

The background of the entire page is a photograph of a solar farm. Rows of solar panels are installed on a grassy field, with several sheep grazing among them. In the background, there are large, rugged mountains with patches of snow under a blue sky with scattered white clouds.

# Year-end Report 2022



Net sales 2022

**SEK 7,644 million**

(4,983)

Operating margin 2022

**14.7%**

(8.3)

Return on capital  
employed (ROCE) 2022**37.1%**

(26.1)

Total portfolio

**37,864 MW**

(21,686)

Comparative figures refer to the same period the previous year

- Net sales increased by 53% in 2022, driven by higher sales from new projects and higher sales from the construction portfolio
- A high proportion of project rights sales in 2022 and good cost control in projects under construction resulted in an operating margin of 14.7%
- Return on capital employed was 37.1%
- The total portfolio amounted to 37,864 MW (21,686). The increase is mainly attributable to the growth of the development portfolio by 10,892 MW to 28,263 MW through project acquisitions and new offshore wind development projects. Projects sold with potential additional payments amounted to 4,410 MW. Technical and commercial management contracts continued to grow, totalling 3,848 MW (2,986) at the end of 2022, while the construction portfolio of 1,343 MW was essentially unchanged from the previous year.

# Strong quarter driven by completion of sale of offshore wind projects

## October-December 2022

- Net sales amounted to SEK 2,244 million (2,430)
- Operating income amounted to SEK 624 million (317)
- Operating margin amounted to 27.8% (13.0)
- Profit for the period totalled SEK 627 million (236)
- Earnings per share before and after dilution totalled SEK 2.30 (0.87)
- Cash flow from operating activities amounted to SEK 462 million (-363)

## January-December 2022

- Net sales amounted to SEK 7,644 million (4,983)
- Operating income amounted to SEK 1,122 million (414)
- Operating margin amounted to 14.7% (8.3)
- Profit for the period totalled SEK 1,085 million (334)
- Earnings per share before and after dilution totalled SEK 3.98 (1.28)
- Cash flow from operating activities amounted to SEK 1 226 million (-132)

## Significant events after the end of the reporting period

- OX2 has started work on developing the Tyrsky offshore wind farm in the Gulf of Bothnia in the Finnish Economic Zone. The project will have a total installed capacity of 1,400 MW and will be included in OX2's project development portfolio from the first quarter of 2023.
- In January, the County Administrative Board of Halland decided that the offshore wind farm Galatea-Galene can get permission to be built according to the Act on Sweden's Exclusive Economic Zone.
- In February, the completed Merkkikallio project was handed over to the customer.

## The Group's key performance indicators

	Q4		Jan-Dec	
	2022	2021	2022	2021
Net sales, SEK m	2,244	2,430	7,644	4,983
Operating income, SEK m	624	317	1,122	414
Operating income adjusted for project development costs, SEK m	718	395	1,451	634
Operating margin,%	27.8%	13.0%	14.7%	8.3%
Operating margin adjusted for project development costs,%	32.0%	16.3%	19.0%	12.7%
Profit for the period, SEK m	627	236	1,085	334
Cash flow from operating activities, SEK m	462	-363	1,226	-132
Investments in the project development portfolio, SEK m	-433	-227	-783	-424
Earnings per share before and after dilution, SEK	2.30	0.87	3.98	1.28
Project acquisitions, MW	500	576	2,656	3,446
Sold projects, MW	4,625	483	4,893	719
Projects handed over, MW	0	159	482	207
Total portfolio, MW	37,864	21,686	37,864	21,686
Project development portfolio, MW	28,263	17,371	28,263	17,371
Sold MW with potential additional payments	4,410	0	4,410	0
Projects under construction, MW	1,343	1,329	1,343	1,329
Contracts under management (TCM), MW	3,848	2,986	3,848	2,986
Number of employees	366	277	366	277

For definitions of alternative performance measures and key performance indicators, see pages 24 and 28.

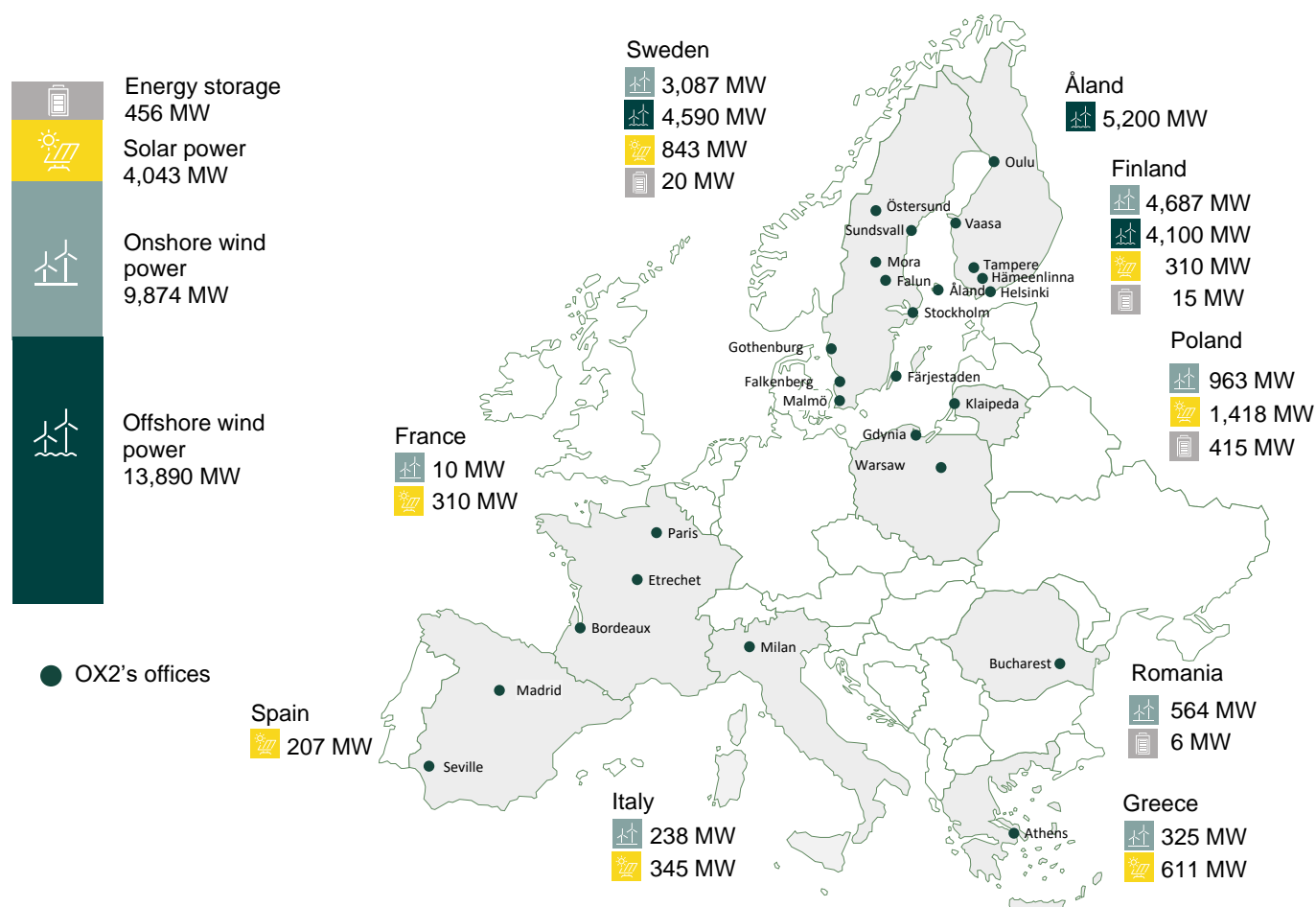
## About OX2

OX2 contributes to a sustainable future by driving the transition to renewable energy. OX2 was founded in 2004 and has a successful business model for the development and sale of renewable electricity generation capacity.

