

Year-end Report 2021

Strong quarter driven by new sales and good progress within construction

Q4 2021

- Net sales amounted to SEK 2,430 million (1,754).
- Operating income amounted to SEK 317 million (116), operating income adjusted for listing expenses amounted to SEK 320 million (116).
- The operating margin amounted to 13.0% (6.6%), operating margin adjusted for listing expenses amounted to 13.1% (6.6%).
- Profit for the period totaled SEK 236 million (73).
- Earnings per share before and after dilution amounted to SEK 0.87 (0.29).
- Cash flow from operating activities amounted to SEK -363 million (480).

January–December 2021

- Net sales amounted to SEK 4,983 million (5,201).
- Operating income amounted to SEK 414 million (416), operating income adjusted for listing expenses amounted to SEK 455 million (416).
- The operating margin amounted to 8.3% (8.0%), operating margin adjusted for listing expenses amounted to 9.1% (8.0%).
- Profit for the period totaled SEK 334 million (298).
- Earnings per share before and after dilution amounted to SEK 1.28 (1.19).
- Cash flow from operating activities amounted to SEK -132 million (526).

Significant events after the end of the reporting period

- OX2 handed over its first wind farm in Poland, the 21 MW Zary wind farm.
- OX2 receives exploration permit for two offshore wind farms in the Gulf of Bothnia in Finland.

The Group's key performance indicators

	Q4		Jan-Dec	
	2021	2020	2021	2020
Net sales, SEK m	2,430	1,754	4,983	5,201
Operating income, SEK m	317	116	414	416
Operating income adjusted for listing expenses, SEK m	320	116	455	416
Operating income adjusted for development expenses and listing expenses, SEK m	397	178	675	549
Operating margin, %	13.0%	6.6%	8.3%	8.0%
Operating margin adjusted for listing expenses, %	13.1%	6.6%	9.1%	8.0%
Operating margin adjusted for development expenses and listing expenses, %	16.4%	10.2%	13.5%	10.6%
Profit for the period, SEK m	236	73	334	298
Investments in the project development portfolio, SEK m	227	243	424	287
Earnings per share before and after dilution, SEK	0.87	0.29	1.28	1.19
Project acquisitions, MW	576	922	3,446	1,781
Project development portfolio, MW	17,371	12,661	17,371	12,661
Sold projects, MW	483	128	719	329
Projects under construction, MW	1,329	817	1,329	817
Projects handed over, MW	159	-	207	486
Contracts under management, MW	2,986	2,281	2,986	2,281
Number of employees	277	182	277	182



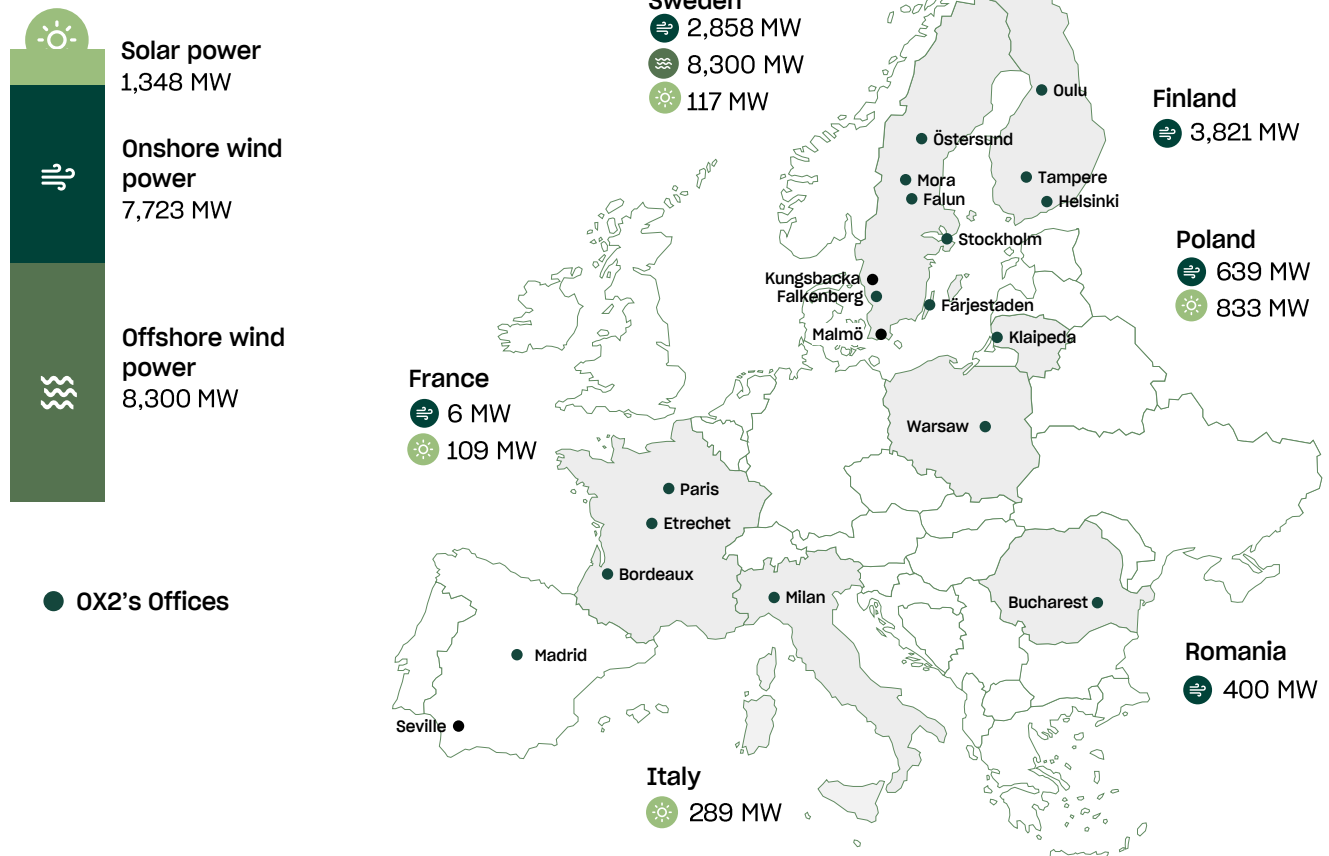
About OX2

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

OX2's business model



OX2's project development portfolio



CEO statement

OX2 reached several important milestones during 2021. We sold wind farms corresponding to an installed effect of 719 MW, which is more than ever before, our development portfolio reached a level of 17.4 GW, and we entered two new geographical markets; Romania and Italy. Our performance is in alignment with our plan and strategy, and we are well-positioned to gear up our operations to meet the 2023- 2024 growth goals. The goals are driven by the continued increasing demands for renewable energy and we feel confident with reaching our goals despite the lingering effects of the pandemic.

