# 2024 ANNUAL and SUSTAINABILITY Report

orrön energy

# Annual and Sustainability Report 2024

This report constitutes the Annual and Sustainability Report for Orrön Energy AB (publ), company registration number 556610-8055. All numbers and updates in this report relate to the financial year 2024, unless otherwise specified. Amounts from 2023 are presented in brackets.

This Annual and Sustainability Report describes Orrön Energy's financial performance and contribution to sustainability and consists of pages 6–74. The Directors' Report comprises pages 6–36. Orrön Energy's Sustainability Report as required by Chapter 6 section 11 of the Swedish Annual Accounts Act, is presented on pages 11–20.

The English version of this report is a translation of the Swedish original.

References to "Orrön Energy" or "the Company" pertain to the Group in which Orrön Energy AB (publ) is the parent company or to Orrön Energy AB (publ), depending on the context.

**Introduction**



**Directors' Report**



**Financial Statements and Notes**



**Additional Information**

# **Creating value** through the **energy transition**

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, the UK, Germany, and France. 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.

# Highlights 2024

- Strengthened the balance sheet following the sale of the Leikanger hydropower plant for MEUR 53 in April 2024, and replaced half of the production sold through acquisitions at a lower unit cost, demonstrating a highly accretive recycling of capital.
- Power generation amounted to 907 GWh for 2024, representing a 19 percent increase compared to 2023. The increase was primarily driven by full-year production from the Karskruv wind farm, partly offset by voluntary production curtailments and lower-than-average wind speeds during the year.
- Added 50 GWh of annual long-term proportionate power generation through acquisitions in 2024, reflecting a five percent increase in long-term proportionate power generation.
- Reached the ready-to-permit milestone for the Company's first large-scale project in the UK, a 1.4 GW solar and 500 MW battery project, and initiated a sales process to assess divestment options.
- Achieved carbon neutrality for Scope 1 and 2 carbon emissions.

**Consolidated financials**
- Cash flows from investing activities amounted to MEUR 32.6 and was positively impacted by the sale of the Leikanger hydropower plant in the second quarter.
- Cash flows from operating activities amounted to MEUR -6.3.

**Proportionate financials**
- Achieved electricity price amounted to EUR 34 per MWh, which resulted in a proportionate EBITDA of MEUR 7.0.
- Reduced the proportionate net debt through the sale of the Leikanger hydropower plant, with a net debt amounting to MEUR 65 per year-end 2024 with significant liquidity headroom available through the MEUR 170 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 | **2024** | 2023 |
|---|---|---|
| **Consolidated financials** | | |
| Revenue | 25.7 | 28.0 |
| EBITDA | -1.6 | -5.1 |
| Operating profit (EBIT) | -17.5 | -17.0 |
| Net result | -13.3 | -7.6 |
| Earnings per share – EUR | -0.05 | -0.03 |
| Earnings per share diluted – EUR | -0.05 | -0.03 |
| **Proportionate financials**[1] | | |
| Power generation (GWh) | 907 | 765 |
| Average price achieved per MWh – EUR | 34 | 47 |
| Operating expenses per MWh – EUR | 17 | 18 |
| Revenue | 30.7 | 36.2 |
| EBITDA | 7.0 | 5.3 |
| Operating profit (EBIT) | -12.9 | -11.0 |

[1] Proportionate financials represent Orrön Energy's proportionate ownership (net) of assets and related financial results, including joint ventures. For more details on the alternative performance measures, presented in addition to the consolidated financial reporting in line with IFRS, see section Key Financial Data on page 79.

## Proportionate financials

**Revenue and results**
In addition to the consolidated financial reporting in line with IFRS, the Group provides proportionate financial reporting, which forms part of the alternative performance measures that the Group presents. Proportionate reporting is aligned with the Group's internal management reporting, analysis, and decision making.

Proportionate financials represent Orrön Energy's proportionate share of all the entities in which the Group holds an ownership. This is different to the consolidated financial reporting under IFRS, where the results from entities in which the Group holds an ownership of 50 percent or less are not fully consolidated but instead reported on one line, as share in result from associates and joint ventures. All entities in which the Group holds an ownership of more than 50 percent are fully consolidated in the financial reporting presented under IFRS.

| Expressed in MEUR | **2024** | 2023 |
|---|---|---|
| Power generation (GWh) | 907 | 765 |
| Average price achieved per MWh – EUR | 34 | 47 |
| Operating expenses per MWh – EUR | 17 | 18 |
| **Revenue** | **30.7** | 36.2 |
| Other income | 11.4 | 0.8 |
| Operating expenses | -15.3 | -13.5 |
| G&A expenses[1] | -19.8 | -18.2 |
| **EBITDA** | **7.0** | 5.3 |
| Depreciation | -19.9 | -16.3 |
| Operating profit/loss (EBIT) | -12.9 | -11.0 |

[1] Includes legal and other fees of MEUR 7.2 (MEUR 7.1) incurred for the defence of the Company and its former representatives in the Sudan legal case and a non-cash expense for long-term incentive plans of MEUR 3.4 (MEUR 2.3) for the year.

Proportionate EBITDA amounted to MEUR 7.0 (MEUR 5.3) for the year and was impacted by an accounting profit of MEUR 10.9 made on the sale of the Leikanger hydropower plant, which is included in other income. The year was characterised by lower electricity prices compared to the previous year, partly offset by increased power generation following the takeover of the Karskruv wind farm for commercial operations at the end of 2023.

**Proportionate revenue and other income**
Proportionate revenues amounted to MEUR 30.7 (MEUR 36.2) for the year and were mainly impacted by lower electricity prices compared to the previous year, partly offset by increased power generation following the takeover of the Karskruv wind farm for commercial operations at the end of 2023. The Leikanger hydropower plant contributed with MEUR 3.6 to the Group's revenues in the previous year and as a result of the reclassification of the Company's 50 percent interest in the Leikanger hydropower plant from investment in associates and joint ventures to asset held for sale in January 2024, no share in the result from this asset has been recognised for the year. The result generated during January, before the reclassification, was not material.

Proportionate other income amounted to MEUR 11.4 (MEUR 0.8) and included a profit of MEUR 10.9 made on the sale of the Leikanger hydropower plant in April 2024.

**Proportionate operating expenses**
Proportionate operating expenses amounted to MEUR 15.3 (MEUR 13.5) for the year with the increase compared to the previous year mainly explained by the takeover of the Karskruv wind farm for commercial operations at the end of 2023.

# Words from the CEO

**2024 marks another year of good progress, despite challenging market conditions. We increased our long-term annual power generation through accretive acquisitions in Sweden, strengthened our balance sheet with the sale of the Leikanger hydropower asset, and reached ready-to-permit for our first large-scale solar and battery project. With this as a backdrop, 2025 is set to be an exciting year on many fronts, as we are poised to realise value from our greenfield pipeline and continue growing the business.**

As we exit 2024, Orrön Energy is well-positioned for growth, supported by a long-life asset base, a strong balance sheet and a number of greenfield projects reaching key milestones and entering the monetisation phase. With a solid financial foundation and a pipeline of opportunities ahead, we remain well positioned to grow our business organically while targeting value accretive acquisitions.

The renewable energy industry faced headwinds in 2024, as continued elevated interest rates, inflation, and periods of low electricity prices led to downward pressures on valuations and stock prices across the sector. Uncertainty in the US and political shifts across Europe further negatively impacted investor confidence regarding the pace and support for the energy transition. However, the long-term fundamentals for renewable energy remain strong, where onshore wind and solar continue to have the lowest breakeven cost by a significant margin compared to other energy sources. Despite political or economic headwinds, these investments are poised to stand the test of time.

Our operational portfolio in the Nordics continues to form the foundation of the Company, providing long-term cash-flow to our business. While market conditions were challenging during the year, it also provided opportunities for acquisitions. In 2024, we increased our long-term power generation by five percent, adding over 50 GWh of long-term proportionate power generation through acquisitions in the SE3 and SE4 price regions at a cost of less than 0.5 MEUR per MW. Beyond acquisitions, we are also focused on maximising the value of our operational assets. In response to the volatile market conditions experienced in 2024, we initiated voluntary production curtailments across our portfolio and started providing ancillary services to the market via some of our windfarms. These initiatives have helped us reduce the impact of negatively priced hours and unlock alternative revenue streams, which will be even more important in the future. Our strategic focus remains on expanding our portfolio of cash-generating assets and optimising their performance to drive long-term power generation growth.

In 2024, our proportionate power generation amounted to 907 GWh, which was around 20 percent higher than 2023, mainly due to the full-year contribution from the Karskruv wind farm. Power generation during the year was around 10 percent lower than our long-term forecast, impacted by lower-than-average wind speeds and voluntary production curtailments during periods of low electricity prices. Our assets maintained high availability throughout the year, highlighting their strong generation capacity. We hope to see more normalised weather conditions in 2025, having experienced four consecutive years of wind speeds below historical averages. Taking into account the variability in weather, our 2024 acquisitions, and potential curtailments, we expect our power generation in 2025 to be between 900 and 1,050 GWh, giving some margin both for weather and market conditions.

In 2024, we continued advancing our greenfield platform and achieved a key milestone by having our first large-scale solar and battery project in the UK reaching the ready-to-permit stage, with projects in our German portfolio close to reaching the same milestone. Our strategy is to divest projects at an early stage, and I expect that we will start seeing the first results from this over the coming year. With a large-scale pipeline of projects, this represents a significant value opportunity that has the potential to be transformative for the Company.

We remain in a financially robust position, with liquidity headroom exceeding MEUR 100. Our strong balance sheet enables us to capitalise on value-accretive opportunities as they arise, while focusing on strategic decisions that will drive long-term value for our shareholders. Our full-year expenditure guidance for 2025 is largely in line with 2024 and the business strategy remains unchanged as we enter the new year.

**Important milestones ahead**

The next two years mark an important period for Orrön Energy. The Nordic business continues to grow organically with a good pipeline of projects, 1,000 GWh of long-term proportionate power generation and plenty of acquisition opportunities. The UK and German teams are rapidly reaching key milestones, and we expect to see results from project sales throughout 2025, with a material pipeline of opportunities to follow. We have now passed the halfway point of the Sudan legal case, and expect the District Court trial to finish during the second quarter of 2026, which will significantly reduce our future legal costs and positively impact our financial results thereafter. With the end of the Sudan trial in sight and the core business in good shape, we can now start developing the next strategic growth chapter for our Company, and over the next year we will explore new opportunities to expand our portfolio and unlock additional value for our shareholders.

I would like to thank our shareholders for their continued support and look forward to sharing updates on the exciting growth opportunities that lie ahead of us.

**Daniel Fitzgerald**
Chief Executive Officer

INTRODUCTION

# Letter from the Chair

**The role of renewable energy in mitigating climate change has never been more critical. As an operator and developer of renewable energy, Orrön Energy plays a key role in driving this transition. By investing in the lowest-cost technologies and leveraging its robust balance sheet, the Company is well-positioned to seize opportunities in the energy transition and deliver sustainable, long-term value for shareholders.**

Climate change remains one of the most pressing challenges of our time, and renewable energy plays a crucial role in reducing carbon emissions and building a sustainable energy future. However, at a time when bold action is needed, we are witnessing a concerning trend as political and corporate ambitions to drive the energy transition are being scaled back. It is disappointing to see companies stepping away from their climate commitments at such a crucial moment. At Orrön Energy, we remain steadfast in our commitment to continue investing in renewable energy to both expand our long-term power generation and increase the scale of renewable energy through new projects.

Notwithstanding the challenging market conditions in 2024, we continue to see economic returns from renewable energy projects. Wind, solar, and batteries remain the most cost-effective energy sources to develop and operate with the lowest levelised cost of energy. In every market, irrespective of the political support and subsidy schemes in place, we cannot ignore that the cheapest new supply of energy is onshore renewables and Orrön Energy remains well positioned in this regard.

In 2024, Orrön Energy continued to deliver against its strategic goals by reaching key milestones in the greenfield business and increasing wind power generation in the Nordics, while reaching key project milestones within the large-scale greenfield portfolio. The Leikanger sale was a material event for the Company with an attractive valuation allowing a significant reduction in net debt and recycling of capital into further accretive acquisitions of operating assets. The Company has over 100 MEUR of liquidity headroom at year end 2024 enabling further growth and investments during countercyclical market conditions.

In addition to a robust operational portfolio, Orrön Energy's balance sheet is a strength in these volatile market conditions. It enables us to navigate market uncertainties while maintaining our long-term strategic focus and allows us to take advantage of opportunities as they arise.

**Strong fundamentals for renewable energy**

The long-term outlook for renewable energy remains strong, driven by the global growth in electrification, increasing energy demand, industrial decarbonisation, and climate policies. Rising demand from sectors like transportation, industry, data centres, and AI is further accelerating the need for clean, reliable and sustainable power. Meeting this demand requires a massive expansion of renewable energy generation capacity, with wind, solar, and battery storage playing an important role. At Orrön Energy, these technologies are our core focus, positioning us for sustainable growth for decades to come.

Beyond the financial performance, we are also committed to conducting our business in a responsible and sustainable manner. Sustainability is at the core of our business, and I am proud that we are making a significant contribution to mitigating the effects of climate change. Since inception, the Company has delivered over 2 TWh of clean energy in the Nordics and with a large-scale pipeline of greenfield projects, we are safeguarding a reliable and clean energy supply for future generations. In 2024, we further reinforced our commitment to a low-carbon future by achieving carbon neutrality across our operational emissions. With this step we are not only contributing to the energy transition through our business activities, but we are also taking responsibility for our own carbon footprint.

However, our responsibility extends beyond producing and developing renewable energy—we are doing this with great care for health, safety, and environmental protection. This is reflected in our alignment with the EU Taxonomy requirements, which set high standards for responsible operations.

**Sudan Legal Case Nearing Conclusion**

More than a year has now passed since the trial began at the Stockholm District Court against two former Company representatives regarding Lundin Energy's legacy operations in Sudan between 1999 and 2003. Throughout the proceedings, nothing has altered my firm belief that no wrongdoing was committed. On the contrary, after following the trial and the Prosecutor's case, it is clear that this case is fundamentally flawed. I am confident that it will result in a full acquittal and that no forfeiture or corporate fine will be imposed. The trial is scheduled to finish in the second quarter of 2026, and we look forward to finally putting this behind us and continuing to build a company for the future.

I would like to thank all of our shareholders for your support through these challenging markets and look forward to continuing to build the Company in 2025.

**Grace Reksten Skaugen**
Chair of the Board of Directors

# Directors' Report

Orrön Energy AB (publ) Reg No. 556610-8055

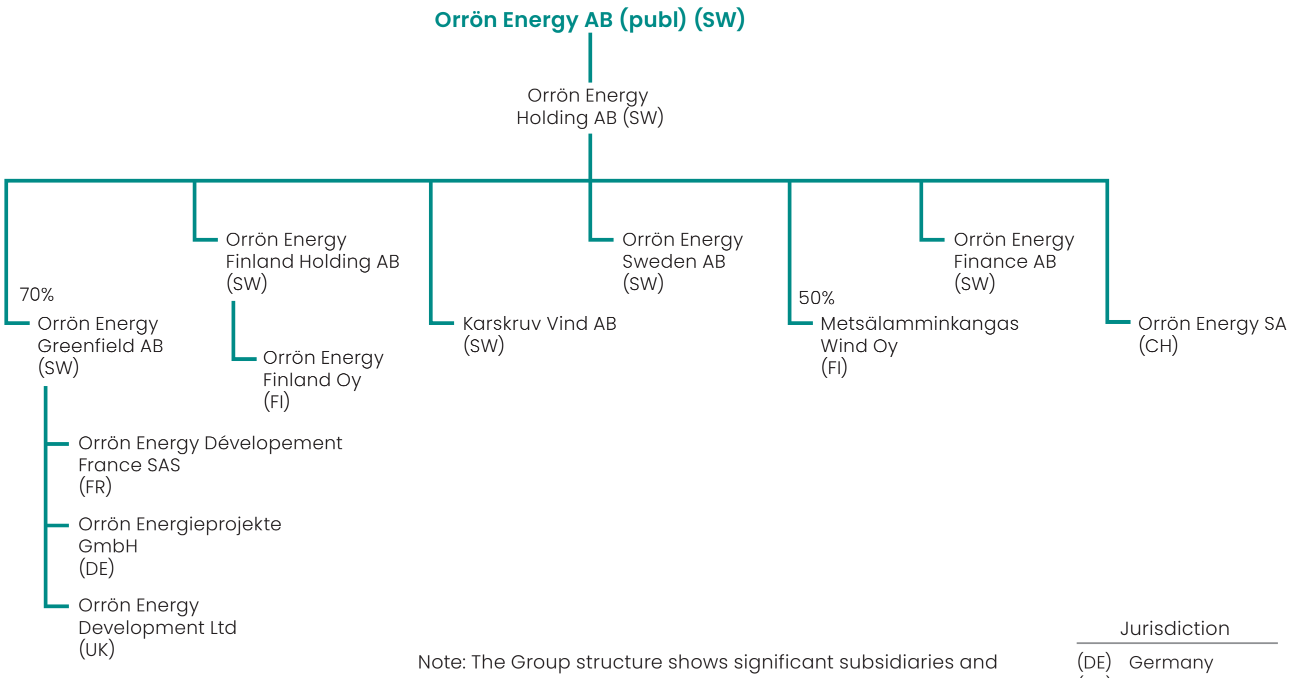
The address of Orrön Energy AB's registered office is Hovslagargatan 5, Stockholm, Sweden. Orrön Energy is an independent renewables company with operations in the Nordics, the UK, Germany and France. The Parent Company has no foreign branches.

