Annual Report
2020

Our energy never ends

Welcome to OX2

OX2 develops, builds and manages renewable power generation. OX2 was founded to be at the forefront of the transition to renewable energy, thus contributing to a sustainable future for both human beings and the planet. In 2020, OX2 returned its historically strongest financial result, and at the same time, the company significantly increased its long-term investment organisation and project portfolio.

Contents

Directors' Report

The Board of Directors and CEO for OX2 AB, corporate ID no. 556675- 7497, with registered office in Stockholm, hereby submit the annual report and consolidated financial statements for the financial year 01/01/2020 to 31/12/2020.

The nature of the business and its direction
The business concept of OX2 AB and its subsidiaries ("OX2") is to develop, build and manage renewable power production. OX2 AB's parent company is Xygen BidCo AB. The owners of the Xygen Group are Peas Industries AB, with an approximately 70% stake and Altor Fund V with approximately 30%.

Significant events during 2020
In view of the outbreak of the coronavirus, OX2 is following events closely and is taking measures to minimise its on the Group's operations. The Group complies with the guidelines of the Swedish Public Health Agency, WHO and ECDC (European Centre for Disease Prevention and Control). To date, the Group has not seen any significant impact on the business from the coronavirus. At OX2's workplaces, extensive measures have been taken to reduce the spread of the virus.

- In January OX2 concluded an agreement with Lundin Energy concerning the sale of the Metsälamminkangas wind farm (132 MW) in Finland. This is the third largest wind farm to be built in Finland.
- In February, OX2 signed an agreement with MEAG for the sale of the Zary wind farm (21 MW) in Poland. This is the first wind power deal for OX2 in Poland.
- In March, OX2 signed an agreement with Octopus Renewables Infrastructure Trust plc (ORIT) for the sale of Ljungbyholm wind farm (48 MW) in Sweden.
- In March, the Orrberget wind farm (33 MW) was formally handed over to Fontavis.
- In April, the Brännliden wind farm (42 MW) was handed over to Marguerite.
- In June, the Åmot-Lingbo and Tönsen wind farms (366 MW) were handed over to Aquila.
- In June, Altor Fund V signed an agreement to acquire 30 percent of the shares in OX2 via Xygen BidCo AB.
- In September, the wind farms Långmossa (30 MW), Ribäcken (23 MW) and Verhonkulma (25 MW) were commissioned and handed over to the IKEA Retail Group. In total, the project encompassed four wind farms (107 MW) that have now been transferred and is one of the largest non-subsidy wind farm projects in Finland to have been completed.
- In December, OX2 acquired a 600 MW Finnish project portfolio from Tornator.
- In December, OX2 signed an agreement with RPC for the sale of the Puutikangangas (44 MW) and Rustari (44 MW) wind farms in Finland.
- In December, OX2 signed an agreement with DIF Capital Partners for the sale of the Grajewo wind farm (40 MW) in Poland.

Performance and financial position
The earnings trend for individual periods is mainly affected by sales of wind power projects, the development of wind power projects under construction on behalf of clients, and when these projects are handed over to the client. Similarly, current assets and short-term liabilities in the Balance Sheet are affected by ongoing projects under construction on behalf of clients.

Revenues
Revenue for 2020 totalled SEK 5,200.8 million (4,906.2), corresponding to a growth of 6%. During the year, 6 (4) wind farms, totalling 329 MW (488) were sold. In total, the Group handed over completed wind farms corresponding to 486 MW (109) to their owners. At the end of the year, the number of wind farms under construction was 12 (11) with an estimated capacity of 817 MW (974).

Revenue is recognised when projects are sold to an external client, with progress according to predetermined milestones during the construction phase, when the completed wind farm is handed over to an external client and during the management phase where management agreements exist. During the construction phase, revenue is recognised by calculating the degree of completion in the form of successive profit recognition. The largest share of revenues during the construction phase is reported on delivery and installation of turbines.

The revenue is thus affected not only by the number of wind farms, but also by their size and the location of the projects in the construction phase. The 12 projects that were under construction at the Balance Sheet date are located in Sweden, Norway, Finland and Poland.

Costs

Costs for goods and project planning during 2020 totalled SEK 4,484.1 million (4,296.8). Costs for goods and planning include costs for construction, but also costs for sales and acquisitions of projects and project development costs. Other costs during 2020 amounted to SEK 69.9 million (79.9). Services within IT and office management were received in previous years and during the first half of 2020 from OX2's principal owner Peas Industries AB. During the second half of 2020, these functions were taken over by OX2. Personnel costs for 2020 totalled SEK 215.7 million (147.1). The increase in personnel costs is explained by the fact that the workforce has increased compared with the corresponding period the previous year.

Profit

The operating profit for 2020 was SEK 415.8 million (371.1). The improved operating profit is mainly attributable to the fact that more projects under construction have been completed and handed over to client compared with the previous year The profit after financial items for 2020 amounted to SEK 382.6 million (373.2).

The profit for the year amounted to SEK 298.1 million (314.7).

Financial position and liquidity

Current assets as at 31 December 2020 amounted to SEK 1,928.6 million (2,392.5). The project portfolio and work in progress at year-end amounted to SEK 320.7 million (959.1). The decrease in 2020 is a result of the fact that in 2020 OX2 handed over three completed wind farms in Finland to the clients. Accounts receivable as at 31 December 2020 amounted to SEK 121.4 million (46.6). Cash and cash equivalents as at 31 December 2020 amounted to SEK 1,234.6 million (1,005.3).

Fixed assets as at 31 December 2020 amounted to SEK 32.8 million (40.3). The change between years is explained by a change in the value of right-of-use use assets.

Long-term liabilities at December 31, 2020 amounted to SEK 57,6 million (24,4), of which long-term interest-bearing liabilities amounted to SEK 12,8 million (21,5) and relate to the long-term portion of the lease liability.

Deferred tax liability amounted to SEK 44,8 million (2,9) and consists primarily of deferred tax on tax allocation funds and financial instruments.

Current liabilities as at 31 December 2020 amounted to SEK 1,138.0 million (1,871.0). Advance payments from clients amounted to SEK 468.4 million (371.5).

Accounts payable during the year have reduced to SEK 123.6 million (248.1). Other liabilities at December 31, 2020 amounted to SEK 84,3 million (849,6) and are mainly attributable to a VAT liability of SEK 69,2 million (4,8). In 2019, project financing of SEK 775 million was reported, mainly attributable to the four projects in Finland that OX2 has built on its own Balance Sheet on behalf of the client, and these projects have now been handed over to the client. In 2019, a liability item was also reported for Åmot-Lingbo project.

Accrued expenses and prepaid income amounted to SEK 449,8 million (191,8) at December 31, 2020, where the change mainly consists of an increase in accrued construction costs.

Cash flow

The cash flow from operating activities before changes in working capital during 2020 totalled SEK 350.3 million (358.9), and is attributable to accrued profits. The cash flow from operating activities during 2020 was SEK 525.9 million (562.9). Investments in the project portfolio, which is included in cash flow from operating activities, amounted to SEK -286.7 million (-158,6).

The cash flow from investment activities during 2020 amounted to SEK -7.8 million (-5.8).

The cash flow from financing activities for 2020 amounted to SEK -288.9 million (-259.1) and is attributable primarily to Group contributions and dividends.

The total cash flow for 2020 amounted to SEK 229.2 million (298.0).

Parent company

The parent company OX2 AB has management, project development, financing and project implementation. The operating loss for 2020 was SEK 162.6 million (136.5). The profit after financial items for 2020 amounted to SEK 166.6 million (305.0). The profit for 2020 amounted to SEK 91.4 million (171.1). The parent company's equity as at 31 December 2020 amounted to SEK 449.1 million (436.0). Cash and cash equivalents as at 31 December 2020 totalled SEK 258.2 million (59.5). During the year, the parent company has provided shareholder contributions to subsidiaries for use in project companies of a total of SEK 468,9 million (85,9).

Employees

As at 31 December 2020, the number of employees was 182 (139), of which 40 (35) percent were women. The number of employees has increased by 31 percent (128) compared with the corresponding period in the previous year. The average number of employees during the year was 161 (100), of which 112 (70) were in Sweden, in Finland 27 (17), Poland 12 (7) and other countries 10 (6).

Risks and uncertainty factors

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

The renewable power generation market is regulated by laws and regulations in respect of both support systems and the permit process for establishment. A more rigorous permit application process than is currently the case would lead to longer planning periods and require greater resources, with a consequent rise in costs. OX2's clients are also dependent on the price of electricity. The price of electricity is affected by fundamental factors such as water access, access to production capacity, fuel prices, prices of carbon credits and electricity consumption. The euro rate affects OX2's investment calculations, since most of Ox2's suppliers' costs are in euros. At the same time, the sale of OX2's projects is usually in euros, which reduces currency exposure. In each project, currency risks are handled in the way stipulated in the company's finance policy, which contains requirements for risk minimisation, adapted to the conditions of the particular project. In addition, account is also taken of the Group's total inflows and outflows in euros in the same period.

Through its operations, the OX2 Group is exposed to various financial risks in the form of market risks, which include currency and interest rate risks, credit and financial risks. A description of financial instruments and risk management can be found in Note 4 - Financial risk management and financial instruments.

Research and development

OX2 is working in conjunction with governments, suppliers, industrial organisations and other stakeholders in the industry on a number of research and development projects to develop renewable energy.

Outlook and trends

The transition to renewable energy supplies is a long-term and important project for our society. Despite the uncertainty due to the corona pandemic, OX2 has seen positive development in 2020 and also looks positively upon the future. Creation of renewable energy supply has strong political support because it both creates growth in the economy and is considered to be the most effective way of reducing global CO2 emissions. Energy companies and financial investors increasingly have a positive view of ownership stakes in renewable power generation as being stable and attractive infrastructure investment in the long term.

The work of the Board of Directors during the year

At the 2020 Annual General Meeting, a Board of Directors was re-elected comprising Johan Ihrfelt (Chairperson), Thomas von Otter, Anna-Karin Eliasson-Celsing and Niklas Midby for the period until the end of the next Annual General Meeting. Jan Frykhammar was also newly elected at the Annual General Meeting. At an extraordinary general meeting on 6 July 2020, Petter Samlin was elected to the Board. During 2020, the Board of Directors of OX2 AB held 15 Board meetings.

Sustainability reporting

In accordance with chapter 6, section 11 of the Swedish Annual Accounts Act, OX2 AB has chosen to establish the statutory sustainability report as a separate report from the annual report. This Sustainability Report covers OX2 AB and its subsidiaries and is published at www.ox2.com.

Proposal for allocation of earnings (SEK)

The following earnings are at the disposal of the Annual General Meeting:

Unrestricted equity	357,649,868
Net profit for the year	91,382,892
Total	**449,032,760**
The Board proposes the following sum be carried forward to new account	449,032,760
Total	**449,032,760**

Please refer to the Income Statements and Balance Sheets, Cash Flow Statements and additional information that follow for the rest of the parent company's and Group's results. All amounts are expressed in SEK thousands unless otherwise indicated.

The Group's key figures, KSEK

	2020	2019	2018	2017
Revenue	5,200,778	4,906,177	4,135,513	2,152,503
Operating profit	415,841	371,131	362,580	240,276
Operating margin[1]	8%	8%	9%	11%
Profit after financial items	382,585	373,176	383,892	250,624
Net margin[2]	7%	8%	9%	12%
Balance sheet total	1,961,491	2,432,806	1,615,405	1,398,465
Equity ratio[3]	39%	22%	23%	19%
Return on equity[4]	46%	69%	93%	74%
Return on capital employed[5]	72%	61%	77%	97%
Average number of employees	161	100	53	40

1) Operating profit in relation to revenue
2) Profit after financial items in relation to revenue
3) Equity in relation to the balance sheet total
4) Net earnings for the year divided by average equity
5) Operating profit after financial items plus financial expenses in relation to average capital employed

Annual General Meeting

OX2 AB will hold its Annual General Meeting on 26 April 2021 at the company's premises at Lilla Nygatan 1 in Stockholm.