The result

In 2021 we sold wind farms with an installed total effect of 719 MW (329 MW). In the fourth quarter we strengthened our position in the Nordics and Poland by starting construction of several new wind farms. One of them was Finland's largest wind farm, Lestijärvi, with a total capacity of 455 MW.

The gross profit increased considerably to SEK 1,060 million (850) following a strong sale of new wind farms and a strong performance of our construction business. Our Operating income adjusted for listing expenses increased to SEK 455 million (416) and this despite investments in the development portfolio and organization to secure a significant uplift in our growth in 2023-2024.

Steady growth in our development portfolio

Our development portfolio has grown to 17.4 GW, compared to 12.7 previous year, and continued to diversify as a result of acquisitions and development across markets and technologies. In addition to the current development portfolio we have also communicated development start of about 9 GW of new offshore projects in Åland and Finland, of which we



Paul Stormoen, CEO

expect a larger portion will be included in our portfolio within short. We will continue to increase the investments in development to meet stronger demands for renewable energy.

We have also established organizations and acquired projects in Italy and Romania during the year. Both are large electricity markets with a great demand for renewable energy. We will continue to look at new markets in Europe we find interesting and that offers opportunities for OX2 to expand our geographical footprint.

Besides new geographical markets we have also broadened our project portfolio in offshore wind and Solar PV. In the fourth quarter we submitted our first Natura2000-application for the offshore wind farms Galatea-Galene on Sweden's west coast, and for the offshore wind farm Triton in the south of Sweden.

Projects sold, MW

719

Relates to the Jan-Dec 2021 period

Growth in project development portfolio, MW

4,710

Relates to the Jan-Dec 2021 period

Total project development portfolio, MW

17,371

As of 31 December 2021

We acquired several project rights in solar PV and are now actively developing solar PV in five markets: Sweden, Finland, Poland, France and Italy. Today solar PV is close to 10 percent of OX2's project portfolio and we expect the share to increase over time.

Well positioned

Today OX2 has a large and diverse portfolio with a European footprint that gives the company stability even in turbulent times such as the last two years has been. The entire industry was impacted by disturbances in the supply chain and increased costs as a result of the pandemic. OX2 has managed to meet these changes and delivered the wind farms according to plan in the fourth quarter.

OX2's business model has a solid track record and we have proven to be efficient at sourcing projects in order to have a steady output of new wind and solar farms. This makes OX2 attractive to buyers of operational wind and solar farms as well as sellers of project rights.

The Future

The European energy transition is continuing to ramp up and the visibility for the coming decades is good. Governments as well as large corporations have moved their climate goals forward. Regardless of whether the solution is electrification, hydrogen or other new technologies they will depend on large amounts of new renewable energy.

Renewable energy has also become a good, long-term investment and we have experienced a growing interest from our customers wanting to acquire and own operating wind and solar farms.

OX2 has a stable and diversified project portfolio and we are well prepared to reach our 2023-2024 goal of an annual sale of wind and solar farms corresponding to an installed capacity of 1,500 MW.

Paul Stormoen, CEO

Expand and develop

It is OX2's project development portfolio that creates long-term value and determines the company's ability to deliver more renewable energy in the future. The portfolio consists of in-house developed as well as acquired wind and solar power projects in various phases of development in different technologies and markets. Development and optimization of 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 17.4 GW (12.7) split by offshore wind power of 8.3 GW, onshore wind power of 7.7 GW, and solar power of 1.3 GW.

During the fourth quarter, OX2's project development portfolio decreased by 218 MW compared to the previous quarter, driven mainly by an increase of sold projects amounting to 483 MW. Acquisitions of 576 MW (922) were completed – of which 326 MW were onshore wind power and 250 MW were solar power. The company has acquired project rights of 226 MW onshore wind power and 42 MW solar power in Sweden, 208 MW solar power in Italy, and 99 MW onshore wind power in Romania. In total OX2 acquired 3,446 MW of projects during the full year of 2021, which can be compared with 1,781 MW for full year 2020.

In addition to the acquisitions, the project development portfolio has expanded with the addition of 50 MW from projects developed in-house as well as 89 MW from increases in already existing projects. As a result of negative ruling in the Land and Environment Court of Appeal, 350 MW in a mid-phase project in the Swedish portfolio was discontinued during the period.

Project development portfolio as of 31 December 2021

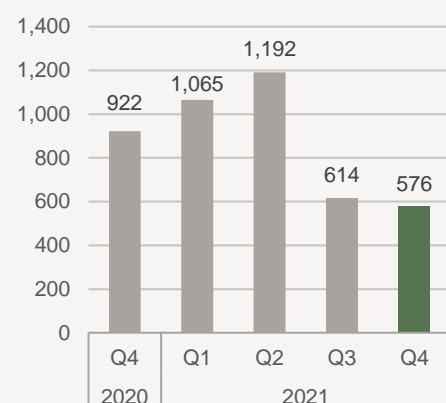
Country (MW)	On-shore wind power	Offshore wind power	Solar power	Total
Sweden	2,858	8,300	117	11,274
Finland	3,821	-	-	3,821
Poland	639	-	833	1,472
France	6	-	109	115
Other markets	400	-	289	689
Total:	7,723	8,300	1,348	17,371

In the fourth quarter, external project development expenses amounted to SEK 78 million (62) and investments in the project development portfolio totaled SEK 227 million (243).

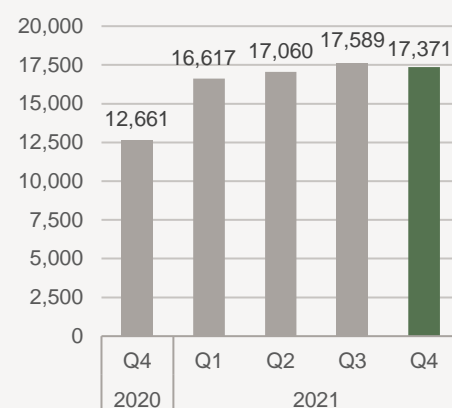
Projects sold

During the fourth quarter, new projects sold accounted to 483 MW (128). The Lestijärvi (455 MW) onshore wind farm will once operational be the largest wind farm ever in Finland and was sold to a consortium of Finnish energy companies. The Krasnik (24 MW) onshore wind farm in Poland was sold to Equitix establishing a new customer relationship for OX2. Lastly, an additional 3 MW was sold to Octopus as part of the already sold Huszlew wind farm as it was extended with one additional turbine.

