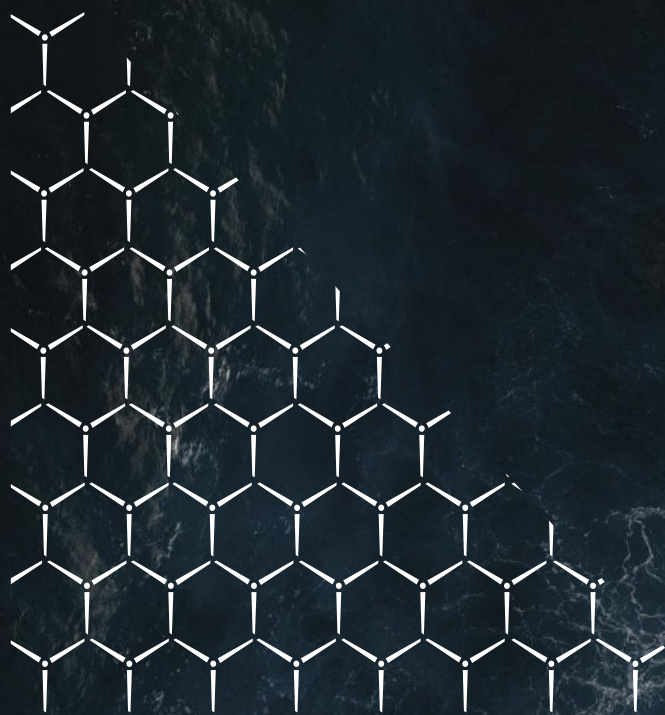


INTERIM REPORT
JANUARY – JUNE
2022

hexicon

Solidifying our early mover
position and confirming the
dual business model





A QUARTER OF TRAILBLAZING

The company has seen significant events during the period; the sale of one of our major projects and a win in the first ever floating auction in the UK with our own TwinWind technology. While at the same time continuing to build value in the project portfolio, fuelled by the strength of new collaborations concerning both grid-development and coexistence with other marine users like the fishing industry. We expect the rapid pace in our development to continue for the rest of the year, providing a solid foundation for Hexicon's continued journey.



