakeholders.

The wind farm was sold in January 2020 to Lundin Energy, which has purchased a total of two wind farms from OX2. In 2021, the project reached several important milestones. Deliveries of the wind turbines began in the summer and construction continued throughout the autumn and winter. The farm has an expected average production of around 400 GWh per annum, equivalent to the electricity consumption of more than 80,000 households, and handover is planned for 2022. OX2 has also been entrusted with the technical and commercial management of the wind farm.

### Global pension capital invests in the Nordic region

In January 2021, OX2 completed one of the largest deals of the year when Renewable Power Capital (RPC) acquired a portfolio of three Finnish wind farms totalling 171 MW. RPC is an investment platform focused on the European energy transition, funded by Canada Pension Plan Investments.

“RPC is funded by pension capital, which influences our investment strategy. We have the capacity to make large, sustainable investments with a very long horizon. This is where OX2's offering stands out from almost all others in the industry. They have huge development capacity, are impressively professional and have a genuine desire to create long-term benefits for everyone involved. They also have the ability to help long-term investors develop new models for smooth, cost-effective ownership. This allows OX2 to unlock capital that most developers cannot access,” says Bob Psaradellis, CEO of RPC.

All three wind farms will be delivered turnkey in 2022 and OX2 will be responsible for the technical and commercial management once they are operational.

“Entering the Nordic market with OX2 has really given us a taste for it. Government subsidies have created a market that would not have existed otherwise. But today, neither government policies nor subsidies are driving the market. Renewable energy has simply become the cheapest energy to produce and the most profitable to invest in. We have the ability to make much larger investments in Nordic wind power and hope to do so in the near future, preferably with OX2,” says Bob Psaradellis.



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# Offshore wind power

## Huge potential in offshore wind power

Offshore wind power will play a key role in increasing the future electricity supply in Europe. The continent currently leads the world in offshore wind power.

In late 2020, to achieve its climate neutrality target, the European Commission proposed its strategy for increasing offshore renewable electricity generation 25-fold by the year 2050, from the

current level of 12 GW to 300 GW. In addition, offshore wind power is expected to increase fivefold to 60 GW by 2030. The European Commission estimates that the investment required to achieve these targets is in the region of EUR 800 billion.

OX2 will develop offshore wind farms using the profitable business model that has established the company's market-leading position in onshore wind

power in Europe. In doing so, OX2 will take advantage of an ever-increasing willingness to invest that is now focusing on offshore wind power. Work began in 2018 and OX2's team for offshore wind power is steadily growing.

The aim over the coming decades is to establish a fossil-free energy hub in northern Europe with large volumes of offshore wind power. The major potential for growth is clear to see in OX2's



## Nature's interests and biodiversity

In OX2's planning and development of offshore wind power, a great deal of consideration is given to the marine world and the natural world. OX2 rules out particularly sensitive sites with high marine natural value and great biodiversity. Examples of such sites include sandbanks that are protected under Natura 2000 or which constitute marine nature reserves. Establishing offshore wind power actually creates many opportunities to improve the conditions for sea life. For example, oxygen is a byproduct of hydrogen manufacture. This means that every wind farm with hydrogen production should be able to contribute to seabed oxygenation, which in turn fosters thriving marine environments and biodiversity. OX2 also envisages opportunities to boost marine life at the foundations of wind turbines, for example using established mussel and algae beds, which clean the water and create attractive zones for fish and other marine life.

## Power-to-X

In the future, offshore wind power will be able to provide a large amount of electricity at a low cost. Using Power-to-X technologies, electricity can be used for the competitive production of synthetic and fossil-free fuels, or e-fuels, such as hydrogen or ammonia. These e-fuels then contribute to the fossil-free transition of vessels, aircraft, road vehicles and industries. The production of e-fuels also creates the conditions for the storage and transport of energy and enables the balancing of the electricity grid.



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project development portfolio, which contains 8.7 GW of offshore wind power, spread across one project in the Kattegatt and two in the Baltic Sea. The company is also conducting environmental studies for further projects in Swedish and Finnish waters and is preparing for the Polish government's auctions of new offshore wind power.

In existing projects, work is under way at various stages of the permit process with the aim of obtaining the first permits in 2025 and having commissioned facilities around 2030. A milestone was reached in October, when OX2 submitted its first application for a Natura 2000 permit for the company's Galatea-Galene wind farm off the coast of Halland. This

was followed in December by a corresponding application under the Act on Sweden's Exclusive Economic Zone. An application was also submitted in December for a further Natura 2000 permit, this time for the Triton offshore wind farm off the coast of Skåne.

The conditions for offshore wind farms in the Baltic Sea and the Kattegatt are extremely favourable, with strong and stable winds and the opportunity to construct considerably larger wind farms than on land.

Efforts in the region are further strengthened by the political declaration of increased cooperation between the European Commission and the countries around the Baltic Sea. The countries will work together on issues relating to upgrading the electricity grid, the design of the electricity market and the redevelopment of ports. From a political perspective, the development also benefits from the Swedish government's letter of appropriation commissioning the Swedish Armed Forces to work with relevant parties to enable the development of offshore wind power. Developing offshore wind power can produce several positive effects for the Swedish Armed Forces, such as moving

lines of defence forward, creating opportunities for reconnaissance and establishing a more reliable and diversified national electricity supply.

The Swedish government has also announced that it intends to assign Svenska Kraftnät with extending the transmission network to areas within Sweden's territorial waters with conditions for connecting offshore wind power.

## Aurora Burgsvik

Aurora is OX2's offshore project south of Gotland, a wind farm where the granting of a permit is planned for 2025. The application is being prepared for submission during 2022. The farm consists of 220–370 turbines with potential energy generation of 24 TWh per year, which is equivalent to the energy generated by two nuclear reactors or more than ten large hydropower stations. As part of the project, OX2, in partnership with others, is making preparations for an environmental centre in Burgsvik on southern Gotland.

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# Galatea-Galene – renewable energy where it is needed the most



Emelie Zakrisson is responsible for OX2's development portfolio of offshore wind power projects in Sweden and has extensive experience of developing large-scale offshore projects around the world. During the year, her team has worked intensively to develop OX2's three offshore projects, Galatea-Galene in the Kattegatt and Aurora and Triton in the Baltic Sea, while also continuing to survey the conditions for further projects in the region. Furthest along in the process is Galatea-Galene, a wind farm divided into two sub-areas: Galatea, which is located about 25 km off Falkenberg, and Galene, which is situated about 25 km off Varberg.

*– Why did you choose to have offshore wind power projects in the Kattegatt?*

In order to meet the rapidly growing demand for electricity, we made the move to offshore four years ago. We began surveying areas with good conditions for establishing large-scale wind farms, which is necessary in order to make them attractive investments. Both the Kattegatt and the Baltic Sea have large areas of favourable conditions with strong and stable winds. Following the phasing out of the nuclear reactors at Ringhals, there is also a strong transmission network for receiving the planned output.

*– What are the opportunities and challenges in the development of Galatea-Galene?*

Galatea-Galene should significantly increase the supply of renewable electricity in southern Sweden, where the need is greatest and where growth and commercial investments have been jeopardized by electricity shortages in recent years. The wind farm itself should create

opportunities for new businesses and jobs in the region. The main challenge for Swedish offshore projects is obtaining permits. Some other European countries auction off permits but in Sweden no private operator can secure a project area other than by applying for and being granted a permit. We are therefore very pleased that the government has commissioned Svenska Kraftnät to clarify the conditions for project developers who have already submitted an application for the connection of wind farms and we have a great deal of confidence and a strong hope of being granted a permit by 2025 at the latest.

*– How much renewable energy is Galatea-Galene expected to produce?*

Galatea-Galene is made up of a total of 101 wind turbines, which together are expected to generate around 6–7 TWh of renewable electricity in a year. This corresponds to the annual electricity consumption of around 1.2 million households, or a quarter of the households in Sweden (5,000 kWh per household). The farm should make a significant contribution to the energy transition and create long-term value for both society and the wind farm owners.

*– How do you give consideration to animals, nature and leisure in the development of the wind farm?*

We have a detailed process for the conducted surveys ensuring that we completely avoid areas of special natural interest. We also have a biodiversity strategy which means that we not only avoid and minimize impacts on nature, but we also restore and compensate through remedial measures. In the Galatea-Galene

development, we have also planned cable laying in a way that avoids sensitive areas. With regard to leisure activities, wind turbines are planned at a distance of 2–3 km apart, enabling both recreational fishing and other maritime activities in the area of the wind farm.

*– What happens next in the project?*

A number of different permits are required for constructing offshore wind farms in Sweden. In October 2021, we submitted an application for a Natura 2000 permit to the County Administrative Board in Halland, requesting permission to establish operations in areas protected under Natura 2000. In December, we applied for a permit from the government to install the wind farm, transformer stations and measuring masts within Sweden's Exclusive Economic Zone, which is an area beyond the boundaries of territorial waters. While awaiting the government's decision, we are preparing the third and final application for the project, for permission to use the seabed in the construction of the wind farm in accordance with the Swedish Continental Shelf Act.



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# Solar power

## Rapid expansion in solar power

Solar power is the fastest-growing technology in the global energy mix. In 2020, 138.2 GW of solar power was installed globally, an increase of 18 percent compared with 2019. This represents 39 percent of total new energy installations globally. Provisional figures indicate a further increase in the growth rate in 2021.

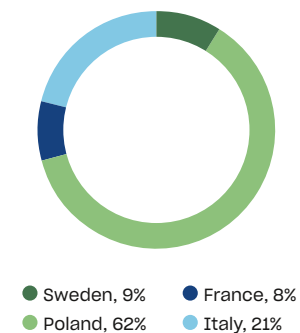
The market for solar power is being driven primarily by ambitious climate targets, a sharp increase in demand for renewable electricity and a strong willingness to invest. It is also supported by product development and reduced investment costs.

OX2 started investing in the development of solar power in 2018. As with other technologies, OX2 will operate at all stages of the value chain in its business model, from financing, permits and sales to construction and management. OX2's growth in solar energy is also key to accelerating the company's geographic expansion.

Through long-term commitments, trust is built with landowners, suppliers,

lenders and investors. OX2 develops both land-based and floating solar power facilities, the latter established on lagoons, basins and lakes. OX2 is also developing agrivoltaics, a system where solar modules are installed in such a way that the land can be used for agriculture at the same time. OX2 is also working with hybrid solutions that combine solar power with various energy storage solutions.

Solar power portfolio, MW by market



## Expansion in solar power

Isaac Garcia joined OX2 in 2021 as Head of Solar and is based in Spain. He is responsible for the company's solar power development hub. Isaac has more than 15 years' experience in renewable energy and has been involved in the development, financing and construction of more than 2 GW of solar power capacity in Europe, Africa, the Middle East and Latin America.

"OX2 is expanding rapidly in solar power, with new team members recruited and a rapidly growing project development portfolio. At the end of December 2021, our project development portfolio consisted of several solar power projects totalling 1.3 GW, spread across our four markets France, Italy, Poland and Sweden. During 2022, we plan to expand further, including in southern and eastern Europe," says Isaac Garcia.

OX2's long-term goal is to become one of the leading developers of solar power internationally.

"OX2's many years of experience in developing wind power will serve us well as we expand in solar power. We have broad-based expertise in developing our own 'greenfield' projects. At the same time, we have both the resources to acquire and the capacity to further develop large solar farms. The organisation knows how to collaborate with all relevant stakeholders in a development project and creates value for our shareholders and for local communities and regions. In addition, I feel that we enjoy a high level of confidence among our customer base of industrial and institutional investors. All in all, we are well positioned for rapid expansion in this fast-growing market," says Isaac Garcia.

OX2 has the capacity to handle large projects, such as those that involve a combination of solar and wind.

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# OX2 and solar power in Poland

Poland is engaged in an ambitious transition to renewable energy, and solar power is growing faster than any other technology. In 2017, 200 MW of solar power capacity had been installed in Poland. By the end of 2020, capacity had increased twenty-fold to 3.96 GW, and in 2021 a further 3 GW was installed. The rapid growth of solar power is the result of extensive annual government support programmes extending over a period of 15 years, as well as the strong demand for electricity. According to the industry organisation Solar-Power Europe, Poland currently ranks fourth in terms of installed capacity in Europe.

“The Polish renewable energy market is extremely dynamic, with strong and growing interest from interna-

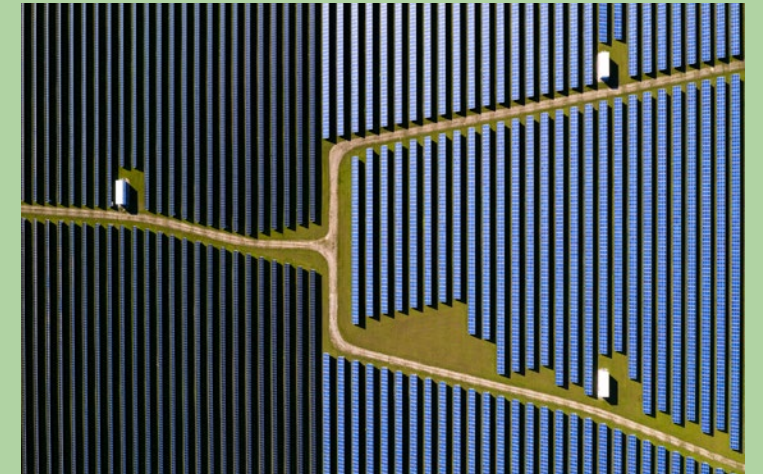


tional investors. The expansion of solar power is benefiting from the government's energy targets, as well as being supported by positive public opinion. The people of Poland are happy to give up land for large-scale solar farms, and more and more people are installing solar panels on their roofs,” says Marta Glod, Head of PV Development & Acquisitions, OX2 in Poland.

During 2021, OX2 expanded its project development portfolio in Poland, both through greenfield development and via acquisitions. The two most advanced projects will go on sale in 2022: Recz and Rutki. Recz solar farm consists of four sub-projects totalling 28 hectares in north-western Poland. The total capacity is 29 MW and the project has been granted environmental permits and all four sub-projects have been awarded building permits and grid access.

In southern Poland, Rutki is a planned solar farm with a capacity of 80–100 MWp, depending on the final design. The farm is in the late development phase and has obtained several of the necessary permits. The final permits are expected in the first half of 2022.

“We are now developing Recz and Rutki step by step to prepare them for sale. The process is complex, with applications and permits at several stages, not least for grid connections. It is essential to have and build good relationships with local stakeholders and authorities. We expect to be able to sell and start construction of both projects in 2022 and 2024 respectively,” says Marta Glod.



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With a clear sustainability strategy, OX2 takes great responsibility for the energy transition.

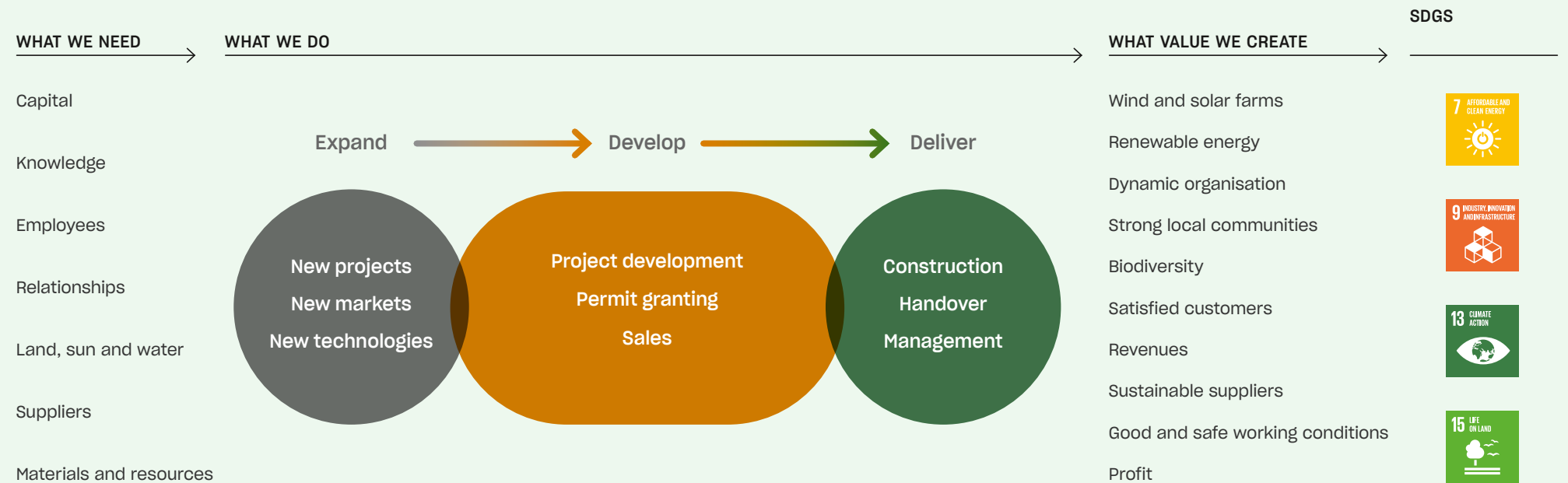


# Sustainability

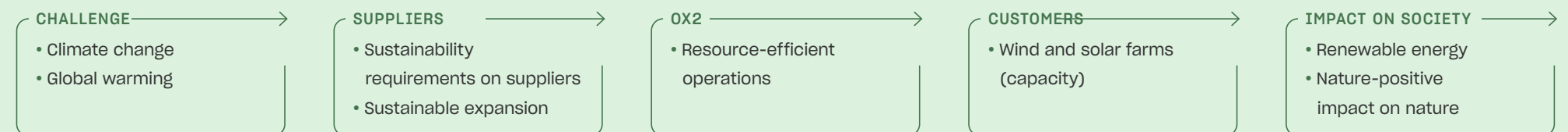
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# Sustainable value creation



## OUR IMPACT ON SUSTAINABILITY



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## OX2 is contributing to the transition to a sustainable future

### Sustainability at OX2

With a clear sustainability strategy, OX2 takes great responsibility for the energy transition. OX2's customers contribute to the transition by investing in wind and solar power. A key part of the company's strategy is to lead the sustainable development of the industry.

### OX2 and the Sustainable Development Goals

OX2 has committed to the UN Global Compact and reports annually on the results of its work in the Annual Report and Sustainability Report. The company also aims to deliver on Agenda 2030 and the 17 Sustainable Development Goals. The greatest focus is on SDGs 7, 9, 13 and 15, as these have a clear link to OX2's core operations.

OX2 also aims to contribute to achieving the goals of the Paris Agreement through its business.

## Paris Agreement

The Paris Agreement is a global climate agreement that aims primarily to limit the global temperature increase and to support those affected by the impact of climate change. The Paris Agreement stipulates that the global temperature increase must be kept well below 2°C and that efforts should be made to limit it to 1.5°C. Most of the countries in the world have committed to implementing measures to help achieve the goals of the Paris Agreement.



### GOAL 7: AFFORDABLE AND CLEAN ENERGY

OX2 helps to reduce the use of fossil energy by supplying renewable energy on a large scale. OX2 is striving to increase the share of renewable energy in the global energy mix, in line with SDG 7.2. To date, the company has supplied over 3.2 GW of wind power in Europe. Wind power projects corresponding to 719 MW were sold during the year and five wind farms with a capacity of 207 MW (518 MW) were completed and handed over to their buyers during the year. At year-end, OX2 had management contracts for 9.15 TWh (7.05) per year.



### GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

The expansion of renewable energy leads to improvements in regional and local electricity grids and roads, which contributes to human well-being, local economic development and jobs – in line with SDG 9.1.



### GOAL 13: CLIMATE ACTION

OX2 is working to increase awareness and capacity in order to limit climate change in line with SDG 13.3. The future annual generation of renewable energy from construction in progress in 2021 is approximately 750 GWh. This is equivalent to the annual electricity consumption of around 150,000 households\*.

*\*Based on annual electricity consumption equivalent to 5,000 kWh per household.*



### GOAL 15: LIFE ON LAND

OX2's expansion of renewable energy should not come at the expense of nature. The company strives to protect ecosystems and maintain biodiversity in line with SDG 15.1 and 15.5. Among other things, OX2 works to prevent and reduce all kinds of pollution from land-based activities and to reduce the destruction of natural habitats. The company has long worked to reduce its negative impact on nature and is now taking decisive action towards the goal of nature-positive wind and solar farms by 2030. With this goal in mind, the company aims to develop renewable electricity generation that creates significant climate benefits while also benefiting biodiversity.

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## Sustainability strategy

### How we work

Sustainability is a key part of OX2's strategy and business planning and sustainability work takes place at many levels within the company. The needs of stakeholders are identified through continuous dialogue and in the company's materiality analysis. OX2 performed its most recent materiality analysis at the end of 2021, with biodiversity and circular economy being identified as new material issues. Read more about OX2's materiality analysis on page 118. Sustainability issues are also monitored through participation in European and national industry organisations.

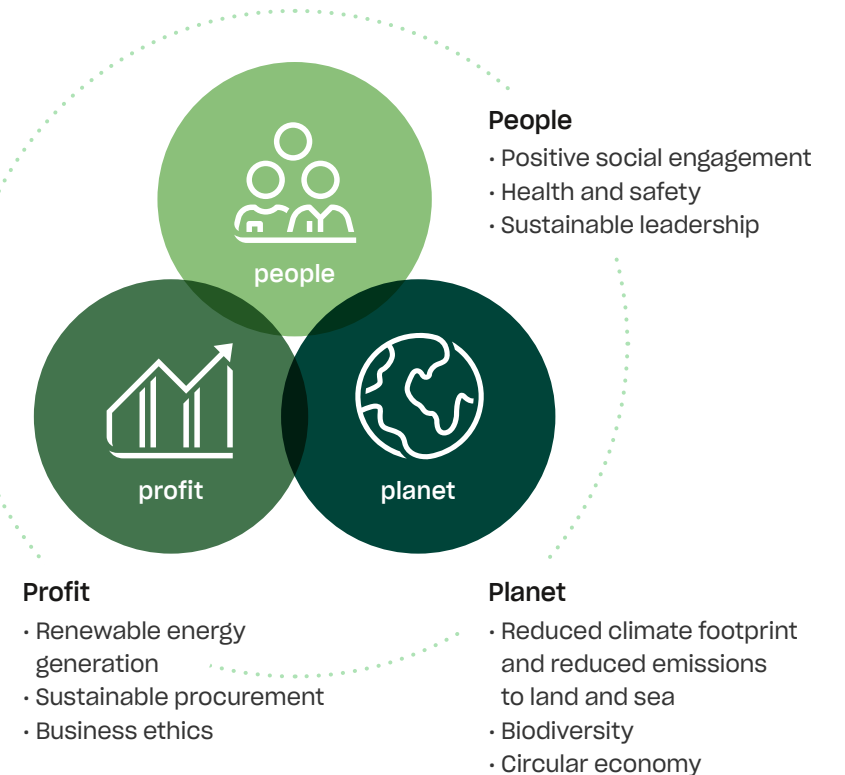
Based on OX2's impact on its surroundings and the company's material sustainability issues, OX2 has a sustainability strategy that focuses on three areas: People, Planet and Profit. Together, these three focus areas help to establish activities that drive the transition to a sustainable future in a responsible manner. OX2 has sustainability enshrined in its purpose and in the company's core operations.

OX2 also works long-term to establish safe workplaces that foster development, to reduce the company's environmental and climate impact and to operate a profitable business based on mature corporate governance with good business ethics.



**“Sustainability is integrated in our core business and using a business model where sustainability issues are anchored in both the strategy and decision-making processes, we are accelerating the transition to renewable energy and contributing to sustainable development.”**

*Rebecca Karlsson, Head of Sustainability OX2*





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# People

Within the area People, OX2 actively works to foster good relations with the local communities and to ensure good health, a high level of safety and an organisation that is characterised by equality and diversity.

### Positive social engagement

OX2 considers it very important to involve and show respect for those who live and work in the local area where the company's wind and solar farms are established. OX2 works to make a positive contribution to the development of the local area. Depending on the market and the local conditions, this may include local jobs, business development or financial contributions in the form of financial grants through community funds or property tax. All projects have a local communication plan to ensure clear and transparent communication through all phases of the project.

During the year, OX2 has had a clear ambition to provide local jobs wherever possible. Maintaining a close dialogue with local communities is therefore important, not just for anchoring the project but also for engaging the services of local businesses for accommodation, catering, snow clearance, logging and so on. A good example is the Metsälamminkangas wind farm, whose establishment enabled a local company to expand and take on new employees. Read more on page 45.

Maintaining a dialogue with local residents is also important for identifying local interest groups, such as local fishing associations and hunting groups. Through cooperation with these groups, OX2 is able to help their activities continue as undisturbed as possible while the wind or solar farm is being established.

The company also carries out active work to spread knowledge. In Poland, the company has arranged several activities for schoolchildren who live near the established wind farms, with the aim of educating the children about renewable energy. Other local activities have included building roads, redeveloping a football pitch and educational support.

Over the coming years, OX2 will maintain its open dialogue with local communities, work with local businesses and increase the spread of knowledge about the climate benefits of wind and solar power. In its own Swedish projects developed after 2019, OX2 will also increase its financial grants through community funds. Community funds are awarded to one or more democratically established associations in the local



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community, according to rules drawn up by the community together with OX2. Some of the funds can also be provided in the form of credit guarantees via Garantia, enabling loans to be made to local small businesses.

### Good health and a high level of safety

OX2 has a vision of safe workplaces that foster development and provide a high level of psychological security and expertise that ensures a good, accident-free working environment for all employees. The company therefore works systematically to enhance physical and social well-being at the workplace and strive to achieve high attendance levels and low numbers of long-term sick leave. One of the ways this is achieved is by offering all full-time

employees health checks. These are carried out by reputable companies and offered during working hours, either at the workplace or at a designated provider near the workplace. Mindfulness training is offered to all employees and is mandatory for managers. A wellness allowance is offered on several of the company's markets. Managers and employees have received training on health and safety issues such as stress management, ergonomic working methods and preventing and managing risks in the work environment. The tasks of the company's safety representatives also include ensuring that the employees' views on the work environment are incorporated in work environment management.

There is a high level of awareness of health and safety at OX2's construction sites and safety is the top priority. All employees, as well as contractors and suppliers, are covered by the company's systematic work environment management. During the year, the Swedish and Finnish organisation were certified in accordance with ISO 45001. Among other things, this means that OX2 has well-developed, systematic work environment management where the company continuously identifies, manages and analyses risks and takes the necessary action.

Work environment management is being implemented in other countries in line with the company's management system and based on the laws and regulations of the respective countries.

The Polish construction and management operation is planned to be certified in accordance with ISO 45001 over the coming year.

Incidents and accidents are reported and investigated internally. Corrective measures are introduced in the form of improved procedures. Several internal audits have been carried out during projects. The results of these are shared with contractors and other construction projects in order to continuously improve safety work.

There were 38 (50) accidents at construction sites during the year. These were mainly trip and slip accidents, as well as transport accidents. The following measures have been implemented to avoid similar accidents in the future:

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- Safe driving requirements and a maximum permitted speed of 30 km/h.
  - More de-icing of stairs and walkways in winter.
  - Daily safety briefings before each work operation.
  - Meetings with hauliers to improve transport safety. The results of these include new parking facilities and better rest conditions for drivers.
- Cooperation with contractors and suppliers will continue over the coming years to reduce the number of accidents at construction sites in the industry and to develop new safety solutions together. An example of the measures implemented is the establishing of a parking facility at the entrance to the wind farm to ensure that drivers have

sufficient rest. In addition, regular meetings are held with key suppliers on preventive work relating to risks and general work environment issues. The company also operates internally as a learning organisation and every project shares the lessons learned with future projects.

Major efforts have been made to manage and minimise the spread of Covid-19 at OX2's offices and in collaboration with suppliers and contractors. Measures such as weekly testing, separate work areas for different groups and meetings outdoors or digitally have helped to achieve a low spread of infection in OX2's projects.

### Sustainable leadership

It is important to OX2 that everyone has the same opportunities for development and conditions for doing their job. The company works to that there is fair representation of underrepresented groups. The number of women on the management team has increased from one to three. The number of women on the Board of Directors also has an increased from one to three. Of the 108 new employees recruited during the year, 41% were women. To ensure a gender-equal basis of recruitment, OX2 requires that its recruitment partners always present the same number of female candidates as male candidates. In 2022, recruiting managers will be offered training to further increase

awareness of gender-equal recruitment processes.

OX2 has a zero tolerance policy on discrimination and harassment. Misconduct must be reported to the immediate superior in the first instance and where this is not possible, to someone else at the company. OX2 also uses a whistleblower function, which enables employees to report suspected misconduct at the workplace anonymously. No reports were made via the whistleblower channel during the year. Nor did the company receive any reports to the email addresses or in the letterboxes that can be found at each construction site, where employees can submit complaints relating to the company's projects and work environment.



Area	Commitment/ambition	Goals	Goal achievement 2021
Positive social engagement	OX2 must engage with the local communities in order to establish trust and good conditions for growth and development, both for its own operations and for the local communities.	All projects must make a contribution through positive local engagement, for example by creating local jobs.	Increased rural development grant in Swedish projects developed after 2019.
Health and safety	OX2 must systematically enhance the physical and social well-being at the workplace and ensure a culture of safety for both employees and suppliers.	No serious accidents or injuries.	Extended ISO 45001 certification so that it includes Finland as well as Sweden. 3 (7) serious accidents, contractors 38 (50) accidents, contractors 4 (1) accidents, own employees 4.3 LTIFR during construction period Attendance 98.5% (98.4)
Sustainable leadership	OX2 must have equal representation of underrepresented groups in recruitment and when filling senior positions. There must be zero tolerance of discrimination and harassment.	No discrimination or harassment and equal representation of underrepresented groups.	0 (3) reported cases of harassment or discrimination. 38% (17) of the Board of Directors and the management team are women 42% (40%) of the company as a whole are women.



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# Wind power creates jobs

In Vaala, Finland, OX2 is building the Metsälamminkangas wind farm. This has resulted in jobs being created both in Vaala and in nearby municipalities. Employees with specialist expertise brought in from outside the area have boosted local businesses such as residential lettings, restaurants and cleaning services. OX2 has also engaged local expertise and services for the construction work. Local companies have provided machinery, transport and drivers, for example.

Schroderus, a family-owned company based in Vuolijoki, has been involved in several phases of the construction. The company is run by brothers Jan and Joni and their father Jouko Schroderus.

“The work and the scope of our various tasks came as a pleasant surprise for us. To begin with, we talked about being hired for jobs now and again, but in the end we had between two and five employees on site the entire time. We have had to recruit more staff as a result,” says Jan Schroderus.

“We have tried to supply solutions for all needs that have arisen. We have taken care of pumping water, for example, and ensured that the turbine foundations are kept dry. We have also looked after the supply of water and fuel to the construction site, as well as road maintenance and snowploughing, put up fencing and signs, taken care of internal goods transport and repaired structures. We also hired out two tractors to the construction site,” says Joni Schroderus.

The Schroderus brothers are pleased that the wind power project has brought more local jobs. The project has also created a team spirit and not just at their own company.