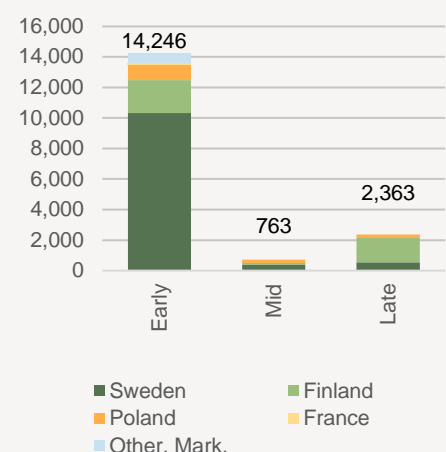
Project acquisitions, MW



Project development portfolio, MW



Project development portfolio/development phase, MW



The interest in OX2's projects remain high, both from new and existing customers and in all markets. During the period January–December 2021, new sales corresponding to 719 MW (329) were completed – a record for OX2.

Delivery

In addition to developing wind and solar farms, OX2 takes an overall responsibility for construction, and can also take on the long-term technical and commercial management of the farm.

At the end of the fourth quarter, OX2 had 13 projects totaling 1,329 MW (817) under construction. Overall, projects under construction progressed as planned with some minor delays. It's primarily commissioning dates for a few projects that have been postponed for a few months, due to the Covid-19 pandemic. The delays are not expected to affect OX2's margin on these projects.

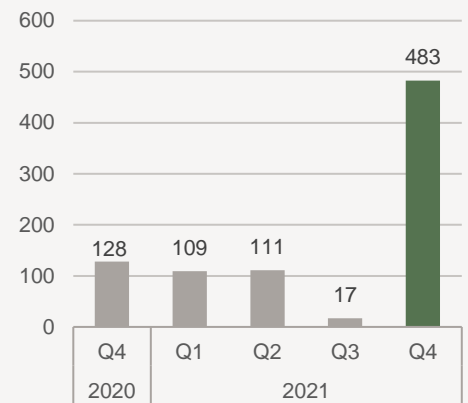
Four projects were handed over to customers in the fourth quarter. After the end of the period the 21 MW Zary farm was completed and handed over early January 2022.

Projects under construction as of 31 December 2021

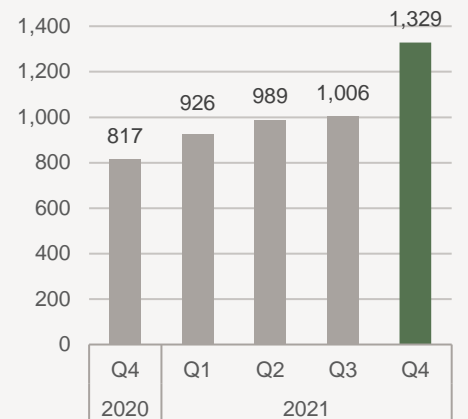
Projects under construction	Country	MW	Constr. start	Operat. start
Åndberg	Sweden	286	2019	2022
Korkeakangas	Finland	43	2019	2022
Metsälamminkangas	Finland	132	2020	2022
Zary	Poland	21	2020	2022
Puutikankangas	Finland	44	2020	2022
Rustari	Finland	44	2020	2022
Sulmierzyce	Poland	23	2021	2022
Merkkikallio	Finland	83	2021	2022
Grajewo	Poland	40	2020	2023
Karskröv	Sweden	86	2021	2023
Huszlew	Poland	48	2021	2023
Krasnik	Poland	24	2021	2024
Lestijärvi	Finland	455	2021	2025
Projects under construction:		1,329		

OX2's management business continues to grow. At the end of the fourth quarter, agreements for technical and commercial management amounted to 2,986 MW (2,281).

Projects sold, MW



Total MW under construction



Management agreements, MW

2,986
(2,281)

Financial highlights

Performance and financial position

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Net sales	2,430	1,754	4,983	5,201
Cost of goods sold*	-1,902	-1,485	-3,924	-4,351
Gross profit*	529	268	1,060	850
Project development expenses*	-78	-62	-220	-133
Other external costs	-35	-16	-125	-70
Personnel costs	-93	-67	-283	-216
Depreciation and amortization of tangible and intangible assets	-6	-7	-17	-15
Operating income	317	116	414	416
Operating income adjusted for listing expenses*	320	116	455	416
Operating income adjusted for project development expenses and listing expenses*	397	178	675	549
Gross margin, %*	21.7%	15.3%	21.3%	16.3%
Operating margin, %*	13.0%	6.6%	8.3%	8.0%
Operating margin adjusted for listing expenses, %*	13.1%	6.6%	9.1%	8.0%
Operating margin adjusted for project development expenses and listing expenses, %*	16.4%	10.2%	13.5%	10.6%

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

Net sales

Net sales in the fourth quarter amounted to SEK 2,430 million (1,754). For full year net sales amounted to SEK 4,983 million (5,201).

The growth in net sales in the quarter is due to the sale of project Lestijärvi in Finland and large milestones reached across the construction portfolio. Projects in Finland contributes with 62% (32%) of total net sales, followed by Sweden 22% (50%), Poland 16% (14%) and Norway 1% (4%). During the fourth quarter, four projects, Storbacken, Kröpuln, Hornamossen and Kjölderget were completed and handed over to customers, which also contribute to the net sales development in the quarter.

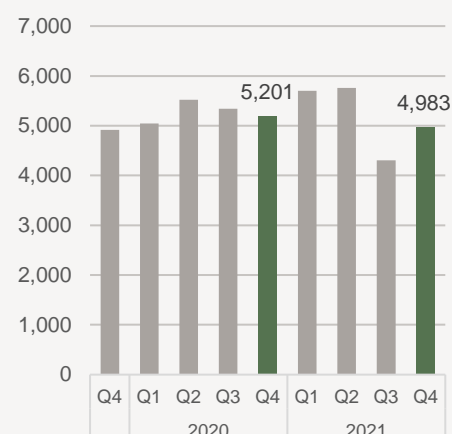
Costs

In the fourth quarter the cost of goods sold amounted to SEK -1,902 million (-1,485) and amounted to SEK -3,924 million (-4,351) for the full year. The increase of cost of goods sold in the quarter was due to higher sales and the lower cost of goods sold for the full year was due to lower sales.

Project development expenses amounted to SEK -78 million (-62) in the fourth quarter. For the full year project development expenses amounted to SEK -220 million (-133), an increase of 65% compared to 2020 owing to a significantly larger project development portfolio; 17.4 GW compared to 12.7 GW. As share of net sales, project development expenses on a rolling twelve-month basis amount to 4.4%, compared with 2.6% for the full year 2020.

Other external costs amounted to SEK -35 million (-16) in the fourth

Net sales LTM, SEK million



Project development expenses LTM, SEK million

220
(133)

quarter and amounted to SEK -125 million (-70) for the full year. The increase in the quarter is mainly explained by higher costs for consultants relating to preparation for main market listing as well as establishment in new markets. Full year figures are impacted by SEK -41 million of listing expenses.