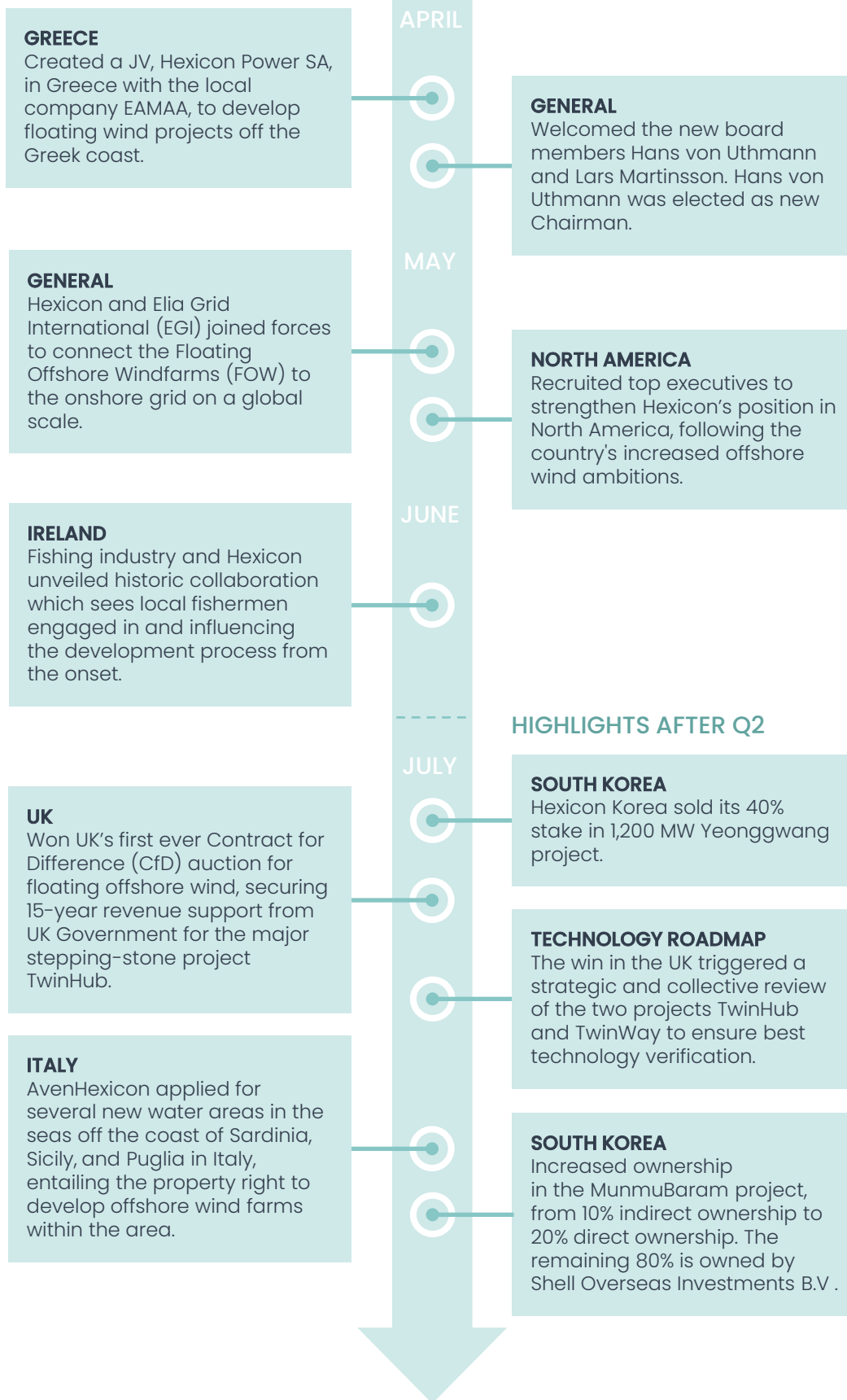
April–June

- Net revenue amounted to 2.8 (1.0) MSEK
- Operating profit/loss was -44.0 (-22.1) MSEK
- Profit/loss before tax for the period was -44.5 (-22.2) MSEK
- Earnings per share basic and diluted was -0.12 (-0.08) SEK
- Cash flow from operating activities was -27.5 (15.5) MSEK
- At the end of the period the cash at hand amounted to 203.5 (374.2) MSEK

January –June

- Net revenue amounted to 8.5 (12.6) MSEK
- Operating profit/loss was -63.4 (-23.5) MSEK
- Profit/loss before tax for the period was -62.9 (-22.3) MSEK
- Earnings per share basic and diluted was SEK -0.17 (-0.08) SEK
- Cash flow from operating activities was SEK -49.3 (0.9) MSEK

Q2 HIGHLIGHTS



ALL EYES ON HEXICON AFTER UK AUCTION WIN

As Hexicon’s early-mover position strengthens and the market accelerates, the opportunity is now to build value for the long haul.

We are in the era of renewable energy. The transition to fossil-free energy sources has gone from being motivated by climate change only, to lately also being motivated by national energy and security politics. These additional arguments entail a greater acceptance for, and interest in, new and innovative sustainable technologies that can be deployed fast and at scale. This plays directly in favor of our business model. With a virtually unlimited potential, floating offshore wind is expected to double annually over the next 20 years, and is going to play a key role in the transition to fossil-free energy systems.

During the second quarter we have continued to build value in our project portfolio, while reaching milestones within our technology development. There has been several distinctive, important events after the period. The one that undoubtedly stands out is winning the UK’s first ever CfD auction for floating offshore wind, securing a 15-year revenue support from the UK Government for our steppingstone project TwinHub. This was an incredibly important milestone for us and provides evidence of our capability as a project developer, as well as of the competitiveness of our technology. This project will serve as the key steppingstone for our technology and follow-on projects, as it is in an expansive region within the most mature offshore wind market in the world, and, contains multiple foundations hosting large-scale wind turbines.

South Korea continues to be of strategic importance. After the period, our joint venture company, Hexicon Korea, successfully sold its 40% stake in the 1,200 MW Yeonggwang project, a project originated by ourselves. This is a clear example of what our business model looks like in practice – to initiate projects, raise the value through rights and licenses, and sell at a premium with both short- and long-term earnouts. On the other side of the country, the MunmuBaram project is set to be one of the biggest floating wind farms in the world. The project stands out in our portfolio with its size and maturity, and that is why we decided to increase our ownership buying 20% of the

project from Hexicon Korea, going from a 10% indirect ownership to a 20% direct ownership. With several milestones ahead this puts us in a strategically advantageous position for future returns.

Collaboration and coexistence continue to be at the heart of how we go about things at Hexicon.

It is essential that we base our projects on constructive dialogue with key stakeholders and regional organizations. We are very proud of our ‘new approach’ in Ireland with The Killybegs Fishermen’s Organisation, the first time traditionally opposing sectors come together for a common objective from the onset. I am convinced that this partnership with local fishermen will serve the project well, but also hope it can serve as a role model for the entire industry going forward.

We have a window of opportunity to capitalize on our early-mover position within floating wind, an industry that is spreading across the globe. Since our IPO in June last year, the number of countries who have adopted legislation and targets for floating wind has steadily grown. We are now deliberately taking on a higher burn rate to be able to secure new projects, whilst managing a steadily growing portfolio. The increase in expenditure goes directly toward project developments and expansion, which can be monetized at higher valuations as we mature the projects and achieve significant milestones. As a trailblazer and pioneer, we are building value for the long haul, and it is with great confidence and determination that we continue our journey.