“It has been fantastic to be involved in this project and experience the team spirit on site. All the companies and employees have made a contribution and everyone wants to do their very best. We would love to be involved in similar projects in the future,” say the brothers.



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# Planet

Within the area Planet, OX2 works on big issues relating to reduced climate footprint, biodiversity and circular economy.



### Reduced climate footprint and reduced emissions to land and sea

Compared with many other types of power, wind power has a very small negative impact on the environment. As wind turbines use the energy contained in the wind to generate power, this avoids emissions to the land, air or water. However, establishing a wind farm is not climate neutral. Emissions in manufacturing, transport, road building and logging have an impact on the climate.

Work was carried out during the year to measure the carbon footprint from operations for the base year 2020 and the current year. This measurement shows that 99.9% of emissions are scope 3, in other words produced in the supply chain. The results are reported on page 119. It is therefore extremely important to stipulate requirements for suppliers and to work with them so as to reduce emissions together. The greatest emissions come from logging and the construction of roads and hardened surfaces. The company has identified a number of key activities for reducing

emissions. These include, for example, using quarries within the local area of the wind farm in order to reduce transport, using existing roads as much as possible, felling trees as little as possible and replanting trees on those routes that are not used.

The company's own emissions are small but in order to show how every employee can reduce their climate emissions, a climate challenge was launched in 2021. First of all, employees calculated their own climate footprint. Through a range of challenges and changes in behaviour, employees were able to save 24,305 kg CO<sub>2</sub>e over a four-week period. This is equivalent to 11 return flights between London and Paris.

The company has taken a systematic approach to environmental risks in projects during the year. The aim is to avoid serious environmental accidents completely and this was achieved during the year. Everyone working on construction sites is briefed on the rules at the specific site and on general rules to avoid any negative impact on the

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environment. The company also carries out internal audits to ensure that environmental objectives are met. ISO 14001 certification was renewed for the Swedish organisation and it is planned that the Polish construction operation will be certified during the coming year.

### Biodiversity

Climate change and large-scale biodiversity loss are two parallel crises that are closely linked. Climate change is one of the five most powerful drivers of biodiversity loss, while biodiversity loss causes climate emissions and makes our societies more vulnerable to climate change. In addition, the latest research shows that the world cannot be content with simply slowing further loss of natural ecosystems, we need to work together to increase biodiversity.

OX2's expansion of renewable energy should not come at the expense of nature. The company has long worked to minimise its negative impact on nature and is now taking decisive action towards the goal of nature-positive wind and solar farms by 2030. With this focus, OX2 aims to develop renewable electricity generation that creates

significant climate benefits while also benefiting biodiversity. Read more about the company's biodiversity strategy on the next page.

### Circular economy

Approximately 85–90 percent of a wind turbine can be recycled or reused. The main challenge is the rotor blades, which consist mainly of composite material, which is currently difficult to recycle cost-effectively and without generating high emissions. Steel and iron account for 80–90 percent of the weight of a wind turbine and are mostly found in the tower of the turbine. The height of the tower affects how much

steel and iron is used. Fibreglass composite generally accounts for 5–8 percent of the weight and is used mainly in the blades. Plastics account for 3–4 percent. Wind turbines also contain aluminium and electronics.

OX2 is a member of several industry organisations, such as the sustainability committee of WindEurope. An initiative was adopted during the year to prohibit the sending of wind turbine blades to landfill from 2025. The proposal was approved by the members of the industry association.

Wind farms have a long lifetime of 25–30 years and it is possible to upgrade the wind turbines at older wind

farms with modern, more efficient turbines. Wind turbines are often sold on the second-hand market so that they can provide fossil-free energy in other parts of the world.

Next year, OX2 will also be a member of the Swedish Wind Energy Association's new sustainability committee. The committee aims to work together to identify and implement long-term and short-term industry-wide measures to reduce environmental impact throughout the supply chain.

OX2 supports RISE's Rekovind initiative, which aims to increase the circularity of wind turbine blades through reuse and recycling.

Area	Commitment/ambition	Goals	Goal achievement 2021
Climate footprint and emissions to land and sea	OX2 will measure its climate footprint and then reduce it in an effort to achieve net-zero emissions.	Strive to achieve a net-zero climate footprint.	OX2 has performed measurements in line with the GHG Protocol in order to establish the carbon footprint in the base year 2020 and in 2021. No (0) serious environmental accidents occurred in construction projects. 36 (35) environmental accidents (such as minor oil spills).
Circular economy	OX2 will work with the industry to achieve a circular economy for all materials.	Together with the industry, work towards zero waste.	During the year, WindEurope announced a ban on sending wind turbine blades to landfill. OX2 also supports RISE's Rekovind initiative.
Biodiversity	OX2 will establish greater biodiversity and highlight the link between the climate and biodiversity.	Nature-positive wind and solar farms.	OX2 has established a strategy for increasing biodiversity.



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# Biodiversity strategy

OX2's strategy for achieving the goal of nature-positive wind and solar farms is inspired by the Science Based Targets for Nature framework, which is grounded in the latest research. The strategy focuses on managing the impacts over which OX2 has direct control, while contributing to change at a systemic level. Although we have set our goal for 2030, work is already in progress. Contributing to biodiversity is an important element in all OX2's wind and solar power projects.

### The strategy encompasses three goal areas:

#### *Use the mitigation hierarchy*

The guiding principle in any new wind or solar farm development should be the mitigation hierarchy. This means that not only should OX2 avoid and minimise impacts on nature, but also restore and compensate through voluntary biodiversity initiatives – to create a nature-positive impact on nature. In order to enable appropriate protection and compensation measures, all wind and solar power projects require accurate investigation data.

#### *Create credibility and transparency around the work on biodiversity*

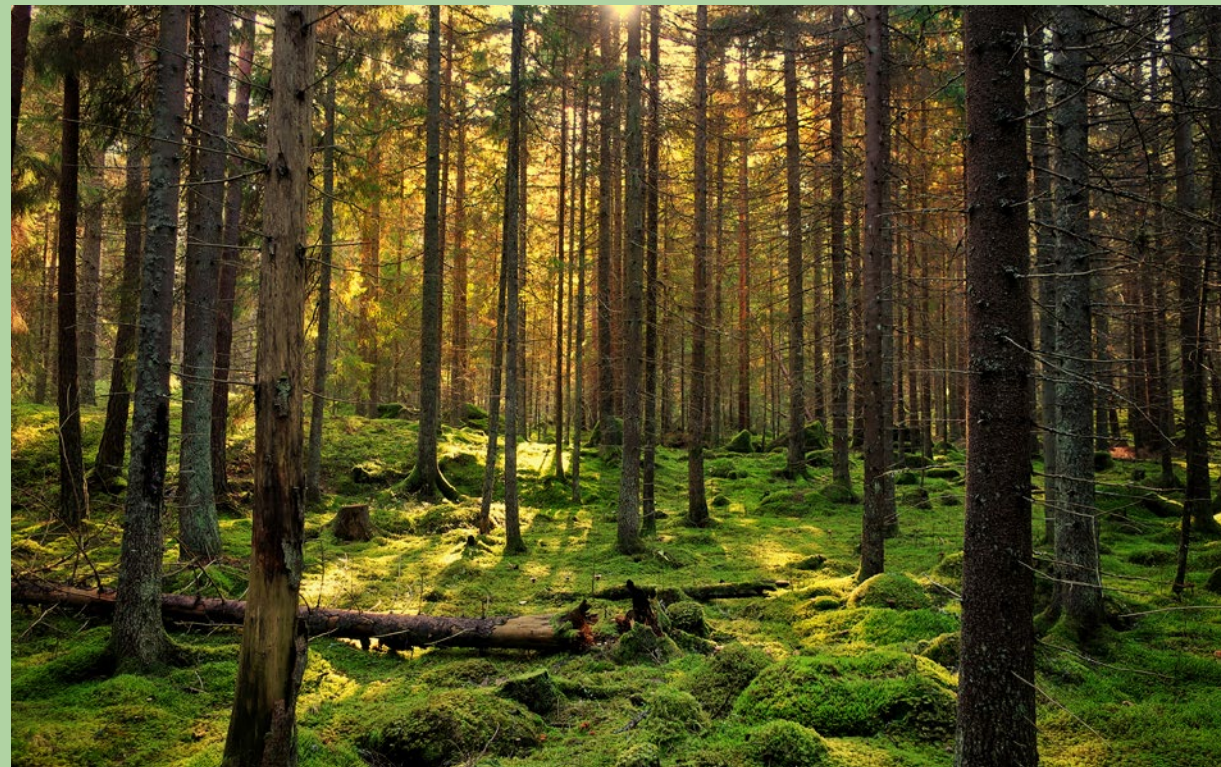
OX2 wants to report on the overall impact of its operations from a sustainability perspective. However, no standardised method currently exists for measuring biodiversity or impacts, which is needed to provide transparency and credibility regarding the activities undertaken to create nature positivity.

#### *A nature-positive climate transition*

Expansion of renewable energy should not come at the expense of nature. OX2 will increase its understanding of how to develop renewable electricity generation that creates significant climate benefits, while also promoting biodiversity. In line with the UN Sustainable Development Goal SDG 17, on implementation and global partnership, the company will work with scientists, landowners and other external stakeholders to increase understanding of the link between renewable energy and biodiversity. Working with others, OX2 will lead the way towards a nature-positive climate transition.

#### **Examples of initiatives to increase biodiversity**

Today, the company is already implementing more protection and compensation measures in its projects, often in cooperation with ecological experts, ornithologists and non-profit nature organisations. The detailed design of farms takes designated natural values into account, such as wetlands and sensitive ecosystems. Further measures may include careful relocation of lichens and stones, creation of new migration routes for fish and aquatic animals and creation of new habitats for insects, lichens, mosses and fungi, for example. In order for offshore wind projects to contribute to increased biodiversity and vibrant marine environments, the company is exploring opportunities such as seabed oxygenation and the establishment of mussel and algae beds.



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# Profit

Within the area Profit, OX2 is working to establish a long-term profitable business that increases the availability of renewable energy and at the same time builds on a mature corporate governance with a sustainable value chain and good business ethics.

## Renewable energy generation

By constantly increasing the supply of renewable energy, OX2 is driving the transition to a more sustainable future. OX2's strategy is to grow on both existing and new markets. The company expanded operations into Italy and Romania during the year. Rapid expansion is also taking place in solar power and offshore wind power alongside development in hydrogen and energy storage.

OX2's project portfolio totalled 17,371 MW at year-end. The company's first solar farm is expected to be ready during 2022 and OX2 submitted an application in the third quarter for its first offshore project in Sweden.

When projects are acquired from other developers, the design is optimised so as to obtain the maximum possible output from each wind turbine. Rapid advances in technology also enable the output from each wind turbine to be increased every year. In the medium term, OX2's goal is to achieve annual project sales equivalent to more than 2,000 MW per year.

## Business ethics

OX2 has a zero tolerance policy on corruption. The company is resolved to act with professionalism and integrity in all business dealings and relationships. The company's anti-corruption policy was updated during the year to incorporate potential risks in this area. When acquiring projects with new business partners and entering into contracts with local developers, a background check is performed on the company and senior personnel. Of the 133 employees whose work may expose them to potential corruption, 87 percent have undergone training on this issue. A further training course will be arranged for new employees next year.

OX2 also reduces the risk of financial grants through community funds in Swedish wind power projects being used improperly. Community funds are awarded to one or more democratically established associations in the local community. OX2, together with the community, draws up the association's rules stipulating how the funds can be used and how funds are to be allocated.





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There will be closer monitoring of the annual minutes of the associations in the coming years.

### Sustainable procurement

In all operations that involve long supply chains, there are risks of corruption, substandard working conditions, human rights violations or other fraudulent behaviour. In order to reduce these

risks, OX2's suppliers sign a code of conduct drawn up in accordance with recognised international guidelines. A self-assessment form has also been drawn up during the year in conjunction with the wind power industry. These tools will form part of the due diligence strategy that the company will develop over the coming year. The strategy will follow OECD guidance and include clear

steps for establishing the due diligence strategy, mapping risks for countries, industries and raw materials, identifying risks at supplier level, managing and preventing negative impact, compensating for negative impact and finally monitoring and communicating. One risk that has been identified in the procurement of solar modules is human rights violations in China, where the

majority of suppliers are established. Solar modules will be procured in the coming spring and a process to prevent this risk will be established together with the due diligence work. The production of the materials used to manufacture wind turbines and solar panels has an impact on the environment and is included in the supplier self-assessment process.



Area	Commitment/ambition	Goals	Goal achievement 2021
Renewable energy generation	OX2 will increase the amount of renewable energy on the market by evaluating new technologies and new markets and by growing on the existing market.	Net sales. Operating income. Increased amount of renewable energy on the market.	Net sales totalled SEK 4,983 million (5,201). Operating income amounted to SEK 455 million (416). OX2 increased the amount of renewable energy on the market through the sale of 719 MW (329) of new wind power.
Business ethics	Maintain a high standard of business ethics.	All employees whose work may expose them to potential corruption must have undergone anti-corruption training.	87% of identified employees who work with sales, land agreements and suppliers took part in the training. This will take place annually for new employees and those who have been unable to participate.  The anti-corruption policy has been updated to indicate more clearly the company's zero tolerance of corruption. No (0) incidents of corruption were reported during the year.
Sustainable procurement	OX2 will evaluate and actively manage all suppliers in relation to issues concerning human rights, the environment and good business ethics.	All suppliers must have signed OX2's code of conduct for suppliers.	OX2 has drawn up a self-assessment form for suppliers. OX2 has begun working on a due diligence strategy for suppliers.



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# Octopus Renewables combines public benefit with return

”

Octopus Renewables made its first investment in renewable energy in 2010. Today, the company is Europe's largest investor in solar energy, as well as a leading investor in onshore wind. Octopus' portfolio totals 2.8 GW and is valued at more than EUR 3.5 billion. Octopus has a clear, explicit vision to channel capital to create the greatest possible benefit for investors, the environment and the communities in which it operates.

“Our mission is to accelerate the transition to renewable energy and to slow down climate change. By channelling capital towards sustainable investments, we want to contribute to the international efforts to achieve the Paris Agreement's goal of keeping global warming well below 2 degrees,” says Chris Gaydon, Investment Director at Octopus Renewables.

Octopus Renewables is a regular customer of OX2. On 30 June 2021, the 48 MW Ljungbyholm wind farm in Sweden was handed over to Octopus. On the same day, it was announced that the company had purchased another project from OX2, the 48 MW Huszlew wind farm in Poland. Huszlew is expected to be completed in 2023. For both farms, OX2 will be responsible for the technical and commercial management, to ensure that they generate maximum power

and are operated safely and securely. OX2 manages two more of Octopus' wind farms in Finland.

“We invest in industries, companies and people that can drive positive change, while generating high returns for our shareholders. This makes OX2 a perfect match for us. We are two value-driven companies that want to accelerate the energy transition and see no conflict between profitability and ESG implementations. In fact, our ESG strategy guides us to do what is right and proper, while also contributing to enhanced risk management and long-term returns,” says Chris Gaydon.



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# EU Taxonomy Regulation

## Assessment of the EU taxonomy

The EU taxonomy aims to help investors identify and compare environmentally sustainable investments using a common classification system for environmentally sustainable economic activities. OX2 is not covered by the requirement to report in accordance with the EU taxonomy but aims to be transparent and has chosen to report for the first time on whether the company's activities are eligible with the new EU Taxonomy Regulation. Having reviewed the company's economic activities, OX2 considers that the business is taxonomy-eligible.

The following economic activities are considered relevant for OX2:

- 4.1 Electricity generation using solar photovoltaic technology
- 4.3 Electricity generation from wind power

The activities in NACE, the EU's statistical classification of economic activities, that are relevant to OX2 are:

- D35.11 Production of electricity
- F42.22 Construction of utility projects for electricity and telecommunications

In line with OX2's business model, sales are generated partly from the development phase, partly from the construction phase and partly from the subsequent management and operation phase. Sales can also be generated from the sale of electricity during the trial period.

The introduction to "Section F – Construction", which contains F42.2.2, the NACE code connected with activities 4.1 and 4.3, states "This section also includes the development of building projects for buildings or civil engineering works by bringing together financial, technical and physical means to realise the construction projects for later sale".

OX2 considers that the development phase of a project should be deemed a process that cannot be separated out independently. Sales from this phase should therefore be deemed as integrated in the taxonomy as other phases.

All OX2's sales are therefore considered to be taxonomy-eligible.

## CAPEX and OPEX

OX2 capitalises its expenses during the project's development and classifies these as current assets. As the taxonomy

only covers non-current assets, this means for OX2 that both investments and operating expenses relating to current and future sales-generating activities are non-eligible.

### THE EU TAXONOMY

The EU taxonomy is a common classification system, establishing a list of environmentally sustainable economic activities. The taxonomy is an important tool for achieving the EU's climate targets and objectives within the EU's green growth strategy, the Green Deal. OX2 is reporting for the first time how the company's activities are classified according to the taxonomy.

The EU taxonomy defines whether an economic activity carried out by the company can be classified as environmentally sustainable. In order to qualify as environmentally sustainable, an activity must make a substantial contribution to one or more of the six environmental objectives, must do no significant harm to any of the other environmental objec-

tives and must meet certain minimum sustainability requirements. As yet, criteria and thresholds have only been established for the first two environmental objectives. Criteria for the four other environmental objectives will be defined over the coming year.

### Environmental objectives

The EU taxonomy establishes six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

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# Risks and risk management

OX2 integrates risk management in its business model. By working proactively and systematically, the company is able to prevent, manage and exploit opportunities to deliver on OX2's strategy and objectives.

OX2 manages risk systematically at both project and company level. Project risks are strongly linked to business opportunities and both OX2's project team and management team work continuously and with great dedication on issues related to project risks such as permits, electricity prices and safety. OX2's project management model is one of the tools that strengthens systematic risk management and creates awareness of the controls the company puts in place to prevent and manage risks. In addition, OX2 conducts an annual review of its business risks. This includes mapping existing risks, identifying and managing potential new risks, and evaluating the status of risk management measures.

The review, which is presented to the Board, ranks different types of business risks. The adequacy and effectiveness of the risk management and mitigation measures are assessed for each of the most significant risks. The overall aim is to ensure that risks are managed systematically and as effectively as possible, and that OX2 sets the right priorities to achieve its goals and

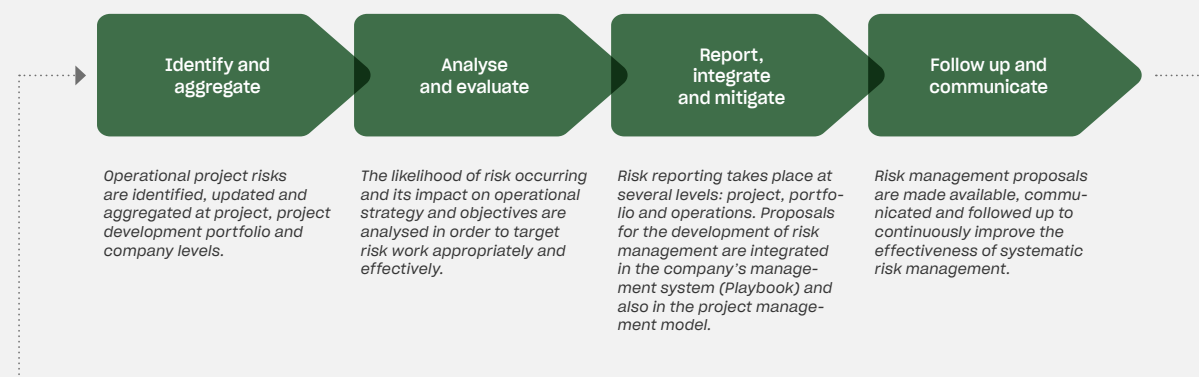
### OX2's ERM framework

Continuous project risk management is supported by OX2's ERM, Enterprise Risk Management, framework, which aims to create an aggregated analysis of the company's risks and to systematise the continuous work. The management team and the Board are involved in the annual risk analysis at company level and

through representation in the project management process, in which project risks are continuously assessed and managed.

The corporate culture encourages employees to share lessons learned and to contribute to continuous enhancement of the operational efficiency. OX2's management system (Playbook) aims to continuously inte-

grate the proposals improving the work within quality and risk management. In 2022, OX2 will implement system support that will further strengthen the company's ability to aggregate and analyse risks at project, project development portfolio and company levels.



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ambitions. The OX2 management team has ultimate responsibility for risk management and the implementation of risk management measures.

### Risk management

OX2's main activities, including ongoing risk management, are conducted within the project-centred organization, which has several parallel teams and projects running in different markets at the same time. Risk management is an integral part of decision-making at all levels within OX2. Project management, monitoring and follow-up procedures are designed to optimize the project values and reduce business and implementation risks. A common approach is essential to ensure high quality and results in all projects, for which OX2's project management model provides the framework. The overall aim is to ensure that risks are managed systematically and as effectively as possible, and that OX2 sets the right priorities to achieve its goals. Another important aspect is that, as a result of evaluations of completed projects, the company regularly shares lessons learned and best practices across departments.

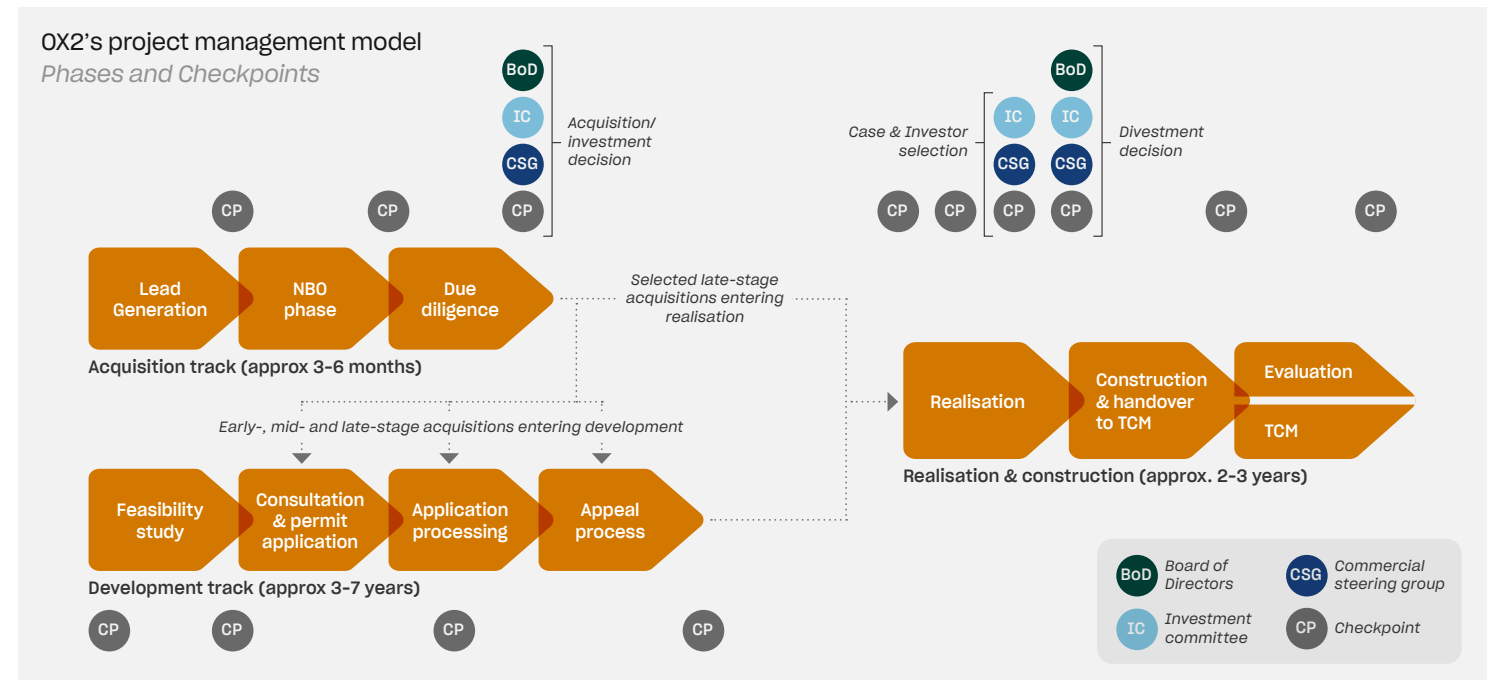
### OX2's project management model

Within OX2, it is the Commercial Steering Group (CSG), consisting of the CEO and CFO, which makes decisions on new project investments within the mandate of the steering group. Within the Board there is an Investment Committee which manages investments outside the CSG's decision-making mandate but within the scope of the investment volume decided by the Board. For project investments exceeding SEK 100 million, the Board is the decision-making

body. OX2 has an established process for identifying new project opportunities, both for its own development and for investment in the project development portfolio. The process includes a number of defined checkpoints that precede each approval/decision, creating the conditions for a balanced trade-off between business opportunity and risk exposure.

OX2 applies the COSO framework for internal governance and control for financial reporting and monitoring of

operations. The annual review assesses the company's control environment, risk assessment framework, the control activities in place and their compliance and effectiveness. The results of the activities and controls carried out are communicated on an ongoing basis during the year to the relevant parts of the business, company management, the Audit Committee and the Board.



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Business risks fall into four categories: strategic and market, operational, financial and regulatory. The table below lists the risks identified as most significant for OX2, divided into distinct, but overlapping, risk categories, as a risk may fall into more than one category. The evaluation and impact illustrate the company's assessment of the risks without taking into account countervailing factors.

	Risk	Impact	Management
	<b>Strategic and market risks</b>		
	<i>Risk that OX2 will not be able to meet its long-term objectives and implement its strategy</i>		
1	Reduced supply and increased prices of project rights	A reduced supply of project rights on the market may lead to rising prices for the purchase of projects under development.	OX2 maintains a continuous dialogue with developers about project rights. Exposure to risk is reduced with a strong position in the value chain, increased geographical expansion and an increase in the company's investment in its own development.
2	More limited electricity grid access	Slow grid development affects the ability to connect wind or solar farms to the grid. This could potentially make it impossible to establish a farm until the electricity grid is in place, even if other permits have been obtained, and lead to the realisation of fewer projects.	All projects developed by the company have a plan for connecting the farm to the grid. OX2 works with raising awareness amongst public authorities and grid owners to accelerate the expansion and reinforcement of the electricity grid.
3	Increased competition	New operators or the movement of existing operators in the value chain may change the competitive environment. Increased consolidation of turbine suppliers may also affect OX2.	OX2 works to achieve local acceptance and presence, requiring time and specialist competence. This in turn creates strong barriers to entry for new operators. OX2 actively develops its strategic purchasing by strengthening supplier relationships and combining several farms in major procurements.
4	The business model becomes less competitive	An overall risk of the current business model becoming less competitive, for example reduced ability to develop and sell projects at the desired margin given the position in the value chain, potentially affecting long-term profitability across geographical areas and technologies.	OX2 actively spreads its risks by diversifying across projects, geographical areas and technologies. In addition, OX2 continuously evaluates the competitiveness of its business model and proactively adapts accordingly.
5	More demanding authorization process	Laws and regulations govern the authorization process for the establishment of wind and solar farms. A more demanding process affects the timing of projects, the likelihood of obtaining permits, and the need for expertise on the consideration of applications for permits. In the long run, this leads to higher project costs.	OX2 works to raise awareness among public authorities and legislators of the impact of increased complexity in the authorization process. In addition, there is ongoing skills development in this area.
6	Deterioration in the macroeconomic situation	The renewable energy sector is dependent on the political and economic situation in the world and is therefore influenced by factors such as the economic cycle, interest rates, electricity prices and exchange rates. A change in macroeconomic conditions may affect the willingness to invest in infrastructure projects and renewable energy. Reduced availability of capital may make it more difficult to divest projects. An increase in interest rates would make customer financing more expensive.  <i>The dramatically worsened geopolitical uncertainty connected to the Russian invasion of Ukraine may increase the risk for project construction delays and consequently increase challenges with delivering according to contracts.</i>	OX2's size in existing markets, strong market presence and continuous build-up of experience create in-depth understanding of the industry ecosystem and thus the ability to adapt to different market conditions. OX2's strategy includes deliberate diversification in terms of both technology and geography, which entails a deliberate spread of risk.  <i>OX2 develops risk management routines and processes in connection with project execution. Routines and processes are revisited due to the invasion of Ukraine. Among other, to secure that OXq does not have any business activity with other legal entities from Russia or Belarus.</i>

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Risk	Impact	Management
7 Electricity price volatility	The expected future price of electricity is one of the most important parameters in OX2's customers' investment calculations. However, OX2's investment calculations for acquisitions are affected accordingly, i.e. the market price of assets acquired by OX2 increases in value when electricity prices rise. Other things being equal, OX2's profitability correlates positively to a higher expected future electricity price.	OX2's business model of increased geographical diversification mitigates dependence on individual movements in the electricity price market.
<b>Operational risks</b>		
<i>The risk that OX2 is unable to realise its business plan, short-term objectives and/or resource efficiency</i>		
8 Impact of pandemics	The effects of pandemics, including both restrictions and disease, affect OX2's markets, primarily in terms of delays in construction and to some extent delays in the project development process, for example court proceedings. The impact of a pandemic is considered to be limited for OX2.	OX2 works proactively to prevent, detect and manage the risk of pandemic outbreaks on construction sites and in offices.
9 Rising prices	Rising prices, for example, for turbines and modules, including underlying raw materials lead to lower margins and reduced profitability in all geographical areas.	OX2 applies a wide range of commercial and strategic levers across its supplier base to increase competitive pressure and reduce risk.
10 Lack of skills and ability to retain key staff	OX2 is a knowledge organization and dependent on its ability to attract new employees and develop skilled and committed employee. An inability to recruit, develop, engage and retain skilled employees would be a significant impediment to OX2's operations.	OX2 strives for a corporate culture based on a common set of values and leadership philosophy. A central element of the leadership philosophy is self-leadership. In the event of expansion, cultural and leadership integration is a priority. OX2 works continuously to monitor skills needs and develop its skills development strategy. With increased opportunities to work digitally, OX2 also has greater opportunities to recruit from the global skills market.
11 Health and safety	There are a large number of risks in the wind energy sector. OX2's employees, consultants and contractors may be involved in accidents in project/operating activities, and long journeys to and from projects are risks that the company works proactively to prevent. The primary concern is for no one to be injured in an OX2 workplace. Accidents due to health and safety failures may lead to prosecution, penalties and damage to brand confidence.	OX2 works to ensure a high level of awareness of health and safety among both employees and stakeholders throughout the value chain. Reported risks and nonconformities are analysed and addressed in order to improve injury prevention. Creating a collaborative approach to safety issues in project activities and operations is key to creating a high safety culture. Requirements for contractors' health and safety work are contained in contracts and followed up in internal audits and meetings.
12 Delays in construction processes	The construction process for wind power infrastructure is not entirely predictable and a variety of factors may affect the timing and implementation and lead to higher project costs.	In all construction projects, OX2 has a project organization in place to monitor the work. Suppliers are well-known and reputable with experience in their respective areas of responsibility. A very high percentage of works carried out are contracted before the start of construction. Completion schedules include some time margin. Agreements in place ensure that an acceptable level of risk is established for OX2.