Personnel costs amounted to SEK -93 million (-67) in the fourth quarter and amounted to SEK -283 million (-216) for the full year. The increase in personnel costs was due to an increase in headcounts of 95 employees compared same period previous year, which is in line with the company's expansion plan.

Profit

Operating income for the fourth quarter of 2021 amounted to SEK 317 million (116) and SEK 414 million (416) for the full year. Operating income adjusted for listing expenses amounted to SEK 320 million (116) for the fourth quarter and amounted to SEK 455 million (416) for the full year. The profit development in individual quarters is mainly affected by new sales of wind and solar farms, and by the pace of completion and delivery of wind and solar farms under construction. The gross margin for the quarter was 21.7% (15.3%), which compares to 21.3 % (16.3%) on a rolling 12-months basis. Strong margins achieved in the sale of new wind farms as well as good performance in the construction portfolio explain the increase in gross margins.

Results from financial items amounted to SEK -11 million (-29) in the fourth quarter and SEK -8 million (-33) for the full year, mainly related to financing costs, impairment of shares in associated company and revaluation of balance sheet items that had a negative earnings effect. OX2's currency exposure is primarily in EUR and the company uses currency derivatives to hedge flows.

The effective tax rate for the period was 22.8% of profit for the period. The effective tax rate for the full year was 17.9%. The effective tax rate is mainly affected by non-taxable net sales from the sale of project companies.

Profit for the fourth quarter amounted to SEK 236 million (73) and amounted to SEK 334 million (298) for the full year.

Earnings per share before and after dilution SEK 0.87 (0.29) for the fourth quarter and SEK 1.28 (1.19) for the full year.

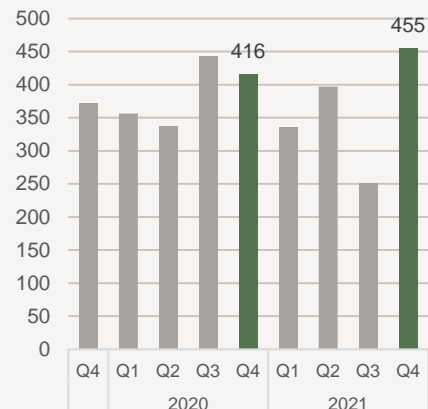
OX2 applies hedge accounting and changes in fair value relating to currency derivatives are recognised in other comprehensive income.

Financial position and liquidity

Current assets amounted to SEK 3,715 million (1,929) at the end of the period, an increase of SEK 1,786 million compared to the end of December 2020. The increase is mainly due to the addition of cash and cash equivalents from the new share issue in connection with the listing, which had a positive net effect of SEK 1,278 million.

The value of the project development portfolio and work in progress amounted to SEK 502 million (321). The increase during 2022 is due to acquisitions of project rights. Account receivables totaled SEK 297 million

Operating income adjusted for listing expenses LTM, SEK million



Net debt or -net cash, SEK million

-2,346
(-1,211)

(121). Prepaid expenses and accrued income totaled to SEK 496 million (200). Prepaid expenses consist of prepaid construction costs and costs for grid connection in our projects under development. Accrued income consist mainly of trial runs. Cash and cash equivalents amounted to SEK 2,374 million (1,235).

Total current liabilities were SEK 1,310 million (1,138), an increase of SEK 172 million compared with the end of December 2020.

Customer prepayments amounted to SEK 601 million (468) an increase of SEK 133 million during the year. 84% of the prepayments are related to projects under construction in the Finnish market, follow by 14% in Swedish projects. Account payables amounted to SEK 309 million (124). Other liabilities amount to SEK 211 million (73). Accrued expenses and deferred income amounted to SEK 175 million (450). Accrued expenses consist of accrued construction and project costs and accrued personnel costs.

Cash flow

During the fourth quarter cash flow from operating activities amounted to SEK -363 million (480), and -132 million (526) for the full year. Cash flow from operating activities before changes in working capital amounted to SEK 288 million (46) in the fourth quarter and SEK 356 million (350) for the full year. Cash flow from changes in working capital totaled SEK -424 million (677) in the fourth quarter and -64 million (462) for the full year. The negative cash flow impact from the change in working capital was due to lower advance payments from customers in the quarter. Investments in the project development portfolio totaled SEK -227 million (-243) in the fourth quarter and -424 million (-287) for the full year.

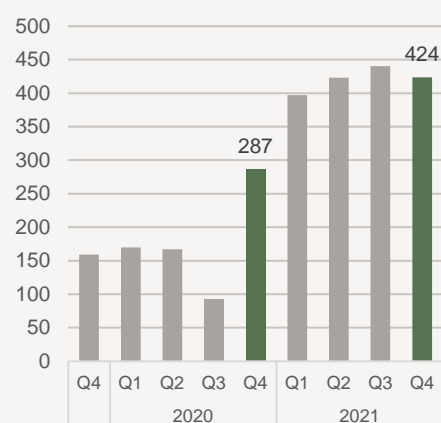
During the fourth quarter cash flow from investment activities amounted to SEK 0 million (1), and -1 million (-8) for the full year. Cash flow from financing activities totaled SEK -3 million (-202) during fourth quarter and 1,266 million (-289) for the full year. The main difference compared to the same period previous year was a group contribution to Peas Industries booked in 2019 and transferred in 2020. Total cash flow for the fourth quarter of 2021 amounted to SEK -366 million (279), and 1,133 million (229) for the full year.

Parent company

The parent company OX2 AB's employees work on project development, financing, project sales and project implementation. Group-wide management and functions are also based within the parent company. Total net sales during the quarter amounted to SEK 400 million (251), comprising net sales related to the sale of wind farms, as well as internal invoicing of service and management fees. Income from sale of wind farms varies between quarters and is also affected by the transaction structure of the projects sold. The total net sales amounted to SEK 685 million (740) for the full year.

The cost of goods and project design in the quarter amounted to SEK -128 million (-149) and SEK -296 million (-361) for the full year. Other external costs for the quarter amounted to SEK -30 million (4), mainly consisting of external services as consultancy and legal advisory. The other external costs amounted to SEK -118 million (-59).

Investments in the project development portfolio LTM, SEK million



Personnel costs for the quarter totaled SEK -62 million (-46) and amounted to SEK -201 million (-156) for the full year. The increase in costs is due to a higher number of employees compared to the same quarter last year.

Operating income for the quarter amounted to SEK 180 million (60) and SEK 69 million (163) for the full year. The higher result is related to sold wind farms in the quarter. Earnings after financial items amounted to SEK 280 million (62) during the quarter including a dividend of SEK 100 million. Profit after financial items for the year amounted to SEK 170 million (167). Profit for the period totaled SEK 279 million (8) and for the full year SEK 192 million (91).