**Changes in the Group**

In April 2024, the Company entered into an agreement to sell its 50 percent interest in the company owning the Leikanger hydropower plant for an enterprise value of MNOK 613, approximately MEUR 53, to the existing partner Sognekraft. The transaction completed in early May 2024 and generated an accounting profit for the Group of MEUR 10.9, which has been recognised as other income in the income statement.

In January 2024, the investment in the company owning the Leikanger hydropower plant was reclassified from investment in associates and joint ventures to asset held for sale and the consolidated and proportionate financials have been presented without any contribution from this asset. The result generated before the reclassification in January was not material.

## Corporate structure on 31 December 2024




Note: The Group structure shows significant subsidiaries and joint ventures only.
See the Parent Company Financial Statements Note 8 for full legal names and all subsidiaries.
Subsidiaries are 100% owned unless otherwise stated.

| Jurisdiction | |
|---|---|
| (DE) | Germany |
| (UK) | United Kingdom |
| (FI) | Finland |
| (FR) | France |
| (SW) | Sweden |
| (CH) | Switzerland |

# Operational Review

## Operational assets

Orrön Energy's operating portfolio consists of high-quality, cash generating renewable energy assets in the Nordics. The Company's proportionate power generation for the year amounted to 907 GWh, which was in line with the updated outlook. In the third quarter of 2024, the Company updated and lowered its full-year proportionate power generation outlook to 900 GWh as a result of lower-than-average wind speeds and voluntary production curtailments during the first nine months. The curtailments were implemented to optimise profitability when electricity prices fell below the variable production costs. The regional operational performance described in the following sections is based on this updated outlook. Power generation is presented on a proportionate basis which is an alternative performance measure, as defined in the secion Key Financial Data on page 79.

The Company expects its long-term proportionate power generation to be around 1,000 GWh, assuming average long-term meteorological conditions. Considering the increase in long-term proportionate power generation through acquisitions in 2024, annual variability in weather and provision for voluntary curtailments, the expected proportionate power generation range for 2025 is set between 900 and 1,050 GWh.

Realised electricity price amounted to EUR 34 per MWh for the year. Out of the realised electricity price, guarantees of origin and hedging impact accounted for EUR 2 per MWh for the year. The Company is awarded and sells guarantees of origin for all of its power generation, certifying that the electricity has been produced from renewable energy sources. The weighted average regional electricity price for the Company's proportionate power generation during the year amounted to EUR 44 per MWh, and the Nordic system price averaged EUR 36 per MWh. The variance to the Company's realised electricity price is explained by 'capture price discounts', which occur in any given period where a majority of power is generated during periods of low prices relative to the average spot price for the same period.

Proportionate operating expenses amounted to MEUR 15.3 for the year, which was in line with guidance. Unit operating expenses amounted to 17 EUR per MWh for the year and were impacted by lower-than-expected power generation volumes.

The Company is setting up its largest wind farms to provide ancillary services to the grid, to create additional revenue streams alongside traditional power generation. Metsälamminkangas (MLK) wind farm has been set up for ancillary services since the third quarter 2024, with revenues generated during the fourth quarter. Work is progressing to implement ancillary services on the Karskruv wind farm, and the Company plans to qualify additional wind power assets to provide ancillary services to the market.

**Sweden**

The Company has a diversified portfolio consisting of ownership in around 200 operational wind turbines in more than 50 sites across Sweden, which have an estimated long-term proportionate annual power generation of around 800 GWh and a total net installed capacity of around 300 MW. A majority of the assets are situated in the SE3 and SE4 price areas. Availability warranties are in place for a majority of the Company's assets, which guarantees the availability of the turbines and gives the Company protection against downtime and outages.

The largest producing asset in the Swedish portfolio is the Karskruv wind farm, which started commercial operations at the end of 2023. Karskruv wind farm has an estimated long-term proportionate annual power generation of 290 GWh in the SE4 price area, which is generated from 20 Vestas turbines with a total installed capacity of 86 MW. The wind farm has an availability warranty in place, which guarantees the availability of the turbines through their operational life of approximately 30 years and gives the Company protection against downtime and outages.

Another large production hub for the Company is situated at Näsudden on Gotland, which is a pioneering region for wind power in Sweden and where the Company has its operational office. The production hub consists of ownership in five wind farms, with a combined estimated long-term proportionate annual power generation of around 170 GWh in the SE3 price area.

Power generation from the Swedish portfolio was in line with the updated outlook.

**Finland**

The Company owns 50 percent of the MLK wind farm and 100 percent of a 9 GWh wind farm located in Hanko in Finland. MLK has an estimated long-term annual proportionate power generation of around 400 GWh, which is generated from 24 GE turbines with a total installed capacity of 132 MW. The wind farm has an estimated operational life of around 30 years and has been in operation since the end of March 2022. An availability warranty is in place, which guarantees the availability of the turbines through their operational life and gives the Company protection against downtime and outages.

In February 2024, a fire occurred at one wind turbine at MLK, which was safely managed with no personal injury or material environmental impact. The root cause has been concluded to be a faulty electrical connection linked to the de-icing system in the affected blade. Inspections and preventative actions have been taken across all turbines in the wind farm, where all remaining turbines are fully operational. The fire damaged turbine will be replaced and associated costs and lost production are covered under warranties from the turbine supplier.

Power generation from MLK was in line with the updated outlook.

## Project pipeline

The Company has established a growth platform of greenfield projects in onshore wind, solar, and batteries, with the aim of advancing the large-scale projects to key project milestones and monetise before incurring significant capital costs.

During the year, the Company expanded its growth platforms in the Nordics, the UK, Germany, and France, and continued to mature its long-term project pipeline and growth opportunities in the operational portfolio. The Company is active in all stages of the renewable energy lifecycle and plans to continue advancing its project pipeline.

**Greenfield projects**

The Company is maturing a 40 GW portfolio of early-stage greenfield projects in onshore wind, solar, and battery projects in the Nordics, the UK, Germany and France. These countries are attractive for renewable energy developments due to their high ambitions to increase renewable energy generation, strong regulatory support, low political and operational risk and a robust investor base. The Company's greenfield business is led by experienced development teams, with a proven track record in greenfield project origination and development in these markets. Final project realisation will be dependent on a number of factors, such as permitting, fulfilment of project milestones and commercial viability. The Company plans to monetise projects throughout the value chain, depending on market conditions at the time. For larger projects, the strategy will be to divest before incurring significant development and construction costs.

**Nordics**
In the Nordics, the Company is progressing a range of stand-alone and co-located project opportunities with an estimated total capacity of around 1 GW, ranging from early-stage projects in the screening phase, through to projects with construction permits in place moving towards investment decisions. This allows the Company to organically grow its portfolio, optimise power generation, and crystalise further value from its operational assets, which includes projects aimed at extending asset lifetimes, re-powering and consolidation of ownership. The co-located project opportunities enable the Company to optimise the grid utilisation, provide ancillary services, and enable new revenue streams, through adding complementary technology of solar and battery storage solutions to existing wind power facilities. In 2024, the Company took key steps to advance project opportunities within the Nordic portfolio, and at the end of 2024, over 10 percent had successfully reached the ready-to-permit milestone.

In Sweden, the Company is maturing a greenfield portfolio consisting of wind, solar, and battery projects. During 2024, the Company secured building permits for battery projects and completed its first 1 MW stand-alone battery project in Vilhelmina. In July 2024, the Company further expanded its portfolio by acquiring a large greenfield portfolio of early-stage solar and battery projects from one of Sweden's largest private landowners, securing land for developments in the SE2 and SE3 price areas. Feasibility studies have been initiated, with plans to further define these projects over the coming year.

In Finland, the Company is maturing a greenfield portfolio consisting of wind and battery projects. The greenfield projects are at an early-stage, and the Company aims to reach the ready-to-build stage for the first wind project in 2027. Land has been secured for all planned wind turbine and battery locations.

**UK, Germany and France**
Since establishing its greenfield business in the UK, Germany, and France in 2023, the Company has successfully created a platform for growth, established experienced development teams and originated a pipeline of large-scale greenfield solar and battery projects. In the second half of 2024, the Company entered a new phase of its strategy, focusing on advancing the existing portfolio of early-stage projects to more mature stages. In the fourth quarter of 2024, the Company successfully delivered on this strategy by reaching ready-to-permit for its first large-scale project in the UK. The Company has a dynamic approach to realising value from its portfolio and seeks to explore options to divest projects throughout the value chain, depending on market conditions at the time. For the largest projects, the strategy will be to divest prior to incurring significant construction costs.

**UK**
In the UK, the Company has been working on progressing its existing early-stage pipeline, which includes grid connections totalling 24 GW for solar projects and 12 GW for co-located battery projects, into more mature stages. During the fourth quarter, the Company secured additional land and reached the ready-to-permit milestone for its first large-scale solar and battery project, a 1.4 GW solar and 500 MW battery project with a grid connection capacity of 1 GW export and 500 MW import capacity. The project has a grid connection date in 2034 and qualifies as a Nationally Significant Infrastructure Project (NSIP). The Company has undertaken a range of pre-permitting studies, assessing the ability to obtain a permit for the project with positive indications. Additionally, a grid connection study showed reasonable costs to connect to the grid and a site layout study and energy yield assessment have confirmed the project's attractive yield. The project is located in the East Midlands, which is a prime location for solar development in the UK with relatively flat topography, sparse population, and good grid links. As a result of the project having reached the ready-to-permit milestone, the Company has initiated a sales process to assess divestment options.

For the wider pipeline of grid connections, there are two key regulatory reforms ongoing; the Clean Power 2030 Action Plan and the grid connections reform. The grid connections reform is designed to reduce the grid connection queue and provide earlier grid connection dates for mature projects. The Clean Power 2030 Action Plan introduces zonal capacity limitations for defined technologies. As part of the grid connections reform, new grid offers will be awarded to mature projects meeting the zonal capacity limitations under the Clean Power 2030 Action Plan, which are subject to change depending on the evolution of developments in the UK. The Company continues to monitor these reforms and aims to ensure that the projects remain well-positioned in this evolving regulatory landscape. The Company is actively engaged in the discussion around the ongoing reforms and the current UK Government has shown strong support for solar developments, demonstrated by the approval of several large-scale projects classified as NSIPs since coming into office in 2024.

**Germany**
In Germany, the Company has continued to progress its first projects to more mature stages and is currently engaged in several processes with local municipalities aimed at obtaining the necessary approvals required to reach the ready-to-permit milestones. Alongside this, the Company has continued its efforts on securing land in targeted regions and progressing the wider pipeline towards more mature stages.

**France**
In France, the Company has secured its first land rights and are scaling up activities to obtain access to further land and to progress its first project towards the ready-to-permit milestone.

# Financial Review

## Transactions

Orrön Energy's strategy is to invest in renewable energy projects and pursue value accretive opportunities in the energy transition to grow and optimise its portfolio. In 2024, the Company added 50 GWh to its long-term annual proportionate power generation through acquisitions and increased ownership in wind farms located in the SE3 and SE4 price areas, reflecting a long-term proportionate annual power generation growth of five percent. The transactions were executed on attractive metrics, and at a value of below MEUR 0.5 per MW installed capacity.

In January 2024, the Company entered into an agreement to acquire a greenfield portfolio consisting of wind and battery development projects in Finland, with a total installed capacity of around 200 MW.

In April 2024, the Company entered into an agreement to sell its 50 percent interest in the company owning the Leikanger hydropower plant for an enterprise value of MNOK 613, approximately MEUR 53, to the existing partner Sognekraft. The transaction completed in early May 2024. In January 2024, the investment in the company owning the Leikanger hydropower plant was reclassified from investment in associates and joint ventures to asset held for sale and the consolidated and proportionate financials have been presented without any contribution from this asset. The result generated before the reclassification in January was not material.

In July 2024, the Company entered into an agreement with one of the largest landowners in Sweden to acquire a portfolio consisting of early-stage solar and battery projects in the SE2 and SE3 price areas, with a total installed capacity of around 500 MW.

Between June and September 2024, the Company entered into agreements to acquire additional ownership shares in the Stugyl wind farm, located in the SE3 price area. These acquisitions are expected to add around 19 GWh of long-term annual proportionate power generation.

Between June and December 2024, the Company acquired shares in Slättens Vind AB (publ), a company with wind farms in the SE3 price area, leading to an ownership of around 24 percent at the end of the year. The shareholding adds around 12 GWh of long-term annual proportionate power generation.

In October 2024, the Company entered into an agreement to acquire additional ownership shares in the Klinte and Långås wind farms, located in the SE3 and SE4 price areas. This acquisition adds around 6 GWh of long-term annual proportionate power generation.

In December 2024, the Company entered into an agreement to acquire additional ownership shares in the Storugns, Kulle, and Klinte wind farms, located in the SE3 price area. The acquisition adds around 13 GWh of long-term annual proportionate power generation.

### Transactions after year-end

In January 2025, the Company entered into agreements to increase the proportionate ownership in the Stugyl and Näsudden wind farms, located in the SE3 price area. These acquisitions add around 4 GWh of long-term annual proportionate power generation.

## Revenue and results

EBITDA for the year amounted to MEUR -1.6 compared to MEUR -5.1 in the previous year and included an accounting profit of MEUR 10.9 from the sale of the Leikanger hydropower plant, which has been included in other income.

### Revenue and other income

Revenue for the year amounted to MEUR 25.7 (MEUR 28.0) and was impacted by lower electricity prices than in the previous year, partly offset by increased power generation following the takeover of the Karskruv wind farm for commercial operations at the end of 2023. The sale of the Leikanger hydropower plant generated an accounting profit for the Group of MEUR 10.9, which has been recognised as other income.

As a result of the reclassification of the Company's 50 percent interest in the Leikanger hydropower plant, no share in result from associates and joint ventures has been recognised for this asset during the year. The result generated before the reclassification in January was not material.

### Operating expenses

Operating expenses amounted to MEUR 12.5 (MEUR 12.6) for the year.

### General and administration expenses

General and administration expenses amounted to MEUR 19.8 (MEUR 18.2) for the year, including MEUR 7.2 (MEUR 7.1) for legal and other fees incurred for the defence of the Company and its former representatives in the Sudan legal case. A non-cash expense of MEUR 3.4 (MEUR 2.3) relating to long-term incentive plans is part of the overall general and administration expenses recorded during the year.

### Share in result from associates and joint ventures

Share in result from associates and joint ventures amounted to MEUR -6.0 (MEUR -2.7) for the year and is detailed in note 2. Orrön Energy's portion of the results in the 50 percent owned joint venture MLK wind farm amounted to MEUR -5.8 (MEUR -3.2) and the share in result from other associates and joint ventures amounted to MEUR -0.2 (MEUR 0.2). The previous year was impacted by a positive contribution of MEUR 0.3 from the Leikanger hydropower plant.

