

Year End Report 2023

Highlights

- Completion and handover of the Karskröv wind farm ahead of schedule at the end of November 2023, which is producing in line with expectations, adding 290 GWh of estimated annual power generation in the SE4 price region.
- Highest quarterly power generation for the Company at 226 GWh in the fourth quarter and 765 GWh for the full year 2023, which included power generation from the early startup of Karskröv, which was offset by unfavourable weather conditions.
- Continued to mature the 40 GW onshore UK, German and French project pipeline, originating further project leads, progressing land agreements and initiating pre-permitting work for multiple projects.
- Acquired a greenfield portfolio in January 2024 of up to 180 MW of wind energy projects in Finland, with land secured for all wind turbine locations and first permitting process expected to be initiated in 2024.
- Completion of the acquisition announced during the third quarter, comprising of ownership in six wind farms in Sweden, adding around 10 GWh of estimated annual power generation in the SE4 price region.
- Increased the revolving credit facility from MEUR 150 to MEUR 190 in January 2024, adding further capacity to fund growth.

Consolidated financials – 12 months

- Cash flows from operating activities amounted to MEUR 13.1.

Proportionate financials – 12 months

- Achieved electricity price amounted to EUR 47 per MWh, resulting in proportionate EBITDA of MEUR 5.3.
- Proportionate net debt of MEUR 92.4, with significant liquidity headroom available through the revolving credit facility.

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- 31 Dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Consolidated financials				
Revenue	28.0	8.4	13.8	11.3
EBITDA	-5.1	-0.9	4.5	6.4
Operating profit (EBIT)	-17.0	-4.4	1.0	3.5
Net result	-7.6	8.0	27.4	0.9
Earnings per share – EUR	-0.03	0.03	0.10	0.00
Earnings per share diluted – EUR	-0.03	0.03	0.10	0.00
Proportionate financials¹				
Power generation (GWh)	765	226	335	168
Average price achieved per MWh – EUR	47	43	120	88
Revenue	36.2	9.6	40.0	14.5
EBITDA	5.3	1.3	20.7	9.2
Operating profit (EBIT)	-11.0	-3.2	14.7	6.2

¹ 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 Q4 Report 2023.

Comment from Daniel Fitzgerald, CEO of Orrön Energy AB

“The fourth quarter marks an important step in Orrön Energy’s growth with the successful completion and handover of our Karskröv wind farm, adding around 290 GWh of annual power generation in the SE4 price region. This increases our annual power generation to 1,100 GWh and adds significant cash flow to our business. In early 2024, we acquired four greenfield wind projects in Finland with a total capacity of up to 180 MW, where land has already been secured, and coupled with the progress on our own projects, this adds to an already substantial development portfolio across wind, solar and battery projects spread across five countries in Europe.

We delivered the Company’s highest quarterly power generation in the fourth quarter of 2023, including one month of contribution from Karskröv. Wind speeds continued to be unseasonably low in the fourth quarter, meaning our production was slightly lower than expected, however, I am pleased to see that trend improving already in January 2024 with production above our forecast for the month. Electricity prices remained volatile during the fourth quarter, with the early part of the quarter affected by high hydrological balances in Sweden as a result of storm Hans, and the remainder of the quarter impacted by unseasonably low and variable wind speeds. January has shown a much improved picture, where we see a combination of higher winds and colder weather leading to a strong start for the Company in 2024.

Power generation and financial performance

We achieved proportionate power generation of 765 GWh for the year, and 226 GWh during the fourth quarter, marking the highest quarterly power generation for the Company. The full year power generation was slightly lower than expected due to lower than average wind speeds across the Nordics during a majority of the year. We delivered in line with or ahead of our expenditure guidance for the year, achieving an electricity price of EUR 47 per MWh, proportionate revenues of MEUR 36.2, proportionate EBITDA of MEUR 5.3 and ended the year with a proportionate net debt position of MEUR 92.4. Looking ahead into 2024, we increase our estimated annual power generation by around 40 percent to 1,100 GWh, while at the same time decrease our unit operating cost by 20 percent to EUR 15 per MWh, adding significant cash flow to the business. Our CAPEX programme for 2024 is also significantly reduced to MEUR 14, which can be fully funded out of cash generation at electricity prices of EUR 50 per MWh, which is in line with our achieved price in 2023. In the beginning of 2024, we increased our revolving credit facility from MEUR 150 to MEUR 190, adding more financial firepower that allows us to take advantage of favourable market conditions as they arise.

Growing our Development Portfolio

During the fourth quarter, we continued to grow our pipeline of onshore wind, solar and battery storage projects. Our large-scale greenfield projects in the UK and Germany continue to mature as per plan, where we have progressed further exclusivity agreements for land and commenced important pre-permitting and grid related work. This large-scale portfolio is a key part of the growth story for Orrön Energy and with scarcity and significant valuations for large-scale derisked projects, I am sure that this will have a material impact for the Company as we monetise these assets.

Our portfolio in the Nordics also continued to grow during the period, where we now have a secured pipeline of almost 500 MW of solar, wind and battery projects. Our battery portfolio is quickly maturing towards investment decisions and at year-end we had submitted building permits for almost 40 MW of battery projects in Sweden, of which 20 MW have already been approved by local authorities, and our first 1 MW project has commenced construction.

In January 2024, we acquired around 180 MW of ready to permit wind assets across four sites in Finland, where we retain the option to build out the projects ourselves, or to sell down should market conditions remain favourable. With land secured for all wind turbine locations, we intend to start the first permitting process during 2024, aiming to reach ready-to-build in 2027. As with all of our projects, the timing and size of the final projects depends on successful derisking as they mature towards key milestones.

Laying the foundation for future growth

Looking back at 2023, I am proud of the achievements that we have made and the foundation that we have established in such a short period of time since the initial inception of the Company. Our acquisitions in 2022 and 2023 are now fully integrated into our business and through expanding the capability and competence of our teams over the last 12 months, we are now generating growth opportunities organically, which will form the basis for value creation over the long term. Looking further into 2024, our operational portfolio and cash generation is much stronger with Karskröv online, our development teams have an exciting activity plan for the year and with increased financial firepower and market conditions improving, there are more opportunities for value accretive acquisitions.

I want to thank all of our shareholders for your support during 2023, and I look forward to reporting on another exciting year for the Company in 2024.”

Webcast

Listen to Daniel Fitzgerald, CEO and Espen Hennie, CFO commenting on the report and presenting the latest developments in Orrön Energy and its future growth strategy together with members of Orrön Energy's management team at the Company's Capital Markets Day on 14 February 2024 at 14.00 CET. The Capital Markets Day will be streamed online, and the presentation will be followed by a question-and-answer session.

Registration for the webcast presentation is available on the website and the below link:
<https://ir.financialhearings.com/orron-energy-cmd-2024/register>

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This information is information that Orrön Energy AB is required to make public pursuant to the Securities Markets Act. The information was submitted for publication, through the contact persons set out above, at 07.30 CET on 14 February 2024.

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.