

# Invitation to acquire shares in Hexicon AB

Sole Global Coordinator and Joint Bookrunner

Joint Bookrunner



Retail Manager



Nasdaq First North Premier Growth Market is an alternative marketplace operated by the various exchanges within the Nasdaq Group. Companies on Nasdaq First North Premier Growth Market are not subject to the same rules as companies on the regulated main market. Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on Nasdaq First North Premier Growth Market may therefore be higher than investing in a company on a regulated market. All companies with shares traded on Nasdaq First North Premier Growth Market have a Certified Adviser who monitors that the rules are followed. The exchange approves the application for admission to trading. Hexicon AB has appointed FNCA Sweden AB as Certified Adviser.

The Prospectus is valid for up to 12 months from the date of the approval. The obligation to publish a supplement to the Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid, and Hexicon AB will only create a supplement to the Prospectus when required by the provisions of the Prospectus Regulation.

## IMPORTANT INFORMATION

This prospectus (the “Prospectus”) has been prepared in connection with the offering to the general public in Sweden and to institutional investors in Sweden and abroad (the “Offering”) of shares in Hexicon AB, a Swedish public limited liability company (the “Company”, “Hexicon” or the “Group”), in connection with the listing of the Company’s shares on Nasdaq First North Premier Growth Market in Stockholm (“Nasdaq First North Premier”). “Sole Global Coordinator” refers to Pareto Securities AB (“Pareto Securities”). “Joint Bookrunners” refers to Pareto Securities and SpareBank 1 Markets AS (“SpareBank 1 Markets”). For the meaning of the defined terms used in the Prospectus, please refer to section “Definitions”. The Prospectus has been prepared in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council (the “Prospectus Regulation”). The Prospectus is an English translation of the Swedish prospectus that has been approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the “SFSA”), which is the competent authority in accordance with the Prospectus Regulation. The SFSA approves the Prospectus only to the extent that it meets the requirements for completeness, comprehensibility and consistency as specified in the Prospectus Regulation. This approval should not be regarded as any kind of support for the issuer or for the quality of the securities referred to in the Prospectus.

The Prospectus is available in electronic form on the Company’s website ([www.hexicon.eu](http://www.hexicon.eu)), Pareto Securities website ([www.paretosec.com](http://www.paretosec.com)), SpareBank 1 Markets website ([www.sblmarkets.no](http://www.sblmarkets.no)) and will also be available on the SFSA’s website ([www.fi.se](http://www.fi.se)). Information on the Company’s website does not constitute part of the Prospectus unless this information is incorporated by reference into the Prospectus.

Any dispute arising from this Prospectus, the Offering or other legal matters related thereto shall be settled exclusively by a Swedish court of law and resolved in accordance with Swedish law without reference to any of its choice of law principles. The district court of Stockholm (Sw. Stockholms tingsrätt) shall be the court of first instance. The Prospectus has been made in a Swedish and an English language version. In case of any discrepancy between the Swedish and English language versions of this Prospectus, the Swedish language version shall prevail.

The Offering is not directed to the general public in any jurisdiction other than Sweden. In member countries that are covered by the Prospectus Regulation, except for Sweden – an offering of securities can only be made in accordance with an exception in the Prospectus Regulation. The shares in the Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the “Securities Act”), or with any securities regulatory authority of any state of the United States, and no shares in the Company may be offered, subscribed for, sold or transferred, directly or indirectly, to or within the United States, except pursuant to applicable exemptions from the registration requirements of the U.S. Securities Act of 1933 (in accordance with its most recent wording). Further, the Offering is not directed to investors in Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa or any other jurisdiction where participation would require additional prospectuses, registrations or measures other than those prescribed by Swedish law. The Prospectus, the application form and/or other documents related to the Offering may not be distributed in or to any jurisdiction where the Offering requires action as set out above or would contravene applicable law. Applications to acquire shares in the Company that violate such rules may be deemed invalid. Persons into whose possession the Prospectus comes are required to inform themselves about, and to observe, such restrictions. Action in violation of such restrictions may constitute a violation of applicable securities law.

An investment in the Company’s shares is associated with certain risks; please refer in particular to section “Risk factors”. In making a decision to invest in the Company’s shares, an investor must rely on his or her own assessment of the Company, the Group and the terms of the Offering, including the merits and risks involved, relying solely on the information contained in this Prospectus (and in any supplements to the Prospectus). Neither the publication nor the distribution of the Prospectus does mean that the information contained in the Prospectus is up to date as of any time after the date of this Prospectus, or that the Company’s business, results or financial position has remained unchanged after this date. In the event that there have been any material changes to the information contained in this Prospectus during the period after the Prospectus has been approved by the SFSA, such changes will be made public in accordance with applicable laws and regulations.

No person is or has been authorised by the Company to give any information or to make any representation or warranty on behalf of the Company in connection with the Offering other than contained in this Prospectus and, if given or made, such information, representation or warranty may not be relied upon as having been authorised by the Company and the Company accepts no liability with respect to any such information, representation or warranty. Further, no representation or warranty, expressed or implied, is made by any member of the board of directors of the Company or anybody else, except for what follows from applicable law and regulations, as to the correctness and/or completeness of any of the information contained in this Prospectus.

### Information for investors in the United States

No shares issued by Hexicon have been registered or will be registered under the Securities Act or securities law in any state or jurisdiction of the United States and may not be offered, subscribed for, exercised, pledged, sold, resold, assigned, delivered or transferred, directly or indirectly, in or to the United States, except in accordance with any applicable exception to, or in a transaction not covered by, the Securities Act registration requirements and in accordance with the securities laws of the relevant state or other jurisdiction in the United States. The shares are offered outside the United States with the support of Regulation S of the Securities Act. No offer will be made to the public in the United States. Any offer of securities in the United States will only be made in accordance with an exception to, or in a transaction not covered by, the registration requirements of the Securities Act to a limited number of existing shareholders who (i) are qualified institutional buyers as defined in Rule 144A in the Securities Act, and (ii) has signed and sent a so-called investor letter to Hexicon. Recipients of the Prospectus are hereby notified that Hexicon may rely on an exception to the registration requirements under Section 5 of the Securities Act. Up to 40 days after the start of the Offering, an offer or transfer of securities in the United States conducted by a securities broker (whether or not participating in the Offering) may violate the registration requirements of the Securities Act. The securities have neither been approved nor rejected by the US Securities and Exchange Commission (SEC), any state securities authority, or any other US authority. Nor has any such authority assessed or commented on the Offering under this Prospectus or the accuracy and reliability of this document. Claiming the opposite is a criminal offense in the United States.

### Forward-looking statements and business and market data

The Prospectus contains certain forward-looking statements that reflect the Company’s current view of future events and financial and operational results. Such forward-looking statements are associated with both known and unknown risks and circumstances beyond the Company’s control. All statements in this Prospectus except statements about historical or current facts or circumstances are forward-looking statements. Forward-looking statements are made in several sections of the Prospectus and can be identified by the use of terms and expressions such as “believes”, “estimates”, “anticipates”, “expects”, “assumes”, “forecasts”, “intends”, “could”, “will”, “should”, “would”, “according to estimates”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “to the knowledge of” or inflections of such expressions or similar expressions. The section “Risk Factors” contains a description of some, but not all, factors that may cause the Company’s future earnings and development to differ materially from what is expressed or implied in any forward-looking statement.

Forward-looking statements only apply as of the date of this Prospectus. The Company has no intention or obligation to publish updated forward-looking statements or other information in this Prospectus based on new information, future events etc. except what is required by applicable law and regulations.

The Prospectus includes industry and market data pertaining to the Group’s business and markets and its position in relation to its competitors which may be based on information from third parties as well as the Company’s estimates based on information from third parties. Such third party information has been reproduced correctly and, to the extent that the Company knows and can ascertain from information published by the third party from which the information was obtained, no factual circumstances have been omitted that would render the information reproduced incorrect or misleading. However, the Company has not independently verified the accuracy or completeness of any third party information and therefore the Company cannot guarantee its accuracy or completeness.

### Presentation of financial information

Some amounts and percentages stated in the Prospectus have been rounded off and may therefore not always correctly add up. Other than expressly stated, no information in the Prospectus has been examined or audited by the Company’s auditors.

### Stabilisation

In connection with the Offering and the listing on Nasdaq First North Premier, Pareto Securities may, in its capacity of Sole Global Coordinator and behalf of Joint Bookrunners, participate in transactions that stabilise, maintain or otherwise affect the price of the shares in order to keep the market price of the shares at levels above those which might otherwise prevail in the open market. For more information regarding the stabilisation measures, please refer to section “Legal considerations and supplementary information” under “Stabilisation”.



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*The Prospectus is an English translation of the Swedish prospectus that has been approved by the SFSA, which is the competent authority in accordance with the regulation (EU) 2017/1129 ("Prospectus Regulation"). The SFSA approves the Prospectus only to the extent that it meets the requirements for completeness, comprehensibility and consistency as specified in the Prospectus Regulation. This approval should not be regarded as any kind of support for the issuer or for the quality of the securities referred to in the Prospectus. Before making an investment decision, potential investors should engage their own professional advisers and carefully evaluate and consider the investment decision.*

## SUMMARY OF THE OFFERING

Offering price:	SEK 3.00 per share
Application period for the general public in Sweden:	11 June – 16 June 2021
Application period for institutional investors:	11 June – 17 June 2021
Preliminary first day of trading on Nasdaq First North Premier:	18 June 2021
Planned settlement date:	22 June 2021

## INFORMATION ABOUT THE SHARE

Ticker symbol Nasdaq First North Premier	HEXI
ISIN-code:	SE0004898799

## FINANCIAL CALENDAR

Annual General Meeting 2021	3 May 2021
Interim report for the period April-June 2021 (Q2)	17 August 2021
Interim report for the period July-September 2021 (Q3)	16 November 2021

# Summary

## INTRODUCTION AND WARNINGS

<b>Instruments</b>	The Offering refers to new shares in Hexicon AB (publ) with ISIN code SE0004898799. The share's short name (ticker) will be HEXI.
<b>Identity and contact information for the issuer</b>	<p>Registered name: Hexicon AB (publ)</p> <p>Reg. no.: 556795-9894</p> <p>LEI-code: LEI: 9845007784687FEF7569</p> <p>Address: Tegelbacken 4A 111 52 Stockholm Sweden</p> <p>Telephone number: +46 (0)76-236 73 98</p> <p>www.hexicon.eu</p>
<b>Competent authority</b>	<p>The Prospectus is an English translation of the Swedish prospectus that has been approved by the SFSA, which is the competent authority. The SFSA's postal address is P.O. Box 7821, 103 97 Stockholm, Sweden, visiting address Brunnsgatan 3, 111 38 Stockholm, Sweden.</p> <p>Telephone number: +46 (0)8 408 980 00</p> <p>Website: (www).fi.se.</p>
<b>Approval date of the prospectus</b>	10 June 2021
<b>Warnings</b>	<p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on an assessment of the Prospectus in its entirety by the investor.</p> <p>An investor may lose all or part of the invested capital.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor may, under domestic law have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability can only be imposed on the persons presenting the summary including any translation thereof, but only to the extent the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not, together with the other parts of the Prospectus, provide key information in order to help investors when considering whether to invest in such securities.</p>

## KEY INFORMATION ON THE ISSUER

### Who is issuer of the securities?

#### The issuer's domicile, legal form, and legislation

The Company is a Swedish public limited liability company with its registered office in Stockholm, Sweden. The Company was founded in 2009 and was registered at the Swedish Companies Registration Office the same year. The Company has been incorporated in Sweden and conducts operations in accordance with Swedish law. The Company's form of association is governed by the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)). The Company's LEI-code is 9845007784687FEF7569.

#### Principal activities of the issuer

Hexicon's is a developer of offshore floating wind farms and develops its own technology for floating platforms with two turbines with inclined towers anchored to the seabed. Hexicon's solution increases the energy capacity for a given water area and at the same time reduces the number of platforms and cabling and thus streamlines electricity production and reduces costs. At the date of this Prospectus, the Company conducts three projects in parallel, in Sweden, South Korea and Scotland, and has in addition initiated several opportunities in other countries which however all are at an earlier stage of development.

#### Major shareholders of the issuer

The table below shows the Company's 19 largest shareholders. As of the date of publication of the Prospectus, as far as the Company is aware, there is no direct or indirect ownership that leads to control of the Company.

Name	Total number of shares and votes	Share of capital and votes
Gulfstream Investment Group LLC.	32,698,852	12.5%
Gamla Livförsäkringsaktiebolaget SEB Trygg Liv	20,916,189	8.0%
Ilija Batljan*	14,124,293	5.4%
Back In Black Capital Limited	11,711,532	4.5%
Nordnet Bank AB	9,940,472	3.8%
Björn Segerblom	9,889,191	3.8%
Arne Almerfors	9,574,787	3.6%
Index Equity Sweden AB	9,244,068	3.5%
Lars Thunell**	6,532,277	2.5%
Futur Pension Försäkringsaktiebolag	5,838,719	2.2%
Henrik Baltscheffsky***	4,923,566	1.9%
M.G.A. Holding AB	4,672,812	1.8%
Clearstrem Banking S.A.	4,095,000	1.6%
B.H. Blinko Ltd.	3,881,756	1.5%
TAZ Investments Corporation Ltd.	3,879,513	1.5%
Wallenius Marine AB	3,079,947	1.2%
Peter M. Anker ****	3,060,500	1.2 %
SEB AB, Luxembourg Branch	2,824,858	1.1%
Dag Landvik	2,823,289	1.1%
<b>In total</b>	<b>163,711,621</b>	<b>62.4%</b>

\* Ilija Batljan via owned companies (Ilija Batljan Invest AB (publ))

\*\* Lars Thunell via owned companies (LHT Invest AB)

\*\*\* Henrik Baltscheffsky via owned companies (Broad Leisure Events Stockholm AB)

\*\*\*\* Peter M. Anker via owned companies (Langebru AS)

The ownership shown in the table above includes individual holdings, holdings of spouse/cohabitant partners, siblings or relatives in the direct ascending or descending line as well as legal entity where the person has a controlling influence of the Company.

#### Board of directors, senior management and auditors

The Company's board of directors consists of Arne Almerfors (chairman of the board), Peter M. Anker, Mia Batljan, Bjarne Borg, Vivianne Holm, Mats Jansson and Björn Segerblom.

The Company's senior management consist of Marcus Thor (CEO) Sebastian Robson (CFO), Niklas Hummel (CTO), Henrik Baltscheffsky (head of business development) and James Brown (head of operations in North Atlantic).

At the annual general meeting held in 2021 it was resolved to re-elect KPMG as auditor of the Company, with Fredrik Wollmann as auditor in charge. Fredrik Wollman is an authorized auditor and member of FAR (professional institute for authorized public accountants, approved public accountants, and other advisers in Sweden).

**Key financial  
information  
regarding the issuer**
**Consolidated income statement in brief**

TSEK	1 January – 31 December			1 January – 31 March	
	2020 <sup>1</sup>	2019 <sup>2</sup>	2018 <sup>3</sup>	2021	2020
Net revenue	4,357	9,846	–	11,535	1,030
Operating profit	–35,905	–6,962	11,189	–1,396	–4,242
The result for the period	–36,939	–7,976	7,306	–37	–4,515
Earnings per share (SEK)	–0.19	–0.05	–	0.00	–0.03

<sup>1</sup> Retrieved from the Group's audited consolidated financial statements for the financial years ended 31 December 2020 and 2019 prepared in accordance with IFRS.

<sup>2</sup> Retrieved from the Group's audited consolidated financial statements for the financial years ended 31 December 2020 and 2019 prepared in accordance with IFRS.

<sup>3</sup> Retrieved from the parent company's financial reports included in the parent company's annual report for the financial year ended 31 December 2018 prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the recommendation issued by the Swedish Accounting Standards Board (BFNAR) 2012:1 Annual Report and consolidated accounts] ("K3").

**Consolidated balance sheet in brief**

TSEK	1 January – 31 December			1 January – 31 March	
	2020 <sup>4</sup>	2019 <sup>5</sup>	2018 <sup>6</sup>	2021	2020
Total assets	117,902	28,347	24,362	114,029	24,116
Total equity	91,851	4,788	8,176	102,038	254

<sup>4</sup> Retrieved from the Group's audited consolidated financial statements for the financial years ended 31 December 2020 and 2019 prepared in accordance with IFRS.

<sup>5</sup> Retrieved from the Group's audited consolidated financial statements for the financial years ended 31 December 2020 and 2019 prepared in accordance with IFRS.

<sup>6</sup> Retrieved from the parent company's financial reports included in the parent company's annual report for the financial year ended 31 December 2018 prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the recommendation issued by the Swedish Accounting Standards Board (BFNAR) 2012:1 Annual Report and consolidated accounts] ("K3").

**Consolidated cash flow analysis in brief**

TSEK	1 January – 31 December			1 January – 31 March	
	2020 <sup>7</sup>	2019 <sup>8</sup>	2018 <sup>9</sup>	2021	2020
Cash flow from operating activities	–3,380	–16,592	–13,727	–14,708	–1,267
Cash flow from investing activities	–5,102	–2,740	–1,042	–2,871	–306
Cash flow from financing activities	114,499	16,877	17,573	10,049	2,595

<sup>7</sup> Retrieved from the Group's audited consolidated financial statements for the financial years ended 31 December 2020 and 2019 prepared in accordance with IFRS.

<sup>8</sup> Retrieved from the Group's audited consolidated financial statements for the financial years ended 31 December 2020 and 2019 prepared in accordance with IFRS.

<sup>9</sup> Retrieved from Hexicon's (the parent company's) audited cash flow analysis for the financial year ended 2018 and the pertaining auditor's report prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the recommendation issued by the Swedish Accounting Standards Board (BFNAR) 2012:1 Annual Report and consolidated accounts] ("K3").

The auditor's reports for the financial years 2018, 2019 and 2020 contain remarks regarding the Company not paying taxes and social securities fees on time.

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**Key risks that are specific to the issuer**

- Hexicon is dependent on key partnerships and the development of central projects. There is a risk that Hexicon will not succeed in entering into new projects with new or current partners and/or that Hexicon does not succeed with maintaining the existing partnership agreements, which would adversely affect the Company's future operations, the Company's ability to start new projects and thus also the Company's future growth opportunities.
  - Hexicon is subject to risks related to technical development. There is a risk that planned product development requires greater time and investments than expected, or that investments in products or technology does not meet the Company's expectations and assumptions, which could adversely affect the Company's future earnings. Furthermore, the current or future development of products or techniques may also prove to have hidden errors of which its consequences may appear in the future and thereby affect the Company's ongoing operations and financial position.
  - Hexicon operates in a highly competitive industry and the Company's success depends, inter alia, on the Company's ability to stay at the forefront in order to be able to quickly react to current and future market demands. There is a risk that competitors invest in and develop technology as they patent, which would entail the Company not being able to use the technology. Should Hexicon's innovation and digitalisation fall behind, it would have a negative impact on the Company's earnings.
  - Hexicon's operations include, inter alia, construction and operation of offshore wind farms, which requires that the Company obtains necessary permits. There is a risk that the permit process will take longer than expected, which could lead to the Company not being authorised to conduct all or part of the operations for the relevant wind farm, or that a permit would be granted later than expected, which could adversely affect Hexicon's business.
  - The future success of Hexicon is dependent on the Company being able to protect its current and future intellectual property rights. There is a risk that a product or a technology developed by the Company may result in claims from third parties regarding patent infringements, or that existing and/or future patent portfolios and other intellectual property rights held by the Company will not provide the Company with complete commercial protection, which would adversely affect Company's business and financial position.
  - Development of deep offshore wind energy is in general very expensive. There is a risk that the Company cannot raise capital when needed or on satisfactory terms.
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## KEY INFORMATION ON THE SECURITIES

### Key characteristics of the securities

#### Type of security, category and ISIN

The current Offering refers to new shares in Hexicon with ISIN code: SE0004898799. The short name of the share (ticker) will be HEXI. The Company only has one (1) class of shares.

#### The currency of the securities, quota value and quantity

The shares are denominated in Swedish kronor (SEK). As per the date of the publication of the Prospectus the share capital of the Company amounts to SEK 2,625,334.79 divided into 262,533,479 shares, implying a quota value (nominal value) per share of SEK 0.01. All shares are fully paid up. Through the Offering, a maximum of 100,000,000 new shares may be added.

#### Rights attached to the securities

Shareholders are entitled to vote for their full amount of shares and each share provide entitlement to one vote at the shareholders' general meeting. All shares in the Company give an equal right to dividends, a share in the Company's profit and the Company's assets as well as any surplus in the event of a liquidation. The new shares carry the right to dividend for the first time as of the record date for dividends after the shares have been registered with the Swedish Companies Registration Office (Sw. Bolagsverket) and entered in the share register kept by Euroclear Sweden AB. The Company's shares are issued in accordance with Swedish legislation and the rights pertaining to the shares can only be altered by amending the articles of association in accordance with the Swedish Companies Act (2005:551).

#### The relative seniority of the securities in the capital structure of the issuer in case of liquidation

The Company has one (1) class of shares and all share have equal priority in case of insolvency.

#### Transferability of the shares

There are no restrictions on the free transferability of the Company's shares.

#### Dividend policy

The Company's objective is to not pay any dividends for the foreseeable future.

### Where will the securities be traded?

The Company's board of directors intends to apply for the shares to be admitted to trading on Nasdaq First North Premier. Nasdaq First North Premier is an alternative marketplace operated by the various exchanges within the Nasdaq Group. Companies on Nasdaq First North Premier are not subject to the same rules as companies on the regulated main market. Instead, they are subject to a less extensive set of rules and regulations adjusted to smaller growth companies. It is Nasdaq who approves the application for admission to trading. Nasdaq has on 12 May 2021 assessed that the Company complies with the applicable listing requirements, conditional upon that customary conditions are fulfilled, including that the Prospectus is approved by the SFSA including that the distribution requirement regarding the shares is fulfilled no later than on the first day of trading. The first day of trading is expected to be on 18 June 2021. The share will be traded under the short name HEXI.

### What are the key risks that are specific to the securities?

- Since an investment in shares may both increase and decrease in value, there is a risk that an investor will not recover the invested capital.
- There is a risk that active and liquid trading will not develop or, if it develops, that it will not be permanent.
- In order to, inter alia, raise capital or enable corporate acquisitions, the Company may issue additional shares or share related instruments in the future, which may reduce the proportional ownership and share of voting power as well as profit per share for the shareholders in Hexicon.
- There is a risk that the Company may lack sufficient distributable funds henceforth, and there is a risk that the Company's shareholders will decide not to distribute dividends in the future.
- Share acquisition intentions regarding shares in the Offering are not secured and may not be honoured. New investors, existing shareholders, management and members of the board ("the **Anchor Investors**") have, prior to the Offering, expressed interest to acquire shares in the Offering for a value of MSEK 220 in total, which corresponds to a total of approximately 64 per cent of the maximum number of shares in the Offering given the assumption of the Over-allotment Option being exercised in full. The submitted share acquisition intentions by the Anchor Investors are not secured by bank guarantees, blocked funds, pledging or similar arrangements, why there is a risk that the Anchor Investors may not honour these, which might have an adverse impact on completion of the Offering.



## KEY INFORMATION ON THE OFFERING OF SECURITIES

### Under which conditions and timetable may I invest in this security?

#### The Offering

The Offering is directed to the general public in Sweden as well as to institutional investors in Sweden and abroad. The Offering comprises a maximum of 100,000,000 newly issued shares in Hexicon (not taking into account the Over-allotment Option described below).

#### Over-allotment Option

In order to cover any over-allotment in connection with the Offering, the Offering may cover up to a maximum of 15,000,000 additional, newly issued shares, corresponding to a maximum of 15 percent of the total number of shares in the Offering (the “Over-allotment Option”). The Over-allotment Option may be exercised by Pareto Securities in full, or in part, during the 30 calendar days following the first day of trading of the Company’s shares on Nasdaq First North Premier. The price of the shares in the Over-allotment Option will be the same as the Offering price and the Over-allotted shares will be allotted together and simultaneously as the remaining shares in the Offering in order to enable a stabilization of the stock prices following the listing.

#### Offering price

The Offering price has been determined to SEK 3.00 per share. The Offering price is the same for institutional investors and the general public in Sweden. Brokerage commission will not be charged.

#### Application period and application

The application period starts on 11 June 2021 and closes on 16 June 2021 for the general public in Sweden and starts on 11 June 2021 and closes on 17 June 2021 for institutional investors. Application to acquire shares must be for a minimum of 1,700 shares and a maximum of 340,000 shares, in even lots of 100 shares. Application is to be made on a separate application form which can be obtained from the Company or Aktieinvest FK AB. Applications from institutional investors are to be made to Pareto Securities and SpareBank 1 Markets (in accordance with special instructions). Any extension of the application period will be published by the Company through a press release before the end of the application period.

#### Allotment of shares

Decision on allotment of shares in the Offering of shares to the general public in Sweden will be made by the Company’s board of directors in consultation with Pareto Securities and SpareBank 1 Markets, whereby the goal will be to achieve a broad distribution of the shares among the general public, in order to facilitate a regular and liquid trading in the shares on Nasdaq First North Premier.

#### Settlement date

Planned settlement date is on 22 June 2021.

#### Terms and conditions for the completion of the Offering

The Company and Joint Bookrunners intend to enter into an agreement on the placing of shares in the Company around 17 June 2021. The Offering is conditional upon the conclusion of the placing agreement and that certain conditions in the agreement are fulfilled and that the agreement is not terminated, which can be done until the settlement date which is expected to be on 22 June 2021.

#### Dilution following the Offering

Upon full subscription the Offering entails that the number of shares in the Company increases from 262,533,479 shares to 362,533,479 shares, which corresponds to a dilution of approximately 27.6 per cent of the total number of shares and votes in the Company, based on the number of shares in the Company after completion of the Offering. If the Offering is fully subscribed and the Over-allotment Option is exercised in full, the Offering will cover a total of 115,000,000 shares in the Company, corresponding to a dilution of approximately 30.4 per cent of the total number of shares and votes in the Company after completion of the Offering. If the Offering is fully subscribed and the Over-allotment Option is exercised in full, the number of shares in the Company will increase from 262,533,479 shares to 377,533,479 shares.

#### Costs

The Company’s costs attributable to the Offering and the admission of the Company’s shares to trading on Nasdaq First North Premier are estimated to amount to approximately MSEK 34.

### Why is this prospectus being produced?

#### Motives and use of the issue proceeds

In light of Hexicon approaching commercialisation with several projects in the pipeline, is well-financed and is active in key markets for offshore wind power, the Company's board of directors and management believe that now is the right time to broaden the Company's ownership base and apply for a listing on Nasdaq First North Premier.

The Offering covers a new issue of shares which, upon full subscription provides the Company with approximately MSEK 300 before deduction of costs attributable to the Offering, which are estimated to amount to MSEK 34. Accordingly, Hexicon is expected to receive a net-proceed (excluding the Over-allotment Option) of approximately MSEK 266 through the Offering (excluding the Over-allotment Option). If the Over-allotment Option is exercised in full, Hexicon is expected to receive a net-proceed of approximately MSEK 311.

It is the Company's assessment that the existing working capital, as of the date of the Prospectus, is not sufficient for the Company's needs during the next twelve-month period, given the business plan that exists on the date of the Prospectus hence the new issue also is carried out in order to cover the working capital needs. The Company assesses that a loss of working capital will arise in Q2 2022 and the deficit for the next 12-month period is estimated at approximately MSEK 10. If the Offering is not fully-subscribed, despite the submitted share acquisition intentions, the Company will look into alternative financing opportunities or await the intended expansion.

The Company intends to use the first portion of the net proceeds to cover the coming working capital needs of MSEK 10 and the remaining net proceeds to fund project development and new market entries, product development and technology verification. The expected net proceeds will, in the following order of priority and with the approximate percentage share noted within brackets, be used as follows.

1. Project development and new market entries (approximately 40 per cent)
2. Product development (approximately 20 per cent), and
3. Technology verification (approximately 40 per cent).

#### Share acquisition intentions (anchor investors)

Prior to the Offering, new investors, existing shareholders, senior management and members of the board (the "Anchor Investors") have expressed interest to acquire shares in the Offering at a total value of MSEK 220, corresponding to a total of 73 per cent of the shares in the Offering, or a total of 64 per cent of the shares in the Offering, assuming the Over-allotment Option being exercised in full. Ilija Batljan (through Ilija Batljan Invest AB), existing shareholder in the Company, has submitted an expression of interest to acquire shares in the Offering to a value of MSEK 60. The external investor Helikon Investments Ltd. has submitted an expression of interest to acquire shares in the Offering to a value of MSEK 50. Furthermore, the chairman of the board, Arne Almerfors (MSEK 3), the board members Peter Anker (MSEK 7.5) through Langebru AS, Vivianne Holm (MSEK 3), Björn Segerblom (MSEK 3) and Bjarne Borg (SEK 6.5 million through Gulfstream Investment Group LLC.) as well as the member of senior management, James Brown (MSEK 5) have submitted an expression of interest to acquire shares in the Offering.

The Anchor Investors (however not board members or employees in the Company) may come to be especially taken into account in the allotment, but no guarantee of allotment in the Offering is provided. The Anchor Investors do not receive any compensation for their respective submitted acquisition intentions, and to the extent that they are allotted shares, the investments will be made on the same terms as for other investors. The submitted acquisition intentions by the Anchor Investors are not secured by bank guarantees, blocked funds, pledging or similar arrangements.

#### Conflict of interest

Pareto Securities and SpareBank 1 Markets are Joint Bookrunners in the Offering, and provides financial advice and other services to the Company in connection with the Offering and the planned listing on Nasdaq First North Premier. The size of the advisory fee will, in part, be dependent on the outcome of the Offering, why Pareto Securities, SpareBank 1 Markets and its related companies, have an interest in the Offering as such. Pareto Securities, SpareBank 1 Markets, or their related companies may in addition, from time to time, have business relationships with the Company, including lending activities, or perform services for the Company within the day-to-day operations.

# Risk factors

An investment in securities is associated with risk. When assessing Hexicon's future development, it is important to consider the risk factors associated with the Company and its share. These include risks related to Hexicon's operations and industry sector, legal risks, financial risks and risks related to the share and the Offering. Below are described the risk factors that are deemed to be of material importance for the Company's future development. The Company has assessed the risks based on the likelihood that the risks will occur and the expected extent of their adverse effects should they materialise, and where quantification has not been possible, the expected extent of the adverse effects have been graded under the scale (i) significant, (ii) very significant and (iii) highly significant. The risk factors are presented in a limited number of categories, in which the most significant risks according to the Company's assessment as described above are stated first. The description below is based on information available as of the date of the Prospectus.

## BUSINESS AND INDUSTRY RELATED RISKS

### Hexicon is dependent on key partnerships and the development of central projects

Hexicon is to a large extent dependent on the development of the Company's central projects. The Company's most important projects are currently the floating offshore wind power projects in Scotland (the Pentland Floating Wind project) and in South Korea (the Munmu Baram project). The Pentland Floating Wind project (formerly known as the Dounreay Tri project) was initiated in the autumn of 2014 and in 2017 the Company received all necessary permits. In 2020, Hexicon entered into an agreement with Copenhagen Infrastructure Partners ("CIP") regarding the sale of a majority interest in the Pentland Floating Wind project in Scotland. Hexicon and CIP are at present working with the Scottish demonstration site to be put into operation in 2026 according to the current timetable.

In June, CoensHexicon, Shell and and Munmu Baram Co., Ltd, formerly known as TwinWind Development Co., Ltd., (the Korean Project Company) signed a shareholder agreement to regulate CoensHexicon's and Shell's interest in the Korean project company, which is 20 per cent owned by CoensHexicon and per cent owned by Shell. The purpose of the Korean project company is to develop, manufacture, finance, build and operate floating wind farms outside Ulsan in South Korea (the Munmu Baram project). The project is divided into several phases, with a total capacity of 1,400 MW, where each phase will use floating wind power technology (FOW technology). The final investment decision will be made in 2024 and according to the current timetable, the site is planned to be put into operation in 2026.

A large part of the Company's opportunity to develop profitable projects is that the Company maintains a good collaboration with its key partners. As stated above, CIP and Shell are very important partners for the Company. It is crucial for the Company's future operations that Hexicon maintains

these existing partnership agreements and that the result of the respective partnership is satisfactory for both parties.

There is a risk that Hexicon will not succeed in entering into new projects with new or current partners, which would have a negative impact on the Company's ability to start new projects and thus adversely affect the Company's future growth opportunities. Should any of the above-described partners terminate the partnership or should the Company fail to enter into new partnerships, it could have a very significant effect on the Company's ongoing operations and growth opportunities. The Company's assessment is that the probability of the risk occurring, in whole or in part, is low.

### Hexicon is subject to risks related to technical development

Hexicon's technology and the Company's products are continuously developed and improved. The development of the Company's generation 2 platform is still in an early phase. Product development in the wind power industry is complex and it is difficult to predict both time and financial consequences for individual investments. There is a risk that planned product development requires greater time and investment than expected or that investments in products or techniques do not meet the Company's expectations and assumptions, which could adversely affect the Company's future earnings. Furthermore, the current or future development of products or techniques may also prove to have hidden errors, which consequences may appear in the future and thereby affect the Company's ongoing operations and financial position.