OX2's accounts

The Consolidated Income Statement

Amounts in SEK thousand	Note	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
Operating revenue			
Net sales	5	5,200,778	4,906,177
Total revenue		**5,200,778**	**4,906,177**
Cost of goods and project planning		-4,484,127	-4,296,773
Other costs	6	-69,910	-79,869
Staff costs	7	-215,679	-147,138
Value adjustments of tangible and intangible assets	12, 13, 14	-15,221	-11,266
Total operating expenses		**-4,784,937**	**-4,535,046**
Operating profit		**415,841**	**371,131**
Financial income	8	64,527	39,424
Financial expenses	9	-97,783	-37,379
Profit after financial items		**382,585**	**373,176**
Tax	11	-84,475	-58,469
Net profit for the year		**298,110**	**314,707**
Net profit for the year attributable to:			
The parent company's shareholders		298,110	314,507
Earnings per share			
Earnings per share before and after dilution (SEK)	18	29,811	31,471
Average number of shares before and after dilution		10,000	10,000
CONSOLIDATED REPORT OF COMPREHENSIVE INCOME			
Profit for the period		**298,110**	**314,507**
Other comprehensive income:			
Items that will be allocated to the income statement			
Translation difference from translation of foreign subsidiaries		-7,745	179
Cash flow hedges			
Changes in fair value	22	22,755	13,674
Tax attributable to cash flow hedges		-6,584	-2,885
Total comprehensive income for the year, net after tax		**306,536**	**325,675**
Comprehensive income for the year attributable to:			
The parent company's shareholders		**306,536**	**325,675**

Consolidated report on financial position

Amounts in SEK thousand	Note	31/12/2020	31/12/2019
ASSETS			
Fixed assets			
Other intangible fixed assets	12	5,365	3,224
Plant, equipment and tools	13	3,044	1,049
Right-of-use assets	14	18,736	32,823
Other financial assets		5,735	3,184
Total fixed assets		32,880	40,280
Current assets			
Project portfolio and work in progress	16	320,662	959,050
Accounts receivable	17	121,353	46,615
Other receivables		15,599	34,920
Receivables from Group companies		171	–
Prepaid expenses and accrued income	18	199,585	342,706
Derivative instruments	22	36,670	3,887
Cash and cash equivalents		1,234,571	1,005,348
Total current assets		1,928,611	2,392,526
TOTAL ASSETS		1,961,491	2,432,806
EQUITY AND LIABILITIES			
Share capital	19	100	100
Retained earnings including profit for the year		765,813	537,277
Total equity attributable to parent company shareholders	20	765,913	537,377
Long-term liabilities			
Long-term interest-bearing liabilities	14	12,753	21,486
Deferred tax liability	11	44,822	2,916
Total long-term liabilities		57,575	24,402
Current liabilities			
Customer advances	23	468,419	371,472
Accounts payable		123,580	248,101
Tax liabilities		11,818	–
Other liabilities	24	84,261	849,583
Liabilities to Group companies		80	210,083
Accrued expenses and deferred income	25	449,845	191,788
Total current liabilities		1,138,003	1,871,027
TOTAL EQUITY AND LIABILITIES		1,961,491	2,432,806

Consolidated report of changes in equity

Amounts in SEK thousand	Share capital	Translation reserve	Hedge fund	Balance sheet earnings	Total equity attributable to parent company shareholders	Total equity attributable to holdings without a decisive influ-ence	Total equity
Opening balance as at 1 January 2019	**100**	**-771**	**-5,357**	**374,930**	**368,902**	**–**	**368,902**
Profit for the period				314,707	314,707	–	314,707
Group contributions provided				-200,000	-200,000	–	-200,000
Tax on Group contributions				42,800	42,800	–	42,800
Other comprehensive income							
Translation difference from translation of foreign subsidiaries		179			179	–	179
Cash flow hedges			10,789		10,789	–	10,789
Total other comprehensive income	**–**	**179**	**10,789**	**–**	**10,968**	**–**	**10,968**
Total comprehensive income for the year	**–**	**179**	**10,789**	**157,507**	**168,475**	**–**	**168,475**
Closing balance as at 31 December 2019	**100**	**-592**	**5,432**	**532,437**	**537,377**	**–**	**537,377**

Amounts in SEK thousand	Share capital	Translation reserve	Hedge fund	Balance sheet earnings	Total equity attributable to parent company shareholders	Total equity attributable to non-controlling interests	Total equity
Opening balance as at 1 January 2020	**100**	**-592**	**5,432**	**532,437**	**537,377**	**–**	**537,377**
Dividend				-78,000	-78,000		-78,000
Profit for the period				298,110	298,110	–	298,110
Other comprehensive income						–	
Translation difference from translation of foreign subsidiaries		-7,745			-7,745	–	-7,745
Cash flow hedges			16,171		16,171	–	16,171
Total other comprehensive income		**-7,745**	**16,171**	**–**	**8,426**	**–**	**8,426**
Total comprehensive income for the year		**-7,745**	**16,171**	**298,110**	**306,536**	**–**	**306,536**
Closing balance as at 31 December 2020	**100**	**-8,337**	**21,603**	**752,547**	**765,913**	**–**	**765,913**

Consolidated cash flow report

Amounts in SEK thousand	Note	01/01/2020 31/12/2020	01/01/2019 31/12/2019
Operating activities			
Profit after financial items		382,585	373,176
Adjustments for items not included in cash flow, etc.	27	5,879	11,266
Income tax paid		-38,211	-25,564
Cash flow from operating activities before changes in working capital		350,253	358,878
Cash flow from changes in working capital			
Decrease(+)/increase(-) in work in progress		606,546	-465,310
Decrease(+)/increase(-) in accounts receivable		-74,738	306,500
Decrease(+)/increase(–) in current receivables		198,145	-158,726
Decrease(–)/increase(+) in accounts payable		150,235	126,191
Decrease(–)/increase(+) in current liabilities		-417,827	554,013
Cash flow from operating activities before investment in the product portfolio		812,614	721,546
Investment in the product portfolio		-286,718	-158,647
Cash flow from current operations		525,896	562,899
Investment activities			
Acquisition of shares in other companies		-2,550	-1,020
Acquisition of intangible assets		-2,864	-3,806
Acquisition of tangible fixed assets		-2,407	-994
Cash flow from investment activities		-7,821	-5,820
Financing activities			
Amortisation of leasing debt		-10,916	-9,058
Group contributions		-200,000	-250,000
Dividend		-78,000	–
Cash flow from financing activities		-288,916	-259,058
Cash flow for the year		229,159	298,021
Translation difference for cash and cash equivalents		64	686
Cash and cash equivalents at beginning of the year		1,005,348	706,641
Cash and cash equivalents at year end		1,234,571	1,005,348

Parent company Income Statement

Amounts in SEK thousand	Note	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
Operating revenue			
Net sales	5	724,030	452,263
Other operating revenue		15,729	3,651
Total revenue		739,759	455,914
Operating expenses			
Cost of goods and project planning		-360,798	-136,262
Other external costs	6	-58,878	-73,164
Staff costs	7	-156,349	-109,622
Value adjustments of tangible and intangible fixed assets	12 13	-1,116	-364
Total operating expenses		-577,141	-319,412
Operating profit		162,618	136,502
Result from participations in Group companies		312	170,000
Other interest income and similar income statement items	8	7,735	4,348
Interest expenses and similar income statement items	9	-4,077	-5,803
Profit after financial items		166,588	305,047
Appropriations	10	-49,455	-133,352
Profit before tax		117,133	171,695
Tax on profit for the year	11	-25,750	-643
Net profit for the year		91,383	171,052
COMPREHENSIVE INCOME REPORT			
Profit for the period		91,383	171,052
Other comprehensive income:			
Total comprehensive income for the year, net after tax		91,383	171,052
COMPREHENSIVE INCOME FOR THE YEAR		91,383	171,052

Parent Company's Balance Sheet

Amounts in SEK thousand	Note	31/12/2020	31/12/2019
ASSETS			
Fixed assets			
Other intangible fixed assets	12	5,365	3,205
Plant, equipment and tools	13	3,044	961
Participations in Group companies	15	563,505	87,662
Total fixed assets		571,914	91,828
Current assets			
Project portfolio and work in progress	16	11,429	22,672
Accounts receivable	17	5,654	2,971
Current receivables, Group companies		175,051	648,715
Other receivables		2,895	23,912
Prepaid expenses and accrued income	18	993	1,042
Cash and cash equivalents		258,196	59,476
Total current assets		454,218	758,788
TOTAL ASSETS		1,026,132	850,616
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	19	100	100
Total restricted equity		100	100
Unrestricted equity			
Profit or loss brought forward		357,874	264,796
Translation differences		-224	26
Net profit for the year		91,383	171,052
Total unrestricted equity		449,033	435,874
Total equity	20	449,133	435,974
Untaxed reserves	21	93,744	53,844
Current liabilities			
Advance payments from clients	23	1,441	–
Accounts payable		18,723	49,425
Liabilities to Group companies		256,115	213,420
Current tax liabilities		–	–
Other current liabilities	24	103,333	33,985
Accrued expenses and deferred income	25	103,643	63,968
Total current liabilities		483,255	360,798
TOTAL EQUITY AND LIABILITIES		1,026,132	850,616

Parent Company's changes in equity

	Restricted equity		Unrestricted equity		
Amounts in SEK thousand	Share capital	Share premium reserve	Profit or loss brought forward	Profit for the year	Total equity
Opening balance as at 1 January 2019	100	31	101,192	163,573	264,896
Profit for the period				171,052	171,052
Translation difference from translation of foreign subsidiaries			26		26
Comprehensive income for the year	–	–	–	171,052	171,052
Appropriation of earnings in accordance with the decision by the Annual General Meeting			163,573	-163,573	0
Transactions with owners					
Shareholder dividend					
Closing balance as at 31 December 2019	100	31	264,791	171,052	435,974

	Restricted equity		Unrestricted equity		
Amounts in SEK thousand	Share capital	Share premium reserve	Profit or loss brought forward	Profit for the year	Total equity
Opening balance as at 1 January 2020	100	31	264,791	171,052	435,974
Profit for the period				91,383	91,383
Translation difference from translation of foreign subsidiaries			-224		-224
Comprehensive income for the year				91,383	91,383
Appropriation of earnings in accordance with the decision by the Annual General Meeting			171,052	-171,052	0
Transactions with owners					
Shareholder dividend			-78,000		-78,000
Closing balance as at 31 December 2020	100	31	357,619	91,383	449,133

Parent company's cash flow report

Amounts in SEK thousand	Note	01/01/2020 31/12/2020	01/01/2019 31/12/2019
Operating activities			
Profit after financial items		166,588	305,047
Adjustments for items not included in cash flow, etc.	27	1,116	-169,635
Income tax paid		-23,280	-19,839
Cash flow from operating activities before changes in working capital		144,424	115,573
Cash flow from changes in working capital			
Decrease(+)/increase(-) in the product portfolio and work in progress		11,243	-22,672
Decrease(+)/increase(-) in accounts receivable		-2,683	-582
Decrease(+)/increase(–) in current receivables		252,260	-383,573
Decrease(–)/increase(+) in accounts payable		-30,703	18,672
Decrease(–)/increase(+) in current liabilities		346,957	64,671
Cash flow from current operations		721,498	-207,911
Investment activities			
Acquisition of shares in subsidiaries		-475,843	-86,147
Acquisition of intangible assets		-2,877	-3,118
Acquisition of tangible fixed assets		-2,482	-948
Cash flow from investment activities		-481,202	-90,213
Financing activities			
Group contributions		-133,352	14,435
Dividends received from subsidiaries		170,000	80,000
Dividend paid to shareholders		-78,000	–
Cash flow from financing activities		-41,352	94,435
Cash flow for the year		198,944	-203,689
Translation difference for cash and cash equivalents		-224	-79
Cash and cash equivalents at beginning of the year		59,476	263,244
Cash and cash equivalents at year end		258,196	59,476

Notes

Note 1 General information

These historical financial statements include the Swedish parent company OX2 AB with corporate registration number 556675-7497, and its subsidiaries. OX2 develops, builds and manages renewable power production and operates mainly in Sweden, Norway, Finland, Poland, Lithuania and France. OX2 is Europe's leading developer of renewable energy and is driving development. The product portfolio includes both on and offshore wind power and solar power. OX2's operations encompass the entire process from site surveys to management of completed wind or solar power parks.

The parent company is a limited company that is registered in Sweden and has its registered office in Stockholm. The address of the head office is Lilla Nygatan 1.

The immediate parent company is Xygen BidCo AB. The owners of the Xygen Group are Peas Industries AB, with an approximately 70% stake and Altor Fund V with approximately 30%.

Note 2 Essential accounting policies

Basis for consolidated financial statements
The consolidated financial statements have been prepared in accordance with International Financial Reporting standards (IFRS) issued by the International Accounting standards Board (IASB) and interpretations issued by the IFRS interpretations Committee (IFRS IC) as adopted by the European Union (EU). The Group also applies the Annual Accounts Act (1995:1554) and the recommendations of the Financial Reporting Board RFR1 "Supplementary Accounting Rules for Groups".

The consolidated financial statements have been prepared on the basis of the assumption of a going concern. Assets and liabilities are valued at their historical acquisition cost, with the exception of currency derivatives that are valued at fair value. The consolidated financial statements are prepared in accordance with the purchase method and all subsidiaries in which controlling influence is held are consolidated from the date on which this influence was obtained.

The preparation of reports in accordance with IFRS requires several estimates to be made by management for accounting purposes. The areas that include a high degree of assessment, which are complex, or areas where assumptions and estimates are of significant importance for the consolidated financial statements are set out in Note 3 – Significant estimates and assessments. These assessments and assumptions are based on historical experience and other factors that are deemed reasonable in the circumstances. Actual outcomes may differ from assessments made if assessments are changed or other conditions exist.

The Company has chosen to comment only on the standards, amendments and interpretations deemed relevant for the Group.

Unless otherwise stated, the accounting principles set out below have been consistently applied to all periods presented in the Group's financial reports and by all Group companies. See also note 2 – Information about future standards, for the new standards and interpretations that are expected to affect the Group in the future.

New standards and interpretations 2020
The standards, amendments and interpretations that entered into force for the financial year beginning 1 January 2020 have had no material effect on the consolidated financial statements.

New standards and interpretations 2021
At the time of the preparation of this report, no new standards or interpretations have been applied for financial years beginning after 1 January 2021, and no standards or interpretations are expected to have any material impact on the Group's financial statements.