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Risk	Impact	Management
13 Breaches of business integrity, ethics and sustainability	A crucial part of OX2's success depends on its ability to maintain, market and expand its business and reputation. Widespread negative publicity may lead to a damaged reputation and loss of trust as a responsible company. It may also lead to fines and penalties. In addition, it may lead to a reduced ability to deliver OX2's services and an inability to complete project commitments.	OX2's Code of Conduct, Anti-Corruption Policy, Supplier Code of Conduct and values provide guidance to employees on ethical conduct. The Code of Conduct is part of each employee's employment contract and a background check is carried out on prospective partners for project development. OX2 has established a whistleblowing channel in which employees are given the opportunity to anonymously report suspected violations of the company's Code of Conduct.
14 Risk of incorrect assessment in connection with investments in the project development portfolio	The risk of OX2 making unprofitable and unsound investments in projects, for example acquisitions or projects under development. This may, in turn, lead to lower profits, for example through impairment.	A clearly defined, constantly evolving governance model with standardized milestones both for acquisitions and investment in existing development projects combined with continuous development of associated templates and the sharing of best practice between teams enables the best possible assessment for each complex investment decision.
15 IT security/environment	Cyber attacks, IT system failures including indirectly via suppliers may cause disruption to OX2's operations through communication interruptions, inefficiency or other malfunctions. A IT failure would have an impact on OX2's business and earnings. OX2 is primarily exposed to cybersecurity risks through sales and supply chain communication and in relation to customers and the network connections that OX2 manages for its customers.	OX2's information security framework consists of policies, guidelines and instructions and provides a framework for effectively managing information security in accordance with business requirements and relevant legislation and regulations. The framework ensures that OX2 has a systematic, risk-based approach to information security. Security is an integral part of OX2's overall work, ensuring that the confidentiality, integrity, availability and traceability of information assets are protected. Information security is ensured in networks, products and systems throughout their respective lifecycles. OX2 works continuously to increase the security awareness of all employees. OX2's security framework and work are based on ISO/IEC 27001:2017.
16 Expansion-related impact on culture, leadership and skills needs	In the case of rapid expansion, in new markets and with new technologies, difficulties may arise in holding together the corporate culture and leadership philosophy.  Expansion into new markets and with new technologies, also creates the need for new expertise and leadership skills.	OX2 sees its culture as an asset and works continuously to offer its employees a sustainable, rewarding workplace with room for personal development, self-leadership and mindfulness training. The cultural risk of expansion was identified in 2020 and the focus from management and leaders is to integrate and learn from new markets. The values set just before the 2020 Covid-19 pandemic are communicated and used extensively internally, reflecting a high level of cultural cohesion that enhances learning and collaboration for further expansion.
17 Negative impact due to performance-related counterparty risks in relation to suppliers and subcontractors	A risk of supplies from suppliers and subcontractors not meeting OX2's requirements and expectations, affecting OX2's ability to meet its commitments.	A robust procurement process, including review of suppliers' previous experience, especially for suppliers with which OX2 has limited experience. Contractual frameworks with both customers and suppliers to limit OX2's exposure.
18 Risks related to the operation and maintenance of wind and solar power plants	A lack of experienced staff needed to successfully deliver operations and maintenance services. Workplace accidents due to workplace safety deficiencies may lead to temporary or permanent loss of skills and reputational damage could negatively affect the business.	Policies and principles in place to ensure compliance with applicable workplace safety regulations within each project by both employees and contractors and suppliers. In addition, OX2 works actively to identify and retain qualified staff.
19 Negative impact on biodiversity	The establishment of solar and wind farms has a negative local impact mainly from land use change with loss and degradation of nature and habitats. This may, in turn, lead to a general decline in the acceptance of wind and solar projects.	OX2 has drawn up a strategy for increased biodiversity. The goal of the strategy is for OX2's projects to have a net positive impact on natural capital by 2030. This means that where OX2 establishes wind and solar power, there will be higher natural values than if OX2 had not done so.



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Risk	Impact	Management
<b>Financial risks</b>		
<i>Threats to OX2's financial position and/or assets</i>		
20	Risks related to guarantees and commitments made to investors, counterparty risks	Sanctions or legal proceedings for failing to meet payment and performance commitments to investors, affecting reputation and profit.
21	Interest rate risk	Interest rate risk refers to the risk of changes in interest rates adversely affecting OX2. Both OX2 and its customers make use of external financing. This type of financing means that OX2 is directly and indirectly (through its customers) exposed to fluctuations and variations in interest rates. Large increases in interest rates may mean an increase in interest expenses, which may, in turn, affect OX2's operations, earnings and financial position negatively.
22	Lack of insurance cover	Significant losses not covered by or exceeding OX2's insurance policies.
23	Financial counterparty risks	The risk of suppliers and subcontractors being unable to meet their commitments to OX2, for example due to financial difficulties, potentially affecting OX2's ability to meet its own commitments in turn.
24	Liquidity and refinancing risk	Liquidity and refinancing risk refers to the risk of OX2 being unable to meet its payment obligations due to insufficient liquidity or difficulties raising new loans.
25	Currency risks, EUR	With wind and solar power projects in Sweden, Finland, Poland, France, Lithuania, Norway, Italy, Spain and Romania, OX2 has a global supplier and customer base. Consequently, OX2's operations are exposed to currency risks, mainly in EUR.
26	Credit risk	OX2 is subject to credit risk in relation to its counterparties. The failure of customers, suppliers or other counterparties to perform their contractual obligations or their bankruptcy may affect OX2's ability to perform its contractual obligations, which may in turn affect OX2's financial position and earnings.



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Risk	Impact	Management	
<b>Legal risks</b>			
<i>Risks related to regulatory changes and non-compliance with rules and regulations</i>			
27	Geopolitical conditions, political decisions, changes in government support systems	Geopolitical conflicts, political uncertainties and changes in government support systems may affect demand for infrastructure and renewable energy investments.	OX2's strategy includes deliberate diversification in terms of both technology and geography, which entails a deliberate spread of risk. Macroeconomic changes and their impact on the business are continuously evaluated in the company's systematic risk management work.
28	Regulatory compliance risks	The development and production of renewable energy are subject to extensive regulation and require permits, at both regional and national levels. Changes in the regulatory environment may limit or prevent OX2's ability to operate profitably or enter new markets. Non-compliance with laws, regulations and contracts may lead to increased operating expenses.	OX2 ensures access to legal advisers when entering new markets, when acquiring projects, during the development process and when selling.
29	Environmental risks	During the construction phase, OX2 works with subcontractors. In this phase, operations are at risk of environmental accidents, which may in turn lead to fines, prosecution or loss of permits.	The company takes a systematic approach to environmental risks in projects. The aim is to avoid serious environmental accidents. Everyone working on construction sites is briefed on the rules at the specific site, and on general rules to avoid environmental emissions and discharges. The company also carries out internal audits to ensure that environmental objectives are met.
30	Human rights violations	During the purchasing and construction phase, OX2 works with subcontractors. In this phase, there may be a risk of human rights violations such as unfair working conditions, modern slavery and child labour. This risk is particularly relevant when purchasing modules for solar farms.	OX2 supports recognized global human rights and fair working conditions for those working at OX2 sites and construction sites or in the supply chain. OX2 has zero tolerance for child labour, forced labour and human trafficking. Human rights are part of OX2's Code of Conduct and Supplier Code of Conduct. Reported nonconformities may have consequences such as penalties and termination of contracts.
31	Contract terms with landowners	Inadequate contracts with landowners may increase the risk of the need for renegotiation or equivalent, leading to unfavourable consequences for OX2.	OX2 ensures that the contracts have undergone legal review and develop them over time.
32	Tax risks	OX2 operates in several countries in Europe and is therefore subject to local tax regulations in a number of jurisdictions. Given the complexity of tax legislation, there is a certain risk related to uncertainties and ambiguities in the interpretation of tax legislation. This may involve the risk of tax proceedings and tax adjustments.	OX2 has a tax policy that is reviewed annually by the Board of Directors, as well as numerous instructions, guidelines and controls. OX2 has a tax department that proactively participates in acquisition and sales processes and when entering new markets. Regular training sessions are held for the organization to ensure proper fiscal management. External tax advisers are engaged for ongoing tax issues and for tax reporting in countries outside Sweden.

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# Corporate Governance Report

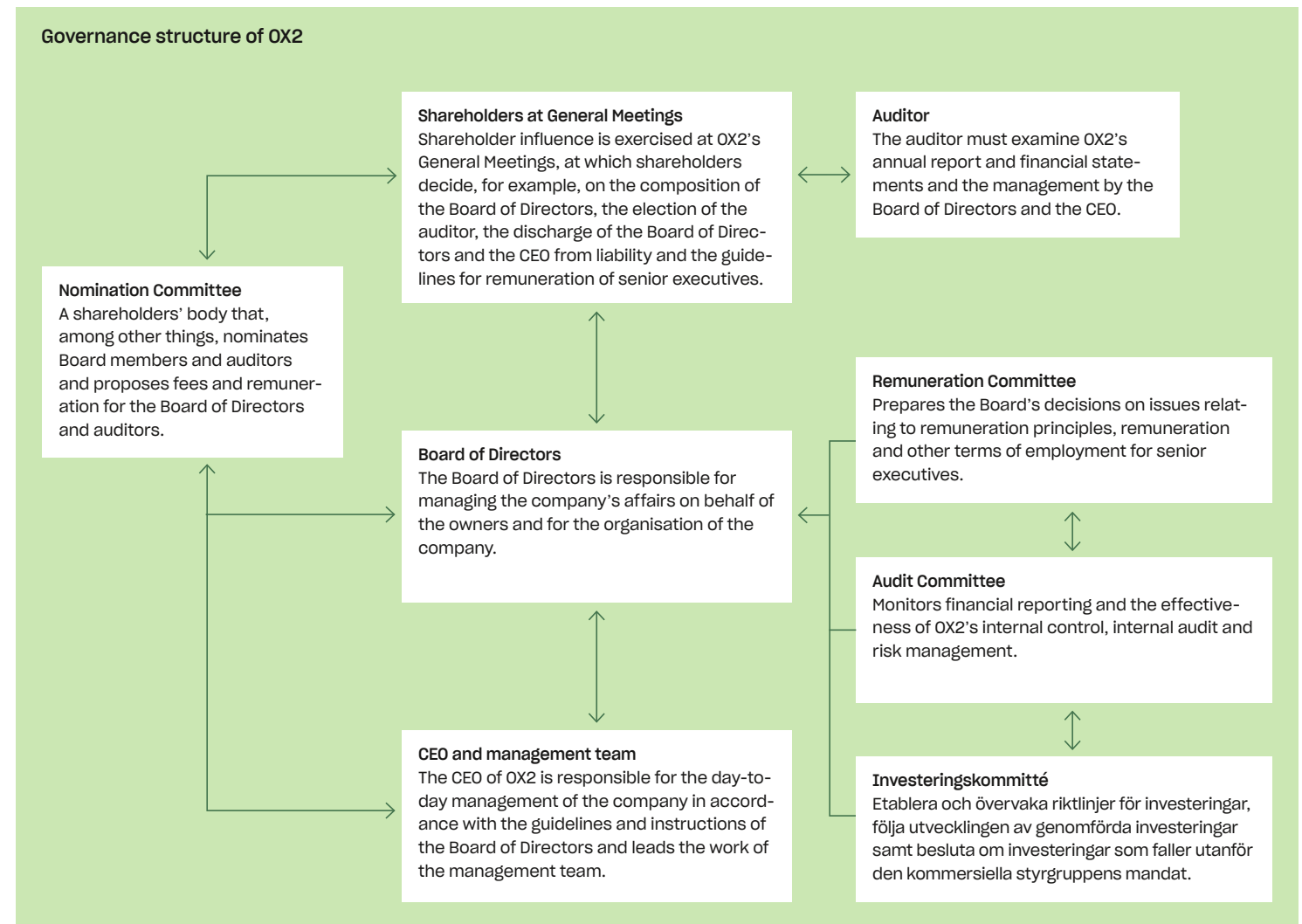
The Board of Directors of OX2 AB (publ) ('OX2') adopted this Corporate Governance Report at its meeting on 25 March 2022. The Corporate Governance Report has been prepared in accordance with the Swedish Corporate Governance Code (the 'Code') and the Annual Accounts Act (although it is not a formal requirement for the company to present a Corporate Governance Report under this Act) and has been reviewed by the Company's auditor.

The Corporate Governance Report provides an overview of OX2's corporate governance system and includes the Board's description of the system for internal control and risk management as it relates to financial reporting.

### Swedish Corporate Governance Code

On 23 June 2021, OX2 was listed on Nasdaq First North Premier Growth Market. Nasdaq First North Premier Growth Market requires companies listed there to apply the Code. For this reason, OX2 has applied the Code as far as possible since the shares were admitted for trading. The Code is available at [www.bolagsstyrning.se](http://www.bolagsstyrning.se).

The purpose of the Code is to provide a framework for self-regulation within the Swedish business community. The



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Code is based on the 'comply or explain' model, which means that a company applying the Code does not have to comply with every rule of the Code at all times. If the company finds that a particular rule is not appropriate to its particular circumstances, it may choose a solution other than the one prescribed by the Code and disclose this in its corporate governance report, along with the solution it has chosen instead and the reasons for this.

In the opinion of the Board, OX2 has complied with the Code in all respects since the company has been listed on Nasdaq First North Growth Market Premier.

### Compliance with applicable regulations

OX2 has not at any time been guilty of violations of applicable stock exchange rules or of good stock market practice, and has not been reported by Nasdaq Stockholm's Disciplinary Committee or by the Stock Market Committee.

### Shares and shareholders

OX2 is a CSD-registered company, which means that the company's share register is maintained by Euroclear Sweden AB.

The share capital of OX2 as at 31 December 2021 amounted to SEK 545,035.172 spread over 272,517,586 shares, each with a quota value of SEK 0.002.

According to the Articles of Association, the company's share capital must be minimum SEK 500,000 and maximum SEK 2,000,000, spread over minimum 250,000,000 and maximum 1,000,000,000 shares. According to its Articles of Association, the company may issue shares of a single class.

More information about the company's shares and its shareholders can be found on pages 20–21.

### Corporate governance structure

Within OX2, governance and control are shared between the shareholders at general meetings and the Board of Directors, the CEO and other members of management. The Companies Act, the Articles of Association and internal instructions and guidelines adopted by OX2 govern the allocation of tasks. The Rules of Procedure of the Board of Directors and the CEO's Instructions from the Board are examples of internal instructions and guidelines. OX2's Articles of Association can be downloaded from the company's website at [www.ox2.com](http://www.ox2.com).

Shareholder influence is exercised at OX2's General Meetings, at which shareholders decide, for example, on the composition of the Board of Directors, the election of the auditor, the discharge of the Board of Directors and the CEO from liability and the guidelines for remuneration of senior executives.

The Nomination Committee, which is appointed in accordance with the principles laid down by the Annual General Meeting, submits proposals to the next Annual General Meeting concerning matters such as the election of Board members, the Chair of the Board and the auditor, decisions on the remuneration of the Board and the auditor.

The Board of Directors is ultimately responsible for the organisation and management of OX2's activities. The tasks of the Board are partly prepared by the company's management team.

The CEO of OX2 is appointed by the Board of Directors. The CEO manages the day-to-day operations of the Group in accordance with the Board's guidelines and instructions.

### General Meeting

#### General

OX2's highest decision-making body is the General Meeting. The Annual General Meeting is held annually within six months of the end of the financial year. At the Annual General Meeting, the balance sheet and income statement and the consolidated balance sheet and income statement are presented and decisions are made on business such as appropriation of the company's profit, adoption of the balance sheet and income statement and the consolidated balance sheet and income statement, election and remuneration of directors

and auditors and other business that is the statutory responsibility of the Annual General Meeting. Notice of a General Meeting is published in Post-och Inrikes Tidningar and on the company's website. The fact that notice of the meeting has been given is announced in Svenska Dagbladet.

In addition to the above business, shareholders have the opportunity to have other business discussed at the General Meeting. However, a shareholder who wishes to have a particular matter discussed at the meeting must submit a request to the Board of Directors in good time before the meeting at the address shown on the company's website at [www.ox2.com](http://www.ox2.com).

At a General Meeting, all shareholders have the opportunity to exercise the influence over the company that their respective shareholdings represent. At OX2, there are no restrictions on the exercise of voting rights and shareholders may therefore vote for their full holding. Shareholders' rights may only be changed by a General Meeting by law.

Decisions at a General Meeting are normally made by simple majority and, for elections, the person who has received the most votes is deemed to have been elected. However, certain decisions, such as amendments to the Articles of Association or a share issue that does not offer shareholders preferential rights, require a qualified majority.

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The company has not considered it justified, for example, to simultaneously interpret the General Meeting or to translate presentations into another language, taking into account the shareholder base.

### *Extraordinary General Meeting on 25 March 2021*

On 25 March 2021, OX2 held an Extraordinary General Meeting at the company's premises in Stockholm. All shares in the company were represented at the meeting. The Extraordinary General Meeting adopted new Articles of Association and elected Malin Persson as a member of the Board.

### *Extraordinary General Meeting on 7 April 2021*

On 7 April 2021, OX2 held an Extraordinary General Meeting at the company's premises in Stockholm. All shares in the company were represented at the meeting. The Extraordinary General Meeting elected Ann Grevelius as a member of the Board.

### *Annual General Meeting on 5 May 2021*

On 5 May 2021, OX2 held its Annual General Meeting at the company's premises in Stockholm. All shares in the company were represented at the meeting. The Annual General Meeting decided:

- to adopt the income statement and balance sheet as set out in the annual report for the 2020 financial year;
- to carry profit forward;
- to discharge the members of the Board of Directors and the CEO from liability in respect of management of the company for the preceding financial year;
- that the remuneration of the Board of Directors for the period until the next Annual General Meeting would be as follows: SEK 300,000 to each of the Board members except Petter Samlin, SEK 150,000 to the Chair of the Audit Committee, Jan Frykhammar, and SEK 100,000 to the other member of the Audit Committee, Anna-Karin Eliasson Celsing, SEK 100,000 to the Chair of the Investment Committee, Johan Ihrfelt, and SEK 75,000 to the member of the Investment Committee, Thomas von Otter, and SEK 75,000 to the Chair of the Remuneration Committee, Johan Ihrfelt;
- on guidelines for remuneration of senior executives;
- on the principles for the appointment of the Nomination Committee;
- to amend the Articles of Association;
- to carry out a bonus issue; and
- to change the category of company from private to public limited company.

### *Extraordinary General Meeting on 27 May 2021*

On 27 May 2021, OX2 held an Extraordinary General Meeting at the company's premises in Stockholm. All shares in the company were represented at the meeting. The Extraordinary General Meeting decided that no Board fee would be paid to Petter Samlin.

### *Extraordinary General Meeting on 23 June 2021*

On 23 June 2021, OX2 held an Extraordinary General Meeting at the company's premises in Stockholm. All shares in the company were represented at the meeting. The Extraordinary General Meeting decided on a new issue of shares.

## **Nomination Committee**

### *Tasks*

The Nomination Committee must perform the duties set forth in the Code and must, where applicable, present proposals at a future General Meeting regarding:

- election of the chair of the meeting,
- the number of Board members elected by the General Meeting,
- election of the chair and Board members,
- the fees and other remuneration of elected Board members and of the members of the committees of the Board of Directors,

- election of the auditor(s),
- remuneration of the auditor(s),
- principles for the composition of the Nomination Committee, and
- any amendments to the instructions to the Nomination Committee.

In addition, the Nomination Committee must, prior to each Annual General Meeting, consider whether the Nomination Committee finds it necessary to propose amendments to the Instructions to the Nomination Committee (adopted by the 2021 Annual General Meeting) and, if so, submit proposals for decisions regarding such amendments to the Annual General Meeting.

### *Composition*

The 2021 Annual General Meeting decided on the following principles for the appointment of the Nomination Committee. The Nomination Committee prior to the Annual General Meeting must consist of (i) representatives of the three largest shareholders in terms of votes according to the share register kept by Euroclear Sweden on the last business day of August each year and (ii) the Chair of the Board of Directors of OX2, who must convene the Nomination Committee for its first meeting. The Nomination Committee must meet the composition requirements set out in the Code. The first choice of a major shareholder will take precedence over that of

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a minor shareholder if the major shareholder entitled to appoint members of the Nomination Committee wishes to appoint persons who would result in the composition requirements under the Code not being met. When appointing a new member, the shareholder who is to appoint the new member must take into account the composition of the existing Nomination Committee.

If any of the three largest shareholders waives their right to appoint a member of the Nomination Committee, the right will pass to the next shareholder in line who does not already have the right to appoint a member of the Nomination Committee. However, the

procedure will only continue until the earlier of (i) five additional shareholders have been consulted, or (ii) the Nomination Committee is complete. If additional shareholders have been consulted in accordance with (i) of the preceding sentence and all shareholders who have been consulted have waived their right to appoint a member of the Nomination Committee, the nomination will be deemed to be complete (and if the requirements set out in the Code are not met at such time, any non-conformities in this respect must be explained).

The names of the members and the shareholders they represent must

normally be published on the OX2 website at least six months before the Annual General Meeting. At its first meeting, the Nomination Committee must elect its chair from among its members. The term of office of the Nomination Committee will be until a new Nomination Committee has been appointed. Changes to the composition of the Nomination Committee must be published on the OX2 website as soon as they have been made.

If a change is made to OX2's ownership structure after the last trading day of August, but before the date that is three months before the next Annual General Meeting, and if a shareholder

who, after this change, has become one of the three largest registered shareholders of OX2 in terms of voting rights requests the Chair of the Nomination Committee to be included in the Nomination Committee, the shareholder will be entitled, at the discretion of the Nomination Committee, to either appoint an additional member of the Nomination Committee or appoint a member to replace the member appointed by the shareholder whose voting power is less after the change in ownership structure.

A shareholder who has appointed a member of the Nomination Committee has the right to dismiss the member and appoint a new member. In the event of such a change, the shareholder must notify the Chair of the Nomination Committee (or, if it is the Chair of the Nomination Committee who is to be replaced, the Chair of the Board) without delay. The notification must include the names of the member who has been dismissed and of the person who will replace them as a member of the Nomination Committee.

A member who resigns prematurely must notify the Chair of the Nomination Committee (or, if it is the Chair of the Nomination Committee who is resigning, the Chair of the Board). In such case, the Nomination Committee must imme-

Member	Board member of OX2 since	Remuneration (SEK) (as decided by the 2021 Annual General Meeting)	Board of Directors (23 meetings incl. inaugural)	Audit Committee 2021 (6 meetings)	Remuneration Committee 2021 (7 meetings)	Investment Committee 2021 (14 meetings)
Johan Ihrfelt	2006, founder and active in OX2 since 2004	300,000 <sup>1)</sup>	24	-	7	14
Thomas von Otter	2005, founder and active in OX2 since 2004	300,000 <sup>2)</sup>	24	-	-	14
Anna-Karin Eliasson Celsing	2019, active in OX2 since 2009	300,000 <sup>3)</sup>	24	6	-	-
Niklas Midby	2019, active in OX2 since 2012	300,000	24	-	-	-
Petter Samlin	2020	-	24	-	7	14
Jan Frykhammar	2020	300,000 <sup>4)</sup>	24	6	-	-
Malin Persson	2021	300,000	21	-	-	-
Ann Grevelius	2021	300,000	20	-	-	-

<sup>1)</sup> In addition, SEK 75,000 in remuneration for the position of Chair of the Remuneration Committee and SEK 100,000 in remuneration for the position of Chair of the Investment Committee.

<sup>2)</sup> In addition, SEK 75,000 in remuneration for the position of member of the Investment Committee.

<sup>3)</sup> In addition, SEK 100,000 in remuneration for the position of member of the Audit Committee.

<sup>4)</sup> In addition, SEK 150,000 in remuneration for the position of Chair of the Audit Committee.



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diately request the shareholder who appointed the member to appoint a new member. If a new member is not appointed by the shareholder, the Nomination Committee must offer other shareholders with a large number of votes the opportunity to appoint a member of the Nomination Committee. Such offer must be made in order of priority to the largest shareholders in terms of voting rights (i.e. first to the largest shareholder in terms of voting rights who has not already appointed a member of the Nomination Committee or previously waived such right, then to the second largest shareholder in terms of voting rights who has not already appointed a member of the Nomination Committee or previously waived such right, etc.). The procedure will continue until the earlier of (i) five additional shareholders have been consulted, or (ii) the Nomination Committee is complete. If additional shareholders have been consulted in accordance with (i) of the preceding sentence and all shareholders who have been consulted have waived their right to appoint a member of the Nomination Committee, the nomination will be deemed to be complete (and if the requirements set out in the Code are not met at such time, any nonconformities in this respect must be explained).

Peas Industries AB, Altor and Handelsbanken Fonder have nominated the

following persons to be members of the Nomination Committee prior to the 2022 Annual General Meeting:

- Johan Wieslander (Chair), appointed by Peas Industries,
- Øistein Widding, appointed by Altor, and
- Jesper Bergström, appointed by Handelsbanken Fonder.

In addition, the Chair of the Board of Directors of OX2, Johan Ihrfelt, is a member of the Nomination Committee.

According to the share register maintained by Euroclear Sweden, the shareholders who have appointed members of the Nomination Committee represented approximately 71% of the shares and votes in the company on the last business day of August 2021.

### Board of Directors

#### Tasks

The Board of Directors is responsible for managing the company's affairs on behalf of the owners and for the organisation of the company. The Chair of the Board of Directors leads the work of the Board of Directors. The Board of Directors must hold an annual inaugural meeting immediately after the Annual General Meeting. In addition, at least five Board meetings must be held each year. The tasks at the inaugural meeting of the Board of Directors include appointing the Chair of the Board

(if not already appointed by the Annual General Meeting) and determining the company's signatory, the rules of procedure of the Board of Directors, the instructions for the CEO, the instructions for financial reporting and other internal instructions and guidelines. The business discussed at the company's Board meetings includes the company's financial situation and, if necessary, the status and development of the project portfolio. The company's auditor attends and reports to Board meetings as required. The Board is quorate when more than half of the members of the Board are present.

Each year, the Board establishes rules of procedure for its work. The rules of procedure describe the tasks of the Board, the Chair and the Board committees and stipulate the division of responsibilities between the Board and the CEO. The rules of procedure also contain provisions on the number of Board meetings, agendas for Board meetings and other guidelines for decision-making and the company's audit and financial reporting. The rules of procedure also describe the Audit Committee, the Remuneration Committee and the Investment Committee and the tasks and instructions incumbent on each committee.

The Board meets according to a predetermined annual schedule. In addition to ordinary Board meetings,

additional Board meetings may be convened if the Chair of the Board deems it necessary or if a Board member or the CEO so requests.

#### Composition

According to OX2's Articles of Association, the Board of Directors must consist of at least three and no more than ten members. On 31 December 2021, the Board of Directors consisted of eight members elected for the period until the end of the 2022 Annual General Meeting.

OX2's Board of Directors in 2021 initially consisted of the six members elected by the Annual General Meeting (Johan Ihrfelt, Thomas von Otter, Anna-Karin Eliasson Celsing, Niklas Midby, Petter Samlin and Jan Frykhammar). Malin Persson was subsequently elected as a new member of the Board at the Extraordinary General Meeting on 25 March 2021 and Ann Grevelius as a member of the Board at the Extraordinary General Meeting on 7 April 2021. The Annual General Meeting on 5 May 2021 re-elected Johan Ihrfelt, Thomas von Otter, Anna-Karin Eliasson Celsing, Niklas Midby, Petter Samlin, Jan Frykhammar, Malin Persson and Ann Grevelius as members of the Board until the end of the 2022 Annual General Meeting.

Pages 70–72 show the year of birth of each Board member, their main educa-



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tion and work experience, positions held in the company and other significant positions, and their own or related natural or legal persons' holdings of shares and other financial instruments in the company.

In 2021, 23 Board meetings were held. The table below shows the remuneration of the members of the Board of Directors (as decided by the 2021 Annual General Meeting) and their attendance at Board meetings and meetings of the three Board committees, the Audit Committee, the Remuneration Committee and the Investment Committee.

### *Independence requirements*

Johan Ihrfelt and Thomas von Otter are not independent of the company, its management or its major shareholders. Anna-Karin Eliasson Celsing and Petter Samlin are not independent of the company's major shareholders. In this context, major shareholders are owners who directly or indirectly control 10% or more of the shares or votes in the company.

### *Work of the Board in 2021*

The work of the Board is conducted primarily at formal Board meetings. In addition, regular contact is maintained between the company's CEO, the Chair of the Board of Directors and the management team to ensure that the Board of Directors receives adequate informa-

tion and decision support for its work and that the Board's decisions are implemented.

During 2021, the Board worked on the development of OX2's project portfolio and OX2's growth. During 2021, the Board also worked on the listing of OX2's shares on Nasdaq First North Growth Market Premier. The listing of OX2's shares was completed on 3 June 2021.

### *Board evaluation*

An evaluation of the Board's work took place in the winter of 2022. Members were offered the opportunity to give their views on working methods, Board materials, their own and other members' contributions and the scope of their tasks. According to the evaluation, the Board was deemed to be functioning very well.

### *Board committees*

To enhance the efficiency of the Board's work, the Board has established a Remuneration Committee, an Audit Committee and an Investment Committee. The attendance of each member at committee meetings is shown in the table above.

### *Remuneration Committee*

The Board established the Remuneration Committee at the inaugural Board meeting on 5 May 2021. It has since consisted of two members: Johan

Ihrfelt (Chair) and Petter Samlin. According to the Code, the Chair of the Board may be the Chair of the Remuneration Committee, but the other members of the Remuneration Committee must be independent of OX2 and its senior executives. Petter Samlin is independent of OX2 and its senior executives.

The main tasks of the Remuneration Committee are to:

- prepare the Board's decisions on issues relating to remuneration principles, remuneration and other terms of employment for senior executives,
- monitor and evaluate ongoing variable remuneration programmes for senior executives and programmes concluded during the year,
- monitor and evaluate the application of the guidelines for the remuneration of senior executives to be decided by the Annual General Meeting by law and current remuneration structures and levels in OX2,
- draw up and provide to the Board a report on the results of the evaluation to be carried out in accordance with the second and third paragraphs above,
- draw up and manage the Board's remuneration report for each financial year, setting out the remuneration paid and outstanding under the remuneration guidelines,

- if OX2 implements an incentive scheme for OX2 employees, ensure that the incentive scheme is evaluated annually, and
- perform and carry out the other tasks required of the Remuneration Committee under the Code.

### *Audit Committee*

The Board established the Audit Committee at the inaugural Board meeting on 5 May 2021. It has since consisted of two members: Jan Frykhammar (Chair) and Anna-Karin Eliasson Celsing. According to the Swedish Companies Act (2005:551), the members of the Audit Committee may not be employed by the company and at least one member must have accounting or auditing expertise. The majority of the members of the Audit Committee must be independent of the company and its senior executives. At least one member of the Audit Committee who is independent of the company and its senior executives must also be independent of the company's major shareholders.

