



OX2 to acquire ESCO Pacific, a leading renewable developer in Australia

OX2 has signed an agreement to acquire ESCO Pacific, a leading renewable developer in Australia, for AUD 126 million (SEK 872 million*). The transaction is subject to the fulfilment of certain conditions and is expected to close by the end of April.

ESCO Pacific is a leading and profitable renewable developer in Australia with an experienced team of 21 persons. The total project development portfolio consists of 1,420 MW, comprising 1,220 MW solar and 200 MW energy storage. The split between late/mid/early in the portfolio is 317 MW / 395 MW / 708 MW. In addition, the company has a number of pre-early projects that are expected to be included in the project development portfolio during 2023.

ESCO Pacific has a strong track record with rapid growth, having developed and taken more than 800 MW to construction since inception in 2015.

The Australian market offers significant growth potential for renewables. In 2022, total electricity generation amounted to 265 TWh with a fossil share of around 70 percent. The Australian government is committed to the net zero target by 2050 and is targeting significant infrastructure investments to enable build-up of renewable capacity.

OX2 has identified considerable potential for value creation in ESCO Pacific through extension of the product offering from sale of project rights to the sale of turnkey solutions at construction start. OX2 plans to scale up operations through acquisitions in solar and energy storage and has the ambition to expand operations to onshore wind while exploring offshore wind and hydrogen.

The agreed purchase price amounts to AUD 126 million on a debt free basis. In addition, there is a contingent consideration amounting to up to AUD 17 million to the founder based on sales and margins in 2025-2027 from the acquired project development portfolio.

It is estimated that ESCO Pacific will contribute positively to OX2's results in 2024 and beyond. ESCO Pacific is currently owned by Shell (49 percent), the founder Steve Rademaker and private investors. OX2 has agreed with Steve Rademaker to stay with the company for two years, initially as Managing Director and thereafter as an advisor to management. OX2 and Shell will maintain a partnership dialogue regarding future collaboration, including PPA offtake opportunities.

- "I am very happy to announce our entry into the Australian market and to welcome an experienced local team to OX2. Through this transaction, we get an attractive development portfolio in a growing renewables market, while also significantly strengthening our capabilities within solar and energy storage. This gives us a solid foundation for profitable expansion in Australia", says Paul Stormoen CEO of OX2.

- "We have found a great buyer for ESCO Pacific. OX2 is a strong player with excellent track record, and they will no doubt have the ability to significantly grow the footprint in Australia", says Steve Rademaker, Managing Director and founder of ESCO Pacific.

PwC Australia acted as lead financial advisor and legal advisor to OX2. Lazard acted as lead advisor to the sellers.

OX2 will hold a webcast regarding the acquisition of ESCO Pacific at 9:00 CET on March 31 with CEO Paul Stormoen and CFO Johan Rydmark.

Link to the webcast: <https://ir.financialhearings.com/ox2-press-conference-2023>

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Ask written questions by email via ir@ox2.com

Ask questions live by calling on the telephone numbers above.

* AUD/SEK exchange rate of 6.95

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About OX2 AB (publ)

OX2 develops, constructs, and sells renewable energy solutions at scale. OX2 also offer management of wind- and solar farms after completion. OX2's project development portfolio consists of in-house developed as well as acquired projects in onshore and offshore wind, solar, and energy storage, in various phases of development. The company is also active in developing projects based on other renewable energy technologies, such as hydrogen. OX2 is operating on eleven markets in Europe: Sweden, Finland, Estonia, Lithuania, Poland, Romania, France, Spain, Italy, Greece, and Åland. Sales in 2022 was about 7.6 billion SEK. The company has about 400 employees and is headquartered in Stockholm, Sweden. OX2 is listed on Nasdaq Stockholm since 2022. www.ox2.com

This information is information that OX2 is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-03-31 07:30 CEST.

Attachments

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