A photograph of two wind turbines standing on a hillside covered in a dense forest of evergreen trees. The sky is a mix of blue and pink, suggesting a sunset or sunrise. A dirt road winds through the forest in the foreground.

Interim Report 2023 April-June

Revenue LTM
**SEK 8,221
MILLION**
(6,120)

Operating margin LTM
11.7%
(13.2)

Return on capital
employed (ROCE) R12
27.7%
(33.2)

Total portfolio
44,828 MW
(28,460)

Comparative figures refer to the same period the previous year

- Revenue increased by 34 percent over the past 12 months, driven by increased revenue from the sale of new projects and higher revenue from the construction portfolio
- A high proportion of project rights sales combined with good cost control in projects under construction resulted in an operating margin of 11.7 percent (13.2) over the last twelve-month period
- Return on capital employed was 27.7 percent (33.2).
- The total portfolio amounted to 44,828 MW (28,460). The increase is mainly attributable to growth in the development portfolio of 8,583 MW to 32,447 MW over the past year through project acquisitions and new offshore wind projects.

Continued value creation in offshore wind

April-June 2023

- Net sales amounted to SEK 2,204 million (1,469)
- Operating income amounted to SEK 207 million (362)
- Operating margin amounted to 9.4% (24.7)
- Profit for the period was SEK 245 million (304)
- Earnings per share before and after dilution totaled SEK 0.90 (1.11)
- Cash flow from operating activities amounted to SEK -1,229 million (1,076)

January-June 2023

- Net sales amounted to SEK 3,666 million (3,090)
- Operating income amounted to SEK 310 million (468)
- Operating margin amounted to 8.4% (15.1)
- Profit for the period was SEK 334 million (415)
- Earnings per share before dilution totaled SEK 1.23 (1.52) and after dilution SEK 1.22 (1.52)
- Cash flow from operating activities amounted to SEK -351 million (894)

The Group's key performance indicators

	Q2		Jan-Jun		LTM	Full year
	2023	2022	2023	2022	Jul-Jun	2022
Net sales, SEK m	2,204	1,469	3,666	3,090	8,221	7,644
Operating income, SEK m	207	362	310	468	964	1,122
Operating income adjusted for project development costs, SEK m	291	440	467	599	1,319	1,451
Operating margin, %	9.4%	24.7%	8.4%	15.1%	11.7%	14.7%
Operating margin adjusted for project development costs, %	13.2%	29.9%	12.7%	19.4%	16.0%	19.0%
Profit for the period, SEK m	245	304	334	415	1,004	1,085
Cash flow from operating activities, SEK m	-1,229	1,076	-351	894	-18	1,226
Investments in the project development portfolio, SEK m	-284	-41	-513	-240	-1,057	-783
Earnings per share before dilution, SEK	0.90	1.11	1.23	1.52	3.69	3.98
Earnings per share after dilution, SEK	0.90	1.11	1.22	1.52	3.68	3.98
Project acquisitions, MW	3,082	6	4,034	1,358	5,332	2,656
Sold projects, MW	2,967	92	2,967	268	7,592	4,893
Projects handed over, MW	0	329	171	482	171	482
Total portfolio, MW	44,828	28,460	44,828	28,460	44,828	37,864
Project development portfolio, MW	32,447	23,864	32,447	23,864	32,447	28,263
Sold MW with potential additional payments	6,566	0	6,566	0	6,566	4,410
Projects under construction, MW	1,200	1,086	1,200	1,086	1,200	1,343
Contracts under management (TCM), MW	4,615	3,510	4,615	3,510	4,615	3,848
Number of employees	444	331	444	331	444	366

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



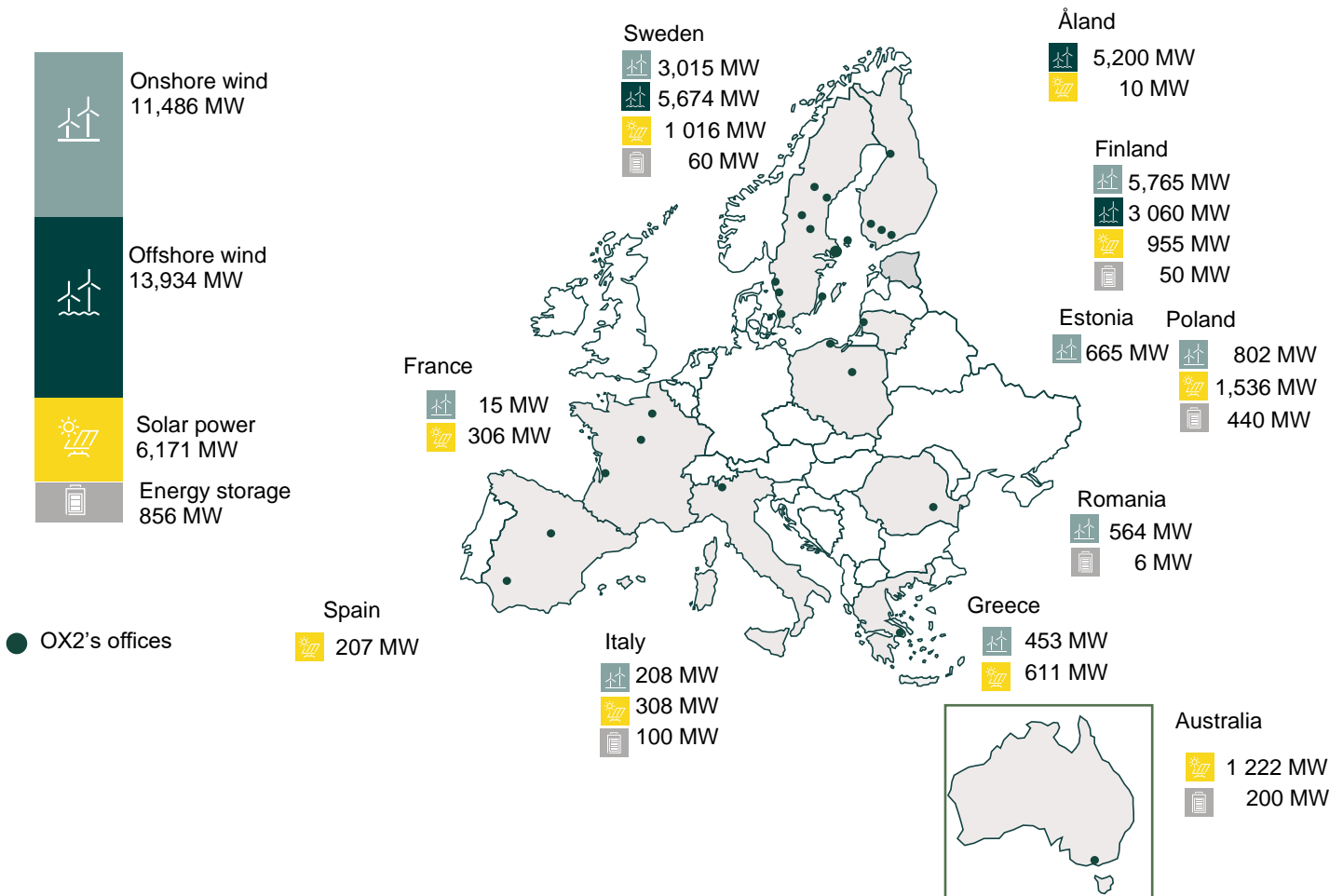
About OX2

OX2 has a business model for the development and sale of renewable electricity generation capacity. The model is divided into three phases: Expand, Develop and Deliver.

OX2's business model



OX2's project development portfolio



CEO statement

In the second quarter, our operating income totaled SEK 207 million. We signed our first sales contract in the Italian market and sold 49 percent of three offshore wind projects in Finland. The integration of our Australian operations is in full swing following the completion of the ESCO Pacific acquisition. In addition, we received our first permit for offshore wind from the Swedish government.

Long-term growth potential

We have a long-term positive view of the market. The EU has raised its 2030 climate targets, while the ongoing electrification of society is driving the transition. Furthermore, we see increasing demand for renewable electricity from industry in the coming years. For example, Swedish basic industries have expressed an expected increase in electricity demand of as much as 70 TWh by 2030, which corresponds to about half of Sweden's entire current electricity consumption.