As a result of the reclassification of the Company's 50 percent interest in the Leikanger hydropower plant from investment in associates and joint ventures to asset held for sale in January 2024, no share in result from associates and joint ventures has been recognised for this asset during the year. The result generated before the reclassification in January was not material.

Associates and joint ventures are consolidated through the equity method and the net result of these entities is therefore recognised as a single line item in the income statement.

### Net financial items

Finance income amounted to MEUR 5.3 (MEUR 6.3) for the year and is detailed in note 3. Interest income of MEUR 5.3 (MEUR 5.9) related to loans to joint ventures. Other finance income of MEUR 0.4 was recognised in the previous year and reflected a financial gain representing the variation in market value of historical hedges entered into by acquired companies.

Finance costs amounted to MEUR 7.1 (MEUR 8.4) for the year and are detailed in Note 4. The net foreign exchange loss amounted to MEUR 0.8 (MEUR 2.6). Foreign exchange movements occur on the settlement of transactions denominated in foreign currencies and the revaluation of working capital and loan balances to the prevailing exchange rate at the balance sheet date where those monetary assets and liabilities are held in currencies other than the functional currencies of the Group's entities. Orrön Energy is exposed to exchange rate fluctuations relating to the relationship between Euro and other currencies. The net foreign exchange loss related mainly to the revaluation of external loans and intercompany loan balances, denominated in other currencies than the functional currency of the Group company providing the financing. Interest expenses amounted to MEUR 4.9 (MEUR 4.8) and related to the Group's external loans. Other finance costs amounted to MEUR 1.4 (MEUR 1.0) and represented mainly fees and other costs in relation to the Company's revolving credit facility, with the previous year also impacted by fees and other costs in connection with acquisitions made.

**Income tax**

Income tax representing a net income amounted to MEUR 6.0 (MEUR 11.5) for the year and is detailed in Note 5. This amount was mainly comprised of a deferred tax income relating to a reduction of accelerated depreciation allowances booked in Sweden.

The Group operates in various countries and fiscal regimes where corporate income tax rates are different from the regulations in Sweden. Corporate income tax rates for the Group vary between 14.7 and 29.9 percent for the business in 2024.

## Cash flow and investments

**Cash flow from operating activities**

Net cash flows from operating activities amounted to MEUR -6.3 (MEUR 15.5) for the year. Cash flows from operating activities during the previous year included dividend payments from joint ventures of MEUR 13.1.

**Cash flow from investing activities**

Cash flows from investing activities amounted to MEUR 32.6 (MEUR -79.1) and were impacted by the proceeds from the sale of the Leikanger hydropower plant of MEUR 28.9 and the repayment of a loan provided to Leikanger Kraft of MEUR 20.2, which was reimbursed in connection with the sale. An amount of MEUR -15.0 (MEUR -72.3) related to investments in the renewable energy business. The previous year was impacted by MEUR -6.7 from the acquisition of the remaining 3.5 percent of the shares in Orrön Energy Sweden AB and acquisitions of additional ownership in companies and wind farms in Sweden.

**Cash flow from financing activities**

Cash flows from financing activities amounted to MEUR -30.1 (MEUR 57.7) for the year and represented mainly a repayment of the credit facility of MEUR 29.8 compared to a net drawdown of MEUR 59.0 during the previous year.

## Financing and liquidity

In January 2024, the Company exercised a portion of the accordion option and increased its three-year revolving credit facility entered into in 2023, from MEUR 150 to MEUR 190, adding further capacity to fund future growth. The commercial terms of the facility are unchanged and include a floating interest rate margin of 1.8 percent above the reference interest rate for the borrowed currency. Following the sale of the Company's interest in the Leikanger hydropower plant, which completed in May 2024, the revolving credit facility was reduced from MEUR 190 to MEUR 170.

Interest-bearing loans and borrowings amounted to MEUR 83.6 compared to MEUR 114.7 at year-end 2023 and related mainly to an outstanding loan of MEUR 81.7 (MEUR 112.0), which has been drawn under the Group's revolving credit facility. Interest-bearing loans and borrowings also included a long-term loan taken up by a subsidiary of MEUR 1.9 compared to MEUR 2.7 at year-end 2023.

The Company's net debt amounted to MEUR 66.6 compared to MEUR 93.7 at year-end 2023.

Other current financial liabilities amounted to MEUR 0.6 compared to MEUR 0.8 at year-end 2023 and related to a short-term loan, with less than twelve months maturity, which is held by a subsidiary.

Cash and cash equivalents amounted to MEUR 17.6 compared to MEUR 21.8 at year-end 2023.

## Share information

The shares of Orrön Energy are listed on Nasdaq Stockholm.

**Proposed disposition of unappropriated earnings**

The 2025 Annual General Meeting has an unrestricted equity at its disposal of SEK 3,369,799,630 including the net result for the year of SEK -22,633,921.

The Board of Directors propose that the unrestricted equity of the Parent Company of SEK 3,369,799,630, including the net result for the year of SEK -22,633,921 be brought forward.,

## Changes in Board of Directors

At the 2025 AGM, the current Board members Grace Reksten Skaugen, Peggy Bruzelius, William Lundin, Mike Nicholson, and Jakob Thomasen will be proposed for re-election by the Nomination Committee. Richard Ollerhead will be proposed for election as a new member of the Board of Directors.

## Financial statements

The result of the Group's operations and financial position at the end of the financial year are shown in the income statement, statement of comprehensive income, balance sheet, statement of cash flow, statement of changes in equity and related notes, which are presented in Euro on pages 38–64.

The Parent Company's income statement, balance sheet, statement of cash flow, statement of changes in equity, and related notes presented in Swedish Krona can be found on pages 65–73.

## Subsequent events

Subsequent events are detailed in note 23.

# Sustainability Report

**Contents**



This Report constitutes Orrön Energy's disclosure of non-financial and diversity information in accordance with the Swedish Annual Accounts Act (1995:1554).

**Sustainability is at the core of Orrön Energy's business as a renewable energy company and constitutes an important cornerstone of the Company's aim to create long-term shareholder value. Orrön Energy's mission is to help drive the energy transition by producing renewable energy in a safe and responsible manner, for a sustainable energy future.**

## About this report

This Sustainability Report provides an overview of Orrön Energy's sustainability activities and performance during 2024, including strategies and actions taken to address material topics for the Company and its stakeholders. The report aligns with internationally recognised frameworks for reporting non-financial information such as the GHG Protocol and EU Taxonomy regulations..

By publishing this report, Orrön Energy reaffirms its commitment to transparency, responsible operations, and driving the transition to a sustainable energy future. The Company publishes the Sustainability Report annually. Restatements of data points in the Company's sustainability reporting will be disclosed when deemed material, with explanations provided for significant changes in methodology, scope, or assumptions to ensure transparency and comparability.

**International frameworks**
Orrön Energy is a member of the United Nations Global Compact and is committed to upholding its ten principles of responsible business practices in the areas of human rights, labour, environment, and anti-corruption. This report highlights the Company's contribution to the United Nations Sustainable Development Goals (SDGs). Orrön Energy's business model links directly to SDG 7 - Affordable and Clean Energy, and the Company also focuses its efforts on contributing to SDG 13 - Climate Action, and SDG 15 - Life on Land. In addition, Orrön Energy adheres to internationally recognised frameworks, including the Universal Declaration of Human Rights, the ILO Core Conventions, and the OECD Guidelines for Multinational Enterprises, ensuring that its operations uphold the highest standards of human rights, labour practices, and environmental protection.

**Orrön Energy's Sustainability Governance**
Orrön Energy's Code of Conduct underscores the commitment of the Company, its employees, contractors, and business partners to uphold high ethical standards and act in a responsible and sustainable manner. It forms a critical part of employment and supply chain contracts, with violations subject to inquiry and appropriate measures, and it is publicly available on the Company's website. Policies and procedures further outline the commitment to ensure the highest levels of ethical conduct across operations and the wider value chain, including in respect of human rights, whistleblowing, cybersecurity, competition, tax, anti-corruption, anti-fraud and anti-money laundering.

The Board of Directors has the ultimate responsibility for sustainability, while the CEO and leadership team are responsible for implementing environmental, social, and governance principles into the Company's business strategy. A sustainability team with local focal points supports the wider sustainability work and related data collection, to safeguard transparent reporting to shareholders, regulators, and other stakeholders.

More information on the Company's governance structure, corporate policies and guidelines can be found in the Corporate Governance Report on pages 24–25.

## Business model and value chain

Orrön Energy is a pure-play renewable energy company with renewable energy assets in the Nordics, predominently wind power, and a pipeline of greenfield projects in wind, solar, and batteries across the Nordics, UK, Germany, and France. The Company's business strategy focuses on two key growth areas: increasing long-term renewable power generation and developing a large-scale pipeline of greenfield projects. As an operator and developer of renewable energy, Orrön Energy's value chain encompasses the full lifecycle of renewable energy assets.

**Upstream value chain**
The upstream value chain includes activities essential to the development of renewable energy projects. This involves the sourcing of raw materials and manufacturing processes related to renewable energy components, which the Company procures for both operational and development activities. It also includes early-stage development activities and collaboration with service suppliers, business partners, and landowners, which is fundamental to support project developments. The Company has a due diligence procedure and corporate policies in place to promote sustainable and ethical practices throughout its upstream value chain.

**Downstream value chain**
The downstream value chain encompasses the output from the Company's business activities, such as the supply of renewable energy within the Company's countries of operation, the final commissioning and sale of renewable energy projects and activities related to waste and decommissioning activities. The Company actively engages with stakeholders, including grid operators, local communities, shareholders, and regulatory authorities around these activities to build trust, ensure transparency, and foster long-term relationships. For waste

| Highlights 2024 | | | |
|---|---|---|---|
| Achieved carbon neutrality for Scope 1 and Scope 2 (market-based) carbon emissions. | In 2024, 100% of Orrön Energy's turnover and Operating Expenses (OpEx), and 95% of Capital Expenditure (CapEx) were taxonomy-aligned. | Increased the year-on-year renewable power generation by 19% while advancing a 40 GW pipeline of new renewable energy projects. | Enhanced the due diligence procedure to strengthen risk mitigation in the wider supply chain. |

and decommissioning activities, the Company partners with reputable waste management providers to ensure responsible waste handling and strives to maximise recycling wherever possible.

**Sustainability-driven approach**
The Company's strategy is to continue growing its power generation capacity and invest in the development of renewable energy projects, while promoting sustainable business practices across its upstream and downstream value chains. Through this approach, the Company aims to ensure that its business contributes to long-lasting values for both shareholders and the wider society.

## Stakeholder dialogue

The Company regularly engages with a wide range of stakeholders. These include individuals, groups or entities that impact, or are impacted by, the Company's business activities across the Company's upstream and downstream value chains. The Company's stakeholders include, but are not limited to, shareholders, employees, the Board, local communities, landowners, partners, utilities, regulators, lenders, suppliers, and society as a whole.

Dialogue with stakeholders takes place in various ways, including through quarterly webcasts, General Meetings, townhalls, public consultations, conferences, regular digital and physical meetings and ongoing communication through the Company's website and email. The Company also regularly reports on its activities and progress through its website, press releases, the Annual and Sustainability Report and media interviews. The stakeholder dialogue is important for the Company to foster transparency, trust, and collaboration. The dialogue ensures that the Company's Board and management are aware and prepared to address relevant emerging issues, material risks and opportunities.

In 2024, the Company initiated a targeted dialogue with some of its larger shareholders and other stakeholders to benchmark its material sustainability topics against their expectations. This dialogue confirmed alignment between the Company's main focus areas and stakeholder priorities. Through this process, two sustainability topics were specifically highlighted: supply chain risks associated with greenfield projects, particularly for solar and batteries, and waste management, including circularity. In response, the Company evaluated these topics to ensure alignment with the evolving risk landscape. While supply chain risks are an integral part of the Company's material sustainability topics, waste management and circularity were added as new material topics. These updates ensure the Company's material topics remain relevant and responsive to stakeholder expectations.

## Material sustainability topics

Orrön Energy's material sustainability topics, which are the focus of this report, are listed below. These topics are closely aligned with the Company's overall risk management process and have been identified based on the views and interests of internal and external stakeholders such as employees, shareholders, lenders, industry organisations, landowners, local communities and regulators.

**Material sustainability topics:**
- **Climate change and the energy transition**: Support global decarbonisation and energy security by increasing renewable energy production and installed capacity.
- **Environmental impact and biodiversity protection**: Minimise environmental impact and safeguard biodiversity through assessments, targeted projects and proactive management of impacts.
- **Waste management and circularity**: Promote resource efficiency in procurement and business activities, adopt circular economy principles to increase recycling levels and reduce waste.
- **Safe operations**: Ensure health and safety of employees, contractors and safeguard local communities.
- **Strong and inclusive communities**: Foster positive relationships with local communities through ongoing dialogue, public consultations and transparent communication.
- **Governance and ethics**: Uphold high standards of corporate governance, ethical business practices and regulatory compliance.

## Climate change and the energy transition

Climate change is one of the biggest challenges of our time, and the world needs to transition to energy sources with lower greenhouse gas emissions to limit global warming and achieve global climate targets. The energy transition will require a significant increase of renewable energy generation, with wind and solar power being highlighted as crucial to achieve these objectives. Given the intermittency of renewable energy, energy storage also plays an important role in the energy transition, due to its ability to balance supply and demand in power systems. These technologies form a core part of the Company's business model and commitment to continue investing in renewable energy and technologies to help drive the energy transition.

**Contributing to the Paris Agreement and EU's climate goals**
The Paris Agreement has set out a goal to limit global warming to well below two degrees from preindustrial levels. This is backed by renewables targets as set by the EU to both reduce carbon emissions and secure energy supplies in Europe, which will require massive investments over the coming years. The EU has announced a target of 42..5 percent renewable energy by

2030, requiring nearly double the renewable energy capacity compared to 2023 levels. By both producing and investing in the development of renewable energy, the Company is actively contributing to this goal. The EU also seeks to simplify and accelerate processes for permitting new energy projects with its initiative REPowerEU, which is set to further incentivise the expansion of renewable energy in Europe.

**Climate change**
Orrön Energy is committed to supporting the energy transition and mitigate the effects of climate change through supplying and investing in renewable energy. By increasing the renewable energy generation in its countries of operation, Orrön Energy directly contributes to mitigating climate change while enhancing energy security for future generations.

In 2024, the Company produced a total of 907 GWh of renewable energy in the Nordics, corresponding to over 200,000 tons of $CO_2e$ avoided, based on the average EU-27 mix as published by the IEA. This is equivalent to powering around 250,000 European households.

**Carbon responsibility**
The Company recognises that although its core business activities significantly contribute to the energy transition, some of its business activities do result in direct and indirect carbon emissions. The Company is fully committed to identifying and implementing measures to reduce its carbon footprint. In 2023, the Company mapped its direct Scope 1 and 2 carbon emission sources. In 2024, the Company mapped its indirect Scope 3 carbon emissions, to bring further transparency to its climate impact and enabling targeted reduction strategies.

**Achieving carbon neutrality – Scope 1 and 2**
In 2024, the Company achieved a significant milestone in its sustainability journey by becoming carbon neutral across its Scope 1 and 2 emissions. This achievement was made possible through:
- Offsetting Scope 1 residual emissions with high-quality carbon offsets.
- Actively reducing Scope 2 (market-based) emissions to zero through fossil-free agreements with its largest electricity suppliers and cancellation of the Company's own Guarantees of Origins.

The Company is dedicated to continuing to explore opportunities to minimise its own climate impact, while actively contributing to the decarbonisation of energy systems by supplying renewable energy. This dual approach ensures that carbon responsibility is integrated across the Company's operations and drives substantial progress towards a sustainable future.