## OX2's business model



## OX2's project development portfolio





## CEO statement

During the fourth quarter, we completed the sale of 49 percent of three of our Swedish offshore projects, sold two onshore wind farms and continued to add attractive projects to our development portfolio. We also started construction of our first project in energy storage, an area where we see great potential for OX2.

### A strong end to the year

In November, the sale of 49 percent of three offshore projects in Sweden to Ingka Investments was completed, with a positive impact on operating profit of SEK 594 million. The deal is in line with our strategy to generate recurring revenue from our large-scale offshore projects – inviting partners in at an early stage and gradually capitalizing on the value created throughout the value chain. Our offshore projects off Sweden, Åland and Finland offer a fast and cost-effective way to meet the growing demand for renewable electricity in the region without the need for subsidies.

We sold two onshore wind projects during the fourth quarter: Riberget (70 MW) in Sweden to Fu-Gen and Niinimäki (145 MW) in Finland to Helen and Bank of Åland's Wind Power Fund. These projects were acquired one and two years ago respectively, demonstrating OX2's ability to generate good returns on projects acquired late in the development phase.

Demand for our projects has continued to be strong on all markets, from both new and existing customers.

The construction business continued to generate stable results in the fourth quarter. Our strategically important technical and commercial asset management business has grown with new contracts from both our own and external customers. On an annual basis, the managed portfolio grew by around 30 percent.

### Construction started on our first energy storage project

Over the past year, OX2 has built up a portfolio of energy storage projects that totalled 456 MW at year-end. We see great potential in this field, both for selling stand-alone storage units and in combination with wind and solar farms, which our customers appreciate and will also simplify permitting processes in the future. We have noted strong interest in our first energy storage project, Bredhälla, in southern Sweden. We see significant potential for the project and have chosen to start construction of Bredhälla under our own management, with the aim of selling the project at a later stage.

### A growing project development portfolio

Our project development portfolio grew by around 11,000 MW during the year and stood at 28,263 MW at year-end, although the partial sale of three Swedish offshore projects reduced the portfolio



Paul Stormoen, CEO

by 4,410 MW. During the fourth quarter, we acquired a portfolio of six solar projects totalling 152 MW in Andalusia, Spain. The acquired projects have all received environmental permits and have been included as late-stage projects in the development portfolio.

### Positive development since listing

Since our IPO in 2021, OX2 has exceeded our MW sales targets, at the same time we have expanded our development portfolio, strengthened our balance sheet and increased our profitability. OX2 has evolved into a leading European developer of renewable energy in a number of technologies. In the past year, we completed our first sales in offshore wind and solar power, started construction of our first energy storage project and we now have projects underway in nine European markets. We are now a leading developer of renewable energy, driving the transition to a more sustainable future.

### Updated financial targets

As communicated previously, we target sales of at least 1,500 MW per year on average over the period 2023-2024. With a broadened product portfolio that allows sales at different stages of the value chain, MW sold will over time likely become a less relevant indicator for forecasting our long-term earnings potential. For 2023 we expect

Sold projects, MW

4,893

Jan-Dec 2022

Growth total portfolio,  
MW

16,178

Jan-Dec 2022

Total portfolio,  
MW

37,864

As of December 31, 2022

the majority of our project sales to take place in the latter part of the year.

Our aim for the period 2023-2027 is to achieve average annual growth (CAGR) in operating income of at least 25 percent per year. We have demonstrated that OX2's business model enables high returns over time and, in addition to the target of an operating margin of above 10 percent, we are introducing a target for return on capital employed of above 25 percent.

The ongoing transition to renewable energy presents significant value creation opportunities for OX2 through expansion in our existing markets while also evaluating new geographic markets and technologies. We will further increase our investment in development and organization to capture these opportunities.

Finally, I would like to extend my sincere thanks to all our employees, business partners, customers, suppliers and owners for 2022. I look forward to an exciting 2023 with new opportunities.

Paul Stormoen

## Expand and develop

It is OX2's project development portfolio that builds long-term value and determines the company's ability to accelerate access to renewable energy. The portfolio consists of greenfield projects (developed by OX2 from the start) as well as acquired wind and solar projects and energy storage solutions at different stages of development and in different markets. Development and optimization of these projects take place over a long period and not all projects that have been started will be realized. The probability of a project being realized increases the further on in the development phase the project is.

At the end of the fourth quarter, the portfolio amounted to 28.3 GW (17.4 GW), comprising 13.9 GW (8.3 GW) of offshore wind, 9.9 GW (7.7 GW) of onshore wind, 4.0 GW (1.3 GW) of solar and 0.5 GW (0 GW) of energy storage. In the fourth quarter, the project development portfolio decreased by 3,868 MW mainly due to project sales of 4,625 MW, including 4,410 MW offshore wind and 215 MW onshore wind. Project acquisitions totaling 500 MW were completed in onshore wind and solar in Italy, Spain, Poland and Romania. In Spain, a portfolio of late-stage solar projects totaling 152 MW was acquired.

During the quarter, greenfield projects of 616 MW were added to the portfolio, including 310 MW from OX2's first solar project in the Finnish market. During the quarter, OX2 started construction of the 43 MW energy storage project, Bredhälla, with completion scheduled for the first half of 2024. The total investment for the project is estimated at just above SEK 300 million. Energy storage is a new technology for OX2 with great potential in all markets – the focus is both on stand-alone projects and on projects combined with onshore wind and solar projects.

Overall, there was good progress in the development portfolio, with several milestones achieved and a number of projects moving from early to mid-stage. There was a net downward revision of 316 MW for existing projects, mainly driven by an adjustment of 284 MW related to an onshore wind project in Sweden.

Project development portfolio as at December 31, 2022

Market (MW)	Onshore wind	Offshore wind	Solar	Storage	Total
Sweden	3,087	4,590	843	20	8,540
Finland	4,687	4,100	310	15	9,112
Åland	0	5,200	0	0	5,200
Poland	963	0	1,418	415	2,796
France	10	0	310	0	320
Other markets	1,127	0	1,163	6	2,295
<b>Total:</b>	<b>9,874</b>	<b>13,890</b>	<b>4,043</b>	<b>456</b>	<b>28,263</b>

### Sold MW with potential additional payments

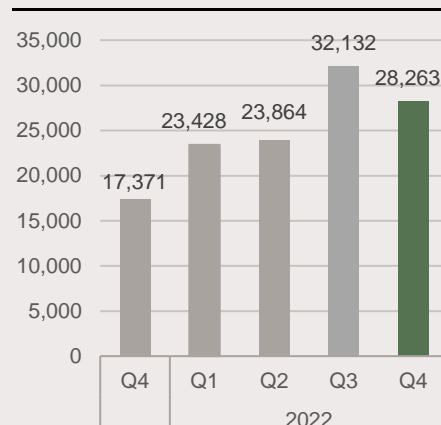
Sweden	4,410	4,410
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During the fourth quarter, total external project development costs amounted to SEK -94 million (-78). The increase compared with the same quarter the previous year was driven by offshore wind in Finland. Investments in the project development portfolio totaled SEK -433 million (-227), of which the acquisitions in Spain in December accounted for just over half.

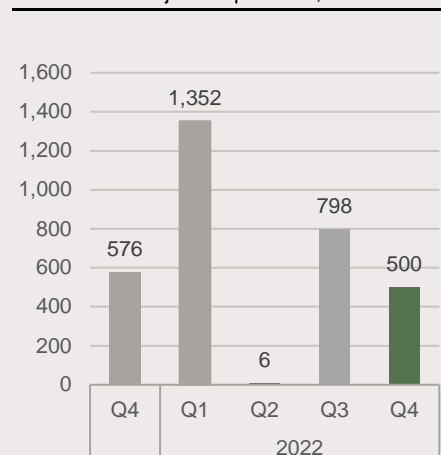
On a full-year basis, total external project development costs amounted to SEK -329 million (-220), mainly driven by increased costs for offshore wind. Investments in the project development portfolio totaled SEK -783 million (-424), driven by acquisitions of new projects during the year.