There is a risk that the technical development is not going fast enough or that the Company's technical solutions are not competitive, which could have a very significant effect on the Company's future sales and earnings. The Company's assessment is that the probability of the risk occurring, in whole or in part, is medium.

### Risks related to competition

Hexicon operates in a highly competitive industry and the Company's success depends, inter alia, on the Company's ability to be at the forefront in order to be able to react quickly on existing and future market demands. There are several different types of floating offshore wind power solutions, which is why there is technological competition. The Company's ability to run projects on the various markets in the world is also limited. For instance, projects in the US are operated differently (i.e. by auction procedures) which currently entails that the Company primarily assumes the role as a supplier instead of project manager. The American market is thus an example which demonstrates that the Company must adapt to the structures of various markets, which also implies that the Company competes in various manners dependent on the market. Several of the Company's competitors are currently raising capital to enter new markets, and several of the competitors also enter into cooperation and partner agreements with major oil and energy companies. At present, there is a big number of different concepts in floating offshore wind power but only a small number which have come further in its technology development than Hexicon. Being at the forefront of technical development is a key competitive advantage within the Company's industry (see further "Hexicon is subject to risks related to technical development" below). There is a risk that competitors invest in and develop technology as they

patent, which would entail that the Company cannot use the technology. Should Hexicon's innovation and digitalisation fall behind, it would have a negative impact on the Company's earnings. In addition to the competitive risks described above, Hexicon also competes with companies that offer other types of renewable energy, such as hydropower and solar energy. If the Company is unable to compete successfully, it would have a very significant effect on the Company's operations. The Company's assessment is, in light of the Company's operations being continuously exposed to competition, that the overall probability of the aforementioned risks occurring, in whole or in part, is medium.

#### **Wind power operations in some markets are currently dependent on subsidies**

In some countries, wind power operations are currently dependent on subsidies for new investments to be profitable. South Korea and the UK have generous subsidy schemes, while neither Sweden nor Ireland have any specific subsidy schemes for offshore wind power operations. One of the Company's strategies is to enter into markets where subsidies are expected to be in place but do not yet exist. The existence of subsidy schemes in the various geographical markets is primarily governed by political decisions, which are difficult for the Company and the industry to predict. In the event subsidies are introduced in a market in which the Company operates, there is a risk that these will be changed by new political decisions and the conditions for subsidies may be different at any given time. There is a risk that several of the countries which the Company expects to introduce subsidy schemes, do not or do it later than the Company has expected. This would result in a negative effect on the return that a wind power investment may generate and this in turn might affect the market's willingness to invest in offshore wind power and the return as the Company may obtain from divestment of a site. In light of the above, a negative development for the Company within the current subsidy schemes could have a very significant effect on Hexicon's operations and financial position. The Company's assessment is that the probability of the risk occurring in South Korea or in the UK, in whole or in part, is low.

#### **Risks related to variations in energy prices**

Hexicon's profitability will henceforth be dependent on, inter alia, the pricing of the energy that the Company will produce and sell and respectively the wind supply, which are affected by a number of factors beyond the Company's control. The wind supply at wind farms may vary annually and production may vary by up to +/-15 per cent in comparison to a year with a normal wind supply. Furthermore, the market price of electricity varies over time and differs in the various markets in which the Company operates. The Company's business concept is not primarily to operate the wind farms once they are in place, but to divest the whole or parts of them as a project has been completed. A lower wind supply and/or a lower electricity price could have an adverse impact on the willingness to invest in offshore wind power (see further under "Wind power operations in some markets are currently dependent on subsidies"). A lower wind supply and/or a lower electricity price could therefore have a very significant effect on Hexicon's earnings. The Company's assessment is that the overall probability of the above-described risks related to changes in energy prices, in whole or in part, were to materialise is high.

#### **Risks related to key employees**

Hexicon is highly dependent on the knowledge, experience and commitment of senior executives and other key personnel. Hexicon's senior executives have over 30 years of experience in the wind power industry. As of the date of the Prospectus, the Company has 15 full-time employees and four consultants, and the Company is particularly dependent on persons with expertise in the field of engineering and technical development. The Company is also dependent on, as the Company grows, recruiting qualified personnel in order to ensure that all necessary competence and experience are available within the Company.

Should one or more of Hexicon's senior executives or other key personnel leave the Company, or should the Company fail to recruit new employees to the desired extent, it could have a very significant effect on the Company's ongoing operations. The Company assesses the probability of the risk occurring, in whole or in part, to be low.

#### **LEGAL RISKS**

##### **Risks related to delayed permits**

The Company's operations include, inter alia, construction and operation of offshore wind farms, which requires that the Company obtains necessary permits. For the establishment and operation of offshore wind farms in Sweden, it is required, for instance, permits for water activities issued by the Land and Environment Court as well as permits or application regarding environmentally hazardous activities from an environmental permit office depending on the number of wind turbines. Usually, these two considerations are combined into a joint consideration with the Land and Environment Court. In addition, a permit from the Ministry of Enterprise, Energy and Communications is required to lay and operate connecting cables on the continental shelf and a permit from relevant authorities such as the Swedish energy markets inspectorate to be allowed to conduct electricity network operations. Establishment and operation of offshore wind farms in South Korea and Scotland are governed by similar legislation.

At the start of a project, the Company engages local counsels to conduct relevant examinations of the geographical areas of interest. In such an examination, the Company is also given indications linked to whether a permit will be granted or not and whether it is appropriate to continue running the project at the current location or not. In the event the Company has received positive indications from relevant parties, there is a risk that the permit process will take longer than expected, or in the worst case that the Company does not receive the relevant permit. In the Company's project in South Korea, the permit process took about a year due to negotiations with fishermen around the sea areas as the project would utilise.

If the permit process is subject to delays, it could lead to the Company not being authorised to conduct all or part of the operations for the relevant wind farm, or that such authorisation is obtained later than expected, which could have a significant effect on the Company. The Company's assessment is that the overall probability that the above-described risks related to authorities' permissions and approvals occurring, in whole or in part, is high.



### **Hexicon is dependent on intellectual property rights**

The future success of Hexicon is dependent on the Company being able to protect its current and future intellectual property rights. The Company's intellectual property rights are mainly protected through granted patents and patent applications. Patents are very important assets in the Company's business and the Company's most material patents are the patents of floating offshore wind power platforms with tension leg device (the impact of the anchoring system on the stability and dynamic nature of the platform enables reduced dimension of the platform) and that for floating offshore wind power platforms with inclined towers (the two inclined towers allow the installation of two turbines on a smaller platform).

The future success of Hexicon is also in part dependent on its ability to conduct its business without infringing patent rights held by third parties and without third parties infringing patents rights held by the Company. As the wind power industry expands and more patents are being approved, the risk increases for a situation where a product or a technology developed by the Company may result in claims from third parties regarding patent infringements. The Company may be forced to take extensive time-consuming and costly measures to oppose such a claim or to defend its rights against such a third party, which may also entail that the focus of the board and management is diverted from the business operations. In addition, there is a risk that existing and/or future patent portfolios and other intellectual property rights held by the Company will not provide the Company with complete commercial protection, i.e. that the scope of protection of the patent will be insufficient or that competitors or similar technicians will find ways to circumvent the patent.

The Company's assessment is that the overall probability of the aforementioned risks related to intellectual property rights occurring, in whole or in part, is low, and that the negative impact of the risks, if they were to materialise, would be highly significant.

### **Hexicon is subject to environmental risks**

Hexicon's operations are governed by national and international regulations regarding the environment, health and safety, for instance the Environmental Code (1998:808) in Sweden. The Company must comply with current legislation of environmental protection and environmental impact, but within the framework of the Company's operations there is a risk that incidents will occur. The Company has not adopted any environmental and safety policy but is obliged in several different projects to comply with a partner's environmental and safety policy.

Hexicon's wind turbines may damage the environment or assets held by third parties, which could lead to claims for damages against the Company or cause negative publicity. Failure to comply with any of the above-mentioned rules and regulations may result in disputes that risk leading to fines, penalties or damages or to civil or criminal liability. Furthermore, the cost of complying with applicable legislation may adversely affect the Company's operating profit.

Hexicon may also be held accountable for examination and rehabilitate pollution and emissions at the Company's sites regardless of whether Hexicon has caused the pollution or not.

The Company's assessment is that the overall probability of the aforementioned environmental risks occurring, in whole or in part, is medium, and that the negative impact of the risks, if they were to materialise, would be significant.

### **FINANCIAL RISKS**

#### **Hexicon may require additional funding if the company does not generate sufficient revenue**

Development of deep offshore wind is in general very expensive. The Company invests a large part of its financial resources in development activities and the Company expects to invest more resources in future projects and product development (see further "Hexicon is subject to risks related to technical development").

It is the Company's assessment that the existing working capital, as of the date of the Prospectus, is not sufficient for the Company's needs during the next twelve-month period, given the business plan that exists on the date of the Prospectus. As per 31 March 2021 the Company's cash and cash equivalents amounted to MSEK 99,7. The Company assesses that a loss of working capital will arise in Q2 2022 and the deficit for the next 12-month period is estimated at approximately MSEK 10. In order to support the Company's continued expansion and to promote the Company's continued growth and development, inter alia, by broadening the Company's financing options and providing access to Swedish and international capital markets, the Company's board of directors has resolved to carry out a new share issue in Hexicon, which is directed to the general public in Sweden and to institutional investors in Sweden and abroad. The new share issue is expected to provide Hexicon with approximately MSEK 266 (excluding the Over-allotment Option) after deduction of costs related to the Offering. Upon full subscription in the Offering, the number of shares in Hexicon will increase by 100,000,000 shares from 262,533,479 to 362,533,479. The Anchor Investors have, prior to the Offering, expressed interest to acquire shares in the Offering at a total value of MSEK 220, corresponding to a total of 73 per cent of the shares in the Offering, or a total of 64 per cent of the shares in the Offering, assuming a full exercise of the Over-allotment Option. Thus, it is the board's assessment that the expected working capital injection through the Offering will meet the Company's working capital needs for the next twelve months. If the Offering is not fully-subscribed, despite the submitted share acquisition intentions the Company will look into alternative financing opportunities or await the intended expansion. Furthermore, there is a risk that Hexicon will not maintain sufficient levels of revenue or positive cash flow in the future in order to finance its operations. Future capital requirements depend on several factors, including costs of development and commercialisation of product candidates, timing and size of potential revenue. In such a case the Company will need to seek alternative means of financing, e.g. from new or existing shareholders. There is a risk that the Company cannot raise capital when needed, or on satisfactory terms. There is also a risk that the capital raised is not sufficient to finance operations in accordance with established strategies and objectives. In such a case, the Company may be forced to restrict parts of its operations until additional capital has been raised.

The Company's assessment is that the overall probability of the above described risk related to future financing occurring, in whole or in part, is low, and that the negative impact of the risk, if it were to materialise, would be highly significant.

**Risks related to uncertainties of future growth**

The expansion of offshore wind power is progressing in Europe, the US and Asia, and wind power is expected to become a new necessary energy source. Floating offshore wind power is still under development and is highly dependent on political decisions that benefit the growth of renewable energy (see risk “Wind power operations in some markets are currently dependent on subsidies”) and an attractive pricing of energy for the Company (see risk factor “Risks related to changes in energy prices”). It is of great importance that the Company’s transition from a development company to a profit-generating commercial Company works out as planned and that the Company’s current projects are successfully completed. Hexicon as a development company has historically generated a deficit and the Company may in the future need external capital to continue to grow as planned (see further the risk “Hexicon may require additional funding if the Company does not generate sufficient revenue”).

There is a risk that the outcome of existing collaborations and investments, or future product or technology investments, will not meet the expectations or assumptions that the Company anticipated in advance, which may affect the Company’s future growth. The Company’s assessment is that the overall probability that the above described risks related to uncertainties of future growth occurring, in whole or in part, is low, and that the negative impact of the risks, if they were to materialise, would be highly significant.

**RISKS RELATED TO THE SHARES AND THE OFFERING**  
**Market price of the share**

An investment in shares is always associated with risks and risk-taking. Since an investment in shares may both increase and decrease in value, there is a risk that an investor will not recover the invested capital. The market price of Hexicon’s share may in the future be subject to significant fall in stock, the risk is particularly unpredictable in relation to smaller companies such as Hexicon, where it is not possible to forecast based on the Company’s previous development or results. The development of the share price depends on a number of factors, some of which are company-specific and others linked to the stock market as a whole. Such factors can also increase the volatility of the share price. An investment decision regarding Hexicon’s share should therefore be preceded by a thorough analysis.

**There is a risk that liquid trading in the shares will not develop or be permanent**

Prior to the planned listing on Nasdaq First North Premier, there has been no organised trading in Hexicon’s shares. The Company is unable to predict investors’ interest in the Company and there is thus a risk that active and liquid trading will not develop or, if it develops, that it will not be permanent. Furthermore, following the completion of the Offering, approximately 65 per cent of the Company’s shares will be subject to lock-up, which may have an adverse impact on the liquidity of the shares and may result in lower trading volume. The Offering price has been established primarily based on a customary tender procedure whereby certain institutional investors have been invited to indicate interest and submit tenders regarding the price level at which they are interested in acquiring shares in the Company. In light thereof, the assessment is

made that the Offering price is on market terms. The Offering price will not, however, necessarily reflect the price at which investors will be willing to buy and sell the shares after the Offering. Furthermore, from time to time there may be a significant spread between the buy and sell price, which will make it more difficult for a shareholder to sell the shares at a particular point in time and at a suitable price. Since an investment in shares can decline in value, there is a risk that an investor will not recover the capital invested.

**Risk related to future share issues or share related instruments**

In order to, inter alia, raise capital or enable corporate acquisitions, the Company may issue additional shares or share related instruments in the future. The Company’s development of floating offshore wind power is capital-intensive and must, in absence of revenue, be financed by external investors or lenders. There is a risk that additional financing on satisfactory terms will not be available to the Company when needed or at all. Should the Company resolve to raise capital, for instance by issue of new share, there is a risk that such issue of new share could reduce the proportional ownership and share of voting power as well as profit per share for the shareholders in the Company. Moreover, such issues of new shares may adversely affect the market price of the Company’s shares.

The Company’s assessment is that the overall probability that the risks occurring, in whole or in part, is high.

**There is a risk that future dividends from Hexicon may vary or not be distributed**

Investors who participate in the Offering will be entitled to any future dividends decided upon after the completion of the Offering. The size of possible future dividends, if any, depends on the Company’s future earnings, financial position, cash flows, working capital requirements, compliance with loan terms, legal and financial restrictions and other factors. No dividend has been paid out during the period covered by the historical financial information in the Prospectus. The Company may, in the future, lack sufficient distributable funds and there is a risk that the Company’s shareholders will decide not to distribute dividends in the future.

The Company’s assessment is that the probability that the risk occurring, in whole or in part, is medium.

**Share acquisition undertakings regarding shares in the offering are not secured and may not be honoured**

The Anchor Investors have, prior to the Offering, expressed interest to acquire shares in the Offering for a value of MSEK 220 in total, which corresponds to a total of approximately 73 per cent of the maximum number of shares in the Offering, or a total of 64 per cent of the shares in the Offering given the assumption of the Over-allotment Option being exercised in full. The Anchor Investors (however not board members or employees in the Company) may come to be especially taken into account in the allotment, but no guarantee of allotment in the Offering is provided. Anchor Investors will not receive any compensation for their respective notice of interest, which are submitted as part of the institutional Offering, and to the extent that they receive allotment, the investments will be made on the same terms as for other investors. The submitted share acquisition intentions by the

Anchor Investors are not secured by bank guarantees, blocked funds, pledging or similar arrangements, why there is a risk that the Anchor Investors may not honour these, which might have an adverse impact on completion of the Offering.

**Shareholders outside of Sweden may be subject to limitations that prevent or otherwise makes participation in future rights issues difficult**

If the Company issues new shares or other securities against payment in cash or set-off, the shareholders have, as a general rule, preferential rights to subscribe for new shares in proportion to the number of shares held prior to the issue. Shareholders in certain other jurisdictions than Sweden may however be subject to limitations that prevent them from participating in such rights offerings, or that otherwise makes participation difficult or limited. For example, shareholders in the US may be prevented from exercising their rights to subscribe for new securities which are not registered under the Securities Act of 1933 (“**Securities Act**”) and if no exemptions from the registration requirements according to the Securities Act are applicable. Shareholders in other jurisdictions outside of Sweden may be similarly affected if the subscription rights or the new securities are not registered with the relevant authorities in such jurisdictions. The Company has no obligation to investigate the registration requirements under the Securities Act or similar legislation in jurisdictions outside of Sweden, and no obligation to apply for registration of the Company’s securities or the sale of the Company’s securities or subscription rights in accordance with such legislation outside of Sweden, and doing so in the future may be impractical and costly. The potential restrictions for shareholders in jurisdictions outside of Sweden to participate in rights issues may result in their ownership being diluted and decreased in value.

# Invitation to acquire shares in Hexicon AB

In order to support the Company's continued expansion and promote the Company's continued growth and development, the Company's board of directors has decided to carry out a new share issue in Hexicon, which is addressed to the general public in Sweden and to institutional investors in Sweden and abroad (the "**Offering**"). The Company has also applied for admission to trading of the Company's shares on Nasdaq First North Premier. On 12 May 2021, Nasdaq assessed that the Company complies with applicable listing requirements, provided that customary conditions, including the distribution requirement, are fulfilled no later than on the first day of trading. The Company's board of directors intends to complete the application for listing of the shares on Nasdaq First North Premier and the first day of trading is expected to be on 18 June 2021.

Investors are hereby invited, in accordance with the terms and conditions set out in the Prospectus, to acquire a maximum of 100,000,000 newly issued shares in Hexicon. The newly issued shares will be issued pursuant to the authorisation given at the annual general meeting held on 3 May 2021. The Offering price is determined to SEK 3.00 per share. The Offering price is the same for institutional investors as for the Swedish general public. No commission is payable. The Offering price of SEK 3.00 per share has mainly been determined through a customary book building procedure in April - May 2021. During this book building procedure, certain institutional investors were offered to indicate interest and to tender for the price level at which they were interested in acquiring shares in the Company. The result of this book building process was that a number of Swedish and international investors (the "**Anchor Investors**") expressed interest to acquire shares within the framework of the institutional Offering, corresponding to a total of MSEK 220. In light thereof, the Offering price is deemed to be based on market terms. The share acquisition intentions are not secured by bank guarantees, blocked funds, pledging or similar arrangements. See section "Legal issues and supplementary information – Share acquisition intentions" for additional information with regard to Anchor Investors.

The new share issue is expected to provide Hexicon with approximately MSEK 266 after deduction of costs related to the Offering.

In order to cover any over-allotment in connection with the Offering, the Company has committed to issue a maximum of 15,000,000 new shares, corresponding to a maximum of 15 per cent of the total number of shares in the Offering (the "**Over-allotment option**"). The Over-allotment option may be exercised by Pareto Securities in full, or in part, during the 30 calendar days following the first day of trading of the Company's shares on Nasdaq First North Premier. The price of the shares in the Over-allotment option will be the same as the Offering price and the over-allotted shares are allotted jointly and simultaneously with other shares in the Offering to enable stabilisation of the share price after the listing. See section "Terms and Instructions – Stabilisation" for more information.

If the Offering is fully subscribed and the Over-allotment option is exercised in full, the total value of the Offering will amount to approximately MSEK 345. Upon full subscription, the Offering increases from 262,533,479 shares to 362 533 479 shares, corresponding to a dilution of approximately 27.6 per cent of the total number of shares in the Company based on the number of shares in the Company after completion of the Offering. If the Offering is fully subscribed and the Over-allotment Option is exercised in full, the Offering will cover a total of 115,000,000 shares in the Company, corresponding to a dilution of approximately 30.4 per cent of the total number of shares and votes in the Company after completion of the Offering. If the Offering is fully subscribed and the Over-allotment Option is exercised in full, the number of shares in the Company will increase from 262,533,479 shares to 377,533,479 shares.

*Investors are hereby invited to acquire shares in Hexicon AB in accordance with the terms and conditions set out in this Prospectus, which has been prepared by the board of directors of the Company in connection with the Offering.*

Stockholm on 10 June 2021

Hexicon AB (publ)  
The board of directors



# Background and reasons

Hexicon is a project developer of floating wind farms and develops its own technology for floating platforms with two turbines. The Company's business started in 2009 when Hexicon AB was formed, which is the same year as the world's first floating wind turbine was put into operation in Norway. The Company has ever since delivered knowledge, solutions and IP rights within the field of the renewable energy source floating wind power.

As Hexicon's floating wind turbines may be sited in deeper water than conventional offshore wind power, which is bottom-fixed, Hexicon's solutions enable offshore energy production in areas which normally cannot be utilised due to great depths or difficult sea bed conditions and may accordingly be sited further off shore. Furthermore, Hexicon's floating wind farms are thus often subject to better wind supply and have in addition less impact on the Earth's eco system as well as less visual impact. The concept developed by Hexicon is unique and secured by patents. The Company deems its strong IP portfolio as a confirmation on Hexicon's ability to be innovative and forward-looking and thus also as a direct result of the Company's constant efforts to create and develop competitive technology.

Floating wind power is expected to become an exponentially strong growing global market where technologies and suppliers of offshore wind and the oil industry are combined. As 80 per cent of Europe's resources of offshore wind power are sited on a depth of 60 meters and deeper, Europe has a potential of floating wind power of up to 4,000 GW.<sup>10, 11</sup> Similar assessments have been made with regard to North America and Asia, which accordingly have beneficial conditions for the expansion of floating wind power. The world's leaders are in power to take actions with the purpose of enabling major investments in offshore wind power with the climate as the primary focus. As part of the effort to make Europe to the first climate-neutral continent in the world, the EU presented a new strategy for offshore renewable energy at the end of 2020 with the purpose of reaching the goal of climate neutrality by 2050. In the US, President Joe Biden duplicated the objectives for offshore wind power by 2030. Hexicon has in recent years established a market position in key markets such as South Korea, Scotland, Spain, Sweden, South Africa and Ireland, and in October 2020, the Company completed a funding round through a directed new issue of shares which provided the Company with a total of MSEK 116.4 before deduction of transaction costs. As the energy demand increases around the world, Hexicon is thus well positioned to contribute to a sustainable electricity supply through its services and accordingly be able to participate in meeting both the EU's as well as the US' demand for offshore renewable energy.

In light of Hexicon approaching commercialisation with several projects in the pipeline, is well-financed and is active in key markets for offshore wind power, the Company's board of directors and management believe that now is the right time to broaden the Company's ownership base and apply for a listing on Nasdaq First North Premier. Hexicon's board of directors and management are of the opinion that the Offering together with an ownership distribution of the Company's shares, will promote the Company's continued growth and development, inter alia, by broadening the Company's financing options and providing access to Swedish and international capital markets. As a result, more sources of funding will be made available to support the Company's continued expansion. An ownership distribution of the Company's shares means increased credibility and awareness as well as a quality stamp which the Company believes may be beneficial in customer relationships in order to attract and maintain important partnerships and strengthen the relationship with suppliers.

The Offering covers a new issue of shares which, upon full subscription provides the Company with approximately MSEK 300 before deduction of costs attributable to the Offering, which are estimated to amount to MSEK 34. It is the Company's assessment that the existing working capital, as of the date of the Prospectus, is not sufficient for the Company's needs during the next twelve-month period, given the business plan that exists on the date of the Prospectus why the new issue also is carried out to cover the working capital needs. The Company assesses that a loss of working capital will arise in Q2 2022 and the deficit for the next 12-month period is estimated at approximately MSEK 10. Accordingly, Hexicon is expected to receive a net-proceed of approximately MSEK 266 through the Offering (excluding the Over-allotment Option). If the Over-allotment Option is exercised in full, Hexicon is expected to receive a net-proceed of approximately MSEK 311. The Company intends to use the first portion of the net proceeds to cover the coming working capital needs of MSEK 10, and the remaining net proceeds to fund project development and entries on new markets, product development and technology verification. The expected net proceeds will, in the following order of priority and with approximate percentage stated in brackets, be used as follows:

1. Project development and entries on new markets (approximately 40 per cent);
2. Product development (approximately 20 per cent); and
3. Technology verification (approximately 40 per cent).

*The board of directors of Hexicon AB is responsible for the contents of this Prospectus. It is hereby assured that, to the best of the board of directors' knowledge, the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.*

Stockholm on 10 June 2021

Hexicon AB  
The board of directors

<sup>10</sup> Floating offshore wind delivering climate neutrality, ETIP Wind.

<sup>11</sup> Floating Offshore Wind Vision Statement, June 2017, WindEurope.

# Comments from the CEO

During my nearly 10 years at Hexicon, I have been driven by a personal belief that floating wind is an important and real part of the solution to the earth's climate challenge and on the path to climate neutrality. The ultimate goal is to create a stable and renewable energy supply for future generations, and a world where floating wind is an important part of the energy mix. Today, the conditions to get there have never been better: The world's leading researchers, politicians, organisations, and companies are increasingly working together to speed up the global transition to renewable energy, while accelerating technology development. As a result, the development is taking place at a record pace.

In the midst of this global shift is Hexicon, a company started by three Swedes and that currently are working with some of the world's largest floating wind projects together with corporates such as Shell, Acciona and Copenhagen Infrastructure Partners. Our main strength lies in our business model where we act both as project developers and offer a patented technology. It makes us more relevant to partners, enables to start up and run several projects simultaneously in different markets, and creates clear synergies between the different business pillars.

When we started our journey, not many people understood either the technology or the need. Today, the situation is completely different – the reality has simply caught up and it is not difficult to explain why floating wind will be an important part of the energy supply in the future, especially in comparison with onshore wind farms. In short, floating offshore wind power means less interference with nature and the environment, it is less disruptive for both humans and other kinds of operations, and it has a higher efficiency due to wind conditions being better far offshore. Furthermore, floating offshore wind power may utilise the wind resources of the large deep water areas that are available globally.

The accelerated global transition with a focus on renewable energy sources is driving demand for both our deep water project development expertise and our technology. As more and more countries choose to invest in floating wind, it is crucial that we as a company are positioned correctly to meet the needs that exist, and the planned issue and listing will become a tool for us to both further develop the project portfolio and technology, and to strengthen the knowledge of the project know-how that exists in the company. This, in turn, will generate shareholder value over time.

All in all, I look with great confidence at our ability as a listed company to take the business to the next level and in that way contribute to global climate neutrality with projects that will eventually be able to generate large amounts of renewable energy.

Marcus Thor, CEO

# Terms and instructions

## THE OFFERING

The Offering is directed to the general public in Sweden as well as to institutional investors in Sweden and abroad. The Offering comprises the sale of up to a maximum of 100,000,000 newly issued shares in the Company (not taking into account the over-allotment option described below). All shares in the Offering have the ISIN code SE0004898799 and will have the ticker symbol HEXI on Nasdaq First North Premier.

The Offering is divided into two parts:

- (1) The offer to the general public in Sweden;<sup>12</sup> and
- (2) The offer to institutional investors in Sweden and abroad<sup>13</sup>.

The outcome of the Offering is expected to be announced by the Company through a press release on or around 18 June 2021.

## THE OVER-ALLOTMENT OPTION

In order to cover any over-allotment in connection with the Offering, the Offering may cover up to a maximum of 15,000,000 additional newly issued shares, corresponding to a maximum of 15 per cent of the total number of shares in the Offering (the “Over-allotment Option”). The Over-allotment Option may be exercised for by Pareto Securities in full, or in part, during the 30 calendar days following the first day of trading of the Company’s shares on Nasdaq First North Premier. The price of the shares in the Over-allotment Option will be the same as the Offering price, and the over-allotted shares will be allotted together and simultaneously with the other shares in the Offering in order to enable stabilisation of the share price after the listing. See section “Terms and conditions – Stabilisation” for further information.

## THE OFFERING PRICE

The Offering price has been determined to SEK 3.00 per share. The Offering price is the same for institutional investors and the general public in Sweden. Brokerage commission will not be charged.

The Offering price has mainly been determined through a customary book building procedure which took place in April-May 2021. During this book building procedure, certain institutional investors were offered to indicate interest to acquire shares in the Company and to tender for the price level at which they were interested in acquiring shares in the Company. The result of this book building procedure was that a number of Swedish and international investors (the “Anchor Investors”) expressed interest to acquire shares within the framework of the institutional Offering, corresponding to a total of MSEK 220. In light of this, the Offering price is deemed to reflect the market value. The share acquisition intentions are not secured by bank guarantee, blocked funds, pledges or similar arrangements. Please refer to section “Legal considerations and supplementary information – Share acquisition intentions” for additional information on the Anchor Investors.

## OFFER TO THE GENERAL PUBLIC IN SWEDEN

Applications for acquisitions of shares are to be made during the period 11 June 2021 – 16 June 2021. An application to acquire

shares must be for a minimum of 1,700 shares and a maximum of 340,000 shares, in even lots of 100 shares. The application is made on a specific application form which can be obtained through the Company or Aktieinvest FK AB. The application form is also available on the Company’s website: [www.hexicon.eu](http://www.hexicon.eu) and on Aktieinvest’s website: [www.aktieinvest.se](http://www.aktieinvest.se). The application can also be done electronically by using “BankID” on [www.aktieinvest.se/emission/hexicon2021](http://www.aktieinvest.se/emission/hexicon2021).

The application must be delivered to Aktieinvest no later than at 17:00 CET on 16 June 2021. No changes or additions may be made in printed text. Incomplete or incorrectly completed application forms may be disregarded. Only one application per person may be made. If several application forms are submitted, only the most recently received will be considered. Please note that the application is binding. Completed and signed application form must be delivered to:

Aktieinvest FK AB  
Emittentservice  
P.O. Box 7415  
103 91 Stockholm, Sweden  
Telephone: +46 (0)8-5065 1795  
E-mail: [emittentservice@aktieinvest.se](mailto:emittentservice@aktieinvest.se)

Those who do not have a securities account or securities deposit, must open a securities account or securities deposit before the application form is submitted. Note that opening a securities account or securities deposit may take some time with some managers.

If an application refers to an amount in excess of EUR 15,000, if you are a PEP or related party to a PEP, or if you reside outside the EU/EEA, a customer identification form and a certified copy of a valid identification document must be included in order for the application form to be valid. For legal entities, a customer information form, a certified copy of a valid identification document for the authorized signatory and a current certificate of registration proving the authorized signatory must be attached to the application form in order for it to be valid. Legal entities must also fill in the information under the section “Owner” on the application form for it to be valid.

Investors who have an account with specific rules for securities transactions, such as IPS depository, ISK depository or depository with endowment insurance, must check with their custodian bank or trustee if and how they can acquire shares in the Offering. The Company, in consultation with Pareto Securities, reserves the right to prolong the application period. Such a prolongation will be published through a press release before the end of the application period.

## Application via Pareto Securities

Custody account holders at Pareto Securities can apply for the acquisition of shares via Pareto Securities’ online services during the period 11 June 2021-16 June 2021 at 17:00 CET. In order not to risk losing the right to any allotment, custody account holders at Pareto Securities must have cash available in the depository at the latest on the settlement date which is expected to be on 22 June 2021. More information on the application procedure via Pareto Securities can be found at [www.paretosec.se/emissioner/aktuellt/hexicon2021](http://www.paretosec.se/emissioner/aktuellt/hexicon2021).

<sup>12</sup> The general public includes private individuals and legal entities in Sweden that apply to acquire a maximum of 340,000 shares.

<sup>13</sup> Institutional investors include private individuals and legal entities that apply to acquire a minimum of 340,000 shares.

### Application via Aktieinvest

Custody account holders at Aktieinvest can apply for the acquisition of shares via Aktieinvest's online services during the period 11 June 2021 up to and including 16 June 2021 at 23:59 CET. In order not to risk losing the right to any allotment, custody account holders at Aktieinvest must have sufficient cash available in the depository from 21 June 2021 at 23:59 CET, up to the settlement date, which is expected to be on 22 June 2021. More information on the application procedure via Aktieinvest can be found at [www.aktieinvest.se/nyheter/teckna-aktier-i-hexicon](http://www.aktieinvest.se/nyheter/teckna-aktier-i-hexicon).

### Application via Avanza

Anyone who registers for the acquisition of shares with Avanza must have a securities depository or an ISK with Avanza. Persons who do not have an account with Avanza must open such an account before registering for the acquisition of shares. Opening a securities depository or ISK at Avanza is free of charge and takes about three minutes.

Custody account holders at Avanza may apply for the acquisition of shares via Avanza's online services during the period 11 June 2021 up to and including 16 June 2021 at 23:59 CET. In order not to risk losing the right to any allotment, custody account holders at Avanza must have sufficient cash available in the depository from the last point in time for notification, at which is expected to be 21 June 2021 at 23:59 CET, up to the settlement date, which is expected to be on 22 June 2021. More information on the application procedure via Avanza can be found at [www.avanza.se](http://www.avanza.se).

### ALLOTMENT

As soon as possible after a decision regarding allotment has been made, a contract note will be sent to those who have been allotted shares in the Offering. Those who were not allotted any shares will receive no notification.