**Orrön Energy's carbon emissions**
The following section provides more detailed information around Orrön Energy's carbon emission sources and reporting principles. The carbon emissions have been identified and reported in line with the Greenhouse Gas Protocol (GHG Protocol). The carbon emissions are reported based on the equity approach, and the Company has aligned its reporting with its proportionate financial reporting to reflect the Company's proportionate ownership of assets. This reporting boundary has been chosen to fairly reflect the Company's climate impact. The organisational boundary includes Orrön Energy AB and its affiliates in Sweden, Finland, Switzerland, UK, Germany, and France.

| Carbon emissions ($tCO_2e$) | 2024 | 2023 |
|---|---|---|
| Scope 1 | 13 | 12 |
| Scope 2 (market based)[1] | 0 | 614 |
| **Total GHG emissions (Scope 1 and 2)** | **13** | **626** |
| High-quality carbon offsets applied ($tCO_2e$) | -13 | – |
| Net emissions post-offsets (Scope 1 and 2) | 0 | 626 |
| **Scope 3** | **581** | **N/A**[2] |
| Category 1: Purchased goods and services | 345 | N/A[2] |
| Category 2: Capital goods | 142 | N/A[2] |
| Category 5: Waste generated in operations | 24 | N/A[2] |
| Category 6: Business Travel | 70 | N/A[2] |
| **Total GHG emissions** | **581** | **626**[2] |
| Total energy consumed (MWh) | 3,286 | 2,377 |
| Scope 1 and 2 $CO_2e$ intensity in g/kWh produced, prior to carbon offsets | 0.01 | 0.82 |

1 Starting from 2024, the Company uses market-based Scope 2 emissions in the overall calculation and reporting of its GHG emissions, as these represent carbon emissions that the Company can influence through targeted actions. The Company's location-based Scope 2 emissions based on the average grid emission intensity, amounted to 93 $tCO_2e$ in 2023 and 95 $tCO_2e$ in 2024.
2 The Company mapped its Scope 3 carbon emissions in 2024. No data is available for the comparative period of 2023.

**Scope 1 emissions** cover the Company's direct carbon emission sources. This category consists of emissions from company-owned cars used for business activities, such as regular maintenance at operational facilities. These emissions are quantified based on fuel consumption and corresponded to emissions of 13 $tCO_2e$ in 2024, which is in line with the levels reported in 2023.

In 2024, the Company continued expanding its business activities across Europe and added electric vehicles to its car fleet. This enabled the Company to grow its business without causing material increase of its direct carbon footprint. Furthermore, the Company reduced its Scope 1 carbon emissions intensity per GWh produced electricity by around 10 percent compared to 2023 levels, which demonstrates the Company's ability to achieve sustainable growth. The Company remains committed to further reducing its absolute Scope 1 carbon emissions.

To achieve carbon neutrality in 2024, the Company utilised high-quality carbon offsets certified under the Verified Carbon Standard (VCS) combined with tree planting efforts in the UK.

**Scope 2 emissions** cover the Company's indirect carbon emissions linked to energy consumed in offices and electricity used by wind power facilities to power operational functions such as turbine rotations, blade pitching, de-icing systems and curtailments. In 2024, the Company's total energy consumption amounted to 3,286 MWh. The total energy consumption increased in 2024, mainly as a result of a full year impact of the Karskruv wind farm and was slightly impacted by increased electricity consumption from voluntary production curtailments.

At the end of 2023, the Company entered into carbon-free agreements with its largest electricity suppliers, covering around three-quarters of its operational portfolio. This resulted in a significant reduction in the market-based Scope 2 carbon emissions compared to 2023 levels. The Company compensated for the remaining energy consumption by cancelling its own Guarantees of Origins, achieving zero market-based Scope 2 emissions in 2024.

**Scope 3 emissions** were mapped in 2024 in accordance with the categories outlined by the GHG Protocol, which forms the base year for the Company's Scope 3 reporting. These emissions are calculated using a combination of supplier-specific data, hybrid methods, and industry estimates to achieve a high level of accuracy. The Company prioritises the use of the most specific and accurate data available, with ongoing initiatives aimed at further enhancing the data.

The Company's Scope 3 emission sources include cradle-to-gate emissions of material components related to operations and developments, emissions from transportation and maintenance services provided by third-parties, waste, and business travel. The Company reports emissions from four material categories, which are detailed below. These categories have been assessed as material for the Company's indirect carbon footprint.

**Category 1: Purchased goods and services**
The Company reports carbon emissions associated with third-party services and goods used for regular maintenance activities, including operational services and procurement of grease and oil for operational facilities. The data used is a combination of actual data and estimates for certain wind farms to fill the gaps where specific data is unavailable.

**Category 2: Capital goods**
This category includes cradle-to-gate emissions from the Company's development and construction projects, which is reported on a project basis and includes indirect emissions related to the raw materials extraction, manufacturing, transportation, and installation services. In 2024, the Company constructed a 1 MW battery project in Sweden, which contributed to the Company's Scope 3 emissions. Emissions related to the battery project are a combination of supplier specific data and industry estimates.

**Category 5: Waste generated in operations**
Waste is generated at the Company's operational facilities, such as oil, grease, and cardboard. From a materiality point of view, waste from the Company's offices has been excluded. Waste emissions are calculated using a hybrid approach, combining site-specific data provided by the waste management provider for certain assets and estimated data to address gaps where specific data is unavailable. The emission factors are based on information from the waste management provider, taking into account recycling rates.

**Category 6: Business Travel**
Business travel, particularly for project development, site visits, and stakeholder engagement, also contributes to Scope 3 emissions. These emissions are calculated based on information from the Company's travel booking platform. To account for travel activities that may occur outside of this platform, but on behalf of the Company, a ten percent buffer is added to the calculated emissions.

The Company actively seeks to manage these emissions by favouring low-carbon travel options when feasible and by using virtual meetings when appropriate.

**Managing Scope 3 carbon emissions**
As the Company continues to expand its development portfolio and develop new projects, the absolute Scope 3 emissions may temporarily increase during years with ongoing construction activities. However, these emissions are associated with the development of long-term assets that will drive renewable energy generation capacity and contribute to the global energy transition.

More energy-efficient extraction, production, and manufacturing processes, along with the use of less carbon-intensive materials, are expected to reduce Scope 3 emissions from the upstream value chain in the future, and more efficient recycling processes are expected to reduce the indirect emissions downstream. The Company is committed to reducing its Scope 3 emissions by collaborating with suppliers to promote sustainable practices throughout the value chain, both upstream and downstream.

**Climate-related risks**
The Company's operational assets and development projects are located onshore and may therefore be subject to physical climate-related risks. In 2024, the Company conducted a climate risk assessment of its operational assets and development projects to map and evaluate the resilience of its asset portfolio and identify necessary mitigation measures and monitoring protocols.

To mitigate the physical climate-related risks in the operational portfolio, the Company continuously evaluates the evolving risk landscape, with region-specific monitoring and response systems alongside operational strategies.

The Company's large-scale greenfield projects undergo early-stage assessments for climate-related risks and vulnerabilities of the project site during the zoning, screening, and permitting stages, well before any development begins. The Company integrates climate change adaptation into the planning process, and resilient design solutions will be implemented to meet the specific needs of each project location.

More information on how the Company manages risks relating to climate change can be found in the section Risk Management on pages 21–23.

## EU taxonomy


The EU Taxonomy regulation is a system for classifying economic activities based on their environmental impact, aimed at helping investors understand whether an investment is environmentally sustainable. In 2024, the Company assessed its operational assets, greenfield portfolio and economic activities in line with the EU Taxonomy and developed a framework for self-assessing future projects against the EU Taxonomy criteria. To confirm alignment, the Company commissioned a third-party to review this assessment and conduct a detailed review based on a selection of ten wind farms which together contribute to around two-thirds of the Company's power generation.

**Eligibility Assessment**
The Company has assessed its economic activities against the EU Taxonomy criteria and identified key eligible activities consisting of wind power, solar energy, and battery storage. These activities form a core part of the Company's business and financial results.

**Do No Significant Harm (DNSH) Criteria**
Climate Adaptation
The Company has conducted a climate risk assessment of its operational assets and greenfield portfolio to evaluate the resilience to physical climate risks. The assessment identified potential climate-related risks, such as an increased risks of wildfires, erosion and changes in wind and precipitation pattens, and the Company has measures in place to monitor and mitigate negative impacts. Resilience planning is also integrated into new developments from an early project stage.

Biodiversity and Ecosystems
The Company has assessed its operational assets against the EU Taxonomy's DNSH criteria. The majority of the Company's assets have undergone an Environmental Impact Assessment (EIA), including a thorough habitat survey, strict environmental requirements in terms of environmental and biodiversity protection, and with regular performance reporting to authorities in place. Based on this evaluation, the Company assesses that all of its operational assets subject to EIAs fulfil the EU Taxonomy requirements of DNSH to biodiversity and ecosystems.

For operational assets that have not undergone an EIA, an environmental screening has been conducted, with regular environmental reporting protocols and monitoring processes in place. For wind farms, the Company specifically evaluated their proximity to biodiversity-sensitive areas and the adequacy of environmental reporting and monitoring protocols.

When the Company acquires assets in the future, a self-assessment based on the aforementioned criteria will be used to evaluate compliance with DNSH requirements.

The Company's large-scale development projects are developed with a strong focus on biodiversity and ecosystem preservation. The Company actively seeks to avoid high-biodiversity zones during the planning phase and implements mitigation strategies to minimize impact on nature and biodiversity. Large-scale greenfield projects are expected to undergo extensive habitat surveys and EIAs prior to construction.

For smaller development projects, the aim will be to conduct an environmental screening to outline the environmental impact, including monitoring and mitigation measures. The Company also aims to enhance biodiversity through targeted projects. In 2024, the Company constructed a battery project of 1 MW and initiated a biodiversity enhancement project close to the project location. The project has not been subject to an environmental screening and is therefore in the Company's assessment not considered to be aligned, but eligible for EU Taxonomy alignment. The battery was constructed on a gravel road, avoiding deforestation and minimizing environmental impact.

Based on this evaluation, the Company assesses that all of its operational assets or development projects subject to EIA requirements or environmental screenings, with sufficient safeguards in place for the environment and biodiversity, are aligned with the EU Taxonomy's DNSH requirements for biodiversity and ecosystems.

**Transition to a Circular Economy**
The Company has a waste management process designed to minimise environmental impact and promote resource efficiency. This process focuses on minimising waste and increasing recyclability. To address this, the Company collaborates with reputable partners to seek to increase recycling levels and will seek to explore solutions for recycling and repurposing of wind power blades in future repowering activities.

**Compliance with Minimum Social Safeguards**
The Company adheres to a robust governance framework aligned with internationally recognized principles to ensure its business activities are conducted in line with the highest ethical standards. The Company's Code of Conduct outlines its commitment to human rights, labour rights, and anti-corruption measures, fulfilling the EU Taxonomy's minimum safeguard requirements. The Company has a due diligence process in place, along with a Contractor Declaration that outlines the Company's expectations and requirements throughout the supply chain.

**Continuous Monitoring and Reporting**
The Company has monitoring and reporting protocols in place to maintain alignment with the EU Taxonomy. These include regular assessments of its wind farms to ensure ecological conditions are preserved, with self-reporting against environmental performance criteria, and yearly environmental reports to evaluate performance. This approach ensures transparency for stakeholders and that the Company's activities do not significantly harm biodiversity or ecosystems.

**EU Taxonomy KPI:s**
Orrön Energy reports its Taxonomy alignment based on the Company's consolidated financial results. In 2024, the Company's turnover and operating expenses were generated from its operational wind farms, which are aligned with the EU Taxonomy requirements. A non-material portion is attributed to the battery project, which is not considered to be aligned with the EU requirements, and this has been rounded off as it accounts for less than 0.1 percent.

In 2024, 95 percent of the Company's CapEx was aligned with the EU Taxonomy and related to operational assets and the Company's greenfield business. Five percent of the Company's CapEx was eligible for EU Taxonomy alignment and related to a battery project (see above under the "Do No Significant Harm (DNSH) Criteria).

## Environmental impact and biodiversity protection

Orrön Energy's Environmental Policy outlines the objectives and expectations for its operations, with procedures in place to minimise environmental impact and safeguard biodiversity. The Company operates and develops renewable energy projects in Sweden, Finland, the UK, Germany, and France —countries with strict environmental regulations and biodiversity protection. Orrön Energy follows both regulatory requirements and industry best practices to uphold high environmental and biodiversity standards.

All of the Company's operational wind farms have undergone an environmental impact assessment or screening, which is supported by regular monitoring and self-reporting at each project location to address site-specific monitoring programmes. These programmes are designed to minimise and mitigate negative impacts and include measures such as bird surveys at specific sites, and waste management procedures to ensure responsible waste disposal. Annual environmental reports are produced to summarise the results of these monitoring programmes.

Construction and development projects are subject to a rigorous planning and approval process by authorities, where environmental and biodiversity protection is an integral part. Projects are planned and constructed to minimise negative impacts on the surrounding environment and local communities. Special consideration is taken to protect the natural environment around operational assets and actions are implemented to prevent, manage, and mitigate any negative impacts. Site-specific measures can include production curtailments on wind farms during periods of bird or bat migration, as well as regular bird surveys.

**Environmental impact**
For the Company's operational wind farms, the main environmental impacts relate to visibility, noise emissions and shadow formation.

The visual impact of wind farms is considered during the planning and construction phase and is subject to public hearing processes. During re-powering, the visual and environmental impact can be reduced by changing the characteristics of an existing wind farm and building fewer turbines with higher capacity.

Noise levels are strictly regulated and assessed both prior to construction and controlled once the wind farm becomes operational. The maximum allowable limit varies between 35 and 45 decibels depending on location. The Company is using renowned suppliers to ensure technical equipment, such as blades on wind farms, adheres to the highest technical standards. For the Company's largest wind farms, the blades are equipped with the latest technology to minimise noise.

Shadow flicker occurs when the sun is shining through the rotating blades of a wind turbine, casting a moving shadow. Systems to minimise shadow flicker are installed on a number of wind turbines close to residents, with requirement for shadow flicker set at a maximum of eight hours per year per resident.

A wind turbine has an average lifespan of around 30 years, and the Company has ongoing projects aiming at extending asset lifetimes and maximising the use of existing land and grid connections by co-locating wind power with solar energy and battery solutions. By using existing facilities and infrastructure, the Company is able to optimise its operational performance and add more renewable capacity without degrading land resources. If a wind turbine is no longer deemed suitable for life extension activities, the primary strategy will be to repurpose the existing facilities and infrastructure, and replace the wind turbine with another type of renewable energy, such as solar or batteries.

The Company seeks to avoid deforestation and minimise the environmental impact of its greenfield projects by favouring the use of industrial sites or farmland where feasible. Where deforestation cannot be avoided, the Company will implement actions and have mitigation plans in place to minimise negative impacts on the environment and contribute to local ecosystems.

**Biodiversity protection**
Biodiversity protection is a cornerstone of the Company's environmental efforts, and includes ongoing activities designed to monitor and reduce potential negative impacts on local ecosystems. Recognizing the delicate balance of nature, the Company employs a comprehensive approach to safeguard biodiversity at all stages of its operations. Special attention is given to protecting endangered species, birds, and bats, around the wind farms. The Company has implemented targeted nature conservation projects near migratory flyways and breeding territories to mitigate potential risks to these species.

Orrön Energy is developing projects to further enhance biodiversity in areas around its operational assets. These projects aim to restore natural habitats and promote a thriving ecosystem. In 2024, the Company contributed to the restoration of a lake meadow next to one of its battery projects. The restoration is expected to benefit a variety of vulnerable species by enabling a unique habitat anticipated to last for 25 years. It is set to contribute positively to local biodiversity and provide ecological benefits, particularly for fauna and bird populations. The Company also has ongoing projects for planting wildflowers, which not only adds to the visual appeal of the land but also encourages the growth and establishment of bee populations. This is crucial given the global decline of bees, which play an essential role in maintaining ecosystem health. In addition, the Company collaborates with local farming communities on grazing projects. Grazing by livestock helps to maintain grassland biodiversity by preventing the overgrowth of certain plant species, thereby supporting a diverse range of flora and fauna.