The current assets amounted to SEK 2,556 million (454) at the end of December 2021. The increase was due to the injection of cash and cash equivalents in connection with the listing (SEK 1,278 million net effect) and to the establishment in the quarter of an internal cash pool with the parent company as owner. The introduction of the cash pool affects both cash and cash equivalents and liabilities to associate companies in the parent company.

Liabilities to associate companies amounted to SEK 1,164 million (256) as of 31 December. They comprise of the cash pool of SEK 743 million and other internal loans totaling SEK 419 million.

The parent company's equity amounted to SEK 1,919 million (449) as of 31 December 2021.

Financial targets

OX2 has set the following financial targets:

Growth

- >500 MW sold per year on average over the 2021–22 period.
- >1,500 MW sold per year on average over the 2023–24 period.
- >2,000 MW sold per year in the medium-term.

Profitability

- Operating margin of 10 percent in the medium-term.
- Operating income of SEK 2.5 billion in the medium-term.

Dividend

- The company sees significant opportunities to reinvest cash flow from operations in value-creating growth. No dividend is expected to be paid in the short term.

Other information

Shareholder information

On 23 June 2021, OX2 AB (publ) was listed on the Nasdaq First North Premier Growth Market under the OX2 ticker symbol. The total number of shares is 272,517,586. The last price per share paid on 31 December was SEK 59.20. The three largest shareholders at the end of the period were: Peas Industries AB 50.7%, Altor Fund V 16.7% and Danica Pension 4.3%.

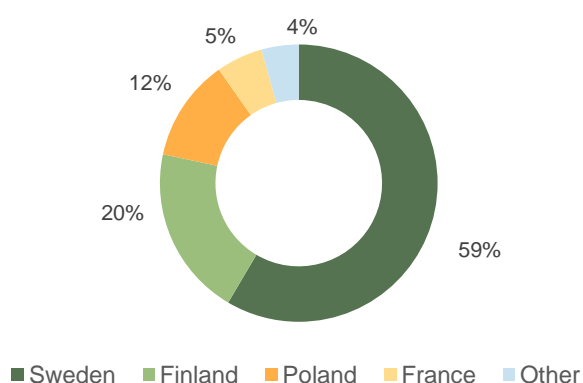
Employees

As of 31 December 2021, the company had 277 employees (182), 42 percent (40) of which were women. The number of employees has increased by 52 percent compared with the previous year. The number of employees rose by 21 people in the quarter.

Total number of employees	12/31/2021	12/31/2020
Sweden	162	127
Finland	55	31
Poland	33	16
France	15	7
Other markets	12	1
Total OX2 Group	277	182

At the end of December 2021, 42 (40) percent were women and 58 (60) men.

Number of employees as of 31 December 2021, %



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 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 2020 Annual Report. No other material risks or uncertainties have been identified in the most recent period.

Sustainability

Based on OX2's impact on its environment and the company's material sustainability topics, OX2 has a sustainability strategy that focuses on three areas: People, Planet and Profit. Together they constitute an operation that drives the transition into a sustainable future based on renewable energy. OX2 works long-term to create a safe and inspiring workplace, reduce the company's environmental and climate impact, and run a profitable business built on good corporate governance and business ethics. The company connects the operation to the 17 sustainable development goals in Agenda 2030, with a particular focus on goals 7, 9, 13, and 15.

OX2 is not subject to reporting according to the EU taxonomy but strives for transparency and thus chooses to disclose, in its annual report published 28th of March, whether the company's operations are eligible according to the new EU taxonomy. More information on OX2's sustainability work can be found on www.ox2.com.

Future prospects

The transition to renewable energy supply is a long-term and important project for society. Despite continued uncertainty due to the Covid-19 pandemic, OX2 has enjoyed a positive development during 2021, with an expanded project development portfolio, establishing a presence in Italy and Romania, and good progress in projects under construction. There is strong political support for the creation of a renewable energy supply, as it generates economic growth and we consider it to be one of the most efficient way of reducing global carbon emissions. OX2 has a positive outlook for our future and finds that utility companies and financial investors increasingly have a positive view of ownership in renewable power generation as they regard it be a stable, attractive infrastructure investments over the long term.

Planning conditions

OX2 is currently investing to enable the company to achieve its medium-term financial volume target

corresponding to annual sales volume of more than 2,000 MW (see page 10 in this report). In 2021 the volume sold amounted to 719 MW, which exceeds the short term target of a sold volume of 500 MW on average for the period 2021-2022. Based on current visibility and good progress in the development portfolio the target for 2022 is revised upwards to a sold volume exceeding 500 MW.

As previously communicated higher project development expenses and personnel costs are expected to have a negative impact on the operating margin before the company's sales volumes reaches its next target threshold of annual sold volumes exceeding 1,500 MW on average for the period 2023-2024. The development and personnel costs in 2022 are expected to increase to approximately double the amount of 2020. This relates to the significant growth in the development portfolio to cater for future growth in sales. Investments in project acquisitions are expected to exceed SEK ~600 million annually in 2022 and beyond. For individual quarters the gross margin is impacted by the share of net sales from sale of new wind and solar farms and net sales from projects under construction, with the gross margin from new sales typically being higher. The gross margin for the full year 2022 is expected to be in the range of what OX2 achieved for the fully year 2020 and 2021.

Significant events after the end of the reporting period

After the end of the quarter OX2 handed over its first wind farm in Poland, the 21 MW Zary wind farm. OX2 received exploration permit for two offshore wind farms in the Gulf of Bothnia in Finland.

Estimates and judgements 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, net sales and expenses. The actual outcome may differ from these estimates and judgements.

Proposed dividend

The board intends to propose to the annual general meeting that no share dividend shall be declared (-).

Annual report and Annual General Meeting

The annual and sustainability report for 2021 will be available on OX2's website, ox2.com, from week 13, 2022. OX2 AB's annual general meeting will take place on 4 May at 16.00 at Oscars Teatern, Kungsgatan 63 in Stockholm.

Audit

This report has been subject to review by the Group's auditors.

Declaration

The Board of Directors and the Chief Executive Officer declare that the interim report for the period January–December 2021 provides a true and fair overview of the parent company's and Group's business operations, financial position and earnings and describes the material risks and uncertainties faced by the parent company and the companies included in the Group.