A decision regarding the allotment of shares in the Offering of shares to the general public in Sweden will be made by the board of directors of the Company in consultation with Joint Bookrunners and SpareBank 1 Markets, the goal being to achieve a broad distribution of the shares among the general public so as to facilitate regular and liquid trading in the Company's shares on Nasdaq First North Premier. The allocation does not depend on when the application is received during the application period. In the event of over-subscription, the allotment may be withheld or made with a smaller number of shares than specified in the application, whereby the allotment may be made wholly or in part by random selection. Applications from employees, business partners, existing shareholders and other related parties to the Company as well as certain customers to Pareto Securities may be given special consideration at the allotment. Allotment may also be made to employees at Pareto Securities, Aktieinvest, or Avanza, without these being prioritised. In such a case, the allotment is carried out in accordance with the Swedish Securities Dealers Association's rules and the regulations issued by the Swedish Financial Supervisory Authority.

### Via Pareto Securities

Those applying via Pareto Securities' internet service receive notification of allotment through a notification of the acquisition of shares against a simultaneous debiting of cash on the specified depository, which is expected to take place on or around 22 June 2021.

### Via Aktieinvest

Those applying via Aktieinvest's internet service receive notification of allotment through a notification of the acquisition of shares

against a simultaneous debiting of cash on the specified depository, which is expected to take place on or around 22 June 2021.

### Via Avanza

Those applying via Avanza's internet service receive notification of allotment through a notification of the acquisition of shares against a simultaneous debiting of cash on the specified depository, which is expected to take place on or around 22 June 2021.

### PAYMENT

Full payment for allotted shares shall be paid in cash no later than the date stated on the contract note. Please note that if full payment is not made in due time, allotted shares may be transferred to another party. Should the selling price in the event of such a transfer be less than the price in accordance with the Offering, the person who received allotment of the shares in the Offering may be liable for the difference. Please note that those who have applied in the Offering ("Acquirer") belonging to the general public who pays allotted shares in accordance with instructions on the contract note to the specified bank giro account, will receive the acquired shares to the specified securities account or securities deposit only when full payment has been received. This may, depending on where, how, and at what time of day payment is made, take two to three business days from the time of payment, which may affect the possibility of trading.

### Via Pareto Securities

For those who are custody account holders at Pareto Securities, allotted shares will be booked against debiting of cash at the specified depository on or around 18 June 2021, when notification of allotment is sent, and at the latest on the settlement date on 22 June 2021. Note that funds for the payment of allotted shares must be available in the depository at the latest on the settlement date on 22 June 2021.

### Via Aktieinvest

For those who are custody account holders at Aktieinvest, allotted shares will be booked against debiting of cash at the specified depository on or around 18 June 2021, when notification of allotment is sent, and at the latest on the settlement date on 22 June 2021. Note that funds for the payment of allotted shares must be available in the depository from the final application date on 16 June 2021 through the settlement date on 22 June 2021.

### Via Avanza

For those who are custody account holders at Avanza, allotted shares will be booked against debiting of cash at the specified depository on or around 18 June 2021, when notification of allotment is sent, and at the latest on the settlement date on 22 June 2021. Note that funds for the payment of allotted shares must be available in the depository from the last point in time for notification, at which is expected to be on 16 June 2021 at 23:59 CET, up to the settlement date, which is expected to be on 22 June 2021.

### Inadequate or incorrect payment

If sufficient funds are not available in the bank account, securities deposit or investment savings account on the settlement date, or if full payment is not made at the correct time, allotted shares can be assigned or sold to another party. Should the selling price during such a transfer be less than the Offering price according to the Offering, the party originally allotted these shares may be responsible for the difference.



## OFFERING TO INSTITUTIONAL INVESTORS

### Application

For institutional investors in Sweden and abroad the application period is 11 June 2021 – 17 June 2021. The application shall be made to Pareto Securities and SpareBank 1 Markets in accordance with specific instructions. The board of directors retains the right to shorten or prolong the application period for the institutional offering. Such a shortening or prolongation of the application period will be publicised by the Company in the form of a press release prior to the expiration of the application period.

### Allotment

A decision regarding the allotment of shares in the Offering to institutional investors will be made by the Company's board of directors in consultation with Pareto Securities and SpareBank 1 Markets, the goal being to achieve a good institutional shareholder base and a broad distribution of the shares so as to facilitate regular and liquid trading in the Company's shares on Nasdaq First North Premier. The allotment decision will be entirely discretionary and there will be no guarantee for allotment. The Anchor Investors (however not board members or employees in the Company) may come to be especially taken into account in the allotment, but no guarantee of allotment in the Offering is provided. Please refer to section "Legal considerations and supplementary information – Share acquisition intentions" for further information regarding the parties having agreed upon share acquisition intentions and the terms and conditions regarding these

### Notification of allotment

Institutional investors are expected to be notified about the allotment in a specific order on or around 18 June 2021 and the contract note is sent thereafter.

### Payment

Full payment for allotted shares shall be made in cash against the delivery of shares no later than on 22 June 2021 in accordance with instructions on the issued contract note.

### Inadequate or insufficient payment

Note that if full payment is not received within the prescribed time, allotted shares may be assigned to another party. Should the selling price during such a transfer be less than the Offering price according to the Offering, the party originally allotted these shares may be responsible for the difference.

## REGISTRATION AND ACCOUNTING OF ALLOTTED AND PAID SHARES

For both institutional investors and the general public in Sweden, registration of allotted and paid shares with Euroclear Sweden is expected to take place on or around 22 June 2021, after which Euroclear will send a securities notice, indicating the number of shares in the Company registered on the recipient's securities account. Notification to shareholders whose shares are nominee-registered takes place in accordance with the respective nominee's procedures.

## ANNOUNCEMENT OF THE OUTCOME OF THE OFFERING

The final outcome of the Offering will be published in the form of a press release which will also be available on the Company's website, [www.hexicon.eu](http://www.hexicon.eu) on or around 18 June 2021.

## LISTING OF THE SHARES ON NASDAQ FIRST NORTH PREMIER MARKET

The Company's board of directors intends to apply for the listing of the Company's shares on Nasdaq First North Premier. Nasdaq First North Premier is an alternative marketplace operated by the various exchanges within the Nasdaq Group. Companies on Nasdaq First North Premier are not subject to the same rules as companies on the regulated main market. Instead, they are subject to a less extensive set of rules and regulations adjusted to smaller growth companies. Nasdaq approves the application for admission to trading.

Nasdaq has on 12 May 2021 assessed that the Company complies with current listing requirements, conditional upon that customary conditions are fulfilled, including that the Prospectus is approved by the Swedish Financial Supervisory Authority and that the distribution requirement for the Company's shares is fulfilled at the latest on the first day of trading. First day of trading with the Company's shares is expected to be on 18 June 2021. The share will be traded under the short name HEXI with ISIN code: SE0004898799.

## TRADING IN SHARES

Trading in shares will commence before the conditions for the completion of the Offering are fulfilled, for further information please refer to heading "Conditions for the completion of the Offering". Trading will be conditional upon the fulfilment of the conditions, and the Offering may thus not be completed until these have been fulfilled. If the Offering is not completed, any delivered shares shall be returned and any payments refunded.

## STABILISATION

In connection with the Offering, Pareto Securities may conduct transactions by repurchase of over-allotted shares to support the share price or market price of the shares or otherwise affect the price of shares for up to 30 calendar days from the first day of trading of the shares on Nasdaq First North Premier. Pareto Securities is not obliged to take such stabilisation measures, and such stabilisation measures, if they occur, may be discontinued at any time without prior notice. Please refer to section "Legal considerations and supplementary information - Stabilisation" for more information.

## DIVIDEND RIGHT

The shares offered in connection with the Offering carry the right to dividend from the first dividend record date following the Offering. Any dividends are paid on the basis of a decision taken at the general meeting. Payment will be administered by Euroclear Sweden AB or, for nominee-registered share ownership, in accordance with the respective nominee's procedures.

## IMPORTANT INFORMATION REGARDING THE POSSIBILITY OF SELLING ALLOTTED SHARES

Notification about the allotment to the general public in Sweden is made by the sending of a contract note, which is expected to take place on or around 18 June 2021. After payment for allotted shares are handled by Aktieinvest, paid shares will be transferred to the securities deposit or securities account specified by the acquirer. The time required for transfer and registration of payment and transfer of paid shares to the acquirers of shares in the Company may mean that these acquirers will not have acquired shares available on the designated securities deposit or securities account until at the earliest on or around 22 June 2021. Trade in the Company's shares on Nasdaq First North Premier is expected to

commence on or around 18 June 2021. Investors are advised that shares may not be available on the acquirer's securities account or securities deposit until at the earliest on or around 22 June 2021, which may entail that the acquirer does not have the opportunity to sell these shares on the trading venue from the date the trading in the share commenced, but only when the shares are available on the securities account or the securities deposit.

### IMPORTANT INFORMATION REGARDING LEI AND NID WHEN ACQUIRING SHARES

According to the Directive 2011/61/EU of the European Parliament and of the Council (MiFID II) all investors need a global identification code to be able to carry out securities transactions from 3 January 2018.

These requirements call for all legal entities to apply for registration of a LEI-code (Legal Entity Identifier), and all physical persons to learn their NID-number (National Client Identifier), in order to be able to acquire shares in the Company. Observe that it is the investor's legal status that determines whether a LEI-code or NID-number is required, and that Pareto Securities may not be able to execute the transaction for the person in question if a LEI-code or NID-number (as applicable) is not presented. Legal entities needing to acquire a LEI-code can turn to any of the suppliers available on the market. Instructions regarding the global LEI-system can be found on ([www.gleif.org](http://www.gleif.org)). For physical persons with only a Swedish citizenship, the NID-number is "SE" followed by the personal identity number. If the person in question has multiple citizenships or another citizenship than Swedish, the NID-number can be any other type of number.

### DIFFERENCE IN TAX LEGISLATION CAN AFFECT THE INCOME OF THE SECURITIES

The tax legislation in the investor's country and the Company's country of registration may affect any income received from the securities. The taxation of each individual investor depends on their particular circumstances. Each investor should therefore consult a tax advisor for information on the specific implications that may arise in an individual case, including the applicability and effect of foreign tax rules and tax treaties. For more information regarding tax on dividends, please refer to section "Legal considerations and supplementary information – Certain tax considerations in Sweden".

### CONDITIONS FOR THE COMPLETION OF THE OFFERING

The Company, Pareto Securities and Sparebank 1 Markets intend to enter into an agreement on the placing of shares in the Company on or around 17 June 2021 (for further information regarding the agreement please refer to section "Legal considerations and supplementary information – Placing agreement").

The Offering is conditional upon (i) that the placing agreement is entered into, (ii) that certain conditions under the placing agreement are fulfilled, (iii) that the placing agreement is not terminated, (iv) that interest in the Offering according to Pareto Securities is considered great enough for satisfactory trading in the share, and (v) that no events take place that have such a negative impact on the Company that completing the Offering is considered unfeasible ("Material Adverse Events"). Such Material Adverse Events may, for example, be economic, financial or political in nature and may relate to Material Adverse Events in Sweden or abroad. When determining if the interest in the Offering is sufficient for a satisfactory trading in the Company's shares, factors such as

the number of received applications and the aggregated amount applied for will be considered. This assessment is made by Pareto Securities. If the conditions described above are not met, the Offering may be cancelled, which can happen until the settlement date which is expected to be on 22 June 2021. In that case, neither delivery nor payment for shares will be completed in conjunction with the Offering. Any payments will be refunded in the event that the Offering is not completed. If the Offering is cancelled it will be announced by the Company by way of a press release no later than on 17 June 2021 and received applications will be disregarded.

### INFORMATION ON HANDLING OF PERSONAL DATA Aktieinvest

Anyone applying interest in acquire shares in the Offering will submit personal data to Aktieinvest FK AB. Personal data submitted to Aktieinvest will be processed in data systems to the extent required to provide services and manage customer arrangements. Personal data obtained from sources other than the applicant may also be processed. The personal data may also be processed in the data systems of companies or organisations with whom Aktieinvest cooperates. Information pertaining to the handling of personal data is provided by Aktieinvest, which is the data controller for the handling of personal data. Aktieinvest accepts requests for the correction or deletion of personal data at the address specified in section "Addresses".

### Avanza

Avanza processes its customer's personal data in accordance with current personal data legislation. Personal data provided to Avanza will be processed in computer systems to the extent necessary to provide services and administer customer agreements. Personal data obtained from other than the customer to whom the processing relates may also be processed. It may also happen that personal data is processed in computer systems of companies or organisations with which Avanza cooperates. For more information, see Avanza's website ([www.avanza.se](http://www.avanza.se)).

### OTHER INFORMATION

In the event that a larger amount than required has been paid by an applicant for the acquisition of shares, Aktieinvest FK AB will arrange for the excess amount to be refunded. However, amounts less than SEK 100 will not be refunded. Incomplete or incorrectly completed application forms may be disregarded. If the acquisition payment is made too late or is insufficient the application for acquisition of shares may be disregarded. The acquisition payment will in such case be refunded.

Aktieinvest acts as issuing agent for the Company. Prior to the Offering, Aktieinvest holds no shares in the Company. The fact that Aktieinvest acts as issuing agent does not imply that Aktieinvest regards any party that applies for an acquisition in the Offering ("the **Acquirer of shares**") as a client of Aktieinvest for the investment. The consequence of Aktieinvest not regarding the Acquirer of shares as a client for the investment is that the rules for protecting investors under the Securities Market Act (Sw. *lagen om värdepappersmarknaden* (2007:528)) will not apply. Among other things, this means that neither client classification nor suitability assessment will be applied in connection with the investment. As a result, the acquirers of shares are themselves responsible for having adequate experience and knowledge to understand the risks associated with the investment.





# Market overview

Below is a general description of the markets and industries in which the Group operates. Hexicon has correctly restated third party information and, as far as the Company is aware or can ascertain through other information made public by the third party from which the information was obtained, no facts have been omitted which would render the restated information erroneous or misleading. Hexicon considers these external sources to be reliable, but has not independently verified the correctness or completeness of them and the Company can therefore not guarantee its correctness or completeness. Accordingly, forecasts and forward-looking statements in this section do not constitute guarantees for future outcomes and actual events and circumstances may differ substantially from expectations that explicitly or implicitly are stated herein.

## INTRODUCTION

Hexicon is a developer of floating offshore wind farms and develops its own technology for floating platforms with two turbines with inclined towers anchored to the sea bed. Hexicon's solution increases energy efficiency for a given water area while reducing the number of platforms and harness and thus streamlines electricity production and reduces costs. As per the date of the Prospectus the Company operates three projects in parallel in Sweden, South Korea and Scotland, and has in addition initiated several opportunities in other countries, which are at an earlier phase of development.

Offshore wind farms have generated renewable energy for more than 20 years and may therefore be considered an established market in significant growth. The market for floating wind power on the other hand is fairly undeveloped as the industry is at early phase, but with an expected strong growth. Offshore wind power still represents a very limited part of the global energy mix with approximately 35 GW installed capacity at the end of 2020, which may be compared to 707 GW installed onshore wind power. The UK, Germany and Belgium led the growth of wind power in Europe during 2020 and represented 45 per cent of the total expansion of offshore wind power.<sup>14, 15</sup>

In addition to the global and general support for a transition to renewable energy production, there is tailwind for offshore wind

power projects specifically. In line with technological advancements, the production cost per kWh during the life period of the turbines, the so-called Levelized Cost of Energy (LCOE), is expected to reach financially competitive levels in comparison to other more established renewable energy sources such as solar energy and onshore wind power, but also electricity production from fossil fuels. LCOE for floating offshore wind projects is expected to decrease from the current 130 EUR/MWh to 70 EUR/MWh in 2030, and to approximately 50 EUR/MWh in 2040.<sup>16</sup>

With a yet relatively undeveloped market for floating wind power, it is expected, according to the International Renewable Energy Association, to enjoy strong growth and expansion in the future.<sup>17</sup> The market for floating wind power is expected to grow at a higher pace than the underlying general market for offshore wind power.<sup>18</sup> A reason for this is that floating wind farms may be positioned further offshore than the conventional boundaries of offshore energy, mainly as the solution is less dependent on water depths to take advantage of stronger and more continuous stable winds further from the coasts where the water is typically deeper and where fixed foundations are not suitable. The capacity of offshore wind power is expected to increase sevenfold between 2020 and 2030.<sup>19</sup>

Sweden's Minister of Energy, Anders Ygeman, has in connection with a recently presented Parliament bill stated that *"More offshore wind power will contribute to the balance of the power system and constitute an important contribution to the electricity market"*. The statement was made in connection with the Ministry of Infrastructure presenting a proposal to reduce grid connection costs for offshore wind power. The purpose of the proposal is to create fairer conditions relating to grid connections between offshore and onshore wind power. The proposal is proposed to enter into force on 1 August 2021.<sup>20</sup> Offshore wind energy has become increasingly competitive in comparison with other renewable energy sources. Larger turbines, more large-scale production of turbines and other equipment, larger projects and lower financing costs are all considered contributing factors. In recent years, offshore wind farms have also been driven with higher reliability in comparison to other renewable energy sources. More favourable wind resources in an offshore environment and less impact on onshore living conditions are important in this aspect.<sup>21</sup> With current global policy objectives the installed offshore wind energy is expected to grow and reach 219 GW in 2035 and 1,400 GW in 2050 which is roughly equal to the United States' total energy production capacity of today.<sup>22</sup>

## DRIVING FORCES

The Company believes the main driving forces behind the fundamental transition from fossil to renewable energy depend on several underlying factors. At a global level, megatrends such as a growing populations, increasing energy demand and climate neutral goals, are driving the energy market towards becoming more long-term sustainable. The Company has also identified more market segment specific driving forces which include advancements in floating technology for wind power, substantially decreasing LCOE (Levelized Cost Of Energy), more favourable wind conditions at deeper waters further offshore and the fact that land and space issues do not affect offshore wind power to the same extent as onshore wind power. Set forth below is a description of each of these driving forces.

<sup>14</sup> Västra Götalandsregionen, Marknadsanalys av vindkraften i Sverige 2019, [https://alfresco.vgregion.se/alfresco/service/vgr/storage/node/content/workspace/SpacesStore/4437ec8a-5dbe-450e-9b9f-66e957488fec/Marknadsanalys%20rapport%202019\\_2020\\_05\\_28.pdf?a=false&guest=true](https://alfresco.vgregion.se/alfresco/service/vgr/storage/node/content/workspace/SpacesStore/4437ec8a-5dbe-450e-9b9f-66e957488fec/Marknadsanalys%20rapport%202019_2020_05_28.pdf?a=false&guest=true).

<sup>15</sup> Global Wind Energy Council - Global wind report 2021.

<sup>16</sup> DNV-GL, Floating wind – The power to commercialize.

<sup>17</sup> IRENA – Future of Wind, October 2019

<sup>18</sup> Carbon Trust, Floating Wind Joint Industry Project - Phase 2, 2020

<sup>19</sup> WFO Global Offshore Wind Report 2020

<sup>20</sup> The Swedish government <https://www.regeringen.se/pressmeddelanden/2021/02/minskade-anslutningskostnader-for-vindkraft-till-havs/>

<sup>21</sup> IRENA – Future of Wind, October 2019

<sup>22</sup> Wood Mackenzie - Future Energy.



### Growing populations

Over the next 30 years, the world's population is expected to increase by 2 billion people, from the current 7.7 billion to 9.7 billion by 2050, and may reach a peak of almost 11 billion around 2100. This growth is largely driven by an increasing number of people surviving to reproductive age, increased urbanisation and faster migration. These trends are expected to have far-reaching consequences for future generations and their energy consumption.<sup>23</sup>

### Increasing energy demand and electrification of society

The world's energy demand is constantly increasing. Global energy demand is expected to increase by 62 per cent to 2050 (1.5 per cent per year), which can be explained, inter alia, by a growing energy demand in Africa and Asia. The increased energy demand is taking place in parallel with many countries phasing out fossil fuels in favour of fossil-free alternatives to comply with their climate commitments. The increasing energy demand is estimated to give rise to an investment requirement of USD 14 trillion to 2050, of which almost 80 per cent is estimated to be invested in renewable energy. Supported by, inter alia, battery storage (which is under development) and dynamic demand, wind- and solar energy may in some markets be able to reach a market share of more than 80 per cent by 2050. In Europe, renewable energy is projected to account for 90 per cent of the energy mix by 2050, with 80 per cent of the total being wind- and solar energy. Globally, wind- and solar energy are projected to cover almost 50 per cent of global energy demand by 2050, the so-called "50 by 50". The EU Commission has resolved on a new strategy according to which it is proposed that Europe's offshore wind power shall increase from the current 12 GW to at least 60 GW by 2030, at the latest, and 300 GW by no later than 2050. See further "Market and geography – Europe".<sup>24</sup>

In relation to energy demand in Sweden, the Confederation of Swedish Enterprise (Sw. Svenskt Näringsliv) estimates that the electricity demand will increase by at least 60 per cent by 2045, and that climate change is the essential driving force behind the estimated increase in electricity use in the coming years. The heavy industry is forecasted to be the sector which uses the most electricity in 2045. As production within various business sectors adapts to climate change, it drives a change where fossil energy is being phased

out and where the demand for electricity is increasing by the electrification of society. For example, the steel industry's adaptation to climate change drives carbon-free steel production, and the concrete industry's development of climate-neutral production entails a sharp increase in electricity consumption. The electrification of the transport sector such as cars and trucks is also a climate change adjustment development, and a very efficient one. As more and more people choose to drive electric cars, energy use decreases as an electric motor can reduce energy use by approximately 70 per cent compared to the use of an internal combustion engine.<sup>25</sup> On the other hand this obviously results in an increased electricity use, which increases the demand for renewable electricity.

### Global energy producers' commitments to reduce emissions

Natural gas plays an important role in meeting global energy demand today. As natural gas mainly consists of methane, a potent greenhouse gas, its role in the transition to a low-carbon future will be influenced by the extent to which the oil and gas industry reduces its methane emissions. On 22 November 2017, eight global energy producers signed a set of non-binding guiding principles to reduce methane emissions, "*Reducing methane emissions across the natural gas value chain – Guiding principles*". The principles were developed through cooperation between the business world, international institutions, non-governmental organisations and academics. The purpose of the principles is for the companies to reduce methane emissions along the natural gas value chain, from production to end-consumers. Hexicon's first and largest collaborative partner, Shell, is one of the world's largest energy companies and one of the energy companies which has committed to reducing its emissions.<sup>26</sup>

<sup>23</sup> United Nations (UN) – World Population Prospects 2019: Highlights.

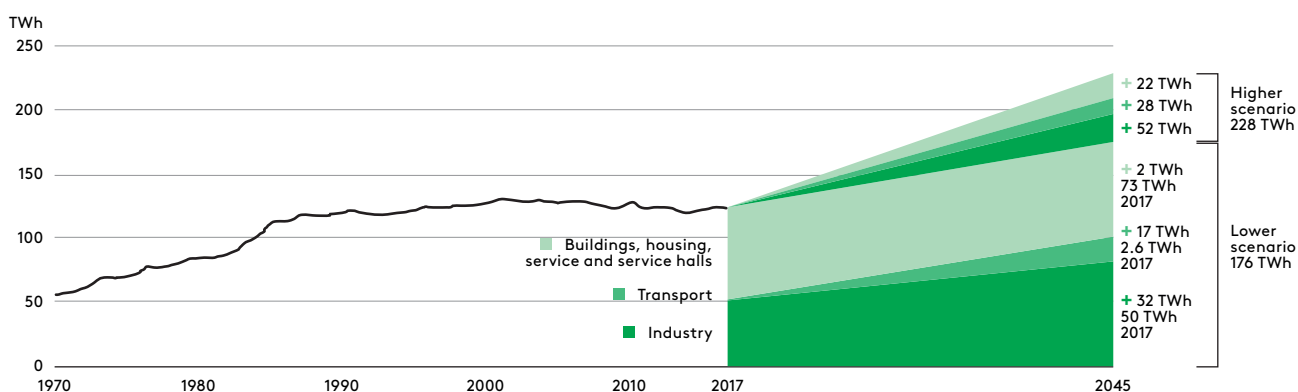
<sup>24</sup> Bloomberg NewEnergy Finance – New Energy Outlook 2019.

<sup>25</sup> Svenskt Näringsliv, [https://www.svensktnaringsliv.se/bilder\\_och\\_dokument/2spdr2\\_hogre-elanvandning-2045pdf\\_1138079.html/Hgre+elanvndning+2045.pdf](https://www.svensktnaringsliv.se/bilder_och_dokument/2spdr2_hogre-elanvandning-2045pdf_1138079.html/Hgre+elanvndning+2045.pdf).

<sup>26</sup> Climate and Clean Air Coalition (CCAC) <https://ccacoalition.org/en/resources/reducing-methane-emissions-across-natural-gas-value-chain-guiding-principles>

<sup>27</sup> Svenskt Näringsliv, [https://www.svensktnaringsliv.se/bilder\\_och\\_dokument/2spdr2\\_hogre-elanvandning-2045pdf\\_1138079.html/Hgre+elanvndning+2045.pdf](https://www.svensktnaringsliv.se/bilder_och_dokument/2spdr2_hogre-elanvandning-2045pdf_1138079.html/Hgre+elanvndning+2045.pdf)

The picture illustrates the future electricity demand divided on three sectors: industry, transport, buildings (housing, service and service halls).<sup>27</sup>



### Climate neutral goals

In 2015 the Paris Agreement was signed, a historically and legally binding climate agreement with the objective to drive climate change and to create a sustainable future. In formal terms the Paris Agreement's first commitment period began in 2020, i.e. the year of which the countries at the latest should have submitted their climate plans before initiating their implementation of the.<sup>28</sup> The Paris Agreement stipulates that the global temperature increase must be kept well below two degrees and that efforts must be made to limit it to a maximum of 1.5 degrees. This is to be achieved primarily by reducing greenhouse gas emissions.<sup>29</sup> Sweden's climate pollutant emissions will be net zero in 2045 according to the climate policy framework. Sharply reduced emissions are the most important condition for achieving net zero emissions within Sweden's borders. To achieve the goal, Sweden will have to supplement emission reductions with measures to maintain or increase the uptake of carbon dioxide in forest and land, as well as utilise the forest for climate-smart products and other ecosystem services.

The transition to renewable alternatives is in progress within the Swedish energy sector by, inter alia, a transition from oil to biofuel; whereas reducing industrial emissions is a much bigger challenge. New technology will be needed, especially within mining, iron and steel production, as well as within the cement, chemical and paper and pulp industry. Investments in research and development will play an important role in achieving a transition to climate-neutral processes.<sup>30</sup> To become climate neutral, Sweden will have to produce more electricity from wind power and other renewable energy sources.<sup>31</sup>

### Technological development in the field of floating offshore wind power

The majority of offshore wind power is currently based on sea bottom-fixed solutions, but with new technology in the field of floating offshore wind, new areas and markets are opening up. Where bottom-fixed wind power is limited to shallow waters with a maximum depth of 50 to 60 meters, floating offshore wind power may be located further offshore where the winds are stronger and more stable. This enables many new locations which previously were not possible to utilise due to the water depth limitations.

Floating wind power is on the rise and is being built in several places around globe. Optimism has increased by positive forecasts from the International Renewable Energy Agency (IRENA). Their estimate is that floating offshore wind farms could make up

approximately 5 to 15 per cent of the total globally installed offshore wind power capacity by 2050, which is estimated at approximately 1,000 GW. If the floating share is assumed to be 10 per cent and the average turbine size is 10 MW, then this would entail that 10,000 floating turbines would be installed by 2050.

Many countries begin to consider floating wind farms as an important addition to their future energy mix. To date, UK, Portugal and Japan have installed most test facilities while countries such as South Korea, France and Norway are expected to make significant investments in large-scale commercial floating wind farms in the coming years.

### Decreasing LCOE

In connection with technological advancements, the production cost of floating offshore wind power per kWh throughout its life-time, LCOE, is expected to reach financially competitive levels in comparison to other more established renewable energy sources and fossil fuels. LCOE for floating offshore wind energy is expected to decrease from the global average in 2018 of 140 USD/ MWh to below 90 USD/MWh in 2030, and approximately 60 USD/MWh in 2040.<sup>32</sup> As mentioned, this is expected to reduce and finally eliminate the need for governmental subsidies for floating offshore wind energy.

### More favorable wind supply in offshore environment

One important advantage of offshore wind is its relative reliability in comparison to other wind power and renewable energy sources, given that the wind conditions are more continuous and stable offshore. This reduces the need for additional investments in other associated energy-producing technologies such as combined cycle plants and storage, since offshore wind may compensate for reduced production capacity in periods of less favourable wind conditions.

<sup>28</sup> The Swedish Government <https://www.regeringen.se/artiklar/2020/12/fem-ar-med-parisavtalet/>

<sup>29</sup> Swedish Environmental Protection Agency <https://www.naturvardsverket.se/Miljoarbete-i-samhallet/EU-och-internationellt/Internationellt-miljoarbete/miljoarvtenioner/Klimatkonventionen/Parisavtalet/Vad-ar-Parisavtalet/>.

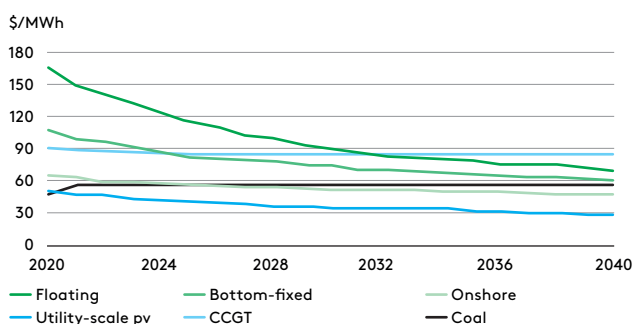
<sup>30</sup> Swedish Environmental Protection Agency, <https://www.naturvardsverket.se/Miljoarbete-i-samhallet/Miljoarbete-i-Sverige/Uppdelat-efter-omrade/Klimat/Klimatneutralt-Sverige/>.

<sup>31</sup> Swedish Environmental Protection Agency, <https://www.naturvardsverket.se/Miljoarbete-i-samhallet/Miljoarbete-i-Sverige/Uppdelat-efter-omrade/Klimat/Klimatneutralt-Sverige/Energi/>.

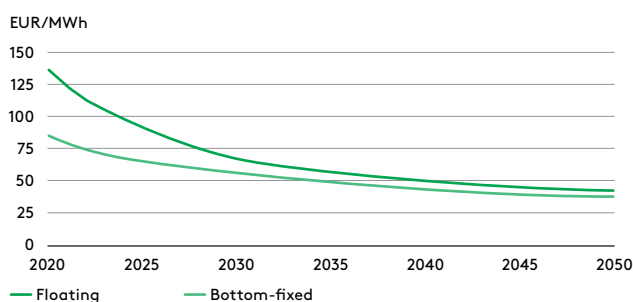
<sup>32</sup> IEA – Offshore Wind Outlook 2019.

<sup>33</sup> DNV-GL, Floating wind – The power to commercialize.

Sharp decrease in LCOE driven by technological advancements



The picture illustrates average LCOE for offshore wind power<sup>33</sup>



Offshore wind energy may take advantage of increased capacity factors and better availability due to stronger and more stable winds offshore. Offshore wind power has the opportunity to produce power at a significantly larger number of hours, which is a great advantage in comparison to other renewable energy sources such as daylight-dependent solar energy or onshore wind power when there is no wind. Offshore wind power is also not affected by land and space issues and limitations to the same extent as onshore energy sources.

### Development of offshore wind energy

Renewable energy in general and offshore wind power in particular are significantly focussing on minimising costs. At present, there are over 30 different concepts for floating offshore wind power, but in the Company's opinion and assessments there are only three concepts which have come further in its technology development than Hexicon. As the industry develops and moves towards commercial large-scale installations and businesses, only a few floating technologies will be available. Only those which include a competitive cost advantages for produced electricity will be able to take advantage of the market potential in the long run. Below is a description of different technologies in offshore wind energy.

<sup>34</sup> How do Spars Work?, Rigzone.com  
[https://www.rigzone.com/training/insight.asp?insight\\_id=307&c\\_id=-](https://www.rigzone.com/training/insight.asp?insight_id=307&c_id=-).

<sup>35</sup> Hywind Scotland, Equinor brochure  
[www.equinor.com/documents/brochure-hywind-a4](http://www.equinor.com/documents/brochure-hywind-a4).

<sup>36</sup> History of Europe's Wind Industry, Windeurope.org  
<https://windeurope.org/about-wind/history/>.

<sup>37</sup> WindFloat Atlantic – Project Pilot Phase, EDP.com  
<https://www.edp.com/en/innovation/windfloat>.

<sup>38</sup> Carbon Trust, Microsoft Word – Floating Offshore Wind – Market & Technology Review\_FINAL (storage.googleapis.com), 2019.

### First generation

#### Bottom-fixed single turbines

In Europe, the first onshore wind turbines were installed in 1982 and Vindeby in Denmark, built in 1991, became the world's first offshore wind farm. In 2000, the first large-scale offshore wind farm, Middelgrunden, was built outside Copenhagen consisting of twenty units of 2 MW turbines of the first generation offshore type. This type of offshore turbine sits on a bottom-fixed foundation and must therefore be located in shallow waters.