New projects in development portfolio

OX2's development portfolio was largely unchanged in the quarter, even though we sold a share of our Finnish offshore projects during the period. The total portfolio, which also includes the construction and management portfolio, continued to grow and now stands at around 45 GW.

In early May, the acquisition of ESCO Pacific was finalized and our project development portfolio does now include more than 1,200 MW of solar power and 200 MW of energy storage in Australia. The integration is underway at full speed and we recently recruited a new country manager. We see significant development opportunities for the business, including a broadening the product offering, and we expect a positive contribution to results in 2024 and beyond.

The quarter saw the acquisition of onshore wind projects in Finland with a potential capacity of around 1,200 MW and one of the largest solar power projects in the Finnish market.

Our first sale in Italy

In June, an agreement was signed with Glennmont Partners for the sale of an onshore wind farm in Foggia, our first sale in the Italian market. OX2 will own the project during the construction phase and both net sales and profit will therefore be recognised in full at the time of handover of the wind farm to the customer in the second half of 2024. With our strong balance sheet, we can offer construction on our own books, which provides a competitive advantage and flexibility to optimize the return on the project.



Paul Stormoen, CEO

Sale of share of Finnish offshore wind

The partnership with Ingka Investments was further strengthened when we signed an agreement to sell 49 percent of our three offshore projects in the Gulf of Bothnia in the Finnish Exclusive Economic Zone (EEZ). The deal provides a good return for us and, like last year's divestment of a share of our offshore portfolio in Sweden, demonstrates our ability to capitalize on value creation even at an early stage of project development.

Government permit for offshore wind in Sweden

On May 16, the Swedish government announced that OX2 has been granted a permit for offshore wind in the Galene project in the Kattegat. It is encouraging that the Government is taking the initiative to build out the offshore wind power in Sweden, and we have now initiated a constructive dialogue on how the project can be realized as quickly and cost-effectively as possible to provide Sweden with a significant supply of emission-free electricity.

Assuming that all permits are obtained and that both parties agree to continue the project, we will receive just over SEK 200 million for the share of Galene that was sold last year under our

Projects sold, MW

2,967

Relates to Jan-Jun 2023

Growth total portfolio,
MW

6,964

Relates to Jan-Jun 2023

Total portfolio,
MW

44,828

As of June 30, 2023

agreement with Ingka Investments. We expect this to happen in 2024.

In addition to Galene, OX2 operates two other offshore projects in the Swedish EEZ together with Ingka Investments - the 1.5 GW Triton, recently approved by the Skåne County Administrative Board, and the 5.5 GW Aurora between Öland and Gotland.

Steady progress in construction and management

Our construction business has continued to perform well and we expect to hand over several wind farms to customers in the second half of 2023. The asset management business has continued to grow profitably and now includes our Australian solar farm management contracts.

Confident regarding the coming year

Over time, our business model has proven to be resilient to changing external factors such as strained supply chains, inflation and rising capital costs. Despite the effect of higher interest rates on the financing market with longer sales processes, we see solid demand from our customers. This is

especially true for those investors who take a fundamental long-term view of the renewable energy market and who do not rely on debt financing. We have projects with permits ready to be realized in several countries, including Sweden, Finland, Australia, Spain, France, Poland and Romania. Based on this breadth of our business, we are confident regarding the coming year.

Paul Stormoen

Expand and develop

It is OX2's project development portfolio that creates long-term value and determines the company's ability to drive the transition to renewable energy. The portfolio consists of greenfield projects, as well as acquired wind, solar and energy storage projects in various phases of development and in different markets. Development and optimization of these projects take a long time and not all projects will be realized. The probability of a project being realized increases the further on in the development phase the project is.

At the end of the second quarter, the development portfolio totaled 32.4 GW (23.9 GW), comprising offshore wind power of 13.9 GW (12.4 GW), onshore wind power of 11.5 GW (8.7 GW), solar power of 6.2 GW (2.7 GW) and energy storage of 0.9 GW (0 GW). During the quarter, the project development portfolio decreased by 648 MW, mainly because of the sale of 2,940 MW of offshore wind power. Project- and company acquisitions added 3,082 MW to the portfolio, while greenfield projects contributed 407 MW. The acquisitions included onshore wind power, solar power and energy storage projects in Finland, Australia and Finland. The acquisition of ESCO Pacific contributed 1,222 MW of solar projects and 200 MW of energy storage. Australia is an attractive market with great potential in renewable energy. Of a total electricity generation capacity of around 265 TWh, fossil fuels currently account for around 70 percent. OX2 has identified good opportunities for value creation in Australia by developing the business toward selling ready-to-operate solar parks at the start of construction and, over time, broadening the offering to include onshore wind power, as well as by scaling up the business through project acquisitions.

In Finland, onshore wind projects of 1,170 MW and solar projects of 475 MW were acquired.

In May, OX2 received a permit from the Swedish government for the Galene offshore wind project off Halland (400 MW). In addition, the Skåne County Administrative Board gave a favourable decision for the Triton offshore project off the coast of Skåne. In addition to offshore projects totalling 13.9 GW, OX2 has the possibility of contingent consideration for previously sold project shares corresponding to SEK 1 million per MW, if permits are obtained for 3.6 GW in Sweden that were sold last year and around SEK 0.8 million per MW for 2.9 GW in Finland that were sold during the quarter. The downward revision of existing projects of 1,170 MW is mainly attributable to the Galatea-Galene offshore project, since the permit was only obtained for part of the project.

Project development portfolio June 30, 2023

Market (MW)	Onshore wind	Offshore wind	Solar	Storage	Total
Sweden	3,015	5,674	1,016	60	9,765
Finland	5,765	3,060	955	50	9,830
Åland	0	5,200	10	0	5,210
Poland	802	0	1,536	440	2,778
Italy	208	0	308	100	616
Australia	0	0	1,222	200	1,422
Other markets	1,697	0	1,124	6	2,826
Total:	11,486	13,934	6,171	856	32,447

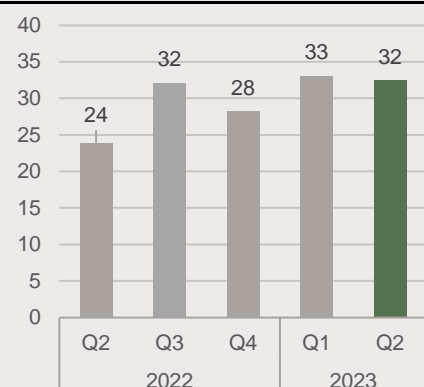
Sold MW with potential additional payments

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

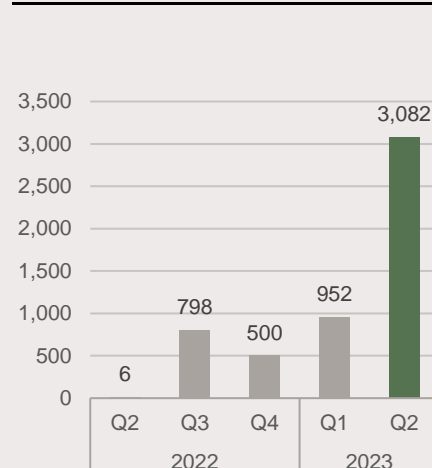
During the second quarter, total external project development costs amounted to SEK - 84 million (-77). The year-on-year increase was driven by both offshore wind power and development costs related to new geographical markets. Investments in the project development portfolio totalled SEK -284 million (-41) in the quarter and SEK -513 million (-240) so far this year, excluding the acquisition of ESCO Pacific.