The main tasks of the Audit Committee are to:

- monitor OX2's financial reporting and make recommendations and suggestions to ensure the reliability of the reporting,
- with regard to financial reporting, monitor the effectiveness of OX2's





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- internal control, internal audit and risk management,
- keep informed about the audit of OX2's annual accounts and consolidated accounts and the conclusions of the quality control by the Swedish Inspectorate of Auditors,
  - inform the Board of Directors of the results of the audit and how the audit contributed to the reliability of the financial reporting, and of the role played by the Committee,
  - review and monitor the impartiality and independence of the auditor, paying particular attention to whether the auditor provides OX2 with non-audit services, and
  - review the scope and frequency of the statutory audit of the annual or consolidated accounts, and assist the Nomination Committee with its preparation of proposals for the General Meeting's decision on the election of the auditor.

### *Investment Committee*

The Board established the Investment Committee at the inaugural Board meeting on 5 May 2021. It has since consisted of three members: Johan Ihrfelt (Chair), Petter Samlin and Thomas von Otter.

The main tasks of the Investment Committee are to establish and monitor the implementation of investment policies, follow the development of

investments made and the investment portfolio and decide on investments that fall outside the decision-making powers of the commercial steering group but within the investment volume decided by the Board. The Investment Committee reports to the Board at each ordinary Board meeting.

### **Audit**

The auditor must examine OX2's annual report and financial statements and the management by the Board of Directors and the CEO. Since OX2 AB is the parent company of a group, the auditor must also review the consolidated financial statements and the relationships between the group companies. The audit of OX2's annual report and financial statements and of the management by the Board of Directors and the CEO is carried out in accordance with generally accepted auditing standards in Sweden. After each financial year, the auditor must submit an auditor's report and a consolidated auditor's report to the Annual General Meeting.

OX2's auditor has been Deloitte AB since 2009. The auditor in charge is Jonas Ståhlberg, authorised public accountant and member of FAR.

During 2021, the Board of Directors met the company's auditor on one occasion, without the presence of the CEO or any other member of the company's management.

### **Governance and organisational structure**

#### *Policies*

The company's Board of Directors has adopted policies including the following: corporate governance policy, financial policy, information and insider trading policy and dividend policy. In addition, every year the Board considers making revisions to the instructions for the CEO and for financial reporting and the Board's rules of procedure. Policies should be revised as necessary to ensure that all policies are up to date and support the aims and objectives of the business.

The corporate governance policy sets out guidelines for corporate governance within the OX2 Group and provides a framework for the internal instructions and guidelines that must be in place and the corporate body responsible for it.

The financial policy sets out the guidelines and rules for the conduct of financial activities in OX2. It is adopted by the Board of Directors and sets out how the various risks of financial activities are to be limited and what risks OX2 may take. The financial policy sets out the division of responsibilities and administrative rules and is also intended to guide the day-to-day work of financial staff. All OX2 Group companies are covered by the financial policy.

OX2's information and insider trading policy is designed to comply with the

requirements applicable to companies listed on Nasdaq First North Growth Market Premier. The purpose of OX2's information and insider trading policy is to ensure that stock market participants receive timely, simultaneous, accurate, relevant and reliable information about the company. The information and insider trading policy must be followed by all employees, Board members and external consultants. Information is communicated externally mainly in the form of press releases and financial reports.

OX2's information and insider trading policy is also intended to provide guidance on how the company should handle insider information so that the company, and its employees, do not violate laws and regulations, Nasdaq's regulatory framework or good stock market practice. Adherence to these guidelines is of paramount importance to maintain the confidence of the capital markets and the public. The rules on this in the information and insider trading policy cover all persons in a position of trust, their related parties and other persons who have been informed that they are covered by the policy.

OX2's dividend policy establishes that the company sees significant opportunities to reinvest the cash flows generated in value-creating growth and therefore does not expect to propose any dividend in the short term.

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### CEO

The CEO of OX2 is responsible for the day-to-day management of the company in accordance with the rules of the Companies Act and the instructions for the CEO and for financial reporting adopted by the Board. According to the instructions, the CEO's responsibilities include compliance with the Articles of Association, the directives of the General Meeting, the rules of procedure of the Board and other guidelines and instructions issued by the Board. The CEO is also responsible for ensuring that the company's financial policy and information and insider trading policy, including logbook procedures, are followed. The CEO is also responsible for ensuring that the internal organisation and controls are adequate.

Further information on the CEO, Paul Stormoen, is provided on pages 73. The information includes year of birth, main education and work experience, positions held in the company and other significant positions, and own or related natural or legal persons' holdings of shares and other financial instruments in the company.

### Description of internal control in relation to financial reporting

#### Introduction

According to the Companies Act and the Code, the Board of Directors is responsible for the internal control of the com-

pany. This description has been prepared in accordance with section 7.4 of the Code and relates to the company's financial reporting.

#### Control structure

The Board of Directors of OX2 has established a number of financial reporting documents. These include the rules of procedure of the Board and the instructions for the CEO. These ensure ongoing oversight. The day-to-day work to maintain control is primarily the task of the CEO. As mentioned above, the reports by the CEO are discussed at each ordinary Board meeting.

#### Risk assessment

In OX2's business process, all significant transaction and project decisions are analysed in terms of risks, risk management and opportunities. The risk management structure is set out in the policies adopted by OX2, in this context primarily the corporate governance policy, the risk assessment policy, the rules of procedure for the Board of Directors, the instructions for the CEO, the financial policy and the information and insider trading policy. Risk management is an integral part of decision-making at OX2.

#### Control activities

The risks identified in relation to financial reporting are managed via the control

activities described in documents including OX2's corporate governance policy, risk assessment policy, rules of procedure for the Board of Directors, instructions for the CEO, financial policy and information and insider trading policy. The purpose of control activities is to prevent, detect and correct errors and nonconformities.

Examples of control activities involving risk assessments are:

- Board meetings
- Monthly reports prepared by the company's CEO in accordance with the company's instructions for reporting the company's financial information; these reports are presented by the CEO at ordinary Board meetings.
- Management team meetings

In addition, a functioning control environment requires a developed structure with continuous oversight. The CEO has primary responsibility for the day-to-day work to maintain the control environment. The CEO reports regularly to the Board of Directors. OX2 continuously develops its control activities to achieve the most effective organisation possible.

#### Information and communication

OX2's disclosure procedures are set out in the company's information and insider trading policy and in the instructions to the CEO and the financial

reporting instructions. The procedures are designed to ensure that external and internal information is provided in a timely, accurate, relevant, clear and reliable manner.

The internal information produced in the context of the company's control activities is communicated between the Board of Directors, the CEO and management, providing a basis for making correct decisions.

#### Governance and monitoring

Ongoing monitoring of performance and project results takes place at several levels in the company, both at project level and at Group level. Monitoring is in relation to budgets and forecasts. The results are analysed by both the project development and finance departments. Reporting is to the management team and then to the Board.

In addition, the company's auditors must report directly to the Board at least once a year. The auditors must report their findings from the audit and their assessment of internal control.

#### Need for internal audit

Overall, the work on internal control in relation to financial reporting described above means that the Board does not consider it justified to have a separate internal audit department.

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### Remuneration of the Board of Directors, the CEO and senior executives

#### *Remuneration of the Board of Directors*

The Annual General Meeting on 5 May 2021 and a subsequent Extraordinary General Meeting on 27 May 2021 resolved that the remuneration of the Board of Directors for the period until the end of the 2022 Annual General Meeting would be a total of SEK 2,600,000, distributed as follows:

- SEK 300,000 to each of the Board members except Petter Samlin,
- SEK 150,000 to the Chair of the Audit Committee, Jan Frykhammar, and SEK 100,000 to the other member of the Audit Committee, Anna-Karin Eliasson Celsing,
- SEK 100,000 to the Chair of the Investment Committee, Johan Ihrfelt, and SEK 75,000 to the member of the Investment Committee, Thomas von Otter, and
- SEK 75,000 to the Chair of the Remuneration Committee, Johan Ihrfelt.

Board members are not entitled to any benefits after their term of office ends.

#### *Remuneration of senior executives*

Under the Swedish Companies Act (2005:551), the Annual General Meeting must decide on guidelines for remuneration of senior executives. The Annual General Meeting on 5 May 2021 decided to adopt guidelines for remuneration of senior executives for the period up to

and including the 2022 Annual General Meeting as set out below.

#### General remuneration principles and other conditions

The guidelines apply to remuneration of OX2's senior executives. For the purposes of the guidelines, senior executives include the CEO, the Deputy CEO (where applicable) and certain other executives who, from time to time, are members of the Group management and report directly to the CEO. As of the date of adoption of the guidelines, OX2's senior executives included the CEO, CFO, Head of Transactions, Chief Strategy Officer, Head of Development and Acquisitions, Chief Operating Officer, Chief People Officer and Chief Communications Officer.

The guidelines do not apply to remuneration already decided or approved by the Annual General Meeting and only apply to agreed remuneration, and changes to agreed remuneration, after the adoption of the guidelines by the 2021 Annual General Meeting.

#### Purpose and general remuneration principles

The guidelines provide a framework for decisions on remuneration of senior executives by the Board of Directors for the period covered by the guidelines.

The guidelines are intended to ensure OX2's competitiveness as an employer

in all geographical areas and domains in which OX2 operates.

The company's remuneration principles must be designed to ensure responsible, sustainable remuneration decisions that support OX2's business strategy, long-term interests and sustainable business practices. For OX2 to be able to fulfil its purpose, remuneration and other terms of employment must enable OX2 to retain, develop and recruit qualified senior executives with relevant experience and skills. Remuneration must be market-based and competitive and reflect the individual senior executive's performance and responsibilities.

In the preparation of the draft guidelines by the Board of Directors, the remuneration and employment conditions of OX2 employees were taken into account by including information on the total income of the employees, the various components of the remuneration and its conditions in the decision-making documents of the Remuneration Committee and the Board of Directors when evaluating the appropriateness of the guidelines and the restrictions.

Remuneration of senior executives must be duly adjusted to comply with all local mandatory rules within the jurisdiction of their employment and may be duly adjusted to comply with established local practice to the extent

possible given the overall purpose of the guidelines.

#### Components of remuneration

The remuneration of senior executives covered by the guidelines may consist of fixed salary, variable salary, pension and non-financial benefits. In addition, the Annual General Meeting may decide on share-based long-term incentive programmes in which senior executives may participate.

#### *The principles of fixed salary*

The fixed salary must be market-based and competitive and take into account the scope and responsibilities of the position, as well as the skills, experience and performance of each individual senior executive.

#### *The principles of variable salary*

Variable salary (i.e. cash bonus) must be based on a set of predetermined, measurable criteria that reflect the key drivers for achieving OX2's business strategy, long-term interests and sustainable business practices. Such criteria must consist of OX2's overall key performance indicators and financial results, on the one hand, and individual performance, on the other. The extent to which the criteria for the award of variable salary have been met must be evaluated after the end of the relevant measurement period for the criteria.



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Such variable salary must be evaluated and documented on an annual basis.

Variable salary may amount to a maximum of 100% of the annual fixed salary of each senior executive.

### *Principles of pension benefits*

Pension benefits must be based on local practice and applicable law. All departures from local practice regarding pensions must be approved individually by the Remuneration Committee and documented in the Committee's report to the Board. Pension benefits must not exceed 35% of the annual fixed salary of each senior executive, unless mandatory provisions of applicable law require a higher pension contribution.

### *Principles of non-financial benefits*

Non-financial benefits must be market-based and facilitate performance of the senior executive's duties. The company aims to have sufficiently competitive salaries and incentive programmes and to minimise additional non-financial benefits. All non-financial benefits, beyond those offered to the entire OX2 workforce, must be reviewed and approved by the Remuneration Committee. Fees and other costs related to non-financial benefits may not exceed 20% of the annual fixed salary of each senior executive.

### *Share-based long-term incentive programmes*

Remuneration decided or approved by a General Meeting is not covered by the guidelines. Consequently, the guidelines do not apply, for example, to share-based long-term incentive programmes decided or approved by a General Meeting. However, it is the Board's intention to propose such programmes to the Annual General Meeting each year, as attractive share-based long-term incentive programmes form a significant part of senior executives' total remuneration, enabling OX2 to retain and recruit the skills needed for further growth.

### *Preparation and review of the guidelines*

The guidelines were prepared by the Remuneration Committee of the Board of Directors. The Remuneration Committee has a preparatory function in relation to the Board of Directors regarding the principles of remuneration and other terms of employment for senior executives. Based on the recommendation of the Remuneration Committee, the Board must, when the need for material changes arises and at least every four years, prepare draft guidelines for a decision by the Annual General Meeting. The Annual General Meeting must decide whether to adopt

the draft guidelines. Adopted guidelines may be amended by resolutions by meetings other than the Annual General Meeting.

Within the framework and on the basis of these guidelines, the Board of Directors must, based on the preparation and recommendations of the Remuneration Committee, decide annually on the general principles and structure of the remuneration of senior executives and the specific terms of remuneration of the CEO and make other necessary decisions regarding the remuneration of the CEO. The specific terms of remuneration of senior executives (except for the CEO) must be prepared by the CEO and approved by the Chair of the Board of Directors in consultation with the Remuneration Committee (if necessary).

The members of the Remuneration Committee are independent of OX2 and its senior executives. The CEO and other senior executives are not involved in the Board's preparation of and decisions on remuneration-related matters if they are affected by such matters.

### *Termination of employment*

If OX2 or a senior executive gives notice to terminate an employment contract, the notice period must not exceed twelve months. Fixed salary during the

notice period and severance pay (if any) may not exceed a total amount equal to the annual fixed salary for two years.

### *Departures from the guidelines*

The Board of Directors may temporarily decide to depart from the guidelines, in full or in part, if in a particular case there are specific reasons for such departure and a departure is necessary to meet the long-term interests of OX2, including its sustainability, or to ensure the financial viability of OX2.

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## Board of Directors



**Johan Ihrfelt**  
Chair

*Chair since 2007. Chair of the Remuneration Committee and the Investment Committee since 2021.*

**Born:** 1967

**Main education:** Graduate in Business Administration, Stockholm School of Economics, NYU Stern School of Business in New York and law studies at Stockholm University.

**Other current positions:** CEO and Chair of the Board of Directors of Peas Industries AB. Chair of the Board of Directors of Enstar AB, Xygen BidCo AB, Xygen HoldCo AB and Xygen MidCo AB. Board member of Biond Production AB, Byr AB, DTS Holding AB, Lifebolt AB, Solivind El Ekonomisk förening, Utellus AB and Yosai AB. Deputy Board member of Biond Holding AB and Sparks Business Development AB.

**Former positions (last five years):** Board member of Biond Heat Production AB, Bonbio AB och OX2 Technical and Commercial Management AB. Deputy Board member of Biond Production Helsingborg AB. **Shareholding in OX2:** 140,597,960 shares indirectly via Peas Industries AB.<sup>1)</sup>

**Independence as per the Swedish Corporate Governance Code:** Not independent of the company, its management or its major shareholders.

<sup>1)</sup> Peas Industries AB is indirectly controlled by Johan Ihrfelt with approximately 38% of the votes and shares in Peas Industries AB.



**Thomas von Otter**  
Board member

*Board member since 2005. Member of the Investment Committee since 2021.*

**Born:** 1966

**Main education:** Economics, Stockholm Business School.

**Other current positions:** Deputy CEO and Board member of Peas Industries AB. Chair of the Board of Directors of Biond Production AB. Board member of Brantabacken AB, Biond Holding AB, Bolster United Sweden AB, Enstar AB, Kottla Strand AB, Spray AB, Xygen BidCo AB, Xygen HoldCo AB and Xygen MidCo AB. Deputy Board member of Byr AB, DTS Holding AB and Utellus AB.

**Former positions (last five years):** Board member of IABO Stockholm AB. Deputy Board member of Biond Heat Production AB, Bonbio AB, OX2 Technical and Commercial Management AB, Rödsthöjden Vindkraft AB, Sjisjka Nät AB and Sjisjka Vind AB.

**Shareholding in OX2:** 140,597,960 shares indirectly via Peas Industries AB.<sup>1)</sup>

**Independence as per the Swedish Corporate Governance Code:** Not independent of the company, its management or its major shareholders.

<sup>1)</sup> Peas Industries AB is indirectly controlled by Thomas von Otter with approximately 38% of the votes and shares in Peas Industries AB.



**Anna-Karin Eliasson Celsing**  
Board member

*Board member since 2019. Member of the Audit Committee since 2021.*

**Born:** 1962

**Main education:** Graduate in Business Administration, Stockholm School of Economics.

**Other current positions:** Board member and Chair of the Audit Committee of Castellum Aktiebolag. Board member, Chair of the Audit Committee and member of the Risk Committee of Landshypotek Bank Aktiebolag. Board member of Peas Industries AB and Volati AB. Board member of the Tim Bergling Foundation and the Beckmans College of Design foundation.

**Former positions (last five years):** Chair of the Board of Directors of Sveriges Television Aktiebolag. Board member of Kungliga Operan Aktiebolag, Lannebo & Partners AB, SERNEKE Group AB (publ), SevenDay Finans AB, St Petersburg Property Company AB.

**Shareholding in OX2:** 263,056 shares via AKC Råd AB.

**Independence as per the Swedish Corporate Governance Code:** Independent of the company and its management but not independent of its major shareholders.

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## Board of Directors cont.



**Jan Frykhammar**  
Board member

*Board member since 2020. Chair of the Audit Committee since 2021.*  
**Born:** 1965

**Main education:** Bachelor's degree in Business Management, Uppsala University.

**Other current positions:** CEO and Chair of the Board of Directors of FCD Sverige AB. Senior Independent Non-Executive Director and Chair of the Audit Committee of Alphawave IP. Chair of the Board of Directors of Aspia AB, Aspia Group AB, Aspia Group Holding AB, Celltick Ltd and Clavister AB. Board member and Chair of the Audit Committee of ENEA AB, ITAB Shop Concept AB and Nordic Semiconductor ASA. Board member and Chair of the Audit and Finance Committee of Clavister Holding AB. Board member of Roima Intelligence OY, Telavox AB and Quickbit eu AB (publ).

**Former positions (last five years):** CEO and Chair of the Board of Directors of Paricencus AB. External CEO, Deputy CEO and CFO of Telefonaktiebolaget LM Ericsson. Chair of the Board of Directors, Senior Advisor and Chair of the Audit Committee of Openet Telecom Ltd. Chair of the Board of Directors and Board member of KVD of Sweden AB and Paricencus AB. Chair of the Board of Directors of DLN Payroll Services AB and Skeppsbron Skatt AB. Board member of Attendo AB (publ), Ericsson Credit AB, Ideella föreningen Svenskt Näringsliv with the name Svenskt Näringsliv and Ideella Föreningen Teknikföretagen i Sverige with the name Föreningen Teknikföretagen i Sverige. Industrial Advisor for Ratos AB. Senior Advisor for Utimaco AG.

**Shareholding in OX2:** 263,056 shares.

**Independence as per the Swedish Corporate Governance Code:** Independent of the company, its management and its major shareholders.



**Malin Persson**  
Board member

*Board member since 2021.*

**Born:** 1968

**Main education:** MSc in Engineering, Chalmers University of Technology.

**Other current positions:** CEO, Board member and partner of Accuracy Ingenjör- och Konsultbyrå AB. Chair of the Board of Directors of AB Chalmers Studentkårs företagsgrupp and Universeum AB. Board member and member of the Audit Committee of HEXPOL AB. Board member (SID) and member of the Audit Committee of Ricardo Plc. Board member and member of the Audit Committee of Getinge AB. Board member of Ahlström Capital Oy, Becker Industrial Coatings Holding AB and Peab AB.

**Former positions (last five years):** Chair of the Board of Directors of RO-Gruppen Förvaltning AB. Board member and Chair of the Audit Committee of Hexatronic Group AB. Board member and member of the Audit Committee of EVRY AS, Koncecranes Oy and Kongsberg Automotive AS Oslo. Board member of Magnora Aktiebolag, Mekonomen Aktiebolag, Mobile Climate Control Group Holding AB, PressCise AB, Ruter Dam Chefsutveckling AB, Silver Life AB, Silver Life Service AB and Skäret skolkooperativ ek.för.

**Shareholding in OX2:** 4,166 shares.

**Independence as per the Swedish Corporate Governance Code:** Independent of the company, its management and its major shareholders.



**Ann Grevelius**  
Board member

*Board member since 2021.*

**Born:** 1966

**Main education:** Graduate in Business Administration, Uppsala University.

**Other current positions:** Chair of the Board of Directors of Optise AB. Board member of Alecta pensionsförsäkring, Carneo AB, Fastighets AB Stenvalvet (publ), Grewil Advisory AB, H&H Group AB, Holberg Fondförvaltning AS, Slättö Förvaltning AB and TR European Trust PLC.

**Former positions (last five years):** Partner of GP Bullhound Ltd. Chair of the Board of Directors of Open Payments Europe AB. Board member of Carneo Alternative Solutions AB, Enigio Time AB, Oscar Properties Holding AB and Preglife AB.

**Shareholding in OX2:** 2,500 shares.

**Independence as per the Swedish Corporate Governance Code:** Independent of the company, its management and its major shareholders.

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## Board of Directors cont.



**Niklas Midby**  
Board member

*Board member since 2019.*

**Born:** 1959

**Main education:** Graduate in Business Administration, Stockholm School of Economics.

**Other current positions:** Chair of the Board of Directors of Credon AB, Ketut Topco OY, and Sbanken ASA. Board member of ByggaBo i Stockholm AB, Consiglio Capital AB and Urban Parkering Fastighetsutveckling AB. Deputy Board member of Mirella AB.

**Former positions (last five years):** Chair of the Board of Directors of stoEr Technologies AB. Chair of the Board and Board member of Resscapital AB. Chair of the Board of Directors of Skandiabanken Aktiebolag (publ). Board member of Peas Industries AB.

**Shareholding in OX2:** 263,056 shares.

**Independence as per the Swedish Corporate Governance Code:** Independent of the company, its management and its major shareholders.



**Petter Samlin**  
Board member

*Board member since 2020. Member of the Remuneration Committee and the Investment Committee since 2021.*

**Born:** 1979

**Main education:** MSc in Engineering, Royal Institute of Technology, Stockholm.

**Other current positions:** Chair of the Board of Directors of NLTG Hotels Holding AB. Board member of Altor Equity Partners AB, C Asset Management Partners Holding I AB, Henrico Invest AB, Ludvig & Co Group AB, Ludvig & Co Holding AB, Ludvig & Co MIP AB, NLTG HH BidCo AB, NLTG HH Holdco AB, NLTG Holdco AB, Nordic Leisure Travel Group Holding AB, Wrist Ship Supply A/S, Wrist Ship Supply Holding A/S, W.S.S Holding A/S, Xygen HoldCo AB, Xygen MidCo AB and Xygen BidCo AB. Deputy Board member of Carneo AB, Cretum Invest AB and Dalénumkliniken AB. Agent for service of process, Alikkom Capital AB.

**Former positions (last five years):** Chair of the Board of Directors of ACIB Holding AB, CIBVESTCO Junior AB, NLTG HH BidCo AB, NLTG HH Holdco AB and Valot Group AB. Board member of Aktiebolaget Skrindan, Bokoredo AB, Carneo Alternative Investments AB, Carneo Funds AB, Ludvig & Co AB and Xygen MipCo AB. Agent for service of process, Tikehau AB.

**Shareholding in OX2:** –

**Independence as per the Swedish Corporate Governance Code:** Independent of the company and its management but not independent of its major shareholders.

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## Group management



**Paul Stormoen**  
CEO

*CEO since 2011.*

**Born:** 1981

**Main education:** MSc in Industrial Economics, Linköping University, Sweden.

**Other current positions:** Board memberships of companies in the OX2 Group. Board member and partner of PSEVS AB. Partner of P A Stormoen.

**Previous experience:** Over ten years of experience of large-scale wind power. Previously worked in business development and strategy at Accenture with the focus on the energy and financial sectors.

**Shareholding in OX2:** 790,467 shares via PSEVS AB.<sup>1)</sup>

<sup>1)</sup> Paul is also a minority shareholder in Peas Industries AB with approximately 12% of the votes and shares.



**Johan Rydmark**  
Chief Financial Officer

*Chief Financial Officer since 2019.*

**Born:** 1977

**Main education:** Master's degree in business administration with the focus on finance from Stockholm School of Economics and the University of St. Gallen.

**Other current positions:** Deputy Board member CapeHearts Holding AB, Fredman Fastighet AB, Tenro Fastighet AB and Xygen MipCo AB.

**Previous experience:** More than 15 years of experience in senior private equity positions with responsibility for strategy, finance, governance, M&A and organisational development. Most recently Investment Manager at Ratos AB with responsibility for operations in Finland. Previously held several Board positions in Ratos' portfolio companies and roles in investment banking and management consulting.

**Shareholding in OX2:** 632,373 shares.



**Bitia Yazdani**  
Transformation and Operations Director

*Transformation and Operations Director since 2020.*

**Born:** 1983

**Main education:** Master's degree in business administration with the focus on finance from Stockholm School of Economics and International Mgmt from HEC Paris.

**Other current positions:** CEO and Board member of Lead Human Europe AB. Board member of Bitia Yazdani AB.

**Previous experience:** Over 14 years of global experience as a management consultant focusing on business transformation at EY in the Nordic, US and Southeast Asian markets. For the past four years, has supported companies to achieve sustainable growth through cultural strategy that strengthens adaptive capacity for leadership and organisational development.

**Shareholding in OX2:** 342,544 shares via Bitia Yazdani AB.



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## Group management cont.



**Katarina Grönwall**  
Chief Communications Officer

*Chief Communications Officer since 2021.*

**Born:** 1968

**Education:** Bachelor of Laws from Stockholm University and Université d'Aix Marseille, France.

**Other current positions:** Board member of Tillberg Design of Sweden.

**Previous experience:** Over 25 years of experience of communications. The last thirteen years as Director of Communications for global listed companies such as Skanska, Handelsbanken and Sweco.

**Shareholding in OX2:** 2,685 shares.



**Peter Tornberg**  
Head of Development and Acquisitions

*Head of Development and Acquisitions sedan 2018.*

**Born:** 1980

**Main education:** MSc in Industrial Economics, Linköping University.

**Other current positions:** Chair of the Board of Directors of Gregoriana AB. Member of the Investment Committee of Baseload Capital AB. Deputy Board member of subsidiaries and former subsidiaries within the OX2 Group, Rose Windfarm AB, Karskröv Vind AB, Ljungbyholm Vind AB, Marhult Nät AB, Marhult Vind AB and SSB Vind AB.

**Previous experience:** Over 15 years of experience of the wind energy sector. Most recently as global head of development of onshore and offshore wind power at Vattenfall. Naval Reserve Officer.

**Shareholding in OX2:** 1,579,636 shares.



**Mehmet Energin**  
Chief Strategy Officer

*Chief Strategy Officer since 2019.*

**Born:** 1985

**Main education:** Graduate in Business Administration, INSEAD, University of Oxford and Koc University.

**Other current positions:** –

**Previous experience:** Over twelve years of global experience, including eight years as a consultant with McKinsey & Company. During his time at McKinsey, he was based in Istanbul, Dubai and Tokyo, focusing on strategy issues and corporate finance for the energy sector in Europe, the Middle East and Asia.

**Shareholding in OX2:** 1,448,289 shares.

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## Group management cont.



**Sofia Brax**  
Chief People Officer

*Chief People Officer since 2021.*

**Born:** 1967

**Education:** BA in Organisation and Behavioural Sciences, Uppsala and Stockholm Universities. DIHM, Market Economist at IHM.

**Other current positions:** Board member of Faktum Sverige AB (street magazine for the homeless), HAMT AB (Godisbanken), Binowo Park Sp. z o.o. (Golf in Poland) and Sofia Brax AB.

**Previous experience:** More than 15 years of experience in leading positions in Human Resources for both global and Nordic companies, including 10 years as Head of Sustainability. Has worked in HR for 30 years with the focus on driving major change projects through culture and leadership development as both consultant and employee, including as Director of Human Resources, Sustainability and Communication at Lindex AB.

**Shareholding in OX2:** 500 shares.



**Christoffer Brandorf**  
Head of Transactions

*Head of Transactions since 2020.*

**Born:** 1986

**Main education:** Graduate in Business Administration, Lund University and McGill University, Montreal, Canada.

**Other current positions:** –

**Previous experience:** Over ten years of experience of corporate, project and capital market transactions. Previous experience includes roles in private equity and investment banking at 3i Private Equity and ABG Sundal Collier.

**Shareholding in OX2:** 790,467 shares.

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## Auditor's Report on the Corporate Governance Statement

*To the general meeting of the shareholders in OX2 AB (publ)  
corporate identity number 556675-7497*

### Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the financial year 2021-01-01 – 2021-12-31 on pages 60–76 and that it has been prepared in accordance with the Annual Accounts Act.

### The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

### Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm – 2022-03-25  
Deloitte AB

Jonas Ståhlberg  
Authorised public accountant



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# Directors' report

The Board of Directors and the CEO of OX2 AB, corporate identity no. 556675-7497, with its registered office in Stockholm, hereby present the annual report and consolidated financial statements for the financial year 1 January 2021 – 31 December 2021.

## Nature and focus of activities

The business concept of OX2 AB and its subsidiaries (OX2) is to develop, build and manage renewable energy production. OX2 AB has been listed on Nasdaq First North Premier Growth Market since 23 June 2021.

## Significant events in 2021

In light of the development of the Covid-19 pandemic, OX2 closely monitored events and took measures to minimise the impact on the Group's operations. The Group follows the guidelines issued by the Public Health Agency of Sweden, the WHO and the ECDC (European Centre for Disease Prevention and Control). To date, the Group has not seen any significant impact on its operations from the Covid-19 pandemic. Extensive measures were taken at OX2's workplaces to reduce the spread of the virus.

### January-March

- In March, OX2 signed a contract to sell an 86 MW onshore wind farm, Karskruv, in southern Sweden to Lundin Energy. The contract also involves technical and commercial management.
- In March, OX2 signed a contract to sell a 23 MW wind farm, Sulmierzyce, in Poland to DIF Capital Partners.

### April-June

- In April, OX2 acquired the rights to a 170 MW wind power project, Hälsingeskogen, in Hälsingland from Stora Enso. The completed wind farm comprises 37 wind turbines with total capacity of 170 MW.

- In May, the Merkkikallio wind farm in South Ostrobothnia, Finland, consisting of 15 wind turbines with total capacity of 83 MW, was sold.
- In June, OX2 signed a contract for the sale of a 48 MW onshore wind farm, Huszlew, in eastern Poland to Octopus Renewables Infrastructure Trust plc. The contract also involves technical and commercial management.
- In June, OX2 AB was listed on Nasdaq First North Premier Growth Market, in connection with which capital of SEK 1,278 million was injected.