Orrön Energy is integrating biodiversity and environmental considerations into every stage of the planning and development of greenfield projects. If the Company identifies a biodiversity-sensitive area during the screening and zoning phase, the primary goal is to avoid this area when possible. When avoidance is not feasible, the Company implements tailored mitigation efforts to reduce the impact on biodiversity. This may involve adjusting turbine placements, solar panels or battery facilities to avoid key habitats, creating buffer zones, using wildlife corridors, and designing infrastructure that accommodates the natural movement and behaviour of local species.

In the UK, Orrön Energy is setting an industry-leading standard by developing large-scale greenfield projects that target a minimum of 10 percent biodiversity net gain.

This approach ensures that each project will result in a measurable improvement in biodiversity, going beyond simply mitigating environmental impact to creating positive ecological outcomes that benefit wildlife, habitats, and overall ecosystem health.

To ensure continued biodiversity protection, the Company integrates risk management into its environmental strategy. Regular monitoring and assessment of potential environmental risks are conducted to proactively address and mitigate issues. More information around how the Company manages risks relating to environmental impact and biodiversity protection can be found in the section Risk Management on pages 21–23.

In 2024, no significant impact on the environment and no significant spills were recorded. A fire occurred at one wind turbine during the year, which was safely managed with no personal injury or material environmental impact. A thorough investigation has been conducted to understand the root cause and identify preventive measures.

## Safe operations

Health and safety are core priorities for Orrön Energy, and the Company maintains a strong focus on the health and safety of both employees and contractors. It is the Company's responsibility to identify and mitigate potential risks, and to ensure that the workforce has a safe and healthy working environment. The Company's aim is to achieve zero serious incidents, for all employees and contractors.

| Health and safety | 2024 | 2023 |
|---|---|---|
| **Employees** | | |
| Work-related injuries | 0 | 0 |
| Lost Time injuries | 0 | 0 |
| Fatalities | 0 | 0 |
| **Contractors** | | |
| Work-related injuries | 0 | 0 |
| Lost Time injuries | 0 | 0 |
| Fatalities | 0 | 0 |

The Company's Health and Safety Policy states that priority shall always be given to prevent harm to the workforce. For all operational activities, risk assessments, including identification of potential hazards, shall be performed.

The Company employs technicians and other staff who regularly undertake field work, including service and maintenance of wind turbines. All of the Company's wind farm technicians are internationally certified according to the Global Wind Organisation (GWO) requirements or equivalent, which sets safety standards for personnel working in the wind power industry. In line with the GWO standards, safety training is conducted on a regular basis, with bi-yearly certification periods and regular health checks. In addition, the technicians hold all necessary electrical safety certificates.

For the Company's construction projects all workforce, contractors and visitors are subject to safety induction sessions to be informed of site-specific safety guidance and the importance of reporting all safety observations and incidents. Orrön Energy has established a no-blame policy, and the workforce is aware that reporting incidents is fundamental for lessons learned and to prevent reoccurrences. All serious incidents are investigated to identify learnings and improvement actions to prevent reoccurrences. The Company's Health and Safety Policy ensures that individuals will not face reprisals during this process.

The Company also uses contractors to carry out work at operational sites, such as maintenance at sites located far away from the Company's technical office, and to work on various projects. Contractors are chosen and assessed with respect to health, safety, and environment and quality.

More information around how Orrön Energy manages risks related to health and safety can be found in the section Risk Management on pages 21–23.

## Strong and inclusive communities

Orrön Energy views strong community engagement as being essential to the success of the business and is collaborating with several local organisations to support and contribute to the local communities around its operational assets. This includes for example collaboration with local stakeholders such as farmers, landowners, and hunting clubs. In addition, local workforce and businesses are utilised where possible during construction activities.

The Company is striving to have a positive social impact through its operational activities, and contributes to local communities in the form of community funds, taxes, and work opportunities among others to support communities throughout the lifecycle of the assets.

**Wider societal impact**
The Company is a long-term supporter of the Lundin Foundation, a non-profit organisation focused on strategic community investments that pave the way for long-term economic prosperity. Measured across a range of programs, these investments positively impact communities, small businesses, and social and environmental innovations across the globe.

## Governance and ethics

Orrön Energy conducts its business in line with the highest standards of business ethics, in line with the Company's Code of Conduct. The Company's business model rests on the commitment to carry out all activities in an ethical and responsible manner, while creating a positive impact for the Company's stakeholders and shareholders.

Everyone working for Orrön Energy is required to abide by the Code of Conduct and thereby contribute to the Company's success. The Company conducts a yearly training to bring awareness to corporate ethical compliance, anti-corruption, anti-bribery, and whistleblowing procedures, among others.

**Promoting a diverse and engaged workforce**
Consistent with the Company's Code of Conduct, Orrön Energy values diversity and recognises the benefits of attracting a broad pool of qualified employees, encouraging employee retention and building high performance teams. As set out in the Company's Diversity Policy, Orrön Energy promotes equal opportunities and no job applicant or employee shall be discriminated in any area of employment or business regardless of individual characteristics.

In 2024, there were no cases reported involving discrimination.

**Protecting and enforcing human rights**
As set out in the Company’s Human Rights Policy, Orrön Energy endorses the United Nations Declaration of Human Rights and the United Nations Global Compact Principles and is fully committed to meet its responsibilities towards employees, contractors and other stakeholders in the value chain, including suppliers.

There were no cases reported involving human rights issues in any area of activity in 2024.

**Responsible supply chains**
The Company conducts supply chain due diligence for material procurement activities, to reduce and manage potential sustainability risks and uphold high ethical standards. To reinforce this commitment, Orrön Energy requires suppliers to sign the Company’s Contractor Declaration. This declaration sets clear expectations regarding ethical conduct, adherence to international human rights standards, and environmental responsibility across the suppliers’ operations and wider value chains. Suppliers are also required to meet specified quality standards and comply with the principles outlined in the Company’s Code of Conduct.

In 2024, Orrön Energy conducted a review of its due diligence procedure and supply chain risks to better understand and address potential environmental, social, and governance concerns associated with its business activities. The review identified heightened risks for negative human rights and environmental impact in the procurement of batteries and solar panels, particularly when sourced from high-risk regions. Following this review, the Company strengthened its due diligence procedure, placing a greater focus on increased transparency around the provenance of procured materials.

Through these measures, the Company enforces compliance with sustainability principles across both direct and indirect supply chains.

**Whistleblowing policy**
The Company’s whistleblowing policy provides a means for employees, contractors and other stakeholders to raise legitimate concerns regarding misconduct in the workplace and the wider value chain. Whistleblowers’ identities are kept anonymous upon request and are protected against retaliation. Orrön Energy has a whistleblowing system enabling reporting at any time through an e-mail designated for whistleblowing. All whistleblowing reports are duly investigated and reported to the Board of Directors.

In 2024, no whistleblowing cases were reported.

**Anti-corruption, anti-fraud and anti-money laundering policy**
The Company’s anti-corruption, anti-fraud and anti-money laundering policy ensures that everyone working for or on behalf of the Company understands what activities constitute corruption and that all forms of corruption are strictly prohibited at Orrön Energy. Compliance trainings are conducted on a regular basis, and the Company encourages alleged cases to be reported. All alleged cases of corruption are investigated, and appropriate actions are taken. Anti-corruption forms part of contractor evaluations. In the event of non-compliance and depending on the severity thereof, contracts may be terminated, or remedial actions sought. Under the Policy, political donations and lobbying are also prohibited.

In 2024, there were no cases of corruption, facilitation payments, fraud, money laundering, anti-competitive behaviour, fines or non-monetary sanctions for non-compliance. The Company does not have any political involvement and does not actively take part in lobbying activities. There were no financial contributions made to political groups.

**Other relevant governing policies**
In line with ethical best practice and transparency, all governing policies are publicly available on Orrön Energy’s website. These also include the following policies:

- Stakeholder engagement policy: Outlines how to define stakeholders throughout the Company’s activities, and the engagement method to adopt depending on the nature of the impact, interest, and stakeholder influence.
- Information policy: To contribute to an effective exchange of information with investors, analysts, business partners, employees and other stakeholders, and to ensure all information is handled in a secure way.
- Competition law policy: To contribute to protect free competition in the market and prohibit agreements, practices and conduct, which have a damaging effect on competition.
- Tax policy: To ensure that tax practices comply with laws, regulations, and that income and costs are allocated to appropriate entities in accordance with the OECD Transfer Pricing Guidelines and business rationale.

## GRI index

Orrön Energy has reported the information cited in this GRI content index for the reporting period 1 January 2024 to 31 December 2024, with reference to the GRI standards.

| Disclosure | Description | Reference/page number |
|---|---|---|
| **General disclosures** | | |
| **The organisation and its reporting practices** | | |
| 2-1 | Organisational details | Page 6 |
| 2-2 | Entities included in the organisation's sustainability reporting | Page 6 |
| 2-3 | Reporting period, frequency and contact point | Page 83 |
| 2-4 | Restatements of information | Page 11 |
| 2-5 | External assurance | Pages 75–78 |
| **Activities and workers** | | |
| 2-6 | Activities, value chain, and other business relationships | Page 11 |
| 2-7 | Employees | Pages 17, 59 |
| 2-8 | Workers who are not employees | Page 17 |
| **Governance** | | |
| 2-9 | Governance structure and composition | Pages 11, 25–26 |
| 2-10 | Nomination and selection of the highest governance body | Page 27 |
| 2-11 | Chair of the highest governance body | Page 26 |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Pages 11, 27 |
| 2-13 | Delegation of responsibility for managing impacts | Page 11 |
| 2-14 | Role of the highest governance body in sustainability reporting | Page 11 |
| 2-15 | Conflicts of interest | Page 35 |
| 2-16 | Communication of critical concerns | Page 18 |
| 2-17 | Collective knowledge of the highest governance body | Page 27 |
| 2-18 | Evaluation of the performance of the highest governance body | Page 27 |
| 2-19 | Remuneration policies | Remuneration Report, Pages 7-9 |
| 2-20 | Process to determine remuneration | Remuneration Report, Pages 2-6 |
| **Strategy, policies and practices** | | |
| 2-22 | Statement on sustainable development strategy | Page 11 |
| 2-23 | Policy commitments | Pages 17–18, 25 |
| 2-24 | Embedding policy commitments | Pages 17–18, 25 |
| 2-25 | Processes to remediate negative impacts | Page 18 |
| 2-26 | Mechanisms for seeking advice and raising concerns | Page 18 |
| 2-27 | Compliance with laws and regulations | Page 24 |

| Disclosure | Description | Reference/ page number |
|---|---|---|
| **Stakeholder engagement** | | |
| 2-29 | Approach to stakeholder engagement | Page 12 |
| **Material topics** | | |
| 3-1 | Process to determine material topics | Page 12 |
| 3-2 | List of material topics | Page 12 |
| 3-3 | Management of material topics | Page 12 |
| **GRI 201: Economic performance** | | |
| 201-1 | Direct economic value generated and distributed | Pages 9, 60 |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Page 21 |
| 201-3 | Defined benefit plan obligations and other retirement plans | Remuneration Report, Pages 3-6 |
| **GRI 205: Anti-corruption** | | |
| 205-1 | Operations assessed for risks related to corruption | Page 18 |
| 205-2 | Communication and training about anticorruption policies and procedures | Page 17 |
| 205-3 | Confirmed incidents of corruption and actions taken | Page 18 |
| **GRI 206: Anti-competitive behavior** | | |
| 206-1 | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practice | Page 18 |
| **GRI 302: Energy** | | |
| 302-1 | Energy consumption within the organisation | Page 13 |
| **GRI 304: Biodiversity** | | |
| 304-2 | Significant impacts of activities, products and services on biodiversity | Page 16 |
| **GRI 305: Emissions** | | |
| 305-1 | Direct (Scope 1) GHG emissions | Page 13 |
| 305-2 | Indirect (Scope 2) GHG emissions | Pages 13–14 |
| 305-3 | Other indirect (Scope 3) GHG emissions | Pages 13–14 |
| **GRI 306: Effluents and Waste** | | |
| 306-3 | Significant spills | Page 17 |
| **GRI 403: Occupational health and safety** | | |
| 403-1 | Occupational health and safety management system | Page 17 |
| 403-2 | Hazard identification, risk assessment, and incident investigation | Page 17 |
| 403-3 | Occupational health services | Page 17 |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | Page 17 |
| 404-5 | Worker training on occupational health and safety | Page 17 |
| 403-9 | Work-related injuries | Page 17 |
| **GRI 405: Diversity and equal opportunity** | | |
| 405-1 | Diversity of governance bodies and employees | Pages 17, 24 |
| **GRI 406: Incidents and discrimination and corrective actions taken** | | |
| 406-1 | Incidents of discrimination and corrective actions taken | Page 14 |
| **GRI 413: Local communities** | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programmes | Page 13 |

# Risk Management

**Orrön Energy places risk management responsibility at all levels within the Company to continually identify, understand and manage threats and opportunities affecting the business. This enables the Company to make informed decisions and to prioritise control activities and resources to deal effectively with any potential threats and opportunities.**

Orrön Energy's business is exposed to changes in energy prices, which in turn are dependent on macro-economic factors and geopolitical conditions. The Company's operations impact the surrounding environment and operational processes are associated with occupational health and safety risks. As a growing business with an expanding geographical and operational scope, the operational risks evolve, requiring continuous adaptation and risk management.

**Access to land, grid connections and permits**
**Risk:** The construction, operation, and life extension of renewable assets require the Company to obtain, maintain and renew necessary permits, leases, grid connections, and rights. Inconsistent or shifting government policies, opposition from local stakeholders, or lengthy bureaucratic procedures may lead to project delays, increased costs, or the inability to secure necessary approvals. Failure to receive necessary approvals could impact the ability to maintain or increase the Company's power generation over time.
**Response:** The Company's asset managers continuously ensure that valid permits, leases, grid connections, and rights are being maintained for each asset in the portfolio. A continuous and open dialogue helps to develop the business and this exchange of information increases the Company's awareness of stakeholder issues, risks, and opportunities. This risk is also managed through the Company's screening process when searching for new projects where these factors are always considered.

**Changes in laws, tax and regulations**
**Risk:** Operations are subject to environmental, tax and other regulations. Changes to applicable laws and regulations could negatively affect the Company, lead to investigations, litigations, negative financial impact, reputational damage and cancellation or modification of contractual rights.
**Response:** Orrön Energy monitors legal developments in relevant fields, follows up and ensures compliance with and adherence to applicable laws and regulations. A robust corporate governance framework is in place to ensure the Company acts in accordance with best business practice and high standards of corporate citizenship.

**Climate change**
**Risk:** Global warming may lead to gradual climate changes, such as shifts in wind patterns, rising temperatures, increasing sea levels as well as more acute weather events such as storms, landslides, and wildfires, which could impact the Company's operational assets.
**Response:** As a renewable energy producer, Orrön Energy is making a significant contribution to mitigate the effects of climate change by increasing the share of renewable power generation in its countries of operation. In 2024, the Company conducted a physical climate risk assessment for its operational assets, identifying key climate-related risks, with a plan in place to manage these risks. The Company will continue to evaluate risks and opportunities related to climate change and will seeks to reduce both transitional and physical climate related risks.

**Cyber security**
**Risk:** There is potential for cyber intrusion into the Company's systems or networks leading to financial loss, data and information loss, data privacy infringement, and system irregularities.
**Response:** To minimise the likelihood of cyber security risks, the Company is working across the organisation with risk management to analyse, evaluate, and treat cyber security risks. The Company focuses on preventive actions including awareness campaigns and training on cyber security risks.

**Digital disruption, new technology and AI**
**Risk:** Failure to adapt to emerging technologies, integrate AI effectively, data privacy, or ethical use of AI may result in operational inefficiencies, loss of market share, reputational harm, and increased regulatory scrutiny.
**Response:** To address this risk, Orrön Energy continuously monitors the development of emerging technologies, AI advancements, and evolving data privacy regulations to ensure compliance efficiency, and responsible innovation. Employee awareness training on AI and data protection further strengthens the Company's ability to leverage technological advancements while maintaining compliance with regulatory requirements.