External project development costs for offshore wind for the quarter amounted to SEK -32 million (-28) and other external costs and personnel costs for offshore wind amounted to SEK -24 million (-3). In addition, the Group's share of offshore wind costs in joint ventures for the quarter amounted to SEK -44 million (0).

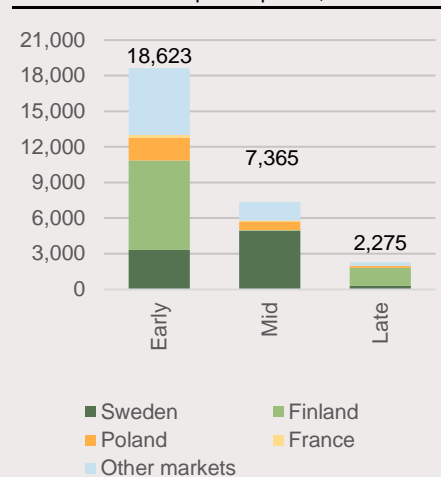
Project development portfolio, MW



Project acquisitions, MW



Project development portfolio/ Development phase, MW



External project development costs for offshore wind for the full year amounted to SEK -143 million (-67) and other external costs and personnel costs for offshore wind amounted to SEK -40 million (-9). In addition, the Group's share of offshore wind costs in joint ventures for the full year amounted to SEK -44 million (0).

## Projects sold

During the quarter, sales corresponding to 4,625 MW (483) were completed. The onshore wind project Riberget (70 MW) in Sweden was sold to Fu-Gen and the onshore wind project Niinimäki (145 MW) in Finland was sold to Helen and Bank of Åland's Wind Power Fund. In addition, merger clearance was obtained for the sale of 49 percent of three offshore wind projects in Sweden with a potential capacity of 9,000 MW. OX2 received an initial payment of SEK 627 million with an impact on operating income of SEK 594 million and will receive an additional approximately SEK 1 million per MW for 49 percent of the planned capacity if permits are obtained.

For the full year, sales corresponding to 4,893 MW (719) were completed, comprising 454 MW of onshore wind, 29 MW of solar and 4 410 MW of offshore wind.

Interest in OX2's projects remains high, both from new and existing customers and in all of the company's markets.

## Deliver

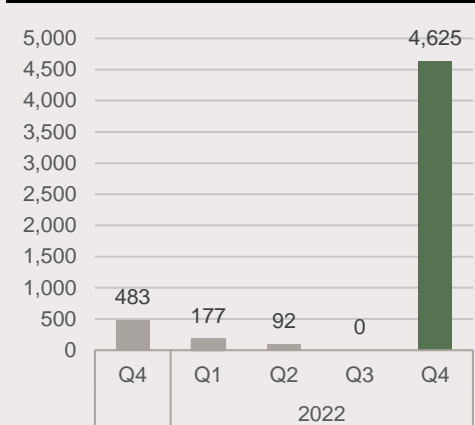
In addition to developing wind and solar farms and energy storage solutions, OX2 is responsible for construction of the projects and has the expertise to deliver long-term technical and commercial management.

At the end of the fourth quarter, OX2 had fifteen projects totaling 1,343 MW (1,329) under construction. OX2's construction contracts are based on fixed prices and the projects under construction are progressing largely according to plan. Three projects were started during the quarter, including the 43 MW Bredhälla energy storage project.

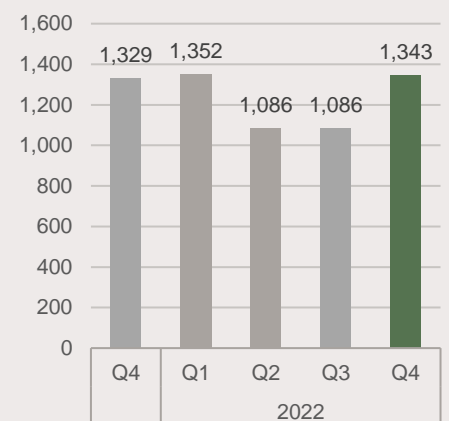
Projects under construction as at December 31, 2022

Projects	Country	Technology	Constr. start	Operat. start	MW
<b>Projects to be completed in 2023</b>					<b>544</b>
Merkkikallio	Finland	Onshore wind	2021	2023	83
Puutikankangas	Finland	Onshore wind	2020	2023	44
Rustari	Finland	Onshore wind	2020	2023	44
Grajewo	Poland	Onshore wind	2020	2023	40
Huszelew	Poland	Onshore wind	2021	2023	48
Karskröv	Sweden	Onshore wind	2021	2023	86
Klevberget	Sweden	Onshore wind	2022	2023	145
Marhult	Sweden	Onshore wind	2022	2023	32
Sulmierzyce	Poland	Onshore wind	2021	2023	23
<b>Projects to be completed in 2024</b>					<b>344</b>
Krasnik	Poland	Onshore wind	2021	2024	24
Wysoka	Poland	Onshore wind	2021	2024	63
Riberget	Sweden	Onshore wind	2022	2024	70
Niinimäki	Finland	Onshore wind	2022	2024	145
Bredhälla	Sweden	Energy storage	2022	2024	43
<b>Projects to be completed in 2025</b>					<b>455</b>
Lestijärvi	Finland	Onshore wind	2021	2025	455
<b>Total MW under construction at period end</b>					<b>1,343</b>

Sold projects, MW



Total MW under construction





OX2's technical and commercial management business continues to grow with both internally and externally developed wind farms. During the quarter, contracts were signed for four wind farms, two of which were externally developed. At the end of the fourth quarter, technical and commercial management contracts amounted to 3,848 MW (2,986).

## Financial highlights

### Performance and financial position

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
<b>Net sales</b>	<b>2,244</b>	<b>2,430</b>	<b>7,644</b>	<b>4,983</b>
Cost of goods sold*	-1,288	-1,902	-5,531	-3,924
Gross profit*	956	529	2,113	1,060
Project development costs*	-94	-78	-329	-220
Other external costs	-55	-35	-166	-125
Personnel costs	-133	-93	-438	-283
Result from joint venture	-44	-	-44	-
Depreciation and amortization of tangible and intangible assets	-5	-6	-14	-17
Operating income*	624	317	1,122	414
Operating income adjusted for project development costs*	718	395	1,451	634
Gross margin, %*	42.6%	21.7%	27.6%	21.3%
Operating margin, %*	27.8%	13.0%	14.7%	8.3%
Operating margin adjusted for project development costs, %*	32.0%	16.3%	19.0%	12.7%

\*For definitions of alternative performance measures, see page 24.

### Net sales

Net sales amounted to SEK 2,244 million (2,430) for the fourth quarter, and SEK 7,644 million (4,983) for the year.

The decline in net sales in the quarter compared with the same period last year was mainly due to lower net sales from construction projects. Projects in Sweden contributed 54 percent (22) of net sales, followed by Finland 36 percent (62), Poland 10 percent (16) and Norway 0 percent (1).

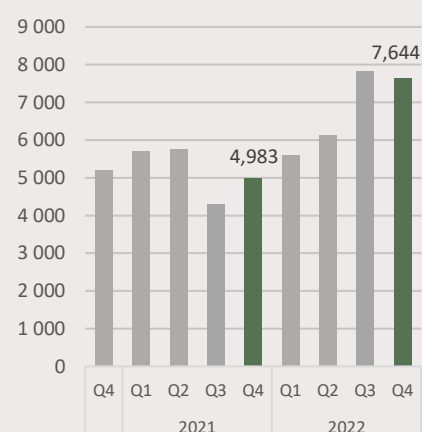
No projects were completed and handed over to customers in the fourth quarter of 2022. In the same period last year, four projects totaling 159 MW were handed over to customers. Two new onshore wind projects totaling 215 MW, Riberget and Niinimäki, were sold during the quarter. In addition to the onshore projects, 49 percent of three offshore wind projects were sold in the quarter. In the corresponding quarter the previous year, one onshore wind project of 483 MW was sold.