Stockholm, 22 February 2022

OX2 AB (publ)

Johan Ihrfelt

Chairperson

Anna-Karin Celsing

Board member

Ann Grevelius

Board member

Jan Frykhammar

Board member

Malin Persson

Board member

Niklas Midby

Board member

Petter Samlin

Board member

Thomas von Otter

Board member

The auditor's review report on interim financial information

To the board of directors of OX2 AB (publ), corporate identity number 556675-7497

Introduction

We have reviewed the interim financial information for OX2 AB for the period January 1 –December 31, 2021. 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 22 February 2022

Deloitte AB

Signature on Swedish original

Jonas Ståhlberg

Authorized Public Accountant

Condensed consolidated income statement

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Net sales	2,430	1,754	4,983	5,201
Total revenue	2,430	1,754	4,983	5,201
Cost for goods and project development	-1,980	-1,548	-4,143	-4,484
Other external costs	-35	-16	-125	-70
Personnel costs	-93	-67	-283	-216
Depreciation and amortization of tangible and intangible assets	-6	-7	-17	-15
Total operating expenses	-2,113	-1,638	-4,569	-4,785
Operating income	317	116	414	416
Financial income	84	10	118	65
Financial costs	-95	-39	-126	-98
Profit after financial items	306	86	407	383
Income tax	-70	-14	-73	-84
PROFIT FOR THE PERIOD	236	73	334	298
Profit for the period attributable to:				
Owners of the parent company	236	73	334	298
Non-controlling interests	0	-	0	-
Average number of share before and after dilution*	272,517,586	250,000,000	261,783,175	250,000,000
Earnings per share before and after dilution, SEK	0.87	0.29	1.28	1.19

* Adjusted for bonus issue in comparison period

Consolidated statement of comprehensive income

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Profit for the period	236	73	334	298
Other comprehensive income:				
<i>Items that may reclassified subsequently to profit or loss</i>				
Foreign exchange differences on translation of foreign subsidiaries	4	-5	7	-8
<i>Cash flow hedges</i>				
Changes in fair value	-19	17	-39	23
Income tax attributable to cash flow hedges	4	-5	10	-7
Total other comprehensive income after tax	225	80	312	307
Total comprehensive income for the period attributable to:				
Owners of the parent company	225	80	312	307

Consolidated statement of financial position

SEK m	2021/12/31	2020/12/31
ASSETS		
Non-current assets		
Other intangible assets	4	5
Fixtures, tools and installations	3	3
Right-of-use assets	20	19
Other financial assets	1	6
Total non-current assets	29	33
Current assets		
Project development portfolio and construction in progress	502	321
Accounts receivable	297	121
Tax receivables	7	-
Other receivables	33	16
Receivables from group companies	-	0
Prepaid expenses and accrued income	496	200
Derivative financial instruments	6	37
Cash and cash equivalents	2,374	1,235
Total current assets	3,715	1,929
TOTAL ASSETS	3,743	1,961
EQUITY AND LIABILITIES		
Equity attributable to the shareholders of the parent company		
Share capital	1	0
Retained earnings including profit for the period	2,355	766
Total equity attributable to the shareholders of the parent company	2,355	766
Non-current liabilities		
Long-term interest-bearing liabilities	15	13
Derivative financial instruments	17	-
Deferred tax liabilities	46	45
Total long-term liabilities	78	58
Current liabilities		
Advance payments from customers	601	468
Accounts payable	309	124
Tax liabilities	-	12
Other current liabilities	211	73
Current interest-bearing liabilities	14	11
Liabilities to group companies	-	0
Accrued expenses and deferred income	175	450
Total current liabilities	1,310	1,138
TOTAL EQUITY AND LIABILITIES	3,743	1,961

Consolidated statement of changes in equity

SEK m	2021/12/31	2020/12/31
Opening balance	766	537
Total comprehensive income for the period	312	307
New issue	612	-
Bonus issue	0	-
Issue for non-cash consideration	739	-
Change in minority interest	0	-
Issue costs referring to new share issue adjusted for tax	-73	-
Dividend	-	-78
Closing balance	2,355	766
Attributable to:		
Owners of the parent company	2,355	766
Non-controlling interest	0	-
Total equity	2,355	766

Condensed consolidated statement of cash flows

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Profit after financial items	306	86	407	383
Adjustments for items not included in cash flow, etc.	9	-3	31	6
Income taxes paid	-27	-37	-81	-38
Cash flow from operating activities before changes in working capital	288	46	356	350
Cash flow from changes in working capital	-424	677	-64	462
Investment in project development portfolio	-227	-243	-424	-287
Cash flow from operating activities	-363	480	-132	526
Acquisition of shares in other companies	0	1	0	-3
Acquisition/sale of fixed assets	0	-1	-1	-5
Cash flow from investment activities	0	1	-1	-8
New issue	0	0	612	0
Issue for non-cash consideration	0	0	739	0
Issue costs referring to new share issue	0	0	-73	0
Repayments of lease liabilities	-3	-2	-12	-11
Dividend and Group contributions	0	-200	0	-278
Cash flow from financing activities	-3	-202	1,266	-289
Cash flow for the period	-366	279	1,133	229
Translation difference in cash and cash equivalents	3	-1	7	0
Cash and cash equivalents at beginning of the period	2,737	957	1,235	1,005
Cash and cash equivalents at period end	2,374	1,235	2,374	1,235

Condensed parent company income statement

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Net sales	395	235	681	724
Other operating revenue	4	16	4	16
Total revenue	400	251	685	740
Cost of goods and project development	-128	-149	-296	-361
Other external costs	-30	4	-118	-59
Personnel costs	-62	-46	-201	-156
Depreciation and amortization of tangible and intangible assets	0	0	-2	-1
Total operating expenses	-220	-191	-617	-577
Operating income	180	60	69	163
Financial income	105	4	111	8
Financial costs	-4	-3	-10	-4
Profit after financial items	280	62	170	167
Year-end appropriations	46	-49	46	-49
Tax	-47	-4	-24	-26
Profit for the period	279	8	192	91

Parent company statement of comprehensive income

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Profit for the period	279	8	192	91
Total other comprehensive income after tax	279	8	192	91

Condensed parent company balance sheet

SEK m	2021/12/31	2020/12/31
ASSETS		
Non-current assets		
Other intangible assets	4	5
Fixtures, tools and installations	3	3
Participations in Group companies	801	564
Total non-current assets	808	572
Current assets		
Project development portfolio and construction in progress	77	11
Accounts receivable	0	6
Tax receivable	24	-
Other receivables	10	3
Receivables from group companies	160	175
Prepaid expenses and accrued income	13	1
Cash and cash equivalents	2,272	258
Total current assets	2,556	454
TOTAL ASSETS	3,364	1,026
EQUITY AND LIABILITIES		
Equity	1,919	449
Untaxed reserves	94	94
Current liabilities		
Advance payments from customers	-	1
Accounts payable	53	19
Other current liabilities	59	103
Liabilities to group companies	1,164	256
Accrued expenses and deferred income	75	104
Total current liabilities	1,352	483
TOTAL EQUITY AND LIABILITIES	3,364	1,026