**Compliance**
**Risk:** Failure to comply with applicable laws and regulations, including but not limited to anti-bribery, anti-corruption, data privacy, and environmental laws, may result in substantial fines, penalties or legal proceedings. Such non-compliance could also harm the Company's reputation, erode stakeholder trust, and negatively impact financial performance and long-term sustainability.
**Response:** Orrön Energy operates according to the highest level of legal and ethical standards, ensured through the consistent application of the Code of Conduct and policies and procedures. Training is conducted to communicate expectations of legal compliance and ethical business conduct to staff. The Company's whistleblowing mechanism allows stakeholders to report any grievances on ethics and compliance, and helps to ensure protection exists when any individual reports on suspicions of wrongdoing.

**Financial reporting**
**Risk:** The risk associated with delayed or inaccurate financial information could adversely affect the delivery or quality of external reporting, posing a financial reporting risk for the Company. Such issues may result in regulatory action, fiscal uncertainty, shareholder lawsuits and loss of investor confidence.
**Response:** To address this risk, Orrön Energy has established a strong internal control framework, with well-defined financial processes in place. Internal controls are applied to the financial reporting process, which undergoes rigorous monthly management reporting procedures. The accuracy and reliability of financial reporting are further ensured through internal reviews and external audits.

**Interest rate and currency**
**Risk:** As a result of the Company carrying debt, a rise in interest rates risks affects the Company's earnings and cash flow potential. A foreign exchange risk exists in relation to market fluctuations of foreign currencies, given that the underlying value of the Company's assets is predominantly EUR denominated, whilst certain costs are denominated in other currencies.
**Response:** The exposure to interest rate and currency risks is continuously assessed and monitored. Hedging instruments may be used to manage this risk and the hedging process is subject to robust internal controls. The Company has modest leverage and aims to maintain a strong balance sheet to limit its exposure to negative impacts from rising interest rates.

**Liquidity and funding**
**Risk:** Investment and cost overruns or production underperformance may lead to the Company being unable to fund its financial commitments from cash flow, debt or equity.
**Response:** Orrön Energy mitigates this risk through conscious financial planning and by regular cash flow forecasting. Access to the equity capital markets is secured through an active investor relations strategy. The Company also strives to maintain an effective asset management strategy to sustain optimal asset performance levels to maximise cash flow and borrowing capacity.

**Low valuation of development projects**
**Risk:** The Company continuously invests in its portfolio of early-stage greenfield projects in onshore wind, solar and battery projects in the Nordics, the UK, Germany, and France. Inability to recover the value of investments made in development projects may constitute a risk for the Company.
**Response:** Orrön Energy mitigates this risk through careful feasibility studies and market analyses before initiating any development projects. The Company's business strategy for greenfield developments in the UK, Germany, and France specifically consists of developing and monetising large-scale projects prior to incurring significant development expenditures, which is also a mitigating factor. Additionally, robust financial controls and monitoring mechanisms throughout the project lifecycle allows for early identification of potential risks. Continuous reassessment and adaptation of strategies based on changing market dynamics and regulatory environments is integral to safeguarding the value of investments.

**Market conditions**
**Risk:** The Company's shareholder value is directly linked to its ability to meet stakeholder expectations, to generate value through existing business strategies and to adapt to changing market conditions. The geopolitical climate may lead to volatile market conditions which in turn impact the Company. Prolonged periods of low achieved electricity prices, escalating grid and other variable costs, heightened capture price discounts, inflation, or other market uncertainties have the potential to undermine the profitability of the Company's assets. Consequently, this could impact financial earnings, cash flow generation, and the overall liquidity position of the Company.
**Response:** The energy sector is accustomed to the highs and lows of economic and price cycles, and Orrön Energy mitigates the impact of fluctuating energy prices by maintaining a strong balance sheet, low cost base and flexible capital commitments to minimise the potential impact of weak market conditions. The Company has robust monitoring processes in place, such as the Asset Business Plan (long-term financial forecasting and liquidity tests), and assesses continuously the assets' valuation and debt capacity, enabling management to forecast a potential liquidity shortage well ahead of time. Through regular updates of the Asset Business Plan, the Company stress tests the business for a prolonged period of lower energy prices.

**Negative outcome in the litigations related to discontinued business**
**Risk:** The negative outcome in the tax litigation relating to land and building tax assessed for 2013 in relation to legacy offshore oil and gas exploration activities in Indonesia, poses a potential financial risk for the Company. The tax filings in Canada since 2006 in relation to both corporate income tax and withholding tax are under review by the Canadian Tax Office. See Note 17 Contingent liabilities and assets of the consolidated financial statements.
**Response:** Despite the negative outcome in the legal proceedings in Indonesia, the Company does not believe it is probable that the judgement will lead to any outflow of resources for the Group.

**Negative outcome in the Sudan process**
**Risk:** A negative outcome in the ongoing Sudan process concerning the indictment of two former representatives of the Company by the Swedish Prosecution Authority in relation to past activities in Sudan (1999–2003), poses a potential financial risk for the Company. This could include payment of financial compensation or penalties.
**Response:** The Company 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 could become payable. Despite the Company's confidence in a favourable outcome in Court it has a robust legal defence strategy and is actively defending itself in the legal process. More information on the case, why the Company believes it is unfounded and the ongoing legal process can be found on www.lundinsudanlegalcase.com.

**Reputational damage from the Sudan process**
**Risk:** The ongoing Sudan process concerning the indictment of two former Company representatives by the Swedish Prosecution Authority in relation to past activities in Sudan (1999–2003), poses a reputational risk for the Company. This could manifest in missed business opportunities, create adverse perceptions among investors, partners, and lenders, and potentially result in a negative impact on the Company's share price.
**Response:** Orrön Energy maintains a comprehensive strategy to mitigate the risk of a negative reputational impact from the ongoing legal case and continues to actively defend its interests both through the legal process and in the public domain. This includes transparent communication with stakeholders and engagement to ensure an open and informed dialogue. The Company is convinced that there are no grounds for any allegations of wrongdoing by any of its former representatives, and will continue to vigorously defend itself in the legal process. More information on the case, why the Company believes it is unfounded and the ongoing legal process can be found on www.lundinsudanlegalcase.com.

**Safe operations**
**Risk:** Failure to maintain safe operations, including adherence to health, safety, and environmental standards, could result in workplace accidents, injuries, negative impacts to local communities, leading to environmental damage and operational disruptions. Such incidents may lead to regulatory fines, reputational damage, and loss of stakeholder confidence, as well as negatively impact employee morale and overall business performance.
**Response:** Safe operations are a key priority for Orrön Energy and the Company maintains a strong focus on health and safety for both employees, contractors and local communities. All of the Company's wind farm technicians are internationally certified according to the Global Wind Organisation (GWO) requirements or equivalent, which sets safety standards for personnel working in the wind power industry. For operational activities, risk assessments are conducted, including the identification of potential hazards, and remote monitoring systems are in place to detect and address operational disruptions at an early stage. Individual safety measures are always adapted to local circumstances and may vary across the organisation and the various operational tasks. For example, employees and contractors involved in construction work, work in confined spaces or installation work at height are subject to specific safety measures. All serious incidents are investigated, and the Company's policies ensure that no individuals face reprisal during this process.

**Supply chain**
**Risk:** Supply chain disruptions, particularly for solar and battery components, could lead to strained capacity and delays in development projects. The reliance on concentrated production of solar panels and batteries to specific regions in the world poses additional geopolitical risks, including potential import duties, taxes, and bans on certain components. Limited access to rare-earth metals and other critical materials essential for renewable energy technology is another risk, which may potentially increase project costs and affect project timelines.
**Response:** Orrön Energy actively mitigates these risks through regular engagement with key suppliers to ensure timely procurement of components and spare parts. The Company has a diversified supplier base and monitors geopolitical developments to ensure supply chain resilience and reduced exposure to geopolitical risks. Where possible, spare parts are kept in stock to mitigate potential delays.

**Unscheduled interruption of production**
**Risk:** Production consists of several continuous processes, and any unplanned interruption of production can affect the Company's overall power generation and financial performance. Unplanned interruptions of production may occur due to for example unfavourable weather conditions, technical problems with the Company's producing assets or the overlying transmission grid, or accidents.
**Response:** Preventive maintenance is carried out at all wind and hydro power facilities. The goal is to minimise the impact for the Company, which is achieved by continuously developing prevention and mitigation efforts in the operations, and partly by introducing and developing groupwide insurance solutions. In addition, availability warranties are in place for a majority of the Company's power generation.

# Corporate Governance Report

**Contents**



This Corporate Governance Report has been prepared in accordance with the Swedish Companies Act (SFS 2005:551), the Annual Accounts Act (SFS 1995:1554) and the Swedish Corporate Governance Code and has been subject to a review by the Company's statutory auditor.

Orrön Energy reports no deviations from the Corporate Governance Code in 2024. There were no infringements of applicable stock exchange rules during the year, nor any breaches of good practice on the securities market.

Orrön Energy AB (publ), company registration number 556610-8055, has its corporate head office at Hovslagargatan 5, 111 48 Stockholm, Sweden and the registered seat of the Board of Directors is Stockholm, Sweden. The Company's website is www.orron.com.

### 2025 Annual General Meeting

The 2025 Annual General Meeting (AGM) will be held on 5 May 2025 at 11.00 CEST as a digital meeting combined with an option to vote by post in advance of the AGM. Shareholders may choose to exercise their voting rights at the AGM by attending online, through a proxy or by postal voting. Shareholders who wish to attend the meeting must be recorded in the share register maintained by Euroclear Sweden on the day falling six business days prior to the meeting, of if the shares are registered in the name of a nominee, request that the nominee registers the shares in their own name for voting purposes on the day falling four business days prior to the meeting, and must notify the Company of their intention to attend the AGM no later than the date set out in the notice of the AGM.

Further information about registration to and attendance at the AGM, as well as voting by mail or proxy, can be found in the notice of the AGM, available on the Company's website.

**Orrön Energy's corporate governance framework seeks to ensure that the business is conducted efficiently and responsibly, that responsibilities are allocated in a clear manner and that the interests of shareholders, management and the Board of Directors remain fully aligned.**

## Guiding principles of corporate governance

Orrön Energy is an independent, publicly listed renewable energy company, with high quality wind assets in the Nordics, coupled with growth opportunities in onshore wind, solar and batteries in the Nordics, the UK, Germany, and France. Orrön Energy applies a governance structure that favours straightforward decision-making processes, with easy access to relevant decision makers, while nonetheless providing the necessary checks and balances for the control of the activities, both operationally and financially. Orrön Energy's principles of corporate governance seek to:

- Protect shareholder rights
- Provide a safe and rewarding working environment to all employees and contractors
- Ensure compliance with applicable laws and best industry practice
- Ensure activities are carried out competently and sustainably
- Safeguard the well-being and interests of local communities and stakeholders

As a Swedish public limited company listed on Nasdaq Stockholm, Orrön Energy is subject to the Rule Book for Issuers of Nasdaq Stockholm, which can be found on www.nasdaq.com. In addition, the Company abides by principles of corporate governance found in a number of internal and external documents. Abiding to corporate governance principles builds trust in Orrön Energy, which results in increased shareholder value. By ensuring the business is conducted in a responsible manner, the corporate governance structure ultimately paves the way for increased efficiency.

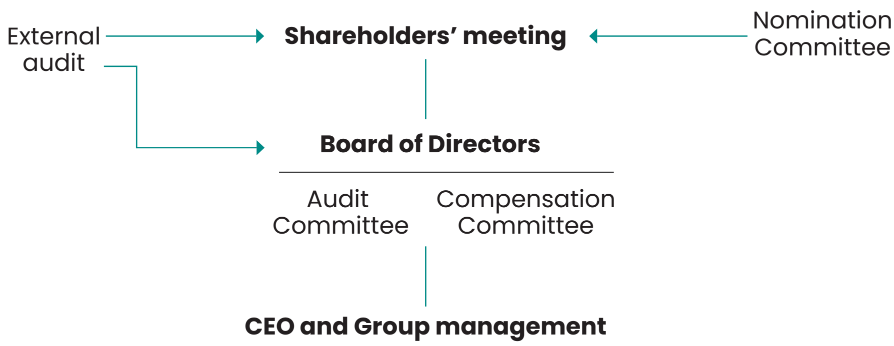
## Corporate governance rules and regulations

**Swedish Corporate Governance Code**

The Corporate Governance Code is based on the tradition of self-regulation and the principle of "comply or explain". It acts as a complement to the corporate governance rules contained in the Swedish Companies Act, the Annual Accounts Act, EU rules, and other regulations such as the Rule Book for Issuers, the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes and good practice on the securities market.

**Orrön Energy's Articles of Association**

The Articles of Association contain customary provisions regarding the Company's governance and do not contain any limitations as to how many votes each shareholder may cast at shareholders' meetings, nor any special provisions regarding the appointment and dismissal of Board members or amendments to the Articles of Association. The Articles of Association are available on the Company's website.




**Main external rules and regulations for corporate governance at Orrön Energy**

- Swedish Companies Act
- Swedish Annual Accounts Act
- Nasdaq Stockholm Rule Book for Issuers
- Swedish Corporate Governance Code
- Swedish Rules on Remuneration of the Board and Executive Management and on Incentive Programmes

**Main internal rules and regulations for corporate governance at Orrön Energy**

- The Articles of Association
- The Code of Conduct
- Policies, Procedures and Guidelines
- The Rules of Procedure of the Board, instructions to the CEO, and for the financial reporting to the Board, and the terms of reference of the Board Committees and the Investment Committee
- Nomination Committee Process

| Highlights 2024 | | | |
|---|---|---|---|
| Sale of the Company's 50 percent interest in the Leikanger hydropower plant for a value accretive price of 53 MEUR, significantly strengthening the balance sheet and maintaining liquidity headroom through the 170 MEUR revolving credit facility. | Adding a total of 50 GWh of annual long-term proportionate power generation through acquisitions, and ensuring a robust implementation of assets into the governance framework of Orrön Energy. | Reaching the Ready-to-Permit milestone for the first large scale solar and battery greenfield development project in the UK. | Appointment of Mike Nicholson as new Board member at the AGM held on 15 May 2024. |

**Orrön Energy's Code of Conduct**
Orrön Energy's Code of Conduct constitutes the commitment of the Company, its employees, contractors, and business partners to act in accordance with high ethical standards, for the benefit of all stakeholders. The Company applies the same standards to all of its activities to satisfy both its commercial and ethical requirements and strives to continuously improve its performance and to act with high standards of corporate citizenship. The Code of Conduct is an integral part of the Company's employment and supply chain contracts and any violations of the Code of Conduct will be the subject of an inquiry and appropriate measures. The Code of Conduct is available on the Company's website.

**Orrön Energy's policies, procedures and guidelines**
Corporate policies, procedures and guidelines have been developed to outline specific rules and controls, to increase efficiency and improve performance by facilitating compliance. They cover areas such as health and safety, environment, human rights, stakeholder engagement, diversity, information, anti-corruption, anti-fraud, anti-money laundering, competition law, tax, whistleblowing, accounting and finance, human resources, and inside information. All guiding documents are continuously reviewed and updated when required, and regular compliance training is provided to all employees. The policies are available on the Company's website.

**Orrön Energy's Rules of Procedure of the Board**
The Rules of Procedure of the Board contain the fundamental rules regarding the division of duties between the Board, the Committees, the Chair of the Board and the Chief Executive Officer (CEO). The Rules of Procedure also include instructions to the CEO, instructions for the financial reporting to the Board and the terms of reference of the Board Committees and the Investment Committee. The Rules of Procedure are reviewed and approved annually by the Board.

## Share capital and shareholders

The shares of Orrön Energy are listed on Nasdaq Stockholm. The total number of shares is 285,905,187. Each share has a quota value of SEK 0.01 (rounded-off) and the registered share capital of the Company is SEK 3,478,713 (rounded-off). All shares of the Company carry the same voting rights and the same rights to a share of the Company's assets and earnings. The Company has issued 8,560,000 warrants of series 2022:2, 5,300,000 warrants of series 2024:1 and 6,300,000 warrants of series 2024:2. The Company held no treasury shares on 31 December 2024.