The Parent Company's accounting policies
The parent company OX2 AB prepares its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Council for Financial Reporting's recommendation RFR 2 "Accounting for legal entities". The applicable statement from the Swedish Council for Financial Reporting is also applied. Application of RFR 2 means that the parent company must apply all EU-approved IFRS standards as far as possible within the framework of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act and take into account the relationship between accounting and taxation. The parent company does not apply IFRS 9 Financial Instruments: Accounting and valuation. The parent company applies a method that is based on the acquisition value in accordance with the Swedish Annual Accounts Act. This means that financial assets are valued at their acquisition value, less any impairment losses and financial current assets at the lower of cost or net realisable value. Financial liabilities are valued at amortised cost using the effective interest method. Principles for recognition and removal of financial instruments are equivalent to those applicable for the Group and described above.
No amendments to RFR 2 "Accounting for legal entities" have affected the parent company financial statements.

Amendments to RFR 2 that have not yet entered into force
No future changes in RFR 2 are expected to have any significant impact on the parent company financial statements.

Consolidation
Subsidiaries
The consolidated financial statements include the accounts of the parent company OX2 AB and the companies over which the parent company has a controlling influence (subsidiaries). Controlling influence over a company is deemed to occur when the parent company has influence over a company, is exposed to or has the right to variable returns from its holding in the company and has the opportunity to affect the return through its influence in the company. Subsidiaries are included in the consolidated accounts from the date on which the control has been transferred to the Group. They are excluded from the consolidated accounts from the date on which the controlling influence ceases. Please refer to Note 14 - Participations in Group companies for the composition of

the Group. If the accounting policies applied in a subsidiary differ from the consolidated accounting policies, the subsidiary's accounts are adjusted in order to follow the same principles applied by the other Group companies.

Elimination of intra-Group transactions
Intra-Group receivables and liabilities, income and expenses and unrealised gains or losses arising from intra-Group transactions between Group companies are eliminated in their entirety when preparing the consolidated accounts. Unrealised gains arising from transactions with associated companies are eliminated to the extent that they correspond to the Group's holding in the company. Unrealised losses are eliminated in the same way, but only to the extent that there is no need for impairment.

Operational acquisitions
The acquisition of subsidiaries is reported in accordance with the purchase method. The fair value of the acquired assets and liabilities is determined by the date on which the dominant influence is obtained over the acquired company. The purchase price for the acquisition consists of the fair value of the transferred assets, liabilities and any shares issued by the Group. The fair value of conditional purchase prices is also included. The acquisition costs are not included in the cost of the subsidiary company but are expensed in the period in which they arise. The difference between the total of the purchase price, the value of the minority holding and the fair value of the previous holdings and the fair value of acquired identifiable assets, liabilities and contingent liabilities is reported as goodwill. In the event of a negative difference, the difference is recognised directly in the income statement. The minority shares are recognised either as a proportional share of the acquired net assets or at fair value, which is assessed on an acquisition by acquisition basis. Supplementary purchase prices are reported at estimated fair value with subsequent changes recognised in the income statement.

Phased acquisition is valued at fair value at the date on which the dominant influence is achieved. Revaluation effects on previously owned shares before the control is achieved are recognised in the income statement. Increases or decreases in ownership shares of subsidiaries that remain under control are reported as changes in equity.

Investments in associated companies
Holdings in associated companies are reported in accordance with the equity method. An associated company is a unit in which the Group has a significant, but not a controlling influence, which is usually achieved by a shareholding of between 20-50%. Application of the equity method means that investments in associated companies are reported in the statement of financial position at cost with additions for changes of the Group's share of the associated company's net assets and net of any impairment losses and dividends. The Income Statement reflects the Group's share of the associated company's profit after tax. Transactions that are reported in the associated company's comprehensive income are reported in the Group's other total comprehensive income.

If the Group's share of reported losses in the associated company exceeds the reported value of the shares in the Group the value of the shares is reduced to zero. Continued losses are not recognised unless the Group has given guarantees to cover losses arising in the associated company.

A positive difference between the acquisition value of the acquired shares and the Group's share of the fair values of identifiable assets and liabilities acquired in the associated company constitutes goodwill that is included in the reported value of the associated company. If a negative difference arises, it is reported as revenue in the period in which the acquisition took place.

Impairment of reported participations in associated companies is considered if there is any indication of a decline in value. In transactions between Group companies and associated companies, that part of the unrealised gains is eliminated that corresponds to the Group's share of the associated company. Unrealised losses are eliminated in the same way unless this is an indication of a need for impairment.

Currency
Foreign currency
Transactions in foreign currencies are translated into the functional currency at the exchange rate that is in force on the day of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate in force on the balance sheet date. Exchange rate differences arising from translation are reported in the Income Statement. Non-monetary assets and liabilities that are reported at their historical acquisition values are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are recognised at fair value are converted to the functional currency at the rate in effect at the time of the fair value valuation.

Exchange rate differences are recognised in the Income Statement in the period in which they arise, with the exception of transactions forming hedges that satisfy the conditions for hedge accounting of cash flow or of net investments, when gains and losses are recognised in equity.

Financial statements for foreign operations
Items included in the financial statements of the various entities of the Group are recognised in the currency of the primary economic environment in which the unit operates primarily (functional currency). In the consolidated financial statements, all amounts are translated into Swedish kronor (SEK), which is the parent company's functional and presentation currency.

Assets and liabilities in foreign operations, including goodwill and other Group surplus and deficit values, are translated from the functional currency to the reporting currency of the Group, Swedish kronor, using the exchange rate on the balance sheet date. Income and expenses in foreign operations are translated into SEK at an average exchange rate comprising an approximation of the exchange rates in effect at the respective transaction dates. Translation differences arising from currency translation of foreign operations are reported in the comprehensive income result and accumulated in a separate component of equity, hereinafter referred to as the translation reserve. In the event of disposal of a foreign operation, the accumulated translation difference attributable to the divested foreign operation is reclassified from equity to the profit for the year as a reclassification adjustment at the time the gain or loss on the sale is reported.

Revenue from contracts with customers
The revenues of the OX2 Group consist mainly of the sale and construction of wind power projects and wind power farms.

Revenue is recognised when control of goods or services is transferred to the client and is reported according to a five-step model;

Step 1: identify the contract with the customer
At step one, the customer contract is identified. If two or more contracts have been entered into at the same time with a client and the pricing of one contract depends on another contract, these contracts are combined.

An amendment to a contract means a change in a contract approved by the Contractual Parties and occurs when the Contractual Parties agree to an amendment which either creates new, or modifies existing, rights and obligations for the parties to the contract. An amendment to a contract should be reported as a separate contract when the scope of the contract increases due to the addition of promised goods or services that are distinct and when the price of the agreement increases by an amount of compensation reflecting the company's independent selling prices for the additional goods or services promised. If the parties have not accepted an amendment to a contract, the Company shall continue to apply the standard to the existing contract until the contract amendment is approved.

Step 2: identify the various performance commitments in the contract
Step two identifies the performance commitment(s) agreed on in the contract. A performance commitment is a commitment to transfer to the client a distinct product or service, or a series of distinct goods and services that are essentially the same and follow the same pattern of transfer to the client. A product or service is distinct if the client can benefit from the goods or services separately or in conjunction with other resources available to the client and if the company's promise to transfer the goods or services to the client can be distinguished from other promises contained in the contract.

Step 3: establish the transaction price
The transaction price is established in step 3. Consideration is given to a fixed agreed price, variable remuneration, any additional purchase price, deduction, profit impact, discounts and penalties. The variable remuneration is estimated by the most probable amount, which is the most probable amount in a range of possible remuneration amounts or the expected value, which is the sum of the probability-assessed amounts in a range of possible remuneration amounts. If the contract contains a significant financing component, the transaction price shall be adjusted for the effect of the time value of the money.

Step 4: distribute the transaction price over the performance commitments.
In step four, the transaction price is allocated to the different performance commitments in the agreement if more than one commitment exists. The allocated transaction price for each individual commitment should reflect the amount of remuneration that the company expects to be entitled to in exchange for the transfer of the promised goods or services to the client, based on a stand-alone selling price.

Step 5: recognise a revenue when a performance commitment is fulfilled.
Revenue is recognised in step five, when the performance commitment is fulfilled, either over time or at a specific time, and when the client is given control of the asset. Revenue is recognised over time when the client simultaneously receives and consumes the benefits provided by the company's performance, when the performance of the company creates or improves an asset that is controlled by the client, or when the performance of the company does not create an asset with alternative use for the company and the company is also entitled to payment for the performance performed so far that includes expenses incurred and profit margin.

If a performance commitment is not fulfilled over time as described above, the company will meet the commitment at a specific time. This occurs at the time when the client is given control of the promised asset. Indicators for control may be that the company is entitled to payment for the asset, the client has legal ownership of the asset, the company has transferred the physical possession of the asset, the client has the significant risks and benefits associated with the ownership of the asset, or that the client has approved the asset.

Expenditure on obtaining a contract, that is, expenditure that the company would not have had if it had not received the contract, is recognised as an asset only if the company expects to receive coverage of that expenditure. Loss contracts are expensed directly and provisions for loss are made for remaining work and are reported in accordance with IAS 37 provisions.

An amendment to a contract means a change in the scope or price (or both) of a contract approved by the parties to the contract. An amendment to a contract should be reported as a separate contract when the scope of the contract increases due to the addition of promised goods or services that are distinct and when the price of the agreement increases by an amount of compensation reflecting OX2's independent selling prices for the additional goods or services promised. If the parties have not accepted an amendment to a contract, OX2 must continue to apply the standard to the existing contract until the contract amendment is approved. In fixed price contracts, the client pays the agreed price at agreed payment times.

If the services delivered by OX2 exceed the payment, an asset is recognised. If the payments exceed the services delivered, a contractual liability is recognised. If the services delivered by OX2 exceed the payment, an asset is recognised.

Revenue from transfer of project rights and a concluded construction contract
As regards revenue from sales agreements where the customer takes over the project rights and concludes a construction contract with OX2, the agreement means that the customer has taken over the project rights and that OX2 will then perform work that creates or improves an asset controlled by the customer. When contracts include both sales of project rights and construction contracts for the buyer, an assessment is made whether the project rights and the contract are separate performance commitments.

A product/service must be distinct, both in nature and within the framework of the contract, in order to constitute a separate performance commitment. This assessment is then of crucial importance for the recognition of revenues from the contract. Both pf the following criteria must be met in order to identify separate performance commitments:

(A) the client may benefit from the goods or services separately or in conjunction with other resources available to the client (i.e., the goods or services are capable of being distinct); and
(b) the undertaking to transfer the goods or services to the client may be distinguished from other promises in the contract (i.e. the goods or services are distinct within the framework of the contract).

As a general rule, the client can benefit from the project rights regardless of whether a contract is signed with OX2. The outsourcing service provided by OX2 is not so specific that it cannot be provided by another company. The transfer of the project rights has thus been assessed in a distinct way in accordance with IFRS 15.

The transfer of project rights together with outsourcing is certainly an integration and there is a functional link between the project rights and the contract, i.e. without project rights (including land, permits, etc.), a wind turbine cannot be built because foundations etc. will be fixed to the ground. At the same time, they are not considered to be so highly dependent on each other as OX2's assessment is that the transfer of project rights and the execution of the contract would not have been substantially different, had a different risk spectrum or priced differently if OX2 delivered only one part. The main risks associated with the different phases (design versus construction) have been assessed separately and the transfer of project rights has thus been assessed distinctly within the framework of the agreement under IFRS 15.

Taking into account the terms and conditions of the agreements, the sale of project rights and contracts has been deemed to constitute two separate performance commitments.

Revenue from the sale of project rights is recognised at a time when the performance commitment has been fulfilled and a legally binding agreement with the client is in place.

Revenue from the sale of the contract is recognised over time in accordance with the principle of successive profit recognition. When successive profit recognition is applied, the input method is applied where revenue is reported on the basis of the degree of completion, which is calculated as the ratio between the costs incurred for work performed at the end of the reporting period and the estimated total cost of contract work. The percentage of completion method will include an uncertainty component. Unforeseen incidents may occur that could affect the final result so that it becomes either higher or lower than expected. Follow-up of contracting projects is carried out on an ongoing basis and when it is probable that total contract costs will exceed the total contract revenue, the anticipated loss shall be immediately recognised as an expense in its entirety.

Revenue from the sale of wind farms ready for operation
In cases where the customer does been given control over the asset until the contract is completed, the revenue will be recognised at a time that takes place on completion and handover to the customer.

Financial income
Financial income consists of interest income and possible capital income on the sale of financial fixed assets.

Interest income is recognised on a time proportion basis using the effective interest method. The effective interest rate is the rate at which the net present value of all future inward and outward payments during the interest period is equal to the carrying amount of the receivable.

Financial expenses
Financial expenses consist primarily of interest expenses on liabilities, which are calculated using the effective interest rate method.

Segments
The Group has an operating segment with a CEO responsible for the segment. This is in accordance with how the Group organises its operations and monitors and presents financial and operational information. This is in accordance with the preparation of business plans and budget work and the follow-up of financial as well as operational objectives. The CEO controls the business through a management group with the main responsibility for different parts of the project's development work and progress. These all report to the CEO.

