

## Report for the six months ended 30 June 2023

### Highlights

- The Karskruv project is on track for delivery in the fourth quarter of 2023 with progress ahead of schedule and installation of all 20 Vestas wind turbines completed one month earlier than originally planned
- Secured a MEUR 150 revolving credit facility in early July, at attractive terms and conditions providing significant flexibility and ample headroom to fund further growth
- Signed two minor acquisitions during the quarter increasing ownership interests in eight wind farms

### Consolidated financials

- Cash flows from operating activities amounted to MEUR 13.9 for the reporting period

### Proportionate financials

- Power generation of 378 GWh for the reporting period, in line with expectation and on track to deliver 800 GWh for the full year
- Achieved electricity price for the reporting period amounted to EUR 61 per MWh, resulting in proportionate EBITDA of MEUR 8.3
- Proportionate net debt of MEUR 50.5 at reporting period end, with substantial additional liquidity headroom available through the MEUR 150 revolving credit facility entered into in early July

## Financial Summary

Orrön Energy owns renewables assets directly and through joint ventures and associated companies and is presenting proportionate financials to show the net ownership and related results of these assets. The purpose of the proportionate reporting is to give an enhanced insight into the Company's operational and financial results.

Expressed in MEUR	1 Jan 2023- 30 Jun 2023 6 months	1 Apr 2023- 30 Jun 2023 3 months
<b>Consolidated financials</b>		
Revenue	17.3	5.9
EBITDA	2.5	-2.1
Operating profit (EBIT)	-3.2	-4.8
Net result	-7.9	-7.9
Earnings per share – EUR	-0.03	-0.03
Earnings per share diluted – EUR	-0.03	-0.03
<b>Proportionate financials<sup>1</sup></b>		
Power generation (GWh)	378	164
Revenue	23.0	9.0
EBITDA	8.3	1.6
Operating profit (EBIT)	0.4	-2.2
Average price achieved per MWh – EUR	61	54

<sup>1</sup> Proportionate financials represent Orrön Energy's proportionate ownership (net) of assets and related financial results, including joint ventures. For more details see section Key Financial Data in the Q2 Report 2023.

## **Comment from Daniel Fitzgerald, CEO of Orrön Energy AB**

“Our business has continued to deliver during the second quarter, and we remain firmly on track to meet our guidance and production estimates for the year. Project delivery has been outstanding on our Karskröv wind farm, which is set for handover in the fourth quarter of 2023. Installation of all turbines has been completed and commissioning is ongoing, ahead of the original schedule. We saw a strong appetite for the refinancing of our bridge facility and entered into a MEUR 150 flexible revolving credit facility on attractive terms in early July, meaning that we remain fully financed to deliver on our growth ambitions. During the spring and early summer, we experienced lower than average windspeeds, which combined with continued weakening of electricity prices led to a negative net result for the second quarter. Our view on long term electricity prices remains unchanged and we expect increased revenues from the SE4 price area in Sweden once Karskröv is online later in 2023, adding around 40 percent to our total power generation. We continue to see accretive deals in the market and have secured two acquisitions during the second quarter, bringing the total to five transactions since the start of 2023, and our strategy to grow through acquisition remains unchanged. Our business is in great shape; we have a strong balance sheet, ample liquidity headroom and a growth portfolio that will deliver value for many years to come.

### **Expanding project pipeline**

Since the beginning of the year, the Company has focused on building a pipeline of new projects, allowing us to increase scale and initiate early-stage projects. I am pleased to see that our project portfolio has continued to grow during the quarter. In the Nordics, we have submitted permit applications for our first two co-located projects and are progressing well on the remainder of the portfolio, where we expect to submit further applications through the course of 2023 and beyond. We have also secured rights to greenfield projects, which we expect to mature towards the permitting or ready-to-build stage, where we will have an opportunity to invest ourselves, or farm down depending on market conditions at the time. Across our European platform, we have added new projects and secured further grid connections in the UK, with work progressing to secure land positions in both the UK and Germany. Although we are still in the early stages of this business, I am convinced that there is significant opportunity to create value as we continue to mature these projects.