External project development costs for offshore wind power amounted in the quarter to SEK -31 million (-30) and other external costs and personnel costs for offshore wind

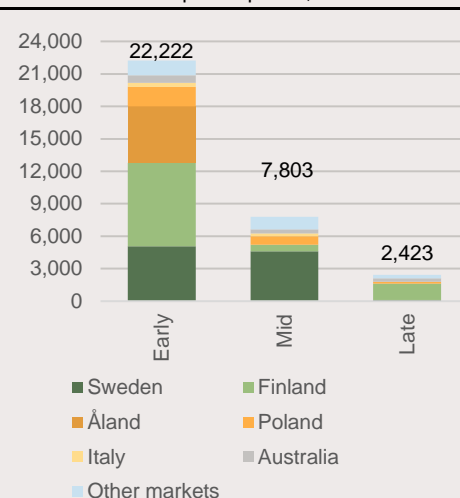
Project development portfolio, GW



Project acquisitions, MW



Project development portfolio/
Development phase, MW



power totalled MSEK -16 (-7). In addition, the Group's share of costs for offshore wind in joint ventures amounted to SEK -37 million (0) for the quarter.

Projects sold

During the quarter, sales totaled 2,967 MW (92). OX2 sold 49 percent of three offshore wind projects in Finland totalling 6,000 MW to Ingka Investments. The sale had an impact of around SEK 365 million and SEK 286 million on OX2's revenue and operating income, respectively, during the quarter. In addition, OX2 can receive a further approximately SEK 0.8 million per MW for 49 percent of the capacity after obtaining permits.

OX2 completed its first deal in Italy by agreeing to sell an onshore wind project (27 MW) to Glennmont Partners, which OX2 will own during the construction phase.

OX2 has permitted projects in several countries and several ongoing sales processes. Demand for renewable power generation remains strong.

Deliver

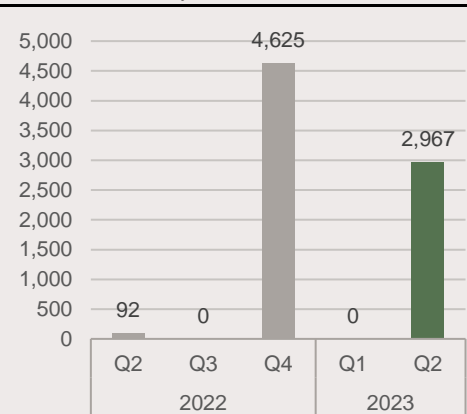
In addition to developing wind and solar farms and energy storage solutions, OX2 is responsible for construction of the projects and has the expertise to deliver long-term technical and commercial management.

At the end of the quarter, OX2 had thirteen projects totaling 1,200 MW (1,086) under construction. During the quarter, turbine supplier Siemens Gamesa (wholly owned by Siemens Energy) announced increased costs to address quality defects in components for several of its turbine platforms. OX2 has three ongoing projects with Siemens Gamesa turbines totalling 670 MW (Niinimäki, Riberget and Lestijärvi) where construction may be slightly delayed. OX2's construction contracts are based on fixed prices and terms of delivery, which means that delays caused by the turbine suppliers generally have no financial impact on OX2.

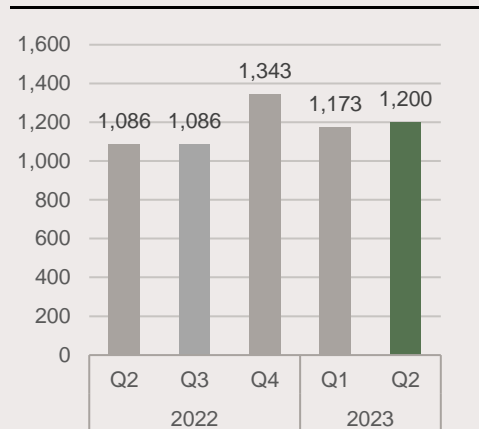
Projects	Country	Technology	Constr. Operat.		MW
			start	start	
Projects to be completed in 2023					374
Grajewo	Poland	Onshore wind	2020	2023	40
Huszlew	Poland	Onshore wind	2021	2023	48
Karskröv	Sweden	Onshore wind	2021	2023	86
Klevberget	Sweden	Onshore wind	2022	2023	145
Marhult	Sweden	Onshore wind	2022	2023	32
Sulmierzyce	Poland	Onshore wind	2021	2023	23
Projects to be completed in 2024					156
Krasnik	Poland	Onshore wind	2021	2024	24
Wysoka	Poland	Onshore wind	2021	2024	63
Bredhälla	Sweden	Energy storage	2022	2024	43
Eolia	Italy	Onshore wind	2023	2024	27
Projects to be completed in 2025					670
Riberget	Sweden	Onshore wind	2022	2025	70
Niinimäki	Finland	Onshore wind	2022	2025	145
Lestijärvi	Finland	Onshore wind	2021	2025	455
Total MW under construction at period end					1,200

OX2's activities in technical and commercial management were expanded during the quarter to include solar parks. The portfolio continued to grow with both in-house and externally developed wind and solar farms and the business now covers five countries following the acquisition of ESCO Pacific in Australia. At the end of the second quarter, OX2's management contracts totaled 4,615 MW (3,510).

Projects sold, MW



Total MW under construction



Technical and commercial management contracts, MW

4,615
(3,510)

Financial highlights

Performance and financial position

SEK m	Q2		Jan-Jun		LTM	Full year
	2023	2022	2023	2022	Jul-Jun	2022
Net sales	2,204	1,469	3,666	3,090	8,221	7,644
Cost of goods sold*	-1,613	-869	-2,686	-2,195	-6,022	-5,531
Gross profit*	591	600	981	895	2,198	2,113
Project development costs*	-84	-77	-157	-131	-355	-329
Other external costs	-81	-40	-133	-73	-226	-166
Personnel costs	-169	-117	-309	-217	-530	-438
Result from joint venture	-37	-	-52	-	-97	-44
Depreciation and amortization of tangible and intangible assets	-13	-2	-19	-7	-27	-14
Operating income*	207	362	310	468	964	1,122
Operating income adjusted for project development costs*	291	440	467	599	1,319	1,451
Gross margin, %*	26.8%	40.8%	26.8%	29.0%	26.7%	27.6%
Operating margin, %*	9.4%	24.7%	8.4%	15.1%	11.7%	14.7%
Operating margin adjusted for project development costs, %*	13.2%	29.9%	12.7%	19.4%	16.0%	19.0%

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

Net sales

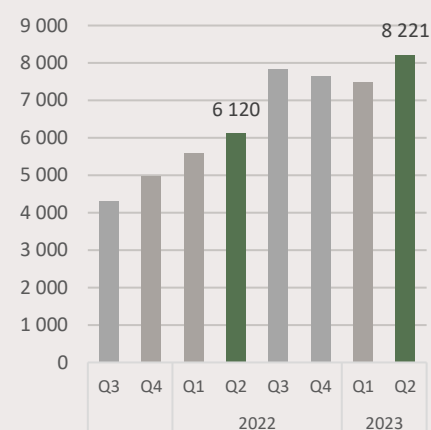
Net sales amounted to SEK 2,204 million (1,469) for the second quarter, and SEK 3,666 million (3,090) to date this year.

The growth in net sales in the quarter compared to the same period last year was mainly due to higher net sales from the construction portfolio, while net sales from project sales was lower than the same period last year. Projects in Sweden contributed 51 percent (20) of the net sales, followed by Finland with 30 percent (23) and Poland 19 percent (57).

No projects were completed and handed over to customers in the second quarter of 2023. In the same period last year, two projects totaling 329 MW were handed over to customers. During the quarter, shares in three offshore wind projects were sold, corresponding to 2,940 MW. In the corresponding quarter last year, one onshore wind project and one solar project were sold, totaling 92 MW.

The revenue increase so far this year is attributable to a larger portfolio in the construction phase, with higher revenues from fulfilled milestones in the construction projects. During the year, projects in Sweden contributed 45 percent (44) of revenue, followed by Finland 34 percent (25) and Poland with 21 percent (31).

Net sales LTM, SEK m



Costs

The cost of goods sold totaled SEK -1,613 million (-869) for the second quarter and SEK -2,686 million (-2,195) to date this year. Cost of goods sold is affected by the product mix in the period. Shares in projects were sold during the quarter. The gross margin decreased to 26.8 percent (40.8) compared with the same period last year. The lower margin in the quarter is mainly attributable to a higher share of net sales from the construction portfolio, which normally has a lower margin than net sales from project sales. Gross profit was positively affected in the period by SEK 40 million, attributable to a favourable outcome for OX2 in an arbitration. To date this year, the gross margin is 26.8 percent, compared with 29 percent last year.