### Second generation

#### Floating Spar

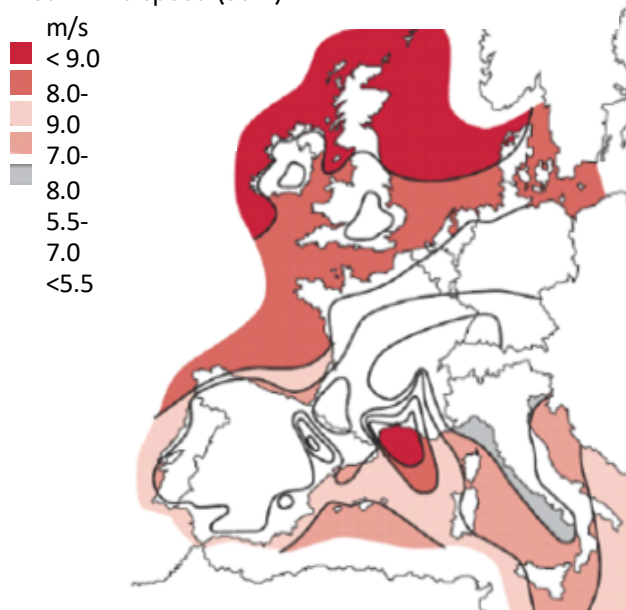
The Spar platform consists of a single vertical cylinder supporting a platform above the water surface. A Spar platform is a floating structure, usually used for oil platforms, which can be used in very deep waters. The cylinder does not extend all the way down to the sea bed but is instead anchored to the sea bed by means of a series of cables. The large cylinder stabilises the platform in rough seas and enables movement to absorb the force from potential hurricanes.<sup>34</sup> A first test turbine based on this technology was installed in Norway in 2009. The first floating offshore wind farm to use this technology was Hywind in Scotland which was built in October 2017.<sup>35, 36</sup>

#### Semi-submersible platforms

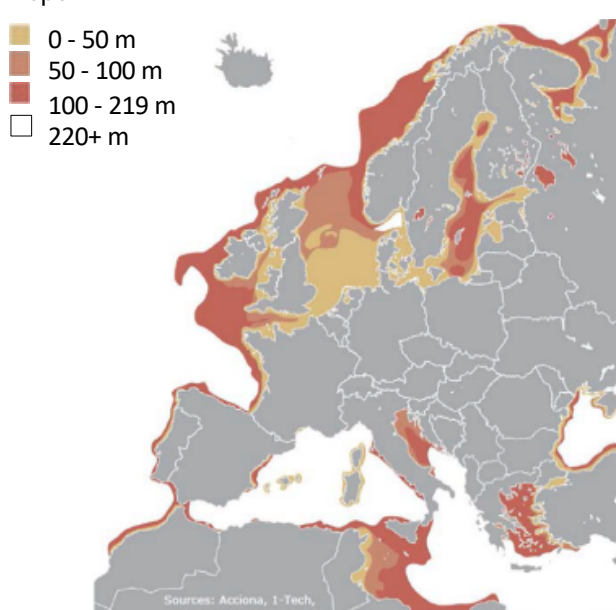
The technology behind semi-submersible platforms is considered to be one of the most useful and reliable technologies for floating wind farms. This technology is being developed at a rapid pace in parallel with floating wind farms moving towards deeper waters. The first installed unit for floating offshore wind energy in full-scale of the semi-submersible type was WindFloat which was constructed in 2011.<sup>37</sup>

The pictures illustrate offshore conditions in Europe<sup>38</sup>

Mean wind speed (50m)



Depth



### Third generation

#### Floating multi-tower platforms

The latest technology for floating offshore wind farms is based on the semi-submersible platform with the supplement of an additional turbine. Hexicon has adapted and taken this technology further by optimising the position and angle of the turbine towers to get the maximum capacity out of a smaller platform. Since several turbines may be deployed in a given water area with two turbines on one platform, the efficiency is greater. Also, with two turbines on one platform less steel and cable is needed for the construction.

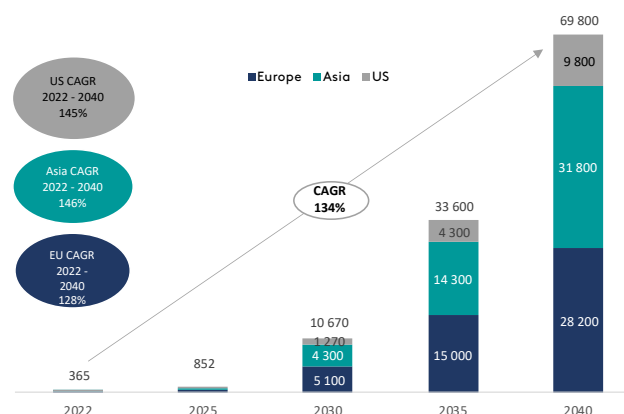
### Environmental impact – offshore wind

Of all the different technologies available on the market for floating offshore wind energy, there are in the Company's opinion and assessments reasons to believe that Hexicon's technology has the least negative environmental impact. Three of these reasons are further described below.

#### Less anchors

Since Hexicon's platform has two turbines on one platform, there are more turbines positioned in a given water area. This entails in

The picture illustrates ambitions for floating offshore wind power (GW)<sup>39</sup>



<sup>39</sup> Carbon Trust, Floating Wind Joint Industry Project – Phase 2, 2020.

<sup>40</sup> WindEurope

<sup>41</sup> Asianpower

#### EUROPE

Planned offshore wind total: 100 GW

Planned floating offshore wind: 28 GW

##### UK & Ireland

- Large North Sea auctions
- Irish Sea development planned

##### France

- Large auctions 2021-23

##### Spain

- Canary Islands

##### Norway

- 88 MW Hywind
- Awarding 2 x 500 MW farms 2020

##### Portugal

- Demo projects

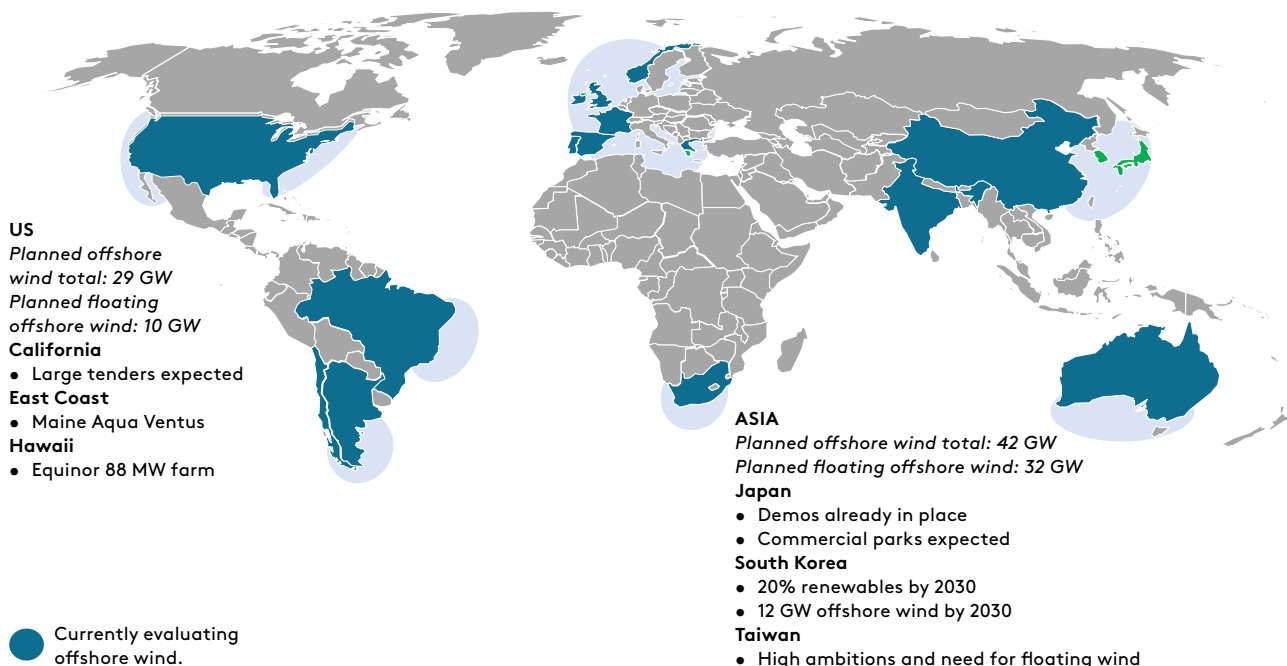
##### Italy

- 250 MW farm off Sicily

##### Sweden

- Gothenburg and Gotland

Global plans for floating wind<sup>40, 41</sup>



part that a minor water area is required and in part that only one anchoring is needed for two turbines and only one cable in order to connect two turbines. Cable is expensive and anchoring disturbs the sea bed, as bottom-fixed wind power leaves permanent marks in nature and causes more damage.

### Vertical anchoring

The patented vertical anchor which Hexicon intends to use takes up a significantly smaller area of the sea bed. This is expected to facilitate to successfully obtain environmental permits in connection with the authorities' environmental impact assessments carried out in more and more countries.

### Less cables with multi-turbine

With the TwinWind technology, Hexicon may design a wind farm with approximately one-third less cable length on the sea bed. In addition, each so-called dynamic cable – which connects the floating platform to a cable on the sea bed – has two turbines connected. In other words, there are only half the number of dynamic cables required per wind farm.

### Market and geography

The global commitment for renewable and green energy is increasing and the ambitious goals create the basis for a stable market growth. There is great potential in all geographical markets and the combined potential market in Asia, Europe and the US in total amounts to a capacity of more than 7,000 GW by 2040, which corresponds to approximately 7,000 "Swedish-sized" nuclear power reactors.<sup>42</sup>

### Europe

Europe is currently the largest market for offshore wind produced power and accounts for the majority of the installed capacity. Both the North Sea and the Baltic Sea offer good natural conditions for continued offshore wind development in Europe with high wind speeds and shallow waters.

Several European countries are planning for major investments in renewable energy over the coming years. In the UK the objective is to increase the offshore wind power capacity from 10 GW in 2020 to 40 GW by 2030. France is planning to invite tenders of

1 GW offshore wind power capacity annually, Sweden has a goal of reaching 100 per cent renewable energy by 2040 including investments of more than EUR 7.4 billion in wind power,<sup>47,44, 45</sup> and Norway has a vision of producing 3 GW of floating offshore wind power by 2030.<sup>46</sup>

On 19 November 2020, the European Commission presented EU's strategy for offshore renewable energy. The purpose of the strategy is to achieve the objective of climate neutrality at latest by 2050. The strategy proposes to increase Europe's offshore wind power, from the current 12 GW to at least 60 GW by 2030, and at least 300 GW by 2050. The Commission estimates that investments of almost EUR 800 billion will be required until 2050 in order to achieve the objectives. The strategy comes with new opportunities for the industry, more green jobs across the continent and a strengthened global leadership within offshore energy technology for the EU. This growth also protects the environment, the biological diversity and fisheries.<sup>47</sup>

### The US<sup>48</sup>

On 27 January 2021, US President Joe Biden signed a new Executive Order which doubles the objectives of the offshore wind power production by 2030, and which pauses the entering into of any new oil and natural gas leases on public land and in federal

<sup>42</sup> Carbon Trust and Industrial Technology Research Institute.

<sup>43</sup> Gov.uk (<https://www.gov.uk/government/news/new-plans-to-make-uk-world-leader-in-green-energy>).

<sup>44</sup> Offshorewind. Biz <https://www.offshorewind.biz/2019/06/13/france-to-set-1gw-annual-offshore-wind-tendering-target/>.

<sup>45</sup> 100 percent renewable electricity by 2040 report – Swedish Wind Energy Association.

<sup>46</sup> Floating offshore wind – next offshore boom?, ABB report. [https://new.abb.com/docs/librariesprovider50/media/tv1012-br-havvind-notat-til-zero-konferansen---engelsk.pdf?sfvrsn=effbb214\\_2](https://new.abb.com/docs/librariesprovider50/media/tv1012-br-havvind-notat-til-zero-konferansen---engelsk.pdf?sfvrsn=effbb214_2).

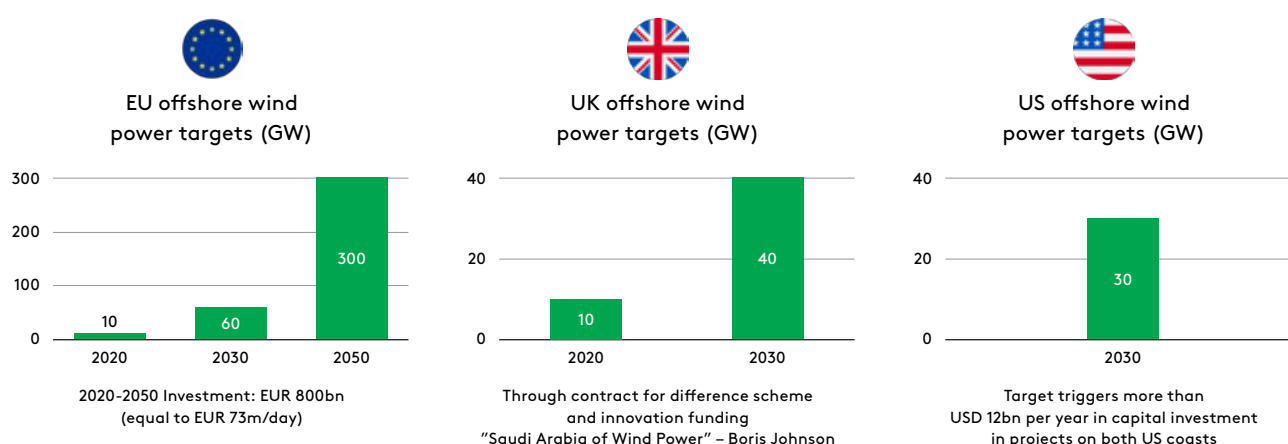
<sup>47</sup> European commission, [https://ec.europa.eu/commission/presscorner/detail/sv/ip\\_20\\_2096](https://ec.europa.eu/commission/presscorner/detail/sv/ip_20_2096).

<sup>48</sup> US Offshore Wind Pipeline Tops 25.8GW, Adnan Durakovic, 2019, OffshoreWIND.

<sup>49</sup> Government of the United Kingdom, <https://www.gov.uk/government/news/new-plans-to-make-uk-world-leader-in-green-energy>.

<sup>50</sup> NS Energy, <https://www.nsenerybusiness.com/news/industry-news/biden-offshore-wind-2030/>.

### Ambitious plans for offshore wind power<sup>47, 49, 50</sup>





waters.<sup>51</sup> Before Biden signed the new order, the President stated that a change in the US electricity sector will be a great spur for job creation and contribute to economic competitiveness, not to mention the benefits for the Americans' health and environment.<sup>52</sup> The new order aims to achieve a carbon pollution-free energy sector by 2035 and to put the US on a clear path towards a net-zero economy by 2050.<sup>53</sup>

In California, the legislators have produced a bill that requires state agencies to develop a strategic plan to spur at least 10 GW of offshore wind capacity by 2040, with an interim target of 3 GW by 2030. Offshore conditions off California's outer continental shelf are more suitable for floating platform technology than bottom-fixed turbines as the ocean is too deep for bottom-fixed wind energy even near the coast. Several major developers are already scoping out potential floating offshore wind projects off the coast of California.<sup>54</sup>

## Asia

Japan and South Korea have both adopted climate-neutral objectives by 2050, and China by 2060. This is expected to result in a large amount of floating wind power since the countries generally have deep waters. South Korea has presented a plan which means that the country shall invests approximately USD 43.2 billion, with the objective of building the world's largest offshore wind farm by 2030.<sup>55</sup> Japan plans to install approximately 30 to 45 GW of offshore wind energy by 2040 as part of the country's objective of achieving carbon neutrality by 2050.<sup>56</sup> China's large potential and market size for offshore wind energy is expected to entail an average growth of 4.77 GW annually from 2022 to 2030.<sup>57</sup>

## MARKET POSITION AND COMPETITORS

Hexicon has developed a solution which is attractive for the offshore wind market. The Company's platforms may be deployed far offshore, the turbines are also relatively cost-efficient to operate and requires less space in comparison to conventional wind energy alternatives with the same effect.

The Company's three main competitors and industry colleagues, Hywind, WindFloat and BW Ideol, currently have a certain advantage as they have already launched their constructions. However, Hexicon is convinced the Company will catch-up with its multi-turbine construction that can adapt and manoeuvre to wind directions, optimise the power production and reduce the cost of steel and cables, and therewith the average cost per MW.

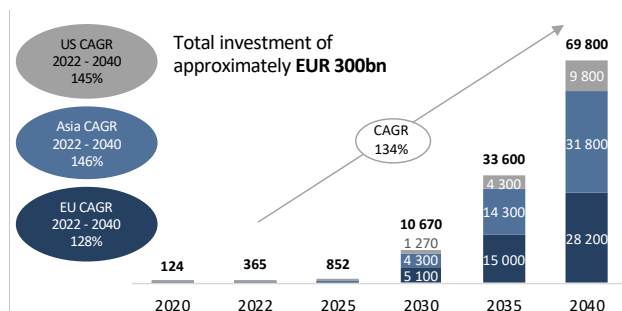
Hexicon is active in several key markets such as South Korea, Scotland, Spain, Sweden, South Africa and Ireland. At the time of this Prospectus, the Company operates three projects on three different markets in Sweden, Scotland (the Pentland Floating Wind project) and South Korea (the Munmu Baram project). The Pentland Floating Wind project (formerly known as the Dounreay-Tri project) was initiated in the autumn of 2014. In 2017 the Company received all necessary permits. In 2020, Hexicon entered into an agreement with Copenhagen Infrastructure Part (CIP) regarding the sale of a majority interest in the Pentland Floating Wind project in Scotland. Hexicon and CIP are at present working on the Scottish demonstration site to become a commercial wind power station. According to current timetable the facility shall be operational in 2026.

In June 2021, CoensHexicon, Shell and Munmu Baram Co., Ltd., a shareholders agreement to regulate CoensHexicon's and Shell's interests in the Korean project company, in which CoensHexicon and Shell own 20 and 80 per cent of the share capital respectively, see "Legal considerations and supplementary information – Material agreements" below. The purpose of the Korean project company is to develop, engineer, manufacture, finance, construct and operate a floating offshore wind farms off the coast of Ulsan, South Korea, the so-called "Munmu Baram project". The project is divided into three phases, with a capacity of 1,400 MW in total, where every phase will use FOW-technology. The final investment decision is planned to be made in 2022 and according to the current timetable the site is planned to be put into operation as from 2026.

## The market attracts some of the world's largest companies

The value chain of floating wind power can be said to consist of four material segments: turbines, foundations, offshore transformer substations and cables. Some of the world's leading companies have entered the market for floating offshore wind power by establishing themselves in one of these segments, which increases market confidence and expects to attract significant and financially strong investors. The EU's strategy for offshore renewable energy, see "Market and geography - Europe", emphasises the need for strengthening the supply chain and enhance production capacity, develop port infrastructure and increase qualified human resources to speed up the installations. The Commission plans to set up a particular platform for offshore renewable energy sources within the industry forum of clean energy to gather all market players and work on the supply chain development.<sup>58</sup>

The picture illustrates ambitions for floating offshore wind which is expected to double annually over the next 20 years (GW)<sup>59</sup>



<sup>51</sup> <https://www.offshorewind.biz/2021/01/28/us-hits-pause-button-on-oil-gas-leasing-doubles-2030-offshore-wind-target/>.

<sup>52</sup> <https://www.utilitydive.com/news/biden-order-aims-to-double-offshore-wind-boost-transmission-end-fossil-fu/594101/>.

<sup>53</sup> <https://www.offshorewind.biz/2021/01/28/us-hits-pause-button-on-oil-gas-leasing-doubles-2030-offshore-wind-target/>.

<sup>54</sup> <https://www.rechargenews.com/wind/california-bill-for-10gw-offshore-wind-target-is-once-in-a-generation-chance/2-1-961904>.

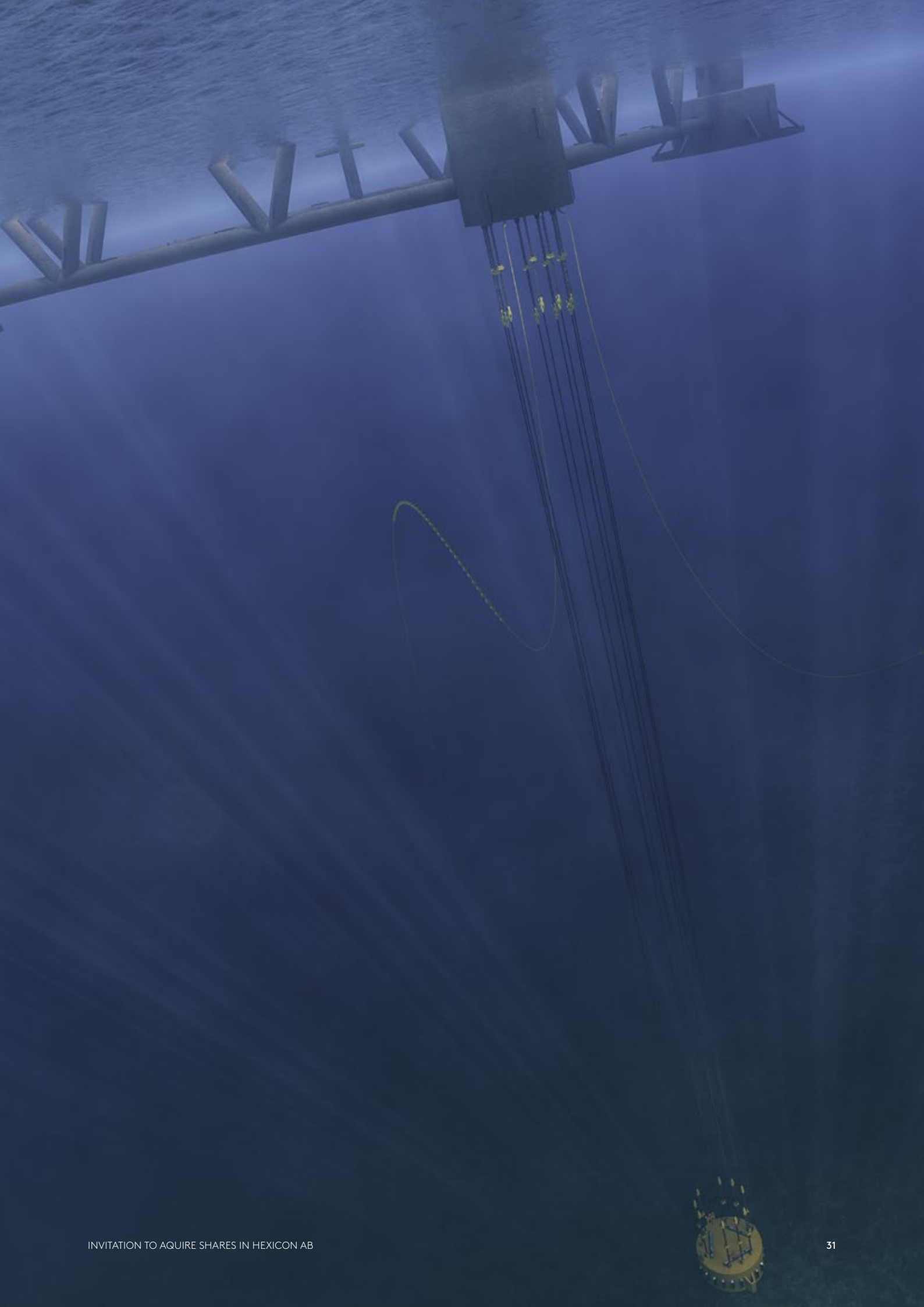
<sup>55</sup> South Korea unveils \$43 billion plan for world's largest offshore wind farm, Hyonhee Shin, 2021, Reuters.

<sup>56</sup> Japan Wind Power Association.

<sup>57</sup> Global Wind Energy Market Council Market Intelligence.

<sup>58</sup> European Commission, [https://ec.europa.eu/commission/presscorner/detail/sv/ip\\_20\\_2096](https://ec.europa.eu/commission/presscorner/detail/sv/ip_20_2096).

<sup>59</sup> Carbon Trust, Floating Wind Joint Industry Project - Phase 2, 2020.



# Business description

## OVERVIEW

Hexicon is a developer of floating offshore wind farms and develops its own patented technology for floating offshore wind platforms with two turbines per platform. The technology developed by Hexicon is called TwinWind. The platform is based on proven technology from the offshore oil- and gas industry and is a semi-submersible platform. The semi-submersible construction makes it relatively insensitive to rough seas which enables it to be very still during operation. Hexicon's patented anchoring solution allows the platform to rotate passively and aligns with the wind direction around the anchoring system in order to achieve optimal wind utilisation. This attribute conveys a number of advantages which are expected to give Hexicon a strong position on the rapidly growing market for deep off-shore wind farms.

## STRENGTHS AND COMPETITIVE ADVANTAGES

Hexicon concludes that the Company has the following strengths and competitive advantages, which have contributed and are expected to continue to contribute, to the Company successful realisation of its strategic and financial objectives:

- The Company has a diversified business model with significant synergies, and
- The Company's cutting-edge technology for twin turbine platforms.

## Diversified business model with strong synergies

Hexicon has a diversified business model by both being a project developer and technology provider. As an early project developer with access to technology, Hexicon's business model is both capital and asset light which allows the Company to diversify its business and simultaneously run several projects in different markets in parallel. The Company's business model thus entails significant value at an early stage of development.

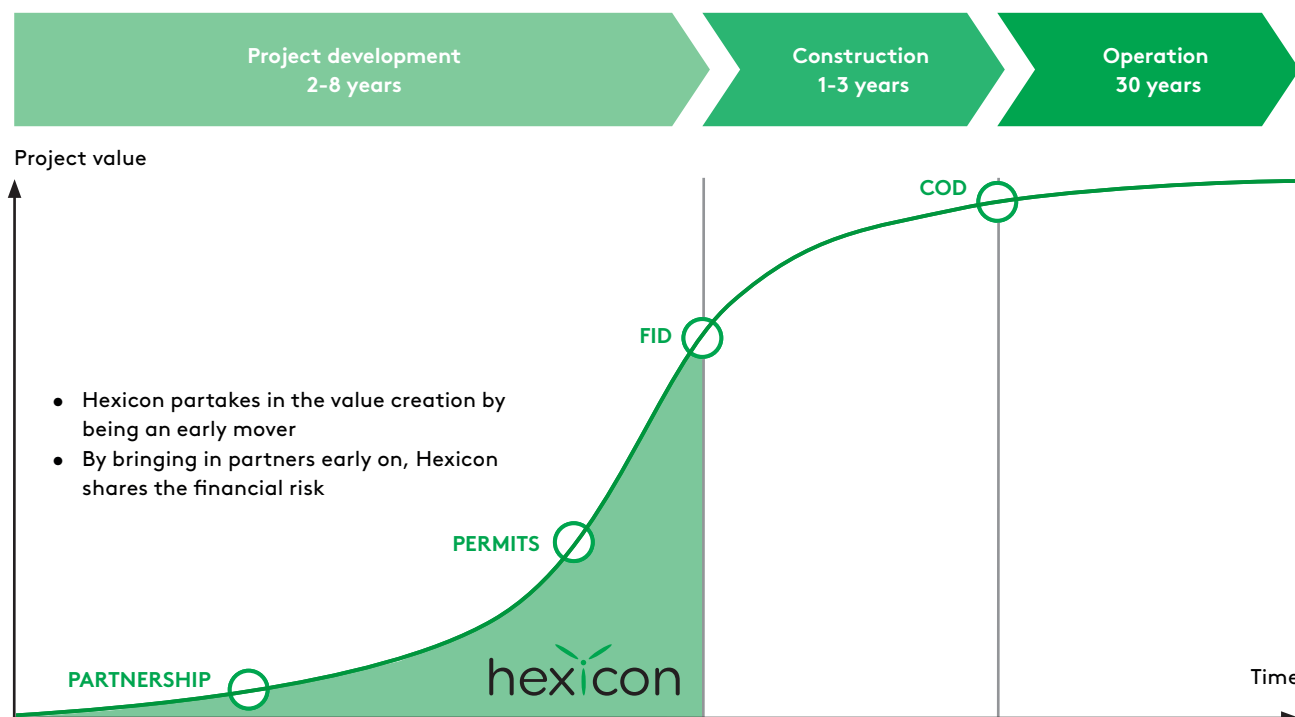
## Significant value creation in early-stage development

Hexicon's financial model consists of three essential parts: *project development*, *license revenues* and *partnerships*, all of which contribute to Hexicon's ability to create significant value at an early stage of development. At present, project development and co-ownership bring in revenue for the Company.

*Project development* – Project development in this context means Hexicon starting, operating and completing projects which generate revenue in the form of agreed payments from relevant contract parties. In the event that the Company provides consultancy services under a project, the project owner pays Hexicon for expert advice delivered by Hexicon.

*License revenue* – In addition, license revenues for use of Hexicon's patented technology constitute one additional source of income.





*Partnership* – Finally, Hexicon enters into partnerships for project developments which, once significant value has been created, are exited or otherwise realised. Partnerships will be adapted to local conditions for each project on a project-to-project basis. Which of the income streams is the main income in a project depends on the circumstances in each specific project. For more information, see below “Value creation process”.

#### Value creation process

The market choice is an important factor for Hexicon. An investment in a certain market means that Hexicon invests a lot of time and resources in that market. It is very important that the choice of market results in lucrative business and projects. When Hexicon considers entering into a new market the Company assesses whether there is a political interest in promoting and investing in offshore wind power, the geographical conditions, but

also the conditions of the legal framework in the relevant country. The legislative aspect plays a role, inter alia, because if the market is unregulated Hexicon receives a greater role in the early project development stage, which is positive for the Company’s ability to control the project at an early stage. Other important factors in the choice of market are the competition considerations and access to potential partners in the market. The choice of partner in a project is as important as the choice of market. Hexicon finds suitable partners with local knowledge and expertise. When Hexicon considers partners, it is important to take into account the potential partner’s experience of the local market, in particular with regards to wind power. Also the partner’s financial strength previous experience of manufacturing in heavy industry, for example in the steel and shipbuilding industry or in the energy sector, are important factors. In addition to that, the partner’s ambition and motivation is important.

### Platforms with two turbines (TwinWind)

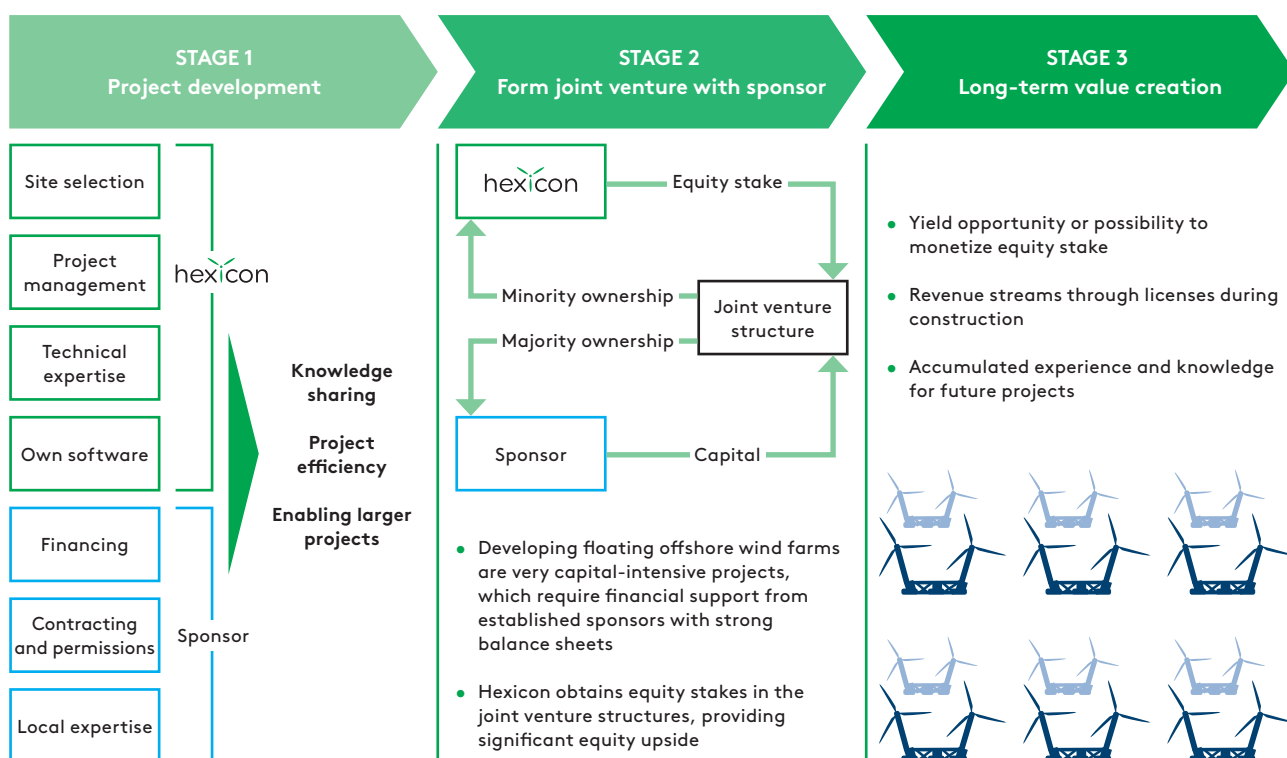
Of the currently more than 5,000 existing offshore wind turbines, approximately 15 can be found on floating structures. The towers are usually located on bottom-fixed foundations which, for economic and technical reasons, have a maximum depth of approximately 50 to 60 meters. Accordingly, significant coast areas with deep waters are excluded for this kind of solution. Foreexample, 80 per cent of the territorial waters in Europe and Japan have a depth of 50 meters or more. Hexicon has developed a concept for floating offshore wind platforms with two wind turbines per platform. The solution is relatively cost-effective and requires less space in comparison to sites using one turbine per foundation with the same total effect. Hexicon's technology, TwinWind, is disruptive with its two-turbine platforms since competing players which have come far in its technology development use platforms with only one turbine.