### July-September

- In July, OX2 handed over the completed Ljungbyholm wind farm in Kalmar to Octopus Renewables Infrastructure Trust plc. The wind farm consists of 12 wind turbines with an estimated capacity of 48 MW and is expected to generate around 150 GWh per annum. OX2 was also contracted for technical and commercial management.
- In July, OX2 secured the rights to a wind farm project in Poland with total installed capacity of 57 MW.

### October-December

- In October, OX2 signed a contract for the sale of a 24 MW onshore wind farm, Krasnik, in south-eastern Poland to Equitix. The contract also involves technical and commercial management.
- In October, OX2 submitted an application for a Natura 2000 permit for the offshore wind farm Galatea-Galene in the Swedish economic zone off the coast near Falkenberg and Varberg.

- In October, OX2 handed over the completed Hornamossen wind farm in Jönköping Municipality to Green Investment Group. The wind farm consists of 10 wind turbines with an estimated capacity of 43 MW and is expected to generate around 120 GWh per annum. OX2 was also contracted for technical and commercial management.
- In October, OX2 handed over the completed Kjölberget wind farm in Våler Municipality, Norway, to Austri. The wind farm consists of 13 wind turbines with an estimated capacity of 56 MW and is expected to generate around 195 GWh per annum.
- In November, OX2 and Ålandsbanken Fondbolag Ab signed a mutual letter of intent regarding the development of the Noatun offshore wind farm south of Åland. The wind farm is expected to consist of about 250 wind turbines generating 20 TWh per annum, which corresponds to the annual electricity consumption of about 4 million households.
- In November, OX2 acquired the rights to the Riberget wind farm in Ljusdal Municipality in Gävleborg County from RWE Renewables Sweden. The completed wind farm will comprise 12 wind turbines with total estimated capacity of around 70 MW. The project has a legally binding environmental permit and represents an expansion of OX2's Swedish project development portfolio for late-stage onshore wind power.
- In November, OX2 acquired the rights to two solar energy projects in Skåne from Helios Nordic Energy. Once completed, the projects are expected to add 45 MW in the Malmö SE4 electricity region. The acquisition



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# Directors' report cont.

is part of OX2's expanded focus on solar energy and solar farms.

- In November, OX2 launched the environmental impact assessment for two offshore wind power projects in the Gulf of Bothnia Economic Zone.
- In November, OX2 signed a contract for the sale and construction of Lestijärvi in Finland for around EUR 650 million, about SEK 6.5 billion, including a contract for technical and commercial management. Construction of the wind farm started immediately after the sale and the farm will consist of 69 wind turbines with an installed capacity of 455 MW. The buyer was a consortium of Finnish energy companies.
- In December, OX2 submitted an application for a Natura 2000 permit for the offshore wind farm Triton in the Swedish economic zone off the Skåne coast.
- In December, OX2 secured the rights to a wind power project in Poland with total installed capacity of almost 120 MW and for a solar power project with a capacity of 28 MW.
- In December, OX2 applied for a permit under the Swedish Economic Zone Act for the Galatea-Galene offshore wind farm, which is located in the Swedish economic zone off the coast near Falkenberg and Varberg.
- In December, OX2 handed over the completed Kröpuln and Storbacken wind farms to Infracapital, a European investment fund. The total capacity of the wind farms is 60 MW and the total electricity generation is about 200 GWh annually. OX2 was also contracted for technical and commercial management.

### Performance and financial position

Performance for individual periods is mainly affected by the sale of wind power projects, the progress of wind power projects under construction on behalf of customers, and when these projects are handed over to customers. Similarly, current assets and current liabilities in the balance sheet are affected by ongoing projects under construction on behalf of customers.

### Revenue

Revenue in 2021 amounted to SEK 4,983 million (5,201). During the year, 6 (6) wind farms totalling 719 MW (329) were sold. During the year, the Group handed over a total of 207 MW (486) of completed wind farms to their owners. The number of wind farms under construction at the end of the year was 13 (12) with an estimated capacity of 1,329 MW (817).

Revenue is recognised upon sale of the project to an external customer, upon progress according to predetermined milestones during the construction phase, upon handover of the completed wind farm to an external customer and during the management phase where management contracts exist. During the construction phase, revenue is recognised by calculating the stage of completion using the percentage of completion method. The largest share of revenue during the construction phase is recognised upon delivery and installation of turbines. The revenue is thus influenced not only by the number of wind farms, but also by their size and where the projects are in the construction phase. The 13 projects under construction at the balance sheet date are located in Sweden, Norway, Finland and Poland.

### Expenses

Expenses for goods and project development amounted to SEK 4,143 million (4,484) in 2021. Expenses for goods and project development includes mainly construction expenses, but also expenses for the sale and acquisition of projects and project development expenses. Other expenses in 2021 amounted to SEK 125 million (70). Expenses related to the stock exchange listing amounted to SEK 41 million (0). In addition, issue expenses of SEK 73 million, net after tax, were recognised directly in equity. Personnel expenses amounted to SEK 283 million (216) in 2021. The rise in personnel expenses was due to an increase in the workforce compared with the previous year, which is consistent with the expansion plan. The effective tax rate was affected by projects sold during the year.

### Profit

Operating income for 2021 amounted to SEK 414 million (416). Operating income is driven by strong momentum in both project sales and construction and project portfolio development, while the Group incurred increased personnel expenses and expenses related to stock exchange listing as planned. Profit after financial items for 2021 amounted to SEK 407 million (383).

Profit for the year amounted to SEK 334 million (298).

### Financial position and liquidity

Current assets amounted to SEK 3,715 million (1,929) as at 31 December 2021. This increase is mainly explained by the cash inflow from the issue in connection with listing of SEK 1,278 million. The project development portfolio



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lio and construction in progress totalled SEK 502 million (321) at year-end. The increase in 2021 is a result of investments in project rights. Accounts receivable amounted to SEK 297 million (121) as at 31 December 2021. Prepaid expenses and accrued income totalled SEK 496 million (200) at year-end. The change in prepaid expenses and accrued income is mainly due to an increase in prepaid construction expenses. Cash and cash equivalents amounted to SEK 2,374 million (1,235) as at 31 December 2021.

Non-current assets amounted to SEK 29 million (33) as at 31 December 2021. The change between the years is explained by a change in the value of other financial assets.

Non-current liabilities amounted to SEK 78 million (58) as at 31 December 2021, of which non-current interest-bearing liabilities amounted to SEK 15 million (13) and relate to the non-current portion of lease liabilities.

Deferred tax liabilities amounted to SEK 46 million (45) and consist mainly of deferred tax on tax allocation reserves and financial instruments.

Current liabilities amounted to SEK 1,310 million (1,138) as at 31 December 2021. Advances from customers amounted to SEK 601 million (468).

Accounts payable increased during the year to SEK 309 million (124). Other liabilities amounted to SEK 224 million (84) as at 31 December 2021 and are mainly attributable to an additional purchase price of SEK 174 million for the acquisition of Lestijärvi. Accrued expenses and deferred income amounted to SEK 175 million (450) as at 31 December 2021, the change con-

sisting mainly of a decrease in accrued construction expenses.

### Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK 356 million (350) in 2021 and is attributable to the profit earned. Cash flow from operating activities after changes in working capital amounted to SEK -132 million (526) in 2021 as a consequence of the periodic nature of flows linked to construction projects. Investments in the project portfolio, which are included in cash flow from operating activities, amounted to SEK -424 million (-287).

Cash flow from investing activities amounted to SEK -1 million (-8) in 2021.

Cash flow from financing activities for 2021 amounted to SEK 1,266 million (-289) and was mainly attributable to the share issue during the year, SEK 1,278 million.

The total cash flow for 2021 amounted to SEK 1,133 million (229).

### Parent company

The parent company OX2 AB carries out management, project development, financing and project implementation. Operating income for 2021 amounted to SEK 69 million (163). Profit after financial items for 2021 amounted to SEK 170 million (167). Profit for 2021 amounted to SEK 192 million (91). The parent company's equity amounted to SEK 1,919 million (449) as at 31 December 2021. Cash and cash equivalents amounted to SEK 2,272 million (258) as at 31 December 2021. During the year, the parent company made shareholder contri-

butions to subsidiaries for use in project companies totalling SEK 257 million (469).

### Employees

As at 31 December 2021, the company had 277 employees (182), 42% (40) of whom were women. The number of employees has increased by 52% (31) compared with the same period in the previous year. The average number of employees during the year was 230 (161), of whom 148 (112) in Sweden, 43 (27) in Finland, 25 (12) in Poland and 14 (10) in other countries.

### Risks and uncertainties

The renewable energy industry is dependent on the general global economic and political situation. Access to capital, financing conditions 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 the market for renewable energy production and the company's growth potential.

The market for renewable energy production is regulated by laws and regulations in terms of both support schemes and the authorisation process for establishment. A more demanding permit procedure than today would mean longer project planning and require more resources, which would lead to higher costs. OX2's customers are also dependent on the price of electricity. The price of electricity is influenced by fundamental factors such as water availability, access to generation capacity, fuel prices, emission allowance prices and electricity consumption. The euro exchange rate affects



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# Directors' report cont.

OX2's investment calculations as the majority of OX2's supplier costs are in euro. At the same time, sales of OX2's projects are mostly denominated in euro, which reduces currency exposure. In each project, currency risks are managed as stipulated by the company's financial policy, which requires risk minimisation tailored to the circumstances of each project. In addition, the Group's total inflows and outflows in euro within the same period are taken into account.

The OX2 Group's operations expose it to various financial risks in the form of market risks, including currency and interest rate risks, credit and financing risks. A description of financial instruments and risk management is provided in Note 4 - Financial risk management and financial instruments.

The geopolitical uncertainty in Europe following the invasion of Ukraine may have an impact on OX2 depending on how the situation develops. A specific risk inventory process has been developed in order to identify and manage any risks that may affect the company's operations at an early stage.

### Research and development

OX2 is working with public authorities, suppliers, trade associations and other industry actors on a number of research and development projects to drive the development of renewable energy production.

### Outlook and trends

The transition to renewable energy supplies is a long-term important project for society. Despite continued uncertainty due to the Covid-19 pandemic, OX2 per-

formed well in 2021, with an expanded project development portfolio, establishing a presence in Italy and Romania, 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 one of the most effective way of reducing global CO<sub>2</sub> emissions. OX2 has a positive view of the future and finds that energy companies and financial investors increasingly have a positive view of ownership in renewable energy production offering stable, attractive infrastructure investment in the long term.

### Work of the Board of Directors during the year

The 2021 Annual General Meeting re-elected a Board of Directors consisting of Johan Ihrfelt (Chair), Thomas von Otter, Anna-Karin Eliasson Celsing, Niklas Midby, Petter Samlin, Jan Frykhammar, Malin Persson and Ann Grevelius until the end of the next Annual General Meeting. The Board of Directors of OX2 AB held 24 Board meetings in 2021. See the Corporate Governance Report for further information.

### Remuneration of senior executives

The Board of Directors proposes that the 2022 Annual General Meeting adopt guidelines for remuneration of senior executives that are substantially similar to the guidelines adopted by the 2021 Annual General Meeting, with the adjustment that a share-based incentive programme for certain senior executives will also be proposed. The details of the proposal will be presented in the notice of the Annual General Meeting.

### Sustainability Report

In accordance with Chapter 6, Section 11, of the Annual Accounts Act, OX2 AB has chosen to prepare a statutory sustainability report. See pages 38–52, 115–122.

### Annual General Meeting

OX2 AB will hold its Annual General Meeting on 4 May 2022 at Oscars Teatern, Kungsgatan 63, Stockholm.

### Proposal for appropriation of profit (SEK)

The following profit is at the disposal of the Annual General Meeting:

Unrestricted equity	1,726,285,955
Profit for the year	192,002,834
<b>Total</b>	<b>1,918,288,789</b>

The Board of Directors proposes that this amount be carried forward

	1,918,288,789
<b>Total</b>	<b>1,918,288,789</b>

Please refer to the following income statements, balance sheets, cash flow statements and additional disclosures for full details of the earnings of the Parent Company and the Group. All amounts are expressed in millions of Swedish krona unless stated otherwise.



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# The Group's key figures

SEK million	2021	2020	2019	2018
Revenue	4,983	5,201	4,906	4,136
Operating income	414	416	371	363
Operating margin <sup>1)</sup>	8%	8%	8%	9%
Profit after financial items	407	383	373	384
Net margin <sup>2)</sup>	8%	7%	8%	9%
Balance sheet total	3,743	1,961	2,433	1,615
Equity ratio <sup>3)</sup>	63%	39%	22%	23%
Return on equity <sup>4)</sup>	21%	46%	69%	93%
Return on capital employed <sup>5)</sup>	26%	61%	79%	113%
Average number of employees	230	161	100	53

<sup>1)</sup> Operating income in relation to revenue

<sup>2)</sup> Profit after financial items in relation to revenue

<sup>3)</sup> Shareholders' equity divided by total assets

<sup>4)</sup> Net profit/loss in relation to average shareholders' equity

<sup>5)</sup> Operating income/loss in relation to average capital employed

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# Consolidated income statements

SEK million	Note	01/01/2021 31/12/2021	01/01/2020 31/12/2020
<b>Operating revenue</b>			
Net sales	5	4,983	5,201
<b>Total revenue</b>		<b>4,983</b>	<b>5,201</b>
Cost of goods and project development		-4,143	-4,484
Other external costs	6	-125	-70
Personnel costs	7	-283	-216
Depreciation and amortisation of tangible and intangible assets	12, 13, 14	-17	-15
<b>Total operating expenses</b>		<b>-4,569</b>	<b>-4,785</b>
<b>Operating income</b>		<b>414</b>	<b>416</b>
Financial income	8	118	65
Financial expenses	9	-126	-98
<b>Profit after financial items</b>		<b>407</b>	<b>383</b>
Income tax	11	-73	-84
<b>Profit for the period</b>		<b>334</b>	<b>298</b>
Profit for the year attributable to: Parent company's shareholders		334	298
<b>Earnings per share</b>			
Earnings per share before and after dilution (SEK)	19	1.28	1.19
Average number of shares before and after dilution		261,783,175	250,000,000

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# Consolidated income statements cont.

SEK million	Note	01/01/2021 31/12/2021	01/01/2020 31/12/2020
<b>Consolidated statement of comprehensive income</b>			
<b>Profit for the period</b>		<b>334</b>	<b>298</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Translation differences on translation of foreign subsidiaries		7	-8
<i>Cash flow hedges</i>			
Changes in fair value	22	-39	23
Tax attributable to cash flow hedges		10	-7
<b>Total comprehensive income for the period, net after tax</b>		<b>312</b>	<b>307</b>
Comprehensive income for the year attributable to:			
Parent company's shareholders		312	307

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# Consolidated statement of financial position

SEK million	Note	31/12/2021	31/12/2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Other intangible assets	12	4	5
Equipment, tools, fixtures and fittings	13	3	3
Right-of-use assets	14	20	19
Other financial assets		1	6
<b>Total non-current assets</b>		<b>29</b>	<b>33</b>
<b>Current assets</b>			
Project development portfolio and construction in progress	16	502	321
Accounts receivable	17	297	121
Tax assets		7	-
Other receivables		33	16
Receivables from Group companies		-	0
Prepaid expenses and accrued income	18	496	200
Derivative instruments	22	6	37
Cash and cash equivalents		2,374	1,235
<b>Total current assets</b>	<b>4</b>	<b>3,715</b>	<b>1,929</b>
<b>TOTAL ASSETS</b>		<b>3,743</b>	<b>1,961</b>

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# Consolidated statement of financial position cont.

SEK million	Note	31/12/2021	31/12/2020
<b>EQUITY AND LIABILITIES</b>			
Share capital	19	1	0
Retained earnings including profit for the year		2,355	766
<b>Total equity attributable to parent company's shareholders</b>	<b>20</b>	<b>2,355</b>	<b>766</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	14	15	13
<b>Derivative instruments</b>		<b>17</b>	<b>-</b>
Deferred tax liability	11	46	45
<b>Total non-current liabilities</b>	<b>4</b>	<b>78</b>	<b>58</b>
<b>Current liabilities</b>			
Advance payments from customers	23	601	468
Accounts payable		309	124
Tax liabilities		-	12
Other liabilities	25	211	73
Current interest-bearing liabilities		14	11
Liabilities to Group companies		-	0
Accrued expenses and deferred income	26	175	450
<b>Total current liabilities</b>	<b>4</b>	<b>1,310</b>	<b>1,138</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,743</b>	<b>1,961</b>

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# Consolidated statement of changes in equity

SEK million	Total equity attributable to parent company's shareholders						Non-controlling interests	Total equity
	Share capital	Other contributed capital	Translation reserve	Hedge reserve	Retained earnings	Total		
Opening balance as at 1 January 2020	0		-1	5	532	537	-	537
Profit for the year					298	298		298
Other comprehensive income for the year			-8	16		8	-	8
<b>Comprehensive income for the year</b>			-8	16	<b>298</b>	<b>307</b>	-	<b>307</b>
Dividend					-78	-78	-	-78
<b>Closing balance as at 31 December 2020</b>	<b>0</b>		<b>-8</b>	<b>22</b>	<b>753</b>	<b>766</b>	<b>-</b>	<b>766</b>

SEK million	Total equity attributable to parent company's shareholders						Non-controlling interests	Total equity
	Share capital	Other contributed capital	Translation reserve	Hedge reserve	Retained earnings	Total		
Opening balance as at 1 January 2021	0		-8	22	753	766	-	766
Profit for the year					334	334	0	334
<b>Other comprehensive income for the year</b>			7	-29		-22	-	-22
<b>Comprehensive income for the year</b>			7	-29	334	312		312
Dividend					-	-		-
Bonus issue	0					0		0
Non-cash issue	0	739				739		739
New share issue	0	612				612		612
Issue costs after tax		-73				-73		-73
Change in non-controlling interests							0	0
<b>Closing balance as at 31 December 2021</b>	<b>1</b>	<b>1,278</b>	<b>-1</b>	<b>-7</b>	<b>1,087</b>	<b>2,355</b>	<b>0</b>	<b>2,355</b>

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# Consolidated statement of cash flows

SEK million	Note	01/01/2021- 31/12/2021	01/01/2020- 31/12/2020
<b>Operating activities</b>			
Profit after financial items		407	383
Adjustments for items not included in cash flow, etc.	29	31	6
Income tax paid		-81	-38
<b>Cash flow from operating activities before changes in working capital</b>		<b>356</b>	<b>350</b>
<b>Cash flow from changes in working capital</b>			
Decrease(+)/increase(-) in work in progress		-230	607
Decrease(+)/increase(-) in accounts receivable		-176	-75
Decrease(+)/increase(-) in current receivables		-272	198
Decrease(-)/increase(+) in accounts payable		316	150
Decrease(-)/increase(+) in current liabilities		298	-418
<b>Cash flow from operating activities before investment in project portfolio</b>		<b>292</b>	<b>813</b>
Investment in project portfolio		-424	-287
<b>Cash flow from operating activities</b>		<b>-132</b>	<b>526</b>
<b>Investing activities</b>			
Acquisition of shares in other companies		-	-3
Acquisition of intangible assets		-	-3
Acquisition of property, plant and equipment		-1	-2
<b>Cash flow from investing activities</b>		<b>-1</b>	<b>-8</b>
<b>Financing activities</b>			
Repayments of lease liabilities		-12	-11
Group contributions		-	-200
Dividend		-	-78
New share issue		612	-
Non-cash issue		739	-
Issue costs		-73	-
<b>Cash flow from financing activities</b>		<b>1,266</b>	<b>-289</b>
<b>Cash flow for the year</b>		<b>1,133</b>	<b>229</b>
Translation difference in cash and cash equivalents		7	0
<b>Cash and cash equivalents at beginning of year</b>		<b>1,235</b>	<b>1,005</b>
<b>Cash and cash equivalents at year-end</b>		<b>2,374</b>	<b>1,235</b>



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# Parent company income statement

SEK million	Note	01/01/2021 31/12/2021	01/01/2020 31/12/2020
<b>Operating revenue</b>			
Net sales		681	724
Other operating revenue		4	16
<b>Total revenue</b>	5	<b>685</b>	<b>740</b>
<b>Operating expenses</b>			
Cost of goods and project development		-296	-361
Other external costs	6	-118	-59
Personnel costs	7	-201	-156
Depreciation and amortisation of tangible and intangible non-current assets	12, 13	-2	-1
<b>Total operating expenses</b>		<b>-617</b>	<b>-577</b>
<b>Operating income</b>		<b>69</b>	<b>163</b>
Income from participations in Group companies	8	102	0
Other interest income and similar items	8	9	8
Interest expense and similar items	9	-10	-4
<b>Profit after financial items</b>		<b>170</b>	<b>167</b>
Appropriations	10	46	-49
<b>Profit before tax</b>		<b>216</b>	<b>117</b>
Tax on profit for the year	11	-24	-26
<b>Profit for the year</b>		<b>192</b>	<b>91</b>
<b>Statement of comprehensive income</b>			
<b>Profit for the period</b>		<b>192</b>	<b>91</b>
<b>Other comprehensive income:</b>			
Total comprehensive income for the year, net after tax		192	91
Comprehensive income for the year		192	91



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# Parent company balance sheet

SEK million	Note	31/12/2021	31/12/2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Other intangible assets	12	4	5
Equipment, tools, fixtures and fittings	13	3	3
Participations in Group companies	15	801	564
<b>Total non-current assets</b>		<b>808</b>	<b>572</b>
<b>CURRENT ASSETS</b>			
Project development portfolio and construction in progress	16	77	11
Accounts receivable	17	0	6
Tax assets		24	1
Current receivables from Group companies		160	175
Other receivables		10	2
Prepaid expenses and accrued income	18	13	1
Cash and cash equivalents		2,272	258
<b>Total current assets</b>	<b>4</b>	<b>2,556</b>	<b>454</b>
<b>Total assets</b>		<b>3,364</b>	<b>1,026</b>

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# Parent company balance sheet cont.

SEK million	Note	31/12/2021	31/12/2020
<b>EQUITY AND LIABILITIES</b>			
Restricted equity			
Share capital	19	1	0
<b>Total restricted equity</b>		<b>1</b>	<b>0</b>
Unrestricted equity			
Retained earnings		1,726	358
Translation differences		0	0
Profit for the year		192	91
<b>Total unrestricted equity</b>		<b>1,918</b>	<b>449</b>
<b>Total equity</b>	<b>20</b>	<b>1,919</b>	<b>449</b>
Untaxed reserves			
	21	94	94
<b>Current liabilities</b>			
Advance payments from customers	23	-	1
Accounts payable		53	19
Liabilities to Group companies	24	1,164	256
Current tax liabilities		-	-
Other current liabilities	25	59	103
Accrued expenses and deferred income	26	75	104
<b>Total current liabilities</b>	<b>4</b>	<b>1,351</b>	<b>483</b>
<b>Total equity and liabilities</b>		<b>3,364</b>	<b>1,026</b>

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# Parent company statement of changes in equity

SEK million	Restricted equity		Unrestricted equity		Total equity
	Share capital	Share premium account	Retained earnings	Profit for the year	
Opening balance as at 1 January 2020	0	0	265	171	436
Profit for the year				91	91
Other comprehensive income			0		0
<b>Comprehensive income for the year</b>			<b>0</b>	<b>91</b>	<b>91</b>
Appropriation of profit as per AGM resolution			171	-171	0
<b>Transactions with shareholders</b>					
Dividend			-78		-78
<b>Closing balance as at 31 December 2020</b>	<b>0</b>	<b>0</b>	<b>358</b>	<b>91</b>	<b>449</b>
SEK million	Restricted equity		Unrestricted equity		Total equity
	Share capital	Share premium account	Retained earnings	Profit for the year	
Opening balance as at 1 January 2021	0	0	358	91	449
Profit for the year				192	192
Other comprehensive income			0		0
<b>Comprehensive income for the year</b>			<b>0</b>	<b>192</b>	<b>192</b>
Appropriation of profit as per AGM resolution			91	-91	0
<b>Transactions with shareholders</b>					
Dividend			-		-
Bonus issue	0				0
Non-cash issue	0	739			739
New share issue	0	612			612
Issue costs after tax		-73			-73
<b>Closing balance as at 31 December 2021</b>	<b>1</b>	<b>1,278</b>	<b>449</b>	<b>192</b>	<b>1,919</b>



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# Parent company statement of cash flows

SEK million	Note	01/01/2021 31/12/2021	01/01/2020 31/12/2020
<b>Operating activities</b>			
Profit after financial items		216	167
Adjustments for items not included in cash flow, etc.	29	-146	1
Income tax paid		-47	-23
<b>Cash flow from operating activities before changes in working capital</b>		<b>23</b>	<b>144</b>
<b>Cash flow from changes in working capital</b>			
Decrease(+)/increase(-) in project portfolio and work in progress		-66	11
Decrease(+)/increase(-) in accounts receivable		6	-3
Decrease(+)/increase(-) in current receivables		50	252
Decrease(-)/increase(+) in accounts payable		35	-31
Decrease(-)/increase(+) in current liabilities		942	347
<b>Cash flow from operating activities</b>		<b>990</b>	<b>721</b>
<b>Investing activities</b>			
Acquisition of shares in subsidiaries		-996	-476
Acquisition of intangible assets		0	-3
Acquisition of property, plant and equipment		-1	-2
<b>Cash flow from investing activities</b>		<b>-997</b>	<b>-481</b>
<b>Financing activities</b>			
New share issue		612	-
<b>Non-cash issue</b>		<b>739</b>	-
<b>Issue costs</b>		<b>-73</b>	-
Group cash pool		<b>743</b>	-
Group contributions		-	-133
Dividends received from subsidiaries		-	170
Dividends paid to shareholders		-	-78
<b>Cash flow from financing activities</b>		<b>2,021</b>	<b>-41</b>
<b>Cash flow for the year</b>			
		<b>2,014</b>	<b>199</b>
Translation difference in cash and cash equivalents		0	0
<b>Cash and cash equivalents at beginning of year</b>		<b>258</b>	<b>59</b>
<b>Cash and cash equivalents at year-end</b>		<b>2,272</b>	<b>258</b>



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## Notes

### NOTE 01 / General information

These historical financial statements encompass the Swedish parent company OX2 AB with company registration number 556675-7497, and its subsidiaries. OX2 develops, builds and manages renewable energy generation and operates mainly in Sweden, Norway, Finland, Poland, Lithuania and France. OX2 is Europe's leading developer of renewable energy and is driving development. The product portfolio includes both onshore and offshore wind power, as well as solar power. OX2's operations encompass the entire process from site surveys to management of completed wind or solar farms.

The parent company is a limited liability company that is registered in Sweden and has its registered office in Stockholm. The address of the head office is Lilla Nygatan 1.

OX2 AB has been listed on Nasdaq First North Premier Growth Market since 23 June 2021. The majority shareholder is Peas Industries AB (50.70%).

### NOTE 02 / Significant accounting policies

#### Basis of consolidated reporting

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretations from the IFRS Interpretations Committee (IFRS IC), as adopted by the European Union (EU). The Group also applies the Swedish Annual Accounts Act (1995:1554) and Recommendation RFR 1 "Supplementary Accounting Rules for Groups" of the Swedish Financial Reporting Board.

The consolidated financial statements have been prepared on the basis of the going concern assumption. Assets and liabilities are valued at their historical cost, with the exception of currency derivatives, which are measured at fair value. The consolidated accounts have been prepared in accordance with the purchase method and all subsidiaries in which a controlling influence is held are consolidated as of the date on which this influence was acquired.

The preparation of reports in accordance with IFRS requires the management to make of a number of accounting estimates. Those areas that involve a high degree of assessment or complexity, or areas where assumptions and estimates are of material significance to the consolidated financial statements are set out in Note 3 – Significant estimates and assessments. These assessments and assumptions are based on historical experi-

ence and other factors that are deemed reasonable in the circumstances. Actual outcomes may differ from assessments made if assessments are changed or other conditions exist.

The company has chosen to comment only on the standards, amendments and interpretations that are deemed relevant for the Group.

Unless otherwise stated, the accounting policies set out below have been applied consistently to all periods presented in the Group's financial reports and by all Group companies.

#### New standards and interpretations

The standards, amendments and interpretations that entered into force for the financial year beginning 1 January 2021 have had no material effect on the consolidated financial statements or the parent company financial statements.

At the time of the preparation of this report, no new standards or interpretations have been applied for financial years beginning after 1 January 2022, and no standards or interpretations are expected to have any material impact on the consolidated financial statements or the parent company financial statements.

#### Consolidation

##### Subsidiaries

The consolidated financial statements include the parent company OX2 AB and the companies over which the parent company has a controlling influence (subsidiaries). Controlling influence over a company is deemed to occur when the parent company has influence over a company, is exposed to or has the right to variable returns from its holding in the company and has the opportunity to affect the return through its influence in the company. Subsidiaries are included in the consolidated accounts from the date on which the controlling influence has been transferred to the Group. They are excluded from the consolidated accounts from the date on which the controlling influence ceases. Please refer to Note 14 – Participations in Group companies for the composition of the Group. If the accounting policies applied at a subsidiary differ from the consolidated accounting policies, the subsidiary's accounts are adjusted in order to follow the same policies applied by the other Group companies.

#### Elimination of intra-Group transactions

Intra-Group receivables and liabilities, income and expenses and unrealised gains or losses arising from intra-Group transactions between Group companies are eliminated in their entirety when preparing the consolidated accounts. Unrealised gains arising from transactions with associates are eliminated to the extent

that they correspond to the Group's holding in the company. Unrealised losses are eliminated in the same way, but only to the extent that there is no need for impairment.

#### Business combinations

The acquisition of subsidiaries is reported in accordance with the purchase method. The fair value of the acquired assets and liabilities is determined as at the date on which the controlling influence is obtained over the acquired company. The purchase consideration for the acquisition consists of the fair value of the transferred assets, liabilities and any shares issued by the Group. The fair value of contingent considerations is also included. The acquisition costs are not included in the cost of the subsidiary but are expensed in the period in which they arise. The difference between the total of the purchase consideration, the value of the non-controlling interest and the fair value of the previous holdings and the fair value of acquired identifiable assets, liabilities and contingent liabilities is recognised as goodwill. In the event of a negative difference, this is recognised directly in the income statement. Non-controlling interests are recognised either as a proportional share of the acquired net assets or at fair value, which is assessed on an acquisition by acquisition basis. Contingent considerations are recognised at estimated fair value with subsequent changes recognised in the income statement.

Phased acquisition is measured at fair value at the date on which the controlling influence is obtained. Revaluation effects for previously owned shares before control is achieved are recognised in the income statement. Increases or decreases in ownership shares of subsidiaries that remain under control are reported as changes in equity.

#### Investments in associates

Holdings in associates are recognised using the equity method. An associate is an entity in which the Group has a significant but not controlling influence, which is usually achieved by a shareholding of 20–50%. Application of the equity method means that investments in associates are recognised in the statement of financial position at cost with additions for changes in the Group's share of the associate's net assets and net of any impairment losses and dividends. The income statement reflects the Group's share of the associate's profit after tax. Transactions that are recognised in the associate's other comprehensive income are recognised in the consolidated other comprehensive income. If the Group's share of reported losses at the associate exceeds the carrying amount of the shares in the Group, the value of the shares is reduced to zero. Continued losses are not recognised



## NOTE 2 cont.

unless the Group has given guarantees to cover losses arising at the associate.