Net sales growth during the year was attributable to higher net sales from new sales of both onshore and offshore wind and solar projects, as well as a larger portfolio under construction, with higher net sales from milestones reached based on progress in construction projects. During the year, projects in Sweden contributed 41 percent (25) of net sales, followed by Finland 37 percent (58), Poland 22 percent (12) and Norway 0 percent (5).

Technical and commercial  
management agreements, MW

**3,848**  
**(2,986)**

Net sales LTM, SEK m



## Costs

The cost of goods sold amounted to SEK -1,288 million (-1,902) for the fourth quarter and SEK -5,531 million (-3,924) for the year. The decrease in cost of goods sold during the quarter can be attributed to the product mix. The sale of the offshore projects had a positive impact on the cost of goods sold in relation to net sales, which was 57 percent (78) for the quarter and 72 percent (79) for the full year. During the year, the cost of goods sold as a percentage of net sales was lower compared to last year, driven by the positive development in the quarter.

Project development costs amounted to SEK -94 million (-78) in the fourth quarter and SEK -329 million (-220) for the year. Development costs in the fourth quarter increased by 20 percent compared with the same quarter the previous year, reflecting a larger project development portfolio, with offshore development costs accounting for the largest increase. Project development costs increased by 49 percent during the year. As a share of net sales, project development costs in 2022 amounted to 4.3 percent, compared with 4.4 percent for the corresponding period the previous year. In addition to project development costs, result from interests in joint ventures amounted to SEK -44 million (0) for the quarter and the year. The result is attributable to OX2's share of the offshore wind development costs of the companies that were partially divested to Ingka Investments during the quarter.

Other external costs amounted to SEK -55 million (-35) in the fourth quarter and SEK -166 million (-125) for the year. The increase in the fourth quarter was related to the expansion of the business compared with the previous year. The increase was attributable to higher costs for consultants and IT, as well as for establishing in new markets, along with higher costs for increased business activities, such as travel costs, compared with 2021 when COVID-19 still affected many markets.

Personnel costs amounted to SEK -133 million (-93) for the fourth quarter, and SEK -438 million (-283) for the year. Personnel costs increased by 54 percent in 2022. The rise in personnel costs was due to an increase in the workforce (89 employees) compared with the previous year, which is consistent with the company's expansion plan.

## Profit

Operating income totaled SEK 624 million (317) for the fourth quarter of 2022, and SEK 1,122 million (414) for the year. The earnings trend for individual quarters is mainly affected by new sales of wind and solar farms, and by the pace of completion of projects under construction and handover to customers. Gross margin was 42.6 percent (21.7) for the quarter and 27.6 percent (21.3) for the year. The higher margin in the quarter is due to the sale of the offshore wind projects, which amounted to SEK 594 million. The increase in the gross margin during the year was attributable to higher margins from new project sales, with a larger share sold in 2022 as project rights.

Earnings from financial items amounted to SEK 21 million (-11) for the quarter and SEK 62 million (-8) for the year. The positive result from financial items was mainly due to the revaluation of balance sheet items in foreign currencies. OX2's currency exposure is primarily in EUR and the company uses currency derivatives to hedge these flows.

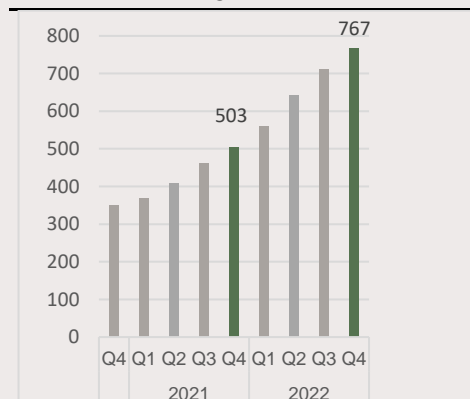
The effective tax rate was 2.8 percent (22.8) for the quarter and 8.3 percent (17.9) for the year. The effective tax rate for the year was positively impacted by non-taxable income from the sale of project companies.

Profit was SEK 627 million (236) for the fourth quarter, and SEK 1,085 million (334) for the year.

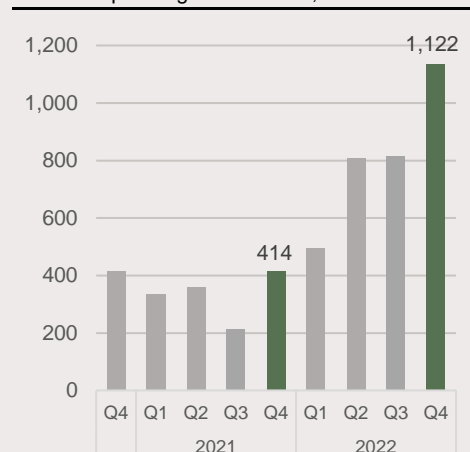
Earnings per share before and after dilution totaled SEK 2.30 (0.87) for the fourth quarter and SEK 3.98 (1.28) for the year.

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

Project development and personnel costs LTM, SEK m



Operating income LTM, SEK m



## Financial position and liquidity

Current assets at the end of the period amounted to SEK 6,295 million (3,715), an increase of SEK 2,581 million over the previous year. The change was related to an increase in the project development portfolio and in cash and cash equivalents driven by both new project sales and an increase in advance payments from customers.

The value of the project development portfolio and work in progress amounted to SEK 1,388 million (502). The increase was attributable to the acquisition of project rights. During the quarter, there was a major acquisition of late-stage project rights in Spain. Accounts receivables totaled SEK 655 million (297). Other receivables totaled SEK 115 million (33). Prepaid expenses and accrued income amounted to SEK 549 million (496). Prepaid expenses and accrued income consisted mainly of items related to construction. Cash and cash equivalents amounted to SEK 3,575 million (2,374).

Total current liabilities amounted to SEK 2,772 million (1,310), an increase of SEK 1,462 million over the previous year.

Advance payments from customers amounted to SEK 1,325 million (601), an increase of SEK 725 million during the year. The advance payments include 39 percent related to projects under construction in the Finnish market, followed by 35 percent for Swedish projects and 26 percent for Polish projects. Accounts payable amounted to SEK 159 million (309). Other liabilities totaled SEK 358 million (211) and current interest-bearing liabilities 228 (14), the increase largely due to possible additional purchase price payments linked to acquisitions in Spain. Tax liabilities amounted to SEK 28 million (0). Accrued expenses and deferred income amounted to SEK 673 million (175). Accrued expenses consist of accrued construction and project costs and accrued personnel costs.

## Cash flow

Cash flow from operating activities before changes in working capital for the quarter amounted to SEK 687 million (288) and cash flow from changes in working capital totaled SEK 208 million (-424). Cash flow from operating activities before changes in working capital for the year amounted to SEK 1,203 million (356) and cash flow from changes in working capital totaled SEK 807 million (-64). Cash flow from changes in working capital was mainly related to increases in advance payments from customers and accrued expenses. Investments in the project development portfolio totaled SEK -433 million (-227) for the quarter and SEK -783 million (-424) for the year. Cash flow from operating activities amounted to SEK 462 million (-363) for the quarter and SEK 1 226 million (-132) for the year.

Cash flow from investing activities amounted to SEK -32 million (-0) for the quarter and SEK -33 million (-1) for the year. The change in the quarter and the year is largely attributable to additions to joint ventures of SEK -32 million (0). Cash flow from financing activities totaled SEK -4 million (-3) and SEK -13 million (1,266) for the year. The main difference for the year compared with the previous year was the issue of shares in the second quarter of 2021. Total cash flow for the fourth quarter of 2022 amounted to SEK 425 million (-366) and SEK 1,180 million (1,133) for the year.