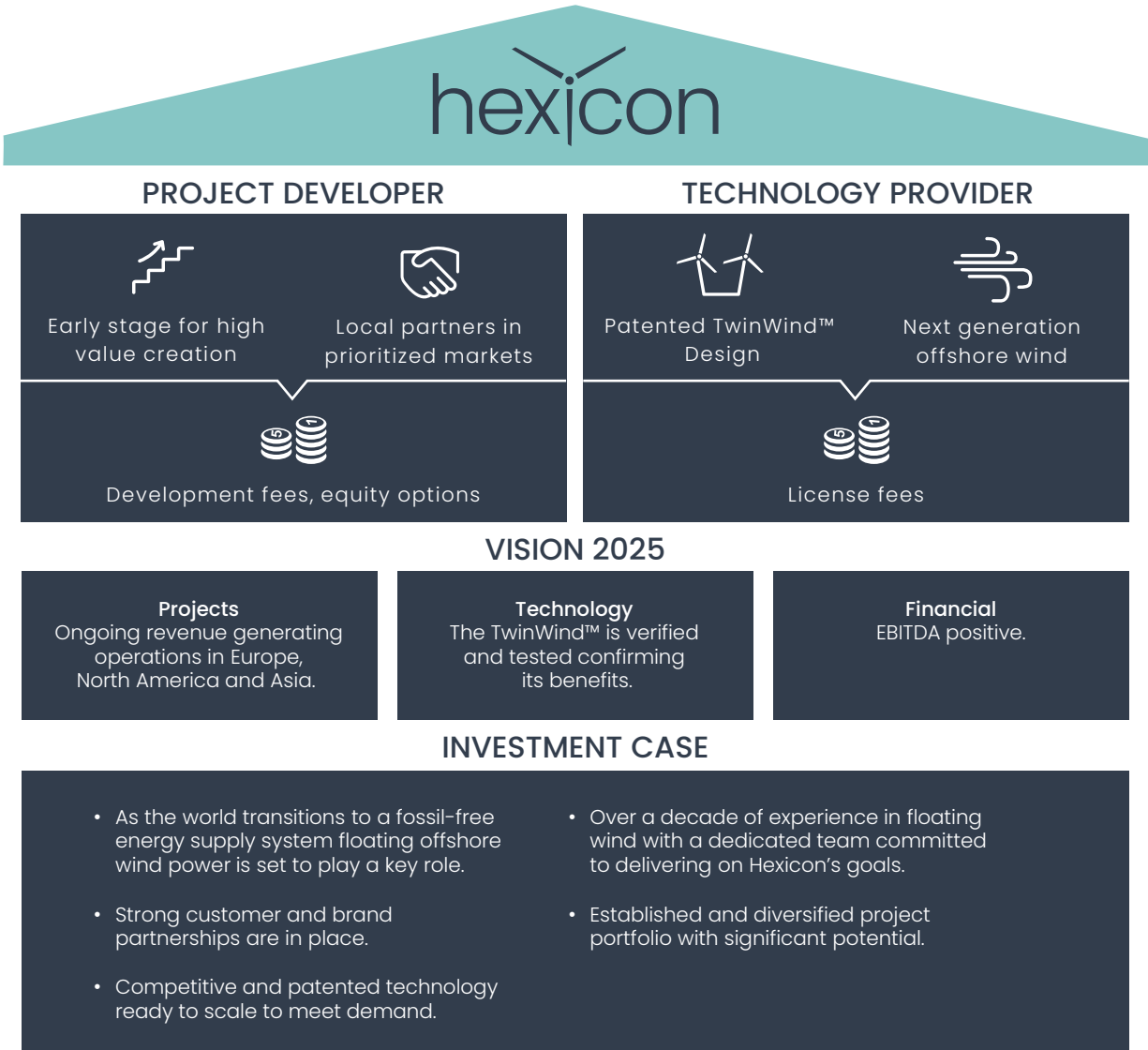


Marcus Thor
CEO






THE DUAL BUSINESS MODEL






Hexicon is a world-leading project developer and technology provider in the emerging sector of offshore floating wind. As a project developer, Hexicon develops projects, partnering with regional experts. As a technology provider, Hexicon provides its patented floating wind design – TwinWind – which consists of one


foundation with dual turbines. The innovative twin turbine design enables more turbines per sea area, which increases the energy yield and reduces the environmental impact. The company operates in several markets across Europe, Africa, Asia and North America.