The size of each platform, given that each platform has two turbine towers, enables maintenance facilities to be deployed directly on the platform, and also enables it to be reached in rough weather. Hexicon expects that the technology will offer highly competitive costs levels in comparison to other alternatives in the rapidly growing market for floating wind power. A contributing factor to Hexicon's assessment that the Company will be

able to offer competitive costs levels, is that Hexicon's platform allocates the costs over two turbines instead of one, such as the cost for anchorage, harness and installation. The recent years' low oil prices have also contributed to increased capacity and availability in manufacturing, maintenance and service. Besides, Hexicon's technology may enable a significantly larger capacity load from a limited water area. Likewise, Hexicon may deliver the same capacity from a significantly smaller water area compared to competing alternatives, which will be a competitive advantage in procurement processes.

### Barriers to entry

Development of floating offshore wind power is characterised by high barriers to entry, inter alia, due to the fact that the floating offshore wind industry is relatively new, which means there is a limited number of operators in the market that have had time to gain experience of developing floating offshore wind farms from project start-up to commissioning. Hexicon is one of few operators that has experience, inter alia, from the development of Dounreay Tri now Pentland Floating Wind project in Scotland, and therefore has knowledge that few companies have. Another aspect of high entry barrier for floating wind power is that the industry is capital-intensive and projects have long lead times.



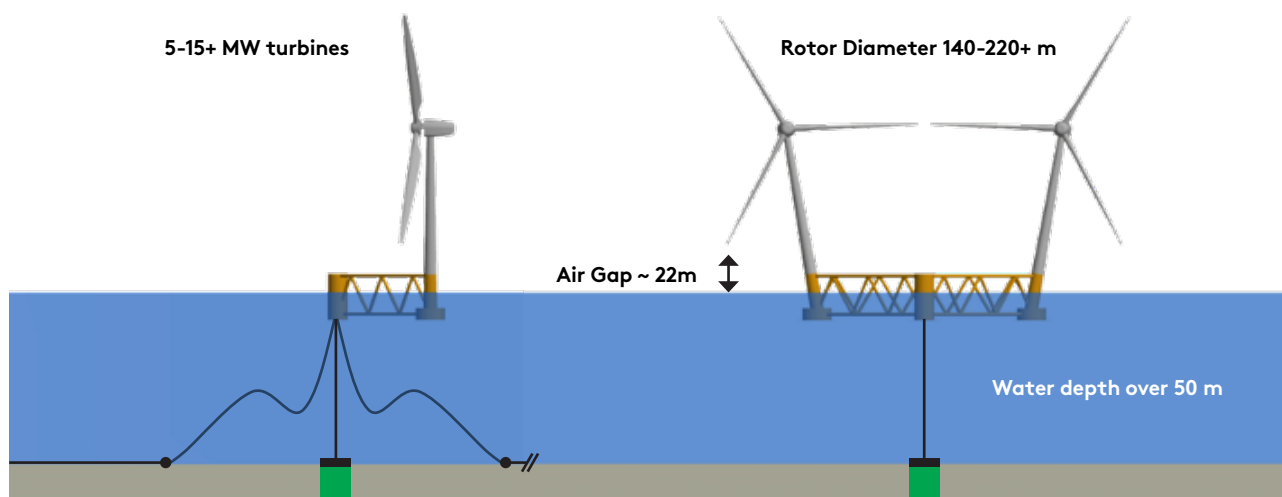


**Key advantages**Increased flexibility  
in site selectionHigher energy  
densityAccess to better  
wind conditions

Lower maintenance

Lower levelized  
cost of energy

Tilted towers mean less steel and allow for larger turbines

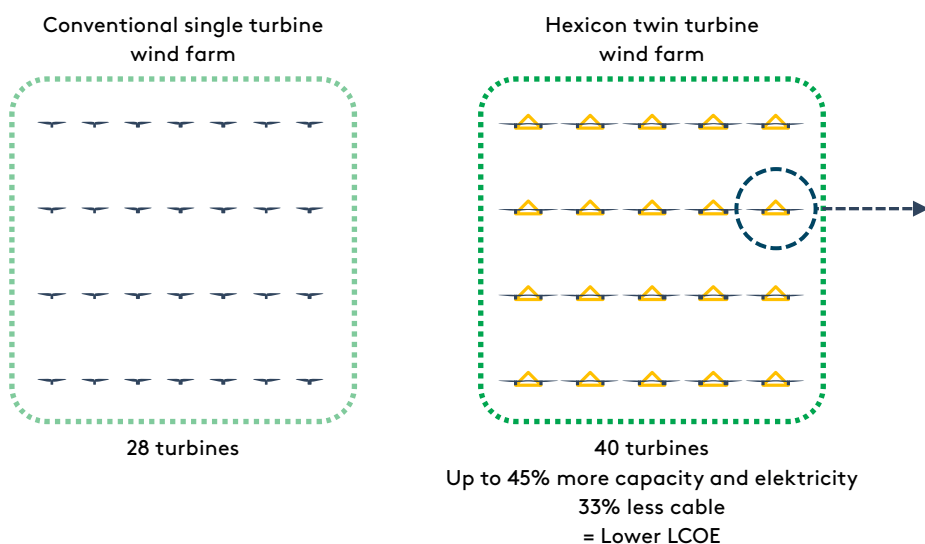


Developers of floating wind power must at an early stage raise significant amounts of capital and early establish confidence with potential investors before being able to demonstrate that the technology is competitive. The expected rapid growth of offshore wind power requires companies intending to take advantage to be involved at an early stage to secure important patents, and to

be one of the operators with the opportunity to meet the market demand for offshore wind power. Heixcon is well informed and is always closely following and acting on market trends.

It is the Company's assessment that, as per the date of the Prospectus, there is a remaining capital requirement of approximately MSEK 130 before the Company is being profitable.

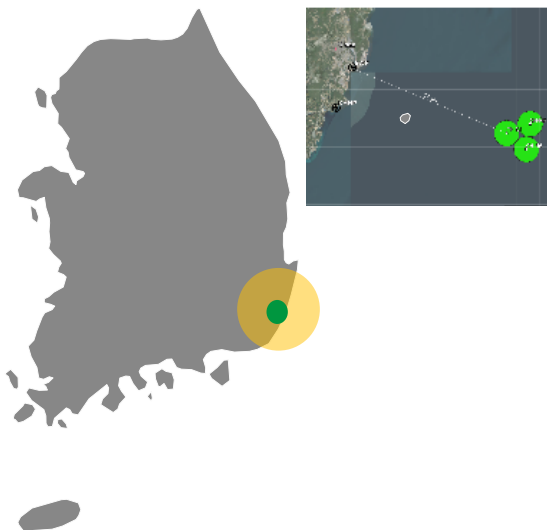
Hexicon's patented twin turbine design allows the deployment of more turbines per sea area, increasing the energy yield per acreage



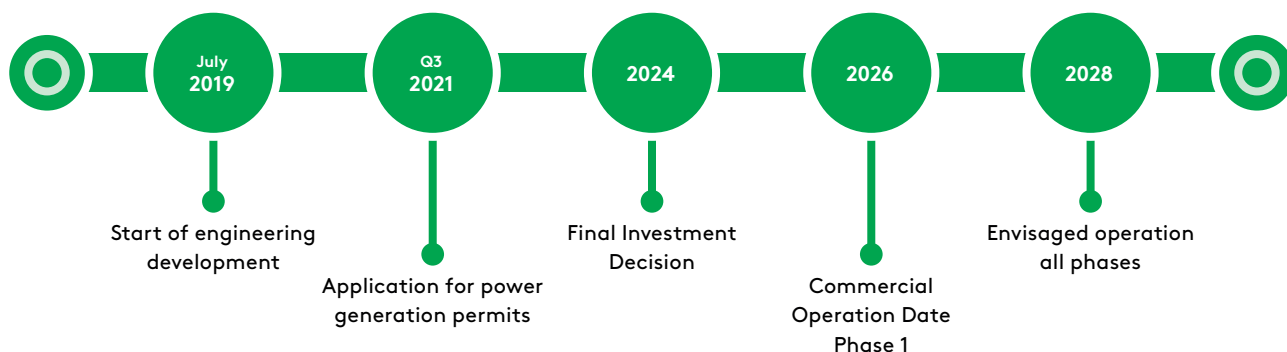
## ONGOING PROJECTS

### South Korea – Munmu Baram project

In June 2021, CoensHexicon, Shell and Munmu Baram Co., Ltd., formerly known as TwinWind Development Co., Ltd., (the Korean project company) signed a shareholder's agreement to regulate CoensHexicon and Shell's interests in the Korean project company, which is 20 percent owned by CoensHexicon and 80 percent by Shell, see "Legal considerations and supplementary information - Material agreements" below. The purpose of the Korean project is to develop, manufacture, finance, build and commission floating wind farms outside Ulsan in South Korea, the so-called "Munmu Baram project". The project is divided into several phases, with a total capacity of approximately 1400 MW, where each phase will use FOW technology. The project is divided into several phases, with a total capacity of approximately 1,400 MW, where each phase will use FOW technology. Shell covers the project's development costs until building start, which is currently scheduled for the first half of 2024. The final investment decision is expected to be made during 2024 and according to current timetable the site is planned to be put into operation in 2026. The project has a budget of approximately USD 7 billion.



### Project timeline



### Iberian Peninsula – hydrogen project

Hexicon's subsidiary, WunderHexicon, was formed with the purpose of developing floating offshore wind projects in Spain and Portugal with the use of Hexicon's patented technology.

By extracting hydrogen from sea water with the use of electrolysis equipment which can be mounted on Hexicon's patented platform, WunderHexicon, together with a consortium of eight companies led by Acciona, one of the world's leading operators within renewable energy, will develop Spain's first offshore green hydrogen site. WunderHexicon receives funding of approximately EUR 620,000 for the initial phase of the project. The project is funded by the Spanish Government.

The industrial research project will be carried out in parallel at six different locations in Spain. Together with other participating companies, WunderHexicon will design and experimentally validate the first offshore site for the generation, storage and distribution of green hydrogen. The project will propose a modular, flexible and intelligent solution which combines floating offshore wind power and solar cell technology. The site will be based on Hexicon's patented wind power platforms that will supply production with renewable electricity. The final objective of the project is to be able to use offshore wind resources for the production of hydrogen without being dependent on connection to the electricity grid, which currently limits utilisation of offshore wind resources.

The technical development project runs until January 2024.

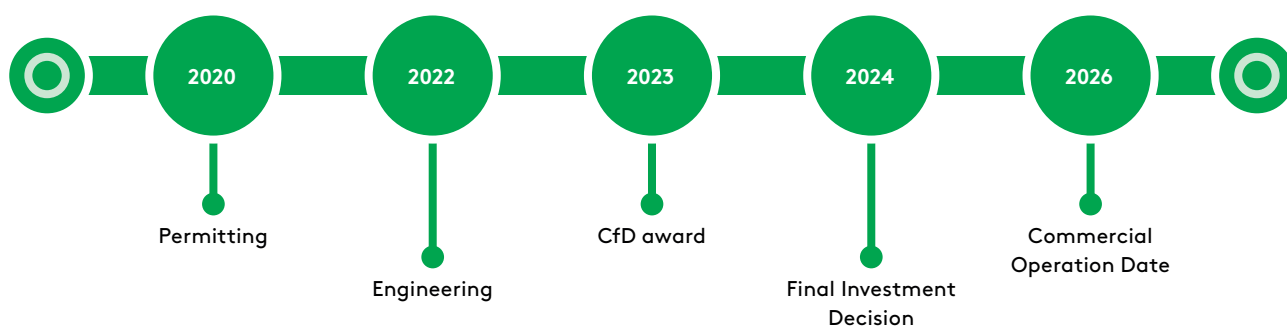


### Scotland – Pentland Floating Wind project

Hexicon initiated the project Dounreay Tri in the autumn of 2014 and has since the start managed the project's development through choice of location, design and engineering, environmental permits, procurement and construction start. The project has now changed its name to Pentland Floating Wind project and in 2020, Hexicon entered into a binding agreement with Copenhagen Infrastructure Partners ("CIP") regarding the sale of a majority interest in the Pentland Floating Wind project in Scotland. Hexicon and CIP are currently working with the Scottish demonstration site to be put into operation and according to current timetable it is estimated to 2026. The parties' objective is that the site shall reach a capacity of 100 MW, and to participate in the subsidy scheme for renewable energy in the UK, Contracts for Difference.



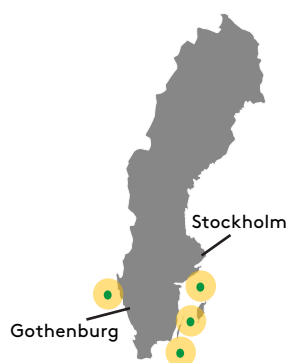
#### Project timeline



### Sweden – Nordanvind project

The Swedish market for offshore wind power is at a development stage and the water areas have not yet been utilised. Hexicon is currently working on establishing the Company on the Swedish market by creating a project portfolio, with the objective of being a leading example for the floating wind energy industry in Sweden.

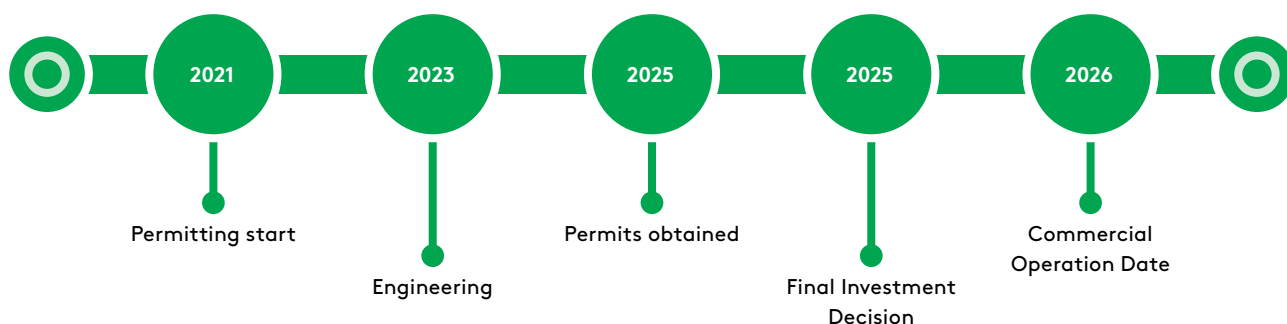
Hexicon has signed a joint development agreement with Aker Offshore Wind, an international developer, and been granted applications for rights of disposition (Sw. rådighetsansökningar) regarding four locations by Swedish authorities. The locations of the four sites are strategically selected waters near areas with large electricity demand.



#### FOUR ATTRACTIVE SITES WITH HIGH ELECTRICITY DEMAND

- 3-50 km from shore
- 60-250 m water depth
- 25 years operating time
- +3,000 MW capacity

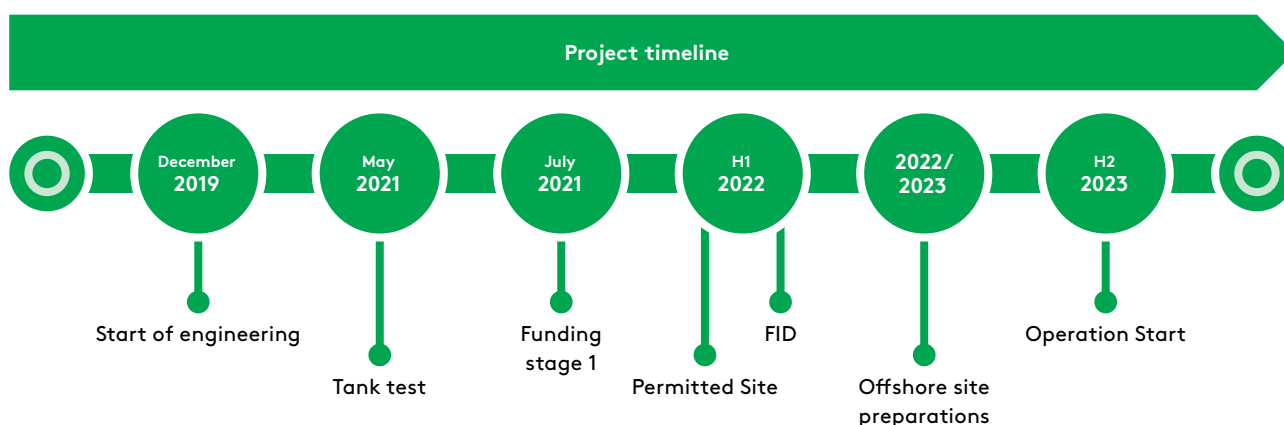
#### Project timeline



### DEMO PROJECT IN NORWAY – TWINWAY PROJECT

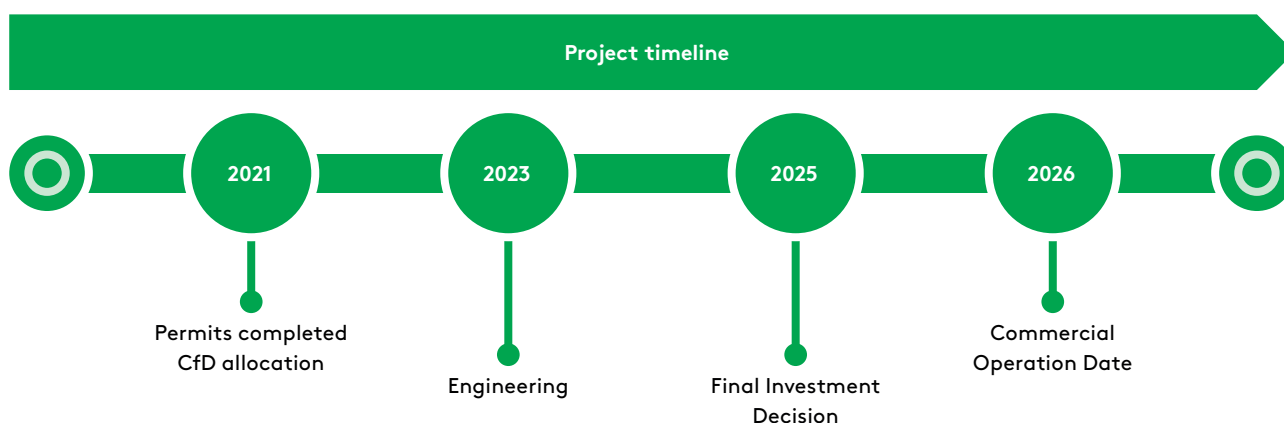
In Norway, the Company has signed an agreement with Norwegian Marine Energy Test Centre (Metcentre) regarding a demonstrator project with the purpose of increasing the technical maturity and to confirm the benefits of Hexicon's technology (the TwinWay project). The location of the proposed site is 10 kilometers offshore, in Metcentre's deep water area in Norway, with a water depth of 200 meters. The intention of the TwinWay project is to show proof of concept for Hexicon's floating wind foundation through twin wind-turbines pilot unit designed for, installed, and operated at Metcentre. With the project, Hexicon and Metcentre want to show proof of floating wind power in deep waters as it enables generation of large amounts of renewable energy meanwhile allowing higher average wind speed and lower visual impact than both onshore and bottom fixed offshore wind power. The test period is planned for one year and the tests are primarily intended to verify mooring system and floater. The objective is that installed capacity shall amount to 6 MW with the use of two 3 MW turbines. Metcentre has applied for consent for a new larger capacity of 85 MW, expected to be granted in 2021. Hexicon has signed a conditional site exclusivity agreement with a reservation of 6 MW.

Construction start of the site is planned for by 2022 with the goal of the site being commissioned at the latest by 2023. The project has a budget of EUR 40 million.



### ACQUISITION OF WAVE HUB LIMITED

On 13 April 2021, Hexicon acquired the British company Wave Hub Limited. Wave Hub is a technologically advanced site for the testing and development of offshore renewable energy technology. The site is located offshore, 16 kilometres off Hayle on the north coast of Cornwall. The strategic selected site's sea depth ranges from 51 to 57 meters, and therefore the wind and wave supply is one of the best in Europe. The site consists of four points of cable connection and has a custom-built and commissioned grid-connected infrastructure with an export capacity of 30 MW, which may be upgraded to 40 MW. The site is intended to be Hexicon's first commercial project using TwinWind.



## BUSINESS CONCEPT, VISION, STRATEGY AND MISSION

### Business concept

Based on patented technology, Hexicon will develop the world's most efficient platforms for floating offshore wind power and create, lead and participate in projects where the technology can be utilised and further developed.

### Vision

Hexicon's vision is to become a leading project developer and technology supplier of the most cost-effective and innovative solutions on the growing market for offshore wind energy.

### Strategy

Hexicon's strategy is to be a project developer in early stages, but that also has access to own technology.

### Mission

Hexicon will contribute to a quicker expansion of a large-scale and environmental-friendly energy supply. Our technology and know-how contribute to an efficient power production, a reliable power supply and a sustainable society for future generations.

## FINANCIAL OBJECTIVES AND DIVIDEND POLICY

Hexicon has adopted the following financial objectives.

- Total revenue of approximately SEK 400 million in 2025.
- Equity participation revenues from project- and associated companies shall on average account for approximately two thirds of the total revenue.
- Licence revenues to account for the majority of the remaining one third of the total revenue.
- Target EBITDA margin of 70 percent.

### Growth

The Group's objective is to enter and establish itself in at least five additional wind power markets before 2024.

### Profitability

The Group's objective is to achieve profitability from the first construction decision in one of the projects within Hexicon's portfolio.

### Dividend policy

The Company's objective is to not pay any dividends for the foreseeable future.

## SUSTAINABILITY

Since 2021, Hexicon has run a sustainability program based on the UN's global goals for sustainable development. The program, which is a cornerstone of Hexicon's strategy, has three focus areas guiding Hexicon's work in order to comply with Agenda 2030 and the UN's global goals for sustainable development. The focus areas of the sustainability program, Empowered by the Ocean, Energizing Climate Action and Trusted Partner and Employer, are all based on the areas which Hexicon considers to have the largest contribution to a sustainable development. The first focus area is based on Hexicon's patented technology that allows operations further offshore, with better wind conditions and less damage to ecosystems and biodiversity than conventional offshore-wind farms. The second focus area is based on Hexicon's position in relation to the

EU strategy on offshore renewable energy and the Company's chance to meet the demand created in light of this. The third focus area is based on the Company's successful cooperation with local experts in emerging markets, leading partners and local governments and trade associations, to work with other key players to contribute to the global transition to renewable wind.

Focus area	Connection with UN goals
Empowered by the Ocean	<ul style="list-style-type: none"> <li>• 14 Seas and marine resources</li> <li>• 15 Ecosystems and biodiversity</li> </ul>
Energizing Climate Action	<ul style="list-style-type: none"> <li>• 7 Sustainable energy for all</li> <li>• 9 Sustainable industry, innovations and infrastructure</li> <li>• 13 Combat climate change</li> </ul>
Trusted Partner and Employer	<ul style="list-style-type: none"> <li>• 16 Peaceful and inclusive societies</li> <li>• 17 Implementation and global partnership</li> </ul>

## HISTORY

The Company's journey began in 2009 when Hexicon AB was formed, which was the same year as the first floating offshore wind farm was commissioned in Norway.

### 2009:

- Hexicon is founded by three individuals with a background within offshore engineering and ship design.

### 2011:

- Three EU countries invest in Hexicon through a European investment program for renewable energy.

### 2014:

- The Company and SSAB enter into an agreement to cooperate with regards to steel materials that can be used for floating platforms for wind power.
- The Company raises capital.
- The Company obtains research support from Vinnova.

### 2016:

- The Company's floating platform with two wind turbines in the Dounreay Trī project in Scotland is certified by the American Bureau of Shipping ("ABS").
- The Company raises capital.

### 2017:

- The Company obtains permits in Scotland for a water area and permits to produce electricity from the relevant water area.
- The Company enters into a company reconstruction.

### 2018:

- The Company files two patent applications with the Swedish Patent and Registration Office (PRV).
- The Company concludes a reorganisation under the supervision of the court, resulting in a composition profit of more than MSEK 27.4, and the corporate reorganisation was completed in April. The result for the year is positive and amounts to approximately MSEK 7.3.



- The Company raises capital.
- The Company forms CoensHexicon, a joint venture with the Korean company COENS Co.
- The Company enters into a letter of intent with Shell to develop a floating offshore wind farm in South Korea.

**2019:**

- CoensHexicon enters into an agreement with Shell with the purpose to develop, construct and operate a floating offshore wind farm in South Korea.
- The Company generates its first revenue, mainly from the South Korean project carried out jointly with Shell.
- The Company starts project development at four locations in Sweden.

**2020:**

- The Company secures two new patents for floating offshore wind power which further strengthen the Company's IP portfolio.
- The Company enters into a binding agreement with CIP regarding the sale of a majority interest in the Pentland Floating project in Scotland.
- The Company completes a share placement of MSEK 116.4, and in addition, conversion of previously issued convertibles takes place.

**2021:**

- The Company's subsidiary WunderHexicon takes part in the research project OCEANH2 together with Acciona, with the objective of developing Spain's first offshore green hydrogen site.

- The Company signs a letter of intent and a joint development agreement with Aker Offshore Wind for the development of the Nordanvind project in Sweden.
- The Company acquires the English company Wave Hub and thereby strengthens its position on the English market.
- Hexicon enters into an agreement with Norwegian Marine Energy Test Centre (Metcentre) to show proof of concept based on Hexicon's technology.
- CoensHexicon signs a shareholders agreement entered into with Shell and Munmu Baram Co., Ltd, to regulate CoensHexicon's and Shell's interests in the Korean project company. The purpose of the Korean project company is to develop, engineer, manufacture, finance, construct and operate a floating offshore wind farms off the coast of Ulsan, South Korea.

**ORGANISATION**

The Company is managed by Marcus Thor who has been the Company's CEO since March 2021. Before that Marcus worked as project manager. Marcus Thor has extensive experience from the wind power industry and has spent the past nine years within the Hexicon Group. In addition to the five senior executives Marcus Thor, Sebastian Robson (CFO), Niklas Hummel (CTO), Henrik Baltscheffsky (manages the business development) and James Brown (head of operations in the North Atlantic), the Company is run by ten key employees with significant experience in the wind power industry, who contribute valuable industry expertise and contacts. As of the date of the Prospectus, Hexicon has 17 full-time employees and four consultants, a large part of whom work at the Company's head office in Stockholm. The senior executives and key personnel within Hexicon have jointly more than 30 years of experience within the Company.

**PATENTS**

Hexicon has developed a unique design of floating foundations for offshore wind farms. Based on patented technology, Hexicon will develop the world's most efficient platforms for floating offshore wind power and create, manage and participate in projects where the technology can be utilised and further developed. A key asset for Hexicon is therefore the Company's intellectual property rights, which mainly consist of a number of patents. Hexicon has a number of patents and pending patent applications in over 13 countries, but the two most material patents are shown in the table below.

Patent Family	Status	Description	Geographical Areas	Expiration Date
Floating offshore wind power platform with tension leg device	Patent granted	The anchoring systems impact on the stability of the platform and dynamic nature enable a reduced dimension of the platform	Sweden (applications submitted in 13 other countries)	2038-05-18
Floating offshore wind power platform with inclined tower	Patent granted	The two towers enable to install two turbines on a smaller platform.	Sweden (applications submitted in five other countries)	2038-01-19

**REGULATORY MATTERS**

The establishment and operation of offshore wind farms in Sweden is mainly governed by the Environmental Code (1998: 808) and thereto related regulations. The business must, for example, also comply with the provisions of the Electricity Act (1997: 857) and its associated ordinances and regulations, as well as to some extent the Act (1966: 314) on the Continental Shelf and the Act (1978: 160) on Certain Pipelines (Sw. lag (1978:160) om vissa rörledningar). There is similar legislation on the markets where Hexicon is established and intends to be established. In some markets there are requirements on licence and concession.



# Selected historical financial information

The selected historical financial information in this section should be read together with the sections entitled "Operational and financial review" and "Capital structure, indebtedness and other financial information". The selected historical financial information presented in this section derives from and shall be read together with the parent company's audited annual report as of and for the financial year ended 31 December 2018, the parent company's audited cash flow statement as of and for the financial year ended 31 December 2018, the Group's audited financial statements as of and for the financial years ended 31 December 2019 and 2020 and the Group's comprehensive interim report for the period 1 January – 31 March 2021 (including comparative figures for the period 1 January – 31 March 2020). The Group's audited financial statements as of and for the financial year ended 31 December 2019 and 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as they have been adopted by the European Union (EU) and have been audited by the Company's independent auditors, KPMG AB, as stated in their accompanying audit report and are incorporated into the Prospectus by reference. The parent company's audited annual report and audited cash flow analysis as of and for the financial year ended

31 December 2018 have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the recommendation issued by the Swedish Accounting Standards Board (BFNAR) 2012:1 Annual Report and consolidated accounts ("K3") and has been audited by Deloitte AB, which at that time was elected as the Company's independent auditor. The Company's interim report for the period 1 January – March 31 2021 has been prepared in accordance with IAS 34 Interim Financial Reporting.

Financial key figures that are not defined in accordance with IFRS (alternative key figures) are stated under the heading "Key figures". Alternative key figures are based on information obtained from the audited financial reports. Alternative key figures have not been audited by the Group's independent auditors, KPMG AB. Please refer to heading "Definitions and explanation" for definitions and motives for the use of alternative key figures that are not defined.

The figures in the following sections have been rounded off in some cases and for that reason the sum does not necessarily correspond in all tables. Apart from what is explicitly stated, no information in the Prospectus has been reviewed or audited by the Company's auditor.

**CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME<sup>60</sup>**

TSEK	1 January – 31 December	
	2020	2019
Net sales	4,357	9,846
Other operating income	1,953	5,312
Raw materials and consumables	-225	-
Other external expenses	-8,451	-12,798
Personnel costs	-15,125	-8,230
Depreciation, amortization and impairment of intangible and tangible fixed assets	-18,087	-358
Impairment of accounts receivable	-	-20
Other operating expenses	-119	-
Holdings in associated companies' results	-208	-714
<b>Operating income</b>	<b>-35,905</b>	<b>-6,962</b>
Financial income	41	5
Financial expenses	-1,075	-1,019
<b>Net financial income</b>	<b>-1,034</b>	<b>-1,014</b>
<b>Profit before tax</b>	<b>-36,939</b>	<b>-7,976</b>
Tax	-	-
<b>Total result for the year</b>	<b>-36,939</b>	<b>-7,976</b>
<b>Other comprehensive income</b>		
<b>Items that have been transferred or may be transferred to the total result for the year</b>		
Translation differences of the year when translating foreign operations	54	1
	<b>54</b>	<b>1</b>
<b>Other comprehensive income for the year</b>	<b>54</b>	<b>1</b>
<b>Total comprehensive income for the year</b>	<b>-36,884</b>	<b>-7,975</b>
Profit/loss of the year attributable to:		
The parent company's shareholders	-36,939	-7,976
<b>Total result for the year</b>	<b>-36,939</b>	<b>-7,976</b>
Total comprehensive income for the year attributable to:		
The parent company's shareholders	-36,884	-7,975
<b>Total comprehensive income for the year</b>	<b>-36,884</b>	<b>-7,975</b>
<b>Earnings per share</b>		
Before and after dilution (SEK)	-0.19	-0.05

<sup>60</sup> Retrieved from the Group's audited consolidated financial statements for the financial year ended 31 December 2020 and 2019 prepared in accordance with IFRS.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION<sup>61</sup>

TSEK	31 December	
	2020	2019
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible assets	7,314	21,164
Right of use assets	807	–
Holdings in associated companies	1,420	359
Financial placement	12	–
Receivables from associated companies	41	41
Long-term receivables	49	285
<b>Total fixed assets</b>	<b>9,643</b>	<b>21,849</b>
<b>Current assets</b>		
Accounts receivable	442	4,747
Receivables with associated companies	317	–
Other receivables	801	646
Prepaid expenses and accrued income	104	568
Cash and cash equivalents	106,595	537
<b>Total current assets</b>	<b>108,258</b>	<b>6,498</b>
<b>Total assets</b>	<b>117,902</b>	<b>28,347</b>
<b>Equity</b>		
Share capital	2,543	1,772
Ongoing share issue	–	–
Other contributed capital	259,751	136,575
Reserves (translation differences)	55	1
Retained earnings including total result for the year	–170,498	–133,560
<b>Equity attributable to the parent company's shareholders</b>	<b>91,851</b>	<b>4,788</b>
<b>Total equity</b>	<b>91,851</b>	<b>4,788</b>
<b>Current liabilities</b>		
Current lease liabilities	741	–
Accounts payable	12,903	5,167
Convertible debentures	–	8,747
Tax liabilities	4,653	4,384
Other liabilities	2,609	1,976
Accrued expenses and deferred income	5,145	3,286
<b>Total current liabilities</b>	<b>26,051</b>	<b>23,559</b>
<b>Total liabilities</b>	<b>26,051</b>	<b>23,559</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>117,902</b>	<b>28,347</b>

<sup>61</sup> Retrieved from the Group's audited consolidated financial statements for the financial year ended 31 December 2020 and 2019 prepared in accordance with IFRS.