At the end of 2024, Orrön Energy had a total of 55,083 shareholders listed with Euroclear Sweden, which represents a decrease of 14,199 compared to the end of 2023.

| The 10 largest shareholders on 31 December 2024 | Number of shares | Percent (rounded) |
|---|---|---|
| Nemesia S.à r.l.[1] | 95,478,606 | 33.4% |
| JNE Partners | 34,749,250 | 12.2% |
| Handelsbanken Fonder | 7,192,260 | 2.5% |
| Blackrock | 3,439,061 | 1.2% |
| Banque Lombard Odier & Cie | 3,427,150 | 1.2% |
| Avanza | 3,412,348 | 1.2% |
| Dimensional Fund Advisors | 2,967,193 | 1.0% |
| Nordnet Pensionsförsäkring | 2,269,866 | 0.8% |
| Amundi | 2,000,462 | 0.7% |
| SEB | 1,971,928 | 0.7% |
| Other shareholders | 128,997,063 | 45.1% |
| *of which Investment Committee and Board* | *1,848,609* | *0.6%* |
| **Total** | 285,905,187 | 100% |

[1] An investment company wholly owned by Lundin family trusts.
Source: Monitor Holdings and external shareholder confirmation.

## Shareholders' meeting

The shareholders' meeting is the highest decision-making body of Orrön Energy where the shareholders exercise their voting rights and influence the business of the Company. The AGM is held each year before the end of June at the seat of the Board in Stockholm. The notice of the AGM is announced in the Swedish Gazette (Post- och Inrikes Tidningar) and on the Company's website no more than six and no less than four weeks prior to the meeting. The documentation for the AGM is provided on the Company's website in Swedish and in English at the latest three weeks prior to the AGM.

### 2024 AGM

The 2024 AGM was held on 15 May 2024 in Stockholm. The AGM was attended by 68 shareholders, personally or by proxy, representing 36,7 percent of the share capital. The Chair of the Board, the CEO as well as all Board members were present at the meeting.

The resolutions passed by the 2024 AGM include:

- Election of advokat Klaes Edhall as Chair of the AGM.
- Adoption of the Company's income statement and balance sheet, and the consolidated income statement and balance sheet for 2023, and that no dividend should be paid.
- Discharge of the Board and the CEO from liability for the administration of the Company's business for 2023.
- Approval of the Remuneration Report prepared by the Board.
- Approval of the remuneration of EUR 120,000 to the Chair of the Board and EUR 60,000 to other Board members, and EUR 10,000 to each Committee Chair, and EUR 5,000 to other Committee members, with the total fees for Committee work not to exceed EUR 50,000.
- Re-election of Grace Reksten Skaugen, Jakob Thomasen, Peggy Bruzelius and William Lundin, and election of Mike Nicholson as a new member of the Board.
- Re-election of Grace Reksten Skaugen as Chair of the Board.
- Approval of the remuneration of the statutory auditor.
- Re-election of the registered accounting firm Ernst & Young AB as the Company's statutory auditor until the 2025 AGM, authorised public accountant Anders Kriström being the designated auditor in charge.
- Approval of a revised Nomination Committee Process.
- Approval of a long-term share-related incentive plan in the form of a share option plan for members of Group management and other employees of the Company ("Employee LTIP 2024").
- Approval to issue and transfer 5,300,000 warrants of series 2024:1 to participants of the Employee LTIP 2024.
- Approval to issue and transfer 6,300,000 warrants of series 2024:2 to participants of the Employee LTIP 2023.
- Approval to authorise the Board to issue new shares and/or convertible debentures corresponding to in total not more than 28,500,000 new shares, with or without the application of the shareholders pre-emption rights, in order to enable or facilitate acquisitions of companies or businesses or other major investments.
- Approval to authorise the Board to decide on repurchases and sales of shares in Orrön Energy on Nasdaq Stockholm, where the number of shares repurchased shall be limited so that shares held in treasury from time to time do not exceed ten percent of all outstanding shares of the Company; and
- Rejection of a shareholder proposals, which was put forward by a minority shareholder.

All AGM materials, in Swedish and English, are available on the Company's website.

### 2024 Extraordinary General Meeting (EGM)

The 2024 EGM was held on 7 August 2024 in Stockholm. The EGM was attended by 63 shareholders, personally or by proxy, representing 47.6 percent of the share capital. The Chair of the Board, the CEO as well as a quorum of the Board was present at the meeting, in person or through video link.

The resolutions passed by the 2024 EGM include:

- Election of advokat Klaes Edhall as Chair of the EGM.
- Approval to amend the Articles of Association.
- Retirement of 19,427 shares and reduction of the share capital, and subsequent bonus issue to restore the share capital.

All EGM materials, in Swedish and English, are available on the Company's website.

## External auditors of the Company

**Statutory auditor**
Orrön Energy's statutory auditor audits annually the Company's financial statements, the consolidated financial statements, the Board's and the CEO's administration of the Company's affairs and reports on the Corporate Governance Report. The auditor also controls that the Sustainability Report meets the requirements in the Annual Accounts Act. In addition, the auditor performs a review of the Company's half year report and issues a statement regarding the Company's compliance with the Policy on Remuneration.

The Board meets at least once a year with the auditor without any member of Group management present at the meeting. In addition, the auditor participates regularly in Audit Committee meetings, in particular in connection with the Company's half year and year end reports. Group entities outside of Sweden are audited in accordance with local rules and regulations.

The Company's statutory auditor is the registered accounting firm Ernst & Young AB, which was first elected as the Company's statutory auditor at the 2020 AGM. The auditor's fees are described in the notes to the financial statements, see Note 22 on page 64 and Note 7 on page 72. The auditor's fees also detail payments made for assignments outside the regular audit mandate. Such assignments are kept to a minimum to ensure the auditor's independence towards the Company and generally require prior approval of the Company's Audit Committee.

## Nomination Committee

The Nomination Committee is formed in accordance with the Company's Nomination Committee Process, a revised version of which was approved at the 2024 AGM. According to the Process, the Company shall invite three of the larger shareholders of the Company based on shareholdings as per 1 August each year to form the Nomination Committee, however, the members are, regardless of how they are appointed, required to promote the interests of all shareholders of the Company.

The Nomination Committee conducts its task in accordance with the Swedish Corporate Governance Code. The tasks of the Nomination Committee include making recommendations to the shareholders regarding the election of the Chair of the AGM, election of Board members and the Chair of the Board, remuneration of the Chair and other Board members, including remuneration for Board Committee work, election of the statutory auditor, and remuneration of the statutory auditor. Shareholders may submit proposals to the Nomination Committee by e-mail to nomcom@orron.com.

**Nomination Committee for the 2024 AGM**
The members of the Nomination Committee for the 2024 AGM are described in the Company's 2023 Annual Report. The full Nomination Committee reports, including the final proposals, are available on the Company's website.

**Nomination Committee for the 2025 AGM**
The members of the Nomination Committee for the 2025 AGM were announced and posted on the Company's website on 30 October 2024. The Nomination Committee has held three meetings during its mandate so far. At the first meeting, Aksel Azrac was unanimously elected as Chair of the Nomination Committee.

The full Nomination Committee report, including the final proposals to the 2025 AGM, is available on the Company's website.

**Nomination Committee for the 2025 AGM**

| | |
|---|---|
| Aksel Azrac (Chair) | Nemesia S.à.r.l |
| Richard Ollerhead | JNE Partners LLP |
| Sussi Kvart | Handelsbanken Fonder |

## Board of Directors

The Board of Directors of Orrön Energy is responsible for the organisation of the Company and management of the Company's operations. The Board is to manage the Company's affairs in the interests of the Company and all shareholders with the aim of creating long-term sustainable shareholder value. To achieve this, the Board should at all times have an appropriate and diverse composition considering the current and expected development of the operations, with Board members from a wide range of backgrounds that possess both individually and collectively the necessary experience and expertise.

**Composition of the Board**
The Board of Orrön Energy shall, according to the Articles of Association, consist of a minimum of three and a maximum of ten directors without deputies, and the AGM decides the final number each year. The Board members are elected for a period of one year. There are no deputy members and no members appointed by employee organisations. In addition, the Board is supported by a corporate secretary, the Company's General Counsel, Henrika Frykman, who is not a Board member.

The Nomination Committee for the 2024 AGM considered that the Board of five members elected at the 2024 AGM was, taking into consideration the Company's planned future business and operations, sustainability strategy, and the economic and financial circumstances generally in which the Company operates, composed of a broad and versatile group of knowledgeable and skilled individuals who were motivated and prepared to undertake the tasks required of the Board in today's business environment.

The Board members possess substantial expertise and experience, and in addition, the Board fulfils the requirements regarding independence in relation to the Company, Group management and the Company's major shareholders. Such expertise and experience relate to the Company's core area of operation in the renewable energy sector, public company financial matters, Swedish practice and compliance matters, sustainability matters, corporate responsibility, and health, safety, and the environment.

Gender balance was specifically discussed and the Nomination Committee noted that 40 percent of the proposed Board for election at the 2024 AGM were women. The Company aims to promote diversity at all levels of the Company, and the Nomination Committee applies the diversity requirements of the Corporate Governance Code. The recommendation of the Swedish Corporate Governance Board is that listed Swedish companies should strive to achieve a 40 percent Board representation of the least represented gender.

The Nomination Committee further reviewed the remuneration of the Board ahead of the 2024 AGM and decided that no increase should be proposed.

**Board meetings and work 2024**
The Chair of the Board is responsible for ensuring that the Board's work is well organised and conducted in an efficient manner as well as ensuring that reporting instructions are upheld for management, as drawn up by the CEO and as approved by the Board, however, the Chair does not take part in the day-to-day work. The Chair maintains close contacts with the CEO to ensure the Board is at all times sufficiently informed of the Company's operations and financial status. Nine Board meetings were held during 2024 and monthly operational reports were circulated to the Board.

## Board Committees

To maximise the efficiency of the Board's work and to ensure a thorough review of specific issues, the Board has established a Compensation Committee and an Audit Committee. The tasks and responsibilities of the Committees are detailed in the terms of reference of each Committee, which are annually adopted as part of the Rules of Procedure of the Board. Minutes are kept at Committee meetings and matters discussed are reported to the Board. In addition, informal contacts take place between ordinary meetings as and when required by the operations.

**Compensation Committee**
The Compensation Committee assists the Board in Group management remuneration matters and receives information and prepares the Board's and shareholder meetings' decisions on matters relating to the principles of remuneration, remuneration and other terms of employment of Group management. The objective of the Committee in determining compensation for Group management is to provide a compensation package that is based on market conditions, is competitive and takes into account the scope and responsibilities associated with the position, as well as the skills, experience and performance of the individual. The Committee's tasks also include monitoring and evaluating programmes for variable remuneration, the application of the Policy on Remuneration as well as the current remuneration structures and levels in the Company.

Compensation Committee work during 2024:
- Ongoing review of the performance management process through various meetings across the year.
- Preparing the 2023 Remuneration Report for Board and AGM approval and considering enhancements for the 2024 Remuneration Report.
- Continuous monitoring and evaluation of remuneration structures, levels, programmes and the Policy on Remuneration.
- Review of the Policy on Remuneration adopted by the 2022 EGM and decision not to propose any changes to the 2025 AGM.
- Review and discussion on remuneration levels and practices throughout the Company for consideration in relation to Group management remuneration.
- Review of the performance of the CEO and Group management as per the performance management process.
- Preparing a proposal for a long-term share-related incentive plan in the form of a share option plan for members of Group management and other employees of the Company, Employee LTIP 2024, for Board and AGM approval through various work sessions and preparation discussions.
- Review of the CEO's proposals for remuneration and other terms of employment of the other members of Group management for Board approval.

### Principal tasks of the Board of Directors

- Establishing the overall goals and strategy of the Company.
- Making decisions regarding the supply and allocation of capital.
- Identifying how the Company's risks and business opportunities are affected by sustainability aspects.
- Appointing, evaluating and, if necessary, dismissing the CEO.
- Ensuring that there is an effective system for follow-up and control of the Company's operations and the risks to the Company that are associated with its operations.
- Ensuring that there is a satisfactory process for monitoring the Company's compliance with laws and other regulations relevant to the Company's operations, as well as the application of internal guidelines.
- Defining necessary guidelines to govern the Company's conduct in society, with the aim of ensuring its long-term value creation capability.
- Ensuring that the Company's external communications are characterised by openness, and that they are accurate, reliable and relevant.
- Ensuring that the Company's organisation in respect of accounting, management of funds and the Company's financial position in general include satisfactory systems of internal control.
- Continuously evaluating the Company's and the Group's economic situation, including its fiscal position.

- Review of the CEO's proposals for the principles of compensation of other employees.
- Review and approval of the CEO's proposals for awards under the Employee LTIP 2024.
- Preparing a proposal for award under the Employee LTIP 2024 to the CEO.
- Preparing a proposal for remuneration and other terms of employment of the CEO for Board approval.
- Review of Group management succession planning matters.
- Reviewing the organisation and growth based on the increased activities and scope of the Company.
- Frequent contacts, ongoing dialogue and decisions outside of formal meetings to provide oversight and approvals for remuneration issues as presented by Group management.

**Audit Committee**
The Audit Committee oversees the Company's internal control systems and assists the Board in ensuring that the Company's financial reports are prepared in accordance with International Financial Reporting Standards (IFRS), the Swedish Annual Accounts Act and accounting practices applicable to a company incorporated in Sweden and listed on Nasdaq Stockholm. The Audit Committee also evaluates financial risks, exposure and strategies. The Audit Committee is empowered by the Committee's terms of reference to make decisions on certain issues delegated to it, such as review and approval of the Company's first and third quarter reports on behalf of the Board. The Audit Committee also regularly liaises with the Group's statutory auditor as part of the annual audit process, and reviews the audit fees and the auditor's independence and impartiality. The Audit Committee further assists the Company's Nomination Committee in the preparation of proposals for the election of the statutory auditor at the AGM.

### Board's yearly work cycle

**Q1 / Q2 activities**

- Approval of the year end report.
- Consideration on recommendation for appropriation of the Company's result.
- Approval of remuneration proposals regarding fixed and variable remuneration.
- Approval of the Annual and Sustainability Report.
- Review of the auditor's report.
- Approval of the Policy on Remuneration for submission to the AGM (if applicable).
- Approval of the Remuneration Report.
- Determination of the AGM details and approval of the AGM materials.
- Statutory meeting following the AGM to confirm Board fees, Committee compensation, signatory powers, appointment of corporate secretary.
- Audit Committee report regarding the first quarter report.
- Meeting with the auditor without management present to discuss the audit process, risk management, and internal controls.
- Review of the Rules of Procedure.
- Performance assessment of the CEO.
- Consideration of the performance review of Group management and Compensation Committee remuneration proposals.
- Detailed discussion on business strategy.

**Q3 / Q4 activities**

- Adoption of the budget and work programme for the following year's activities.
- Consideration of the Board evaluation to be submitted to the Nomination Committee.
- Adoption of the half year report, reviewed by the statutory auditor.
- Audit Committee report regarding the third quarter report.

### Board of Directors work 2024

The Board held nine Board meetings with deliberations and contacts in-between meetings. In addition to the topics covered by the Board as per its yearly work cycle, the following significant matters were addressed by the Board during the year:

- Discussing in detail the challenging market conditions, including factors impacting power pricing and renewables economics, and Company strategy.
- Considering the Company's production and asset performance, business forecasts, and future outlook, including revenue optimisation through ancillary services and voluntary curtailments.
- Considering and approving multiple additional acquisitions to increase the power generation capacity in the Nordics, and evaluating several potential business opportunities.
- Overseeing the development of a pipeline of growth projects across five countries, including completion of the first Swedish battery project on time and on budget.
- Considering and approving the sale of 50 percent of the company owning the Leikanger hydropower plant at a value accretive price.
- Considering the proposal for a long-term share-related incentive plan in the form of a share option plan for members of Group management and other employees of the Company, the Employee LTIP 2024, subject to 2024 AGM approval.
- Discussing in detail the financing of the Company, including the Company's financial risk management, cash flows, sources of funding, foreign exchange movements, hedging strategy, share buybacks, and liquidity position.
- Reviewing and approving the exercise of an accordion option to increase the 150 MEUR revolving credit facility agreement to 190 MEUR, and reducing it to 170 MEUR following the sale of the Leikanger hydropower plant.
- Discussing the Company's ESG and safety ambitions and performance, including overseeing the achievement of carbon neutrality across Scope 1 and 2 emissions.
- Discussing the Company's risk management framework.
- Discussing and reviewing the operational performance of the Company.
- Approving to propose to the EGM 2024 to allow holding digital shareholder meetings, considering for example, the Company's large international shareholder base and the activist disruptions at the 2024 AGM.
- Discussing the Company's and peers' share price performance.
- Monitoring and discussing the ongoing trial in the legacy Sudan case, including the Company defence presentation, and considering the outcome of the legacy Indonesian tax case.