PROJECT PORTFOLIO

	PROJECTS				
	 South Korea	 Scotland	 Sweden	 England	 South Korea
Name	MunmuBaram	Pentland Floating Wind Farm	Freja Offshore	TwinHub	TBA
Location	Ulsan	Dounreay	Multiple	Cornwall	East coast
Estimated gross capacity	~1,300 MW	100 MW	+3,000 MW	32 MW	900 MW
Hexicon's stake	20%	10%	50%	100%	30%
Site(s)	Secured	Secured	Identified	Secured	Secured
Partner(s)	Shell Overseas Investments B.V	CIP	Aker Offshore Wind	Bechtel	Hexicon Korea
Target FID/COD	2024/2026	2024/2026	2026→/2028→	2023/2025	TBA
FID – Final investment decision COD – Commercial operational date				Gross projects: +5,000 MW Net projects: +2,000 MW	

	PROSPECTS				
	 South Africa	 Spain/Portugal	 South Korea	 Ireland	 Italy
Name	TBA	TBA	TBA	TBA	TBA
Location	Richards Bay	Canary Islands, NW Portugal	East coast	West Ireland	Sardinia, Sicily, and Puglia
Estimated gross capacity	800 MW	TBA	1,200 MW	2,000 MW	+3,000 MW
Hexicon's stake	50%	75%	30%	100%	50%
Site(s)	Identified	Selection ongoing	Identified	Identified	Identified
Partner(s)	GenesisHexicon	WunderHexicon	Hexicon Korea	TBA	AvenHexicon
1 MW ≈ 1,000 households, 'rule of thumb' industry standard				Gross prospects: +7,000 MW Net prospects: +4,000 MW	

 TwinWay	Demonstration project TwinWind, 6MW
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FINANCIAL PERFORMANCE

April – June

Net revenue and earnings

The group's net revenue for the quarter amounted to 2.8 (1.0) MSEK, which consisted of project development fees, see note 4.

The result for the quarter was -44.4 (-22.2) MSEK. The increase in loss is mainly attributed to an expansion of the project portfolio, technical development and related activities, see note 5. A write-down of 7.1 MSEK was made during the quarter related to non-core technical- and project development in Iberia. The activities in Iberia going forward will be focused on early-stage project development and development of Hexicon's TwinWind technology.

Cash flow, financing and investments

The group's cash flow from operating activities, before changes in working capital, amounted to -25.9 (-17.6) MSEK. Changes in working capital had an effect on the cash flow of -1.6 (33.1) MSEK in the quarter. Cash flow from financing activities amounted to -0.6 (267.5) MSEK, where the comparison period is affected by Hexicon's IPO in June 2021. The investments amounted to 21.5 (8.4) MSEK and are related to activated development expenses in the project portfolio as well as technical development of Hexicon's TwinWind solution.

January – June

Net revenue and earnings

Net revenue for the period January to June amounted to 8.5 (12.6) MSEK. The decrease in revenue is attributed to a project divestment that was accounted for during the first quarter 2021. Project divestments, which are significant types of revenue within Hexicon's business model, are typically material and occur irregularly.

The result for the period was -62.6 (-22.3) MSEK. The increased loss is related to Hexicon's project and

prospect portfolio where the group has accelerated its activities since the comparison period. During the period January to June 2022 Hexicon has achieved milestones in the British (TwinHub), South Korean and Swedish (Freja Offshore) projects as well as entered the US, Greek, Italian and Portuguese market.

Cash flow, financing and investments

The group's cash flow from operating activities, before changes in working capital, amounted to -38.5 (-22.2) MSEK. Changes in working capital had an effect on the cash flow of -10.8 (23.1) MSEK in the period. Cash flow from financing activities amounted to -2.6 (277.5) MSEK. The investments amounted to 34.3 (11.3) MSEK and related to activated development expenses in the project portfolio as well as technical development of Hexicon's TwinWind solution.

Balance sheet

The group's total assets at the end of the reporting period amounted to 391.4 (402.4) MSEK and equity was 259.7 (347.5) MSEK. The equity/asset ratio was 66 (86) %.

Intangible assets per June 30, 2022, were 97.2 (20.8) MSEK. The increase is mainly due to investments in the British TwinHub project which includes intangible assets acquired as part of the purchase of Wave Hub Ltd in July 2021.

Parent company

The parent company's net revenue during the second quarter amounted to 4.3 (1.0) MSEK and the result for the period was -30.3 (-17.2) MSEK. The net revenue for the period January to June amounted to 11.5 (12.6) MSEK and the result for the period was -40.2 (-16.6) MSEK. The cash balance per June 30 amounted to 199.1 (374.2) MSEK. The total assets at the same date amounted to 336.6 (399.5) MSEK.

OTHER FINANCIAL INFORMATION

Organisation

The group had 33 (26) employees at the end of the reporting period.