Note 5 contains information on sales revenues for the segment and by geographic market, as well as sales revenues for major customers.

Leasing contracts
IFRS 16 Leasing agreements are applied as of January 1, 2019. See also under the heading "New standards applied from 1 January 2019" and note 13 - Leasing contracts for further information on the transition and its impact on the financial statements.

The right to use an asset is recognised as an asset on the Balance Sheet (Right-of-use asset), while the corresponding obligation to pay for this right is recognised as a long-term and short-term liability (Leasing liability) from the start of the lease. Leasing agreements are recognised by being expensed in the Income Statement by means of a depreciation of the asset of use that affects operating profit and an interest expense on the leasing liability that affects income before tax.

In the Cash Flow Statement, payments attributable to leasing liabilities within operating activities are reported in respect of the interest component and the remaining part of financing operations. Payments for short-term leases and low-value leases that are not included in the valuation of the lease liability are recognised in Operating activities.

Valuation of leasing liabilities
The leasing liability is initially calculated as the present value of the outstanding payments of the contracts that are not paid on the start date, discounted by the interest rate. The Group has chosen to apply the exemption for leasing contracts of less than 12 months and/or agreements involving small amounts.

Lease payments should be apportioned between the interest rate and the amortisation of the debt. The interest rate is distributed over the term of the lease so that each accounting period is charged with an amount corresponding to a fixed interest rate on the liability for each period. The interest expense is recognised directly in the Income Statement.

In cases where the leasing liability is revalued to reflect changes in leasing charges after the start of the lease, the revaluation amount should be recognised as an adjustment to the right-of-use asset.

Valuation of right-of-use assets
Right-of-use assets are initially reported at a value corresponding to the initially-valued lease liability adjusted for lease payments paid at or before the start of the lease. Current assets are valued at acquisition value less accumulated depreciation and impairment, and adjusted for revaluation of the lease liability. In cases where the leasing liability is revalued to reflect changes in leasing charges after the start of the lease, the revaluation amount should be recognised as an adjustment to the right-of-use asset. The adjustment shall be reported in the result.

Depreciation principles
Depreciation is performed on a straight-line basis over the lease term, or the estimated useful life of the asset if it is judged to be shorter.

Accounting principles applied prior to January 1, 2019
All leasing agreements are classified either as financial leasing agreements or as operational leasing agreements. Prior to the transition to IFRS 16, the Group applied IAS 17. Pursuant to IAS 17, a financial lease is an agreement whereby the financial risks and benefits associated with ownership of an object to all material extent are transferred from the lessor to the lessee. Leasing agreements where the lessor retains all financial risks and property rights benefits are classified as operational.

Financial leasing
Financial leasing agreements, where the Group essentially takes over all risks and benefits related to the ownership of the leased object, are reported as an asset in the financial position report on the fair value of the leased property or, if the value is lower, at the present value of future minimum lease payments. The obligation to pay future lease payments is reported as long-term and short-term liabilities. In the Cash Flow Analysis, leasing payments are divided between financing costs and amortisation of liabilities in operating activities and financing activities.

Fixed assets held under finance leases are amortised over the shorter period of the asset's useful life and lease period, while lease payments are reported as interest and amortisation of liabilities.

Operational leasing
Leasing agreements where the lessor mainly retains all risks and property rights benefits are classified as operational. Leasing fees are recognised as expenses on a straight-line basis in the Income Statement during the leasing period.

Loan expenses
Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are included in the acquisition value of the asset until the time when the asset is ready for its intended use or sale. Interest income from the temporary placement of borrowed funds for the above asset is deducted from the borrowing costs that may be included in the acquisition cost of the asset. Other borrowing costs are charged to earnings for the period to which they relate.

Remuneration to employees
Remuneration to employees in the form of wages, paid leave, sick leave, etc., as well as pensions, is reported as earnings. With regard to pensions and other post-employment benefits, these are classified as defined contribution plans or defined benefit pension plans. The Group only has defined contribution pension plans.

Defined contribution plans
For defined contribution plans, the company pays fixed contributions to a separate independent legal entity and has no obligation to pay further contributions. Costs are charged against consolidated earnings as the benefits are earned, which normally coincides with the time at which the premiums are paid.

Income taxes
The tax cost is the total of current tax and deferred tax.

Current tax
Current tax is calculated on the taxable profit in the period. Taxable profit differs from the reported results in the Income Statement when it has been adjusted for non-taxable income and non-deductible expenses and for income and costs that are taxable or deductible in other periods. The Group's current tax liability is calculated according to the rates that have been adopted or substantively enacted at the balance sheet date.

Deferred tax
Deferred tax is accounted for on the difference between the carrying amount of assets and liabilities in the financial statements and the tax value used in the calculation of taxable profit. Deferred tax is reported in accordance with the Balance Sheet method. Deferred tax liabilities are recognised in principle for all taxable temporary differences and deferred tax assets are recognised in principle for all deductible temporary differences to the extent that it is probable that the amounts can be utilised for future taxable surpluses. Deferred tax liabilities and receivables are not recognised if the temporary difference is attributable to goodwill or if it occurs as a consequence of a transaction that constitutes the initial recognition of an asset or liability (which is not a business acquisition) and that, at the time of the transaction, affects neither accounting profit nor taxable profit.

The deferred tax liability is recognised for taxable temporary differences relating to investments in subsidiaries and associated companies, except in the cases where the Group is able to control the timing of the reversal of the temporary difference and it is probable that such a reversal will not occur in the foreseeable future. The deferred tax liabilities that are attributable to the deductible temporary differences in respect of such investments and interests is only recognised to the extent that it is probable that the amounts can be utilised against future taxable surpluses and it is probable that such a use will take place in the foreseeable future.

The carrying amount of deferred tax assets is tested at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available for use in whole or in part against the deferred tax asset. Deferred tax is calculated in accordance with the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at balance sheet date.

Current and deferred taxes are offset when they relate to income tax that is levied by the same authority and the Group intends to regulate the tax with a net amount.

Current and deferred tax for the period
Current and deferred tax is reported as a cost or revenue in the Income Statement, except when the tax is attributable to transactions recognised directly in equity. In such cases, tax is also recognised directly in equity.

Earnings per share
Earnings per share before dilution are calculated by dividing the earnings attributable to the parent company's shareholders by a weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the earnings attributable to the parent company's owners by the average number of ordinary shares outstanding during the period, adjusted by the weighted average number of shares outstanding of all potential ordinary shares giving rise to dilution effects

Fixed assets
Tangible fixed assets and intangible assets with finite useful life are reported at acquisition value with deductions for accumulated depreciation and impairment. The cost

includes the purchase price and costs directly attributable to bringing the asset to the location and in the condition for use in accordance with the purpose of the acquisition. Borrowing costs are included in the acquisition value when the criteria for this are met. Tangible fixed assets comprising parts with different useful lives are regarded as being separate components of tangible fixed assets.

Subsequent expenditure is added to the acquisition value only if it is probable that the future financial benefits associated with the asset will flow to the company and the cost can be calculated in a reliable way. All other subsequent expenditure should be recognised as an expense in the period in which it arises. A subsequent expenditure is added to the acquisition value if the cost relates to the replacement of identified components or parts thereof. Any residual reported values for replaced components are scrapped and expensed in the context of the replacement. Expenditure for repairs and maintenance is expensed on an ongoing basis.

Depreciation is based on the acquisition value of the assets with a deduction for estimated residual value at the end of its useful life and is reported on a straight line basis over the estimated useful life of the respective essential component. The useful life of all the components of the wind turbines, foundations and electrical installations is expected to coincide, which is why no further breakdown has taken place. Useful lives and residual values are subject to annual review.

The estimated useful lives are as follows:

Equipment	4-7 years
Intangible assets	5-10 years

Gains or losses that occur during scrapping or disposal of material fixed assets make up the intermediate difference between what has been received for the asset and its carrying value and is reported in operating profit.

Impairment

At each Balance Sheet date, the Group analyses the reported values of tangible and intangible assets to determine whether there is any indication that these assets have decreased in value. If there are any indications in this respect, the recovery value of the asset is calculated in order to determine the size of any impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Group calculates the recoverable amount of the cash-generating unit to which the asset belongs. In addition, intangible assets with indefinite useful lives are impairment tested each year as well as intangible assets that are not yet available for use.

The recoverable amount is the higher of fair value minus the acquisition cost and beneficial value. When calculating the beneficial value the estimated future cash flow is discounted to current value at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or a cash generating unit) is set at a lower value than the reported value, the reported value of the asset (or the cash-generating unit) is reduced to the recovery value. An impairment is recognised directly in the Income Statement. If an impairment is then subsequently reversed, the carrying amount of the asset (the cash-generating unit) is increased to the revalued asset recovery value, but the increased carrying amount may not exceed the carrying amount that would have been set if no impairment of the asset (the cash-generating unit) had taken place in previous years. A reversal of an impairment is recognised directly in the Income Statement. Impairment of goodwill is not reversed.

Offsetting financial assets and liabilities

Financial instruments

A financial asset or a financial liability is recognised in the Balance Sheet when the company becomes a party to the instrument's contractual terms. A financial asset is removed from the Balance Sheet when the contractual rights have been realised, mature or when the company loses control over it. A financial liability is removed from the Balance Sheet when the obligation in the contract is fulfilled or it becomes otherwise extinct.

Financial instruments are reported at accrued acquisition value or at fair value, depending on their initial assignment under IFRS 9.

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined according to the following: The fair value of financial assets and liabilities with standard terms and conditions which are traded in an active market is determined in reference to the quoted market price.

The fair value of financial assets and liabilities is determined in accordance with generally accepted valuation models, for example models based on discounted cash flow analyses. Observable market data is used as far as possible in the valuation methods applied. The carrying value of financial assets and liabilities is considered to be a good approximation of their fair value, when the term is short, unless otherwise indicated in the following notes to the accounts.

Derivatives and hedge accounting

All derivatives are recognised at fair value and recognised as either assets or liabilities in the Balance Sheet, depending on whether the fair value is positive or negative at the balance sheet date. Reporting of the changes in value is dependent on whether the derivative is identified as a hedging instrument or not.

Hedge accounting is applied in accordance with IFRS 9 and to meet the requirements for hedge accounting, there is a financial relationship between the hedged item and the hedging instrument; the effect of the credit risk does not dominate the changes resulting from the economic relationship and that the hedging ratio is the same as that resulting from the quantity of the hedged item actually hedged.

If a derivative is identified as a hedging instrument in a cash flow hedge, the effective portion of the changes in the derivative's fair value is reported in other comprehensive income and is accumulated in the hedge reserve in equity. The ineffective portion of a cash flow hedge is recognised directly in the consolidated results. Amounts attributed to equity are reversed in the consolidated results during the periods when the hedged item affects the consolidated result.

Valuation at fair value

Information must be given about the method for determination of fair value in accordance with a three-level valuation hierarchy. The levels should reflect the extent to which the fair value is based on observable market data and own assumptions. The following describes the various levels for the determination of fair value.

Level 1

Financial instruments for which fair value is determined on the basis of observable (unadjusted) quoted market prices in an active market for identical assets and liabilities. A market is considered to be active if the quoted prices from a stock exchange, broker, industrial group, pricing service or supervisory authority are easily and regularly accessible and these prices represent actual, regularly occurring arm's-length market transactions.

Level 2
Financial instruments for which fair value is determined on the basis of valuation models that are based on other observable data for the asset or liability other than the quoted prices included in level 1, either directly (i.e. price quotations) or indirectly (i.e. derived from quotations). Examples of observable data within level 2 are data that can be used as a basis for the price assessment, for example market interest rates and yield curves.

Level 3
Financial instruments for which fair value is determined on the basis of valuation models where substantial input is based on non-observable data.

Determining fair value
Currency forward contracts
The fair value of forward exchange contracts is determined from the current forward rates for the remaining term at the balance sheet date. All forward exchange contracts are assigned at level 2 in the fair value hierarchy above.

Offsetting financial assets and liabilities
Financial assets and liabilities are offset and recognised as net amounts in the Balance Sheet when there is a legally enforceable right to offset and when the intention is to regulate the items with a net amount or at the same time to realise the asset and settle the liability. No offsets have been made of the financial assets and liabilities in the Group, nor is there any legal right to offset.

Financial assets
Classification and subsequent valuation
On its first recognition, a financial asset is classified as being valued at: accrued acquisition value, fair value via other comprehensive income or fair value through the Income Statement.

Financial assets that meet the following conditions are then valued at accrued acquisition value:

- the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows: and
- the agreed terms and conditions of the financial asset give rise, at certain times, to cash flows that are only payments of principal and interest on the amount of capital outstanding.

Financial assets will not be reclassified after the first time they are recognised unless the Group changes its business model for the management of financial assets.

All financial assets that are not classified as measured at accrued acquisition value or fair value via other comprehensive income are valued at fair value through the Income Statement.

Financial assets valued at fair value through the Income Statement

The subsequent valuation of these assets is at fair value. Net gains and losses are reported in the Income Statement. See note 23 for derivatives identified as hedging instruments.