Key performance indicators, Group

	Q4		Jan-Dec	
	2021	2020	2021	2020
Profitability				
Net sales, SEK m	2,430	1,754	4,983	5,201
Net sales growth, %	38.6%	-7.4%	-4.2%	6.0%
Operating income, SEK m	317	116	414	416
Operating income adjusted for listing expenses, SEK m	320	116	455	416
Operating income adjusted for development expenses and listing expenses, SEK m	397	178	675	549
Operating margin, %	13.0%	6.6%	8.3%	8.0%
Operating margin adjusted for listing expenses, %	13.1%	6.6%	9.1%	8.0%
Operating margin adjusted for development expenses and listing expenses, %	16.4%	10.2%	13.5%	10.6%
Profit for the period, SEK m	236	73	334	298
Earnings per share before and after dilution, SEK	0.87	0.29	1.28	1.19
Financial position				
Net debt or -net cash, SEK m	-2,346	-1,211	-2,346	-1,211
Equity ratio, %	62.9%	39.0%	62.9%	39.0%
Effective tax rate, %	22.8%	15.8%	17.9%	22.1%
Operating cash flow, SEK m	-328	557	-58	599
Cash conversion, %	-102%	454%	-13%	139%
Construction related working capital, SEK m	-470	-779	-470	-779
Net working capital, SEK m	31	-458	31	-458
Equity per share, SEK m	9	3	9	3
Return on equity, %	10.5%	10.0%	21.4%	45.7%
Return on capital employed, %	14.0%	15.5%	26.1%	61.1%
Investments in the project development portfolio, SEK m	-227	-243	-424	-287
Operational key figures				
Project acquisitions, MW	576	922	3,446	1,781
Project development portfolio, MW	17,371	12,661	17,371	12,661
Sold projects, MW	483	128	719	329
Projects under construction, MW	1,329	817	1,329	817
Projects handed over, MW	159	0	207	486
Contracts under management, MW	2,986	2,281	2,986	2,281
Number of employees	277	182	277	182

For definitions of alternative performance measures and key performance indicators, see pages 23 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 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 amortised cost. There have been no changes in accounting policies since the latest annual report.

Note 2 Income

The Group has one segment.

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

For a description of segment reporting, see the 2020 Annual Report, Note 2, 'Accounting policies'.

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Net sales per category				
Sales of wind power projects and wind farms	2,430	1,754	4,983	5,201
Total	2,430	1,754	4,983	5,201
Income divided by country*				
Sweden	545	884	1,263	2,157
Finland	1,495	557	2,883	2,386
Norway	12	73	227	350
Poland	378	240	610	308
Total	2,430	1,754	4,983	5,201

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

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Time of revenue recognition				
At a certain time	-	-	-	986
Over time	2,430	1,754	4,983	4,214
Total	2,430	1,754	4,983	5,201

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Contract assets				
Ongoing work in progress on behalf of others	0	0	0	0
Accrued income	86	180	86	180
Total	86	180	86	180
Of which long-term assets	-	-	-	-
Of which Current assets	86	180	86	180
Total	86	180	86	180
SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Contract liabilities				
Advanced payments from customers	601	468	601	468
Prepaid income	3	-	3	-
Total	604	468	604	468
Of which long-term liabilities	-	-	-	-
Of which current liabilities	604	468	604	468
Total	604	468	604	468

Note 3 Valuation at fair value

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 how fair values have been calculated, see the 2020 Annual Report, Note 2 'Accounting policies' and Note 4

SEK m	2021/12/31	2020/12/31
Financial assets at fair value		
Derivative instruments	6	37
Financial assets measured at amortized cost		
Accounts receivables	297	121
Receivables from Group companies	-	0
Other current receivables	33	16
Cash and cash equivalents	2,374	1,235
Total financial assets	2,710	1,408
Financial liabilities at fair value		
Derivative instruments	17	-
Financial liabilities measured at amortized cost		
Other long-term liabilities	15	13
Accounts payable	309	124
Liabilities to Group companies	-	0
Other current liabilities	211	73
Current interest-bearing liabilities	14	11
Total financial liabilities	565	221

Note 4 Related party transactions

On October 28, 2016, December 28, 2016, and December 15, 2017, Peas Industries AB have entered into three agreements under which Peas undertakes to provide accounting services to certain investors in four of the Company's previous projects. Services under the agreements are provided by the Company, which in turn invoices Peas for services rendered. If the contracts are not terminated prematurely, in accordance with certain specific conditions, the agreements apply for periods of 7 years from the submission of the projects. The agreements are therefore expected to expire around 27 December 2025, 27 December 2025, 27 April 2027 and 16 March 2023 respectively.

Peas Industries AB has issued one parent company guarantee to the benefit of the Group, in respect of the project Castles and towards IKEA, amounting to SEK 149 million as of 31 December 2021.

On 1 July 2020, the Company entered into a lease agreement with Peas and certain subsidiaries of the Company regarding subleasing of office spaces. The total lease cost for 2021 amounted to SEK 0,3 million and the lease costs are updated annually according to a determined budget.

Note 5 Pledged assets and contingent liabilities

The Group does not have any pledged assets. The Contingent liabilities amounted to SEK 3.2 billion (1.7) as of 31 December 2021. Changes in the value of contingent liabilities are related to guarantees that are issued regularly to support the Groups obligations.

The parent company has a related party relationship with its Group companies. The parent company has contingent liabilities amounting to SEK 2.8 billion (1.4) as of 31 December 2021.

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.

Page 23–28 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.

Alternative performance measure definitions

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 the total cost of goods sold and transaction costs relating to sales of projects.
Gross margin, %	Gross profit as a percentage of net sales.
Construction related working capital	Current assets less the project development portfolio, derivative financial instruments and cash and cash equivalents less current liabilities adjusted for receivables and liabilities against Group companies and tax liability adjusted for interest-bearing current liabilities.
Effective tax rate	Income tax in relation to profit after financial items.
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 in connection with the sale of projects.
Net sales growth, %	Change in net sales compared with the same period the previous year.
Net working capital	Current assets less derivative financial instruments and cash and cash equivalents less non-interest-bearing current liabilities adjusted for receivables from and liabilities to 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 less changes in net working capital less investments in project development portfolio, as well as cash flows from investing activities.
Project development expenses	External development expenses related to the enhancement of the project development portfolio, and expenses incurred in connection with the acquisition of project rights.
EBITDA	Operating income before depreciation and impairment of property, plant and equipment and intangible assets.
Operating margin, %	Operating income as a percentage of net sales.
Operating margin adjusted for listing expenses, %	Operating income before stock exchange listing expenses as a percentage of net sales.