Significant events in reporting period

In January 2022, the Italian company AvenHexicon SRL, which Hexicon owns 50-50 together with Avapa Energy, was incorporated. The purpose of the company is to develop floating wind power projects in Italy. As a recipient of the EU Green Deal, Italy has initiated regulatory changes to develop offshore wind power in the country. In addition, the partnership means Hexicon will license its patented technology in Italy to AvenHexicon.

In February 2022, Hexicon's wholly-owned subsidiary TwinWay AS was incorporated in Norway.

In April 2022, a Greek company, Hexicon Power SA, 50 % owned by Hexicon was incorporated. Hexicon will together with the local partner EAMAA establish presence in Greece where a new framework for offshore wind is expected this year.

In April 2022, a Portuguese entity 100 % held by Hexicon's Spanish subsidiary Wunder Hexicon SL was founded. Hexicon Madeira will engage in project development activities in Portugal.

Hexicon's AGM was held on May 12, 2022, where it was resolved to launch a long-term incentive programme for employees and consultants by way of a directed issue of no more than 10,500,000 warrants. The warrant programme is described in detail on the company's website www.hexicongroup.com.

Hexicon group

Hexicon AB is the parent company and the following subsidiaries are fully consolidated in the group accounts, Sweden: Freja Offshore AB, Dounreay Holding AB, USA: Hexicon USA LLC, UK: TwinHub Ltd, Wave Hub Ltd, Hexicon Developments UK Ltd, Highland Floating Winds Ltd, Norway: TwinWay AS, Spain: Wunder Hexicon SL, Portugal: Hexicon Madeira. Profit shares from the following joint ventures and related companies are recognised in the group's income statement, South Korea: Hexicon Korea, CO Ltd, Sweden: Freja Offshore AB, Italy: AvenHexicon SRL, South Africa: GenesisHexicon

Pty, Greece: Hexicon Power, UK: Wave Hub Grid Connection Ltd.

Risks and uncertainty factors

The company's generation 2 platform is being tested. There are risks related to the development pace and competitiveness of the technology. There are also risks connected to the company's dependence on key employees and partnerships. Lastly, as the company is not yet profitable it is dependent on external financing, a dependency that increase with the higher level of activity across many markets. The extrapolation of current spending levels shows that further capitalization may be required during the coming 12-month period.

Related party transactions

A member of the management team is an external consultant and has been paid remuneration of 1.3 (2.0) MSEK during the period January-June, including expenses of 0.1 (0.2) MSEK.

Significant events after the reporting period

On July 7, 2022, the UK Government confirmed that Hexicon's TwinHub project in the Celtic Sea was successful in the latest Contracts for Difference (CfD) Allocation Round (AR4). The CfD award triggered settlement of a contingent consideration of 1.0 MGBP (12.4 MSEK) following the acquisition of Wave Hub Ltd, see note 6.

In August 2022, Hexicon increased its ownership in the South Korean project entity MunmuBaram Co Ltd and Hexicon AB is now the shareholder of 20 % of the project company. The stake was previously held by Hexicon's JV Hexicon Korea Co Ltd (49 % owned by Hexicon AB) corresponding to an indirect ownership before the transaction of just below 10 %.

Parent company

Significant events in the parent company during the period are the same as for the group except for the formation of Hexicon Madeira which is held by the Spanish subsidiary Wunder Hexicon SL. The risks and uncertainty factors are the same in the parent company as for the group.

Group income statement in summary

	2022	2021	2022	2021	2021
MSEK	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net revenue	2.8	1.0	8.5	12.6	23.1
Other operating income	1.6	0.0	2.5	0.0	3.1
Capitalised development	8.0	6.3	18.7	6.5	41.9
Raw materials and consumables	-	0.0	-	-0.1	-0.1
Other external expenses	-27.1	-18.0	-47.0	-25.4	-81.4
Personnel costs	-11.2	-6.7	-20.7	-11.8	-27.1
Depreciation/amortisation and impairments	-10.2	-0.1	-13.0	-0.3	-4.1
Other operating expenses	0.2	-0.2	-0.0	-0.3	-0.7
Result from share in associated companies	-8.1	-4.4	-12.4	-4.7	-4.5
Operating profit/(loss)	-44.0	-22.1	-63.4	-23.5	-49.8
Net financial income/(expenses)	-0.5	-0.1	0.5	1.2	-1.2
Profit/(loss) before tax	-44.5	-22.2	-62.9	-22.3	-51.0
Tax	0.1	-	0.3	-	0.1
Profit/(loss) for the period	-44.4	-22.2	-62.6	-22.3	-50.9
Profit/ (loss) for the period attributable to:					
Equity holder of the parent company	-42.3	-22.2	-60.2	-22.3	-50.8
Non-controlling interests	-2.1	-0.0	-2.4	-0.0	-0.1