Financial assets valued at accrued acquisition cost
The subsequent valuation of these assets takes place at accrued acquisition cost using the effective interest method. The accrued acquisition value is reduced by impairment. Interest income, foreign exchange gains and losses and impairment are reported in the Income Statement. Profits or losses arising from removal are reported in the Income Statement.

Cash and cash equivalents
Cash and cash equivalents include cash and bank balances and other short-term investments that can be easily converted into cash and are subject to insignificant risk of changes in value. In order to be classified as cash and cash equivalents, maturity may not exceed three months from the date of acquisition. Cash and bank balances are valued at accrued acquisition value, because bank funds are payable on the claim and that accrued acquisition value corresponds to nominal amount.

Accounts receivable
Accounts receivable are categorised as “Assets at accrued acquisition value”, which means valuation at accrued acquisition value. The expected maturity of accounts receivables is short, which is why they are reported at nominal amounts without discounting.

The company reports a loss reserve for expected credit losses on accounts receivable. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the first recognition of each financial instrument.

The company reports expected credit losses (ECL) corresponding to the remaining maturity of accounts receivable. The expected credit losses are calculated using a matrix based on the company’s historical loan losses, adjusted for counterparty-specific and macroeconomic factors, as well as current and forecast conditions at the time of the reporting. No loss provision has been made since it has been deemed to be insignificant.

Contract assets
Contract assets are contractual payment flows from customers and are categorized as "Assets at accrued acquisition value".

These receivables have a maturity exceeding the maturity of accounts receivable and amount to a maximum of 12 months. Deductions are made for expected credit losses.

The company reports a loss reserve for expected credit losses on contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the first recognition of each financial instrument.

The company reports expected credit losses (ECL) corresponding to the remaining maturity of contract assets. The expected credit losses are calculated using a matrix based on the company’s historical loan losses, adjusted for counterparty-specific and macroeconomic factors, as well as current and forecast conditions at the time of the reporting. No loss provision has been made since it has been deemed to be insignificant.

Financial liabilities
Classification, subsequent valuation and gains and losses
Financial liabilities are classified at accrued acquisition value or fair value via the Income Statement. A financial liability is classified at fair value through the Income Statement if it is classified as a holding for commercial purposes, as a derivative, or has been identified as such at the time of initial recognition.

Financial liabilities measured at fair value through the Income Statement are measured at fair value and net gains and losses, including interest costs, are reported in the Income Statement. The subsequent valuation of financial liabilities takes place at accrued acquisition cost using the effective interest method. Interest expenses and foreign exchange gains and losses are reported in the Income Statement. See note 23 for financial liabilities identified as hedging instruments.

Accounts payable
Accounts payable are categorised as “Financial liabilities”, which means valuation at accrued acquisition value. The expected maturity of accounts payable is short, which is why they are reported at nominal amounts without discounting.

Liabilities to credit institutions and other loan liabilities
Interest-bearing bank loans, bank overdrafts and other loans are categorised as "Financial liabilities" and are measured at amortised cost in accordance with the effective interest rate method. Any differences between the loan amount received (net after transaction costs) and the payment or repayment of loans over the duration of the loans are reported in accordance with the consolidated accounting policy for borrowing costs (see above)

Equity
All shares in the company are ordinary shares, which are reported as shareholders’ equity. The share capital is reported at its quota value and the surplus portion is reported as Other contributed capital. Transaction costs that can be directly attributable to the issue of new ordinary shares or options are reported, net after tax, in equity as a deduction from the proceeds from the issue.

Provisions
Provisions are reported when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties associated with the obligation. When a provision is calculated by estimating the expenditure expected to be required to settle the obligation, the carrying amount must be equal to the present value of these payments. Where some or all of the expenditure required to settle a provision is expected to be paid by a third party, the payment must be reported separately as an asset on the Balance Sheet when it is virtually certain that reimbursement will be received if the company settles the obligation and the amount can be calculated in a reliable way.

Contingent liabilities
Contingent liabilities are possible commitments arising from past events, the existence of which is confirmed only by the occurrence or absence of one or more future events, which are not entirely within the Group’s control. Liabilities arising from past events are also recognized as contingent liabilities, but are not recognized as liabilities because it is not likely that an outflow of resources will be required to settle the commitment.

Performance guarantees issued with payment guarantees from insurers and banks are included in the amount up to nominal value until the project is handed over. In some cases, the value of a part completed is deducted from the obligation under the respective agreement.

Reporting of cash flow
Cash and cash equivalents consist of available cash, bank deposits at banks and other liquid investments with an initial maturity of less than 3 months subject to slight fluctuations in value. Cash receipts and disbursements are reported in the Cash Flow Statement. The Cash Flow Statement has been prepared using the indirect method. Exchange rate differences in cash and cash equivalents are presented separately from cash and cash equivalents.

Accounting principles for the Parent Company
The parent company OX2 AB prepares its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Council for Financial Reporting’s recommendation RFR 2 “Accounting for legal entities”. The differences between the parent company’s and Group’s accounting principles are described below:

Shares in subsidiaries
Shares in subsidiaries are accounted for in accordance with the acquisition value method. Acquisition-related costs to subsidiaries that are expensed in the consolidated financial statements are included as part of the acquisition value of shares in subsidiaries. The carrying amount of shares in subsidiaries is tested for impairment when there is an indication of need for impairment.

Group contributions
The parent company reports Group contributions and shareholder contributions in accordance with the general rule in the Financial Reporting Council’s recommendation RFR 2 Accounting for legal entities. Group contributions received from subsidiaries are reported as financial income and Group contributions made to subsidiaries are reported as increases in participations in Group companies.

Group contributions made by the Parent Company are reported as a decrease in equity net of tax.

Leasing
Leasing IFRS 16 Leasing will replace IAS 17 Leasing with associated interpretation statements as of 1 January 2019. The Group recognises assets and liabilities attributable to all leases, with the exception of agreements shorter than twelve months and/or relating to small amounts.

In the parent company, all leasing agreements are reported in accordance with the regulations for operational leasing

Note 3 Estimates and assessments in the financial statements

The consolidated financial statements are based on various estimates and assessments made by management that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenues and costs. Assessments that are made may deviate from future results.

The assessments and estimates are based on historical experience and a number of other factors that are reasonable under the present circumstances. The estimates and assumptions are reviewed on a regular basis. The effects of changes in estimates are reported in the period in which the change is made if the change affects that period only, or in the period the change affects both the current period and future periods.

Assessment of the degree of completion for the successive profit recognition
The Group applies the percentage of completion method in accounting for the projects that are sold as construction contracts. The percentage of completion method means that the Group must make estimates in respect of the completion of the transaction at the balance sheet date.

Reporting cash flows at the acquisition and sale of companies
The cash flow effects arising from the sale and acquisition of companies related to projects in the form of a company are recognised as changes in operating capital in the consolidated cash flow analysis.

Recognition of sales of wind power projects
In the case of sales of wind power projects through the disposal of shares in subsidiaries, the revenue for the project is recognised in the Income Statement when the sale up to the date of disposal is treated as a current asset.

Recognition of project rights
Project rights are reported in the Group's financial position report as a current asset ("work in progress"). In each individual within the Group, these are reported as fixed assets.

Note 4 Financial risk management and financial instruments

Financial policy
Through its operations, the OX2 Group is exposed to various financial risks in the form of market risks, which include currency and interest rate risks, credit and financial risks. The Group's overall risk management policy focuses on the unpredictability of the financial markets and strives to minimise potentially adverse effects on the Group's financial results. Risk management is performed in accordance with the financial policy adopted by the Board. The Board has established written policies for both the overall risk management and for specific areas such as currency risk, interest risk, counterparty risk and the investment of surplus liquidity. The financial policy is updated annually and as required.

Market risks

Introduction
The OX2 Group's main business model is to sell commissioned wind power plants. Consequently, most market risks are indirect, i.e. the OX2 Group's customers may manage risks and the OX2 Group suffers indirectly via reduced demand and/or lower sales prices.

Currency risks
Sales of projects are primarily in EUR, which involves a so-called Transaction risk. When evaluating the currency risk, projects' total inflows and outflows in foreign currency are taken into account. Wind turbines are primarily ordered from European suppliers in EUR, which means a natural hedge against sales that take place in EUR. The currency risk for each project is handled in a way which meets requirements from the policy in respect of risk minimisation, adapted to the conditions of the particular project. The Group's total currency exposure is taken into account when hedging each project. The Transaction exposure resulting from purchases and sales can be hedged for up to 36 months. Most of the hedging will mature in 2021.

Sensitivity analysis
Given the 2020 contracted flows and disregarding outstanding derivatives, a change in the EUR/SEK exchange rate of SEK 0.10 is estimated to influence the result by SEK +/- -12.0 million (+/- -7.7). In the case of a change to the EUR/SEK exchange rate of SEK 0.10 at the end of the year, the impact on equity is expected to amount to approximately SEK 6.3 million (9.8) given the currency hedging that has been recognised via equity. Calculation is based on quotations as of December 31, 2020.

Interest rate risk
There are no outstanding interest-bearing loans in the Group.

The Group is also affected by the interest component in the currency derivatives included in the hedges for currency risks: see also the section entitled Currency risks.

Sensitivity analysis
A change in the swap component of +- 0.01 (100 pips), a so-called parallel change of the average rates, would affect the market value of the forward exchange contracts by SEK –/+ 0.8 (1.2) million, based on current forward exchange contracts during 2020

Investments
The Group's cash flow generated from operating activities and from the sales of project/operational wind turbines will be used for the development of new projects and the financing of ongoing activities. Surplus liquidity will be invested with counterparties that have high credit ratings and thus low credit risk. Given the 2020 figures, a reduction of revenue interest to 0 per cent would lead to a reduction of interest income of approx. SEK 0.1 million (0.2). OX2 has not paid negative interest on funds in its other bank accounts.

Price risk for electricity
The future price for electricity is the single most important parameter in the customers' investment calculations. Thus, OX2 Group activities in both the short and the long term are affected by how the futures market for electricity develops. The OX2 Group follows the market, the economy and the price of other types of energy.

Credit risk
Credit risk or counterparty risk refers to the risk that the counterparty in a transaction does not fulfil its obligations and thereby causes a loss to the Group. The commercial credit risk includes customers' ability to pay and is managed via monitoring and follow-up of customers' financial reports. The OX2 Group's customers are primarily major corporations in the financial sector, which usually have regulated operations. OX2's financial exposure to counterparty risk arises primarily in the trading of derivatives and guarantees received by insurance companies.

The Group's total credit risk is distributed over a small number of customers who represent a relatively large proportion of the Group's accounts receivable. The financial credit risk is covered by the general model for expected credit provisions in IFRS 9. The model is based on the counterparty's rating. Due to the short term and stable counterparties, the reserve is considered to be immaterial and we do not see any significant changes in current or forward-looking factors.

Liquidity and financing risk
Liquidity risk is understood to be the risk that the Group can be adversely affected by the lack of management and control of cash and cash equivalents and cash flows. Financing risk is the risk that the Group is not able to mobilise sufficient funds to meet its commitments. The OX2 Group is constantly working with cash flow forecasts and with respect to wind turbines sold to customers as operational, the company aims to match payment plans from suppliers against payments from customers in the respective projects.

Note 4 *Financial risk management and financial instruments, cont.*

Maturity distribution of the contractual payment obligations related to the Group's and parent company's financial assets and liabilities is shown in the tables below.

Group (SEK thousand)	2020				2019			
Assets	0-3 months	3-12 months	1-5 years	Total	0-3 months	3-12 months	1-5 years	Total
Accounts receivable	121,353	–	–	121,353	46,615	–	–	46,615
Receivables from Group companies	171	–	–	171	–	–	–	–
Other current receivables	15,599	–	–	15,599	34,920	–	–	34,920
Derivative instruments	–	36,670	–	36,670	–	3,887	–	3,887
Cash and cash equivalents	1,234,571	–	–	1,234,571	1,005,348	–	–	1,005,348
Total	1,371,694	36,670	–	1,408,363	1,086,883	3,887	–	1,090,770
Liabilities	0-3 months	3-12 months	1-5 years	Total	0-3 months	3-12 months	1-5 years	Total
Other long-term liabilities	–	–	12,753	12,753	–	–	21,486	21,486
Accounts payable	123,580	–	–	123,580	248,101	–	–	248,101
Liabilities to Group companies	80	–	–	80	–	210,083	–	210,083
Other current liabilities	–	84,261	–	84,261	–	849,583	–	849,583
Total	123,660	84,261	12,753	220,674	248,101	1,059,666	21,486	1,329,253

Parent company (SEK thousand)	2020				2019			
Assets	0-3 months	3-12 months	1-5 years	Total	0-3 months	3-12 months	1-5 years	Total
Accounts receivable	5,654	–	–	5,654	2,971	–	–	2,971
Receivables from Group companies	175,051	–	–	175,051	–	648,715	–	648,715
Other current receivables	2,896	–	–	2,896	23,912	–	–	23,912
Cash and cash equivalents	258,196	–	–	258,196	59,476	–	–	59,476
Total	**441,797**	–	–	**441,797**	**86,359**	**648,715**	–	**735,074**
Liabilities								
Accounts payable	18,723	–	–	18,723	49,425	–	–	49,425
Liabilities to Group companies	–	256,115	–	256,115	–	213,420	–	213,420
Other current liabilities	–	103,333	–	103,333	–	33,985	–	33,985
Total	**18,723**	**359,448**	–	**378,171**	**49,425**	**247,405**	–	**296,830**

Credit and counterparty risk

In connection with the handover of wind turbines and their assets to the buyer, the OX2 Group's credit risk is also gradually reduced. External buyers may also provide collateral for their obligations in favour of the OX2 Group. Furthermore, the purchaser makes an advance payment in accordance with a payment plan. The Group and the parent company's outstanding exposure to credit risk benefiting the note is represented by the carrying values of all financial assets and is shown in the table below.

