

OX2: Acquisition of ESCO Pacific

March 31, 2023







Disclaimer



The following presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated ('relevant persons'). Any person who is not a relevant person should not rely, act or make assessment on the basis of this presentation or anything included therein.

The following presentation may include information related to investments made and key commercial terms thereof, including future returns. Such information cannot be relied upon as a guide to the future performance of such investments. The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about, and observe, such restrictions. This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in OX2 AB or any company within the OX2 Group. This presentation contains statements regarding the future in connection with the OX2 Group's growth initiatives, profit figures, outlook, strategies and objectives as well as forward looking statements and any such information or forward-looking statements regarding the future and/or the OX2 Group's expectations are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

Strategy recap: Expansion into new markets is one of OX2's strategic pillars

Consolidate in proven platforms	Diversify across markets and technologies		Future-proof operations
	New markets	New technologies	
 <ul style="list-style-type: none">• Solidify leadership position in proven markets and technologies• Maintain focus on portfolio growth• Form scalable partnerships	 <ul style="list-style-type: none">• Deliver on recent establishments in Europe• Build foundation for overseas expansion	 <ul style="list-style-type: none">• Expand Energy Storage business to enable broader energy system solutions• Scale up Hydrogen efforts	 <ul style="list-style-type: none">• Evolve operating model• Drive digitalization and efficiency initiatives• Governance, climate & nature contribution, sustainable leadership, local engagement

Business model: Continue to broaden product playbook to increase value generation

ESCO Pacific: Company overview



History

- **Established** in 2015 becoming a leading developer in Australia
- **Owned** by Steve Rademaker (CEO and founder), Shell, and private investors

2015

Established



Track record

- **Pure-play solar and energy** storage developer selling projects rights
- **Leading developer** – sold and brought more than 800 MW to construction

>800 MW

MW sold



Portfolio

- **Development portfolio** of 1,420 MW across solar and storage split by Late (317 MW), Mid (395 MW), and Early (708 MW)
- **Additional** projects in **pre-early** expected to be included by year-end

1,420 MW

Development portfolio



Organization

- **Strong and experienced team** across areas such as development, engineering, and asset management

