

Report for the three months ended 31 March 2023

Highlights

- All main components have been delivered and turbine installation work has commenced at the Karskröv project, which is set to increase the annual power generation from 800 GWh to 1,100 GWh from 2024 onwards
- Successfully established an organic growth platform across the Nordics and Europe, laying the foundation for growth in onshore wind, solar and battery storage solutions
- Further expanded the business in Finland with an experienced partner, adding a strong network and access to several exclusive brownfield and greenfield project opportunities
- Progressing several standalone and co-located projects in Sweden, with certain land rights already secured and ongoing work to secure grid connections and permits
- Expanded the European footprint to include the UK, Germany and France, and secured grid connections for solar and battery storage projects in the UK, enabling large-scale greenfield development

Consolidated financials

- Cash flow from operating activities amounted to MEUR 16.6 for the quarter, which represents an increase from MEUR 13.4 in the previous quarter

Proportionate financials

- Power generation of 214 GWh for the quarter, ahead of expectation, representing an increase of 27 percent from the previous quarter
- Achieved electricity price for the quarter amounted to EUR 66 per MWh, resulting in proportionate EBITDA of MEUR 6.7
- Low proportionate net debt of MEUR 19.5 at period end, with debt capacity of over MEUR 250 to fund further growth

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 Mar 2023 3 months
Consolidated financials	
Revenue	11.4
EBITDA	4.6
Operating profit (EBIT)	1.6
Net result	0.0
Earnings per share – EUR	0.0
Earnings per share diluted – EUR	0.0
Proportionate financials¹	
Power generation (GWh)	214
Revenue	14.0
EBITDA	6.7
Operating profit (EBIT)	2.6
Average price achieved per MWh – EUR	66

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 Q1 Report 2023.

Comment from Daniel Fitzgerald, CEO of Orrön Energy AB

“Orrön Energy has continued to deliver on its strategy during the first quarter of 2023, adding material opportunities across new technologies and geographies in all stages of the renewable energy lifecycle. We have also welcomed some new and experienced teams into the Company, allowing us to further accelerate our growth ambitions. On top of the Nordic platform which we secured in 2022, the expansion and focus in the first quarter has given us a broader and stronger foundation from which to continue to build scale.

In the quarter, we saw electricity pricing stabilise and return to more normalised levels than we experienced last year, however, pricing still remains at high levels compared to the long-term historical average. Europe has not fundamentally resolved the challenges from the energy crisis in 2022, and I expect to see volatility returning to the markets during periods of instability in energy supply. Our power generation during the quarter was 27 percent higher than the fourth quarter 2022, and slightly higher than expected as a result of strong operational performance. On the cost front we delivered in line with our expenditure guidance. The cash generation of our core operations in the Nordics, together with our largely unutilised debt capacity, will continue to support the Company’s ambitious expansion plans.

Expanding the organic growth platform

We have been busy on all fronts during the quarter to further develop our organic growth platforms and we are now maturing a pipeline of opportunities in areas where we see strong fundamentals for renewable energy growth. I believe that our experienced team, coupled with our financial resources, will enable us to execute on a number of current and future opportunities.

In the Nordics, we are progressing several opportunities in wind energy, solar and battery storage technologies, ranging from early-stage prospects, through to permitted projects which are ready to build. If successful, these projects will diversify our operational portfolio, while adding a longer-term growth pipeline to our business. We also further expanded our business in Finland and partnered with an experienced team, gaining access to a wider network in the local market.

We have continued strengthening our platforms for growth in Europe, and in addition to France and Germany, expanded into the UK where we see a lot of potential for future growth. I am pleased to share that we have already secured grid connections in the UK for solar and battery storage projects, which enables initiation of greenfield development activities. We are actively working on expanding this grid connection portfolio and securing access to land. There is always uncertainty in early-stage developments, and the size of the portfolio will become firmer once we have secured the required land and permits – that work is ongoing now for the first projects. It will take time to mature our growth pipeline, but there is no doubt in my mind, that the opportunities already secured have the potential to be transformational for Orrön Energy, adding long-term growth and scale to our business.

We are also working on crystallising further value from our operational portfolio in the Nordics, with the aim of extending the life of our assets and increasing power generation capacity by co-locating new solar and battery storage solutions alongside our existing wind assets. In many cases we have already secured the land and grid connections, and have embarked on the permitting and design processes to allow us to build out these projects.

Power generation and financial performance

Our proportionate power generation amounted to 214 GWh during the quarter, an increase from the previous quarter and slightly higher than expected as a result of strong operational performance across the Company’s portfolio. Our key development project Karskröv, in the SE4 price region of southern Sweden, remains on track for completion by the end of 2023, increasing the Company’s annual estimated power generation to 1,100 GWh from 2024 onwards.

During the quarter, electricity prices stabilised below the record-breaking levels experienced during the second half of 2022, but still remain higher than long-term historical levels. Proportionate revenues were MEUR 14.0, proportionate EBITDA generation was MEUR 6.7 and we achieved an average electricity price of EUR 66 per MWh for the quarter.

Cash flow from operating activities amounted to MEUR 16.6 for the quarter. We finished the quarter with a proportionate net debt position of MEUR 19.5 and coupled with over MEUR 250 of debt capacity from our existing asset base, we have significant financial capacity to fund further growth.

Focusing on growth

Our results for the quarter show that we have succeeded in establishing a solid foundation for the business with a highly competent and dedicated team in the Nordics and a dynamic development team leading our greenfield expansion across Europe. I am excited about the opportunities that lie ahead, where we aim to continue to deliver on our growth strategy with the goal of creating long-term value for shareholders. I am also very pleased to welcome our new Board members Peggy Bruzelius and William Lundin, adding further experience and competence to our highly skilled Board of Directors.

I would like to once again thank all our shareholders for your support as we continue building a renewables company of scale.”

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_yTz5DG79S-a3NUtuUKjqaQ

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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.