	Group		Parent company	
Amounts in SEK thousand	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Accounts receivable	121,353	46,615	5,654	2,971
Receivables from Group companies	171	–	175,051	648,715
Other receivables	15,599	34,920	2,895	23,912
Cash and cash equivalents	1,234,571	1,005,348	258,196	59,476
Maximum exposure to credit risk	1,371,694	1,086,883	441,796	735,074

Note 4 *Financial risk management and financial instruments, cont.*

Categorisation of financial instruments
The carrying value of financial assets and financial liabilities, divided per evaluation category in accordance with IFRS 9, is shown in the table below.

	Group		Parent company	
Amounts in SEK thousand	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Fair value of financial assets				
Derivatives[1]	36,670	3,887	–	–
Assets valued at accrued acquisition value [2]				
Accounts receivable	121,353	46,615	5,654	2,971
Receivables from Group companies	171	–	175,051	648,715
Other current receivables	15,599	34,920	2,895	23,912
Cash and cash equivalents	1,234,571	1,005,348	258,196	59,476
Total financial assets	1,408,364	1,090,770	441,796	735,074
Financial liabilities at fair value				
Derivatives identified as hedging instruments				
Other financial liabilities[2]				
Other long-term liabilities	12,753	21,486	–	–
Liabilities to Group companies	80	210,083	256,115	213,420
Accounts payable	123,580	248,101	18,723	49,425
Other current liabilities	84,261	849,583	103,333	33,985
Total financial liabilities	220,674	1,329,253	378,171	296,830

1) according to level 2.
2) Valued at accrued acquisition value.

Discounting has no significant effect on short-term financial instruments. Our assessment is that there are no significant changes to the credit risk, which is why the fair value and carrying value of our long-term liabilities are considered to be essentially the same. There has been no reclassification between the valuation categories above during the period.

Management of capital risks
The Group's target for the management of the capital is to secure the Group's ability to continue its activities so that the Group can continue to generate a reasonable return to the shareholders and deliver benefits to other stakeholders. The Group strategy is not to have any debt apart from financing of inventory, accounts receivable and, in some cases, construction of wind power projects.

The Group defines capital as equity.

Note 5 Revenues

The Group has one segment. See Accounting principles for segment accounting for additional information. The Group's revenue mainly comprises sales of wind power projects and commissioned wind power farms. The Group normally recognises revenue over time, and in certain cases at a specific time.

(SEK thousand)	Group		Parent company	
Net revenue per category	2020	2019	2020	2019
Sales of wind power projects and wind power farms	5,200,778	4,906,177	739,759	452,263
Total	**5,200,778**	**4,906,177**	**739,759**	**452,263**

(SEK thousand)	Group	
Revenue by country [1]	2020	2019
Sweden	2,157,171	4,208,734
Finland	2,386,115	592,580
Poland	307,825	–
Norway	349,667	104,863
Total	**5,200,778**	**4,906,177**

1) The revenue by country is based on where projects are located.

(SEK thousand)	Group	
Time of revenue recognition	2020	2019
At a certain time	986,447	403,134
Over time	4,214,331	4,503,043
Total	**5,200,778**	**4,906,177**

The Group has three clients who individually account for between 15-20 percent of the Group's total revenues in 2020.

The following table shows the total amount of the transaction price distributed over the performance commitments that are unfulfilled (or partly unfulfilled) at the end of the reporting period.

(SEK thousand)	Group	
Contract assets	2020	2019
Project portfolio and work in progress (see also note 16)	–	92,629
Accrued income (see also Note 18)	180,245	60,410
Total	**180,245**	**153,039**
of which		
Long-term assets	–	–
Current assets	180,245	153,039
Total	**180,245**	**153,039**

The following table shows how much of the recognised revenue for the period is attributable to advance payments received that were included in recognised contract liabilities at the start of the year. No revenue has been recognised during the year that is attributable to fulfilled performance commitments in earlier periods.

(SEK thousand)	Group	
Contract liabilities	2020	2019
Advance payments from customers (see also Note 23)	468,419	371,472
Prepaid income (see also Note 25)	–	–
Total	**468,419**	**371,472**
of which		
Long-term liabilities	–	–
Current liabilities	468,419	371,472
Total	**468,419**	**371,472**

No information is provided about transaction prices allocated to the remaining performance commitments since, as at 31 December 2020, no such commitments with an expected maturity of more than one year existed

Note 6 Information about auditor fees and reimbursement

(SEK thousand)	Group 2020	Group 2019	Parent company 2020	Parent company 2019
Deloitte AB				
Audit tasks	1,785	1,443	815	496
Audit work in addition to audit tasks	192	345	86	224
Tax advice	1,926	1,301	1,862	1,017
Total	**3,903**	**3,089**	**2,763**	**1,737**

The audit fee refers to the auditor's remuneration for the statutory audit. The work involves the examination of the annual report and accounts, the Board of Directors and the CEO's management and the remuneration for advice given in the context of the audit task. The audit activity in addition to the audit task is mainly concerned with quality assurance services other than the statutory audit.

Note 7 Number of employees, salaries, other remuneration and social security expenses

Average number of employees	2020 Average quantity employees	2020 Of whom men	2019 Average quantity employees	2019 Of whom men
Parent company				
Sweden	76	47	53	38
Finland	21	12	12	7
France	7	4	4	3
Germany	–	–	1	1
Total in the parent company	104	63	70	49
Subsidiaries				
Sweden	36	23	21	14
Finland	6	5	3	3
Germany	2	1	2	1
Poland	12	7	3	1
Lithuania	1	1	1	1
Total in subsidiaries	57	37	30	20
Total in Group	161	100	100	69

	Group 31/12/2020	Group 31/12/2019	Parent company 31/12/2020	Parent company 31/12/2019
The distribution of senior management at balance sheet date				
Women:				
Board members	1	1	1	1
other people in the management of the Company, incl. CEO	1	–	1	–
Men:				
Board members	5	3	5	3
other people in the management of the Company, incl. CEO	5	2	5	1
Total	12	6	12	5

Note 7 *Number of employees, salaries, other remuneration and social security expenses, cont.*

(SEK thousand) Salaries, remuneration, etc.	2020 Salaries and other remuneration	2020 Soc. costs (of which pension costs)	2019 Salaries and other remuneration	2019 Soc. costs (of which pension costs)
Total for Group	146,276	56,153	97,316	38,663
		(17,936)		(11,049)

(SEK thousands) Salaries and remuneration divided between Board members etc. and employees	2020 The Board of Directors and the CEO and other senior executives (of which bonuses, etc.)	2020 Other employees	2019 Board of directors and CEO and other senior executives (of which bonuses, etc.)	2019 Other employees
Total in Group	24,653	121,623	11,092	86,224
	(6,278)		(7,500)	

Remuneration to senior executives
The Chairman and other Board members are paid a fee in accordance with the resolution of the Annual General Meeting. In 2020, the costs of remuneration to the Board of Directors amounted to SEK 733 thousand (294). Remuneration to the CEO for the year amounted to SEK 5,082 thousand (10,198). Remuneration to other senior management for the year amounted to SEK 18,837 thousand (0). Remuneration to the CEO and other senior executives consists of basic salary, bonuses, other benefits and pension.

Bonus
Within the Group there is an annual bonus program, which means that an employee can receive an amount up to a maximum of one fixed monthly salary, provided that the company achieves its financial and operational objectives for the year in question. In addition, there are individually agreed bonus programs. A profit-based bonus for 2020 has been reserved for all employees amounting to a total of SEK 24,417,000

Pensions
The Group only has defined contribution pension plans. Pension cost relates to the cost that will affect earnings for the year.
Pension premiums amount to a maximum of 35% of the pensionable salary. The pensionable salary is the basic salary. The retirement age for other senior management is 65. Pension premiums for other senior management are individually agreed and are usually a maximum of 26% of the pensionable salary.

Severance pay
For senior executives, the period of notice is 3 to 6 months. There are no agreements regarding severance pay for senior executives.

Note 8 Financial income

(SEK thousand)	Group 2020	Group 2019	Parent company 2020	Parent company 2019
Interest income	962	739	117	37
Interest income from Group companies	–	–	221	568
Exchange rate gains	63,565	38,685	7,397	3,743
Total financial income	64,527	39,424	7,735	4,348

Note 9 Financial expenses

(SEK thousand)	Group 2020	Group 2019	Parent company 2020	Parent company 2019
External interest costs	-669	-764	-67	-3
Exchange rate losses	-97,114	-36,615	-4,010	-5,800
Total financial costs	-97,783	-37,379	-4,077	-5,803

Note 10 Year-end appropriations

	Parent company	
(SEK thousand)	2020	2019
Group contributions received/made	–9,555	-133,352
Provision to tax allocation reserve	-39,900	–
Total financial costs	**–49,455**	**-133,352**

Note 11 Tax

Reported tax expense

	Group		Parent company	
(SEK thousand)	2020	2019	2020	2019
Current tax				
Tax cost for the year	-50,030	-64,261	-25,750	-643
Deferred tax	-34,445	5,792	–	–
Total reported tax cost	**-84,475**	**-58,469**	**-25,750**	**-643**
Tax related to other comprehensive income	-6,584	-2,885		
Tax included in the period's comprehensive income	-91,059	-61,354		

Income tax in Sweden is calculated at 21.4% on the year's taxable profit. In Finland, the corresponding rate is 20%. A reconciliation between the reported results and the tax cost for the year is given below

Deferred tax is calculated in accordance with the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at balance sheet date.

	Group		Parent company	
(SEK thousand)	2020	2019	2020	2019
Profit for the year before tax	382,585	373,176	117,133	171,695
Tax calculated in accordance with the current tax rate	-81,873	-79,860	-25,066	-36,743
Tax effect from transactions	-5,095	8,917	-651	-242
Tax effect provisions	3,185	12,527	67	36,380
Miscellaneous	-692	-53	-100	-38
Total reported tax cost for the year	**-84,475**	**-58,469**	**-25,750**	**-643**

Group

Deferred tax assets/tax liabilities	31/12/2020	31/12/2019
Tax allocation fund	-40,295	-23,986
Temporary differences	4,979	22,067
Financial instruments	-9,478	-969
Tax allocation reserve	-28	-28
Total	**-44,822**	**-2,916**

Note 12 Other intangible fixed assets

	Group		Parent company	
(SEK thousand)	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Opening acquisition values	3,958	718	3,808	690
Purchases	2,864	3 ,806	2,877	3,118
Reclassification	–	-566	–	–
Closing acc. acquisition values	**6,822**	**3,958**	**6,685**	**3,808**
Opening depreciation	-734	-439	-603	-439
Depreciation according to plan	-722	-296	-717	-164
Translation difference for the year	-1	1	–	–
Closing acc. depreciation	**-1,457**	**-734**	**-1,320**	**-603**
Closing residual value according to plan	**5,365**	**3,224**	**5,365**	**3,205**

Estimated utilisation period for intangible fixed assets is 5 to 10 years.

Note 13 Equipment

	Group		Parent company	
(SEK thousand)	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Opening acquisition values	3,220	4,340	2,781	3,947
Purchases	2,407	994	2,489	948
Disposals for the year	–	-2,114	-	-2,114
Closing acc. acquisition values	**5,627**	**3,220**	**5,270**	**2,781**
Opening depreciation	-2,171	-4,048	-1,820	-3,737
Depreciation according to plan	-412	-241	-399	-200
Disposals for the year	–	2,114	–	2,114
Translation difference for the year	–	4	-7	3
Closing acc. depreciation	**-2,583**	**-2,171**	**-2,226**	**-1,820**
Closing residual value according to plan	**3,044**	**1,049**	**3,044**	**961**

Note 14 Leasing contracts

The following amounts related to lease agreements are recognised in the Balance Sheet

	Group	
Assets with a right-to-use	31/12/2020	31/12/2019
Real estate	17,997	31,569
Equipment	80	129
Vehicles	659	1,125
Total	18,736	32,823

Leasing liabilities	2020	2019
Current	10,825	13,008
Long-term	12,753	21,486
Total	23,578	34,494

The following amounts related to lease agreements are recognised in the Income Statement

Depreciation on usage rights	2020	2019
Real estate	-13,573	-10,182
Equipment	-48	-47
Vehicles	-466	-500
Total	-14,087	-10,729

Interest expenses (included in financial expenses)	-496	-665
Expenditure attributable to short-term leasing	0	0
Expenditure attributable to low-value leasing	0	0
Expenditure attributable to variable lease payments that were not included in the leasing liability	0	0

The total cash flow attributable to lease agreements in 2020 amounted to 10,916 (9,058)

	2020	2019
Vehicles	643	719
Equipment	48	42
Property	10,225	8,297
Total	10,916	9,058

Lease agreements reported in accordance with IAS 17
The parent company reports all leasing agreements as operating leases. The parent company's operational leasing concerns office machinery, rent for office premises, rent and cars. The annual cost of operational leasing agreements amounts to SEK 10,073 thousand (6,663) for the parent company.