21 employees

Organizational size



Acquisition of ESCO Pacific: Strategic rationale

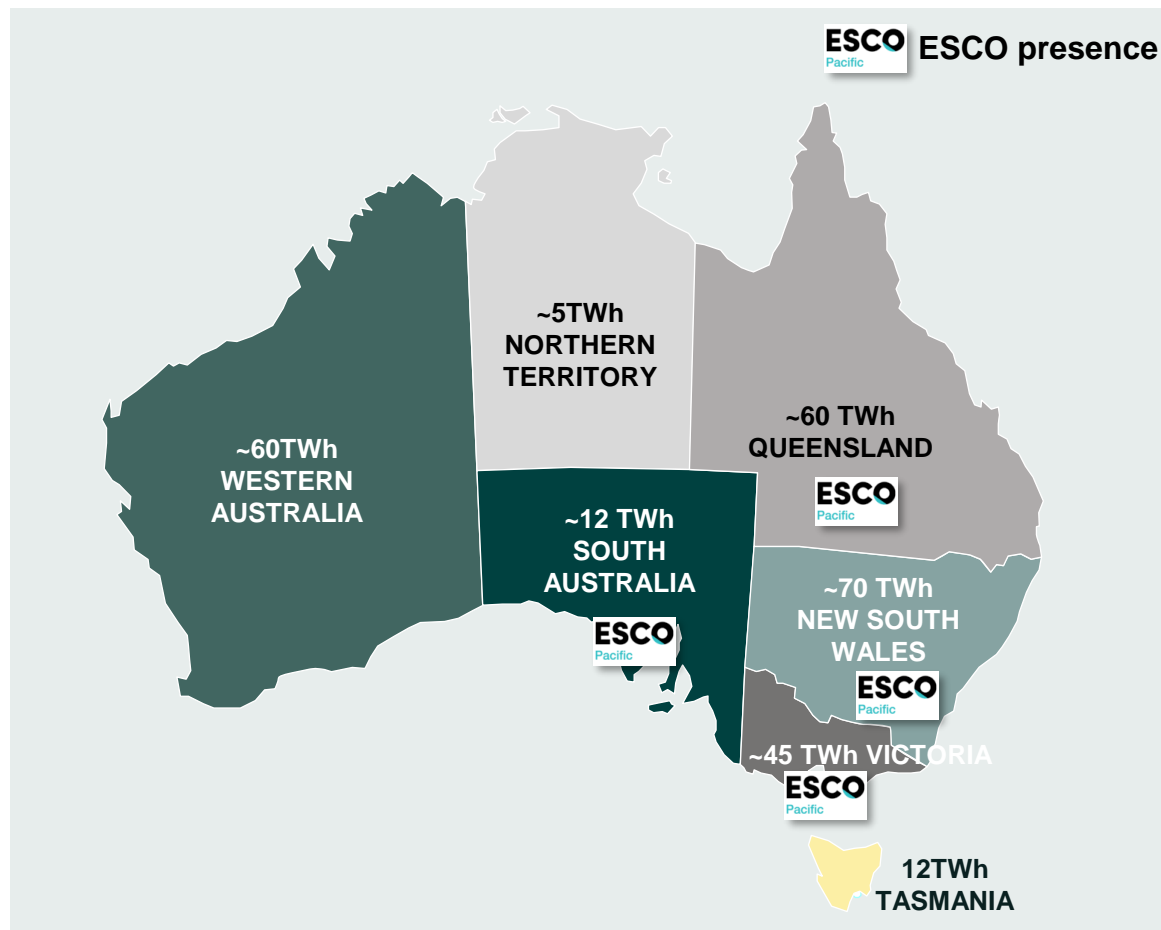


- Australia is sizeable market (265 TWh) with strong case for renewables
- ESCO is a leading solar and energy storage developer with strong track record and experienced team
- Sizeable and strong development portfolio of 1.4 GW with additional projects in pre-early
- Significant potential for value creation including:
 - Product expansion to sale of turnkey solutions at construction start
 - Technology expansion (e.g. onshore)
 - Ramp-up project / portfolio acquisitions

Australia: Market overview



Australia energy markets (TWh, 2021)











Key highlights

- Australia is sizeable market with total electricity generation of 265 TWh
- Australian government is committed to the net zero target by 2050 – also strong support on state level
- Strong case for renewables – expected build-out of more than 30 GW across onshore, solar, and energy storage between 2022-2030 driven by:
 - Decarbonization of current fleet (70% of generation coming from fossil fuels)
 - Electrification of heavy industries
 - Very strong conditions for solar, onshore, storage development
- ESCO is well-positioned in strategic areas – New South Wales, Queensland, Victoria, and South Australia 1

Transaction overview: Acquisition of ESCO Pacific



Area	Key highlights
 Transaction consideration	 Enterprise value: AUD 126 m (SEK 872 m ¹) on a debt free basis – contingent consideration on top ² Sellers: Shell, founder (Steve Rademaker), private investors Estimated closing: Subject to fulfillment of certain conditions and expected to close by end of April
 Impact on balance sheet	 Funding: Cash deal OX2 cash balance end of Q4: SEK 3,575 m
 Impact on P&L	 ESCO operating costs (FY 2022)³: AUD 7.4 m (SEK 51 m) EPS: Estimated to be EPS accretive in 2024 and beyond
 Impact on financial targets	 Growth: MW sold (1st project expected to be sold 2024), positive contribution to operating income growth CAGR Profitability (Operating margin): Expected to be above 10% Return on Capital Employed: Significant value creation from existing and new portfolio

1. 6.95 AUD/SEK exchange rate; 2. Additional contingent consideration of up to AUD 17 million to founder Steve Rademaker based on ability to sell and generate margins during 2025-2027 from the acquired portfolio; 3. Development costs, Personnel costs, Other external costs; Depreciation

Q&A





Powering the great shift