Project development costs amounted to SEK -84 million (-77) in the second quarter and SEK -157 million (-131) for the year to date. Development costs in the second quarter increased by 9 percent compared with the same quarter the previous year, reflecting a larger project development portfolio with new geographical markets accounting for the largest increase. The increase so far this year was 20 percent. As a share of net sales, project development costs for the quarter amounted to 3.7 percent, compared with 5.2 percent for the corresponding period the previous year. In addition to project development costs, income from joint ventures amounted to SEK -37 million (0) for the quarter. The result is attributable to OX2's share of the offshore wind development costs of the companies that were partially divested to Ingka Investments in the fourth quarter of 2022, as well as the projects sold to the same counterparty in June 2023.

Other costs in the quarter totaled SEK -81 million (-40). The increase is related to acquisition costs linked to the acquisition of ESCO Pacific in Australia, as well as expansion of the business and higher costs for consultants and IT.

Personnel costs in the second quarter amounted to SEK -169 million (-117), an increase of 44 percent compared with the same period the previous year. The change can be attributed to an increase in the workforce (113 employees) compared with the same period the previous year, which is in line with OX2's expansion plan. In addition, personnel costs for employees outside Sweden has increased due to the weakening of the SEK.

Profit

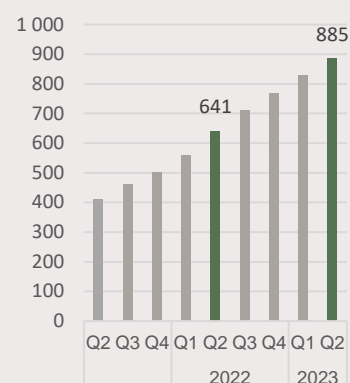
Operating income for the second quarter of 2023 amounted to SEK 207 million (362). The earnings trend for individual quarters is mainly affected by new sales of wind and solar projects, and the rate at which projects under construction are completed and handed over to customers. Operating margin amounted to 9.4 percent (24.7). As mentioned above, the lower margin in the quarter is due to a lower share of revenues from project sales compared with the same period the previous year.

Results from financial items were SEK 55 million (14) for the second quarter. The positive result was due to interest income and positive currency effects related to the company's cash. OX2's currency exposure is primarily in EUR and the company uses currency derivatives to hedge these flows. The effective tax rate was 6.4 percent (19.3) for the quarter. The tax rate was affected by non-taxable income from the sale of projects' share of operating income but there was also a positive effect of deferred tax in the period. The lower effective tax rate compared with the previous year reduced the negative impact from tax on the profit for the quarter. Profit for the period was SEK 245 million (304).

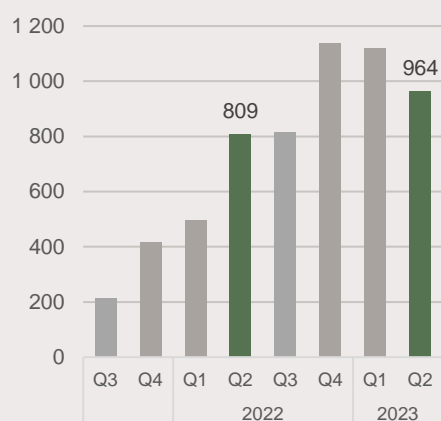
Earnings per share before and after dilution totaled SEK 0.90 (1.11) for the quarter.

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

Project development and personnel costs LTM, SEK m



Operating income LTM, SEK m



Financial position and liquidity

Current assets amounted to SEK 6,201 million (6,295) at the end of the period, an increase of SEK 94 million compared with the end of December 2022.

The value of the project development portfolio increased to SEK 2,484 million (1,388), with most of the increase attributable to the acquisition of ESCO Pacific in Australia. Construction in progress of SEK 255 million (0) is mainly linked to the construction of projects in our own book in Italy and Sweden. Accounts receivable decreased to SEK 484 million (655), mainly because most outstanding invoices were paid at the end of the quarter. Other receivables, which mainly consist of expenses incurred by OX2 on behalf of customers, totaled SEK 110 million (115). Prepaid expenses and accrued income amounted to SEK 365 million (549). Prepaid expenses and accrued income consisted mainly of items related to construction. Cash and cash equivalents amounted to SEK 2,471 million (3,575). The decrease is mainly related to payment for the acquisition of ESCO Pacific.

Total current liabilities amounted to SEK 2,416 million (2,772), a decrease of SEK 356 million compared with the previous year.

Advance payments from customers amounted to SEK 795 million (1,325), a decrease of SEK 531 million during the year. 75 percent of the advance payments related to projects under construction in the Polish market, followed by 25 percent for Finnish projects and 0 percent for Swedish projects. Accounts payable totaled SEK 221 million (159), mainly attributable to invoices from the construction business, which vary between periods. Other liabilities amounted to SEK 235 million (358) and current interest-bearing liabilities to 278 (228), where the increase in current interest-bearing liabilities is mainly related to a contingent consideration for ESCO Pacific. Tax liabilities amounted to SEK 50 million (28). Accrued expenses and deferred income amounted to SEK 837 million (673). Accrued expenses consisted mainly of accrued construction and project costs.

Cash flow

Cash flow from operating activities before changes in working capital totaled SEK 320 million (363) during the quarter and SEK 421 million (476) to date this year. Cash flow from changes in working capital totaled SEK -1,265 million (754) in the quarter and SEK -259 million (657) to date this year. Changes in working capital have a large impact on cash flow in individual quarters. As expected, cash flow was negatively impacted by changes in working capital during the quarter due to the utilization of customer advances received in the first quarter of the year. So far this year, the decrease in advances is also the main explanation for the negative cash flow from operating activities. Investments in the project development portfolio totaled SEK -284 million (-41) for the quarter and SEK -513 million (-240) for the year to date. Cash flow from operating activities amounted to SEK -1,229 million (1,076) for the quarter.

Cash flow from investing activities totaled SEK -848 million (0) for the quarter and SEK -869 million (0) for the year to date, of which SEK -829 million is attributable to the acquisition of ESCO Pacific in Australia, while a smaller portion, SEK -17 million, is attributable to contributions to joint ventures. Cash flow from financing activities totaled SEK -2 million (-3) for the quarter and SEK 19 million (-5) for the year to date. On an annual basis, the positive effect is largely attributable to contributions from minority shareholders in jointly owned development projects. Total cash flow for the second quarter of 2023 was SEK -2,079 million (1,072).

Parent company

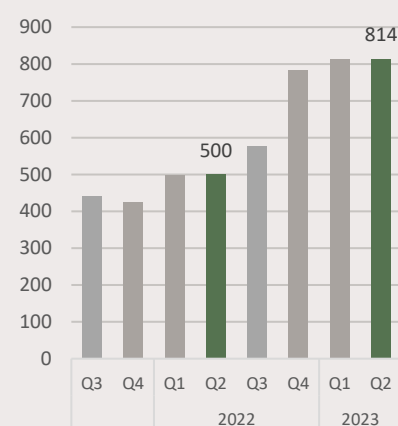
The employees of the parent company (OX2 AB) work with project development, financing, project sales and project implementation. Group management and group-wide functions are also based within the parent company. Total net sales amounted to SEK 290 million (604) for the quarter, and SEK 378 million (734) for the year to date. Net sales in the parent company consists of sales of wind and solar farms, development services and internal invoicing of service and management fees. Income from the sale of wind and solar farms varies between quarters and is also affected by the transaction structure of the projects sold.

Net debt or (-) net cash, SEK m

-2,164

(-3,239)

Investments in the project development portfolio LTM, SEK m



Costs of goods and project development amounted to SEK -110 million (-241) for the quarter and SEK -201 million (-347) for the year to date. Other costs amounted to SEK -47 million (-34) for the quarter, and SEK -94 million (-64) for the year to date. The increase for the quarter and for the year was due to the expansion of the business.

Personnel costs totaled SEK -113 million (-86) for the quarter, and SEK -214 million (-161) for the year to date. The increased costs were mainly due to an increase in the number of employees compared with the same quarter the previous year and are in line with planned expansion.