### **Opportunistic during periods of lower electricity prices**

In the second quarter, we saw electricity prices reduce compared to the first quarter, as energy demand eased and Europe filled its gas storage facilities to above-average levels for this time of year. I strongly believe that fundamentally, Europe has not solved all of the challenges faced in the second half of 2022, and I expect stronger prices to return as the demand for energy increases over the winter. Over the longer term, I expect this to continue to enable the investments needed to complete the energy transition. During the quarter we added new projects across the portfolio, and the electricity price backdrop has allowed us to progress negotiations on acquisitions with strong returns at current price levels.

### **Power generation and financial performance**

We achieved proportionate power generation of 378 GWh for the reporting period and we remain on track to deliver our production estimate of 800 GWh for the full year. Our operational assets delivered 164 GWh during the second quarter, which was slightly below expectation due to lower-than-average wind speeds across the Nordics. The Karskröv wind farm is ahead of schedule and expected to be handed over during the fourth quarter of 2023, increasing the Company’s annual estimated power generation from 800 GWh to 1,100 GWh.

We delivered in line with our expenditure guidance, and for the reporting period, achieved an average electricity price of EUR 61 per MWh, proportionate revenues of MEUR 23.0, proportionate EBITDA of MEUR 8.3 and had a proportionate net debt position of 50.5 MEUR at the end of the reporting period.

### **Financial headroom for growth**

We secured a revolving credit facility of MEUR 150 at the beginning of July at attractive rates and with flexible conditions, which gives us ample headroom for growth, allowing us to take advantage of favourable market conditions as they arise. The credit facility includes an additional MEUR 150 accordion option to increase lending commitments should we need further financial capacity. The strong support received from our lenders is a testament to the quality of our cash generative operational portfolio. The credit facility, coupled with our cash generation, will continue to provide the foundation for the Company’s growth.

### **A pipeline of growth opportunities**

This second quarter report marks the end of our first year as a pure play renewables Company, and I am looking back at a year characterised by growth across all aspects of our business. We have grown our power generation capacity significantly, built an entrepreneurial team across five countries, diversified our business across geographies and technologies and built the foundations to deliver a portfolio of projects in the future. Nevertheless, we are just at the start of our journey, and have a large number of exciting opportunities to pursue. I would like to once again thank all our shareholders for your support as we continue to grow Orrön Energy into a large-scale renewables Company.”

## **Webcast**

Listen to Daniel Fitzgerald, CEO and Espen Hennie, CFO commenting on the report and describing the latest developments in Orrön Energy at a webcast today at 14:00 CEST, followed by a question-and-answer session.

Registration for the webcast presentation is available on the website and the below link:

[https://us06web.zoom.us/webinar/register/WN\\_HCsgBW1sQ9i9-D2ZeTl2Kw](https://us06web.zoom.us/webinar/register/WN_HCsgBW1sQ9i9-D2ZeTl2Kw)

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*Orrön Energy is an independent, publicly listed (Nasdaq Stockholm: "ORRON") renewable energy company within the Lundin Group of Companies. Orrön Energy's core portfolio consists of high quality, cash flow generating assets in the Nordics, coupled with greenfield growth opportunities in the Nordics and Europe. With significant financial capacity to fund further growth and acquisitions, and backed by a major shareholder, management and Board with a proven track record of investing into, leading and growing highly successful businesses, Orrön Energy is in a unique position to create shareholder value through the energy transition.*

## **Forward-looking statements**

Statements in this press release relating to any future status or circumstances, including statements regarding future performance, growth and other trend projections, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "anticipate", "believe", "expect", "intend", "plan", "seek", "will", "would" or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that could occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to several factors, many of which are outside the company's control. Any forward-looking statements in this press release speak only as of the date on which the statements are made and the company has no obligation (and undertakes no obligation) to update or revise any of them, whether as a result of new information, future events or otherwise.