	Parent company	
(SEK thousand)	31/12/2020	31/12/2019
Year 1	10,721	9,153
Between 2 and 5 years	11,080	15,291
Later than 5 years	-	-
Closing Total	21,801	24,444

Note 15 Participations in Group companies

(SEK thousand)	Parent company 31/12/2020	Parent company 31/12/2019
Opening acquisition value	87,662	1,515
Purchases	6,988	213
Shareholder contributions	468,855	85,934
Closing acquisition value	**563,505**	**87,662**

The Group contains the following subsidiaries:

Company name	Number of shares	Share of share, %	Carrying value (SEK thou-sand)2020	Carrying value (SEK thousand)2019
OX2 Construction AB	1,000	100%	100	100
OX2 Wind Production AB	1,000	100%	19,538	100
OX2 Wind Finland AB	1,000	100%	38,978	3,091
OX2 Holding Poland AB	1,000	100%	267,464	77,951
OX2 GmbH	–	–	–	408
OX2 Sp. z o.o.	100	100%	13	13
OX2 Technical and Commercial Management AB	1,000	100%	100	100
OX2 Holding Finland 1 AB	500	100%	158,786	1,050
OX2 Holding Sweden 1 AB	500	100%	71,538	4,849
OX2 Holding Sweden 2 AB	500	100%	6,571	–
OX2 Holding New Markets AB	500	100%	252	–
OX2 Holding France AB	500	100%	165	–
Total			563,505	87,662

Company name	Corp. ID no.	Registered office	Equity incl. net profit for the year	Profit
OX2 Construction AB	556807-5252	Stockholm	133,137	80 ,942
OX2 Wind Production AB	556773-3877	Stockholm	21,897	-2,505
OX2 Wind Finland AB	556928-0109	Stockholm	69,796	14,875
OX2 Holding Poland AB	556967-5746	Stockholm	267,104	-378
OX2 GmbH	151942	Hamburg	–	199
OX2 Sp. z o.o.	773067	Warsaw	1,024	917
OX2 Technical and Commercial Management AB	556749-1534	Stockholm	6,430	2,849
OX2 Holding Finland 1 AB	559202-8426	Stockholm	157,613	-1,168
OX2 Holding Sweden 1 AB	559202-8392	Stockholm	58,829	-12,710
OX2 Holding Sweden 2 AB	559242-5721	Stockholm	6,319	-252
OX2 Holding New Markets AB	559221-1485	Stockholm	252	–
OX2 Holding France AB	559271-1765	Stockholm	165	–

All subsidiaries are consolidated in the Group. The percentage of voting rights in the subsidiaries that are directly owned by the parent company does not differ from the percentage of ordinary shares owned.

Total ownership of holdings without a controlling influence amounts to SEK 0 (0) for the period.

Note 16 Project portfolio and work in progress

Project portfolio	Group		Parent company	
(SEK thousand)	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Sweden	10,933	9,885	–	6,000
Poland	146,415	52,594	–	–
Finland	163,314	138,814	11,429	16,672
Closing reported value	**320,662**	**201,293**	**11,429**	**22,672**

Work in progress	Group		Parent company	
(SEK thousand)	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Sweden	–	89,628	–	–
Poland	–	–	–	–
Finland	–	668,129	–	–
Closing reported value	**–**	**757,757**	**–**	**–**

The project portfolio consists of acquired projects under development and realisation. Work in progress consists of projects in the construction phase. Work in progress is reported net for invoiced amounts. At the end of 2020, invoiced amounts exceeded the cost of construction. See note 5 for more information. In the autumn of 2020, three major projects were handed over in Finland that OX2 had built for the client on an EPC contract basis, and the control was transferred to the customer in connection with the completion of the contract, which also corresponded to the time of the revenue recognition.

Note 17 Accounts receivable

	Group		Parent company	
(SEK thousand)	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Accounts receivable, gross	121,353	46,615	5,654	2,971
Provision for expected credit losses	–	–	–	–
Total accounts receivable, net of the provision for expected credit losses	**121,353**	**46,615**	**5,654**	**2,971**

Management assesses that the reported value for accounts receivable, net of the provision for expected credit losses, conforms with the fair value. See accounting principles under the category of Accounts Receivables.

(SEK thousand)	31/12/2020		31/12/2019	
Group Age analysis of accounts receivables	Gross	Provision for expected credit losses	Gross	Provision for expected credit losses
Not due	121,353	–	46,615	–
Due 30 days	–	–	–	–
Due 31 - 60 days	–	–	–	–
Due 61 - 90 days	–	–	–	–
Due > 90 days	–	–	–	–
Total	**121,353**	–	**46,615**	**–**

(SEK thousand)	31/12/2020		31/12/2019	
Parent company Age analysis of accounts receivables	Gross	Provision for expected credit losses	Gross	Provision for expected credit losses
Not due	5,654	–	2,971	–
Due 30 days	–	–	–	–
Due 31 - 60 days	–	–	–	–
Due 61 - 90 days	–	–	–	–
Due > 90 days	–	–	–	–
Total	5,654	–	**2,971**	**–**

Note 18 Prepaid expenses and accrued income

(SEK thousand)	Group 31/12/2020	Group 31/12/2019	Parent company 31/12/2020	Parent company 31/12/2019
Other prepaid costs	1,522	1,580	657	892
Prepaid rent	347	146	332	127
Prepaid project costs	17,469	–		
Prepaid construction costs	–	280,570		
Accrued project revenue	179,804	60,185		
Other accrued revenue	443	225	4	23
Total	199,585	342,706	993	1,042

Note 19 Equity capital trends

Date of registration with Swedish Companies Registration Office	Event	Change, share capital SEK	Total share capital, SEK	No. of A shares/ change	No. of B shares/ change	Quotient value
02/02/2005	The company was registered	100,000	100,000	10,000	–	10
			100,000	10,000	–	10

Share capital: 10,000 shares at a quota value of SEK 10 divided into 10,000 series A shares, 0 Series B shares and no preferential shares.

Note 20 Translation reserve and hedging reserve

Translation reserve
The translation reserve includes exchange rate differences arising from the translation of the financial statements from the subsidiaries and branches that have prepared their financial statements in euros or Norwegian kroner.

Hedging reserve
The hedging reserve includes the effective portion of the accumulated net change in the fair value of a cash flow instrument attributable to hedging transactions that have not yet occurred.

Note 21 Untaxed reserves

(SEK thousand)	Parent company 31/12/2020	Parent company 31/12/2019
Tax allocation reserve 17	8,713	8,713
Tax allocation reserve 18	11,000	11,000
Tax allocation reserve 19	34,000	34,000
Tax allocation reserve 21	39,900	–
Excess depreciation	131	131
Total	93,744	53,844

Note 22 Derivative instruments

Currency forward contracts	Group	
(SEK thousand)	31/12/2020	31/12/2019
Change in value of currency hedging as at Balance Sheet date	36,670	3,887
Total	**36,670**	**3,887**

Outstanding forward exchange contracts	31/12/2020	31/12/2019
Expiration year 2020	EUR	EUR
Amount (EUR thousand)	–	70,790
Average rate currency hedging	–	10.491
Year-end rate as at Balance Sheet date	–	10.434
Expiration year 2021	EUR	EUR
Amount (EUR thousand)	75,625	49,625
Average rate currency hedging	10.563	10.552
Year-end rate as at Balance Sheet date	10.038	10.434
	PLN	PLN
Amount (KPLN)	68,900	–
Average rate currency hedging EURPLN	4.431	–
Average rate currency hedging PLNSEK	2.368	–
Year-end rate as at Balance Sheet date	2.217	–
Expiration year 2022	EUR	EUR
Amount (EUR thousand)	8,000	–
Average rate currency hedging	10.740	–
Year-end rate as at Balance Sheet date	10.038	–

Total derivative instruments	Group	
(SEK thousand)	31/12/2020	31/12/2019
Change in value as at Balance Sheet date	36,670	3,887
Total	**36,670**	**3,887**

OX2 uses currency derivatives to hedge against fluctuations in currency exchange rates. A derivative instrument means an unrealised value change relating to exchange hedging that is part of the cash flow hedges for the project. OX2 applies hedge accounting for financial instruments in accordance with IFRS 9. This means, among other things, that changes in the value of derivatives that are obtained for hedging of cash flow risks are recognised in equity. The nominal value of outstanding forward exchange contracts amounts as at end of 31 December 2020 to SEK 1,041 million (1,266.3). The market value of the outstanding forward exchange contracts as at 31 December 2020 amounted to SEK 36.7 million (3.9). The information used for the valuation of derivative instruments is based on information from the banks that we consider to be in accordance with a Level 2 valuation when it is based on the discounted cash flows with the help of market data per year-end date. There were no outstanding options as at 31 December 2020. During 2020, OX2 made a release of currency hedges in which the cash flow has already taken place while the derivative fell due at a later time. The net release for 2019 amounts to SEK +9.3 million (SEK 0.7 million) before tax.

Note 23 Customer advances

	Group		Parent company	
(SEK thousand)	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Advance payments for projects in Norway	37,027	276,246	–	–
Advance payments for projects in Sweden	174,136	28,967	1,441	–
Advance payments for projects in Poland	61,751	–	–	–
Advance payments for projects in Finland	195,505	66,259	–	–
Total	**468,419**	**371,472**	**1,441**	**–**

Note 24 Other current liabilities

(SEK thousand)	Group 31/12/2020	Group 31/12/2019	Parent company 31/12/2020	Parent company 31/12/2019
Project financing	–	775,833	–	–
VAT	69,207	4,790	100,340	31,691
Purchase price, acquisition of Åmot-Lingbo	–	51,125	–	–
Withholding tax	4,032	3,265	2,906	2,284
Part of the short-term debt financial leasing	10,825	13,008	–	–
Other items	197	1,562	87	10
Total	84,261	849,583	103,333	33,985

Note 25 Accrued expenses and deferred income

(SEK thousand)	Group 31/12/2020	Group 31/12/2019	Parent company 31/12/2020	Parent company 31/12/2019
Accrued personnel costs, including social security payments	54,222	52,378	40,966	42,955
Accrued project costs	65,797	15,444	61,015	16,093
Accrued consulting costs	1,998	5,292	1,115	4,812
Accrued construction costs	319,789	111,984	0	0
Pre-paid income	6,869	–	–	–
Other items	1,170	6,690	547	108
Total	449,845	191,788	103,643	63,968

Note 26 Pledged assets and contingent liabilities

(SEK thousand)	Group 31/12/2020	Group 31/12/2019	Parent company 31/12/2020	Parent company 31/12/2019
Shares in subsidiaries	672,298	29,917	100	–
Bank deposits	47,931	83,925	–	–
Total	720,229	113,842	100	–

Restricted bank deposits are also reported as cash and cash equivalents in the Balance Sheet.

(SEK thousand)	Group 31/12/2020	Group 31/12/2019	Parent company 31/12/2020	Parent company 31/12/2019
Performance guarantees	1,694,996	1,253,157	1,388,677	1,253,157
Total	1,694,996	1,253,157	1,388,677	1,253,157

The OX2 Group mainly provides two types of guarantees that are subject to contingent liabilities and they are payment guarantees and performance guarantees.

Performance guarantee obligations are issued for the construction of wind farms, which are included in terms of nominal value under the contracts until the delivery of the wind farms has taken place. Performance guarantees are usually replaced by two-year guarantees in connection with the hand over of the wind farm to its owner.

In addition to these performance guarantees, OX2 and its Group companies have provided payment guarantees in favour of counterparties in the contractor contracts for ongoing construction projects. The terms and conditions of these payment guarantees may vary, but they are generally linked to contract value and are impaired at the same rate as the payments are made. These payment obligations fall within the control of the Group and it has been assessed that the Group can meet its obligations under the contracts, so that these are not included as contingent liabilities.

Comparison figures for 2019 have been updated according to the same principle.

Note 27 Related parties

The parent company's directly owned subsidiaries are reported in Note 14, Participations in subsidiaries. Information about remuneration to the Board of Directors and senior executives is reported in Note 7, Number of employees, salaries, remuneration and social security costs.

No Board Member or senior executives have had any business transaction between themselves and the Group that was unusual in its nature. The Group has not issued any securities or other guarantees or has issued guarantees for any Board Member or for any senior executive. However, Peas Industries AB has issued a parent company guarantee for OX2 Construction AB's payment obligations to a supplier (Nordex Sverige AB), and OX2 Construction is expected to pay the contract amount on a continuous basis during 2021, whereupon the value of the guarantee becomes obsolete. The unpaid contract value at 31 December 2021 amounted to SEK 517 million. OX2 Constructon AB pays the supplier on given milestones and had no outstanding liabilities as of 31 December 2020. In addition, Peas has issued a performance guarantee related to the Castles project, which at 31 December amounted to SEK 281 million and matures in 2022.