Operating income amounted to SEK 19 million (242) for the quarter and SEK -133 million (161) for the year to date. Operating income during the year is due to a lower gross margin from sales of projects compared with the previous year and higher other costs and personnel costs. Earnings after financial items amounted to SEK 626 million (432) for the quarter and SEK 485 million (349) for the year to date. The increase in financial income was mainly related to net income from participations in Group companies. Profit totaled SEK 625 million (383) for the period and SEK 513 million (317) for the year.

Current assets totaled SEK 4,797 million (4,353) at the end of the quarter compared with the end of the previous year. The change was due to an increase in group receivables.

The parent company's equity as of June 30, 2023 amounted to SEK 2,790 million (2,270).

Financial goals

Growth

Operating income

- Compound annual growth rate (CAGR) for operating income of more than 25 percent during the period 2023-2027

Sold MW

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

Profitability

- Operating margin >10 percent

Return

- Return on capital employed > 25 percent

Other information

Shareholder information

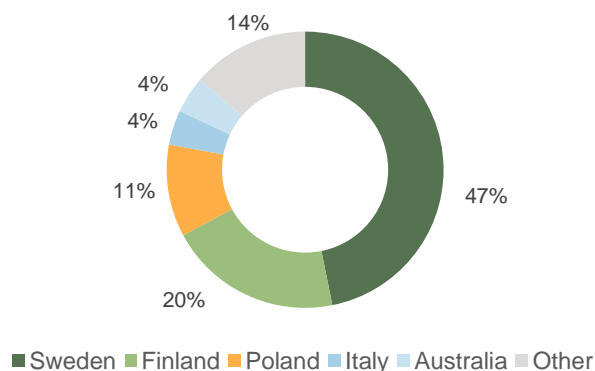
OX2 AB (publ) is listed on Nasdaq Stockholm's main list under the ticker symbol OX2. The total number of shares is 272,517,586. The last price per share paid on June 30 was SEK 72,90. The three largest shareholders at the end of the quarter were Peas Industries AB at 45.6 percent, Pictet Asset Management 5.0 percent and Handelsbanken Fonder 4.1 percent.

Employees

As of June 30, 2023, the number of employees was 444 (331), of which 41 percent (43) were women. The number of employees increased by 34 percent compared with the previous year. During the quarter, the number of employees increased by 40 people.

Total number of employees	2023/06/30	2022/06/30
Sweden	208	175
Finland	90	65
Poland	48	45
Italy	18	17
Australia	19	0
Other markets	61	29
Total OX2 Group	444	331

Number of employees as of June 30, 2023, %



Risks and uncertainties

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

For a detailed description of the risks, please refer to the directors' report in the company's 2022 Annual Report.

Sustainability

OX2's sustainability strategy is based on four strategic focus areas: Basis for good governance, contribution to climate and nature, sustainable leadership and local commitment. Together, these focus areas will help us achieve our long-term sustainability goals and accelerate the transition to renewable energy in a sustainable way. Each focus area addresses key issues about which we continuously communicate and report. OX2's long-term sustainability goals aim to increase renewable energy production and reduce emissions in line with the 1.5 degree target, be a leader in health and safety, and create nature-positive wind and solar farms.

Future prospects

The transition to a renewable energy supply is a long-term and important goal for our society. Despite the uncertainty related to the war in Ukraine and rising interest rates, OX2 performed well over the past year, with an expanded project development portfolio, geographical expansion and good progress in projects under construction. Creation of renewable energy supply has strong political support as it creates growth in the economy and we consider it to be the most effective way of reducing global CO2 emissions. OX2 is optimistic about the future and is experiencing strong demand for ownership of renewable power generation among its customers.

Planning conditions

Although higher interest rates have affected the financing market and led to longer sales processes, demand for renewable power generation remains strong and OX2 has good visibility of the profitability and returns of the projects it sells. OX2 has projects with permits in several markets, including Sweden, Finland, Australia, France, Spain, Poland and Romania, which gives us confidence for the coming year.

OX2 is currently investing to achieve its target of a compound annual growth rate (CAGR) in operating profit of at least 25 percent during the period 2023-2027, and a sales volume of more than 2,000 MW from 2025. OX2 will continue to increase project development costs and personnel costs, which in 2023 are expected to be more than twice as high as in 2021 because of growth in the 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.

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.

Annual report

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

Declaration

The Board of Directors and the Chief Executive Officer declare that the interim report for the period January – June 2023 provides a true and fair overview of the parent company's and the Group's operations, position and results of operations and describes the significant risks and uncertainties faced by the parent company and the companies included in the Group.

Stockholm, 20 July 2023

OX2 AB (publ)

Johan Ihrfelt

Chair

Paul Stormoen

CEO

Anna-Karin Celsing

Board member

Malin Persson

Board member

Niklas Mldby

Board member

Thomas von Otter

Board member

Ann Grevelius

Board member

Audit report

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

Introduction

We have reviewed the condensed interim financial information for OX2 AB as of June 30, 2023, and the six-month period ending on that date. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information 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 financial information is not, in all material respects, prepared in accordance with IAS 34 and the Swedish Annual Accounts Act.

Stockholm, July 20, 2023

Deloitte AB

Kent Åkerlund
Authorised Public Accountant

Condensed consolidated income statement

SEK m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Net sales	2,204	1,469	3,666	3,090	7,644
Total revenue	2,204	1,469	3,666	3,090	7,644
Cost for goods and project development	-1,697	-947	-2,843	-2,326	-5,860
Other external costs	-81	-40	-133	-73	-166
Personnel costs	-169	-117	-309	-217	-438
Result from joint venture	-37	-	-52	-	-44
Depreciation and amortization of tangible and intangible assets	-13	-2	-19	-7	-14
Total operating expenses	-1,996	-1,107	-3,357	-2,622	-6,522
Operating income	207	362	310	468	1,122
Financial income	126	35	176	93	220
Financial costs	-71	-21	-115	-74	-158
Profit after financial items	262	376	371	486	1,184
Income tax	-17	-73	-37	-72	-99
PROFIT FOR THE PERIOD	245	304	334	415	1,085
Profit for the period attributable to:					
Owners of the parent company	251	304	350	415	1,092
Non-controlling interests	-5	0	-16	0	-7
Average number of share before dilution	272,517,586	272,517,586	272,517,586	272,517,586	272,517,586
Average number of share after dilution	272,715,018	272,521,239	272,702,845	272,519,423	272,600,913
Earnings per share before dilution, SEK	0.90	1.11	1.23	1.52	3.98
Earnings per share after dilution, SEK	0.90	1.11	1.22	1.52	3.98

Consolidated statement of comprehensive income

SEK m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Profit for the period	245	304	334	415	1,085
Other comprehensive income:					
<i>Items that may reclassified subsequently to profit or loss</i>					
Foreign exchange differences on translation of foreign subsidiaries	89	11	105	13	22
<i>Cash flow hedges</i>					
Changes in fair value	-50	-87	-16	-87	-100
Income tax attributable to cash flow hedges	10	18	3	16	19
Total other comprehensive income after tax	294	245	426	357	1,026
Total comprehensive income for the period attributable to:					
Owners of the parent company	294	245	426	357	1,033
Non-controlling interests	0	0	0	0	-7