**CONSOLIDATED STATEMENT OF CASH FLOW<sup>62</sup>**

TSEK	1 January – 31 December	
	2020	2019
<b>Operating activities</b>		
Operating profit	-35,905	-6,962
Adjustment for items not included in cash flow	18,197	-1,765
Interest received	1	-
Interest paid	-67	-54
Income tax paid	-	-
	<b>-17,775</b>	<b>-8,781</b>
Decrease (+)/ increase (-) of operating receivables	4,291	-4,662
Decrease (+)/ increase (-) of operating liabilities	10,104	-3,149
<b>Cash flow from operating activities</b>	<b>-3,380</b>	<b>-16,592</b>
<b>Investment activities</b>		
Acquisition of intangible fixed assets	-4,111	-2,502
Divestment of intangible fixed assets	-	-
Shareholder contributions paid to associated companies	-1,214	-
Provided deposits	-	-238
Acquisition of financial assets	-12	-
Refunded deposits	236	-
<b>Cash flow from investing activities</b>	<b>-5,102</b>	<b>-2,740</b>
<b>Financing activities</b>		
Share issue	116,417	8,512
Issue costs	-10,709	-449
Received option premiums	144	264
Borrowings (convertible loans)	9,080	8,550
Amortization of loans	-300	-
Amortization of lease liabilities	-133	-
<b>Cash flow from financing activities</b>	<b>114,499</b>	<b>16,877</b>
Cash flow of the year	106,017	-2,456
Cash and cash equivalents at the beginning of the year	537	2,993
Exchange rate difference in cash and cash equivalents	41	-
<b>Cash and cash equivalents at the end of the year</b>	<b>106,595</b>	<b>537</b>

<sup>62</sup> Retrieved from the Group's audited consolidated financial statements for the financial year ended 31 December 2020 and 2019 prepared in accordance with IFRS.

INCOME STATEMENT HEXICON AB<sup>63</sup>1 January –  
31 December  
2018

SEK

**Operating profit**

Net sales	–
Work performed by the company for its own use and capitalized	–
Other operating income	27,434,748
<b>Operating profit</b>	<b>27,434,748</b>

**Operating expenses**

Other external expenses	–10,812,993
Personnel costs	–5,056,719
Depreciation, amortization and impairment of tangible and intangible fixed assets	–364,807
Impairment of current assets in excess of normal impairment	0
Other operating expenses	–10,978
<b>Operating profit</b>	<b>11,189,251</b>

**Profit from financial investments**

Other interest income and similar income	59
Depreciation of financial assets and short-term investments	–2,484,806
Interest expenses and similar expenses	–1,399,000

<b>Profit from financial items</b>	<b>7,305,504</b>
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<b>Profit/loss before tax</b>	<b>7,305,504</b>
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<b>Total result for the year</b>	<b>7,305,504</b>
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<sup>63</sup> Retrieved from the parent company's financial reports included in the parent company's audited annual report for the financial year ended 31 December 2018 prepared in accordance with the Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board (BFNAR) 2012:1 on Annual Accounts and consolidated accounts ("K3").

**BALANCE SHEET HEXICON AB<sup>64</sup>**

<b>SEK</b>	<b>31 December 2018</b>
<b>ASSETS</b>	
<b>Intangible fixed assets</b>	
Capitalized expenses for development and similar jobs	18,544,769
Concessions, patents, licenses, trademarks and similar rights	474,620
	<b>19,019,389</b>
<b>Financial fixed assets</b>	
Shares in group companies	–
Shares in associated companies and joint ventures	865,376
	<b>865,376</b>
<b>Total fixed assets</b>	<b>19,884,765</b>
<b>Current receivables</b>	
Accounts receivables	–
Other receivables	1,406,299
Prepaid expenses and accrued income	101,535
<b>Cash and cash equivalents</b>	<b>2,969,601</b>
<b>Total current assets</b>	<b>4,477,435</b>
<b>TOTAL ASSETS</b>	<b>24,362,200</b>
<b>Restricted equity</b>	
Share capital	1,080,419
Revaluation reserve	1,950,000
Ongoing share issue	482,766
Fund for development expenditures	1,492,651
<b>Non-restricted equity</b>	
Share premium reserve	125,514,988
Profit or loss brought forward	–129,650,692
Total result for the period	7,305,504
<b>Total equity</b>	<b>8,175,636</b>
<b>Current liabilities</b>	
Accounts payable	9,122,110
Other current liabilities	4,343,461
Accrued expenses and deferred income	2,720,993
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>24,362,200</b>

<sup>64</sup> Retrieved from the parent company's financial reports included in the parent company's audited annual report for the financial year ended 31 December 2018 prepared in accordance with the Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board (BFNAR) 2012:1 on Annual Accounts and consolidated accounts ("K3").

**CASH FLOW STATEMENT HEXICON AB<sup>65</sup>****1 January –  
31 December  
2018****SEK****Operating activities**

Operating profit	11,189,251
<i>Adjustment for items not affecting cash flow</i>	
Depreciation	364,807
Profit from reorganistaion under the supervision of the court*	-27,262,428
Interest paid	-46,748

<b>Cash flow from operating activities for changes in working capital</b>	<b>-15,755,119</b>
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**Cash flow from change in working capital**

Decrease (+)/ increase (-) of receivables	813,361
Decrease (+)/ increase (-) in accounts payable	-211,284
Decrease (+)/ increase (-) of current liabilities*	1,425,479

<b>Cash flow from operating activities</b>	<b>-13,727,562</b>
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**Investing activities**

Acquisition of concessions, patents, licenses, etc.	-232,400
Acquisition of financial assets	-810,449

<b>Cash flow from investing activities</b>	<b>-1,042,849</b>
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**Financing activities**

Share issue	17,573,754
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<b>Cash flow from financing activities</b>	<b>17,573,754</b>
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**Change in cash and cash equivalents**

Cash and cash equivalents at the beginning of the year	166,259
Cash flow for the year	2,803,343

<b>Cash and cash equivalents at the end of the year</b>	<b>2,969,601</b>
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<sup>65</sup> The cash flow analysis for Hexicon AB for the financial year ended 31 December 2018 has been prepared separately and in accordance with the Annual Accounts Act (1995:1554) the Swedish Accounting Standards Board (BFNAR) 2012:1 on Annual Accounts and consolidated accounts ("K3") and has been audited by Deloitte AB who was the Company's auditor in 2018.

\* Hexicon AB has during the year completed its reorganisation under the supervision of the court which became legally binding in April 2018. The reorganisation resulted in impairments of accounts payable of 75% which gave rise to the profit from reorganisation under the supervision of the court at a value of SEK 27,262,428.

**KEY FIGURES**

Financial key figures that are not defined in accordance with IFRS or K3 (alternative key figures) are stated under the heading “Definitions and explanation”. Alternative key figures are based on information obtained from the above-audited respectively unaudited financial statements and or/ internal accounting- and reporting systems which are subject to internal control over the financial reporting. Alternative key figures for the financial years 2019 and 2020 have not been audited by the Group’s independent auditors, KPMG AB. Alternative key figures for the financial year 2018 have not been audited by the parent company’s former auditors, Deloitte AB. Please refer to heading “Definitions and explanation” for definitions and motives for the use of alternative key figures that are not defined.

	1 January – 31 December			1 January – 31 March	
	2020	2019	2018**	2021	2020
Equity ratio, %*	77.9	16.9	6.8	89	1
Average number of employees	10	7	5	14	9

\* Alternative key ratios, not defined in accordance with IFRS.

\*\* Alternative key figures for the financial year 2018 are based on information retrieved for the financial year 2018, which are prepared in accordance with K3. The alternative key figures are not audited.

**Definitions and explanation**

Key figures	Definition	Purpose
Equity ratio, %	Equity divided by total assets.	The key figure is used to assess the Company’s financial position and stability.





# Operational and financial review

The information presented in this section is intended to facilitate the understanding and evaluation of trends and changes in the Company's operating results and financial position and should be read in conjunction with the sections "Selected historical financial information" and "Capital structure, indebtedness and other financial information". The financial information has been derived from and shall be read in conjunction with the parent company's audited financial statements as of and for the financial year ended 31 December 2018, the parent company's audited cash flow statement as of and for the financial year ended 31 December 2018, the Group's audited financial statements as of and for the financial years that ended 31 December 2019 and 2020 and the Group's reviewed interim report for the period 1 January – 31 March 2021 (including comparative figures for the period 1 January – 31 March 2020).

The reader should note that historical results do not necessarily give an indication of future results.

## COMPARISON BETWEEN THE PERIOD 1 JANUARY – 31 MARCH 2021 AND 1 JANUARY – 31 MARCH 2020

### Income statement

#### Net sales

Net sales increased from TSEK 1,030 during the period January to March 2020 to TSEK 11,535 during the same period 2021. The increase was attributable to a project divestment in Scotland. Other operating income decreased from TSEK 306 during the period January to March 2020 to TSEK 256 during the same period in 2021. The decrease was primarily attributable to less invoiced consulting hours.

#### Costs

Other external costs increased from TSEK –2,026 during the period January to March 2020 to TSEK –7,376 during the same period 2021. The increase was attributable to increased costs for external consultants. Personnel costs increased from TSEK –3,215 during the period January to March 2020 to TSEK –5,081 during the same period in 2021. Depreciation and impairments of tangible and intangible fixed assets increased from TSEK 0 during the period January to March 2020 to TSEK –205 during the same period 2021. The increase was primarily attributable to accounting effects related to IFRS 16 regarding estimated rental debt.

#### Operating loss

The Company's loss for the year decreased from TSEK –4,242 during the period January to March 2020 to TSEK –1,396 during the same period 2021. The decreased operating loss was primarily attributable to the changes described under the headings "Net sales" and "Costs" above.

### Total result for the year

The Company's loss for the year before tax decreased from TSEK –4,515 during the period January to March 2020 to TSEK –37 during the same period in 2021. The decrease was attributable to the changes described under the headings above. No tax was paid either during the period January to March 2020 or during the same period 2021.

### Balance sheet

#### Fixed assets

Intangible fixed assets decreased from TSEK 21,470 as of 31 March 2020 to TSEK 10,097 as of 31 March 2021. The change was attributable to impairment during the last quarter of 2020 of capitalized development expenses. Holdings in associated companies increased from TSEK 156 as of 31 March 2020 to TSEK 1,081 as of 31 March 2021. The increase was attributable to shareholder's contribution to the Korean joint venture company. Total fixed assets decreased from TSEK 21,953 as of 31 March 2020 to TSEK 11,844 as of 31 March 2021. The decrease is attributable to the changes described above.

#### Current assets

Accounts receivable increased from TSEK 0 as of 31 March 2020 to TSEK 127 as of 31 March 2021. The changes were attributable to a claim on a Korean counterparty. Cash and cash equivalents increased from TSEK 1,612 as of 31 March 2020 to TSEK 99,705 as of 31 March 2021. The increase was attributable to the new issue in October 2020. Total current assets increased from TSEK 2,163 as of 31 March 2020 to TSEK 102,185 as of 31 March 2021 and the increase was primarily attributable to the aforementioned new issue.

### Liquidity and financial position

As of 31 March 2020, equity amounted to TSEK 254 and as of 31 March 2021, it amounted to TSEK 102,038. The increase was primarily attributable to the new issue in October 2020. Total current liabilities increased from TSEK 23,862 as of 31 March 2020 to TSEK 11,991 as of 31 March 2021. The change was primarily attributable to convertibles converted into shares during the second half of 2020.

### Cash flow

Cash flow from operating activities changed from TSEK –1,267 during the period 31 March 2020 to TSEK –14,708 during the period 31 March 2021. The change was primarily attributable to increased operating profit (see above under the heading "Operating loss"), increased personnel costs and costs for external consultants.

Cash flow from investing activities changed from TSEK –306 during the period 31 March 2020 to TSEK –2,871 during the period 31 March 2021. The change was primarily attributable to capitalized development expenses. Cash flow from financing activities increased from TSEK 2,595 during the period 31 March 2020 to TSEK 10,049 during the period 31 March 2021 and the increase was primarily attributable to premiums received and exercise of warrants. Cash and cash equivalents at the end of the period increased from TSEK 1,612 during the period 31 March 2020 to TSEK 99,705 during the period 31 March 2021, the increase was primarily attributable to the new issue made in October 2020.



## COMPARISON BETWEEN THE PERIOD 1 JANUARY – 31 DECEMBER 2020 AND 1 JANUARY – 31 DECEMBER 2019<sup>66</sup>

### Income statement

#### Net sales

Net sales decreased from TSEK 9,846 during the period January to December 2019 to TSEK 4,357 during the same period in 2020. The decrease was attributable to non-recurring assignments in Portugal that were completed in 2019. Other operating income decreased from TSEK 5,312 during the period January to December 2019 to TSEK 1,953 during the same period 2020. The decrease was primarily attributable to profit of TSEK 2,857 from reorganization under the supervision of the court as the Company received in 2019.

#### Costs

Other external costs decreased from TSEK 12,798 during the period January to December 2019 to TSEK 8,451 during the same period 2020. The decrease was attributable to the costs for consulting services being lower in 2020 than in 2019. Personnel costs increased from TSEK 8,230 during the period January to December 2019 to TSEK 15,125 during the same period in 2020, which was caused by the Company hiring more employees. Depreciation and impairment of tangible and intangible fixed assets increased from TSEK 358 during the period January to December 2019 to TSEK 18,087 during the same period in 2020. The increase was attributable to retirement of technology that the Company no longer uses.

#### Operating profit

The Company's operating profit decreased from TSEK -6,962 during the period January to December 2019 to TSEK -35,905 during the same period in 2020. The increased operating loss was primarily attributable to the changes described under the headings "Net sales" and "Costs" above.

#### Total result for the year

The loss for the year increased from TSEK 7,976 during the period January to December 2019 to TSEK 36,939 during the same period in 2020. The increase was primarily attributable to the changes described under the headings above. No tax was paid either during the period January to December 2019 or during the same period in 2020.

### Balance sheet

#### Fixed assets

Intangible fixed assets decreased from TSEK 21,164 as of 31 December 2019 to TSEK 7,314 as of 31 December 2020. The change was attributable to retirement of work performed by the company for its own use and capitalized related to technology as the Company no longer uses. Shares in associated companies increased from TSEK 359 as of 31 December 2019 to TSEK 1,420 as of 31 December 2020. The increase was attributable to a share issue of TSEK 1,214 in CoensHexicon. Total fixed assets decreased from TSEK 21,849 as of 31 December 2019 to TSEK 9,643 as of 31 December 2020. The decrease is attributable to the changes described above.

#### Current assets

Accounts receivable decreased from TSEK 4,747 as of 31 December 2019 to TSEK 442 as of 31 December 2020. The changes were attributable to accounts receivable within the framework of the Portuguese project. Cash and cash equivalents increased from TSEK 537 as of 31 December 2019 to TSEK 106,595 as of 31 December 2020. The increase was attributable to the new share issue of TSEK 116,417 carried out by the Company during the autumn of 2020. Total current assets increased from TSEK 6,498 as of 31 December 2019 to TSEK 108,258 as of 31 December 2020 and the increase was primarily attributable to the aforementioned share issue.

#### Liquidity and financial position

As of 31 December 2019, equity amounted to TSEK 4,788 and as of 31 December 2020, equity amounted to TSEK 91,851. The increase was primarily attributable to the new share issue carried out by the Company during the autumn of 2020. Total current liabilities increased from TSEK 23,559 as of 31 December 2019 to TSEK 26,051 as of 31 December 2020. The change was primarily attributable to an increase in accounts payable.

#### Cash flow

As a result of payments received, the Company's receivables attributable to projects decreased in 2020 compared to the corresponding period in 2019. As a result of the share issue carried out in 2020, the Company's development costs and running costs increased, which resulted in increased accounts payable implying a positive cash flow impact for the year-end 2020. Cash flow from investing activities changed from TSEK -2,740 in 2019 to TSEK -5,102 in 2020. The change was primarily attributable to the shareholder contribution of TSEK 1,214 that the Company provided to CoensHexicon and to work performed by the company for its own use and capitalized. Cash flow from financing activities increased from TSEK 16,877 in 2019 to TSEK 114,499 in 2020 and the increase was primarily attributable to the share issue carried out by the Company. Cash and cash equivalents at the end of the year increased from TSEK 537 in 2019 to TSEK 106,595 in 2020, the increase was primarily attributable to the new share issue carried out by the Company in the autumn of 2020.

<sup>66</sup> Retrieved from the Group's audited consolidated financial statements for the financial year ended 31 December 2020 and 2019 prepared in accordance with IFRS.

## COMPARISON BETWEEN THE PERIOD 1 JANUARY – 31 DECEMBER 2019<sup>67</sup> AND 1 JANUARY – 31 DECEMBER 2018<sup>68</sup>

### General

In 2018, the Company did not prepare consolidated financial statements. The parent company Hexicon AB's audited annual report and audited cash flow analysis for the financial year ended 31 December 2018 have been prepared in accordance with the Annual Accounts Act (1995:1554) and the recommendation issued by the Swedish Accounting Standards Board (BFNAR) 2012:1 on Annual Accounts and consolidated accounts ("K3"). As the Group has not prepared any consolidated financial statements in accordance with K3 before the Group's transition to IFRS, the transition to IFRS has not had any effect on the Group. However, the reader's attention is drawn to the fact that the following comparison is thus made between the parent company's accounts for 2018 and the Group consolidated accounts for 2019, which is why some of the financial information below is not directly comparable. There are thus no material transition effects or consolidation effects which affect the comparison between the years.

### Income statement

#### Net sales

The parent company's revenues in 2018 amounted to TSEK 0 and the Group's net sales amounted to TSEK 9,846 during the same period in 2019. The change was primarily attributable to the Company in 2018 being under corporate reorganization and not receiving any revenues in 2018. The parent company's other operating income amounted to TSEK 27,435 during the period January to December 2018 and the Group's other operating income amounted to TSEK 5,312 during the same period in 2019. The difference is primarily attributable to impairment of liabilities (profit from reorganisation under the supervision of the court) within the framework of the Company's corporate reorganisation in 2018.

#### Operating expenses

The parent company's other external costs in 2018 amounted to TSEK 10,813 and the Group's other external costs in 2019 amounted to TSEK 12,798. The difference between the years was primarily attributable to higher costs for consultancy services in 2019. The parent company's personnel costs during the period January to December 2018 amounted to TSEK 5,057 and the Group's personnel costs during the period January to December 2019 amounted to TSEK 8,230. The increase was attributable to the Company hiring more employees.

The parent company's operating profit during the period January to December 2018 amounted to TSEK 11,189 and the Group's operating profit during the period January to December 2019 amounted to TSEK -6,962. The decrease was primarily attributable to impairment of liabilities (profit from reorganisation under the supervision of the court) within the framework of the Company's corporate reorganisation in 2018.

### Total result for the year

The parent company's profit during the period January to December 2018 amounted to TSEK 7,306 and the Group's profit amounted to TSEK -7,976 during the same period in 2019. The decrease was primarily attributable to impairment of liabilities

(profit from reorganisation under the supervision of the court) within the Company's corporate reorganisation in 2018.

### Balance sheet

Intangible fixed assets increased from TSEK 19,019 as of 31 December 2018 to TSEK 21,164 as of 31 December 2019. The increase was primarily attributable to work performed by the company for its own use and capitalized. Shares in associated companies decreased from TSEK 857 as of 31 December 2018 to TSEK 359 as of 31 December 2019. The decrease was a consequence of the Company preparing consolidated accounts as of 2019. Total fixed assets increased from TSEK 19,965 as of 31 December 2018 to TSEK 21,849 as of 31 December 2019.

The parent company's cash and cash equivalent amounted to TSEK 2,970 as of 31 December 2018 and the Group's cash and cash equivalents amounted to TSEK 537 as of 31 December 2019. The decrease was primarily attributable to costs within the Company's current operations. Current assets increased from TSEK 4,477 as of 31 December 2018 to TSEK 6,498 as of 31 December 2019 and the increase was primarily attributable to accounts receivable in the Portuguese project.

As of 31 December 2018, equity in the parent company amounted to TSEK 8,176 and as of 31 December 2019, equity in the Group amounted to TSEK 4,788. The decrease was primarily attributable to impairment of the value in the subsidiary Dounreay Holding AB. As of 31 December 2018, the parent company's current liabilities amounted to TSEK 16,187 and as of 31 December 2019, the Group's current liabilities amounted to TSEK 23,559. The increase was primarily attributable to a convertible loan issued by the Company.

### Cash flow

Cash flow from operating activities changed from TSEK -13,728 for the parent company in 2018 to TSEK -16,592 for the Group in 2019. The change was primarily attributable to increased operating receivables and reduced operating liabilities as Hexicon received receivables from consulting operations and the Company paid off most of the accounts payable.

Cash flow from investing activities changed from TSEK -1,043 for the parent company in 2018 to TSEK -2,740 for the Group in 2019. The change was connected to a higher degree of work performed by the company for its own use and capitalized. Cash flow from financing activities changed from TSEK 17,574 for the parent company in 2018 to TSEK 16,887 for the Group in 2019. The change was primarily attributable to the parent company raising less capital through share issues in 2019 than the year before. Cash and cash equivalents at the end of the year changed from TSEK 2,970 for the parent company in 2018 to TSEK 537 for the Group in 2019. The change was primarily attributable to increased expenses from operating activities.

<sup>67</sup> Retrieved from the Group's audited consolidated financial statements for the financial years ended 31 December 2020 and 2019 prepared in accordance with IFRS..

<sup>68</sup> Audited financial information for the parent company for the financial year 2018 prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the recommendation issued by the Swedish Accounting Standards Board (BFNAR) 2012:1 Annual Report and consolidated accounts] ("K3").

# Capital structure, indebtedness, and other financial information

## CAPITAL STRUCTURE AND INDEBTEDNESS

The tables in this section describe the capital structure of Hexicon and net indebtedness on a group level as of 31 March 2021. The tables show the interest bearing liabilities of the Company (non interest bearing liabilities are not included). See the section "Share capital and ownership structure" for additional information regarding *inter alia* Hexicon's share capital and shares. The tables in this section should be read together with the sections "Selected historical financial information" and "Operational and financial review". In addition to what has been described in Section "Significant events following 31 March 2021" no significant changes has been made since 31 March 2021 as regards indebtedness of Hexicon.

### Capitalisation

#### TSEK

<b>Total current debt</b> (including current portion of non-current debt)	
Guaranteed	–
Secured	–
Unsecured*	540

<b>Total non-current debt</b> (excluding current portion of non-current debt)	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–

#### Equity

Share capital	2,625
Other contributed capital	269,856
Reserves (translation gains/losses)	27
Retained earnings accumulated losses including net profit	–170,470
<b>In total</b>	<b>102,578</b>

\* Constitutes an interest-bearing leasing debt in accordance with IFRS 16.

## Net indebtedness

#### TSEK

(A) Cash and bank balances	
(B) Other cash equivalents*	99,705
(C) Other financial assets	–
<b>(D) Liquidity (A)+(B)+(C)</b>	<b>99,705</b>
(E) Current financial debt (including debt instruments, but excluding current portion of non-current debt)	540
(F) Current portion of non-current debt	–
<b>(G) Current financial indebtedness (E+F)</b>	<b>540</b>
<b>(H) Current financial net indebtedness (G-D)</b>	<b>–99,165</b>
(I) Non-current financial debt (excluding current portion of non-current debt instruments)	–
(J) Debt instruments	–
(K) Non-current accounts payable and other debts	–
<b>(L) Non-current financial indebtedness (I+J+K)</b>	<b>–</b>
<b>(M) Total financial indebtedness (H+L)**</b>	<b>–99,165</b>

\* Cash equivalents consist of cash and bank deposits.

\*\* Financial debt comprises leasing debt of which the current interest-bearing leasing debt amounts to TSEK 540.



## INDIRECT INDEBTEDNESS AND CONTINGENT LIABILITIES

In connection with the acquisition of Wave Hub Limited, two additional purchase prices may be paid. Hexicon shall pay consideration of GBP 1 million when/if it receives a CfD award (Contract for difference with Low Carbon Contracts Company), and an additional GBP 1 million following the final financing decision to construct the windfarm. There is neither any indirect indebtedness nor any contingent liabilities as per the date of the Prospectus.

## WORKING CAPITAL STATEMENT

It is the Company's assessment that the existing working capital, as of the date of the Prospectus, is not sufficient for the Company's needs during the next twelve-month period, given the business plan that exists on the date of the Prospectus. As per 31 March 2021 the Company's cash and cash equivalents amounted to MSEK 99,7. The Company assesses that a loss of working capital will arise in Q2 2022 and the deficit for the next 12-month period is estimated at approximately MSEK 10. In order to support the Company's continued expansion and to promote the Company's continued growth and development, inter alia, by broadening the Company's financing options and providing access to Swedish and international capital markets, the Company's board of directors has resolved to carry out a new share issue in Hexicon, which is directed to the general public in Sweden and to institutional investors in Sweden and abroad. The new share issue is expected to provide Hexicon with approximately MSEK 266 after deduction of costs related to the Offering. Upon full subscription in the Offering, the number of shares in Hexicon will increase by 100,000,000 shares from 262,533,479 to 362,533,479 (excluding the Over-allotment Option). Anchor Investors have expressed interest to acquire shares in the Offering at a total value of MSEK 220, corresponding to a total of 73 per cent of the shares in the Offering, or a total of 64 per cent of the shares in the Offering, assuming the Over-allotment Option being exercised in full. It is therefore the board's assessment that the expected working capital injection through the Offering will meet the Company's working capital needs for the next twelve months. If the Offering is not fully-subscribed, despite the submitted share acquisition intentions the Company will look into alternative financing opportunities or await the intended expansion.

## HISTORICAL INVESTMENTS

Hexicon's investments consist of investments in intangible fixed assets. The investments amounted to TSEK 232 during 2018, TSEK 2,502 during 2019 and TSEK 4,111 during 2020. As of 1 January 2021 and until the date of the Prospectus, the Company has made investments equivalent to TSEK 3,740. The investments in intangible fixed assets mainly consists of capitalization of self-reprocessed time related to technological development (Sw. *aktivering av egenupparbetad tid för teknisk utveckling*).

## ONGOING AND DECISIVE INVESTMENTS

On 13 April 2021 Hexicon's fully owned subsidiary, TwinHub Limited (as buyer), Hexicon (as guarantor) and Cornwall Council in England (as seller) entered into a share purchase agreement for the sale and purchase of the English company Wave Hub Limited, which is the owner the assets relating to the offshore windfarm site located 16 km outside Hayle, England, see section "Legal considerations and supplementary information – Material agreements – Acquisition of Wave hub Limited." The acquisition is financed by cash and cash equivalents.

## SIGNIFICANT EVENTS FOLLOWING 31 MARCH 2021

On 13 April 2021, Hexicon acquired the British company Wave Hub Limited. Wave Hub is a technically advanced site for testing and development of offshore renewable energy technology, see further under "Legal considerations and supplementary information – Material agreements – Acquisition of Wave Hub Limited". In June 2021, CoensHexicon, Shell and Munmu Baram Co., Ltd, formerly known as TwinWind Development Co., Ltd., (the Korean Project Company), entered into a shareholders agreement (SHA) to regulate CoensHexicon's and Shell's interests in the Korean Project Company, see further under "Legal considerations and supplementary information – Material agreements – Joint venture with Shell". Furthermore, the Company's wholly owned subsidiary, Dounreay Holding AB, has pursued a tax issue regarding a tax surcharge (Sw. *skattetillägg*) which was imposed Dounreay Holding AB for the financial year 2017. Dounreay Holding AB has now appealed the decision to the Administrative Court of Appeal and the amount of TSEK 3,845 has been reserved for in the accounts of Dounreay Holding AB. On 10 May 2021 the Company, via a press release, announced that Hexicon has entered into an agreement with Norwegian Marine Energy Test Centre (Metcentre) to show proof of concept based on Hexicon's technology in Metcentre's deep water area in Norway, see "Business description – Demo project in Norway – TwinWay project". In addition to the above, there have been no significant changes in the Group's financial position, earnings or position in the market after 31 March 2021.

# Share capital and ownership structure

## GENERAL INFORMATION

The Company's articles of association contains provisions pursuant to which the Company's share capital shall be not less than SEK 2,000,000 and not more than SEK 8,000,000, divided into not less than 200,000,000 shares and not more than 800,000,000 shares. These limits in the articles of association may be changed by the general meeting.

The Company only has one class of shares. The shares are not subject to any redemption rights or redemption obligation and there are no provisions regarding conversion linked to the shares. All shares are fully paid and denominated in Swedish kronor (SEK).

The shares are issued in dematerialised form through the services of Euroclear Sweden AB (P.O. Box 191, 101 23 Stockholm, Sweden). Euroclear is the central securities depository and clearing organisation for the shares in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument). Hence, no share certificates are issued and any transfers of shares are made electronically. The ISIN-code for the Company's shares is SE0004898799.

As of 31 March 2021, the Company's share capital amounted to SEK 2,625,334.79 divided into 262,533,479 shares, giving each share a quotient (par) value of SEK 0.01. As of the date of the Prospectus, the Company's share capital amounts to SEK 2,625,334.79 divided into 262,533,479 shares, giving each share a quotient (par) value of SEK 0.01.

As of the date of the Prospectus, the Company has no outstanding convertibles or exchangeable securities or other financial instruments which could result in a dilution for existing shareholders if exercised apart from what is noted under the heading "Incentive programs" below. Neither the Company nor any of its subsidiaries own shares in the Company and no other party owns shares in the Company on their behalf.

## RIGHTS ASSOCIATED WITH THE SHARES

The Company's shares are issued in accordance with Swedish law and the rights of the shares may only be modified or altered through a change of the articles of association in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)). Changes to the articles of association is made by a decision of the general meeting, in accordance the Swedish Companies Act which lays down certain qualified majority requirements for such decisions to be valid.

## ENTITLEMENT TO PARTICIPATE IN GENERAL MEETINGS

In order to be entitled to participate in general meetings, a shareholder must be entered in the Company's share register no later than six banking days prior to the general meeting and notify the Company of their intention to attend the general meeting no later than the date that follows from the notice to attend the meeting.

## VOTING RIGHTS AND TRANSFERABILITY OF SHARES

The shareholders' influence in the Company is exercised at the general meeting, which, in accordance with the Swedish Companies Act, is the Company's highest decision-making body. Shareholders are entitled to vote for their full number of shares and each share entitles to one vote at the shareholders' meeting. All shares are freely transferable. The shares are not subject to any transfer restrictions.

## DIVIDENDS, SHARE IN THE COMPANY'S PROFITS AND PROCEEDS ON LIQUIDATION

All shares in the Company give equal rights to dividends, share in the Company's profits and the Company's assets and any surplus in the event of liquidation. Any dividends are decided by the shareholders' meeting, which may in general not decide on dividends exceeding the amount proposed by the board of directors. Shareholders registered in Euroclear's central securities register on the record date, decided by the shareholders' meeting, or by the board of directors if authorized by the general meeting, shall be entitled to dividends. According to the Swedish Companies Act, dividends may only be paid to the amount that there still is unrestricted equity (Sw. *fritt eget kapital*) available, i.e. there must be full coverage for the Company's restricted equity (Sw. *bundet eget kapital*) after the distribution of dividends. It is the Company's latest adopted balance sheet that sets out the amount available for payment of dividends. Furthermore, dividends may only be paid if prudent, taking into consideration the demands of the Company's equity which are imposed by the nature, scope and risks associated with the business as well as the Company's need to strengthen its balance sheet, liquidity and financial position in general.

Normally, dividends is paid in cash but may also be paid in kind. The shareholders are entitled to a pro rata share of the dividends in relation to their shareholding. The distribution of the dividends is managed by Euroclear. Should a shareholder not be able to get paid by distribution of Euroclear, the shareholder will have a claim for payment of the same amount against the Company. Such claim is under provision of statutory limitation of ten years after which the dividend amount is forfeited to the Company.

There are no restrictions regarding dividend rights of shareholders domiciled outside Sweden. Subject to any restrictions imposed by banks or clearing systems in the relevant jurisdiction, payments to such shareholders are made in the same manner as for shareholders in Sweden. Tax regulations in the domicile of the investor as well as in Sweden can affect the potential revenue from the shares.

