

## Orrön Energy AB report for the nine months ended 30 September 2022

### Highlights

- Orrön Energy's first quarter as a pure play renewables company delivered strong financial results with cash flow from operating activities of MUSD 5.4, and net cash of MUSD 10.8 at the end of the period
- Proportionate<sup>1</sup> power generation amounted to 83 GWh for the third quarter 2022 at an average achieved price of EUR 177 per MWh including Slitevind AB's (publ) ("Slitevind") production from 1 September 2022, resulting in a proportionate EBITDA of MUSD 10.8
- With the addition of Slitevind from September 2022, and the additional five transactions completed or signed post the reporting period end, the Company has increased its estimated annual power generation by over 500 GWh since 1 July at an average acquisition price of MUSD 0.9 per MW installed capacity
- Estimated annual power generation for Orrön Energy's asset base is currently 700 GWh, further increasing to 800 GWh in 2023 bringing the total power generation in 2024 to 1,100 GWh once Karskruv is online
- The Karskruv project remains on track to deliver an additional 290 GWh of annual power generation from 2024

*All power generation estimates assume average meteorological conditions and may vary from period to period*

### Financial Summary<sup>2</sup>

Orrön Energy owns renewables assets directly and through joint ventures and associated companies and is presenting proportionate financials to showcase 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 MUSD	1 Jan 2022- 30 Sep 2022 9 months	1 Jul 2022- 30 Sep 2022 3 months
<b>Consolidated financials</b>		
Revenue	2.6	2.6
EBITDA	-2.1	2.1
Operating profit (EBIT)	-2.7	1.5
Net result	28.3	1.2
Earnings per share – USD	0.10	0.00
Earnings per share diluted – USD	0.10	0.00
<b>Proportionate financials<sup>1</sup></b>		
Power generation (GWh)	166	83
Revenue	26.9	15.5
EBITDA	12.1	10.8
Operating profit (EBIT)	9.0	9.1
Average price achieved per MWh (EUR)	153	177

<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 Key Financial Data on page 31 in the Company's report for the nine months 2022.

<sup>2</sup> This table refers to continuing operations. The financial and operational performance of the discontinued operations can be found in the sections Discontinued Operations and in note 6 of the consolidated financial statements in the Company's report for the nine months 2022.

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

“I am excited to report on the third quarter 2022, which has been a fantastic first quarter for us as a pure play renewables company where we have both grown into one of the largest independent renewables companies on Nasdaq Stockholm and delivered strong financial results and cash flow generation.

We made our first transformational deal during the quarter by acquiring the Swedish wind company Slitevind, which added a diversified portfolio of operational wind assets in the Nordics with long-term cash flow and opportunities for re-powering and growth through new projects. It also added a team with greenfield and brownfield experience, operational expertise and the ability to further pursue organic growth opportunities. I am confident that we will be able to realise further value from this portfolio moving forward, and that this will serve as a platform for organic growth for many years to come. We continued delivering on our acquisition led strategy with five additional value accretive transactions, all of which will complete in the fourth quarter of 2022. These six transactions, combined, will add more than 500 GWh of estimated annual power generation to our asset base, further strengthening the cash generation potential of the Company. We acquired these portfolios and assets for an average of MUSD 0.9 per MW installed capacity, which is an attractive price compared to the value of new wind projects today, and we see significant opportunities for follow on transactions within this space.

Electricity prices reached record high levels during the quarter, driven by geopolitical tensions and increased energy demand in Europe, which highlights the need for locally produced, clean energy. As a renewable company we contribute to increasing the share of renewable energy in the Nordics, and our strategy of being fully spot market exposed allows our investors to gain exposure to European power prices. The demand for renewables is set to grow significantly over the coming years, and I believe power prices will continue to remain strong during the coming years.

We delivered strong financial results for the quarter, with proportionate revenues of MUSD 15.5 and proportionate EBITDA of MUSD 10.8. The Company achieved cash flow from operating activities of MUSD 5.4, finished the third quarter with net cash of MUSD 10.8 and has entered into a MEUR 100 credit facility to fund future capital commitments and growth. With the debt capacity of the asset base, there is significant additional financial capacity to fund material transactions in the future.

Power generation was slightly below expectations during the third quarter due to lower than normal wind speeds and low precipitation across the Nordics. Given the nature of our business, and the reliance on nature, we expect to see these fluctuations balance out between the quarters.

Development of the Karskröv wind farm in southern Sweden is progressing on schedule with preparation work ongoing to allow for installation of the wind turbines and the grid connection in the spring and summer of 2023, and the project remains on track for completion at the end of 2023. Karskröv is expected to add an additional 290 GWh to the Company’s estimated annual power generation, which is set to reach over 1.1 TWh from 2024 onwards.

We entered the third quarter in a strong position, and we are exiting it even stronger. With robust financial results, a large portfolio of producing assets and an experienced team we are in a unique position to continue to grow the business and create long-term shareholder value. I want to thank all our shareholders for your loyal support over the last two decades with Lundin Energy and for joining us on our exciting journey towards creating a profitable renewables company of scale.”

## **Webcast presentation**

Listen to Daniel Fitzgerald, CEO and Espen Hennie, CFO commenting on the report and describing the latest developments in Orrön Energy at a webcast held today at 14:00 CET 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\\_QNoHthpBTF62dr7gLD90NA](https://us06web.zoom.us/webinar/register/WN_QNoHthpBTF62dr7gLD90NA)

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*Orrön Energy is an independent, publicly listed (Nasdaq Stockholm: "ORRON") renewables company within the Lundin Group of Companies. Orrön Energy has a portfolio of high quality, cash flow generating assets in the Nordics and significant financial capacity to fund further growth and acquisitions. With a major shareholder, management and Board with a proven track record of organic growth, 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.