Consolidated statement of financial position

SEK m	2023/06/30	2022/12/31	2022/06/30
ASSETS			
Non-current assets			
Goodwill	139	-	-
Other intangible assets	8	3	4
Fixtures, tools and installations	4	3	3
Right-of-use assets	51	45	30
Shares in joint ventures	120	17	1
Other financial assets	3	2	0
Total Non-current assets	325	70	38
Current assets			
Project development portfolio	2,484	1,388	707
Construction in progress	255	0	20
Accounts receivable	484	655	281
Tax receivables	-	-	-
Other receivables	110	115	76
Prepaid expenses and accrued income	365	549	460
Derivative financial instruments	32	14	1
Cash and cash equivalents	2,471	3,575	3,273
Total Current assets	6,201	6,295	4,819
TOTAL ASSETS	6,526	6,365	4,857
EQUITY AND LIABILITIES			
Equity			
Share capital	1	1	1
Retained earnings including profit for the period	3,900	3,413	2,713
Equity attributable to the shareholders of the parent company	3,898	3,421	2,714
Equity attributable to non-controlling interests	2	-7	-0
Total equity	3,900	3,414	2,714
Non-current liabilities			
Long-term interest-bearing liabilities	29	29	21
Derivative financial instruments	162	107	96
Deferred tax liabilities	18	44	29
Total Long-term liabilities	209	179	145
Current liabilities			
Advance payments from customers	795	1,325	1,182
Accounts payable	221	159	72
Tax liabilities	50	28	46
Other Current liabilities	235	358	237
Current interest-bearing liabilities	278	228	14
Accrued expenses and deferred income	837	673	448
Total Current liabilities	2,416	2,772	1,998
TOTAL EQUITY AND LIABILITIES	6,526	6,365	4,857

Consolidated statement of changes in equity

SEK m	2023/06/30	2022/12/31	2022/06/30
Opening balance	3,414	2,355	2,355
Total comprehensive income for the period	426	1,026	357
Change in minority interest	25	0	0
Share-based payments	2	2	-
Other contribution	29	29	-
Shareholder contribution	5	2	2
Closing balance	3,900	3,414	2,714
Attributable to:			
Owners of the parent company	3,898	3,421	2,714
Non-controlling interest	2	-7	0
Total equity	3,900	3,414	2,714

Consolidated statement of cash flows

SEK m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Profit after financial items	262	376	371	486	1,184
Adjustments for items not included in cash flow, etc.	77	3	100	7	62
Income taxes paid	-20	-16	-50	-18	-43
Cash flow from operating activities before changes in working capital	320	363	421	476	1,203
Cash flow from changes in working capital					
Decrease(+)/increase(-) in work in progress	-173	4	-206	-2	96
Decrease(+)/increase(-) in accounts receivable	-323	270	173	17	-356
Decrease(+)/increase(-) in current receivables	132	226	198	-15	-170
Decrease(+)/increase(-) in current receivables	143	-9	60	-239	-151
Decrease(-)/increase(+) in current liabilities	-1,045	263	-485	896	1,389
Cash flow from operating activities before investment in project development portfolio	-945	1,117	162	1,133	2,010
Investments in project development portfolio	-284	-41	-513	-240	-783
Cash flow from operating activities	-1,229	1,076	-351	894	1,226
Acquisition/sale of fixed assets	-1	-0	-2	-0	-33
Acquisition of shares in other companies	-17	-	-38	-	-
Acquisition of subsidiary	-829	-	-829	-	-
Cash flow from investment activities	-848	-0	-869	-0	-33
Shareholder contribution	5	-	30	2	2
Repayments of lease liabilities	-6	-3	-12	-7	-15
Cash flow from financing activities	-2	-3	19	-5	-13
Cash flow for the period	-2,079	1,072	-1,202	888	1,180
Translation difference in cash and cash equivalents	82	11	98	11	21
Cash and cash equivalents at beginning of the period	4,468	2,191	3,575	2,374	2,374
Cash and cash equivalents at period end	2,471	3,273	2,471	3,273	3,575

Condensed parent company income statement

SEK m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Net sales	290	604	378	734	1,034
Other operating revenue	0	0	0	0	7
Total revenue	290	604	378	734	1,041
Cost of goods and project development	-110	-241	-201	-347	-584
Other external costs	-47	-34	-94	-64	-139
Personnel costs	-113	-86	-214	-161	-313
Depreciation and amortization of tangible and intangible assets	-1	-0	-1	-1	-2
Total operating expenses	-272	-362	-511	-573	-1,038
Operating income	19	242	-133	161	3
Financial income	682	196	708	202	221
Financial costs	-75	-5	-90	-14	-35
Profit after financial items	626	432	485	349	188
Year-end appropriations	-	0	-	0	198
Tax	-1	-49	28	-32	-42
Profit for the period	625	383	513	317	345

Parent company statement of comprehensive income

SEK m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Profit for the period	625	383	513	317	345
Total other comprehensive income after tax	625	383	513	317	345

Condensed parent company balance sheet

SEK m	2023/06/30	2022/12/31	2022/06/30
ASSETS			
Non-current assets			
Other intangible assets	2	3	4
Fixtures, tools and installations	3	3	3
Participations in Group companies	1,086	940	591
Other non-current assets	2	1	0
Total Non-current assets	1,093	947	598
Current assets			
Project development portfolio and construction in progress	375	310	204
Accounts receivable	9	17	-
Tax receivable	40	-	-
Other receivables	54	13	26
Receivables from group companies	2,047	559	519
Prepaid expenses and accrued income	12	14	14
Cash and cash equivalents	2,259	3,440	3,215
Total Current assets	4,797	4,353	3,978
TOTAL ASSETS	5,890	5,301	4,576
EQUITY AND LIABILITIES			
Equity	2,790	2,270	2,238
Untaxed reserves	152	152	94
Current liabilities			
Accounts payable	39	26	16
Current tax liabilities	-	7	9
Other Current liabilities	11	12	6
Liabilities to group companies	2,767	2,687	2,083
Accrued expenses and deferred income	131	147	129
Total Current liabilities	2,948	2,879	2,244
TOTAL EQUITY AND LIABILITIES	5,890	5,301	4,576

Key performance indicators, Group

	Q2		Jan-Jun		LTM	Full year
	2023	2022	2023	2022	Jul-Jun	2022
Profitability						
Net sales, SEK m	2,204	1,469	3,666	3,090	8,221	7,644
Net sales growth, %	50.0%	54.7%	18.7%	58.2%	34.3%	53.4%
Operating income, SEK m	207	362	310	468	964	1,122
Operating income adjusted for development costs, SEK m	291	440	467	599	1,319	1,451
Operating margin, %	9.4%	24.7%	8.4%	15.1%	11.7%	14.7%
Operating margin adjusted for development costs, %	13.2%	29.9%	12.7%	19.4%	16.0%	19.0%
Profit for the period, SEK m	245	304	334	415	1,004	1,085
Earnings per share before dilution, SEK	0.90	1.11	1.23	1.52	3.69	3.98
Earnings per share after dilution, SEK	0.90	1.11	1.22	1.52	3.68	3.98
Financial position						
Net debt or (-) net cash, SEK m	-2,164	-3,239	-2,164	-3,239	-2,164	-3,318
Equity ratio, %	59.8%	55.9%	59.8%	55.9%	59.8%	53.6%
Effective tax rate, %	6.4%	19.3%	9.9%	14.7%	6.0%	8.3%
Operating cash flow, SEK m	-2,177	1,078	-1,312	892	-1,077	1,127
Cash conversion, %	-989%	295%	-399%	188%	-108.7%	99.2%
Construction related working capital, SEK m	-875	-1,100	-875	-1,100	-875	-1,197
Net working capital, SEK m	1,609	-393	1,609	-393	1,609	191
Equity per share, SEK	14	10	14	10	14	13
Return on equity, %	6.6%	11.7%	9.1%	16.4%	30.4%	37.6%
Return on capital employed, %	5.2%	13.8%	7.9%	18.2%	27.7%	37.1%
Investments in the project development portfolio, SEK m	-284	-41	-513	-240	-1,057	-783
Operational key figures						
Project acquisitions, MW	3,082	6	4,034	1,358	5,332	2,656
Sold projects, MW	2,967	92	2,967	268	7,592	4,893
Projects handed over, MW	0	329	171	482	171	482
Total portfolio, MW	44,828	28,460	44,828	28,460	44,828	37,864
Project development portfolio, MW	32,447	23,864	32,447	23,864	32,447	28,263
Sold MW with potential additional payments	6,566	0	6,566	0	6,566	4,410
Projects under construction, MW	1,200	1,086	1,200	1,086	1,200	1,343
Contracts under management, MW	4,615	3,510	4,615	3,510	4,615	3,848
Number of employees	444	331	444	331	444	366

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. In addition to the financial statements and related notes, further disclosures in accordance with IAS 34 can be found in other parts of the interim report.