Group statement of comprehensive income

	2022	2021	2022	2021	2021
MSEK	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Profit/(loss) for the period	-44.4	-22.2	-62.6	-22.3	-50.9
OTHER COMPREHENSIVE INCOME					
Items that are or may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	-0.7	0.0	-0.6	-0.0	-0.2
Other comprehensive income for the period	-0.7	0.0	-0.6	-0.0	-0.2
Total comprehensive income for the period	-45.1	-22.2	-63.2	-22.3	-51.1
Total comprehensive income for the period attributable to:					
Equity holder of the parent company	-43.0	-22.2	-60.8	-22.3	-51.0
Non-controlling interests	-2.1	-0.0	-2.4	-0.0	-0.1
Earnings per share basic and diluted (SEK)	-0.12	-0.08	-0.17	-0.08	-0.16

Group balance sheet in summary

MSEK	2022-06-30	2021-06-30	2021-12-31
ASSETS			
<i>Non-current assets</i>			
Intangible assets	97.2	20.8	84.5
Tangible assets	58.8	-	48.6
Right of use assets	11.9	-	-
Participations in associated companies	12.1	0.0	6.1
Non-current financial assets	1.7	0.1	0.1
Total non-current assets	181.7	20.9	139.3
<i>Current assets</i>			
Other current assets	6.2	7.3	3.3
Cash & cash equivalent	203.5	374.2	289.6
Total current assets	209.7	381.5	292.9
Total assets	391.4	402.4	432.2
EQUITY AND LIABILITIES			
Share capital	3.6	3.6	3.6
Additional paid-in capital	540.5	536.4	540.5
Reserves	-0.7	0.1	-0.2
Retained earnings including profit/(loss) for the period	-281.4	-192.8	-221.2
Equity attributable to equity holders of the parent company	262.0	347.3	322.7
Non-controlling interest	-2.3	0.2	0.1
Total equity	259.7	347.5	322.8
NON-CURRENT LIABILITIES			
Provisions	31.9	5.1	31.4
Deferred tax liabilities	4.2	-	4.4
Non-current interest-bearing liabilities	-	0.4	0.4
Non-current lease liabilities	8.3	-	-
Other non-current liabilities	30.0	-	30.7
Total non-current liabilities	74.4	5.5	66.9
CURRENT LIABILITIES			
Current interest-bearing liabilities	0.1	-	1.5
Accounts payable	10.9	7.2	6.9
Other current liabilities	24.9	4.2	16.1
Accrued expenses and deferred income	21.4	38.0	18.0
Total current liabilities	57.3	49.4	42.5
Total equity and liabilities	391.4	402.4	432.2

Group report on changes in equity in summary

	2022	2021	2022	2021	2021
MSEK	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Opening balance equity attributable to equity holders of the parent company	305.0	102.0	322.8	91.9	91.9
<i>Total result for the period</i>					
Income/(loss) for the period	-42.3	-22.2	-60.2	-22.3	-50.8
Other comprehensive income/(loss)	-0.7	0.0	-0.6	-0.0	-0.2
Total comprehensive income/(loss) for the period	-43.0	-22.2	-60.8	-22.3	-51.0
TRANSACTIONS WITH OWNERS					
New share issue	-	300.0	-	300.0	303.8
Cost attributable to new share issue	-	-32.7	-	-32.7	-32.4
Exercise of warrants	-	-	-	8.1	8.1
Issue of subscription warrants	-	0.2	-	2.3	2.3
Total transactions with owners	-	267.5	-	277.7	281.8
Closing balance equity attributable to equity holders of the parent company	262.0	347.3	262.0	347.3	322.7
Opening balance equity attributable to non-controlling interests	-0.2	-	0.1	-	-
Total comprehensive income/ (loss) for the period	-2.1	-0.0	-2.4	-0.0	-0.1
Non-controlling interest from business combinations	-	0.2	-	0.2	0.2
Closing balance equity attributable to non-controlling interests	-2.3	0.2	-2.3	0.2	0.1