## PREFERENTIAL RIGHTS WHEN ISSUING NEW SECURITIES

Existing shareholders normally have a preferential right to subscribe for new shares, warrants and convertibles pro rata to their respective shareholding. However, the shareholders' meeting or the board of directors, with authorization from the shareholders' meeting, may decide to disregard the preferential rights of the shareholders in accordance with the Swedish Companies Act.

## DIVIDEND POLICY

The Company's objective is to not pay any dividends for the foreseeable future. No dividend has been paid for the financial years 2018 to 2020.

## AUTHORISATION FOR THE BOARD OF DIRECTORS

On the annual general meeting held on 3 May 2021 the board of directors was authorised to, on one or several occasions during the period until next annual general meeting, with or without deviation from the shareholders' preferential rights and with or without conditions on non-cash, set-off or other conditions,

resolve on issuance of shares. The total number of shares that can be given as a result of a new issue of shares may amount to the maximum number of shares that fall within the limits of the articles of association. To the extent the authorization is used for a share issue with deviation from the shareholders' preferential rights, the issue price shall be subject to market terms (with reservation for issue rebate on market-terms where applicable).

#### SHARE CAPITAL DEVELOPMENT AND NEW SHARES IN CONNECTION WITH THE OFFERING

The table below shows the share capital development in the Company as from 2018 up to and including the Offering.

Year	Transaction	Increase of the share capital (SEK)	Increase of the total number of shares	Total share capital (SEK)	Total number of shares	Quota value (SEK)	Subscrip- tion price (SEK)
2018	New share issue	96,611.90	9,661,190	1,080,418.30	108,041,830	0.01	0.25
2019	New share issue	48,048	4,804,800	1,128,466.30	112,846,630	0.01	0.25
2019	New share issue	133,853.86	13,385,386	1,262,320.16	126,232,016	0.01	0.25
2019	New share issue	149,267.21	14,926,721	1,411,587.37	141,158,737	0.01	0.25
2019	New share issue	21,527.77	2,152,777	1,433,115.14	143,311,514	0.01	0.25
2019	New share issue	116,751.79	11,675,179	1,549,866.93	154,986,693	0.01	0.75
2019	New share issue	13,333.34	1,333,334	1,563,200.27	156,320,027	0.01	0.75
2019	New share issue	16,000	1,600,000	1,579,200.27	157,920,027	0.01	0.25
2019	New share issue	113,494.26	11,349,426	1,692,694.53	169,269,453	0.01	0.75
2019	New share issue	34,237.79	3,423,779	1,726,932.32	172,693,232	0.01	0.30
2019	New share issue	44,969.43	4,496,943	1,771,901.75	177,190,175	0.01	0.30
2020	New share issue	56,887.34	5,688,734	1,828,789.09	182,878,909	0.01	1.77
2020	New share issue	11,794.13	1,179,413	1,840,583.22	184,058,322	0.01	1.77
2020	New share issue	3,000	300,000	1,843,583.22	184,358,322	0.01	0.25
2020	New share issue	593,047.17	59,304,717	2,436,630.39	243,663,039	0.01	1.77
2020	New share issue	41,400.76	4,140,076	2,478,031.15	247,803,115	0.01	1.77
2020	New share issue	64,673.64	6,467,364	2,542,704.79	254,270,479	0.01	1.77
2021	Exercise of warrants	81,000	8,100,000	2,623,704.79	262,370,479	0.01	1.00
2021	Exercise of warrants	1,630	163,000	2,625,334.79	262,533,479	0.01	1.00
2021	Completion of the Offering	1,000,000	100,000,000	3,625,334.79	362,533,479	0.01	3.00

#### NET ASSET VALUE PER SHARE

The table below shows the net asset value per share before and after the Offering, based on equity as per 31 March 2021. The subscription price in the Offering has been determined to SEK 3.00 per share. As per 31 March 2021 the net asset value per share (equity/number of shares) was SEK 0.39.

#### TAKEOVER OFFER AND COMPULSORY REDEMPTION

As a result of admission to trading on Nasdaq First North Premier, the Company's shares will be covered by the takeover rules for certain trading platforms that have been issued by the Swedish Corporate Governance Board (Sw. *Kollegiet för svensk bolagsstyrning*). According to these rules, the obligation to bid is triggered when

shareholders, through the acquisition of shares alone or together with any affiliated party, achieve a holding that represents at least three tenths of the voting rights for all shares in the Company. In the event of such a bid, other shareholders have the right to reject the bid. According to the Swedish Companies Act, majority shareholders with a holding of more than nine tenths of the shares in a company are given the right to redeem the minority's shares, while the minority is given the right to have their shares redeemed.

The Company's shares are not subject to any offer made as a result of mandatory bid, redemption rights or redemption obligation. The Company's shares have not been and are not subject to any public takeover offer.

**OWNERSHIP STRUCTURE**

The table below shows the Company's 19 largest shareholders. As of the date of publication of the Prospectus, as far as the Company is aware, there is no direct or indirect ownership that leads to control of the Company.

Name	Total number of shares and votes	Share of capital and votes
Gulfstream Investment Group LLC.	32,698,852	12.5%
Gamla Livförsäkringsaktiebolaget SEB Trygg Liv	20,916,189	8.0%
Ilija Batljan*	14,124,293	5.4%
Back In Black Capital Limited	11,711,532	4.5%
Nordnet Bank AB	9,940,472	3.8%
Björn Segerblom	9,889,191	3.8%
Arne Almerfors	9,574,787	3.6%
Index Equity Sweden AB	9,244,068	3.5%
Lars Thunell**	6,532,277	2.5%
Futur Pension Försäkringsaktiebolag	5,838,719	2.2%
Henrik Baltscheffsky***	4,923,566	1.9%
M.G.A. Holding AB	4,672,812	1.8%
Clearstream Banking S.A.	4,095,000	1.6%
B.H. Blinko Ltd.	3,881,756	1.5%
TAZ Investments Corporation Ltd.	3,879,513	1.5%
Wallenius Marine AB	3,079,947	1.2%
Peter M. Anker ****	3,060,500	1.2%
SEB AB, Luxembourg Branch	2,824,858	1.1%
Dag Landvik	2,823,289	1.1%
<b>In total</b>	<b>163,711,621</b>	<b>62.4%</b>

\* Ilija Batljan via owned companies (Ilija Batljan Invest AB (publ))

\*\* Lars Thunell via owned companies (LHT Invest AB)

\*\*\* Henrik Baltscheffsky via owned companies (Broad Leisure Events Stockholm AB)

\*\*\*\* Peter M. Anker via owned companies (Langebru AS)

**UNDERTAKINGS NOT TO SELL SHARES (LOCK UP)**

In connection with the Offering, certain existing shareholders will sign a lock-up undertaking towards Joint Bookrunners not to sell or otherwise transfer their shares in the Company, or support a share capital increase in the Company, for a certain period of time after the first day of trading of the Company's shares on Nasdaq First North Premier. The so called lock-up period will be 360 days for the board of directors and senior management, and 180 days for other shareholders, and comprise the shares that are already held and the new shares which in connection with the completion of the Offering will be issued by the Company, or the Over-allotment Option respectively. The restrictions on transfer are combined with customary exceptions such as: (i) a right and obligation to vote in favour of any and all resolutions adopted prior to the Offering in order to prepare for and effectuate the Offering; (ii) a right to lend shares within the scope of the Offering; and (iii) accept a general offer made to all shareholders of the Company on terms that treat all shareholders equally, including offers made to all shareholders in the Company in accordance with the Swedish takeover rules on terms which treat all such shareholders alike. The lock-up undertaking does not

include shares acquired in the Offering or thereafter. After the respective lock-up period has expired, the shareholders affected by the lock-up will be free to sell their shares.

**INCENTIVE PROGRAMS**

At the general meeting held on 30 December 2020 it was resolved to institute a warrant based incentive program for the board of directors, senior management, employees and newly recruited in the Company, by an issue of not more than 13,000,000 warrants, and to authorize the transfer of such warrants from the Company. At the board meeting held on 15 January 2021, it was resolved to extend the period for subscription of the warrants to 31 March 2021 and at the board meeting held on 31 March 2021 the subscription period for newly recruited was further extended to 31 May 2021. With deviation from the shareholders' preferential rights, 11,900,057 warrants have been subscribed for by those entitled to subscribe for such warrants. The purpose of the incentive program and the reason for the deviation from the shareholders' preferential rights was to create an incentive for the Company's board, senior management, employees and newly recruited in the Company who to a large extent contribute to the

positive development of the Company. Transfer to the participants has been made against payment in cash corresponding to the market value of the share at the time of transfer.

The subscription price and the number of shares for each warrant is subject to normal provisions on conversion in connection to issues of new shares etcetera. The warrants are represented by an option certificate and each earned option certificate gives rise to a right to subscribe for one new share in the Company against payment in cash with a subscription price of SEK 2.80 per share. The warrants may be exercised during the period starting on the 30 June 2023 up and including 30 December 2023, and if the warrants are exercised in full for subscription of new shares the Company's share capital will increase by SEK 130,000 and the number of shares will increase by 13,000,000, which is equivalent to a dilution of approximately 3.4 percent of the total number of shares in the Company after the Offering given that the Offering is fully subscribed and that the Over-allotment Option is exercised in full.

#### **LISTING OF THE SHARES ON NASDAQ FIRST NORTH PREMIER**

The Company's board of directors intends to apply for the shares to be admitted to trading on Nasdaq First North Premier. Nasdaq First North Premier is an alternative marketplace operated by the various exchanges within the Nasdaq Group. Companies on Nasdaq First North Premier are not subject to the same rules as companies on the regulated main market. Instead, they are subject to a less extensive set of rules and regulations adjusted to smaller growth companies. Nasdaq approves the application for admission to trading. Nasdaq has on 12 May 2021 assessed that the Company complies with the applicable listing requirements, provided that customary conditions, including the distribution requirement, are fulfilled no later than on the first day of trading. The first day of trading is expected to be on 18 June 2021. The shares will be traded under the short name HEXI.



# Board of directors, senior management and auditors

This section contains selected information regarding the board of directors, senior management and auditors. As far as the board of directors is aware, there have been no arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which a board member, member of the senior management or auditor have been appointed or elected, other than described in this section.

## BOARD OF DIRECTORS

The board of directors has its registered office in Stockholm, Sweden. According to the Company's articles of association, the board of directors shall consist of at least three and not more than ten ordinary board members. The board of directors currently consists of seven ordinary members elected for the period until the end of the next annual general meeting. The table below sets forth the board members, their position, the year they were appointed and their independence in relation to the Company, senior management and major shareholders. Major shareholders are defined in accordance with the Swedish Code of Corporate Governance such as shareholders who directly or indirectly control ten per cent or more of the shares or votes in the Company.

Name	Position	Member since	Independent in relation to:	
			The Company and senior management	Major shareholders as of today
Arne Almerfors	Chairman	2015	Yes	Yes
Peter M. Anker	Board member	2020	Yes	Yes
Mia Batljan	Board member	2021	Yes	Yes
Bjarne Borg	Board member	2021	Yes	No
Vivianne Holm	Board member	2020	Yes	Yes
Mats Jansson	Board member	2013	Yes	Yes
Björn Segerblom	Board member	2017	Yes	Yes

Below is further information on the boards members' age, position, education, other relevant experience, current assignments, previous assignments completed within the past five years, other relevant experience, independence and ownership of shares and share related instruments in the Company.



#### Arne Almerfors

Born 1945. Chairman of the board since 2015.

*Education:* Arne has studied at the University of Stockholm, from which he has received a Master of Political Sciences in 1970.

*Other relevant experience:* Arne has experience in the areas of group management and corporate governance from his position as deputy CEO for FLIR Systems Inc., which is an American listed company.

*Other ongoing assignments:* Chairman of the board in Skillingaryd Invest AB, Thor Ahlgren AB, Housing Cooperative Västra Hamnplan and Almerfors Consulting AB. *Previous assignments completed within the past five years:* –.

*Holdings in the Company:* 9,574,787 shares and 371,428 warrants

Independent in relation to the Company, the senior management as well as the major shareholders.



#### Peter M. Anker

Born 1957. Board member since 2020.

*Education:* Peter has a Master's degree from the Norwegian School of Economics and Business Administration, received in 1982.

*Other relevant experience:* Peter served as CEO of RS Platou AS between the years 1987 and 2015, whereupon he obtained valuable knowledge and experience within the area of investment Banking and Brokerage.

*Other ongoing assignments:* Chairman of the board in Langebru AS and advisor (former CEO) to Clarksons Platou AS.

*Previous assignments completed within the past five years:* Peter was previously a member of the board of directors of Clarksons Plc.

*Holdings in the Company:* 3,060,500 shares through Langebru AS and 371,428 warrants.

Independent in relation to the Company, the senior management as well as the major shareholders.



#### Mia Batljan

Born 1992. Board member since 2021.

*Education:* Mia has a Master's degree in Finance from the University of Monaco, received in 2017. Mia has furthermore a degree in Information Technology from Stockholm University as well as a degree in Business Administration from Stockholm University.

*Other relevant experience:* Mia has experience in the field of IPO's from previously working with equity sales at Nordea Markets. Mia also has experience of corporate governance through her position as a board member of Ilija Batljan Invest AB and management consultancy services at Deloitte.

*Other ongoing assignments:* Board member of Ilija Batljan Invest AB since 2020.

*Previous assignments completed within the past five years:* Financial analyst at Samhällsbyggnadsbolaget i Norden AB and equity sales at Nordea Markets.

*Holdings in the Company:* 371,428 warrants  
Independent in relation to the Company, the senior management as well as the major shareholders.



### **Bjarne Borg**

Born 1966. Board member since 2021.

*Education:* Bjarne is a Certified Accounting Consultant through Srf konsulterna (formerly known as SRF Sveriges Redovisningskonsulters Förbund), since 1994. Bjarne also has a Bachelor's degree in Marketing and Economics from Stockholms Marknadsinstitut, and has also been studying Business Administration at Westerlundiska in Enköping.

*Other relevant experience:* Bjarne has over 35 years of experience in managing start-ups, leading teams and running a wide range of multinational corporations with a focus on investments in renewable energy, real estate and innovative equity investments, and has held the chairman position for a company that went public on the Canadian Stock exchange. Bjarne has valuable experience from the banking industry from his previous assignment as a member of the Advisory Board for SunTrust Bank South Florida and from the current assignment in the Advisory Board of the Truist Bank South Florida.

*Other ongoing assignments:* Executive Chairman of the board of Directors and CEO of Index Investment Group USA. Director of Index Invest International AB in Sweden and Managing Partner of Gulfstream Investment Group LCC in Florida, USA.

*Previous assignments completed within the past five years:* Chairman of the board of directors of PeakBirch Logic in Canada and advisory board member of SunTrust Bank.

*Holdings in the Company:* 9,244,068 shares through Index Equity Sweden AB and 32,698,852 through Gulfstream Investment Group LCC. Bjarne also holds 371,428 warrants.

Independent of the Company and the senior management but not to major shareholders.



### **Vivianne Holm**

Born 1965. Board member since 2020.

*Education:* Vivianne Holm has an MBA from the Stockholm School of Economics, Finance and Marketing, received in 1989.

*Other relevant experience:* Vivianne Holm is an active cleantech investor and board professional with extensive experience from the finance industry. Vivianne has previously held positions within financial research, corporate finance and has acted as advisor within business development, funding and investor relations.

*Other ongoing assignments:* Board member of Advanced Soltech AB, Inzile AB, Climeon AB, Meva Energy AB, Rocker AB, Volta Greentech AB.

*Previous assignments completed within the past five years:* See above.

*Holdings in the Company:* 1,694,915 shares through Futur Pension Försäkring AB and 371,428 warrants

Independent in relation to the Company, the senior management as well as the major shareholders.



### **Mats Jansson**

Born 1945. Board member since 2013.

*Education:* Mats has a Bachelor of Science from Uppsala University, received in 1970.

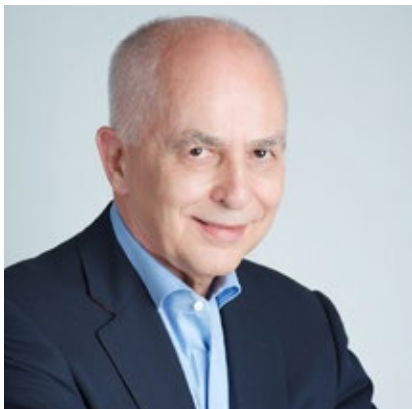
*Other relevant experience:* Mats has extensive experience in corporate governance since he during a number of years has been the CEO of several different companies.

*Other ongoing assignments:* Board member of Concordia Maritime AB since 2007.

*Previous assignments completed within the past five years:* –.

*Holdings in the Company:* 943,973 shares through Girestad Rederiaktiebolag and 371,428 warrants.

Independent in relation to the Company, the senior management as well as the major shareholders.



### **Björn Segerblom**

Born 1940. Swedish national living abroad for many years, and since long permanently domiciled in Hong Kong. Board member since 2017.

*Education:* Björn has studied at Chalmers University of Technology, from which he graduated with a Master in Engineering in 1966.

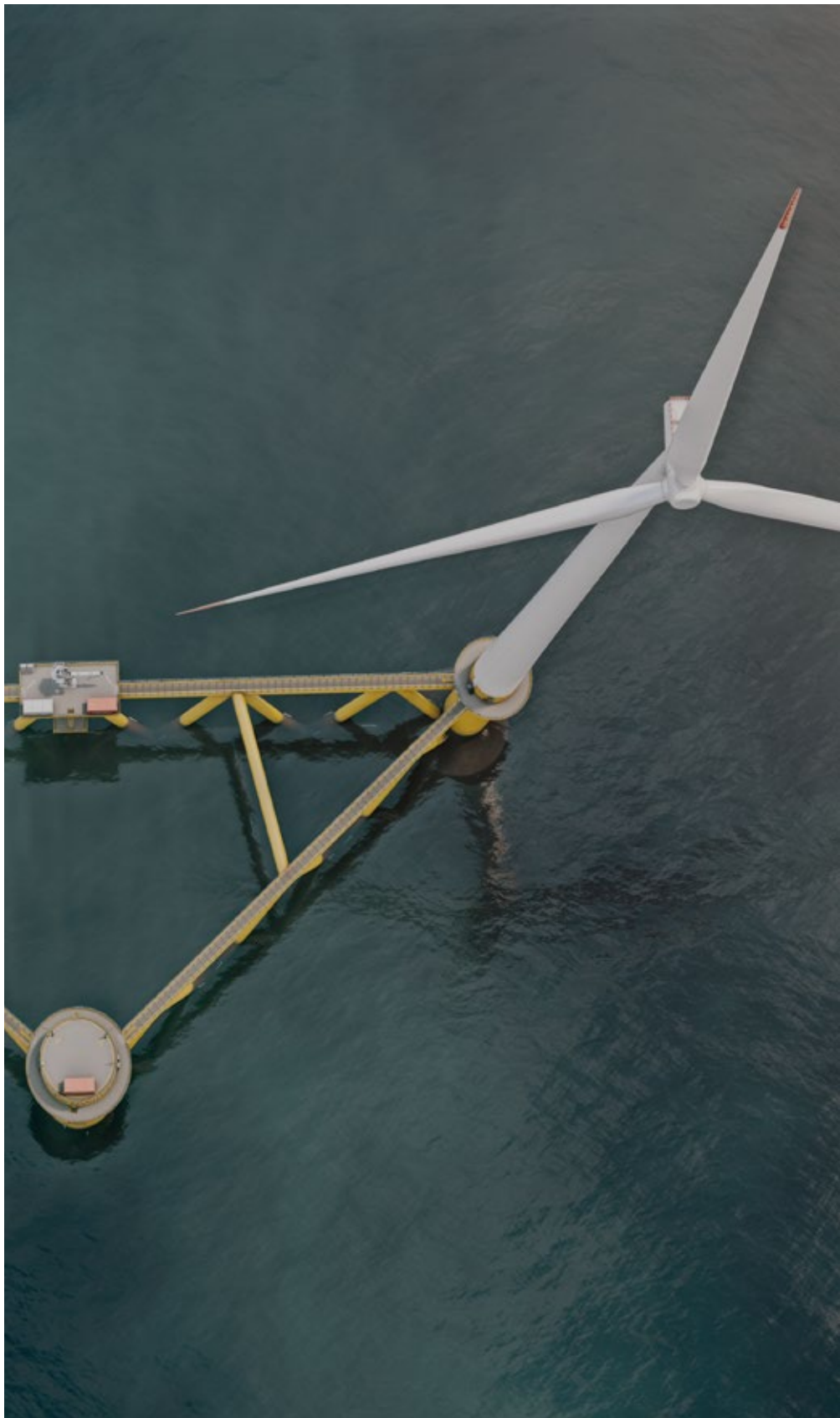
*Other relevant experience:* Björn has long standing experience in the field of industrial corporate management, first as head of the chemical company Chematur of the Bofors Group, after that he has held several leading positions in The Nitro Nobel Group, followed by heading the Business Area of Engineering industries (Sw. Affärsområde Verkstäder) in Nordstjärnan AB, whereafter he headed all of Asia Pacific in the Geneva based SGS group. Thereafter through his own company engaged for Europe by the government owned Hong Kong Science and Technology Parks Corporation.

*Other ongoing assignments:* Chairman of the International Business Advisory Board for the INL Iberian Nanotechnology Laboratory, chairman of the Advisory Board of Obducat AB, board member of CoensHexicon and honorary chairman and chairman of Hong Kong Chamber of Commerce in Sweden (HKCCSE).

*Previous assignments completed within the past five years:* Board member and chairman of the listed company Ibducat AB. chairman of the Royal Sweden Hong Kong Business Council (the predecessor of HKCCSE).

*Holdings in the Company:* 9,889,191 shares and 371,428 warrants.

Independent in relation to the Company, the senior management as well as the major shareholders.



## SENIOR MANAGEMENT

Below is information on the senior management's age, position, education, other relevant experience, current assignments, previous assignments completed within the past five years and ownership of shares and share related instruments in the Company.



### Marcus Thor

Born 1981. CEO since March 2021.

*Education:* Marcus has a Master in Engineering from KTH Royal Institute of Technology, received in 2007, and a Project Manager Certification (Project Management Professional) from the PMI Institute.

*Other relevant experience:* Marcus has extensive experience from the wind power industry and has spent the last nine years within the Hexicon Group. Prior to serving as CEO, Marcus held the position as Project Director for the Hexicon Group and personally led the first two years of the Munmu-Baram project in South Korea. Previous roles include design engineering at GVA Consultants AB designing floating oil rigs and working as a Project Manager at Ericsson.

*Other ongoing assignments:* –.

*Previous assignments completed within the past five years:* –.

*Holdings in the Company:* 1,766,692 shares and 1,600,000 warrants.



### Sebastian Robson

Born 1986. CFO since 2019.

*Education:* Sebastian has a Bachelor's degree from Uppsala University and a Master's degree from the University of Edinburgh.

*Other relevant experience:* During the period of 2011 to 2019 Sebastian held various management positions within the financial department of EF Education First and he also has previous experience in the area of financial reporting and corporate governance in connection to him being responsible for the financial and regulatory reporting for a re-insurance company operative in North America and a Swedish insurance company.

*Other ongoing assignments:* Board member of EIJ AB, PCMKR Intressenter AB and ARU Consulting AB as well as alternate in Skald Studios AB.

*Previous assignments completed within the past five years:* –.

*Holdings in the Company:* 1,400,000 shares and 900,000 warrants.





#### **Niklas Hummel**

Born 1982. CTO since 2018.

*Education:* Niklas has a Master in Mechanical Engineering, from the Royal Institute of Technology in Stockholm, received in 2010.

*Other relevant experience:* Consultant in mechanical design at a shipyard.

*Other ongoing assignments:* –.

*Previous assignments completed within the past five years:* –.

*Holdings in the Company:* 282,500 shares and 900,000 warrants.



#### **Henrik Baltscheffsky**

Born 1957. Business Development Manager since 2021 (resigned from the position as CEO of the Company in March 2021).

*Education:* Henrik has a Master of Science in Business and Management (MSc) from the Stockholm School of Economics, received in 1982.

*Other relevant experience:* Henrik has approximately 20 years of experience of marketing and business development within the offshore oil and gas industry and from the naval and aerial industries. Henrik also has a long-standing experience of corporate governance through his role as CEO of Salénia AB and through the role as senior advisor of Investor Growth Capital AB. *Other ongoing assignments:* Member of the board of directors in Freia Offshore AB since 2015 and deputy board member in Dounrey Holding AB since 2016.

*Previous assignments completed within the past five years:* Chairman of Connect Öst and Briggen Tre Kronor and board member of Broad Advisors Stockholm AB.

*Holdings in the Company:* 4,923,566 shares (including holdings through Broad Leisure Events Stockholm AB and related parties). Henrik also holds 900,000 warrants.



#### **James Brown**

Born 1968. Head of Operations in the North Atlantic since 2020.

*Education:* James has a Master's degree in Science in Sea Use & Marine Police from the London School of Economics, received in 1994. James also has a Bachelor's degree in Arts in Marine Affairs with a minor Anthropology from the University of Miami, received in 1991.

*Other relevant experience:* James has worked with startups, growth companies and SMBs since 1994. He has a long standing experience in the field of corporate management and has held operational leadership roles as well as been director and board member of numerous ventures. He also has experience from business development with an extensive track record of bringing innovation to market and developing project pipelines. James also has a comprehensive track record in business development with his direct experience in raising funding and debt, buying & selling assets, acquiring and divesting projects as well as entire companies.

*Other ongoing assignments:* Member of the Advisory Board of TT Environmental Solutions Fund and The Conduit EIS Impact.

*Previous assignments completed within the past five years:* –.

*Holdings in the Company:* 2,024,071 shares through related parties and 900,000 warrants.



## AUDITORS

According to the Company's articles of association, the Company shall have one to two auditors with a maximum of two deputy auditors, furthermore a registered public accounting firm may be appointed as auditor. At the annual general meeting held on 3 May 2021, it was resolved to appoint KPMG AB ("KPMG") as auditor for the period until the end of the next annual general meeting. KPMG has announced that the authorized public accountant Fredrik Wollmann, also member of FAR (professional institute for authorized public accountants, approved public accountants, and other advisers in Sweden) will continue as auditor-in-charge. KPMG has been the Company's auditor since 2019, between the years 2012 to 2019 Deloitte AB was the Company's auditor. KPMG's address is Vasagatan 16, 111 20 Stockholm, Sweden.

## OTHER INFORMATION REGARDING THE BOARD MEMBERS AND SENIOR MANAGEMENT

There are no family relations between any members of the board of directors or senior management of the Company. Stockholm District Court sentenced in February 2019 Henrik Baltscheffsky to a conditional sentence combined with 50 day fines, totalling SEK 9,500, for negligent accounting violations due to late filings of his statutory accounts in his consulting company. At the time of the judgement, Henrik was the CEO of Hexicon but today (after 8 years as CEO), Henrik is engaged with the business development of the Company. Henrik was until 2018 a board member of BroadAdvisors i Stockholm AB, which filed for bankruptcy in 2018. Henrik has furthermore been deputy board member in the board of Sweden Water Purification AB, which filed for bankruptcy in 2016. Bjarne Borg was (during the years 2007 to 2017) member of the board of the company Index Energy Mills Road Corporation, which during the period August 2017 to March 2018 was subject to reorganisation. In addition, the Swedish Tax Agency has imposed Bjarne Borg tax surcharges for the years 2011 to 2014 as a result of the Swedish Tax Agency assessed that Bjarne had a closer connection to Sweden than to Switzerland and the US at this time. All taxes imposed were paid and payment was made on time.

In addition to the above, no board member or senior executive has been convicted in relation to any fraudulent offences during the past five years and no member of the board of directors or senior management has been involved in any bankruptcy, receivership or mandatory liquidation in which he or she acted in the capacity as a member of the administrative, management or supervisory bodies or as any senior manager at any time in the previous five years. No official public incrimination and/or sanctions have been issued by statutory or regulatory authorities (including designated professional bodies) against any of the board members or members of the senior management in the previous five years. No board member or member of the senior management has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company in the previous five years.

As set out above in this section, some board members and members of the senior management have private interests in the Company through holdings of shares. Board members and members of the senior management of the Company may serve as board members or officers of other companies or have ownership interest in other companies and, to the extent that such other companies enter into business relationships with the Company, members of the board of directors or senior management of the Company may have a conflict of interest in which case the relevant person is not involved in the handling of the matter on behalf of the Company. Other than aforementioned, none of the board members or members of the senior management has any private interests which may conflict with the interests of the Company.

Other than as disclosed in this section, the Company has not entered into any agreement with any member of the administrative, management or supervisory bodies pursuant to which any such member is granted any pension or other similar benefit upon termination of service. The Company has not set aside or accrued amounts to provide pension, retirement or similar benefits upon termination of employment or assignment.

All members of the board of directors and senior management are available through the Company's office postal address Tegelbacken 4A, 111 52 Stockholm.

## REMUNERATION FOR BOARD MEMBERS, SENIOR MANAGEMENT AND AUDITORS

Remuneration for the board of directors is resolved by the general meeting. At the annual general meeting held on 3 May 2021, it was resolved that fees to the board of directors (plus any social security contributions) shall be payable in the amount of SEK 75,000 to the respective elected board member and SEK 150,000 shall be paid to the chairman of the board.

The table below sets forth the remuneration for the board members in 2020 including any contingent or deferred compensation, as well as benefits in kind granted by the Company for services in all capacities performed for the Company, regardless of by whom or in what capacity the services have been performed. All amounts are expressed in TSEK.

### Remuneration for the board of directors 2020

Name	Board remuneration (TSEK)	Total (TSEK)
Arne Almerfors	100	100
Peter M. Anker	0	0
Mia Batljan	0	0
Bjarne Borg <sup>71</sup>	0	0
Rickard Haraldsson <sup>72</sup>	50	50
Vivianne Holm	0	0
Mats Jansson	50	50
Björn Segerblom	50	50
<b>Totalt</b>	<b>250</b>	<b>250</b>

<sup>71</sup> Elected as board member on 31 March 2021.

<sup>72</sup> Resigned as board member on 31 March 2021.

Remuneration for the senior management may consist of fixed salary, variable remuneration, pension and other benefits. The tables below set forth the remuneration for senior management in 2020 and the current agreed annual compensation, including any contingent or deferred compensation, as well as benefits in kind granted by the Company for services in all capacities performed for the Company regardless of by whom or in what capacity the services have been performed. All amounts are expressed in TSEK.

### Remuneration for senior management 2020

Name	Salary and other benefits (TSEK)	Social security contributions (TSEK)	Pension costs (TSEK)	Total (TSEK)
Henrik Baltscheffsky <sup>73</sup>	2,776.8	757	575	4,109
Other	3,851.9	977.7	406	5,236
<b>Total</b>	<b>6,628.7</b>	<b>1,734.7</b>	<b>982</b>	<b>9,344.9</b>

<sup>73</sup> CEO of the Company until March 2021.





# Corporate governance

## LEGISLATION AND ARTICLES OF ASSOCIATION

The Company is a Swedish public limited liability company and is governed by Swedish legislation, mainly the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)) and the Swedish Annual Accounts Act (Sw. årsredovisningslagen (1995:1554)). As a result of the listing of the Company's shares on Nasdaq First North Premier, the Company will also apply Nasdaq's regulations and be subject to the EU Market Abuse Regulation (MAR). In addition to aforementioned, the Company's articles of association and its internal guidelines for corporate governance form the basis for the Company's corporate governance. The articles of association contains e.g. the registered office of the board of directors, the object of the Company's business, the focus of the business, the limits of the share capital and number of shares and the conditions for participation at the general meetings. The most recent adopted and registered articles of association are included in section "Articles of association" below.

## THE SWEDISH CORPORATE GOVERNANCE CODE

It constitutes good stock market practice for companies whose shares or depositary receipts are being traded on a regulated market in Sweden to apply the Code. According to Nasdaq's regulations, the Code shall be applied by companies whose shares are being traded on Nasdaq First North Premier, and the Company will apply the Code from the time of admission of trading of the Company's shares on Nasdaq First North Premier. The Code forms part of the system of self-regulation within the Swedish private sector and acts as a complement to legislation and other regulations by specifying a norm for what is generally regarded as good governance at a higher level of ambition than the statutory regulation. The Code is thus complementary to the Swedish Companies Act by setting higher requirements in some areas, while simultaneously allowing the Company to deviate from such requirements if it would be considered to lead to better corporate governance ("comply or explain"). The Company does currently not expect to report any deviation from the Code.

## GENERAL MEETINGS

The shareholders' influence in the Company is exercised at general meetings, which, in accordance with the Swedish Companies Act is the Company's highest decision-making body. As the Company's highest decision-making body, the general meeting may resolve upon every matter of the Company, not specifically reserved for another corporate body's exclusive competence. Thus, the general meeting has a sovereign role over the board of directors and the CEO.