A positive difference between the cost of the acquired shares and the Group's share of the fair values of identifiable assets and liabilities acquired in the associate constitutes goodwill that is included in the carrying amount of the associate. If a negative difference arises, this is recognised in revenue in the period in which the acquisition took place.

Recognised participations in associates are tested for impairment if there is any indication of a decline in value. In transactions between Group companies and associates, that part of unrealised gains that corresponds to the Group's share of the associate is eliminated. Unrealised losses are eliminated in the same way unless this is an indication of a need for impairment.

#### Currency

##### Foreign currency

Transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate prevailing on the balance sheet date. Exchange rate differences arising from translation are recognised in the income statement. Non-monetary assets and liabilities that are recognised at historical cost are translated at the exchange rate prevailing on the transaction date. Non-monetary assets and liabilities that are recognised at fair value are converted to the functional currency at the rate prevailing at the time of the fair value measurement.

Exchange rate differences are recognised in the income statement in the period in which they arise, with the exception of transactions forming hedges that satisfy the conditions for the hedge accounting of cash flows or of net investments, when gains and losses are recognised in equity.

##### Financial statements of foreign operations

Items included in the financial statements of the various entities of the Group are recognised in the currency of the primary economic environment in which the unit principally operates (functional currency). In the consolidated financial statements, all amounts are translated to Swedish kronor (SEK), which is the parent company's functional and presentation currency.

Assets and liabilities in foreign operations, including goodwill and other Group surpluses and deficits, are translated from the functional currency of the foreign operation to the reporting currency of the Group, Swedish kronor, at the exchange rate prevailing on the balance sheet date. Income and expenses in foreign operations are translated to Swedish kronor at an average exchange rate that represents an approximation of the exchange rates prevailing on the respective transaction dates. Translation differences arising on the translation of foreign operations are recognised in other comprehensive income and accumulated in

a separate component in equity known as the translation reserve. In the event of divestment of a foreign operation, the cumulative translation difference attributable to the divested foreign operation is reclassified from equity to the profit for the year as a reclassification adjustment when the gain or loss on the sale is recognised.

#### Revenue from contracts with customers

The revenues of the OX2 Group consist mainly of the sale and construction of wind power projects and wind farms.

Revenue is recognised when control of goods or services is transferred to the customer and is recognised according to a five-step model:

##### Step 1: identify the contract(s) with a customer

At step one, the customer contract is identified. If two or more contracts have been entered into at the same time with a customer and the pricing of one contract depends on another contract, these contracts are combined.

An amendment to a contract means a change in a contract approved by the contractual parties and occurs when the contractual parties agree to an amendment which either creates new, or modifies existing, rights and obligations for the parties to the contract. An amendment to a contract should be reported as a separate contract when the scope of the contract increases due to the addition of promised goods or services that are distinct and when the price of the contract increases by an amount that reflects the company's independent selling prices for the additional goods or services promised. If the parties have not approved an amendment to a contract, the company shall continue to apply the standard to the existing contract until the contract amendment is approved.

##### Step 2: identify the performance obligations in the contract

Step two identifies the performance obligation(s) agreed on in the contract. A performance obligation is a promise to transfer to the customer a distinct good or service, or a series of distinct goods and services that are essentially the same and follow the same pattern of transfer to the customer. A product or service is distinct if the customer can benefit from the goods or services separately or in conjunction with other resources available to the customer and if the company's promise to transfer the goods or services to the customer can be distinguished from other promises contained in the contract.

##### Step 3: determine the transaction price

The transaction price is determined in step three. This takes into account the fixed agreed price, variable consideration, any contingent consideration, deductions, profit mark-ups, discounts and penalties. The variable consideration is estimated using the most probable amount, which is the most probable amount in a

range of possible consideration amounts, or the expected value, which is the sum of the probability-assessed amounts in a range of possible consideration amounts. If the contract contains a significant financing component, the transaction price shall be adjusted for the effect of the time value of money.

##### Step 4: allocate the transaction price to each performance obligation

In step four, the transaction price is allocated to the different performance obligations in the contract if there is more than one obligation. The allocated transaction price for each individual obligation should reflect the amount of consideration to which the company expects to be entitled in exchange for transferring the promised goods or services to the customer, based on a stand-alone selling price.

##### Step 5: recognise revenue when a performance obligation is satisfied

Revenue is recognised, in step five, when the performance obligation is satisfied, either over time or at a specific point in time, and when the customer obtains control of the asset. Revenue is recognised over time when the customer simultaneously receives and consumes the benefits provided by the company's performance, when the company's performance creates or improves an asset that is controlled by the customer, or when the company's performance does not create an asset with alternative use for the company and the company is also entitled to payment for its performance so far that includes expenses incurred and profit margin.

If a performance obligation is not fulfilled over time as described above, the company will fulfil the obligation at a specific point in time. This occurs at the time when the customer obtains control of the promised asset. Indicators of control may be that the company is entitled to payment for the asset, the customer has legal ownership of the asset, the company has transferred the physical possession of the asset, the customer has the significant risks and benefits associated with the ownership of the asset, or that the customer has approved the asset.

Expenditure on obtaining a contract, that is expenditure that the company would not have had if it had not obtained the contract, is recognised as an asset only if the company expects to have that expenditure covered. Loss-making contracts are expensed directly and provisions for loss are made for remaining work and are recognised in accordance with IAS 37 Provisions.

An amendment to a contract means a change in the scope or price (or both) of a contract that has been approved by the parties to the contract. An amendment to a contract should be reported as a separate contract when the scope of the contract increases due to the addition of promised goods or services that are distinct and when the price of the contract increases by an amount that reflects OX2's independent selling prices for the

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## NOTE 2 cont.

additional goods or services promised. If the parties have not approved an amendment to a contract, OX2 shall continue to apply the standard to the existing contract until the contract amendment is approved. In fixed-price contracts, the customer pays the agreed price at agreed payment times.

If the services delivered by OX2 exceed the payment, a contract asset is recognised. If the payments exceed the services delivered, a contract liability is recognised. If the services delivered by OX2 exceed the payment, a contract asset is recognised.

#### *Revenue from transfer of project rights and a concluded construction contract*

With regard to revenue from sales agreements where the customer takes over the project rights and concludes a construction contract with OX2, the agreement means that the customer has taken over the project rights and that OX2 will then perform work that creates or improves an asset controlled by the customer. When contracts include both sales of project rights and construction contracts for the buyer, an assessment is made of whether the project rights and the construction contract are separate performance obligations.

A good/service must be distinct, both in nature and within the framework of the contract, in order to constitute a separate performance obligation. This assessment is then of crucial importance for the recognition of revenues from the contract. Both of the following criteria must be met in order to identify separate performance obligations:

- a) the customer can benefit from the goods or services separately or in conjunction with other resources available to the customer (i.e., the goods or services are capable of being distinct); and
- a) the company's promise to transfer the goods or services to the customer can be distinguished from other promises contained in the contract (i.e. the goods or services are distinct within the framework of the contract).

As a general rule, the customer can benefit from the project rights regardless of whether a construction contract is signed with OX2. The contracting service provided by OX2 is not so specific that it cannot be provided by another company. The transfer of the project rights has therefore been assessed as distinct in nature in accordance with IFRS 15.

The transfer of project rights together with contracting is certainly an integration and there is a functional link between the project rights and the contract, i.e. without the project rights (including land, permits, etc.), a wind turbine cannot be built because foundations etc. will be fixed to the ground. At the same time, they are not considered to be so highly dependent on each other, as OX2's assessment is that the transfer of project rights and the execution of the contract would not have been substan-

tially different, had a different risk spectrum or been priced differently if OX2 delivered only one part. The main risks associated with the different phases (design versus construction) have been assessed separately and the transfer of project rights has therefore been assessed as distinct within the framework of the contract in accordance with IFRS 15.

Taking into account the terms and conditions of the contracts, the sale of project rights and construction contracts has been deemed to constitute two separate performance obligations.

Revenue from the sale of project rights only is recognised at a point in time, while revenue from the sale of project rights in combination with construction is recognised over time.

Revenue from the sale of construction contracts is recognised over time using the percentage of completion method. When the percentage of completion method is applied, the degree of completion is calculated based on predefined milestones during the construction phase. The percentage of completion method includes an uncertainty component. Unforeseen incidents may occur that could affect the final result, making it higher or lower than expected. Construction contract projects are monitored on an ongoing basis and when it is probable that the total contract costs will exceed the total contract revenue, the anticipated loss shall be recognised immediately as an expense in its entirety.

#### *Revenue from the sale of wind farms ready for operation*

In cases where the customer does not obtain control of the asset until the contract is completed, the revenue is recognised at a specific point in time, which is on completion when the completed wind farm is handed over to the customer.

#### **Financial income**

Financial income consists of interest income and any capital gains on the sale of financial non-current assets.

Interest income is recognised on a time proportion basis using the effective interest rate method. The effective interest rate is the rate at which the net present value of all future inward and outward payments during the interest period is equal to the carrying amount of the receivable.

#### **Financial expenses**

Financial expenses consist primarily of interest expenses on liabilities, which are calculated using the effective interest rate method.

#### **Segments**

The Group has one operating segment, for which the CEO is responsible. This is in accordance with how the Group organises its operations and monitors and presents financial and operational information. This is in accordance with the preparation of business plans and budget work and the follow-up of financial as well as operational objectives. The CEO controls the business

through a management group with the main responsibility for different parts of the project's development work and progress. These all report to the CEO.

Note 5 contains information on sales revenues for the segment and by geographic market, as well as sales revenues for major customers.

#### **Leases**

The right to use an asset is recognised as an asset on the balance sheet (Right-of-use asset), while the corresponding obligation to pay for this right is recognised as a non-current or current liability (Lease liability) from the start of the lease. Leases are expensed in the income statement by means of depreciation of the right-of-use asset, which affects operating profit, and an interest expense on the lease liability, which affects profit before tax.

In the statement of cash flows, payments attributable to lease liabilities are recognised in Operating activities in respect of the interest component and in Financing operations in respect of the remainder. Payments for short-term leases and low-value leases that are not included in the measurement of lease liability are recognised in Operating activities.

#### *Measurement of lease liability*

The lease liability is initially calculated as the present value of the outstanding lease payments that are not paid on the start date, discounted by the interest rate. The Group has chosen to apply the exemption for leases with a term of less than 12 months and/or leases for assets of low value.

Lease payments are apportioned between the interest and the reduction of the outstanding liability. The interest is distributed over the term of the lease so that each accounting period is charged with an amount corresponding to a fixed interest rate on the liability recognised in each period. Interest expense is recognised directly in the income statement.

In cases where the lease liability is revalued to reflect changes in the lease payments after the start of the lease, the revaluation amount shall be recognised as an adjustment to the right-of-use asset.

#### *Measurement of right-of-use assets*

Right-of-use assets are initially recognised at a value corresponding to the original value of the lease liability, adjusted for lease payments made at or before the start of the lease. Right-of-use assets are measured at cost less accumulated depreciation and write-downs, and adjusted for any revaluation of the lease liability. In cases where the lease liability is revalued to reflect changes in the lease payments after the start of the lease, the revaluation amount shall be recognised as an adjustment to the right of use. The adjustment shall be recognised in profit or loss.

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## NOTE 2 cont.

**Depreciation policies**

Depreciation is applied on a straight-line basis over the term of the lease, or the estimated useful life of the asset if it is deemed to be shorter.

**Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to prepare for its intended use or sale are included in the cost of the asset until such time as the asset is ready for its intended use or sale. Interest income from the temporary investment of borrowed funds for an asset as described above is deducted from the borrowing costs that can be included in the cost of the asset. Other borrowing costs are charged to profit or loss for the period to which they relate.

**Employee remuneration**

Employee remuneration in the form of wages, paid holiday, paid sick leave, etc., as well as pensions, is recognised as it is earned. Pensions and other post-employment benefits are classified as defined contribution or defined benefit pension plans. The Group only has defined contribution pension plans.

**Defined contribution plans**

For defined contribution plans, the company pays fixed contributions to a separate independent legal entity and has no obligation to pay further contributions. Costs are charged to consolidated earnings as the benefits are earned, which normally coincides with the time at which the premiums are paid.

**Share-based payment**

Share-based payment is recognised in accordance with IFRS 2. The company has a share scheme settled in equity that does not generate any costs for the company but which must be disclosed.

**Income taxes**

The tax expense comprises the sum of current tax and deferred tax.

*Current tax*

Current tax is calculated on the taxable profit for the period. Taxable profit differs from the profit reported in the income statement in that it has been adjusted for non-taxable income and non-deductible expenses, as well as for income and expenses that are taxable or deductible in other periods. The Group's current tax liability is calculated according to the tax rates that have been adopted or substantively enacted at the balance sheet date.

*Deferred tax*

Deferred tax is recognised for the difference between the carrying amounts of assets and liabilities in the financial statements and the tax values used in the calculation of taxable profit.

Deferred tax is recognised in accordance with the balance sheet method. Deferred tax liabilities are recognised in principle for all taxable temporary differences and deferred tax assets are recognised in principle for all deductible temporary differences to the extent it is probable that the amounts can be offset against future taxable profit. Deferred tax assets and tax liabilities are not recognised if the temporary difference is attributable to goodwill or if it is the result of a transaction that constitutes the initial recognition of an asset or liability (other than a business combination) and which, at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax liabilities are recognised for taxable temporary differences attributable to investments in subsidiaries and associates, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that such a reversal will not occur in the foreseeable future. The deferred tax assets that are attributable to deductible temporary differences in relation to such investments and interests are recognised only to the extent it is probable that the amounts can be offset against future taxable profit and it is probable that this will occur in the foreseeable future.

The carrying amount of deferred tax assets is tested at each closing date and is reduced to the extent it is no longer probable that sufficient taxable profit will be available for offsetting, in whole or in part, against the deferred tax asset. Deferred tax is calculated using the tax rates that are expected to apply to the period in which the asset is recovered or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Current and deferred taxes are offset when they relate to income tax that is levied by the same authority and the Group intends to settle the tax net.

*Current and deferred tax for the period*

Current and deferred tax are recognised as a cost or revenue in the income statement, except where the tax is attributable to transactions recognised directly in equity. In such cases, the tax is also recognised directly in equity.

**Earnings per share**

Earnings per share before dilution are calculated by dividing the earnings attributable to the parent company's shareholders by a weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the earnings attributable to the parent company's shareholders by the

average number of ordinary shares outstanding during the period, adjusted by the weighted average number of shares outstanding of all potential ordinary shares giving rise to dilution effects.

**Non-current assets**

Property, plant and equipment and intangible non-current assets with a finite useful life are recognised at cost less accumulated depreciation, amortisation, write-downs and impairment. The cost includes the purchase price and costs directly attributable to bringing the asset to the location and into the condition required for it to be used for its intended purpose. Borrowing costs are included in the cost when the criteria for this are met. Property, plant and equipment containing elements with different useful lives are treated as separate components of property, plant and equipment.

Additional expenses are added to the cost only if it is probable that the future economic benefits associated with the asset will accrue to the company and the cost can be estimated reliably. All other additional expenses are recognised as an expense in the period in which they arise. An additional expense is added to the cost if the expense pertains to the replacement of identified components or parts thereof. Any residual carrying amounts for replaced components are discarded and expensed in the context of the replacement. Expenditure for repairs and maintenance is expensed on an ongoing basis.

Depreciation is based on the cost of the asset less estimated residual value at the end of its useful life and is recognised on a straight-line basis over the estimated useful life of the respective material component. The useful life of all the components of the wind turbines, foundations and electrical installations is expected to coincide, which is why no further breakdown has been made. Useful lives and residual values are subject to annual review.

The estimated useful lives are as follows:

Equipment	4–7 years
Intangible assets	5–10 years

Gains or losses on the discarding or divestment of property, plant and equipment comprise the difference between what is received for the asset and its carrying amount and are recognised in operating profit.

**Impairment and write-downs**

Every balance sheet date, the Group analyses the carrying amounts of property, plant and equipment and intangible assets in order to determine whether there is any indication of a loss in the value of these assets. If there are any indications in this respect, the recoverable amount of the asset is calculated in

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## NOTE 2 cont.

order to determine the value of any write-down or impairment. Where the recoverable amount of an individual asset cannot be calculated, the Group calculates the recoverable amount of the cash-generating unit to which the asset belongs. In addition, intangible assets with indefinite useful lives are impairment tested each year and property, plant and equipment not yet available for use are also assessed for write-downs.

The recoverable amount is the higher of the fair value, less selling expenses, and the value in use. When calculating the value in use, estimated future cash flows are discounted to present value using a discount rate before tax that reflects the current market assessment of the time value of money and the risks associated with the asset.

Where the recoverable amount of an asset (or cash-generating unit) is identified as being lower than the carrying amount, the carrying amount of the asset (or the cash-generating unit) is written down to the recoverable amount. Write-downs and impairments are recognised directly in the income statement. Where a write-down or impairment is subsequently reversed, the carrying amount of the asset (the cash-generating unit) is increased to the revalued recoverable amount, but the increased carrying amount may not exceed the carrying amount that would have been recognised if the asset (the cash-generating unit) had not been written down or impaired previously. The reversal of write-downs and impairments is recognised directly in the income statement. Impairment of goodwill is not reversed.

#### Project portfolio and work in progress

Projects in progress consist of acquired intangible assets and are classified as current assets. These are recognised at the lower of cost and net realisable value.

#### Financial assets and liabilities

##### Financial instruments

A financial asset or a financial liability is recognised on the balance sheet when the company becomes a party to the instrument's contractual terms. A financial asset is removed from the balance sheet when the contractual rights have been realised or expire or when the company loses control over it. A financial liability is removed from the balance sheet when the obligation in the contract is fulfilled or otherwise expires.

Financial instruments are recognised at amortised cost or at fair value, depending on their initial classification under IFRS 9.

##### Fair value of financial instruments

The fair values of financial assets and financial liabilities are calculated as follows: The fair value of financial assets and liabilities with standard terms that are traded on an active market is determined using quoted market prices.

The fair value of other financial assets and liabilities is determined in accordance with generally accepted valuation models,

such as models based on discounted cash flow analyses. Observable market data is used in the valuation models as far as possible. The carrying amount of all financial assets and liabilities is considered to be a good approximation of their fair value, when the term is short, unless otherwise indicated in the following notes to the accounts.

##### Derivatives and hedge accounting

All derivatives are measured at fair value and are recognised on the balance sheet as either assets or liabilities, depending on whether the fair value is positive or negative at the balance sheet date. The reporting of changes in the value of the derivative is dependent on whether or not the derivative is designated as a hedging instrument.

Hedge accounting is applied in accordance with IFRS 9 and to meet the requirements for hedge accounting, there must be an economic relationship between the hedged item and the hedging instrument, the effect of credit risk must not dominate the changes resulting from the economic relationship and the hedge ratio must be the same as that resulting from the quantity of the hedged item actually hedged.

If a derivative is designated as a hedging instrument in a cash flow hedge, the effective portion of the changes in the derivative's fair value is recognised in other comprehensive income and is accumulated in the hedge reserve in equity. The ineffective portion of a cash flow hedge is recognised directly in the consolidated profit or loss. Amounts recognised in equity are reversed in the consolidated profit or loss during the periods when the hedged item affects the consolidated profit or loss. This also applies if the hedging relationship is no longer deemed effective.

##### Fair value measurement

Information must be disclosed about the method for determining fair value using a fair value hierarchy containing three levels. These levels should reflect the extent to which the fair value is based on observable market data and on own assumptions. The different levels for measuring fair value are described below.

##### Level 1

Financial instruments for which the fair value is determined on the basis of observable (unadjusted) quoted prices on an active market for identical assets and liabilities. A market is considered active if the quoted prices from a stock exchange, broker, industrial group, pricing service or supervisory authority are easily and regularly accessible and these prices represent actual, regularly occurring arm's-length market transactions.

##### Level 2

Financial instruments for which the fair value is determined on the basis of valuation models that are based on observable data for the asset or liability other than the quoted prices included in

level 1, either directly (i.e. as quoted prices) or indirectly (i.e. derived from quoted prices). Examples of observable data within level 2 are data that can be used as a basis for the price assessment, for example market interest rates and yield curves.

##### Level 3

Financial instruments for which the fair value is determined on the basis of valuation models where significant input is based on unobservable data.

#### Determining fair value

##### Currency forward contracts

The fair value of currency forward contracts is determined from the current forward rates for the remaining term at the balance sheet date. All currency forward contracts are designated level 2 in the fair value hierarchy above.

##### Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and recognised net on the balance sheet when there is a legal right to offset and the intention is to settle the items as a net amount or simultaneously realise the asset and settle the liability. No offsets have been made of the financial assets and liabilities in the Group, nor is there any legal right to offset.

#### Financial assets

##### Classification and subsequent measurement

At initial recognition, a financial asset is classified as being measured at: amortised cost, fair value through other comprehensive income or fair value through profit or loss.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, at specific times, to cash flows that are solely payments of the principal and interest on the principal outstanding.

Financial assets are not reclassified after initial recognition unless the Group changes its business model for the management of the financial assets.

All financial assets that are not classified as being measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

##### Financial assets valued at fair value through profit or loss

These assets are subsequently measured at fair value. Net gains and losses are recognised in profit or loss. See note for derivatives designated as hedging instruments.

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### *Financial assets measured at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced through impairment. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Gains or losses arising on derecognition are recognised in profit or loss.

### *Cash and cash equivalents*

Cash and cash equivalents includes cash and bank balances, as well as other current liquid investments that can easily be converted to cash and which are subject to insignificant risk of value fluctuations. For classification as cash and cash equivalents, the maturity period must not exceed three months from the date of acquisition. Cash and bank balances are measured at amortised cost because bank funds are payable on demand and the amortised cost corresponds to the nominal amount.

### *Accounts receivable*

Accounts receivable are categorised as "Assets at amortised cost", which means they are measured at amortised cost. The expected term of the accounts receivable is short, however, so they are recognised at nominal amount without discounting.

The company reports loss provisions for expected credit losses on accounts receivable. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of each financial instrument.

The company reports expected credit losses (ECL) corresponding to the remaining maturity of accounts receivable. The expected credit losses are calculated using a matrix based on the company's historical credit losses, adjusted for counterparty-specific and macroeconomic factors, as well as current and forecast conditions at the time of reporting.

### *Contract assets*

Contract assets are contractual payment flows from customers and are categorised as "Assets at amortised cost".

These receivables have a maturity exceeding that of accounts receivable and amounting to a maximum of 12 months. Deductions are made for expected credit losses.

The company reports loss provisions for expected credit losses on contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of each financial instrument.

The company reports expected credit losses (ECL) corresponding to the remaining maturity of contract assets. The expected credit losses are calculated using a matrix based on the company's historical credit losses, adjusted for counterparty-specific and macroeconomic factors, as well as current and forecast conditions at the time of reporting.

### **Financial liabilities**

*Classification, subsequent measurement and gains and losses*  
Financial liabilities are classified as measured at amortised cost or at fair value through profit or loss. A financial liability is classified as measured at fair value through profit or loss if it is classified as held for trading, as a derivative, or has been designated as such at initial recognition.

Financial liabilities measured at fair value through profit or loss are measured at fair value, while net gains and losses, including interest expenses, are recognised in profit or loss. Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. See note 22 for financial liabilities designated as hedging instruments.

### *Accounts payable*

Accounts payable are classified as "Financial liabilities", which means they are valued at amortised cost. The expected term of the accounts payable is short, however, so the liability is recognised at nominal amount without discounting.

### *Liabilities to credit institutions and other loans*

Interest-bearing bank loans, bank overdrafts and other loans are classified as "Financial liabilities" and are measured at amortised cost in accordance with the effective interest rate method. Any differences between the loan amount received (net after transaction costs) and the repayment or amortisation of loans are recognised over the term of the loan in accordance with the Group accounting policy for borrowing costs (see above).

### *Equity*

All shares in the company are ordinary shares, which are recognised as equity. The share capital is recognised at its quota value and the surplus portion is recognised as Other contributed capital. Transaction costs that can be directly attributed to the issue of new ordinary shares or options are recognised, net after tax, in equity as a deduction from the issue proceeds.

### *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are made at the amount that represents the best estimate of the sum required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties associated with the obligation. When a provision is calculated by estimating the payments expected to be required to settle the obligation, the carrying amount must be equal to the present value of these payments. Where some or all of the

amount required to settle a provision is expected to be paid by a third party, this payment must be reported separately as an asset on the balance sheet once it is virtually certain that it will be received if the company settles the obligation and the amount can be estimated reliably.

### *Contingent liabilities*

Contingent liabilities are potential liabilities arising from past events, the existence of which is confirmed only by the occurrence or absence of one or more future events, which are not entirely within the Group's control. Contingent liabilities also include liabilities arising from past events that are not recognised as liabilities because it is not likely that an outflow of resources will be required to settle the liability.

Performance guarantees issued with payment guarantees from insurers and banks are included at the amount up to nominal value until the project is handed over. In some cases, the value of a completed portion is deducted from the liability under the respective contract.

### **Reporting of cash flows**

Cash and cash equivalents comprise available cash, bank balances available at banks and other liquid investments with an original maturity of less than three months which are subject to insignificant fluctuations in value. Cash receipts and disbursements are reported in the cash flow statement. The cash flow statement has been prepared using the indirect method. Exchange rate differences in cash and cash equivalents are presented separately from cash and cash equivalents.

### **Accounting policies of the parent company**

The parent company OX2 AB prepares its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and Recommendation RFR 2 "Accounting for Legal Entities" of the Swedish Financial Reporting Board. The relevant statements of the Swedish Financial Reporting Board have also been applied. The application of RFR 2 means that the parent company must apply all IFRS approved by the EU to the extent possible under the Swedish Annual Accounts Act and the Swedish Act on Safeguarding Pension Obligations and with due consideration of the relationship between reporting and taxation. The differences between the accounting policies of the parent company and those of the Group are described below:

### *Financial instruments*

The parent company does not apply IFRS 9 Financial Instruments. The parent company applies a cost-based method in accordance with the Swedish Annual Accounts Act. This means that non-current financial assets are measured at cost less any impairment and current financial assets are measured in

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### NOTE 2 cont.

accordance with the lowest value principle. Financial liabilities are measured at amortised cost using the effective interest rate method. The policies for recognition, impairment and derecognition of financial instruments are the same as those of the Group and as described above.

#### *Shares in subsidiaries*

Shares in subsidiaries are recognised using the cost method. Costs relating to the acquisition of subsidiaries, which are expensed in the consolidated financial statements, are included in the cost of shares in subsidiaries. The carrying amount of shares in subsidiaries is tested for impairment when there is an indication of a need for impairment.

#### *Group contributions*

The parent company recognises Group contributions and shareholder contributions in accordance with the general rule of Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board. Group contributions received from subsidiaries are recognised as financial income and Group contributions made to subsidiaries are recognised as increases in participations in Group companies.

Group contributions made by the parent company are recognised as a reduction in equity, net of tax.

#### *Leases*

The Group recognises assets and liabilities attributable to all leases, with the exception of leases shorter than twelve months and/or leases of low value.

The parent company recognises all leases as operating leases in accordance with the provisions of RFR 2.

### NOTE 03 / Assessments and estimates in the financial statements

The consolidated financial statements are based on various estimates and assessments made by the company management that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenues and costs. Assessments made may deviate from future outcomes.

The estimates and assessments are based on historical experience and a number of other factors which are considered to be reasonable under the prevailing circumstances. Estimates and assumptions are reviewed regularly. The effects of changes in estimates are recognised in the period when the change is made if the change affects only that period, or in the period that the change affects both current and future periods.

#### **Assessment of the degree of completion for the percentage of completion method**

The Group applies the percentage of completion method in the recognition of projects sold as construction contracts. The percentage of completion method requires the Group to make estimates in respect of the degree of completion at the balance sheet date.

#### **Recognition of asset acquisitions**

Business combinations where the principal aim is to acquire the company's rights and where any management organisation and administration of the company is of lesser importance for the acquisition are classified as asset acquisitions.

#### **Recognition of cash flows on the acquisition and sale of companies**

The cash flow effects arising from the sale and acquisition of companies related to projects in the form of a company are recognised as changes in working capital in the consolidated cash flow statement.

#### **Recognition of sales of wind power projects**

In the case of sales of wind power projects made through the divestment of shares in subsidiaries, the revenue for the project is recognised in net sales with the sale treated as a current asset up to the divestment date.

#### **Recognition of project rights**

Project rights are recognised in the consolidated statement of financial position as a current asset ("work in progress"). These are recognised as non-current assets in each natural person within the Group.

### NOTE 04 / Financial risk management and financial instruments

#### **Finance policy**

The OX2 Group's operations expose it to various financial risks in the form of market risks, including currency and interest rate risks, credit and financing risks. The Group's overall risk management policy focuses on the unpredictability of the financial markets and strives to minimise potentially adverse effects on the Group's financial results. Risk management takes place in accordance with the finance policy adopted by the Board. The Board has established written policies both for overall risk management and for specific areas such as currency risk, interest rate risk, counterparty risk and the investment of surplus liquidity. The finance policy is updated annually and otherwise as required.

#### **Market risks**

The OX2 Group's main business model is to develop and sell wind and solar farms. Consequently, most market risks are indirect, i.e. the OX2 Group's customers among others manage risks connected to electricity prices and the OX2 Group suffers indirectly through reduced demand and/or lower sales prices.

#### *Currency risks*

Sales of projects are primarily in EUR, which involves what is known as Transaction exposure. When evaluating the currency risk, projects' total inflows and outflows in foreign currency are taken into account. Wind turbines are principally ordered from European suppliers in EUR, which provides a natural hedge against sales that take place in EUR. The currency risk for each project is managed in a way that meets the requirements of the policy in respect of risk minimisation, adapted to the conditions of the particular project. The Group's total currency exposure is taken into account when hedging each project. The transaction exposure resulting from purchases and sales can be hedged for up to 36 months. Most of the hedges mature in 2022.

#### *Sensitivity analysis*

If the Swedish krona had unilaterally weakened/strengthened by SEK 5 percent towards EUR, the currency hedges for cash flows would have increased/reduced equity by SEK +/- 97.8 million (+/- 33.7) given the hedges recognised in equity. This calculation is based on quotations as at 31 December 2021.

#### *Interest rate risks*

The Group has no outstanding interest-bearing loans. The Group is affected by the interest component in the currency derivatives included in the hedges for currency risks; see also the section entitled Currency risks.



## NOTE 4 cont.

*Sensitivity analysis*

A change in the swap component of +/- 0.01 (100 pips), a so-called parallel change of the average rates, would affect the market value of the forward exchange contracts by SEK +/- 2.4 million (0.8), based on current forward exchange contracts during 2021.

*Investments*

The Group's cash flow generated from operating activities and from the sale of projects/commissioned wind farms is intended to be used for the development of new projects and the financing of operating activities. Surplus liquidity is invested with counterparties that have high credit ratings and therefore represent a low credit risk. Given the 2021 figures, a fall in revenue interest to 0% would lead to a reduction in interest income of approximately SEK 0 million (0.1). OX2 has not paid negative interest on funds in its other bank accounts.