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

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

Project assets are normally sold through the sale of shares in project companies. Revenue will be recognized on condition that OX2 no longer controls the subsidiary. There is no remeasurement of the remaining shares given that the assets were classified as current assets before the sale. Earnings from interests in Joint Ventures have been deemed to be part of operations and are therefore reported as an item within operating income.

Note 2 Net sales

The Group has one segment.

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

For a description of segment reporting, see the 2022 Annual Report, Note 2, "Accounting policies."

SEK m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Net sales per category					
Sales of wind and solar projects, wind farms and technical and commercial management	2,204	1,469	3,666	3,090	7,644
Total	2,204	1,469	3,666	3,090	7,644
Income divided by country*					
Sweden	1,124	297	1,629	1,375	3,155
Finland	654	330	1,249	761	2,820
Poland	411	843	775	955	1,669
Australia	14	-	14	-	-
Total	2,204	1,469	3,666	3,090	7,644

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

SEK m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Time of revenue recognition					
At a certain time	372	78	379	78	749
Over time	1,832	1,391	3,287	3,012	6,896
Total	2,204	1,469	3,666	3,090	7,644

SEK m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Contract assets					
Ongoing work in progress on behalf of others	34	20	34	20	0
Accrued income	2	63	2	63	179
Total	36	84	36	84	179
Of which Long-term assets	-	-	-	-	-
Of which Current assets	36	84	36	84	179
Total	36	84	36	84	179
SEK m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Contract liabilities					
Advance payments from customers	795	1,182	795	1,182	1,325
Prepaid income	29	43	29	43	45
Total	824	1,225	824	1,225	1,370
Of which Long-term liabilities	-	-	-	-	-
Of which Current liabilities	824	1,225	824	1,225	1,370
Total	824	1,225	824	1,225	1,370

Note 3 Fair value measurement

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

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

For a description of segment reporting, see the 2022 Annual Report, Note 2, "Accounting principles" and Note 4. For items measured at amortized cost, this is deemed to be consistent with fair value.

SEK m	2023/06/30	2022/12/31	2022/06/30
Financial assets at fair value			
Derivative instruments	32	14	1
Financial assets measured at amortized cost			
Accounts receivables	484	655	281
Other current receivables	110	115	76
Cash and cash equivalents	2,471	3,575	3,273
Total financial assets	3,097	4,359	3,632
Financial liabilities at fair value			
Derivative instruments	162	107	96
Current interest-bearing liabilities	254	210	-
Financial liabilities measured at amortized cost			
Other Long-term liabilities	29	29	21
Accounts payable	221	159	72
Other Current liabilities	235	358	237
Current interest-bearing liabilities	24	18	14
Total financial liabilities	925	881	439

Note 4 Acquisitions

On May 8, 2023, OX2 acquired 100 percent of the ESCO Pacific group in Australia, a leading developer of renewable energy, for SEK 863 million. The acquisition price includes a contingent consideration of SEK 26 million, which is expected to be paid on 1 July 2024. The purchase price has been fully settled in cash. The agreement includes additional contingent considerations of SEK 117 million that are not part of the acquisition analysis, since they are based on performance criteria that have not been considered likely to be achieved. None of the contingent considerations are linked to the continued employment of key personnel. If ESCO Pacific had been part of the OX2 Group from January 1, earnings for the year would have been negatively affected by SEK 11 million. The preliminary acquisition analysis for ESCO Pacific is presented below. Goodwill from the acquisition is deemed to be attributable to ESCO Pacific's future ability to develop new projects that were not part of the project portfolio at the time of acquisition.

ESCO Pacific is a leading and profitable developer of renewable solar and energy storage projects in Australia, with an experienced team of 21 people. The project development portfolio consists of a total of 1,420 MW, including 1,220 MW in solar power and 200 MW in energy storage. The split between early/mid/late phase in the portfolio is 317 MW / 395 MW / 708 MW. The company also has several ongoing projects that are expected to be included in the project development portfolio in 2023.

ESCO Pacific has had a strong track record with rapid growth and has developed and brought more than 800 MW to construction since its inception in 2015.

The Australian renewable energy market has significant growth potential. In 2022, total electricity production amounted to 265 TWh, of which the share of fossil energy sources was around 70 percent. The Australian government has decided that the net zero target will be achieved by 2050 and is planning significant infrastructure investments to enable the build-up of renewable capacity.

OX2 has identified great potential for value creation in ESCO Pacific by expanding the product range from the sale of project rights to the sale of turnkey projects at the start of construction. OX2 plans to scale up the business through project acquisitions in solar and energy storage and aims to expand the business to onshore wind power, while also evaluating offshore wind power and hydrogen projects. The acquisition is expected to make a positive contribution to OX2's earnings from 2024. ESCO Pacific was previously owned by Shell (49 percent), founder Steve Rademaker and private investors. Under the agreement with OX2, Steve Rademaker will stay with the company for two years, first as CEO and then as an advisor to management. OX2 and Shell will maintain a dialogue on future cooperation, including power purchase agreements (PPAs).

SEK m	
Purchase price allocation ESCO Pacific	
Customer agreements	12
Deferred Tax Asset	8
Other financial assets	80
Inventories	633
Other current assets	10
Cash and Cash Equivalents	7
Non-current liabilities	-1
Other non-current liabilities	-7
Deferred Tax Liability	-13
Net assets	730
Goodwill	133
Purchase price	863
Paid at acquisition date	837
Additional purchase price	26

Note 5 Project development costs, personnel and other costs

	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Project development cost	-84	-77	-157	-131	-329
Of which are cost for off-shore wind	-31	-30	-56	-46	-143
Other external and personnel cost	-250	-158	-442	-290	-604
Of which are cost for off-shore wind	-16	-7	-30	-11	-40

Note 6 Related party transactions

On 28 October 2016, 28 December 2016 and 15 December 2017, Peas Industries AB entered into three contracts under which Peas undertakes to provide accounting services to certain investors in four of the company's former projects. The services under the contracts are provided by the company, which in turn invoices Peas for the services provided. Unless terminated prematurely, in accordance with certain specific conditions, the contracts are valid for seven years from the date of handover of the projects. The contracts are therefore expected to expire on December 27, 2025 and April 27, 2027. In 2022, two members of the Board of Directors joined an option plan issued by Peas Industries AB. The plan runs for three years and is designed so that the investment has been made at market value and the plan does not result in any expense under IFRS 2.

Note 7 Incentive plan

The Annual General Meeting in May 2022 resolved to implement a long-term incentive plan designed as a share savings plan for certain current and future key individuals in the group who do not participate in the company's current shareholder plan (which was implemented before the company was listed on Nasdaq First North Premier Growth Market). The Share Savings Plan requires participants to acquire shares in the company using their own funds on the marketplace where the company's shares are listed. The investment in shares that can be acquired in this manner as "savings shares" is limited to a minimum of SEK 20,000 and with a maximum investment that depends on the category to which the participant belongs. Each savings share entitles the participant to receive 0.5 shares and an additional 1-3 shares free of charge (up to 6 for a future key individual) at the end of a three-year vesting period, depending on the group to which the participant belongs, as well as certain other restrictions and possible conversions in accordance with the full terms of the warrants. A total of 29 people are participating in the plan as of June 30, 2023. The right to receive Matching Shares and Performance Shares is conditional upon the participant retaining the Savings Shares throughout the vesting period and the participant's employment not having been terminated at the end of the vesting period. The right to receive performance shares is conditional on the fulfilment of the defined performance conditions related to the share price performance during the vesting period.

In total, a maximum of 61,216 matching shares and 414,741 performance shares may be allocated to participants in the share savings plan.

The Annual General Meeting in May 2023 resolved to introduce a long-term incentive plan designed as a share savings plan for certain current and future key individuals with the same conditions as the 2022 plan; the plan has 37 participants as of June 30, 2023.

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

Note 8 Pledged assets and contingent liabilities

The Group has pledged assets amounted to SEK 65 million (0). Contingent liabilities amounted to SEK 4,7 billion (4) at June 30, 2023 compared with the beginning of the year. Changes in the value of contingent liabilities are related to guarantees that are issued regularly to support the Group's obligations.