At the annual general meeting, which according to the Swedish Companies Act shall be held within six months from the end of each financial year, resolutions must be passed on adoption of the profit and loss accounts and balance sheet (as well as of the consolidated profit and loss account and the consolidated balance sheet), allocation of the Company's profit or loss, discharge from liability for the board of directors and the CEO. At the general meeting the shareholders also resolve other key matters of the Company, such as election of members of the board of directors and auditor and on remuneration for the board of directors and

the Company's auditor. If the board of directors considers there is a reason to hold a general meeting before the next annual general meeting, or if an auditor of the Company or owners of at least one-tenth of all shares in the Company so demand in writing, the board of directors must issue a notice to convene an extraordinary general meeting.

Notice to attend a general meeting shall, in accordance with the Swedish Companies Act and the Company's articles of association, be made by announcement in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) and by making the notice available on the Company's website (<https://www.hexicon.eu/>). At the same time as notice is given, it shall be announced in Svenska Dagbladet that a notice has been made. Notice of annual general meeting must be issued no earlier than six weeks and not later than four weeks before the meeting. Notice to an extraordinary general meeting at which changes to the articles of association will be dealt with must be issued no earlier than six weeks and no later than four weeks prior to the meeting whereas notice of other extraordinary general meeting must be issued no earlier than six weeks and no later than two weeks before the meeting.

All shareholders who are registered directly in the Company's share register, kept by Euroclear AB, six banking days prior to the general meeting (i.e. on the record date) and who notify the Company of their intention to attend the general meeting no later than the day set out in the notice to the meeting, shall be entitled to attend and vote at the general meeting. A shareholder may be accompanied by one or two assistants at the general meeting, however only if the shareholder has notified the Company of the number of assistants in accordance with the procedure set for shareholder participation at the general meeting. Shareholders who wish to have a matter dealt with at the general meeting must request this in writing with the board. In order for the matter to be dealt with at the general meeting, the request must have been received by the board no later than seven weeks before the general meeting, or at such a time that the matter can be included in the notice of the general meeting. The board may collect proxies at the Company's expense in accordance with the procedure specified in Chapter 7 section 4, second paragraph, of the Swedish Companies Act (2005:551). The board may also, prior to a general meeting, decide that the shareholders shall be able to exercise their voting right by mail in accordance with the procedure specified in Chapter 7, Section 4 a, second paragraph of the Swedish Companies Act (2005:551).

To be able to determine who is entitled to participate and vote at general meetings Euroclear shall, upon the request of the Company, supply the Company with a list of all holders of shares as of the record date to be set in connection with each general meeting. Shareholders that have their shares nominee-registered need to instruct the nominee to register the share temporarily in the name of the shareholder in order to be entitled to attend and vote for their shares at general meeting (voting rights registration). Such a registration must be conducted by the applicable record date at the latest and ceases to apply once the record date has passed. Shareholders that have their shares directly registered on an account in the Euroclear system will automatically be included in the list of shareholders.

## NOMINATION COMMITTEE

Provisions on the establishment of a nomination committee can be found in the Code. The nomination committee is a body of the general meeting with the sole task of preparing the general meeting's decision on electoral and remuneration issues and, where applicable, procedural issues of the next nomination committee. At the extraordinary general meeting held on 31 March 2021 it was resolved to adopt principles for the appointment of and instructions regarding the nomination committee conditional upon the shares of the Company being listed on a market place. Provided the aforementioned provision is fulfilled, the principles will apply until otherwise decided by the shareholders' meeting. It was resolved that the nomination committee shall be comprised of the chairman of the board and three other members to be appointed by the three largest shareholders by votes at the end of the third quarter each year. Known groups of shareholders are to be included in the expression "the three largest shareholders by votes." The chairman of the board shall annually contact the shareholders who are entitled to appoint a member.

Should any of the entitled shareholders waive their right to appoint a member to the nomination committee, the right is transferred to the fourth largest shareholder by votes, and so on. There is however no need to contact more than five additional shareholders, unless the chairman of the board of directors finds that there are particular reasons to do so. When a shareholder is contacted with a request to appoint a member to the nomination committee the chairman of the board is to issue necessary rules of conduct such as final day to reply etc.

The names of the members of the nomination committee and the names of the shareholders appointing members shall be made public no later than six months prior to the annual general meeting. The nomination committee appoints a chairman among its members. The chairman of the board of directors shall not be the chairman of the nomination committee. Should a member resign before the work of the nomination committee is concluded, and if deemed appropriate by the nomination committee, a replacement member shall be appointed by the shareholder that appointed the member who resigned, or, if that shareholder no longer represents one of the three largest shareholders by votes, by the shareholder representing such group. If a shareholder who has appointed a certain member has substantially decreased its shareholding in the Company, and the nomination committee does not deem it inappropriate in a view of a potential need of continuity prior to an impending general meeting, the member shall resign from the nomination committee and the nomination committee shall offer the largest shareholder who has not yet appointed a member of the nomination committee to appoint a new member.

The nomination committee shall further be composed and perform such tasks that from time to time are stated in the Swedish Corporate Governance Code. The members of the nomination committee shall not receive remuneration from the company. Any costs incurred in connection with the work of the nomination committee shall be paid by the company, provided that they have been approved by the chairman of the board of directors.

## BOARD OF DIRECTORS

Subsequent to the general meeting, the board of directors is the Company's highest decision-making body. The board of directors is also the Company's highest executive body and the Company's representative. Further, the board of directors is, according to the Swedish Companies Act, responsible for the organisation of the Company and management of the Company's affairs, and must regularly assess the Company's and the Group's financial position and ensure that the Company's organization is arranged so that the Company's accounts, asset management, and finances in general are satisfactorily monitored. The chairman of the board of directors has a special responsibility to preside over the work of the board of directors and to ensure that the board of directors fulfill its statutory duties.

The responsibilities of the board of directors include e.g. to set the Company's overall goals and strategies, oversee major investments, ensure that there is a satisfactory process for monitoring the Company's compliance with laws and other regulations relevant to the Company's operations, as well as the application of internal guidelines. The responsibilities of the board of directors also include ensuring that the Company's disclosure to the market and investors is transparent, correct, relevant and reliable and to appoint, evaluate and, if necessary dismiss the Company's CEO.

The registered office of the board of directors is in Stockholm, Sweden. According to the Company's articles of association, the board of directors shall consist of at least three and not more than ten ordinary board members, without any deputy board members. The board of directors are elected annually at the annual general meeting for the period until the next annual general meeting. There is no limit for how long a member may sit on the board of directors. The board of directors consists of seven ordinary board members until the end of next annual general meeting to be held in 2022. Further information about the board members, including information on remuneration to the board of directors, can be found in section "Board of directors, senior management and auditors" above.

The board of directors has, in accordance with the Swedish Companies Act, adopted written rules of procedure for its work, to be evaluated, updated and re-adopted annually. The board of directors meets regularly in accordance with a program set out in the rules of procedure containing certain permanent items and certain items when necessary.

Provisions on the establishment of an audit committee are found in the Swedish Companies Act. Provisions on the establishment of a remuneration committee are found in the Code. In this respect, the provisions of the Swedish Companies Act only apply to companies whose shares are being traded on a regulated market, which does not include Nasdaq First North Premier. As the Company complies with the Code, the Company has established a specific audit and remuneration committee.

## CEO

The Company's CEO is subordinate to the board of directors and shall, in accordance with the provisions of the Swedish Companies Act, manage the day-to-day management of the Company in line

with guidelines and instructions from the board of directors. Measures of an unusual nature or of great significance in view of the scope and nature of the Company's operations are not considered as "day-to-day management" and should therefore, as the main rule, be prepared and presented to the board of directors for its decision. The CEO must also take any measures necessary to ensure that the Company's accounts are maintained in accordance with applicable law and that its asset management is conducted satisfactorily. The allocation of duties between, on the one hand, the board of directors and, on the other, the CEO is established by written instructions (a so-called "instruction for the CEO") adopted by the board of directors.

The Company's CEO is Marcus Thor. Further information about the CEO and other senior executives can be found in the section "Board of directors, senior management and auditors" above.

## AUDIT

Being a public company, the Company must have at least one auditor for the examination of the Company's and the Group's annual report and accounts as well as the management by its board of directors and CEO. The audit must be as detailed and extensive as required by generally accepted auditing standards. The Company's auditors are, according to the Swedish Companies Act, appointed by the general meeting. Thus, auditors of a Swedish limited liability companies are given their assignments by, and are obligated to report to, the general meeting, and must not allow their work to be governed or influenced by the board of directors or the senior management.

The auditor's reporting to the general meeting takes place at the annual general meeting through the auditor's report. In the auditor's reports for the financial years 2018, 2019 and 2020, remarks can be found regarding the Company's failure to pay taxes and social fees on time.

According to the Company's articles of association, The Company shall have one to two auditors with not more than two deputy auditors. At the annual general meeting held in 2021, it was resolved to elect KPMG as auditor, with Fredrik Wollmann as auditor-in-charge. The auditor has been appointed for the period up to the end of the next annual general meeting to be held in 2022.

The audit is performed in accordance with the Swedish Companies Act, International Standards on Auditing and good auditing practice generally accepted auditing standards in Sweden. The auditors meet with the board of directors in its entirety annually, both with and without the company management present.

## INTERNAL CONTROL

The Company's board of directors is, according to the Swedish Companies Act, responsible for the organisation of the Company and management of the Company's affairs and must regularly assess the Company's and the Group's financial position and ensure that the Company's organisation is arranged in such a manner that the Company's accounts, asset management, and general finances are satisfactorily monitored.

The overall purpose of the internal control is to ensure that the Company's strategies and objectives can be implemented within the business and to ensure that the financial reporting has been prepared in accordance with applicable laws, accounting standards and other requirements imposed on listed companies. The board of directors' responsibility for the internal control is governed by the Swedish Companies Act, The Swedish Annual Reports Act and the Code. In the rules of procedure for the board of directors, the instruction for the CEO and the instruction for financial reporting, all of which have been adopted by the board of directors, the allocation of the roles and responsibilities have been stated in order to contribute to an effective management of the Company's risks. The board of directors also has the task to monitor the Company's financial position, to monitor the effectiveness of the Company's internal control and risk management, to keep informed about the audit of the annual report and consolidated financial statements, and to review and monitor the auditor's impartiality and independence.

## STOCK MARKET INFORMATION AND INSIDER RULES

Being a listed company, there are requirements on ensuring that all stakeholders on the stock market simultaneously should have access to inside information concerning the Company and there are insider rules in order to prevent market abuse.

The board of directors has e.g. adopted a communications and an insider policy in order to ensure correct and good quality of the Company's information and handling of insider information both internally and externally. The chairman of the board of directors handles overall ownership related issues, while the CEO holds the overall responsibility for the Company's external communication.

The Company's regulatory framework is drawn up according to Swedish legislation, Nasdaq's regulations and the Code as well as the EU Market Abuse Regulation (MAR). All financial reports and press releases will be published on the Company's website in direct connection to the publication.



# Articles of association

Adopted at the extraordinary general meeting held on 31 March 2021.

## § 1. Name of the company

The company's name is Hexicon AB (publ). The company is a public company (publ).

## § 2. Registered office

The registered office of the board of directors shall be in the county of Stockholm, the municipality of Stockholm.

## § 3. Objects of the company

The company designs and manufactures, sells and operates offshore wave and wind turbines as well as conducts compatible operations therewith.

## § 4. Share capital

The share capital shall amount to not less than SEK 2,000,000 and not more than SEK 8,000,000.

## § 5. Number of shares

The number of shares shall be not less than 200,000,000 and not more than 800,000,000.

## § 6. Board of directors

The board of directors shall consist of not less than 3 and not more than 10 members without deputy members.

## § 7. Auditors

The shareholders at a general meeting shall appoint one or two auditors with no more than two deputy auditors. A registered accounting firm may also be elected auditor.

## § 8. Notice

Notice of general meetings of shareholders, shall be made by announcement in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website.

At the same time as notice is given it shall be announced in Svenska Dagbladet that a notice has been made.

Shareholders wishing to participate in general meetings must notify the company no later than the date specified in the notice of the general meeting. A shareholder may be accompanied by advisors at a general meeting only if he or she notifies the company of the number of advisors in accordance with the procedure prescribed for in respect of notice of attendance to be made by a shareholder.

## § 9. Matters to be addressed at annual general meetings

The following business shall come before the annual general meeting:

1. Election of a chairman of the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons to attest to the accuracy of the minutes.
5. A decision on whether proper notice of the meeting has been made.
6. Presentation of the annual report and the auditors' report, as well as of the consolidated financial statements and the auditors' report for the group.
7. Resolutions regarding:
  - a) adoption of the income statement and the balance sheet, as well as of the consolidated income statement and the consolidated balance sheet
  - b) discharge from liability of the members of the board of directors and the CEO.
  - c) disposition of the company's earnings or losses in accordance with the approved balance sheet.
8. Decisions on the number of directors and deputy directors and, if appropriate, on the number of auditors and deputy auditors, who shall be appointed by the meeting.
9. A decision on the compensation that shall be paid to the board of directors and auditors.
10. Election of members of the board of directors and deputy directors.
11. Where appropriate, election of auditors and deputy auditors.
12. Other business that shall be dealt with at the meeting in accordance with the Swedish Companies Act (2005:551).

## § 10. Collection of proxy forms and postal voting

The board of directors may collect proxies at the company's expense pursuant to the procedure stated in chapter 7, section 4, second paragraph of the Swedish Companies Act (2005:551).

The board of directors may also, prior to a general meeting, resolve that shareholders shall have the option to exercise their voting rights by means of postal voting pursuant to the procedure stated in chapter 7, section 4 a, second paragraph of the Swedish Companies Act (2005:551).

## § 11. Financial year

The financial year of the company shall be 1 January – 31 December.

## § 12. CSD clause

The company's shares shall be registered in a record day register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

# Legal considerations and supplementary information

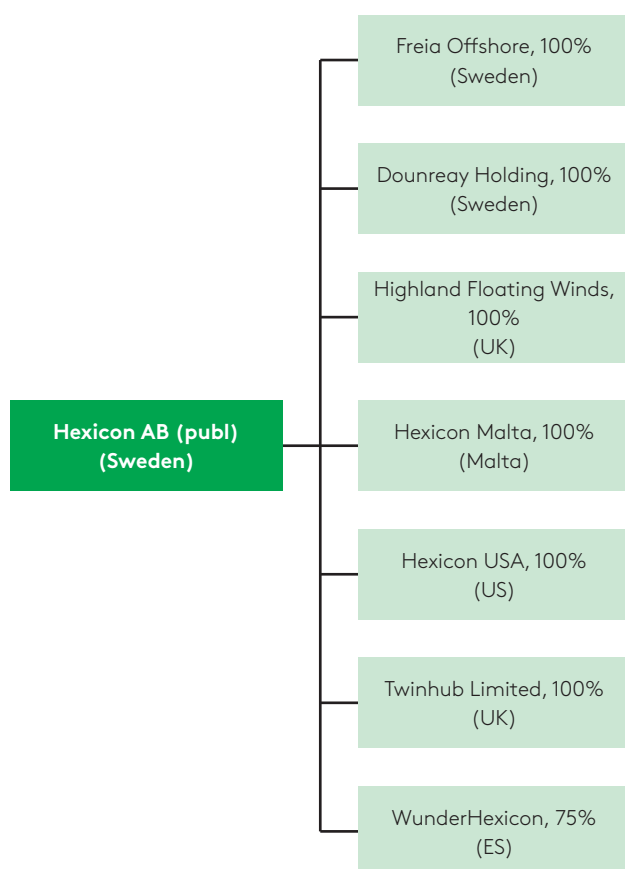
## GENERAL COMPANY INFORMATION

The Company's legal name (also trade name) is Hexicon AB (publ), and the board of directors' registered office is in Stockholm, Sweden. The Company's corporate identity number is 556795-9894 and the Company's LEI-code is 9845007784687FEF7569. Hexicon is a Swedish public limited liability company governed by the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551) and was founded in Sweden on 9 September 2009 and was registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 4 December 2009. The Company's website is <https://www.hexicon.eu/>. Information on the Company's website does not constitute part of the Prospectus unless this information is incorporated by reference into the Prospectus.

According to the Company's articles of association, the objects of the Company's business are the following, the Company designs and manufactures, sells and operates offshore wave and wind turbines as well as conducts compatible operations therewith. Please refer to the complete articles of association in section "Articles of association" above.

## GROUP STRUCTURE

Hexicon is the parent company of the Group which consists of seven subsidiaries.



## JOINT VENTURES AND ASSOCIATED COMPANIES

In CoensHexicon (KR), which is 49 per cent owned by Hexicon, the Munmu Baram project is run together with Shell, for more information see under the heading "Business description – Ongoing projects – South Korea – the Munmu Baram project". CoensHexicon also has a wholly-owned subsidiary, TwinWind Development (KR). In Offshore Access Sweden (SE), which is owned by Hexicon to 23 per cent, operations are underway to develop a technical solution to facilitate service work at sea and is a spin-off run by a former employee. In Highland Wind (UK), which is 10 per cent owned by Hexicon, the Pentland Floating Wind project is run together with CIP, for more information see under the heading "Business description – Ongoing projects – Scotland – Pentland Floating Wind project". In addition to the above, the Company owns 10 per cent of the shares in GenesisHexicon (SA), which is a newly incorporated associated company with its registered office in South Africa. At present, limited operations are conducted in GenesisHexicon (SA). Going forward, the intention is to operate future South African projects in the associated company. Hexicon also owns 10 per cent of the shares in WunderOcean Unipessoal (PT), which is a newly incorporated associated company based in Portugal. At present, limited operations are conducted in WunderOcean Unipessoal (PT), but in future the intention is to run Portuguese projects in the associated company.

## MATERIAL AGREEMENTS

Presented below is a summary of material agreements entered into by the Group during the past two financial years, as well as other agreements entered into by the Group containing rights or obligations of material importance for the Group. The summary does not include agreements entered into as part of the ordinary course of business.

### Joint venture with Shell

In June 2021, CoensHexicon Co., Ltd (CoensHexicon), Underhill Holdco, a subsidiary of the Shell group (Shell) and Munmu Baram Co., Ltd., formerly known as TwinWind Development Co., Ltd. (i.e. the Korean Project Company), entered into a shareholders agreement (SHA) to regulate CoensHexicon's and Shell's interests in the Korean Project Company, in which CoensHexicon and Shell own 20 and 80 per cent of the share capital respectively. The purpose of the Korean Project Company is to develop, engineer, manufacture, finance, construct and operate a floating offshore wind farms off the coast of Ulsan, South Korea. The Korean Project Company's policy shall be to maximize the distribution of available profits to the shareholders.

### Joint Development Agreement with Aker Offshore Wind

On 28 March 2021, Hexicon entered into a Joint Development Agreement (JDA) with Aker Offshore Wind Operating Company AS for an exclusive cooperation to develop certain floating offshore wind projects in Sweden, with the intention to enter into a formal joint venture agreement and incorporate a joint venture company. The Parties have agreed to initially fund the joint development with EUR 100,000 each (or EUR 200,000 each if JDA is extended) for a term of three months (or six months if JDA is extended), during

which time the parties shall incorporate the joint venture company and negotiate the joint venture agreement. The JDA shall expire upon the earlier of (i) the parties entering into the joint venture agreement, (ii) the parties' termination or withdrawal from the JDA and (iii) the parties' failure to agree the joint venture agreement within the set term.

#### Acquisition of Wave Hub Limited

On 13 April 2021, Hexicon's fully owned subsidiary, Twinhub Limited (as buyer), Hexicon (as guarantor) and Cornwall Council in England (as seller) entered into a share purchase agreement for the sale and purchase of the English company Wave Hub Limited, which is the owner of the assets relating to the offshore windfarm site located 16 km outside Hayle, England. The acquisition will complete upon the satisfaction of the conditions of the agreement, which must take place within ten weeks from 13 April 2021. The main conditions are (i) Hexicon/ Wave Hub Limited entering into lease agreements with the Crown Estate Commissioners for the lease of certain properties, (ii) the parties incorporating a grid company and (iii) the grid company entering into certain necessary agreements. The initial purchase price on a cash free – debt free basis is GBP 400,000, subject to completion accounts. Hexicon shall also pay consideration of GBP 1 million when/if it receives a CfD award (Contract for difference with Low Carbon Contracts Company), and an additional GBP 1 million following the final financing decision to construct the windfarm. In addition, Hexicon shall pay additional consideration each time Hexicon or Twinhub Limited divests or otherwise realises a project asset. Hexicon is guarantor and guarantees the obligations of Twinhub Limited under the agreement.

#### Copenhagen Infrastructure Partners ("CIP")

In October of 2020 Hexicon entered into an agreement with CIP (through the company Highland Wind Limited) regarding the sales of assets pertaining to Pentland Floating Wind-Project in Scotland (see under the heading "Ongoing projects – Scotland – The Pentland Floating Wind – project"). The agreement was closed on 21 January 2021 when the parties received consent from Crown Estate Scotland regarding transferral of one of the assets, an option agreement. Payment in the amount of 1 MGBP was made to the Company on 4 February 2021.

#### AUTHORITY PROCEEDINGS, LEGAL PROCEEDINGS AND ARBITRATION

Hexicon has not been involved in any proceedings with authorities, any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months that may have, or have had, a significant effect on the Company's financial position or profitability.

#### RELATED PARTY TRANSACTIONS

Presented below is a summary of related party transactions which have taken place during the period covered by the historical financial information in the Prospectus up to the date of publication of the Prospectus. As a related party, the Company has defined the Company's management, the board of directors of the Company,

subsidiaries and associated companies. All related party transactions have been subject to market-terms.

#### Intra-group loans

During the years 2018-2021, Hexicon provided loans of a total of TSEK 1,081 to its Spanish subsidiary WunderHexicon (ES), the amounts are stated excluding accrued interest. Of the total loan amount, 441 TSEK is in the process of being converted into shares. The loan amounted to TSEK 41 in 2018, TSEK 157,6 in 2019, TSEK 124 in 2020 and TSEK 757 in 2021 until the day of the Prospectus. The loan has an interest rate of 4 per cent and in connection with the conversion of the loan of TSEK 441, Hexicon will receive interest amounting to TSEK 20.

#### Consultancy services

James Brown, head of the North Atlantic operations has a consultancy agreement with Hexicon according to which he invoiced for services rendered on behalf of the company within his assignment and for costs incurred (such as travel expenses). The remuneration amounted to TSEK 476 in 2020 and TSEK 1,457 during 2021 until the date of the Prospectus. Out of TSEK 1,457 invoiced by James during 2021, GBP 50,000 are connected to a variable remuneration due to divestment.

Henrik Baltscheffsky, who resigned from his position as CEO in Hexicon as per 1 March 2021, had a consultancy agreement with Hexicon until 31 December 2019 through his wholly-owned consultancy company Broad Advisors AB, according to which he invoiced the Company for services rendered as CEO. The remuneration amounted to TSEK 1,800 in 2018 and TSEK 1,800 in 2019. In addition Henrik has received compensation for travel expenses amounting to TSEK 533.9 in 2018 and TSEK 559 in 2019. Henrik Baltscheffsky is now, as of 1 January 2020, employed by the Company.

In addition to the transactions described above, the Company has not been a party to any related party transactions during the years 2018-2020 nor for the period thereafter until the date of the Prospectus.

#### SHARE ACQUISITION INTENTIONS

Prior to the Offering, new investors, existing shareholders, management and members of the board (the "Anchor Investors") expressed interest to acquire shares in the Offering at a total value of MSEK 220, corresponding to a total of 73 per cent of the shares in the Offering, or a total of 64 per cent of the shares in the Offering, assuming the Over-allotment Option being exercised in full. Ilija Batljan (through Ilija Batljan Invest AB), existing shareholder in the Company, has submitted an expression of interest to acquire shares in the Offering to a value of MSEK 60. The external investor Helikon Investments Ltd. has submitted an expression of interest to acquire shares in the Offering for a value of MSEK 50. Furthermore, the chairman of the board, Arne Almerfors (MSEK 3), the board members Peter Anker (MSEK 7.5) through Langebru AS, Vivianne Holm (MSEK 3), Björn Segerblom (MSEK 3) and Bjarne Borg (SEK 6.5 million through Gulfstream Investment Group LLC.) as well as the member of senior management, James Brown (MSEK 5) have submitted an expression of interest to acquire shares in the Offering.

The Anchor Investors (however not board members or employees in the Company) may come to be especially taken into account in the allotment, but no guarantee of allotment in the Offering is provided. Anchor Investors do not receive any compensation for their respective submitted acquisition intentions, and to the extent that they are allotted shares, the investments will be made on the same terms as for other investors. The submitted acquisition intentions by the Anchor Investors are not secured by bank guarantees, blocked funds, pledging or similar arrangements.

### STABILISATION

In connection with the Offering, Pareto Securities may over allot shares or carry out other transactions in order to provide support for the shares' market price at a level higher than that which might otherwise prevail on the market. Such stabilisation transactions may be carried out on Nasdaq First North Premier, the OTC market or otherwise, and may be carried out at any time during the period beginning on the first day when the shares are traded on Nasdaq First North Premier and ending no later than 30 calendar days thereafter. However, Pareto Securities is under no obligation to carry out stabilisation of any kind, nor is there any guarantee that stabilisation will be carried out. Moreover, if undertaken, stabilisation may be discontinued at any time without prior notice. No transactions will be carried out under any circumstances in order to provide support for the shares' market price at a level higher than the price set in the Offering. No later than by the end of the seventh trading day after stabilisation transactions have been undertaken, Pareto Securities shall disclose that stabilisation transactions have been undertaken in accordance with article 5(4) in the Market Abuse Regulation 596/2014. Within one week of the end of the stabilisation period, Pareto Securities will, through the Company, make public whether or not stabilisation was undertaken, the date at which stabilisation started, the date at which stabilisation last occurred and the price range within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out.

### PLACING AGREEMENT

Pursuant to the terms of an agreement regarding the placement of shares which is intended to be entered into on or around 17 June 2021 between the Company and Joint Bookrunners (the "Placing Agreement"), the Company will undertake to issue the number of shares covered by the Offering to the acquirers procured by Joint Bookrunners. Joint Bookrunners has neither undertaken to subscribe nor to acquire any shares covered by the Offering.

According to the Placing Agreement the Over-Allotment Option will be issued to Joint Bookrunners, which will be able to be used, wholly or partially, meaning that Joint Bookrunners during a period of 30 days from the first day of trading the Company's shares on Nasdaq First North Premier shall have the right to acquire additionally a maximum of 15,000,000 newly issued shares equalling a maximum of 15 per cent of the total number of shares comprised by the Offering.

Pursuant to the Placing Agreement, the Company will provide certain customary information, warranties and undertakings to Joint Bookrunners, mainly regarding the information in the

Prospectus being correct, that the Prospectus and the Offering comply with relevant legal requirements and that no legal or other restrictions prevent the Company to enter into the agreement or exist in respect of the execution of the Offering. According to the Placing Agreement the obligation by Joint Bookrunners to procure buyers is conditional upon, among other things, that the information and warranties provided by the Company are correct, and that no events occur that have such a material adverse effect on the Company that it would be inadvisable to complete the Offering. In such circumstances, Joint Bookrunners has the right to terminate the Placing Agreement up and until the settlement date, and the Offering may then be cancelled. In such an event, neither the delivery nor the payment of shares will take place under the Offering. Pursuant to the Placing Agreement, the Company, with customary exceptions, will undertake to indemnify Joint Bookrunners against certain claims.

Pursuant to the Placing Agreement, the Company undertakes not to (i) issue, offer, pledge, sell, contract to sell or otherwise dispose, directly or indirectly, of shares in the Company or any other securities that can be converted to or that can be exercised or exchanged for such shares, nor (ii) to purchase or sell any option or any other security or enter into a swap agreement or other arrangement that wholly or partly transfers the financial risk associated with ownership in the Company to another party, no earlier than 360 from the first day of trading of the Company's shares on Nasdaq First North Premier. The undertaking is subject to customary reservations and exceptions, such as the issuing of shares or other securities within the framework of incentive programs. Furthermore Joint Bookrunners can also allow exceptions from the undertaking if so deemed appropriate by Pareto Securities from case to case.

For a description of the lock-up arrangements that will be entered into by shareholders in connection with the Offering, see section "Share capital and ownership structure – Undertakings not to sell shares (Lock-up)".

### ADVISERS

Pareto Securities och SpareBank 1 Markets are Joint Bookrunners in the Offering and provide financial advice and other services to the Company in connection with the Offering and the planned listing on Nasdaq First North Premier. The total size of the advisory fee will, in part, be based on the outcome of the Offering, why Pareto Securities and SpareBank 1 Markets has an interest in the Offering as such. In addition, Pareto Securities, SpareBank 1 Markets, or their affiliates may, from time to time, have business relations with the Company, including lending activities, or may provide services to the Company in the ordinary course of business.]

Setterwalls Advokatbyrå AB is the legal adviser to the Company in connection with the Offering and the planned listing on Nasdaq First North Premier.

All companies that are to be listed on Nasdaq First North Premier are obligated to appoint an adviser (Certified Adviser) in connection with the application process. The adviser has the task of guiding the Company in the application process and supervise that the Company complies with applicable regulations, both during the application process and when the shares are traded. The Company has appointed FNCA Sweden AB as Certified Adviser.

Aktieinvest FK AB acts as an issuing agent for the Company in connection with the Offering and the planned listing on Nasdaq First North Premier.

None of the advisers own shares in the Company and, in addition to pre-agreed remuneration for their services, have no other financial interests in the Company.

#### **CERTAIN TAX CONSIDERATIONS IN SWEDEN**

The tax legislation in (i) the investor's country and (ii) the country where the issuer has its registered office (Sweden) may affect the income of the securities of the Prospectus. The taxation of each individual shareholder depends inter alia on whether the shareholder is an unlimited or limited taxpayer in Sweden, if the shareholder owns the shares as a natural or legal person, or if the shares are being held in an investment savings account. Furthermore special tax rules apply to certain types of taxpayers, for example investment companies and insurance companies. Each holder of shares should therefore consult a tax advisor for information on the special implications that may arise in the individual situation, including the applicability and effect of foreign rules and tax treaties.

#### **THE PROSPECTUS**

The Prospectus has been approved by the SFSA, which is the competent authority in accordance with the Prospectus Regulation. The SFSA approves the Prospectus only to the extent that it meets the requirements for completeness, comprehensibility and consistency as specified in the Prospectus Regulation. This approval should not be regarded as any kind of support for the issuer or for the quality of the securities referred to in the Prospectus. Investors should make their own assessment on whether it is advisable to invest in these securities. The Prospectus is available at the website of the Company <https://www.hexicon.eu/>.

#### **TRANSACTION COSTS**

The Company's costs associated with the Offering are estimated to amount to approximately MSEK 34. Such costs are mainly attributable to costs for financial advisors, auditors, legal advisors, printing of the Prospectus, costs related to marketing material and other presentations and costs to Nasdaq First North Premier and the SFSA.



# Documents incorporated by reference

The following financial reports are incorporated by reference in the Prospectus. The documents incorporated by reference are available on the Company's website, <https://www.hexicon.eu/>.

- Hexicon's audited consolidated financial reports for the financial year 2020 and 2019 and pertaining audit report, where reference is made to consolidated statement of income and comprehensive income on page 3, consolidated statement of financial position on page 4, consolidated statement of changes in equity on page 5, consolidated statement of cash flow on page 6, notes on pages 7-33 and the pertaining independent auditor's report.
- Hexicon's (the parent company) audited annual report for the financial year 2018, where reference is made to the income statement on page 7, balance sheet on pages 8 and 9, statement of changes in equity on page 10, notes on pages 11-20, and auditor's report on pages 22 and 23.
- Hexicon's (the parent company) audited cash flow analysis for the financial year 2018 with pertaining audit report.
- Hexicon's reviewed interim report for the period 1 January – 31 March 2021, including comparative figures for the corresponding period 2020, where reference is made to the consolidated statement of income and comprehensive income on page 3, consolidated statement of financial position on page 4, consolidated statement of cash flow on page 6 and to the interim report appended auditor's report.

## DOCUMENTS AVAILABLE FOR INSPECTION

The Company's articles of association and registration certificate are available on the Company's website <https://www.hexicon.eu/> during the Prospectus's validity period.

# Definitions

"Acquirer"	Those who have applied to the Offering in accordance with the section "Terms and instructions" under "Payment".
"Code"	The Swedish Corporate Governance Code.
"the Company", "Hexicon AB", "the Group" or "the Group companies"	Depending on context, Hexicon AB, reg. no. 556795-9894, a parent company or a subsidiary in the Group.
"Anchor Investors"	New investors, existing shareholders, management and members of the board which on the same terms and to the same price as for other investors, have expressed interest to acquire shares in the Offering at a total value of MSEK 220, corresponding to a total of 73 per cent of the shares in the Offering, or a total of 64 per cent of the shares in the Offering, assuming the Over-allotment Option is exercised in full.
"EUR"	Euro.
"Euroclear"	Euroclear Sweden AB.
"GBP"	British pound sterling.
"the Offering"	The Offering to acquire new shares in the Company in accordance with this Prospectus.
"Over-allotment Option"	The over-allotment option described in section "Terms and instructions" under "The Over-allotment Option".
"Pareto Securities"	Pareto Securities AB.
"Prospectus"	This prospectus which has been drawn up on account of the Offering.
"SEK"	Swedish krona.
"SpareBank 1 Markets"	SpareBank 1 Markets AS.

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# Addresses

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