*Price risk for electricity*

The future price of electricity is the single most important parameter in the investment calculations of customers. The OX2 Group's business is therefore affected in both the short term and the long term by the development of the electricity futures market. The OX2 Group monitors the market, the economy and the price of other types of energy.

*Credit risk*

Credit risk or counterparty risk refers to the risk of the counterparty in a transaction failing to fulfil its obligations, thereby causing a loss to the Group. Commercial credit risk includes customers' ability to pay and is managed by monitoring and following up customers' financial reports. Default is defined as a situation where it is deemed unlikely that the counterparty will be able to fulfil its obligations because of financial difficulties and the claim is more than 90 days overdue. This is reflected in the assessment of provisions.

The OX2 Group's customers are primarily major companies in the financial sector, which usually have regulated operations. OX2's financial exposure to counterparty risk arises primarily in the trading of derivatives and in guarantees received by insurance companies.

The Group's total credit risk is distributed over a small number of customers who represent a relatively large proportion of the Group's accounts receivable. The financial credit risk is covered by the general model for expected credit loss provisions in IFRS 9. The model is based on the counterparty's rating. The low credit risk exception is applicable as at the balance sheet date. Due to the short term and stable counterparties, the provisions are considered to be immaterial and we do not envisage any significant changes in current or forward-looking factors.

*Liquidity and financing risk*

Liquidity risk means the risk of the Group being adversely affected by the lack of management and control of cash and cash equivalents and cash flows. Financing risk is the risk of the Group being unable to raise sufficient cash and cash equivalents to fulfil its obligations. The OX2 Group is constantly working with liquidity forecasts and with respect to wind turbines sold to customers as operational, the company aims to match payment plans from suppliers against payments from customers in the respective projects. OX2 has a Green Revolving Credit Facility based on the fact that 90 percent of the company's revenue is generated from renewable sources. The three year Revolving Credit facility contain two prolongation options. The Group has no outstanding interest-bearing debt. As of December 31, 2021, the Group's unutilised credit commitments amounted to SEK 1,200 million.

SEK million	Group 2021			
	0-3 months	3-12 months	1-5 years	Total
<b>Assets</b>				
Accounts receivable	297	-	-	297
Receivables from Group companies	-	-	-	-
Other current receivables	33	-	-	33
Derivative instruments	-	6	-	6
Cash and cash equivalents	2,374	-	-	2,374
<b>Total</b>	<b>2,704</b>	<b>6</b>	<b>-</b>	<b>2,710</b>

Liabilities	0-3 months	3-12 months	1-5 years	Total
	Other non-current liabilities	-	-	15
Accounts payable	309	-	-	309
Liabilities to Group companies	-	-	-	-
Other current liabilities	224	-	-	224
Derivative instruments	-	17	-	17
<b>Total</b>	<b>533</b>	<b>17</b>	<b>15</b>	<b>565</b>

SEK million	Group 2020			
	0-3 months	3-12 months	1-5 years	Total
<b>Assets</b>				
Accounts receivable	121	-	-	121
Receivables from Group companies	0	-	-	0
Other current receivables	16	-	-	16
Derivative instruments	-	37	-	37
Cash and cash equivalents	1,235	-	-	1,235
<b>Total</b>	<b>1,372</b>	<b>37</b>	<b>-</b>	<b>1,408</b>

Liabilities	0-3 months	3-12 months	1-5 years	Total
Other non-current liabilities	-	-	13	13
Accounts payable	124	-	-	124
Liabilities to Group companies	0	-	-	0
Other current liabilities	-	84	-	84
<b>Total</b>	<b>124</b>	<b>84</b>	<b>13</b>	<b>221</b>

SEK million	Parent company 2021			
	0-3 months	3-12 months	1-5 years	Total
<b>Assets</b>				
Accounts receivable	0	-	-	0
Receivables from Group companies	160	-	-	160
Other current receivables	10	-	-	10
Cash and cash equivalents	2,272	-	-	2,272
<b>Total</b>	<b>2,442</b>	<b>-</b>	<b>-</b>	<b>2,442</b>

Liabilities	0-3 months	3-12 months	1-5 years	Total
	Accounts payable	53	-	-
Liabilities to Group companies	1,164	-	-	1,164
Other current liabilities	59	-	-	59
<b>Total</b>	<b>1,277</b>	<b>-</b>	<b>-</b>	<b>1,276</b>

SEK million	Parent company 2020			
	0-3 months	3-12 months	1-5 years	Total
<b>Assets</b>				
Accounts receivable	6	-	-	6
Receivables from Group companies	175	-	-	175
Other current receivables	3	-	-	3
Cash and cash equivalents	258	-	-	258
<b>Total</b>	<b>442</b>	<b>-</b>	<b>-</b>	<b>442</b>

Liabilities	0-3 months	3-12 months	1-5 years	Total
	Accounts payable	19	-	-
Liabilities to Group companies	-	256	-	256
Other current liabilities	-	103	-	103
<b>Total</b>	<b>19</b>	<b>359</b>	<b>-</b>	<b>378</b>

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## NOTE 4 cont.

**Credit and counterparty risk**

Purchasers of OX2's projects normally make advance payments in line with a payment plan and OX2 may also require collateral for these payment obligations. OX2's customer structure is similar, but with customers in many different geographical areas. Confirmed credit losses on accounts receivable amounted to 0% (0%) of net sales in 2021. Of the accounts receivable outstanding at the balance sheet date 2021, the five largest items accounted for 100% (98%). OX2's overall assessment is that, despite the Covid-19 pandemic, the credit risk in those customer segments and countries in which OX2 makes the majority of its sales has not changed during 2021. No credit loss provisions have been made as this has been deemed insignificant.

The outstanding exposure of the Group and the parent company to credit risk relevant to the note is represented by the carrying amounts of all financial assets and is shown in the table below.

Cash and cash equivalents are invested in accordance with the finance policy in order to minimise risk.

SEK million	Group	
	31/12/2021	31/12/2020
Accounts receivable	297	121
Receivables from Group companies	-	0
Other receivables	33	16
Cash and cash equivalents	2,374	1,235
<b>Maximum credit risk exposure</b>	<b>2,704</b>	<b>1,372</b>

SEK million	Parent company	
	31/12/2021	31/12/2020
Accounts receivable	0	6
Receivables from Group companies	160	175
Other receivables	10	3
Cash and cash equivalents	2,272	258
<b>Maximum credit risk exposure</b>	<b>2,442</b>	<b>442</b>

**Classification of financial instruments**

The carrying amounts of financial assets and financial liabilities by valuation category in accordance with IFRS 9 are shown in the table below.

SEK million	Group	
	31/12/2021	31/12/2020
<b>Financial assets measured at fair value</b>		
Derivatives <sup>1)</sup>	6	37
<b>Financial assets measured at amortised cost</b>		
Accounts receivable	297	121
Receivables from Group companies	-	0
Other current receivables	33	16
Cash and cash equivalents	2,374	1,235
<b>Total financial assets</b>	<b>2,710</b>	<b>1,408</b>

SEK million	Group	
	31/12/2021	31/12/2020
<b>Financial liabilities measured at fair value</b>		
Derivatives <sup>1)</sup>	17	-
<b>Financial liabilities measured at amortised cost</b>		
Other non-current liabilities	15	13
Accounts payable	309	0
Liabilities to Group companies	-	124
Other current liabilities	211	73
Current interest-bearing liabilities	14	11
<b>Total financial liabilities</b>	<b>565</b>	<b>221</b>

SEK million	Parent company	
	31/12/2021	31/12/2020
<b>Financial assets measured at fair value</b>		
Derivatives <sup>1)</sup>	-	-
<b>Financial assets measured at amortised cost</b>		
Accounts receivable	0	6
Receivables from Group companies	160	175
Other current receivables	10	3
Cash and cash equivalents	2,272	258
<b>Total financial assets</b>	<b>2,442</b>	<b>442</b>

SEK million	Parent company	
	31/12/2021	31/12/2020
<b>Financial liabilities measured at fair value</b>		
Derivatives <sup>1)</sup>	-	-
<b>Financial liabilities measured at amortised cost</b>		
Other non-current liabilities	-	-
Accounts payable	53	256
Liabilities to Group companies	1,164	19
Other current liabilities	59	103
<b>Total financial liabilities</b>	<b>1,277</b>	<b>378</b>

<sup>1)</sup> At level 2.

Discounting has no significant effect on short-term financial instruments. Our assessment is that there are no significant changes to the credit risk, which is why the fair value and carrying amount of our non-current liabilities are considered to be essentially the same. There has been no reclassification between the valuation categories above during the period.

**Capital risk management**

The Group's capital management objective is to secure the Group's ability to continue operating so that the Group can continue to generate a fair return for shareholders and deliver benefits to other stakeholders. The Group's strategy is not to have any debt apart from financing for the project portfolio, accounts receivable and, in some cases, the construction of wind- and solar power projects.

The Group defines capital as equity.

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### NOTE 05 / Revenue

The Group has one segment. See accounting policies for segment reporting for additional information. The Group's revenue mainly comprises sales of wind power projects and commissioned wind farms. The Group normally recognises revenue over time and, in certain cases, at a specific time.

SEK m	Group	
	2021	2020
<b>Net sales per category</b>		
Sales of wind power projects and wind farms	4,983	5,201
<b>Total</b>	<b>4,983</b>	<b>5,201</b>

SEK m	Parent company	
	2021	2020
<b>Net sales per category</b>		
Sales of wind power projects and wind farms	685	740
<b>Total</b>	<b>685</b>	<b>740</b>

SEK m	Group	
	2021	2020
<b>Income broken down by country<sup>1)</sup></b>		
Sweden	1,263	2,157
Finland	2,883	2,386
Poland	610	308
Norway	227	350
<b>Total</b>	<b>4,983</b>	<b>5,201</b>

<sup>1)</sup> The income broken down by country is based on where projects are located.

Timing of revenue recognition	2021	2020
At a certain time	-	986
Over time	4,983	4,214
<b>Total</b>	<b>4,983</b>	<b>5,201</b>

The Group has two customers which individually account for between 15-21% of the Group's total income in 2021.

The following table shows the total amount of the transaction price allocated to the performance obligations that are unmet (or partially unmet) at the end of the reporting period.

SEK m	Group	
	2021	2020
<b>Contract assets</b>		
Project development portfolio and construction in progress (see also Note 16)	0	-
Accrued income (see also Note 18)	86	180
<b>Total</b>	<b>86</b>	<b>180</b>
Of which non-current assets	-	-
Of which current assets	86	180
<b>Total</b>	<b>86</b>	<b>180</b>

The following table shows contract liabilities at end of year. No revenue was recognised during the year that was attributable to performance obligations met in prior periods.

SEK m	Group	
	2021	2020
<b>Contract liabilities</b>		
Advance payments from customers (see also Note 23)	601	468
Prepaid income (see also Note 25)	3	-
<b>Total</b>	<b>604</b>	<b>468</b>
Of which non-current liabilities	-	-
Of which current liabilities	604	468
<b>Carrying amount</b>	<b>604</b>	<b>468</b>

No information is disclosed about the transaction price allocated to outstanding performance obligations as there were no such obligations with an expected maturity of more than one year as at 31 December 2021.

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### NOTE 06 / Disclosure of the auditor's fees and reimbursement of expenses

SEK m	Group	
	2021	2020
<b>Deloitte</b>		
Audit engagement	2	2
Audit business in addition to the audit engagement	4	0
Tax advice	2	2
<b>Total</b>	<b>8</b>	<b>4</b>

SEK m	Parent company	
	2021	2020
<b>Deloitte</b>		
Audit engagement	1	1
Audit business in addition to the audit engagement	3	0
Tax advice	2	2
<b>Total</b>	<b>6</b>	<b>3</b>

Auditor's fees refers to the auditor's remuneration for the statutory audit. The work includes auditing the annual report and financial statements and management by the Board of Directors and the CEO, and fees for audit advice provided in connection with the audit engagement. Audit business in addition to the audit engagement mainly relates to quality assurance services other than the statutory audit.

### NOTE 07 / Number of employees, salaries, other benefits and social security expenses

Average number of employees	2021		2020	
	Average number of employees	Of whom men	Average number of employees	Of whom men
<b>Parent company</b>				
Sweden	105	57	76	47
Finland	33	18	21	12
France	11	6	7	4
Other markets	2	3	-	-
<b>Total in parent company</b>	<b>151</b>	<b>84</b>	<b>104</b>	<b>63</b>

Average number of employees	2021		2020	
	Average number of employees	Of whom men	Average number of employees	Of whom men
<b>Subsidiaries</b>				
Sweden	43	27	36	23
Finland	10	7	6	5
Germany	-	-	2	1
Poland	25	16	12	7
Lithuania	1	1	1	1
<b>Total in subsidiaries</b>	<b>79</b>	<b>51</b>	<b>57</b>	<b>37</b>
<b>Total in Group</b>	<b>230</b>	<b>135</b>	<b>161</b>	<b>500</b>

Breakdown of senior executives at balance sheet date	Group		Parent company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Women:				
Board members	3	1	3	1
other members of the company's management, including CEO	3	1	3	1
Men:				
Board members	5	5	5	5
other members of the company's management, including CEO	5	5	5	5
<b>Total</b>	<b>16</b>	<b>12</b>	<b>16</b>	<b>12</b>

#### Salaries, benefits, etc.

SEK m	2021			Total
	Salaries and other benefits	Pensions	Social security expenses	
Total in Group	185	23	50	258

SEK m	2020			Total
	Salaries and other benefits	Pensions	Social security expenses	
Total in Group	146	18	38	202

## NOTE 7 cont.

Salaries and benefits, including social security contributions, broken down between Board members, etc. and employees

2021 SEK m	Board of Directors, CEO and other senior executives			Other employees	Total
	Salaries and other benefits	Pensions	Social security contributions		
Total in Group	21 (6)	3	7	227	258

2020 SEK m	Board of Directors, CEO and other senior executives			Other employees	Total
	Salaries and other benefits	Pensions	Social security contributions		
Total in Group	18 (6)	3	6	176	202

## Remuneration and other benefits during the year

Specification of remuneration to members of the Board of Directors and senior executives

SEK thousand	Board fee/basic salary		Variable remuneration		Other benefits		Pension expense	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Board of Directors</b>								
Johan Ihrfelt (Chair)	277	-	-	-	-	-	-	-
Thomas von Otter	219	-	-	-	-	-	-	-
Anna-Karin Eliasson Celsing	358	279	-	-	-	-	-	-
Niklas Midby	338	279	-	-	-	-	-	-
Petter Samlin	-	-	-	-	-	-	-	-
Jan Frykhammar	388	175	-	-	-	-	-	-
Malin Persson	175	-	-	-	-	-	-	-
Ann Grevelius	175	-	-	-	-	-	-	-
<b>Group management</b>								
Paul Stormoen	2,543	2,534	1,371	1,982	-	-	577	612
Other members of Group management	10,709	8,173	4,838	4,296	-	-	2,726	2,082

## Remuneration of senior executives

The Chair of the Board of Directors and the other members of the Board of Directors are paid a fee as decided by the Annual General Meeting. In 2021, expenses for Board fees amounted to SEK 2 million (1). Remuneration to the CEO during the year amounted to SEK 4 million (5). Remuneration to other senior executives during the year amounted to SEK 18 million (15). Remuneration to the CEO and other senior executives consists of basic salary, bonus, other benefits and pension.

## Bonus

The Group has an annual bonus scheme under which employees can receive an amount up to a maximum of one fixed monthly salary provided that the company meets its financial and operational targets for the year in question. In addition, there are individually agreed bonus schemes. A profit-based bonus for 2021 has been reserved for all employees amounting to SEK 27 million (24) including social security expenses.

## Share-based remuneration

Since 2020, the company has had an equity-regulated share programme for senior executives and other key employees. Participants were offered an investment opportunity, i.e. to buy shares at market value at the start of the programme. The company has no expense related to the program. Valuation of the shares at the time of issue was based on market data (most recent performed transaction). A total of 11,880,652 shares are included in the programme, of which 790,462 were acquired by the CEO and 789,168 by members of the Board of Directors. There are restrictions on the right to sell the shares until the third quarter of 2026.

## Pensions

The Group only has defined contribution pension plans. Pension expense refers to the expense that affects profit for the year.

The maximum pension premium is 35% of pensionable salary. Pensionable salary refers to the basic salary. The retirement age for other senior executives is 65. The pension premium for other senior executives is individually agreed and usually amounts to a maximum of 26% of pensionable salary.

## Severance pay

A notice period of 3-6 months applies to senior executives. There are no severance agreements for senior executives.

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### NOTE 08 / Financial income

SEK m	Group	
	2021	2020
Interest income	2	1
Interest income from Group companies	3	-
Exchange gains	113	64
<b>Total financial income</b>	<b>118</b>	<b>65</b>

SEK m	Parent company	
	2021	2020
Interest income	0	0
Interest income from Group companies	3	0
Exchange gains	6	7
Dividend	860	-
Impairment, subsidiaries	-758	-
<b>Total financial income</b>	<b>111</b>	<b>8</b>

### NOTE 09 / Financial expenses

SEK m	Group	
	2021	2020
External interest expenses	-5	-1
Exchange losses	-116	-97
Impairment, associates	-5	-
<b>Total financial expenses</b>	<b>-126</b>	<b>-98</b>

SEK m	Parent company	
	2021	2020
External interest expenses	-4	-0
Exchange losses	-6	-4
<b>Total financial expenses</b>	<b>-10</b>	<b>-4</b>

### NOTE 10 / Appropriations

SEK m	Parent company	
	2021	2020
Group contribution received/paid	46	-10
Allocation to tax allocation reserve	-	-40
Reversal of excess depreciation	0	-
<b>Total appropriations</b>	<b>46</b>	<b>-49</b>

### NOTE 11 / Tax

SEK m	Group	
	2021	2020
<b>Tax expense recognised</b>		
<b>Current tax</b>		
Tax expense for the year	-62	-50
Deferred tax	-10	-34
<b>Total tax expense recognised</b>	<b>-73</b>	<b>-84</b>

Tax related to other comprehensive income	10	-7
<b>Tax included in other comprehensive income for the year</b>	<b>-63</b>	<b>-91</b>

SEK m	Parent company	
	2021	2020
<b>Tax expense recognised</b>		
<b>Current tax</b>		
Tax expense for the year	-24	-26
Deferred tax	0	-
<b>Total tax expense recognised</b>	<b>-24</b>	<b>-26</b>

Tax related to other comprehensive income	-	-
<b>Tax included in other comprehensive income for the year</b>	<b>-</b>	<b>-</b>

Income tax in Sweden is calculated at 20.6% on the taxable profit for the year. A reconciliation between the profit recognised and the tax expense for the year is presented below.

Deferred tax is calculated using the tax rates that are expected to apply for the period in which the asset is recovered or the liability is settled, based on the tax rates (and tax laws) that have been enacted or advised at the balance sheet date.

SEK m	Group	
	2021	2020
Profit for the year before tax	407	383
Tax calculated at the current rate	-84	-82
Tax effect of non-deductible expenses	-34	-9
Tax effect of non-taxable income	56	30
Tax effect related to tax on foreign operations	-4	-0
Effect of deferred tax on profit	-4	-23
Adjustments from previous years	-4	-0
Other	0	-0
<b>Total</b>	<b>-73</b>	<b>-84</b>

SEK m	Parent company	
	2021	2020
Profit for the year before tax	216	117
Tax calculated at the current rate	-45	-25
<b>Tax effect of non-deductible expenses</b>	<b>-157</b>	<b>-1</b>
Tax effect of non-taxable income	181	0
Reversal of deferred tax	0	-
Other	-4	-0
<b>Total</b>	<b>-24</b>	<b>-26</b>

Tax effect of issue expenses accounted for directly towards equity amounts to SEK 19 million.

SEK m	Group	
	31/12/2021	31/12/2020
<b>Deferred tax assets/liabilities</b>		
Tax allocation reserve	-51	-40
Temporary difference	3	5
Financial instruments	2	-9
Excess depreciation	-	-0
<b>Total</b>	<b>-46</b>	<b>-45</b>

### NOTE 12 / Other intangible assets

SEK m	Group	
	31/12/2021	31/12/2020
Opening balance	7	4
Purchasing	-	3
Disposals for the year	-	-
Reclassification	-	-
<b>Closing balance accumulated cost</b>	<b>7</b>	<b>7</b>
Opening balance	-1	-1
Amortisation for the year according to plan	-1	-1
Disposals for the year	-	-
Translation difference for the year	-	-0
<b>Closing balance accumulated amortisation</b>	<b>-3</b>	<b>-1</b>
<b>Closing residual value according to plan</b>	<b>4</b>	<b>5</b>

## NOTE 12 cont.

SEK m	Parent company	
	31/12/2021	31/12/2020
Opening balance	7	4
Purchasing	-	3
Disposals for the year	-	-
Reclassification	-	-
<b>Closing balance accumulated cost</b>	<b>7</b>	<b>7</b>
Opening balance	-1	-1
Amortisation for the year according to plan	-1	-1
Disposals for the year	-	-
Translation difference for the year	-	-
<b>Closing balance accumulated amortisation</b>	<b>-3</b>	<b>-1</b>
<b>Closing residual value according to plan</b>	<b>4</b>	<b>5</b>

The estimated useful life of intangible assets is 5-10 years.

## NOTE 13 / Equipment

SEK m	Group	
	31/12/2021	31/12/2020
Opening balance	6	3
Purchasing	1	2
Disposals for the year	-1	-
<b>Closing balance accumulated cost</b>	<b>6</b>	<b>6</b>
Opening balance	-3	-2
Depreciation for the year according to plan	-1	-0
Disposals for the year	1	-
Translation difference for the year	0	-
<b>Closing balance accumulated depreciation</b>	<b>-2</b>	<b>-3</b>
<b>Closing residual value according to plan</b>	<b>3</b>	<b>3</b>

SEK m	Parent company	
	31/12/2021	31/12/2020
Opening balance	5	3
Purchasing	1	2
Disposals for the year	-1	-
<b>Closing balance accumulated cost</b>	<b>5</b>	<b>5</b>
Opening balance	-2	-2
Depreciation for the year according to plan	-1	-0
Disposals for the year	1	-
Translation difference for the year	0	-0
<b>Closing balance accumulated amortisation</b>	<b>-2</b>	<b>-2</b>
<b>Closing residual value according to plan</b>	<b>3</b>	<b>3</b>

## NOTE 14 / Leases

The following amounts related to leases are recognised in the balance sheet.

SEK m	Group	
	31/12/2021	31/12/2020
Assets with right of use		
Properties	19	18
Equipment	0	0
Vehicles	1	1
<b>Total</b>	<b>20</b>	<b>19</b>

SEK m	Group	
	2021	2020
Lease liabilities		
Current	14	11
Non-current	15	13
<b>Total</b>	<b>28</b>	<b>24</b>

Additional rights of use during the year amounted to SEK 4 million (0).

The following amounts related to leases are recognised in the income statement.

SEK m	Group	
	2021	2020
Amortisation of rights of use		
Properties	-14	-14
Equipment	-0	-0
Vehicles	-1	-0
<b>Total</b>	<b>-15</b>	<b>-14</b>
Interest expenses (included in financial expenses)	-1	-0
Expenses attributable to short-term leases	-	-
Expenses attributable to low value leases	-	-
Expenses attributable to variable lease payments not included in the lease liability	-	-

The total cash flow related to leases in 2021 was SEK 12 million (11).

SEK m	Group	
	2021	2020
Vehicles	0	1
Equipment	0	0
Property	12	10
<b>Total</b>	<b>12</b>	<b>11</b>

## Leases recognised in parent company

The parent company recognises all leases as operating leases. The parent company's operating leases relate to office equipment, rent for office premises and cars. The expense for operating leases for the year amounts to SEK 11 million (10) for the parent company.

SEK m	Parent company	
	31/12/2021	31/12/2020
Year 1	11	11
Between 2 and 5 years	11	11
Later than 5 years	1	-
<b>Closing balance</b>	<b>23</b>	<b>22</b>

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## NOTE 15 / Participations in Group companies

SEK m	Parent company	
	31/12/2021	31/12/2020
Opening balance	564	88
Purchasing	739	7
Shareholder contributions	257	469
Impairment	-758	-
<b>Closing balance</b>	<b>801</b>	<b>564</b>

Specification of the parent company's direct holdings of participations in subsidiaries:

Company name	Corporate identity no.	Registered office	Number of participations	Proportion of equity, %	Book value (SEK m) 2021	Book value (SEK m) 2020	Equity incl. profit for the year	Profit 2021
OX2 Construction AB	556807-5252	Stockholm	1,000	100%	0	0	256	123
OX2 Wind Production AB	556773-3877	Stockholm	1,000	100%	0	20	22	0
OX2 Wind Finland AB	556928-0109	Stockholm	1,000	100%	49	39	80	-0
OX2 Holding Poland AB	556967-5746	Stockholm	1,000	100%	288	267	288	0
OX2 Sp. z o.o.	773067	Warszawa	100	100%	0	0	2	1
OX2 Technical and Commercial Management AB	556749-1534	Stockholm	1,000	100%	0	0	11	5
OX2 Holding Finland 1 AB	559202-8426	Stockholm	500	100%	262	159	262	2
OX2 Holding Sweden 1 AB	559202-8392	Stockholm	500	100%	72	72	180	121
OX2 Holding Sweden 2 AB	559242-5721	Stockholm	500	100%	105	7	105	0
OX2 Holding Sweden 3 AB	559347-9388	Stockholm	250	100%	0	-	0	0
OX2 Holding New Markets AB	559221-1485	Stockholm	500	100%	25	0	25	0
OX2 Holding France AB	559271-1765	Stockholm	500	100%	0	0	0	0
Xygen MipCo AB	559237-7963	Stockholm	62,859	100%	0	-	739	625
OX2 Iberia Sociedad Limitada	B42939777	Madrid	3,000	100%	0	-	0	0
<b>Total</b>					<b>801</b>	<b>564</b>		

All companies are consolidated in the Group. The proportion of voting rights in subsidiaries directly owned by the parent company is no different from the proportion of ordinary shares held.

The Group has one associate with a 50% shareholding, Rose Windfarm AB, corporate identity number 559218-5903. The hold-

ing is not material and has therefore not been recognised on a separate line in the income statement and balance sheet.

The total ownership of non-controlling interests for the period amounts to SEK 0 million (0).

## NOTE 16 / Project development portfolio and construction in progress

SEK m	Group	
	31/12/2021	31/12/2020
<b>Project portfolio</b>		
Sweden	115	11
Poland	108	146
Finland	225	163
Italy	29	-
Romania	8	-
Estonia	15	-
<b>Closing carrying amount</b>	<b>502</b>	<b>321</b>

SEK m	Parent company	
	31/12/2021	31/12/2020
<b>Project portfolio</b>		
Sweden	3	-
Poland	21	-
Finland	19	11
Italy	18	-
Estonia	15	-
<b>Closing carrying amount</b>	<b>77</b>	<b>11</b>

SEK m	Group	
	31/12/2021	31/12/2020
<b>Work in progress</b>		
Sweden	-	-
Poland	0	-
Finland	-	-
<b>Closing carrying amount</b>	<b>0</b>	<b>-</b>

SEK m	Parent company	
	31/12/2021	31/12/2020
<b>Work in progress</b>		
Sweden	-	-
Poland	-	-
Finland	-	-
<b>Closing carrying amount</b>	<b>-</b>	<b>-</b>

The project portfolio consists of acquired projects under development and realisation. Construction in progress consists of projects in the construction phase. Construction in progress is recognised net of invoiced amounts.

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### NOTE 17 / Accounts receivable

SEK m	Group	
	31/12/2021	31/12/2020
Gross accounts receivable	297	121
Reserve for expected credit losses	-	-
<b>Total accounts receivable, net after the reserve for expected credit losses</b>	<b>297</b>	<b>121</b>

SEK m	Parent company	
	31/12/2021	31/12/2020
Gross accounts receivable	0	6
Reserve for expected credit losses	-	-
<b>Total accounts receivable, net after the reserve for expected credit losses</b>	<b>0</b>	<b>6</b>

### NOTE 18 / Prepaid expenses and accrued income

SEK m	Group	
	31/12/2021	31/12/2020
Other prepaid expenses	9	2
Prepaid project expenses	61	17
Prepaid construction expenses	340	-
Accrued project income	86	180
Other accrued income	0	0
<b>Total</b>	<b>496</b>	<b>-19 -20 -21</b>

SEK m	Parent company	
	31/12/2021	31/12/2020
Other prepaid expenses	8	1
Accrued project income	5	-
Other accrued income	-	0
<b>Total</b>	<b>13</b>	<b>1</b>

Management assess that the carrying amount of accounts receivable, net of reserve for expected credit losses, matches fair value. See accounting policies under the Accounts receivable category.

SEK m	Group			
	31/12/2021		31/12/2020	
Age analysis, accounts receivable	Gross	Reserve for expected credit losses	Gross	Reserve for expected credit losses
Not due	297	-	121	-
Past due 30 days	-	-	-	-
Past due 31-60 days	-	-	-	-
Past due 61-90 days	-	-	-	-
Past due > 90 days	-	-	-	-
<b>Total</b>	<b>297</b>	<b>-</b>	<b>121</b>	<b>-</b>

SEK m	Parent company			
	31/12/2021		31/12/2020	
Age analysis, accounts receivable	Gross	Reserve for expected credit losses	Gross	Reserve for expected credit losses
Not due	0	-	6	-
Past due 30 days	-	-	-	-
Past due 31-60 days	-	-	-	-
Past due 61-90 days	-	-	-	-
Past due > 90 days	-	-	-	-
<b>Total</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>-</b>

### NOTE 19 / Changes in share capital

Share capital	Group	
	31/12/2021	31/12/2020
Opening no. of shares	10,000	10,000
Bonus issue	249,990,000	-
New issue	10,204,088	-
Non-cash issue	12,313,498	-
<b>Closing no. of shares</b>	<b>272,517,586</b>	<b>10,000</b>
Quota value, SEK	545,035	100,000
Quota value per share	0.0020	10

Equity, SEK m	Group	
	31/12/2021	31/12/2020
Share capital	1	0
Total equity	2,355	766
Equity attributable to shareholders of the parent company	2,355	766
Equity per share, SEK	9	76,591

Earnings per share	Group	
	31/12/2021	31/12/2020
Profit for the year (SEK m) attributable to shareholders of the parent company	334	298
Average number of shares before and after dilution	261,783,175	250,000,000
<b>Earnings per share, SEK</b>	<b>1.28</b>	<b>1.19</b>

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### NOTE 20 / Translation reserve and hedging reserve

#### Translation reserve

The translation reserve comprises exchange differences arising from the translation of the financial statements of those subsidiaries and branches that have prepared their financial statements in a currency other than that of the parent company.

#### Hedging reserve

The hedging reserve comprises the effective portion of the accumulated net change in the fair value of a cash flow instrument attributable to hedging transactions that have not yet occurred.