Group cash flow statement in summary

	2022	2021	2022	2021	2021
MSEK	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
OPERATING ACTIVITIES					
Operating profit/(loss)	-44.0	-22.1	-63.4	-23.5	-49.8
Adjustment for non-cash-items	18.3	4.5	25.4	5.2	7.2
Interest received	-	-	0.0	0.0	0.0
Interest paid	-0.2	0.0	-0.5	-0.0	-0.2
Income tax paid	-	-	-	-3.9	-3.9
Cash flow from operating activities before changes in working capital	-25.9	-17.6	-38.5	-22.2	-46.7
Increase (-)/Decrease (+) of operating receivables	-14.0	-2.3	-21.4	-3.1	-7.9
Increase (+)/Decrease (-) of operating payables	12.4	35.4	10.6	26.2	1.7
Cash flow from operating activities	-27.5	15.5	-49.3	0.9	-52.9
INVESTMENT ACTIVITIES					
Acquisition of intangible assets	-8.4	-8.5	-19.4	-11.4	-39.5
Other investments	-13.1	0.1	-14.9	0.1	-8.5
Cash flow from investment activities	-21.5	-8.4	-34.3	-11.3	-48.0
FINANCING ACTIVITIES					
New share issue	-	300.0	-	300.0	303.8
Cost attributable to new share issue	-	-32.7	-	-32.7	-32.4
Received premiums and exercised warrants	-	0.2	-	10.5	10.5
Borrowings	-	-	-	-	1.5
Other financing items	-0.6	-	-2.6	-0.3	-0.3
Cash flow from financing activities	-0.6	267.5	-2.6	277.5	283.1
Cash flow for the period	-49.6	274.6	-86.2	267.1	182.2
Cash at the beginning of the period	253.0	99.7	289.6	106.6	106.6
Exchange-rate difference in cash	0.1	-0.1	0.1	0.5	0.8
Cash at the end of the period	203.5	374.2	203.5	374.2	289.6

Parent company income statement in summary

	2022	2021	2022	2021	2021
MSEK	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net revenue	4.3	1.0	11.5	12.6	24.1
Capitalised development	-0.0	6.3	6.3	6.5	17.2
Other operating income	0.6	0.0	0.6	0.0	0.8
Raw materials and necessities	-	0.0	-	-0.1	-0.1
Other external expenses	-20.7	-17.5	-36.2	-25.0	-54.0
Personnel costs	-8.3	-6.7	-16.0	-11.8	-24.8
Depreciation/amortisation and impairments	-0.0	-	-0.0	-0.0	-0.0
Other operating expenses	0.2	-0.2	-	-0.3	-0.7
Operating profit/(loss)	-23.9	-17.1	-33.8	-18.1	-37.5
Net financial income/(expenses)	-6.4	-0.1	-6.4	1.5	10.3
Profit/(loss) before tax	-30.3	-17.2	-40.2	-16.6	-27.2
Appropriations	-	-	-	-	-8.8
Tax	-	-	-	-	-
Profit/(loss) for the period	-30.3	-17.2	-40.2	-16.6	-36.0

Parent company statement of comprehensive income

	2022	2021	2022	2021	2021
MSEK	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Profit/(loss) for the period	-30.3	-17.2	-40.2	-16.6	-36.0
OTHER COMPREHENSIVE INCOME					
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-30.3	-17.2	-40.2	-16.6	-36.0

Parent company balance sheet in summary

MSEK	2022-06-30	2021-06-30	2021-12-31
ASSETS			
Non-current assets			
Intangible assets	27.1	12.4	20.9
Fixed assets	15.0	-	1.9
Non-current financial assets	41.8	3.8	21.7
Total non-current assets	83.9	16.2	44.5
Current assets			
Current receivables			
Other current receivables	53.6	9.1	36.1
Total current receivables	53.6	9.1	36.1
Cash and cash equivalents	199.1	374.2	287.3
Total current assets	252.7	383.3	323.4
TOTAL ASSETS	336.6	399.5	367.9
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	3.6	3.6	3.6
Restricted equity for development expenses	27.1	5.3	20.9
Non-restricted equity			
Share premium reserve	538.1	534.0	538.1
Retained earnings	-230.6	-172.7	-188.3
Profit/(loss) for the period	-40.3	-16.6	-36.0
Total equity	297.9	353.6	338.3
CURRENT LIABILITIES			
Accounts payables	6.7	3.7	4.5
Other current liabilities	17.6	4.7	14.4
Accrued expenses and deferred income	14.4	37.5	10.7
Total current liabilities	38.7	45.9	29.6
TOTAL EQUITY AND LIABILITIES	336.6	399.5	367.9

NOTES

Note 1: Accounting principles

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and in applicable parts in accordance with Swedish Annual Accounts Act (ÅRL). The interim financial statement for the parent company has been prepared in accordance with Swedish Annual Accounts Act (ÅRL), chapter 9, Interim Financial Reporting. The group's and the parent company's accounting principles and basis of computations are unchanged compared to the latest annual report.

Information applicable to IAS 34.16A§ is disclosed in all parts of the report, in addition to the financial reports and the supporting notes.

Note 2: Estimates and assumptions

The preparation of the financial reports in accordance with IFRS requires estimates and assumptions from the management that effect the accounting principles and the recorded amount of assets, liabilities, revenue, and expenses. The actual value can differ from these estimates and assumptions. The critical assessments and the cause of uncertainty in the estimates are the same as in the latest annual report.

Note 3: Operating segment

Operating segment is reported in a corresponding method as in the internal reporting to the chief The operating decision-maker (CODM). Hexicon's CEO is the CODM for the group. The company has identified an operating segment that constitutes the business. assessment is based on the basis that the business is regularly reviewed by the management to support decisions on allocation of resources and evaluation of its result. The CODM is the function responsible for allocation of resources and evaluation of the operating segment's result.