## Parent company

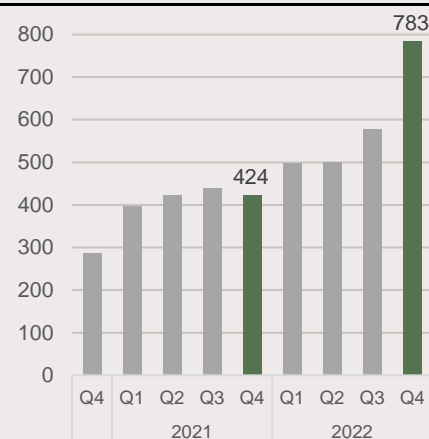
The employees of the parent company (OX2 AB) work with project development, financing, project sales and project implementation. Group management and group functions are also based within the parent company. Total revenue amounted to SEK 214 million (400) for the quarter, and SEK 1,041 million (685) for the year. Net sales during the year consist of the sale of wind and solar farms, as well as internal invoicing of service and management fees. Income from the sale of wind and solar farms varies between quarters and is also affected by the transaction structure of the projects sold.

Costs of goods and project development amounted to SEK -106 million (-128) for the quarter and SEK -584 million (-296) for the year. The increase in development costs is related to the larger project portfolio. Other external costs amounted to SEK -41 million (-30) for the fourth quarter and SEK -139 million (-118) for the year. The increase was due to the expansion of the business. The increase during the year has been offset in part by the costs of the listing in the previous year.

Net debt or (-) net cash, SEK m

**-3,318**  
**(-2,346)**

Investments in the project development portfolio LTM, SEK m





Personnel costs amounted to SEK -89 million (-62) for the quarter, and SEK -313 million (-201) for the year. The increased costs were mainly attributable to an increase in the number of employees compared with the same quarter last year and during the year.

Operating income amounted to SEK -23 million (-180) for the quarter and SEK 3 million for the year (69). Higher costs had a negative impact on operating income for both the quarter and the year. Earnings after financial items amounted to SEK -22 million (-280) for the quarter and SEK 188 million (170) for the year. The increase in financial items during the year was related to net income from investments in group companies. Profit totaled SEK 139 million (279) for the period and SEK 345 million (192) for the year.

Current assets amounted to SEK 4,353 million (2,556) at the end of the year. The change was due to an increase in cash and cash equivalents, group receivables and the project development portfolio.

Liabilities to group companies at December 31, 2022 amounted to SEK 2,687 million (1,164).

The parent company's equity amounted to SEK 2,270 million (1,919) as of December 31, 2022.

## Updated financial targets

### Growth

#### *Operating profit*

- Compound annual growth rate in operating income exceeding 25 percent, 2023-2027

### *Sold MW*

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

### Profitability

- Operating margin >10 percent

### Return

- Return on capital employed >25 percent

## Other information

### Shareholder information

On April 6, 2022, OX2 AB (publ) was listed on Nasdaq Stockholm's main list under the ticker symbol OX2. The total number of shares is 272,517,586. The last price per share paid on December 31 was SEK 87.95. The three largest shareholders at year-end were: Peas Industries AB 45.6 percent, Altor Fund V 10.1 percent and Pictet Asset Management 5.0 percent.

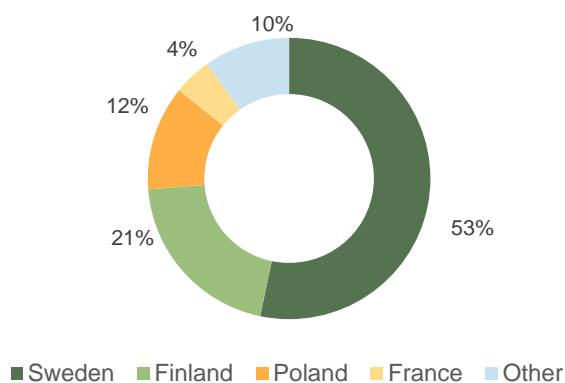
### Employees

As at December 31, 2022, the company had 366 employees (277), 41 percent (42) of whom were women. The number of employees has increased by 32 percent compared with the previous year. The number of employees rose by 14 people in the quarter.

Total number of employees	2022/12/31	2021/12/31
Sweden	195	162
Finland	75	55
Poland	44	33
France	16	15
Other markets	36	12
<b>Total OX2 Group</b>	<b>366</b>	<b>277</b>

At the end of December 2022, 41 (42) percent were women and 59 (58) men.

Number of employees as at December 31, 2022, %



### Risks and uncertainties

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

For a detailed description of the risks, please refer to the directors' report in the company's 2021 Annual Report.

### Sustainability

OX2's sustainability strategy is based on four strategic focus areas: Basis for good governance, contribution to climate and nature, sustainable leadership and local commitment. Together,

these focus areas will help us achieve our long-term sustainability goals and accelerate the transition to renewable energy in a sustainable way. Each focus area addresses key issues about which we continuously communicate and report. OX2's long-term sustainability goals aim to increase renewable energy production, lead in health and safety and create nature-positive wind and solar farms. OX2 aims to deliver and contribute to the 2030 Agenda for Sustainable Development, with a particular focus on Goals 7, 9, 13 and 15.

### Future prospects

The transition to a renewable energy supply is a long-term and important goal for our society. Despite the uncertainty due to the lingering effect of the covid-19 pandemic and the war in Ukraine, OX2 has enjoyed a positive development during 2022, with an expanded project development portfolio, geographical expansion and good progress in projects under construction. There is strong political support for the creation of a renewable energy supply, as it creates economic growth and we consider it to be one of the most effective ways of reducing global CO2 emissions. OX2 has a positive outlook for the future and finds that utility companies and financial investors increasingly have a positive view of ownership in renewable power generation as they regard it to be stable, attractive infrastructure investments over the long term.

### Planning conditions

OX2 sees strong demand for its projects in all technologies and has good visibility of the profitability and returns of the projects it sells. OX2 is currently investing to achieve its target of at least 25 percent average annual growth (CAGR) in operating profit in 2023-2027, and a sales volume in excess of 2,000 MW from 2025.

For 2023, the majority of new project sales are expected to occur in the second half of the year. OX2 will continue to increase project development costs and personnel costs, while sales volumes are expected to increase gradually, which will initially negatively impact the operating margin. Development and personnel costs in 2023 are expected to increase to approximately double the amount of 2021, due to the growing project development portfolio.

Investments in project acquisitions are expected to exceed SEK 800 million annually in 2023 and beyond. Depending on the timing of the completion of acquisitions, this may vary between individual calendar years. For individual quarters, the gross margin is affected by the mix of revenues from the sale of new wind and solar farms and revenues from projects under construction, where the gross margin from new project sales is usually higher.

### Significant events after the end of the reporting period

- OX2 has started work on developing the Tyrsky offshore wind farm in the Gulf of Bothnia in the Finnish Economic Zone. The project will have a total installed capacity of 1,400 MW and will be included in OX2's project portfolio from the first quarter of 2023.
- In January, the County Administrative Board of Halland decided that the offshore wind farm Galatea-Galene can get permission to

be built according to the Act on Sweden's Exclusive Economic Zone.

- In February, the completed Merkkikallio project was handed over to the customer.

## Estimates and assessments for accounting purposes

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

The actual outcome may differ from these estimates and judgements.

## Dividend

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

The Board of Directors proposes no dividend be paid.

## Annual report and Annual General Meeting

The annual and sustainability report for 2022 will be available on the OX2 website, OX2.com, from week 14, 2023. OX2 AB's Annual General Meeting will be held on May 16 at 10.00 CET at Brygghuset, Nortullsgatan 12N, in Stockholm.

