



THE BOARD OF DIRECTORS' RECOMMENDATION REGARDING THE SHAREHOLDER PROPOSAL OF MR. EGBERT WESSELINK

11 April 2024

The Board of Directors of Orrön Energy AB (the "**Company**") has received a shareholder proposal (the "**Proposal**") from Mr. Egbert Wesselink for the Annual General Meeting ("**AGM**") to be held on 15 May 2024.

Mr. Wesselink has previously presented proposals to the 2012, 2013, 2017, 2019, 2020, 2021, 2022 and 2023 AGMs. All of these previous proposals, which also related to the Company's past activities in Sudan during 1997-2003, were rejected by the Company's shareholders at the requisite AGMs.

The Proposal is available on the Company's website.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE COMPANY'S SHAREHOLDERS VOTE AGAINST THIS PROPOSAL AT THE AGM TO BE HELD ON 15 MAY 2024.

The Board of Directors' recommendation is based on the following:

A. THE COMPANY HAS A RESPONSIBILITY TO DEFEND ITSELF AGAINST THE UNFOUNDED CHARGES IN THE INDICTMENT BROUGHT BY THE SWEDISH PROSECUTOR

The Company has an obligation towards its shareholders, and the Board of Directors has a fiduciary duty, to defend itself and its representatives against legal proceedings where such actions are based on unfounded and unsupported allegations. Since the beginning of the Swedish Prosecutor's flawed preliminary investigation almost 14 years ago, the Company has sought Swedish and international legal and related advice to achieve a discontinuation of the preliminary investigation and to prepare a vigorous defence for the Swedish Courts. This has been undertaken to ensure that the impact of these unfounded allegations for the Company, including economic consequences, negative goodwill and effect on the business in general, will be minimal. The Company's former representatives have been investigated and charged due to their roles within the Company at the time and hence the defence of the Company and its former representatives is intrinsically linked.

The Swedish Prosecutor's incomprehensible decision in November 2021 to bring criminal charges in relation to past operations in Sudan and seek a corporate fine and forfeiture of economic benefits means that resolution of this case now lies with the Swedish Courts. As a result, it is both right and legitimate that the Company and the Company's former representatives continue to defend themselves vigorously and that ultimately the judicial process will result in a clear and unambiguous discharge of any and all allegations.

B. THE COMPANY DENIES ALLEGATIONS OF WRONGDOING IN SUDAN AND CHALLENGES THE LEGAL BASIS OF THE SWEDISH PROSECUTOR'S CRIMINAL CHARGES IN RELATION TO THE COMPANY'S PAST OPERATIONS THERE

The Company refutes that there are any grounds for allegations of wrongdoing by the Company or any of its former representatives. Both defendants strongly deny the charges and have the full support of the Board of Directors in contesting them at trial.

The Company and the Board of Directors remain extremely critical of the fact that the Swedish Prosecutor has based his unfair and flawed investigation and unfounded prosecution upon unreliable and not credible allegations in NGO reports including in particular "Unpaid Debt," which was authored by Mr. Wesselink.

In the Board of Director's firm opinion, there is no evidence linking any current or former representative or the Company to the alleged primary crimes and that this has already been fully demonstrated at trial during the proceedings thus far, and will continue to be demonstrated during the remainder of the trial.

It remains the Board of Directors' firm belief that the Company was a positive influence for development in Sudan and did everything in its power to advocate for peace by peaceful means in the country. The Company engaged with the local population to ensure that its operations had a positive impact and contributed to improved living conditions. The Company's community development and humanitarian assistance made life better for people. The Company continued to provide humanitarian assistance even throughout the suspension of operations.

C. THE COMPANY IS FULLY COMMITTED TO THE HIGHEST STANDARDS OF CORPORATE RESPONSIBILITY

The Company has a full and robust framework of Corporate Responsibility Policies in place and has publicly stated its commitment to international standards of corporate responsibility, including as a member of the United Nations' Global Compact since 2010. The Company has since 2011 endorsed the United Nations' Guiding Principles on Business and Human Rights and in 2012, implemented a Human Rights Policy and Guidelines in accordance therewith. The Company is fully committed to respect human rights as set out in the International Bill of Human Rights and the International Labour Organisation Core Conventions, not to infringe on the human rights of others, and to address adverse human rights impact, including not to be complicit in or contribute directly or indirectly to human rights abuses.

The Board of Directors reviews on a regular basis the Company's performance and compliance in regard to these standards of corporate responsibility and human rights, and fully supports the Company and its management in carrying out the obligations under these international standards.

D. ADDRESSING THE SHAREHOLDER PROPOSAL

The Board of Directors considers that the Proposal is driven not by a genuine interest of wider shareholders' needs, but by Mr. Wesselink's well-known, direct and personal involvement in the case against the Company and its former representatives.

The shareholder proposal received is as follows:

"A shareholder proposes to bar Anders Kriström and his company Ernst & Young AB from serving as the company's auditor due to his failure to identify false and misleading entries in the Company's reports regarding the probability of the claim of the Swedish Prosecution Authority that a corporate fine of MSEK 3.0 and forfeiture of economic benefits of MSEK 2,381 will be imposed."

The Board of Director's view is as follows regarding the shareholder proposal:

The Company strongly refutes that there are any grounds for allegations of wrongdoing by any of its former representatives and sees no circumstance in which a corporate fine or forfeiture of economic benefits could become payable, as the claims lack legal basis.

In November 2021, the Swedish Prosecutor brought criminal charges against former representatives of the Company in relation to past operations in Sudan from 1999 to 2003. The charges also included claims against the Company for a corporate fine of MSEK 3.0 and forfeiture of economic benefits of MSEK 2,381.3, which according to the Swedish Prosecutor represents the value of the gain of MSEK 720.1 that the Company made on the sale of the asset in 2003. The claim for forfeiture of economic benefits was increased from MSEK 1,391.8 by the Swedish Prosecutor in August 2023. This latest increase to the claimed amount means that the Swedish Prosecutor has presented three completely different amounts, based on three different methodologies, over the past five years, raising serious questions about the substance and credibility of the Swedish Prosecutor's claim. It is obvious that the methodology used by the Swedish Prosecutor to arrive at the claimed amount is fundamentally flawed, leading to an unreasonable claim which has no basis in law and is highly speculative.

The Swedish Prosecutor has furthermore now presented his statement of the case to the Stockholm District Court and it is clear that the case remains based on unsubstantiated NGO reports and fabricated information. The Swedish Prosecutor did not provide any evidence of any causal link between the alleged acts of complicity and the alleged primary crimes, and the Company and its defence counsel remain entirely convinced that the trial will lead to a full acquittal of the individuals and a dismissal of the Swedish Prosecutor's claim for a corporate fine and forfeiture of economic benefits.

The Company considers the claims to be a contingent liability and therefore no provision has been recognized. The Company strongly refutes any insinuation that there are "false and misleading entries in the Company's reports" regarding the probability of the claim of the Swedish Prosecution Authority and affirms that its financial reporting and other disclosures comply with all applicable rules, regulations and accounting standards. The Company believes that there are clearly no reasons to bar the Company's auditor.

THE BOARD OF DIRECTORS OF THE COMPANY HAS THEREFORE CONCLUDED THAT THE PROPOSAL IS NOT IN THE BEST INTERESTS OF THE COMPANY OR THE SHAREHOLDERS. THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE AGAINST THE PROPOSAL AT THE AGM ON 15 MAY 2024.