The parent company has a related party relationship with its Group companies. As of June 30, 2023, the parent company's contingent liabilities amounted to SEK 4.6 billion (4) and the pledged assets to SEK 65 million (0) compared with the year-end.

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

Reconciliation of alternative performance measures

Reconciliation of return on equity

SEK m	Q2		Jan-Jun		LTM	Full year
	2023	2022	2023	2022	Jul-Jun	2022
Shareholders' equity, beginning of period	3,572	2,469	3,414	2,355	2,714	2,355
Shareholders' equity, end of period	3,900	2,714	3,900	2,714	3,900	3,414
Average equity	3,736	2,591	3,657	2,535	3,307	2,885
Profit for the period	245	304	334	415	1,004	1,085
Average equity	3,736	2,591	3,657	2,535	3,307	2,885
Return on equity	6.6%	11.7%	9.1%	16.4%	30.4%	37.6%

Reconciliation of return on capital employed

SEK m	Q2		Jan-Jun		LTM	Full year
	2023	2022	2023	2022	Jul-Jun	2022
Equity	3,900	2,714	3,900	2,714	3,900	3,414
Interest-bearing liabilities (long-term and short-term)	307	34	307	34	307	257
Capital employed	4,208	2,748	4,208	2,748	4,208	3,671
Average capital employed						
Capital employed, beginning of period	3,844	2,493	3,671	2,383	2,748	2,383
Capital employed, end of period	4,208	2,748	4,208	2,748	4,208	3,671
Average capital employed	4,026	2,621	3,939	2,566	3,478	3,027
Operating income	207	362	310	468	964	1,122
Average capital employed	4,026	2,621	3,939	2,566	3,478	3,027
Return on capital employed	5.2%	13.8%	7.9%	18.2%	27.7%	37.1%

Reconciliation of cost of goods sold

SEK m	Q2		Jan-Jun		LTM	Full year
	2023	2022	2023	2022	Jul-Jun	2022
Cost for goods and project development	-1,697	-947	-2,843	-2,326	-6,377	-5,860
Of which cost of goods sold	-1,613	-869	-2,686	-2,195	-6,022	-5,531
Of which project development costs	-84	-77	-157	-131	-355	-329

Reconciliation of gross profit and gross margin

SEK m	Q2		Jan-Jun		LTM	Full year
	2023	2022	2023	2022	Jul-Jun	2022
Net sales	2,204	1,469	3,666	3,090	8,221	7,644
Cost of goods sold	-1,613	-869	-2,686	-2,195	-6,022	-5,531
Gross profit	591	600	981	895	2,198	2,113
<i>Gross margin, %</i>	<i>26.8%</i>	<i>40.8%</i>	<i>26.8%</i>	<i>29.0%</i>	<i>26.7%</i>	<i>27.6%</i>

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

SEK m	Q2		Jan-Jun		LTM	Full year
	2023	2022	2023	2022	Jul-Jun	2022
Net sales	2,204	1,469	3,666	3,090	8,221	7,644
Operating income	207	362	310	468	964	1,122
<i>Operating margin, %</i>	9.4%	24.7%	8.4%	15.1%	11.7%	14.7%
Depreciation and amortization of tangible and intangible assets	13	2	19	7	27	14
EBITDA	220	365	329	474	991	1,136
Operating income	207	362	310	468	964	1,122
Project development costs	84	77	157	131	355	329
Operating income adjusted for development costs	291	440	467	599	1,319	1,451
<i>Operating margin adjusted for development costs, %</i>	13.2%	29.9%	12.7%	19.4%	16.0%	19.0%

Reconciliation of equity per share

SEK m	Q2		Jan-Jun		LTM	Full year
	2023	2022	2023	2022	Jul-Jun	2022
Equity	3,900	2,714	3,900	2,714	3,900	3,414
Average number of shares before dilution	272,517,586	272,517,586	272,517,586	272,517,586	272,517,586	272,517,586
Average number of shares after dilution	272,715,018	272,521,239	272,702,845	272,519,423	272,698,128	272,600,913
Equity before dilution (SEK)	14	10	14	10	14	13

Reconciliation of net sales growth

SEK m	Q2		Jan-Jun		LTM	Full year
	2023	2022	2023	2022	Jul-Jun	2022
Net sales for the previous period	1,469	950	3,090	1,953	6,120	4,983
Net sales for the current period	2,204	1,469	3,666	3,090	8,221	7,644
<i>Net sales growth, %</i>	50.0%	54.7%	18.7%	58.2%	34.3%	53.4%

Reconciliation of net debt or (-) net cash

SEK m	Q2		Jan-Jun		LTM	Full year
	2023	2022	2023	2022	Jul-Jun	2022
Interest-bearing liabilities (long-term and short-term)	307	34	307	34	307	257
Interest-bearing receivables (long-term and short-term)	-	-	-	-	-	-
Cash and cash equivalents	-2,471	-3,273	-2,471	-3,273	-2,471	-3,575
Net debt or (-) net cash	-2,164	-3,239	-2,164	-3,239	-2,164	-3,318

Reconciliation of equity ratio

SEK m	Q2		Jan-Jun		LTM	Full year
	2023	2022	2023	2022	Jul-Jun	2022
Equity	3,900	2,714	3,900	2,714	3,900	3,414
Balance sheet total	6,526	4,857	6,526	4,857	6,526	6,365
Equity ratio %	59.8%	55.9%	59.8%	55.9%	59.8%	53.6%

Reconciliation of effective tax rate, %

SEK m	Q2		Jan-Jun		LTM	Full year
	2023	2022	2023	2022	Jul-Jun	2022
Income tax	-17	-73	-37	-72	-64	-99
Profit after financial items	262	376	371	486	1,068	1,184
Effective tax rate, %	6.4%	19.3%	9.9%	14.7%	6.0%	8.3%

Reconciliation of cash conversion, %

SEK m	Q2		Jan-Jun		LTM	Full year
	2023	2022	2023	2022	Jul-Jun	2022
EBITDA	220	365	329	474	991	1,136
Changes in net working capital	-1,265	754	-259	657	-109	807
Investments in project development portfolio	-284	-41	-513	-240	-1,057	-783
Cash flow from investment activities	-848	-0	-869	-0	-902	-33
Operating cash flow	-2,177	1,078	-1,312	892	-1,077	1,127
Cash conversion, %	-988.8%	295.4%	-399.2%	187.9%	-108.7%	99.2%

Reconciliation of construction-related working capital and net working capital

SEK m	Q2		Jan-Jun		LTM	Full year
	2023	2022	2023	2022	Jul-Jun	2022
Construction in progress	255	20	255	20	255	0
Accounts receivable	484	281	484	281	484	655
Other receivables	110	76	110	76	110	115
Prepaid expenses and accrued income	365	460	365	460	365	549
Construction working capital assets	1,213	838	1,213	838	1,213	1,319
Advance payments from customers	-795	-1,182	-795	-1,182	-795	-1,325
Accounts payable	-221	-72	-221	-72	-221	-159
Other Current liabilities	-235	-237	-235	-237	-235	-358
Accrued expenses and deferred income	-837	-448	-837	-448	-837	-673
Construction working capital liabilities	-2,088	-1,938	-2,088	-1,938	-2,088	-2,516
Construction working capital	-875	-1,100	-875	-1,100	-875	-1,197
Project development portfolio	2,484	707	2,484	707	2,484	1,388
Net working capital	1,609	-393	1,609	-393	1,609	191
As % of LTM net sales						
LTM net sales	8,221	6,120	8,221	6,120	8,221	7,644
Construction related working capital assets	14.8%	13.7%	14.8%	13.7%	14.8%	17.3%
Construction related working capital liabilities	-25.4%	-31.7%	-25.4%	-31.7%	-25.4%	-32.9%
Construction related working capital	-10.6%	-18.0%	-10.6%	-18.0%	-10.6%	-15.7%
Net working capital %	19.6%	-6.4%	19.6%	-6.4%	19.6%	2.5%

Key performance indicator definitions

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

Financial calendar

Interim Report June–September 2023:

25 October 2023

Year-end Report 2023:

21 February 2024

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