Stockholm, February 21, 2023

OX2 AB (publ)

Paul Stormoen

CEO



# The auditor's review report on interim financial information

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

## *Introduction*

We have reviewed the interim report for Ox2 AB (publ) for the period January 1 – December 31, 2022. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## *Scope of review*

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

## *Conclusion*

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

Stockholm, February 21, 2023

Deloitte AB

Jonas Ståhlberg

Authorized Public Accountant

## Condensed consolidated income statement

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
Net sales	2,244	2,430	7,644	4,983
<b>Total revenue</b>	<b>2,244</b>	<b>2,430</b>	<b>7,644</b>	<b>4,983</b>
Cost for goods and project development	-1,382	-1,980	-5,860	-4,143
Other external costs	-55	-35	-166	-125
Personnel costs	-133	-93	-438	-283
Result from joint venture	-44	-	-44	-
Depreciation and amortization of tangible and intangible assets	-5	-6	-14	-17
<b>Total operating expenses</b>	<b>-1,620</b>	<b>-2,113</b>	<b>-6,522</b>	<b>-4,569</b>
<b>Operating income</b>	<b>624</b>	<b>317</b>	<b>1,122</b>	<b>414</b>
Financial income	43	84	220	118
Financial costs	-23	-95	-158	-126
<b>Profit after financial items</b>	<b>645</b>	<b>306</b>	<b>1,184</b>	<b>407</b>
Income tax	-18	-70	-99	-73
<b>PROFIT FOR THE PERIOD</b>	<b>627</b>	<b>236</b>	<b>1,085</b>	<b>334</b>
Profit for the period attributable to:				
Owners of the parent company	633	236	1,092	334
Non-controlling interests	-6	-	-7	0
Average number of share before dilution	272,517,586	272,517,586	272,517,586	261,783,175
Average number of share after dilution	272,695,986	272,517,586	272,600,913	261,783,175
Earnings per share before dilution, SEK	2.30	0.87	3.98	1.28
Earnings per share after dilution, SEK	2.30	0.87	3.98	1.28

## Consolidated statement of comprehensive income

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
<b>Profit for the period</b>	<b>627</b>	<b>236</b>	<b>1,085</b>	<b>334</b>
<b>Other comprehensive income:</b>				
<i>Items that may reclassified subsequently to profit or loss</i>				
Foreign exchange differences on translation of foreign subsidiaries	3	4	22	7
<i>Cash flow hedges</i>				
Changes in fair value	19	-19	-100	-39
Income tax attributable to cash flow hedges	-4	4	19	10
<b>Total other comprehensive income after tax</b>	<b>645</b>	<b>225</b>	<b>1,026</b>	<b>312</b>
Total comprehensive income for the period attributable to:				
Owners of the parent company	651	225	1,033	312
Non-controlling interests	-7	0	-7	0

## Consolidated statement of financial position

SEK m	2022/12/31	2021/12/31
<b>ASSETS</b>		
<b>Non-current assets</b>		
Other intangible assets	3	4
Fixtures, tools and installations	3	3
Right-of-use assets	45	20
Other financial assets	19	1
<b>Total Non-current assets</b>	<b>70</b>	<b>29</b>
<b>Current assets</b>		
Project development portfolio and construction in progress	1,388	502
Accounts receivable	655	297
Tax receivables	-	7
Other receivables	115	33
Prepaid expenses and accrued income	549	496
Derivative financial instruments	14	6
Cash and cash equivalents	3,575	2,374
<b>Total Current assets</b>	<b>6,295</b>	<b>3,715</b>
<b>TOTAL ASSETS</b>	<b>6,365</b>	<b>3,743</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1	1
Retained earnings including profit for the period	3,413	2,355
Equity attributable to the shareholders of the parent company	3,421	2,355
Equity attributable to non-controlling interests	-7	0
<b>Total equity</b>	<b>3,414</b>	<b>2,355</b>
<b>Non-current liabilities</b>		
Long-term interest-bearing liabilities	29	15
Derivative financial instruments	107	17
Deferred tax liabilities	44	46
<b>Total Long-term liabilities</b>	<b>179</b>	<b>78</b>
<b>Current liabilities</b>		
Advance payments from customers	1,325	601
Accounts payable	159	309
Tax liabilities	28	-
Other Current liabilities	358	211
Current interest-bearing liabilities	228	14
Liabilities to group companies	-	-
Accrued expenses and deferred income	673	175
<b>Total Current liabilities</b>	<b>2,772</b>	<b>1,310</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,365</b>	<b>3,743</b>



## Consolidated statement of changes in equity

SEK m	2022/12/31	2021/12/31
<b>Opening balance</b>	<b>2,355</b>	<b>766</b>
Total comprehensive income for the period	1,026	312
New issue	-	612
Bonus issue	-	0
Issue for non-cash consideration	-	739
Change in minority interest	0	0
Issue costs referring to new share issue adjusted for tax	-	-73
Share-based payments	2	-
Other contribution	29	-
Shareholder contribution	2	-
<b>Closing balance</b>	<b>3,414</b>	<b>2,355</b>
Attributable to:		
Owners of the parent company	3,421	2,355
Non-controlling interest	-7	0
<b>Total equity</b>	<b>3,414</b>	<b>2,355</b>

## Consolidated statement of cash flows

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
Profit after financial items	645	306	1,184	407
Adjustments for items not included in cash flow, etc.	51	9	62	31
Income taxes paid	-9	-27	-43	-81
<b>Cash flow from operating activities before changes in working capital</b>	<b>687</b>	<b>288</b>	<b>1,203</b>	<b>356</b>
Cash flow from changes in working capital	208	-424	807	-64
Investments in project development portfolio	-433	-227	-783	-424
<b>Cash flow from operating activities</b>	<b>462</b>	<b>-363</b>	<b>1,226</b>	<b>-132</b>
Acquisition/sale of fixed assets	-32	0	-33	-1
<b>Cash flow from investment activities</b>	<b>-32</b>	<b>0</b>	<b>-33</b>	<b>-1</b>
New issue	-	-	-	612
Issue for non-cash consideration	-	-	-	739
Issue costs referring to new share issue	-	-	-	-73
Shareholder contribution	-	-	2	-
Repayments of lease liabilities	-4	-3	-15	-12
Short-term loans parent company	-	-	-	-
<b>Cash flow from financing activities</b>	<b>-4</b>	<b>-3</b>	<b>-13</b>	<b>1,266</b>
<b>Cash flow for the period</b>	<b>425</b>	<b>-366</b>	<b>1,180</b>	<b>1,133</b>
Translation difference in cash and cash equivalents	3	3	21	7
<b>Cash and cash equivalents at beginning of the period</b>	<b>3,147</b>	<b>2,737</b>	<b>2,374</b>	<b>1,235</b>
<b>Cash and cash equivalents at period end</b>	<b>3,575</b>	<b>2,374</b>	<b>3,575</b>	<b>2,374</b>

## Condensed parent company income statement

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
Net sales	207	395	1,034	681
Other operating revenue	7	4	7	4
<b>Total revenue</b>	<b>214</b>	<b>400</b>	<b>1,041</b>	<b>685</b>
Cost of goods and project development	-106	-128	-584	-296
Other external costs	-41	-30	-139	-118
Personnel costs	-89	-62	-313	-201
Depreciation and amortization of tangible and intangible assets	-1	-0	-2	-2
<b>Total operating expenses</b>	<b>-237</b>	<b>-220</b>	<b>-1,038</b>	<b>-617</b>
<b>Operating income</b>	<b>-23</b>	<b>180</b>	<b>3</b>	<b>69</b>
Financial income	12	105	221	111
Financial costs	-12	-4	-35	-10
<b>Profit after financial items</b>	<b>-22</b>	<b>280</b>	<b>188</b>	<b>170</b>
Year-end appropriations	198	46	198	46
Tax	-37	-47	-42	-24
<b>Profit for the period</b>	<b>139</b>	<b>279</b>	<b>345</b>	<b>192</b>

## Parent company statement of comprehensive income

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
Profit for the period	139	279	345	192
<b>Total other comprehensive income after tax</b>	<b>139</b>	<b>279</b>	<b>345</b>	<b>192</b>