Note 28 Cash Flow Statement

Adjustments for items not included in cash flow

	Group		Parent company	
(SEK thousand)	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Depreciation/impairment	15,221	11,266	1,116	365
Anticipated dividend	–	–	–	-170,000
Other comparison-obstructing items	-9,342	–	–	–
Total	5,879	11,266	1,116	-169,635

During the year, the leasing liability was amortised by SEK 10,916 thousand (9,058,000). For more information, see Note 14 Leasing contracts.

Disclosure of interest paid and interest received

Group
During the year the interest paid amounted to SEK 637 thousand (764) and interest received to SEK 962 thousand (739).

Parent company
During the year the interest paid amounted to SEK 68 thousand (3) and interest received to SEK 338 thousand (37).

Note 29 Events after the end of the reporting period

In February 2021, OX2 signed a contract with YIT to acquire the project rights to the Lestijärvi wind farm in Ostrobothnia, Finland. The project is the largest wind power project in Finland with 72 wind turbines and an estimated capacity of about 400 MW.

In March 2021, OX2 signed an agreement with DIF Capital Partners for the sale of the Sulmierzyce wind farm in Poland with 7 wind turbines (23.1 MW). Sulmierzyce is the second and final part of the sale to DIF, which also includes the Grajewo wind park with 12 wind turbines (40 MW) sold in December 2020.

The transition to renewable energy supplies is a long-term and important project for society and, despite the market unrest due to the Corona pandemic, OX2 regards the future as being positive. The industry has strong political support because it both creates growth in the economy and is considered to be the most effective way of reducing global CO2 emissions.

Note 30 Proposal for allocation of earnings

Proposal for allocation of earnings (SEK)
The following earnings are at the disposal of the Annual General Meeting:

Unrestricted equity	357,649,868
Net profit for the year	91,382,892
Total	**449,032,760**
The Board proposes the following sum be carried forward to new account	449,032,760
Total	**449,032,760**

Note 31 Approval of financial statements

The annual report was adopted by the Board of Directors and approved for publication on 26 April 2021.

Statement

The Board of Directors hereby certify that the annual report has been prepared in accordance with the Swedish Annual Accounts Act and RFR 1.3 and 2.3 and gives a true and fair view of the financial position and results, and that the Directors' Report gives a fair review of the development of the Group's operations, position and results and describes significant risks and uncertainties facing the company. The Board of Directors hereby certify that the consolidated financial statements have been prepared in accordance with the International Financial Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and results, and that the Directors' Report for the Group annual report gives a fair review of the development of the Group's operations, position and results that describe significant risks and uncertainties facing the company.

The annual report and consolidated financial statements have, as outlined above, been approved by the Board on 26 April 2021. The consolidated Income Statement and Balance Sheet will be subject to adoption by the Annual General Meeting on 26 April 2021

Stockholm, 26 April 2021

Johan Ihrfelt
Board Chairperson

Thomas von Otter
Board member

Petter Samlin
Board member

Anna-Karin Eliasson Celsing
Board member

Niklas Midby
Board member

Jan Frykhammar
Board member

Ann Grevelius
Board Member

Malin Persson
Board Member

Paul Stormoen
Chief Executive Officer

Our audit report was submitted on 26 April 2021

Deloitte AB

Jonas Ståhlberg
Authorised Public Accountant

Management

Paul Stormoen
CEO
Born: 1981

Education: Engineering graduate in Industrial Economics, Linköping University.

At OX2 since 2009. Over ten years of experience in large-scale wind power. Has previously worked with business development and strategic issues within Accenture with a focus on the energy and financial sectors.

Bita Yazdani
COO
Born: 1983

Education: M.Sc. Economics, Stockholm School of Economics, HEC Paris.

At OX2 since 2020. More than 14 years of global experience as a management consultant focused on company transactions at EY for the Nordic, US and South-east Asia markets. Over the past four years, companies have supported sustainable growth through cultural strategy that strengthens adaptive capacity to develop leadership roles and organisation.

Johan Rydmark
CFO
Born: 1977

Education: M.Sc. Economics, Stockholm School of Economics, University of St. Gallen.

At OX2 since 2019. Over 15 years of experience from leading positions in private equity with responsibility for issues in strategy, financing, governance, M&A and organisational development. Most recently, Director of Investment at Ratos AB with responsibility for operations in Finland. Previously, the majority of Board positions in Ratos's portfolio companies as well as roles in investment banking and management consulting.

Mehmet Energin
Chief Strategy Officer
Born: 1985

Education: INSEAD, MBA University of Oxford, M.Sc.

At OX2 since 2019. More than 12 years of global experience, including eight years as a consultant at McKinsey & Company. During his time at McKinsey, based in Istanbul, Dubai and Tokyo, focusing on strategic issues and company financing for the energy sector in Europe, the Middle East and Asia.

Peter Tornberg
Head of Development and Acquisitions
Born: 1980

Education: Engineering graduate in Industrial Economics, Linköping University

At OX2 since 2018. More than 15 years of experience in the wind power sector. Most recently as Global Head of Land and Offshore Wind Development at Vattenfall. Naval reserve officer.

Christoffer Brandorf
Head of Transactions
Born: 1986

Education: M.Sc. Economics, Lund University and McGill University.

At OX2 since 2015. More than ten years of experience in corporate, project and capital market transactions. Previous experience includes roles in private equity and investment banking at 3i Private Equity and ABG Sundal Collier.

Auditor's report

To the Annual General Meeting of the shareholders of OX2 AB
Corporate ID no. 556675-7497

Report on the annual report and consolidated financial statements

Statement

We have audited the annual report and the consolidated financial statements for Ox2 AB for the financial year 1 January to 31 December 2020.

It is our belief that the financial statements have been drawn up in accordance with the Swedish Annual Accounts Act and provide in all essential respects a fair picture of the parent company's financial position at 31 December 2020 and of its financial performance and its cash flows for the year in accordance with the Swedish Annual Accounts Act. The consolidated financial statements have been drawn up in accordance with the Swedish Annual Accounts Act and provide in all essential respects a fair picture of the Group's financial position at 31 December 2020 and of its financial performance and its cash flows for the year in accordance with the Swedish Annual Accounts Act. The Board of Directors' report is consistent with the other parts of the annual report and the consolidated financial statements.

We recommend that the Annual General Meeting adopts the Income Statement and the Balance Sheet for the parent company and the Group.

Grounds for our statements

We have carried out the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our liability in accordance with these standards is described in the section regarding the auditor's responsibility. We are independent in relation to the parent company and the Group in accordance with the code of ethics in Sweden and have fulfilled our ethical responsibility in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to form a basis for our statements.

Information other than the annual report and the consolidated financial statements

The Board of Directors and the CEO are responsible for the other information. The other information consists of page 37 but does not include the annual report and the consolidated financial statements and our audit report for these.

Our statement with regard to the annual report and the consolidated financial statements does not include this information and we make no statement with certification relating to this other information.

As part of our audit of the annual report and the consolidated financial statements, it is our responsibility to read the information identified above and to consider whether the information is incompatible with the annual report and the consolidated financial statements to any considerable extent. At this time we also take into consideration the knowledge that we have acquired during the audit and assess whether the information in the other information seems to contain material errors.

If, based on the work that has been carried out with regard to this information, we conclude that the other information contains a material misstatement, we are obliged to report this. We have nothing to report in this regard.

Responsibility of the Board of Directors and CEO

The Board of Directors and the CEO are responsible for the annual report and the consolidated financial statements being drawn up and for ensuring that they give a true and fair view in accordance with the Swedish Annual Accounts Act and, as regards the consolidated financial statements in accordance with IFRS as adopted by the EU. The Board of Directors and the CEO are also responsible for the internal control that they deem necessary for drawing up the annual report and consolidated financial statements to ensure that they do not contain any material misstatement, whether these are the result of irregularities or errors.

When preparing the annual report and the consolidated financial statements, the Board of Directors and the CEO are responsible for the assessment of the company's and the Group's ability to continue operations. They report, when applicable, conditions that may affect the company's ability to continue in business and to use the assumption of continued operation. The assumption of continued operation is not applied if the board of directors and the CEO intend to liquidate the company, cease operations or have no realistic alternative but to do either of these.

The responsibility of the auditor

Our goal is to achieve a reasonable degree of certainty as to whether the annual report and the consolidated financial statements, as a whole, do not contain any material misstatements, whether these are the result of irregularities or errors and to submit a report containing our statements. Reasonable certainty is a high degree of certainty but is no guarantee that an audit carried out in accordance with the ISA and generally accepted auditing standards in Sweden will always be able to detect a material misstatement, if there is one. Inaccuracies may occur as a result of irregularities or errors and are considered to be material if they, individually or together, can reasonably be expected to influence the financial decisions made by users on the basis of the annual report and consolidated financial statements.

A further description of our responsibility for the audit of the annual report and consolidated financial statement is available at the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se//revisornsansvar. This description forms part of the audit report.

Report on other legal and statutory requirements

Statement

In addition to our audit of the annual report and the consolidated financial statements, we have also carried out an audit of the board of directors' and the CEO's management of OX2 AB for the financial year 01/01/2020 to 31/12/2020 and of the proposal for the appropriation of the profit or loss.

We recommend to the Annual General Meeting that the profit is allocated in accordance with the proposal in the Directors' Report and that the members of the Board of Directors and the CEO are discharged from liability for the financial year.

Grounds for our statements

We have carried out the audit in accordance with generally accepted auditing standards in Sweden. Our liability in accordance with these standards is described in the section regarding the auditor's responsibility. We are independent in relation to the parent company and the Group in accordance with the code of ethics in Sweden and have fulfilled our ethical responsibility in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to form a basis for our statements.

Responsibility of the Board of Directors and CEO

The Board is responsible for the proposal for the appropriation of the company's profit or loss. In the case of a proposal for dividend, this includes an assessment of whether the dividend is justifiable, taking into account the requirements that the nature, scope and risks to the company's and Group's operations set to the size of the parent company's and the Group's equity, consolidation needs, liquidity and financial position in general.

The Board of Directors is responsible for the organisation of the company and management of the affairs of the company. This includes, among other things, ongoing assessment of the company's and the Group's financial situation and ensuring that the organisation of the company is designed so that the accounts, the management of company's funds and its financial affairs are checked in an appropriate manner. The CEO will manage the company on a day-to-day basis in accordance with the Board of Directors' guidelines and instructions, and take the measures necessary for the company accounts to be completed in accordance with the law and for the management of the company's funds to be arranged in a satisfactory manner

The responsibility of the auditor

Our goal in the case of audit of the company's management, and thus our opinion concerning discharge from liability, is to collect the evidence in order to assess with a reasonable degree of certainty whether any board member or the managing director has in any material respect:

- taken any action or been guilty of any omission that could give rise to any liability to the company or
- has in any other way acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our goal with regard to the audit of the proposal for the appropriation of the profit or loss, and thus our statement on this, is to ensure, with a reasonable degree of certainty, that the proposal is compatible with the Swedish Companies Act.

Reasonable certainty is a high degree of certainty, but there is no guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards in Sweden will always detect any acts or omissions that may give rise to any liability to the company or to a proposal for the appropriation of the profit or loss not being compatible with the Swedish Companies Act.

A further description of our responsibility for the audit of the annual report and consolidated financial statement is available at the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se//revisornsansvar. This description forms part of the audit report.

Stockholm in April according to subsequent digital signing

Deloitte AB

Jonas Ståhlberg

Authorised Public Accountant

Glossary

Electricity certificate
Tradable certificates that are received on the production of renewable energy.

Electricity generation capacity
The total amount of electricity that it is possible to generate from a specific type of power or area.

EPC agreement
Contracts regarding EPC contracts The abbreviation stands for Engineering, Procurement and Construction.

Fossil fuel energy
Energy from fossil fuels such as coal, oil and gas.

Renewable energy
Renewable energy sources are sources of energy which constantly renew themselves and therefore will not run out in the foreseeable future, such as wind and water and bioenergy.
(Nuclear energy is not regarded as renewable as it is based on finite resources.)

Nameplate capacity
Output in accordance with the design data. Usually measured in MW.

PPA agreement
Agreement that a major electricity consumer signs to purchase electricity from the owner of a wind power plant. The abbreviation stands for:Power Purchase Agreement.

Repowering
Reinvestment in existing wind farms, replacing older turbines with new, modern turbines with more output.

Availability
Availability means the percentage of total time during which the wind turbine has been available for generating electricity.

Wind power supplier or turbine supplier
Supplier of complete wind turbines.

Emission rights
Emission rights give the holder the right to discharge a specified amount of carbon dioxide.

Wind farm
Group station consisting of at least 3 turbines.

Wind turbine
Free-standing wind turbine consisting of tower, nacelle and rotor.

Greenhouse gases
Gases which surround the earth and impede the outflow of heat. The most important greenhouse gases are water vapour (H2O), carbon dioxide (CO2), nitrous oxide (N2O), methane (CH4) and CFC (chlorofluorocarbon compounds).

Units
Energy is specified in kilowatt hours.

1 MWh	=	1,000 kWh
1 GWh	=	1,000,000 kWh
1 TWh	=	1,000,000,000 kWh

Power is specified in watts

1 MW	=	1,000,000 W
1 GW	=	1,000,000,000 W

Ponsivuori wind farm in Kurikka,
South Ostrobothnia, Finland.
Commissioned and handed
over to IKEA Finland.

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