Note 4: Distribution of revenue

The group generates revenue primarily through project divestments and project development services.

Group	2022	2021	2022	2021	2021
MSEK	Apr- Jun	Apr- Jun	Jan- Jun	Jan- Jun	Jan- Dec
Net revenue					
Services	2.8	1.0	8.5	1.2	11.7
Project rights	-	-	-	11.4	11.4
Total net revenue	2.8	1.0	8.5	12.6	23.1
Allocation per market					
Sweden	2.5	-	8.1	-	6.2
Rest of Europe	-	0.9	-	12.4	16.5
Asia	0.3	0.1	0.4	0.2	0.4
Allocation per point in time					
Recognised at one point in time	-	-	-	11.4	11.4
Recognised over time	2.8	1.0	8.5	1.2	11.7

Note 5: Capitalised development expenses

The group capitalised 8.0 (6.3) MSEK development expenses during the second quarter out of which 8.0 was external expenses. The increase is mainly due to progress in the English TwinHub project. Other external expenses amounted to 27.1 (18.0) MSEK during the second quarter and 22.8 MSEK is explained by expenses related to the different projects including the demonstrator.

NOTES

Note 6: Fair value of financial assets and liabilities

The carrying amount is considered to be a reasonable estimate of the fair value of all financial assets and liabilities. The items that have been measured at fair value are an unlisted shareholding and contingent considerations. All instruments are categorised as Level 3 in the fair value hierarchy.

For the unlisted shareholding, the cost constitutes a reasonable approximation of the fair value on the balance sheet date and current inputs provided by the managing company.

The contingent considerations have been measured as the present value of the amounts that the group is expected to pay in accordance with the agreement for the acquisition of Wave Hub Ltd. The acquisition included two contingent considerations of 12.4 MSEK (1.0 MGBP) each, pending Wave Hub being granted support from the UK subsidy scheme Contract for Difference (CfD) and the project achieving a Final Investment Decision (FID) respectively. The two

contingent considerations will not be paid if these milestones are not reached. The fair value of the two contingent considerations at the acquisition date was 22.8 MSEK, calculated using an internal interest rate of 8.9% and cost of capital of 5.4%. An increase or decrease in the cost of capital of +/- 1% to 6.4% and 4.4% would have resulted in conditional consideration of 22.5 MSEK and 23.0 MSEK respectively. The opening balance for 2022 of the two contingent considerations was 23.5 MSEK and the closing balance in June 2022 was 24.5 MSEK. The change during the period consisted of booked interest of 0.5 MSEK and currency fluctuations between SEK and GBP of 0.5 MSEK.

Note 7: Depreciations, amortisations and impairments

The group's depreciations/amortisations and impairments was 10.2 (0.1) MSEK during the second quarter. The group management assesses on an ongoing basis indications of impairments and in that case conducts an impairment test. During the second quarter, there was a write-down of 7.1 MSEK related to non-core development activities in Iberia.

Note 8: Group key performance indicators

	2022	2021	2022	2021	2021
MSEK	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net revenue	2.8	1.0	8.5	12.6	23.1
Operating profit/(loss)	-44.0	-22.1	-63.4	-23.5	-49.8
Profit/(loss) before tax for the period	-44.5	-22.2	-62.9	-22.3	-51.0
Earnings per share basic and diluted (SEK)	-0.12	-0.08	-0.17	-0.08	-0.16
Cash flow from operating activities	-27.5	15.5	-49.3	0.9	-52.9
			2022-06-30	2021-06-30	2021-12-31
Equity at the end of the period			259.7	347.5	322.8
Equity/asset ratio at the end of the period (%) ¹⁾			66%	86%	75%
Cash at the end of the period			203.5	374.2	289.6

¹⁾ Equity/total assets at the end of the period

For definitions of key performance indicators, see Note 40 in the 2021 Annual Report.

Note 8: Number of shares

There were 363,802,686 registered shares at the end of the period and on average during the quarter.

SIGNATURES

Hans von Uthmann
Chairman

Mia Batljan
Board member

Bjarne Borg
Board member

Vivianne Holm
Board member

Mats Jansson
Board member

Lars Martinsson
Board member

Marcus Thor
CEO

Stockholm 2022-08-18

FINANCIAL CALENDAR

2022-11-09	Q3 2022 report
2023-02-23	Q4 2022 report
2023-04-06	2022 Annual report
2023-04-27	Q1 2023 report
2023-08-17	Q2 2023 report
2023-10-26	Q3 2023 report

This report includes information that Hexicon is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the CEO, at 2022-08-18 08:00 CET.

This report has not been reviewed by Hexicon's auditors.

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