### NOTE 21 / Untaxed reserves

SEK m	Parent company	
	31/12/2021	31/12/2020
Tax allocation reserve tax 17	9	9
Tax allocation reserve tax 18	11	11
Tax allocation reserve tax 19	34	34
Tax allocation reserve tax 21	40	40
Excess depreciation	-	0
<b>Total</b>	<b>94</b>	<b>94</b>

### NOTE 22 / Derivative instruments

Currency derivatives - cash flow hedging SEK m	Reference in the balance sheet	2021		2020	
		Nominal amount	Book value	Nominal amount	Book value
Change in value of currency hedges	Derivative asset	481	6	981	37
Change in value of currency hedges	Derivative liability	1,733	-17	61	0
<b>Total</b>		<b>2,214</b>		<b>1,041</b>	

#### Cash flow hedges 2021

Currency pair	Nominal amount in currency	Year of maturity	Average rate	Closing day rate
EUR/SEK - sell	-	2021	-	10.23
EUR/SEK - sell	102 MEUR	2022	10.25	10.23
EUR/SEK - sell	51 MEUR	2023	10.23	10.23
EUR/SEK - sell	37 EUR m	2024	10.31	10.23
PLN/EUR - buy	-	2021	-	4.59
PLN/EUR - buy	83 MPLN	2022	4.61	4.59
PLN/EUR - buy	32 MPLN	2023	4.76	4.59
PLN - sell	-	2021	-	-

#### Cash flow hedges 2020

Currency pair	Nominal amount in currency	Year of maturity	Average rate	Closing day rate
EUR/SEK - sell	77 EUR m	2021	10.56	10.04
EUR/SEK - sell	8 EUR m	2022	10.74	10.04
EUR/SEK - sell	-	2023	-	10.04
EUR/SEK - sell	-	2024	-	10.04
PLN/EUR - buy	69 EUR m	2021	4.43	4.59
PLN/EUR - buy	-	2022	-	4.59
PLN/EUR - buy	-	2023	-	4.59
PLN/EUR - sell	-	2021	2.37	2.19

OX2 uses currency derivatives as hedging instruments against fluctuations in exchange rates. Derivative instruments give rise to an unrealised change in value in respect of currency hedges that are part of cash flow hedges for the projects. OX2 applies hedge accounting to financial instruments in accordance with IFRS 9. This means, among other things, that changes in the value of various derivatives acquired for cash flow hedging purposes are recognised in equity.

The nominal amount of outstanding foreign exchange forward contracts at 31 December 2021 was SEK 2,214 million (1,041). The

currency derivatives mature up to and including December 2024. The net market value of unrealised foreign exchange forward contracts at 31 December 2021 amounted to SEK -11 million (37). Hedging of the transaction exposure had an effect of SEK +59 million (6) on the operating profit for the period. In 2021, SEK 0 million (0) was recognised as ineffectiveness in the income statement related to the cash flow hedges. Outstanding derivatives with hedge accounting are recognised in the table above under Cash flow hedges.



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### NOTE 23 / Advance payments from customers

SEK m	Group	
	31/12/2021	31/12/2020
Advance payments for projects in Norway	-	37
Advance payments for projects in Sweden	85	174
Advance payments for projects in Poland	9	62
Advance payments for projects in Finland	507	196
<b>Total</b>	<b>601</b>	<b>468</b>

### NOTE 24 / Liabilities to Group companies

SEK m	Parent company	
	31/12/2021	31/12/2020
Cash pool	743	-
Other items	421	256
<b>Total</b>	<b>1,164</b>	<b>256</b>

### NOTE 25 / Other current liabilities

SEK m	Group	
	31/12/2021	31/12/2020
VAT	29	69
Additional purchase price	174	-
Tax at source	7	4
Current portion of finance lease liability	14	11
Other items	1	0
<b>Total</b>	<b>224</b>	<b>84</b>

SEK m	Parent company	
	31/12/2021	31/12/2020
VAT	54	500
Tax at source	6	3
Other items	0	0
<b>Total</b>	<b>59</b>	<b>103</b>

### NOTE 26 / Accrued expenses and deferred income

SEK m	Group		SEK m	Parent company	
	31/12/2021	31/12/2020		31/12/2021	31/12/2020
Accrued employee benefit expenses, incl. social security contributions	64	54	Accrued employee benefit expenses, incl. social security contributions	48	41
Accrued project expenses	43	66	Accrued project expenses	22	61
Accrued consultancy expenses	7	2	Accrued consultancy expenses	2	1
Accrued construction expenses	48	320	Accrued construction expenses	-	0
Prepaid income	11	7	Prepaid income	-	-
Other items	0	1	Other items	4	1
<b>Total</b>	<b>175</b>	<b>450</b>	<b>Total</b>	<b>75</b>	<b>104</b>

### NOTE 27 / Pledged assets and contingent liabilities

The OX2 Group mainly issues two types of guarantee which fall within the scope of contingent liabilities. These are payment guarantees and performance guarantees.

Performance bonds are issued for the construction of wind farms, which are recognised at their nominal value under the contract until the handover of the wind farms has taken place. Performance guarantees are usually replaced by two-year guarantees when the wind farm is handed over to its owner.

In addition to these performance guarantees, OX2 and its Group companies have provided payment guarantees in favour of counterparties to construction contracts for construction projects in progress. The terms of these payment guarantees may vary, but they are generally linked to the contract value and are

written down as payments are made. The payment obligations are within the control of the Group and it has been assessed that the Group can meet its obligations under the contracts and therefore they are not recognised as contingent liabilities.

The Group has no pledged assets. Contingent liabilities amounted to SEK 3.2 billion (1.7) at 31 December 2021. 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. The parent company's contingent liabilities amounted to SEK 2.8 billion (1.4) at 31 December 2021.

Comparative figures for 2020 have been updated according to the same principle.

SEK m	Group		Parent company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Shares in subsidiaries	-	672	-	0
Bank deposits	-	48	-	-
<b>Total</b>	<b>-</b>	<b>720</b>	<b>-</b>	<b>0</b>

Blocked bank deposits are also recognised in cash and cash equivalents in the balance sheet.

SEK m	Group		Parent company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Performance guarantees	3,215	1,695	2,828	1,389
<b>Total</b>	<b>3,215</b>	<b>1,695</b>	<b>2,828</b>	<b>1,389</b>

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### NOTE 28 / Assessments

The parent company's directly owned subsidiaries are disclosed in Note 15 / Participations in subsidiaries. Information on remuneration of the Board of Directors and senior executives is presented in Note 7, Number of employees, salaries, benefits and social security expenses.

No Board member or senior executive had any business transaction with the Group that was unusual in nature. The Group did not issue any securities or other guarantees or sureties for any Board representative or any senior executive.

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 or about 27 December 2025, 27 December 2025, 27 April 2027 and 16 March 2023.

Peas Industries AB has issued a parent company guarantee in favour of the Group, for the Castles project and in relation to IKEA, amounting to SEK 149 million as at 31 December 2021.

On 1 July 2020, the company entered into a lease with Peas and certain of the company's subsidiaries for the subletting of office space. The total rental cost for 2021 amounted to SEK 0.3 million and the rental expenses are updated annually according to a fixed budget.

### NOTE 29 / Cash flow statement

SEK m	Group	
Adjustments for items not included in cash flow	31/12/2021	31/12/2020
Depreciation/amortisation/impairment	17	15
Other items affecting comparability	14	-9
<b>Total</b>	<b>31</b>	<b>6</b>

SEK m	Parent company	
Adjustments for items not included in cash flow	31/12/2021	31/12/2020
Depreciation/amortisation/impairment	2	1
Anticipated dividend	-860	-
Impairment of subsidiaries	758	-
Other items affecting comparability	-46	-
<b>Total</b>	<b>-146</b>	<b>1</b>

During the year, lease liabilities of SEK 12 million (11) were repaid. For more information, see Note 14 Leases.

#### Disclosure of interest paid and received

##### Group

During the year, interest paid amounted to SEK 7 million (1) and interest received to SEK 5 million (1).

##### Parent company

During the year, interest paid amounted to SEK 6 million (0) and interest received to SEK 3 million (0).

### NOTE 30 / Events after the end of the year

- In January 2022, OX2 handed over its first wind farm in Poland, Zary, 21 MW.
- OX2 obtained exploration permits for two offshore wind farms in the Gulf of Bothnia, Finland.
- In February, OX2 signed a contract for the sale and construction of the Klevberget wind farm outside Sundsvall. The wind farm will have total installed capacity of 145 MW. The contract also involves technical and commercial management.
- In February, OX2 signed a contract for the sale and construction of the Marhult wind farm outside Växjö. The wind farm will have total installed capacity of 32 MW. The contract also involves technical and commercial management.
- The dramatically worsened geopolitical uncertainty connected to the Russian invasion of Ukraine may increase the risk for project construction delays and consequently increase challenges with delivering according to contracts.

### NOTE 31 / Proposal for appropriation of profit

#### Proposal for appropriation of profit (SEK)

The following profit is at the disposal of the Annual General Meeting:

Unrestricted equity	1,726,285,955
Profit for the year	192,002,834
<b>Total</b>	<b>1,918,288,789</b>

The Board of Directors proposes that this amount be carried forward	1,918,288,789
<b>Total</b>	<b>1,918,288,789</b>

### NOTE 32 / Approval of the financial report

The Annual Report was adopted by the Board of Directors and approved for publication on 25 March 2022.

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## Certification

The Board of Directors hereby certifies that the Annual Report has been prepared in accordance with the Annual Accounts Act and RFR 1.3 and 2.3 and provides a true and fair view of the company's position and earnings and that the Directors' Report provides a true and fair view of the development of the Group's operations, position and earnings and describes the principal risks and uncertainties that the company faces. The Board of

Directors hereby certifies that the Consolidated Financial Statements have been prepared in accordance with International Financial Standards (IFRS) and provide a true and fair view of the Group's position and earnings and that the Directors' Report for the Group provides a true and fair view of the development of the Group's operations, position and earnings and describes the principal risks and uncertainties that the company faces.

The Annual Report and Consolidated Financial Statements were approved for execution by the Board of Directors on 25 March 2022, as stated above. The consolidated income statement and balance sheet will be subject to approval at the Annual General Meeting on 4 May 2022.

Stockholm, 25 March 2022

Johan Ihrfelt  
*Chair of the Board of Directors*

Thomas von Otter  
*Board member*

Petter Samlin  
*Board member*

Anna-Karin Eliasson Celsing  
*Board member*

Niklas Midby  
*Board member*

Jan Frykhammar  
*Board member*

Ann Grevelius  
*Board member*

Malin Persson  
*Board member*

Paul Stormoen  
*CEO*

Our auditors' report was issued on 25 March 2022

Deloitte AB

Jonas Ståhlberg  
Authorized Public Accountant





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# Auditors' report

*To the general meeting of the shareholders of OX2 AB (publ)  
corporate identity number 556675-7497*

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of OX2 AB (publ) for the financial year 2021-01-01 – 2021-12-31. The annual accounts and consolidated accounts of the company are included on pages 77–115 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in

the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts. The other information consists of the Remuneration Report and pages 1–76 and 116–127. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs



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# Auditors' report cont.

and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual report and the consolidated accounts can be found on the Swedish Inspectorate of Auditors website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

### Report on other legal and regulatory requirements *Opinions*

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of OX2 AB (publ) for the financial year 2021-01-01 – 2021-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### *Basis for Opinions*

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and

have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### *Auditor's responsibility*

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable

degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration can be found on the Swedish Inspectorate of Auditors website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

Stockholm – 2022-03-25

**Deloitte AB**

*Signature on Swedish original*

Jonas Ståhlberg

*Authorised public accountant*



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# About the Sustainability Report

## OX2's Sustainability Report

Every year, OX2 publishes a Sustainability Report, this year for the first time as an integral part of the company's Annual Report. The content of the report is based on the company's most material sustainability topics and the report gives an account of OX2's sustainability work, explaining how the company contributes to the ten principles of the UN Global Compact. OX2's material sustainability topics have been identified in dialogue with the company's stakeholders and are summarised in the company's materiality analysis described on the next page.

The Sustainability Report is prepared in accordance with GRI Standards 2021 and the scope of the report is shown in the GRI Index on pages 120-123. The sustainability information in the report relates to OX2 AB and all subsidiaries shown in note 15. The Sustainability Report constitutes OX2's statutory sustainability report in accordance with the requirements of the Annual Accounts Act. Page 115 state that the auditors took into account that OX2 has prepared a statutory sustainability report. The Sustainability Report has not been audited by OX2's auditors.

The Sustainability Report follows OX2's financial year and covers the period 1 January 2021 – 31 December 2021. The previous report was published in April 2020 and the company's 2021 Annual Report and Sustainability Report is published in March. Since the publication of last year's Sustainability Report, there have been no material corrections to the information.

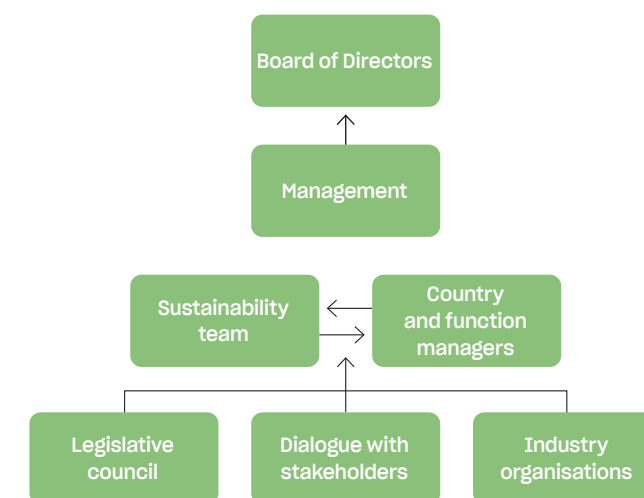
## Sustainability management

The Board of Directors bears ultimate responsibility for ensuring that the company is managed in a sustainable

and responsible manner. The Board of Directors has delegated day-to-day responsibility for sustainability topics to the CEO. OX2's sustainability work is governed by a number of policies. To ensure a high level of business ethics and sustainability in the day-to-day work of the company, the Board has issued a Code of Conduct. It is based on the company's values, culture and sustainability strategy and forms the basis for other policies. The company also has an environmental policy, a health and safety policy, an anti-corruption policy and several guidelines to ensure employee safety. Significant departures from the Code of Conduct and policies are reported directly to the Board.

The Head of Sustainability coordinates the work, but the day-to-day responsibility for sustainability topics is delegated to functions and projects within the organisation. In addition to the Head of Sustainability, there is also an environmental and health and safety manager, and sustainability coordinators in countries in which the company operates. Key sustainability topics are integrated in the project management model and relevant sustainability goals are monitored in each project. The Head of Sustainability reports on the achievement of the year's sustainability goals and makes proposals for new goals that are adopted by management. The CEO reports on the achievement of selected sustainability goals to the Board on a quarterly basis. Group management approves the Sustainability Report annually and the materiality analysis when it is updated.

For questions about OX2's sustainability work and Sustainability Report, please contact the company's Head of Sustainability, Rebecca Karlsson, [rebecca.karlsson@ox2.com](mailto:rebecca.karlsson@ox2.com).



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### OX2's stakeholders

OX2 interacts with customers, suppliers, employees, investors, interest groups, public authorities, politicians, decision-makers and local residents. Active stakeholder dialogue is one way to ensure that the

company's sustainability priorities are relevant in society today. Dialogue with stakeholders is continuous throughout the year. This partly involved meetings, interviews and analysis of requirements and questions

from customers and investors. See the table below for more detailed information.

Stakeholder group	Main topics	Type of dialogue	Stakeholder group	Main topics	Type of dialogue
Customers	<i>Environment</i> Biodiversity CO <sub>2</sub> emissions Renewable energy generation Emissions and discharges to air, water and land Environmental aspects in the supply chain <i>Sustainable leadership</i> Employee conditions Diversity and inclusion Health and safety <i>Human rights</i> Rights of indigenous people <i>Social engagement</i> <i>Circular economy</i> Waste management <i>Business ethics</i>	Interviews Customer requirements	Employees	<i>Environment</i> Biodiversity CO <sub>2</sub> emissions <i>Sustainable leadership</i> Training Employee conditions Diversity and inclusion Health and safety <i>Business ethics</i>	Meetings
Investors	<i>Environment</i> CO <sub>2</sub> emissions Emissions and discharges to air, water and land <i>Sustainable leadership</i> Employee conditions Training Health and safety <i>Human rights</i> Rights of indigenous people Child labour Employee conditions Freedom of association <i>Social engagement</i> <i>Circular economy</i> <i>Business ethics</i>	Meetings Investment policy Sustainability requirements	Suppliers	<i>Environment</i> Environmental audit of suppliers <i>Sustainable leadership</i> Training	Meetings
			Local stakeholders	<i>Environment</i> Biodiversity Environmental compliance CO <sub>2</sub> emissions Sound Renewable energy generation Land use Transport <i>Circular economy</i> Material and resource use	Meetings
			Industry organisations	<i>Circular economy</i> Material and resource management <i>Social engagement</i> <i>Sustainable leadership</i> Employee conditions Training Health and safety <i>Human rights</i>	Meetings

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## Materiality analysis

OX2 carried out a materiality analysis during the year. The materiality analysis is a tool for understanding which sustainability topics are most relevant to the company and its stakeholders. Sustainability topics are monitored in part through participation in European and national industry organisations. OX2's first materiality analysis was carried out in 2018 and most of the topics deemed material at the time are still relevant. New material topics identified in this year's materiality analysis were biodiversity and circular economy.

The material topics form the basis of the company's sustainability strategy, which focuses on three areas: People, Planet and Profit. Together, these three focus areas create activities that drive the transition to a sustainable future based on renewable energy in a responsible manner. OX2 has sustainability enshrined in its mission and in the company's core operations. OX2 also works long-term to establish safe workplaces that foster development, to reduce the company's environmental and climate impact and to operate a profitable business based on mature corporate governance with good business ethics.



### Material topics

- 1** *Reduced climate footprint and reduced emissions and discharges to land and sea*  
The company's core business of developing and selling large-scale renewable energy projects contributes to reducing emissions. However, the establishment of a wind or solar farm is an intrusion into the environment. Emissions of carbon dioxide occur in the production phase and during the establishment of the farm.
- 2** *Biodiversity*  
Our expansion of renewable energy should not come at the expense of nature. OX2 aims to minimise its negative impact on nature and to develop renewable electricity generation that creates significant climate benefits while also benefiting biodiversity.
- 3** **4** **8** *Sustainable leadership*  
The company has chosen also to include the topics of employee conditions, (4) gender equality and diversity and (8) equal

opportunities under the concept of sustainable leadership. OX2 is primarily a knowledge organisation that depends on its ability to attract and retain knowledgeable, skilled staff and therefore works actively to strengthen the organisation to create sustainable leadership.

- 5** *Positive social engagement*  
OX2 and its suppliers come as guests to the local communities where wind and solar farms are established. Creating dialogue and showing respect for those who live and work in the local community is of paramount importance.
- 6** *Sustainable procurement*  
In all supply chains there are risks related to factors such as human rights, corruption and the environment. It is important for the company to identify these risks and work with suppliers to reduce or avoid them in the future.
- 7** *Business ethics*  
OX2 has zero tolerance of corrupt and unethical behaviour and conducts all activities in accordance with applicable laws and regulations.
- 9** *Health and safety*  
Establishing a wind or solar farm is a comprehensive process involving many people. There are risks for employees and suppliers' employees linked to working at height, for example. Consequently, OX2 provides information and takes preventive measures to reduce accidents.
- 10** *Renewable energy generation*  
Renewable energy generation is the basis of the product that the company offers its customers. OX2' strategy is to grow on both existing and new markets. In addition, rapid expansion is also taking place in offshore wind power and solar power, alongside development in hydrogen and energy storage.
- 11** *Circular economy*  
With the industry as a whole, OX2 wants to take responsibility for driving developments towards a circular economy. The company wants to take responsibility even where it has an indirect impact.



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### GRI 2-7 Information about employees

Number of employees by type of employment and gender	2021		
	Women	Men	Total
Permanent employment (permanent, part-time and probationary)	116	160	276
Temporary employment	0	1	1
<b>Total</b>	<b>116</b>	<b>161</b>	<b>277</b>
Hired staff	16	22	38

Number of employees by type of employment and level of employment	2021		
	Women	Men	Total
Number of employees (full-time)	111	158	269
Number of employees (part-time)	5	3	8
<b>Total</b>	<b>116</b>	<b>161</b>	<b>277</b>

### GRI 2-30 Collective bargaining agreements

%	2021	2020
Percentage of employees covered by collective bargaining agreements	28%	21%

### 405-1 Employees: gender and age breakdown

Number of employees by gender	2021			
	Women		Men	
	Number	Percent-age	Number	Percent-age
Board of Directors	3	38%	5	62%
Management team	3	38%	5	62%
Other managers	17	39%	27	61%
Employees	96	43%	129	57%
<b>Total</b>	<b>119</b>	<b>42%</b>	<b>166</b>	<b>58%</b>

Number of employees by age	2021		
	<30	30-50	>50
Board of Directors	0	1	7
Management team	0	6	2
Other managers	0	38	6
Employees	38	166	21
<b>Total</b>	<b>38</b>	<b>211</b>	<b>36</b>

### GRI 401-1 New employee hires and employee turnover: gender and age breakdown

New hires and staff recruitment by gender	2021		
	Women	Men	Total
Number of new employees	44	64	108
New hires, %	19%	28%	47%
Number of employees who have left	4	11	15
Employee turnover, %	2%	5%	7%

New hires and staff recruitment by age	2021			
	<30	30-50	>50	Total
Number of new employees	28	71	9	108
New hires, %	12%	31%	4%	47%
Number of employees who have left	5	9	1	15
Employee turnover, %	2%	4%	0%	6%

### GRI 403-9 Work-related injuries

	2021	2020	2019
Total number of accidents <sup>1)</sup>	42	450	17
of which serious accidents <sup>2)</sup>	3	7	0
of which deaths	0	0	0
LTI <sup>3)</sup>	4.26	-	-

<sup>1)</sup> Out of the total number of accidents, four accidents affected OX2's own employees. These accidents were mainly bicycle and car accidents.

<sup>2)</sup> Serious accidents refers to accidents at work with serious injuries or in which several people were injured at the same time.

<sup>3)</sup> Started to be measured only in 2021.

### GRI 305-1,2 & 3 Emissions

Tons of CO <sub>2</sub> e	2021	2020
Direct emissions (scope 1)	67	58
Indirect emissions (scope 2)	8	8
Other indirect emissions (scope 3)	198,097	461,902
<b>Total emissions, scopes 1,2 &amp; 3</b>	<b>198,276</b>	<b>461,968</b>

Scope 3 accounts for 99.9% of the company's emissions. Category 1a accounts for by far the largest share of emissions, followed by categories 4 and 1b. Within category 1a, logging, wind turbine towers and wind turbine blades are the main sources of emissions. OX2 has generally mixed control over its emissions as it has a few major suppliers at which dependence on high carbon footprint materials is high and the potential for lower carbon footprint substitutes is currently low. Scope 3 emissions are focused upstream, mainly from the purchase of goods and services. As far as possible, actual data was used. Where this was not possible, estimates were made based on data from other wind power projects. Projects are included in the calculation in the year they are completed and handed over to the customer. Emissions data thus varies depending on the number of projects handed over to customers in the year in question. In the future, the company will also report on CO<sub>2</sub> emissions per MWh to provide better comparability from year to year.



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# GRI index

## GRI Universal Standards 2021

GRI Standard	Disclosure	Name of disclosure	Page reference	Departures		
				Departure from requirements	Reason	Explanation
<b>GENERAL DISCLOSURES – GRI2 2021</b>						
The organisation and its reporting practices	2-1	Organisational details	2, 77-80			
	2-2	Entities included in the organisation's sustainability reporting	108			
	2-3	Reporting period, frequency and contact point	116			
	2-4	Restatements of information	116			
	2-5	External assurance	116			
Activities and workers	2-6	Activities, value chain and other business relationships	7-19, 23-35, 39			
	2-7	Employees	104-105, 119	OX2 does not report employees by region	The majority of OX2's employees are based in Sweden. Note 7 shows the number of employees in OX2's markets.	Not material to report employees by region.
	2-8	Workers who are not employees	119	OX2 does not report workers who are not employees.	OX2 has no workers who are not employees.	OX2's own operations are run solely with employees, but the company has a health and safety responsibility for its suppliers.
Governance	2-9	Governance structure and composition	60-76, 116			
	2-10	Nomination and selection of the highest governance body	60-76			
	2-11	Chair of the highest governance body	60-76			
	2-12	Role of the highest governance body in overseeing the management of impacts	116			
	2-13	Delegation of responsibility for managing impacts	116			
	2-14	Role of the highest governance body in sustainability reporting	116			
	2-15	Conflicts of interest	60-76			
	2-16	Communication of critical concerns	116			
2-17	Collective knowledge of the highest governance body	70-75				



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GRI Standard	Disclosure	Name of disclosure	Page reference	Departures		
				Departure from requirements	Reason	Explanation
	2-18	Evaluation of the performance of the highest governance body	60-69			
	2-19	Remuneration policies	60-69, 104-105			
	2-20	Process to determine remuneration	Remuneration report			
	2-21	Annual total compensation ratio	104-105, remuneration report			
<b>Strategy, policies and practices</b>	2-22	Statement on sustainable development strategy	4-5			
	2-23	Policy commitments	2, 49, 116			
	2-24	Embedding policy commitments	49, 116			
	2-25	Processes to remediate negative impacts	46-48			
	2-26	Mechanisms for seeking advice and raising concerns	44			
	2-27	Compliance with laws and regulations	49-50			
	2-28	Membership associations	40			
<b>Stakeholder engagement</b>	2-29	Approach to stakeholder engagement	117			
	2-30	Collective bargaining agreements	119			
<b>MATERIAL TOPICS - GRI3 2021</b>						
<b>Material topics</b>	3-1	Process to determine material topics	118			
	3-2	List of material topics	118			
	3-3	Management of material topics	116, 118			
<b>SPECIFIC DISCLOSURES - GRI2 200: Economic performance</b>						



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GRI Standard	Disclosure	Name of disclosure	Page reference	Departures		
				Departure from requirements	Reason	Explanation
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	49			
	205-2	Communication and training about anti-corruption policies and procedures	49			
	205-3	Confirmed incidents of corruption and actions taken	49			
<b>SPECIFIC DISCLOSURES - GRI 300: Environment</b>						
<b>GRI 302: Energy 2016</b>						
	Own metric	Renewable energy generation	49-50, 119			
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	48			
	GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	46-47, 119		
		305-2	Energy indirect (Scope 2) GHG emissions	46-47, 119		
	305-3	Other indirect (Scope 3) GHG emissions	46-47, 119			
GRI 306: Waste 2020	Own metric	Circular economy	47			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	50			
	308-2	Negative environmental impacts in the supply chain and actions taken	50			
<b>SPECIFIC DISCLOSURES - GRI 400: Social</b>						
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	119			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	43			

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GRI Standard	Disclosure	Name of disclosure	Page reference	Departures		
				Departure from requirements	Reason	Explanation
	403-2	Hazard identification, risk assessment and incident investigation	43			
	403-3	Occupational health services	43			
	403-4	Worker participation, consultation and communication on occupational health and safety	43			
	403-5	Worker training on occupational health and safety	43			
	403-6	Promotion of worker health	43			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	43			
	403-8	Workers covered by an occupational health and safety management system	43			
	403-9	Work-related injuries	119			
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	Diversity of governance bodies and employees	119			
<b>GRI 406: Non-discrimination 2016</b>	406-1	Incidents of discrimination and corrective actions taken	44			
<b>GRI 413: Local Communities 2016</b>	413-1	Operations with local community engagement, impact assessments and development programmes	42			
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1	New suppliers that were screened using social criteria	50			
	414-2	Negative social impacts in the supply chain and actions taken	50			

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## Auditor's report on the statutory sustainability report

*To the general meeting of the shareholders in Ox2 AB (publ),  
corporate identity number 556675-7497.*

### Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2021 on pages 38–51 och 116–123 and that it has been prepared in accordance with the Annual Accounts Act.

### The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

### Opinion

A statutory sustainability report has been prepared.

Stockholm – 2022-03-25

**Deloitte AB**

Jonas Ståhlberg

*Authorized Public Accountant*



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# Glossary

## Electricity certificate

Tradable certificates that are received on the production of renewable energy.

## Electricity generation capacity

The total amount of electricity that it is possible to generate from a specific type of power or area.

## EPC agreement

Contracts regarding EPC contracts The abbreviation stands for Engineering, Procurement and Construction.

## Fossil fuel energy

Energy from fossil fuels such as coal, oil and gas.

## Renewable energy

Renewable energy sources are sources of energy which constantly renew themselves and therefore will not run out in the foreseeable future, such as wind and water and bioenergy.  
(Nuclear energy is not regarded as renewable as it is based on finite resources.)

## Nameplate capacity

Output in accordance with the design data. Usually measured in MW.

## PPA agreement

Agreement that a major electricity consumer signs to purchase electricity from the owner of a wind power plant. The abbreviation stands for: Power Purchase Agreement.

## Repowering

Reinvestment in existing wind farms, replacing older turbines with new, modern turbines with more output.

## Availability

Availability means the percentage of total time during which the wind turbine has been available for generating electricity.

## Wind power supplier or turbine supplier

Supplier of complete wind turbines.

## Emission rights

Emission rights give the holder the right to discharge a specified amount of carbon dioxide.

## Wind farm

Group station consisting of at least 3 turbines.

## Wind turbine

Free-standing wind turbine consisting of tower, nacelle and rotor.

## Greenhouse gases

Gases which surround the earth and impede the outflow of heat. The most important greenhouse gases are water vapour (H<sub>2</sub>O), carbon dioxide (CO<sub>2</sub>), nitrous oxide (N<sub>2</sub>O), methane (CH<sub>4</sub>) and CFC (chlorofluorocarbon compounds).

## Units

Energy is specified in kilowatt hours.

1 MWh	=	1,000 kWh
1 GWh	=	1,000,000 kWh
1 TWh	=	1,000,000,000 kWh

Power is specified in watts

1 MW	=	1,000,000 W
1 GW	=	1,000,000,000 W

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# Annual General Meeting

OX2 AB's (publ) annual general meeting 2022 will be held on Wednesday, 4 May 2022 at 16:00 (CEST) at Oscarsteatern (Kungsgatan 63) in Stockholm. Shareholders may participate in the annual general meeting in person, by proxy or through postal voting. A notice of the annual general meeting, including an agenda, is available on [www.ox2.com](http://www.ox2.com).

Shareholders who wish to participate in the annual general meeting must:

- be registered in the share register kept by Euroclear Sweden AB on Tuesday, 26 April 2022 or, if the shares are registered in the name of a nominee, request that the nominee registers the shares in the shareholder's own name for voting purposes in such time that the registration is completed on Thursday, 28 April 2022; and
- give notice of participation not later than on Thursday, 28 April 2022. A postal vote is considered as a notification of participation.

For further information regarding the annual general meeting 2022, please refer to [www.ox2.com](http://www.ox2.com)