## Condensed parent company balance sheet

SEK m	2022/12/31	2021/12/31
<b>ASSETS</b>		
<b>Non-current assets</b>		
Other intangible assets	3	4
Fixtures, tools and installations	3	3
Participations in Group companies	940	801
Other non-current assets	1	-
<b>Total Non-current assets</b>	<b>947</b>	<b>808</b>
<b>Current assets</b>		
Project development portfolio and construction in progress	310	77
Accounts receivable	17	0
Tax receivable	-	24
Other receivables	13	10
Receivables from group companies	559	160
Prepaid expenses and accrued income	14	13
Cash and cash equivalents	3,440	2,272
<b>Total Current assets</b>	<b>4,353</b>	<b>2,556</b>
<b>TOTAL ASSETS</b>	<b>5,301</b>	<b>3,364</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	2,270	1,919
Untaxed reserves	152	94
<b>Current liabilities</b>		
Accounts payable	26	53
Current tax liabilities	7	-
Other Current liabilities	12	59
Liabilities to group companies	2,687	1,164
Accrued expenses and deferred income	147	75
<b>Total Current liabilities</b>	<b>2,879</b>	<b>1,352</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,301</b>	<b>3,364</b>



## Key performance indicators, Group

	Q4		Jan-Dec	
	2022	2021	2022	2021
<b>Profitability</b>				
Net sales, SEK m	2,244	2,430	7,644	4,983
Net sales growth, %	-7.7%	38.6%	53.4%	-4.2%
Operating income, SEK m	624	317	1,122	414
Operating income adjusted for development costs, SEK m	718	395	1,451	634
Operating margin, %	27.8%	13.0%	14.7%	8.3%
Operating margin adjusted for development costs, %	32.0%	16.3%	19.0%	12.7%
Profit for the period, SEK m	627	236	1,085	334
Earnings per share before dilution, SEK	2.30	0.87	3.98	1.28
Earnings per share after dilution, SEK	2.30	0.87	3.98	1.28
<b>Financial position</b>				
Net debt or (-) net cash, SEK m	-3,318	-2,346	-3,318	-2,346
Equity ratio, %	53.6%	62.9%	53.6%	62.9%
Effective tax rate, %	2.8%	22.8%	8.3%	17.9%
Operating cash flow, SEK m	372	-328	1,127	-58
Cash conversion, %	59%	-102%	99%	-13%
Construction related working capital, SEK m	-1,197	-470	-1,197	-470
Net working capital, SEK m	191	31	191	31
Equity per share, SEK	13	9	13	9
Return on equity, %	20.4%	10.5%	37.6%	21.4%
Return on capital employed, %	19.3%	14.0%	37.1%	26.1%
Investments in the project development portfolio, SEK m	-433	-227	-783	-424
<b>Operational key figures</b>				
Project acquisitions, MW	500	576	2,656	3,446
Sold projects, MW	4,625	483	4,893	719
Projects handed over, MW	0	159	482	207
Project development portfolio, MW	28,263	17,371	28,263	17,371
Sold MW with potential additional payments	4,410	0	4,410	0
Projects under construction, MW	1,343	1,329	1,343	1,329
Contracts under management, MW	3,848	2,986	3,848	2,986
Number of employees	366	277	366	277

For definitions of alternative performance measures and key performance indicators, see pages 24 and 28.

# Notes

## Note 1 Accounting policies

The consolidated accounts for OX2 have been prepared in accordance with the International Financial Reporting standards (IFRS) adopted by the EU. The same accounting policies have been applied for the current year as for the comparative year. No new or amended standards have had a material impact on the financial statements. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

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

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

Project rights for offshore wind is accounted for as current asset and sales of offshore projects is accounted for as net sales. Project assets are normally sold through sales of shares in the project company. Revenue will only be accounted for if OX2 no longer controls the subsidiary. No revaluation of remaining shares after the initial sales are made since they were classified as current assets before the sale. Results from interests in Joint Ventures have been deemed to be part of operations and are therefore reported as an item within operating income.

## Note 2 Revenue

The Group has one segment.

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

For a description of segment reporting, see the 2021 Annual Report, Note 2, "Accounting policies."

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
<b>Net sales per category</b>				
Sales of wind and solar projects, wind farms and technical and commercial management	2,244	2,430	7,644	4,983
<b>Total</b>	<b>2,244</b>	<b>2,430</b>	<b>7,644</b>	<b>4,983</b>
<b>Income divided by country*</b>				
Sweden	1,196	545	3,155	1,263
Finland	813	1,495	2,820	2,883
Norway	-	12	-	227
Poland	234	378	1,669	610
<b>Total</b>	<b>2,244</b>	<b>2,430</b>	<b>7,644</b>	<b>4,983</b>

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

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
<b>Time of revenue recognition</b>				
At a certain time	663	-	749	-
Over time	1,580	2,430	6,896	4,983
<b>Total</b>	<b>2,244</b>	<b>2,430</b>	<b>7,644</b>	<b>4,983</b>

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
<b>Contract assets</b>				
Ongoing work in progress on behalf of others	0	0	0	0
Accrued income	179	86	179	86
<b>Total</b>	<b>179</b>	<b>86</b>	<b>179</b>	<b>86</b>
Of which Long-term assets	-	-	-	-
Of which Current assets	179	86	179	86
<b>Total</b>	<b>179</b>	<b>86</b>	<b>179</b>	<b>86</b>

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
<b>Contract liabilities</b>				
Advance payments from customers	1,325	601	1,325	601
Prepaid income	45	3	45	3
<b>Total</b>	<b>1,370</b>	<b>604</b>	<b>1,370</b>	<b>604</b>
Of which Long-term liabilities	-	-	-	-
Of which Current liabilities	1,370	604	1,370	604
<b>Total</b>	<b>1,370</b>	<b>604</b>	<b>1,370</b>	<b>604</b>

## Note 3 Fair value measurement

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

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

For a description of segment reporting, see the 2021 Annual Report, Note 2, "Accounting principles" and Note 4. For items measured at amortized cost, this is deemed to be consistent with fair value.

SEK m	2022/12/31	2021/12/31
<b>Financial assets at fair value</b>		
Derivative instruments	14	6
<b>Financial assets measured at amortized cost</b>		
Accounts receivables	655	297
Receivables from Group companies	-	-
Other current receivables	115	33
Cash and cash equivalents	3,575	2,374
<b>Total financial assets</b>	<b>4,359</b>	<b>2,710</b>
<b>Financial liabilities at fair value</b>		
Derivative instruments	107	17
Current interest-bearing liabilities	210	-
<b>Financial liabilities measured at amortized cost</b>		
Other Long-term liabilities	29	15
Accounts payable	159	309
Liabilities to Group companies	-	-
Other Current liabilities	358	211
Current interest-bearing liabilities	18	14
<b>Total financial liabilities</b>	<b>881</b>	<b>565</b>

#### Note 4 Project development expenses

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
<b>Project development cost</b>	<b>-94</b>	<b>-78</b>	<b>-329</b>	<b>-220</b>
Of which are cost for off-shore wind	-32	-28	-143	-67
<b>Other external and personnel cost</b>	<b>-188</b>	<b>-128</b>	<b>-604</b>	<b>-409</b>
Of which are cost for off-shore wind	-24	-3	-40	-9

#### Note 5 Related party transactions

On 28 October 2016, 28 December 2016 and 15 December 2017, Peas Industries AB entered into three contracts under which Peas undertakes to provide accounting services to certain investors in four of the company's former projects. The services under the contracts are provided by the company, which in turn invoices Peas for the services provided. Unless terminated prematurely, in accordance with certain specific conditions, the contracts are valid for seven years from the date of handover of the projects. The contracts are therefore expected to expire on or about December 27, 2025, December 27, 2025, April 27, 2027 and March 16, 2023.