Operating margin adjusted for development expenses and listing expenses, %	Operating income before project development expenses and stock exchange listing expenses as a percentage of net sales.
Operating income adjusted for listing expenses	Operating income excluding stock exchange listing expenses.
Operating income adjusted for development expenses and listing expenses	Operating income excluding project development expenses and stock exchange listing expenses.
Equity ratio %	Shareholders' equity divided by total assets.
Capital employed	The sum 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	Last 12 months; refers to sales, profitability, or other earnings as an annual total up to the year-end date.

Reconciliation of alternative performance measures

Reconciliation of return on equity

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Shareholders' equity, beginning of period	2,130	686	766	537
Shareholders' equity, end of period	2,355	766	2,355	766
Average equity	2,243	726	1,561	652
Profit for the period	236	73	334	298
Average equity	2,243	726	1,561	652
Return on equity	10.5%	10.0%	21.4%	45.7%

Reconciliation of return on capital employed

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Equity	2,355	766	2,355	766
Interest-bearing liabilities (long-term and short-term)	28	24	28	24
Capital employed	2,383	789	2,383	789
Average capital employed				
Capital employed, beginning of period	2,155	703	789	572
Capital employed, end of period	2,383	789	2,383	789
Average capital employed	2,269	746	1,586	681
Operating income	317	116	414	416
Average capital employed	2,269	746	1,586	681
Return on capital employed	14.0%	15.5%	26.1%	61.1%

Reconciliation of cost of goods sold

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Cost for goods and project development	-1,980	-1,548	-4,143	-4,484
Of which cost of goods sold	-1,902	-1,485	-3,924	-4,351
Of which project development expenses	-78	-62	-220	-133

Reconciliation of gross profit and gross margin

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Net sales	2,430	1,754	4,983	5,201
Cost of goods sold	-1,902	-1,485	-3,924	-4,351
Gross profit	529	268	1,060	850
<i>Gross margin, %</i>	<i>21.7%</i>	<i>15.3%</i>	<i>21.3%</i>	<i>16.3%</i>

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

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Net sales	2,430	1,754	4,983	5,201
Operating income	317	116	414	416
<i>Operating margin, %</i>	13.0%	6.6%	8.3%	8.0%
Depreciation and amortization of tangible and intangible assets	6	7	17	15
EBITDA	323	123	431	431
Operating income	317	116	414	416
Listing expenses	-2	-	-41	-
Operating income adjusted for listing expenses	320	116	455	416
<i>Operating margin adjusted for listing expenses, %</i>	13.1%	6.6%	9.1%	8.0%
Project development expenses	78	62	220	133
Operating income adjusted for development expenses and listing expenses	397	178	675	549
<i>Operating margin adjusted for development expenses and listing expenses, %</i>	16.4%	10.2%	13.5%	10.6%

Reconciliation of equity per share

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Equity	2,355	766	2,355	766
Number of shares before and after dilution	272,517,586	250,000,000	261,783,175	250,000,000
Equity per share before and after dilution (SEK)	9	3	9	3

Reconciliation of net sales growth

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Net sales for the previous period	1,754	1,894	5,201	4,906
Net sales for the current period	2,430	1,754	4,983	5,201
<i>Net sales growth, %</i>	38.6%	-7.4%	-4.2%	6.0%

Reconciliation of net debt or -net cash

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Interest-bearing liabilities (long-term and short-term)	28	24	28	24
Interest-bearing receivables (long-term and short-term)	-	0	-	0
Cash and cash equivalents	-2,374	-1,235	-2,374	-1,235
Net debt or -net cash	-2,346	-1,211	-2,346	-1,211

Reconciliation of equity ratio

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Equity	2,355	766	2,355	766
Balance sheet total	3,743	1,961	3,743	1,961
Equity ratio %	62.9%	39.0%	62.9%	39.0%

Reconciliation of effective tax rate, %

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Income tax	-70	-14	-73	-84
Profit after financial items	306	86	407	383
Effective tax rate, %	22.8%	15.8%	17.9%	22.1%

Reconciliation of cash conversion, %

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
EBITDA	323	123	431	431
Changes in net working capital	-424	677	-64	462
Investment in project development portfolio	-227	-243	-424	-287
Cash flow from investment activities	0	1	-1	-8
Operating cash flow	-328	557	-58	599
Cash conversion, %	-101.7%	453.9%	-13.4%	138.9%

Reconciliation of construction-related working capital and net working capital

SEK m	Q4		Jan-Dec	
	2021	2020	2021	2020
Construction in progress	0	0	0	0
Accounts receivable	297	121	297	121
Other receivables	33	16	33	16
Prepaid expenses and accrued income	496	200	496	200
Construction working capital assets	826	337	826	337
Advance payments from customers	-601	-468	-601	-468
Accounts payable	-309	-124	-309	-124
Other current liabilities	-211	-73	-211	-73
Accrued expenses and deferred income	-175	-450	-175	-450
Construction working capital liabilities	-1,296	-1,115	-1,296	-1,115
Construction working capital	-470	-779	-470	-779
Project development portfolio	502	321	502	321
Net working capital	31	-458	31	-458
As % of LTM net sales				
LTM net sales	5,757	5,521	5,757	5,521
Construction related working capital assets	14.3%	6.1%	14.3%	6.1%
Construction related working capital liabilities	-22.5%	-20.2%	-22.5%	-20.2%
Construction related working capital	-8.2%	-14.1%	-8.2%	-14.1%
Net working capital %	0.5%	-8.3%	0.5%	-8.3%

Key performance indicator definitions

Number of employees	The number of employees in the Group at end of period.
Balance sheet total	Total assets.
Management agreements, MW	Contracts for the management of power plants.
Investment in project development portfolio	Payment for acquired project rights and additional project related investments.
Project acquisitions, MW	Acquired rights to power plant projects.
Project development portfolio, MW	OX2's power plant project development.
Projects under construction, MW	Power plant projects under construction.
Projects handed over to customers, MW	Completed power plants handed over to customers.
Earnings per share	Profit divided by the average number of shares.
Projects sold, MW	Power plant projects sold.
Development phase	<p>OX2 divides its project development portfolio into three phases based on how far a project has come in the development process. Projects that are shelved 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> <p>Early Projects with expected realisation within 3–7 years</p> <p>Medium Projects with expected realisation within 2–5 years</p> <p>Late Projects with expected realisation within < 3 years</p>

Financial calendar

Annual Report 2021:

28 March 2022

Annual General Meeting:

4 May 2022, Stockholm

Interim Report Jan-Mars 2022:

27 April 2022

Contact details

Paul Stormoen, CEO

Email: paul.stormoen@ox2.com

Johan Rydmark, CFO

Email: johan.rydmark@ox2.com



OX2

Lilla Nygatan 1
Box 2299
SE-10317 Stockholm
Sverige

Tel. +46 8 559 310 00

info@ox2.com

www.ox2.com

Reg.no 556675-7497