#### Note 6 Incentive plan

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

In total, a maximum of 61,216 matching shares and 414,741 performance shares may be allocated to participants in the Share Savings Plan.



## Note 7 Pledged assets and contingent liabilities

The Group has no pledged assets. Contingent liabilities amounted to SEK 4 billion (3.2) at December 31, 2022 compared to the beginning of the year. Changes in the value of contingent liabilities are related to guarantees that are issued regularly to support the Group's obligations.

The parent company has a related party relationship with its Group companies. As of December 31, 2022, the Parent Company's contingent liabilities amounted to SEK 4 billion (2.8) compared to the previous year.

## Alternative performance measures

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

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

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

Pages 24–28 show the definition and reconciliation of significant alternative performance measures with the most directly reconcilable item, subtotal or total stated in the financial statements for the corresponding period.

## Definitions alternative performance measures

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

## Reconciliation of alternative performance measures

### Reconciliation of return on equity

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
Shareholders' equity, beginning of period	2,739	2,130	2,355	766
Shareholders' equity, end of period	3,414	2,355	3,414	2,355
Average equity	3,077	2,243	2,885	1,561
Profit for the period	627	236	1,085	334
Average equity	3,077	2,243	2,885	1,561
<b>Return on equity</b>	<b>20.4%</b>	<b>10.5%</b>	<b>37.6%</b>	<b>21.4%</b>

### Reconciliation of return on capital employed

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
Equity	3,414	2,355	3,414	2,355
Interest-bearing liabilities (long-term and short-term)	257	28	257	28
<b>Capital employed</b>	<b>3,671</b>	<b>2,383</b>	<b>3,671</b>	<b>2,383</b>
Average capital employed				
Capital employed, beginning of period	2,782	2,155	2,383	789
Capital employed, end of period	3,671	2,383	3,671	2,383
<b>Average capital employed</b>	<b>3,226</b>	<b>2,269</b>	<b>3,027</b>	<b>1,586</b>
Operating income	624	317	1,122	414
Average capital employed	3,226	2,269	3,027	1,586
<b>Return on capital employed</b>	<b>19.3%</b>	<b>14.0%</b>	<b>37.1%</b>	<b>26.1%</b>

### Reconciliation of cost of goods sold

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
Cost for goods and project development	-1,382	-1,980	-5,860	-4,143
Of which cost of goods sold	-1,288	-1,902	-5,531	-3,924
Of which project development costs	-94	-78	-329	-220

### Reconciliation of gross profit and gross margin

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
Net sales	2,244	2,430	7,644	4,983
Cost of goods sold	-1,288	-1,902	-5,531	-3,924
<b>Gross profit</b>	<b>956</b>	<b>529</b>	<b>2,113</b>	<b>1,060</b>
<i>Gross margin, %</i>	<i>42.6%</i>	<i>21.7%</i>	<i>27.6%</i>	<i>21.3%</i>

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

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
Net sales	2,244	2,430	7,644	4,983
<b>Operating income</b>	<b>624</b>	<b>317</b>	<b>1,122</b>	<b>414</b>
<i>Operating margin, %</i>	<i>27.8%</i>	<i>13.0%</i>	<i>14.7%</i>	<i>8.3%</i>
Depreciation and amortization of tangible and intangible assets	5	6	14	17
<b>EBITDA</b>	<b>629</b>	<b>323</b>	<b>1,136</b>	<b>431</b>
Operating income	624	317	1,122	414
Project development costs	94	78	329	220
<b>Operating income adjusted for development costs</b>	<b>718</b>	<b>395</b>	<b>1,451</b>	<b>634</b>
<i>Operating margin adjusted for development costs, %</i>	<i>32.0%</i>	<i>16.3%</i>	<i>19.0%</i>	<i>12.7%</i>

## Reconciliation of equity per share

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
Equity	3,414	2,355	3,414	2,355
Average number of shares before dilution	272,517,586	272,517,586	272,517,586	261,783,175
Average number of shares after dilution	272,695,986	272,517,586	272,600,913	261,783,175
<b>Equity before dilution (SEK)</b>	<b>13</b>	<b>9</b>	<b>13</b>	<b>9</b>

## Reconciliation of net sales growth

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
Net sales for the previous period	2,430	1,754	4,983	5,201
Net sales for the current period	2,244	2,430	7,644	4,983
<i>Net sales growth, %</i>	<i>-7.7%</i>	<i>38.6%</i>	<i>53.4%</i>	<i>-4.2%</i>

## Reconciliation of net debt or (-) net cash

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
Interest-bearing liabilities (long-term and short-term)	257	28	257	28
Interest-bearing receivables (long-term and short-term)	-	-	-	-
Cash and cash equivalents	-3,575	-2,374	-3,575	-2,374
<b>Net debt or (-) net cash</b>	<b>-3,318</b>	<b>-2,346</b>	<b>-3,318</b>	<b>-2,346</b>



## Reconciliation of equity ratio

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
Equity	3,414	2,355	3,414	2,355
Balance sheet total	6,365	3,743	6,365	3,743
<b>Equity ratio %</b>	<b>53.6%</b>	<b>62.9%</b>	<b>53.6%</b>	<b>62.9%</b>

## Reconciliation of effective tax rate, %

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
Income tax	-18	-70	-99	-73
Profit after financial items	645	306	1,184	407
<b>Effective tax rate, %</b>	<b>2.8%</b>	<b>22.8%</b>	<b>8.3%</b>	<b>17.9%</b>

## Reconciliation of cash conversion, %

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
EBITDA	629	323	1,136	431
Changes in net working capital	208	-424	807	-64
Investments in project development portfolio	-433	-227	-783	-424
Cash flow from investment activities	-32	0	-33	-1
<b>Operating cash flow</b>	<b>372</b>	<b>-328</b>	<b>1,127</b>	<b>-58</b>
<b>Cash conversion, %</b>	<b>59.1%</b>	<b>-101.7%</b>	<b>99.2%</b>	<b>-13.4%</b>

## Reconciliation of construction-related working capital and net working capital

SEK m	Q4		Jan-Dec	
	2022	2021	2022	2021
Construction in progress	0	0	0	0
Accounts receivable	655	297	655	297
Other receivables	115	33	115	33
Prepaid expenses and accrued income	549	496	549	496
<b>Construction working capital assets</b>	<b>1,319</b>	<b>826</b>	<b>1,319</b>	<b>826</b>
Advance payments from customers	-1,325	-601	-1,325	-601
Accounts payable	-159	-309	-159	-309
Other Current liabilities	-358	-211	-358	-211
Accrued expenses and deferred income	-673	-175	-673	-175
<b>Construction working capital liabilities</b>	<b>-2,516</b>	<b>-1,296</b>	<b>-2,516</b>	<b>-1,296</b>
<b>Construction working capital</b>	<b>-1,197</b>	<b>-470</b>	<b>-1,197</b>	<b>-470</b>
Project development portfolio	1,388	502	1,388	502
<b>Net working capital</b>	<b>191</b>	<b>31</b>	<b>191</b>	<b>31</b>
<b>As % of LTM net sales</b>				
LTM net sales	7,644	4,983	7,644	4,983
Construction related working capital assets	17.3%	16.6%	17.3%	16.6%
Construction related working capital liabilities	-32.9%	-26.0%	-32.9%	-26.0%
<b>Construction related working capital</b>	<b>-15.7%</b>	<b>-9.4%</b>	<b>-15.7%</b>	<b>-9.4%</b>
<b>Net working capital %</b>	<b>2.5%</b>	<b>0.6%</b>	<b>2.5%</b>	<b>0.6%</b>

## Key performance indicator definitions

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

## Financial calendar

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Interim Report January–March 2023:	28 April 2023
Annual General Meeting:	16 May 2023
Interim Report January–June 2023:	21 July 2023
Interim Report June–September 2023:	25 October 2023
Year-end Report 2023:	21 February 2024

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