### Sudan

In June 2010, the Swedish Prosecution Authority began a preliminary investigation into alleged complicity in violations of international humanitarian law in Sudan during 1997–2003.

In November 2021, the Swedish Prosecution Authority 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 Prosecution Authority represents the value of the gain of MSEK 720.1 that the Company made on the sale of an asset in 2003. The Company 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 could become payable. The claim for forfeiture of economic benefits was increased from MSEK 1,391.8 by the Swedish Prosecution Authority in August 2023. This latest increase to the claimed forfeiture amount means that Swedish Prosecution Authority has presented three completely different amounts, based on three different methodologies, over the past six years, raising serious questions about the substance and credibility of the Swedish Prosecution Authority's claim. It is obvious that the methodology used by the Prosecutor to arrive at the claimed forfeiture amount is fundamentally flawed, leading to an unreasonable forfeiture claim which has no basis in law and is highly speculative. Any potential corporate fine or forfeiture of economic benefits would only be imposed after an adverse final conclusion of the case against former representatives of the Company. The trial at the Stockholm District Court started in September 2023 and is expected to finish during the second quarter 2026.

More information regarding the past activities in Sudan during 1997–2003 can be found on www.lundinsudanlegalcase.com.

## Board members on 31 December 2024

| Board of Directors[1]: | Grace Reksten Skaugen | Jakob Thomasen | Peggy Bruzelius | William Lundin | Mike Nicholson |
|---|---|---|---|---|---|
| **Function** | Chair, elected 2015<br>Born 1953<br>Compensation Committee Chair | Director, elected 2017<br>Born 1962<br>Audit Committee member | Director, elected 2023<br>Born 1949<br>Audit Committee Chair | Director, elected 2023<br>Born 1993<br>Compensation Committee member | Director, elected 2024<br>Born 1971<br>Audit Committee and Compensation Committee member |
| **Education** | MBA from the BI Norwegian School of Management, Ph.D. Laser Physics and B.Sc. Honours Physics from Imperial College of Science and Technology at the University of London. | Graduate of the University of Copenhagen, Denmark, M.Sc. in Geoscience and completed the Advanced Strategic Management programme at IMD, Switzerland. | M.Sc. Economics and Business from the Stockholm School of Economics<br>Econ dr hc from the Stockholm School of Economics. | Bachelor of Engineering in Mineral Resource Engineering, from Dalhousie University Halifax, Canada. | Degree in Economics and Management Studies from Aberdeen University. |
| **Experience** | Member of the corporate finance team at SEB in Oslo.<br>Board member/deputy chair of Statoil ASA 2002–2015.<br>Member of HSBC European Senior Advisory Council. | CEO of Maersk Oil and a member of the Executive Board of the Maersk Group 2009–2016. | Managing Director of ABB Financial Services AB 1991–1997.<br>Head of the asset management division of Skandinaviska Enskilda Banken AB 1997–1998. | Field Engineer and operator of BlackPearl Resources Inc. 2016–2018.<br>Project engineer production operations of International Petroleum Corp. (IPC) 2018–2020.<br>COO of IPC 2020–2023.<br>President & CEO of IPC 2024–present. | Various economics, financial and banking roles with Veba Oel, Canadian Imperial Bank of Commerce and Marathon Oil 1994-2004.<br>Various roles at Lundin Petroleum, including;<br>• Group Economics and Commercial Manager 2005-2008.<br>• General Manager Malaysia 2008-2012.<br>• Managing Director SEA 2012-2013.<br>• CFO 2013–2017, President & CEO of International Petroleum Corp. (IPC) 2017–2023. |
| **Other Board duties** | Member of the Board of Investor AB and PJT Partners, founder and Board member of the Norwegian Institute of Directors, and trustee of the International Institute for Strategic Studies in London. | Chair of the DHI Group, ESVAGT, Hovedstadens Letbane, and Hyme Energy. | Chair of the Board of Lancelot Asset Management AB and member of the Board of International Consolidated Airlines Group S.A. | Member of the Board of IPC, ShaMaran, International Petroleum Corp., and the Lundin Foundation. | Member of the Board of IPC. |
| **Attendance**<br>Board<br>Audit Committee<br>Compensation Committee | <br>9/9<br><br>2/2 | <br>9/9<br>6/6 | <br>9/9<br>6/6 | <br>9/9<br><br>2/2 | <br>7/7[4]<br>4/4[4]<br>1/1[4] |
| **Remuneration**<br>Board and Committee work | EUR 130,000 | EUR 65,000 | EUR 68,000 | EUR 65,000 | EUR 35,000 |
| **Shares as at 31 December 2024** | 249,789[2]<br>and 402,000 Board LTIP 2022 options | 8,820<br>and 201,000 Board LTIP 2022 options | 30,000 | 900,000[3] | Nil |
| **Independent of the Company and Group management** | Yes | Yes | Yes | Yes | Yes |
| **Independent of major shareholders** | Yes | Yes | Yes | No[3] | No[4] |

[1] Board members and functions are included in this table as per 31 December 2024. The previous Board member C. Ashley Heppenstall (Board attendance 3/3, Audit Committee attendance 1/2, Compensation Committee attendance 1/1) did not stand for re-election at the 2024 AGM. The Board remuneration for C. Ashley Heppenstall was paid out in accordance with the 2023 AGM resolution, and can be found in note 20 on page 60.
[2] Grace Reksten Skaugen holds 69,789 shares personally and 180,000 shares through an investment company, Infovidi Ltd.
[3] William Lundin is in the Nomination Committee's opinion not deemed independent of the Company's major shareholder since he is a member of the Lundin family that holds, through family trusts, Nemesia S.à.r.l., which holds 95,478,606 shares in the Company.
[4] Mike Nicholson was elected to the Board on 15 May 2024. Mike Nicholson is in the Nomination Committee´s opinion for the time being not deemed independent of the Company's major shareholder since he has very recently stepped down from an executive management position at International Petroleum Corp., a company in which the Lundin family are major shareholders.

Audit Committee work during 2024:
- Assessment of the 2023 year-end report and the 2024 half-year report for completeness and accuracy and recommendation for approval to the Board.
- Assessment and approval of the first and third quarter reports 2024 on behalf of the Board.
- Evaluation of accounting issues in relation to the assessment of the financial reports.
- Follow-up and evaluation of the results of the internal control of the Group.
- Three meetings with the statutory auditor to discuss the financial reporting, internal controls, risk management, etc.
- Evaluation of the audit performance and the independence and impartiality of the statutory auditor.
- Review and approval of statutory auditor's fees.
- Reviewing various matters in relation to risk management.

## Remuneration of Board members

The remuneration of the Chair and other Board members follows the resolution adopted by the AGM. The Board members are not employed by the Company, do not receive any salary from the Company and are not eligible for participation in incentive programmes for Group management and other employees. The Policy on Remuneration approved by the 2022 EGM also comprises remuneration paid to Board members for work performed outside the directorship.

The remuneration of the Board is detailed further in the schedule on page 30 and in the notes to the financial statements, see Note 20 on pages 60–63.

**Evaluation of the Board's work**
An evaluation of the work of the Board was conducted in the autumn 2024 through an online survey. The purpose of the evaluation was to assess the functioning of the Board and to identify potential areas of improvement. The results of each individual questionnaire were summarised to provide an overview over each focus area. The results were reported to the Nomination Committee.

## Group management

**Management structure**
Orrön Energy's Group and local management consists of highly experienced individuals with extensive industry experience. The Company's CEO is responsible for the management of the day-to-day operations of Orrön Energy. He is appointed by, and reports to, the Board. He in turn appoints the other members of Group management, who assist the CEO in his functions and duties, and in the implementation of decisions taken and instructions given by the Board, with the aim of ensuring that the Company meets its strategic objectives and continues to deliver responsible growth and long-term shareholder value.

**Investment Committee**
Group management, which forms the Company's Investment Committee, consists of Daniel Fitzgerald, CEO, Henrika Frykman, General Counsel (GC) and Espen Hennie, Chief Financial Officer (CFO).

The Investment Committee assists the Board in discharging its responsibilities in overseeing the Company's investment portfolio. The role of the Investment Committee is to determine that the Company has a clearly articulated investment policy, to develop, review and recommend to the Board investment strategies and guidelines in line with the Company's overall policy, to review and approve investment transactions and to monitor compliance with investment strategies and guidelines. The responsibilities and duties include considering annual budgets, supplementary budget approvals, investment proposals, commitments, acquisition and disposal of assets, and performing other investment related functions as the Board may designate.

**Group management tasks and duties**
The tasks of the CEO and the division of duties between the Board and the CEO are defined in the Rules of Procedure and the Board's instructions to the CEO. In addition to the overall management of the Company, the CEO's tasks include ensuring that the Board receives all relevant information regarding the Company's operations, including profit trends, financial position, and liquidity, as well as information regarding important events such as significant disputes, agreements and developments in important business relations. The CEO is also responsible for preparing the required information for Board decisions and for ensuring that the Company complies with applicable legislation, securities regulations and other rules such as the Corporate Governance Code. Furthermore, the CEO maintains regular contacts with the Company's stakeholders, including shareholders, the financial markets, business partners and public authorities. To fulfil his duties, the CEO works closely with the Chair of the Board to discuss the Company's operations, financial status, up-coming Board meetings, implementation of decisions and other matters.

Under the leadership of the CEO, Group management is responsible for ensuring that the operations are conducted in compliance with the Code of Conduct, all Group policies, procedures and guidelines in a professional, efficient, and responsible manner. Regular management meetings are held to discuss all commercial, technical, sustainability, financial, legal, and other matters within the Group to ensure the established short- and long-term business objectives and goals will be met. Group management also travel frequently to oversee the ongoing operations, seek new business opportunities and meet with various stakeholders, including business partners, suppliers, and contractors, government representatives and financial institutions. In addition, Group management liaise continuously with the Board, and in particular the Board Committees, in respect of ongoing matters and issues that may arise.

## Remuneration

**Group principles of remuneration**
Orrön Energy aims to offer all employees compensation packages that are competitive and in line with market conditions. These packages are designed to ensure that the Group can recruit, motivate, and retain highly skilled individuals and reward performance that enhances long-term sustainable shareholder value.

The Group's compensation packages consist of four elements, being (i) base salary; (ii) annual variable remuneration; (iii) long- term incentive plan (LTIP); and (iv) other benefits. As part of the yearly assessment process, a performance management process has been established to align individual and team performance to the strategic and operational goals and objectives of the overall business. Individual performance measures are formally agreed and key elements of variable remuneration are clearly linked to the achievement of such stated and agreed performance measures.

To ensure compensation packages within the Group remain competitive and in line with market conditions, the Compensation Committee and the Company may undertake benchmarking studies.

**Policy on Remuneration for Group management**
The remuneration of Group management follows the principles that are applicable to all employees, however, these principles must be approved by the shareholders at the AGM. The Compensation Committee therefore prepares for approval by the Board and for submission for final approval to the AGM, a Policy on Remuneration for Group management when any changes are proposed or at least once every four years. The Board does not propose any changes to the Policy on Remuneration for Group management as approved by the 2022 EGM, which is reproduced below. The Remuneration Report, which can be found on the Company's website, describes in more detail outcomes and how decisions were taken by the Compensation Committee during 2024.

The annual variable remuneration for Group management is assessed against annual performance targets that signal and reward the strategic and operational results and behaviours expected for the year, which contribute to long-term, sustainable value creation for Orrön Energy. The performance target structure, and specific targets and weightings, are reviewed annually by the Compensation Committee to ensure that it aligns with the strategic direction and risk appetite of the Company and the performance target structure and specific targets are approved by the Board.

**Long-term incentive plan 2024**
The 2024 AGM resolved to establish a long-term share-related incentive plan in the form of a share option plan for members of Group management and other employees of the Company (Employee LTIP 2024), which follows the same principles as the Employee LTIP 2022 approved by the 2022 EGM and the Employee LTIP 2023 approved by the 2023 AGM. Under the Employee LTIP 2024, participants were granted options free of charge. Each option entitles the participant to purchase shares in the Company at an exercise price of SEK 7.59 The employee options under the Employee LTIP 2024 vest on 31 May 2027 and participants will be entitled to exercise all or part of the options until 31 May 2031 (the exercise period). During the exercise period, employees may elect to net equity settle the options as per the terms and conditions of the Employee LTIP 2024. The total number of shares available for the participants under the Employee LTIP 2024 was 5,300,000. The Board of Directors may in exceptional circumstances reduce (including reduce to zero) the allotment of options under the Employee LTIP 2024.

The Employee LTIP 2024 was introduced as part of a new holistic remuneration approach within the updated Policy on Remuneration for Group management, where base salaries and annual bonus opportunities were set below the market average and in return, the long-term incentives were designed to strongly emphasise Group management's delivery of material shareholder returns, which is appropriate for a newly formed entrepreneurial organisation focused on growth. The Employee LTIP 2024 is designed to promote business decisions that support long-term value creation and share price appreciation, rather than delivering scale and size without clear shareholder returns. As the Company operates in a business environment where renewable energy projects take a long time to mature and ultimately crystallise value, the Employee LTIP 2024 has been designed to incentivise decision making in support of this long-term value creation, which is being reflected in the length of the exercise and vesting periods. The Employee LTIP 2024 is further fully aligned with the interest of shareholders as any pay-out will require a share price increase, which is considered to be an appropriate performance criterion given the Company's current phase of development. The share price is the best measure to determine shareholder value creation, and the Employee LTIP 2024 will only deliver value to the extent that Group management are able to increase the Company's valuation. It is also challenging to find a suitable peer group at this phase of the Company's development, or other performance conditions, which would adequately assess the Company's performance against market. A performance condition focused on growth targets may not lead to share price appreciation and could in essence reward outcomes, which are not aligned with value appreciation for shareholders, in particular under current market conditions.

**Major topics addressed by Group management in 2024**

- Considering the strategy of the Company and evaluating future business opportunities under demanding market conditions.
- Considering numerous new ventures and investment opportunities.
- Negotiating and concluding transactions to add a total of 50 GWh of annual long-term proportionate power generation in the Nordics.
- Negotiating and completing the acquisition of an early-stage portfolio of wind and battery projects in Finland.
- Negotiating and completing the sale of the Leikanger hydropower plant at a value accretive price, reducing net debt significantly.
- Managing and overseeing the early stage solar, wind and battery greenfield development portfolio, including reaching the Ready-to Permit stage for the first project in the UK and launching a sales process, and completion of the first battery project in Sweden on schedule and within budget.
- Managing the creation of new revenue streams through implementation of ancillary services across various assets.
- Mitigating the impact of low pricing through implementation of voluntary curtailments across various assets.
- Negotiating the exercise of an accordion option to increase the Company's credit facility to 190 MEUR, with a subsequent reduction to 170 MEUR following the sale of the Leikanger hydropower plant.
- Strengthening cybersecurity across the business, including ensuring compliance with upcoming regulations.
- Managing the sustainability strategy of the Company, including overseeing the process to obtain Prime Status by ISS, creating a due diligence framework and achieving carbon neutrality across Scope 1 and 2 emissions.
- Overseeing HSE related work of the Company, including safe management and remediation of a fire incident at one wind turbine.
- Considering the Company's production and asset performance, business forecasts and future outlook.
- Overseeing the performance of the wider asset base of the Company and implementing monitoring systems and processes to further improve operational excellence and financial reporting.
- Managing the implementation of the Swedish Foreign Direct Investment legislation.
- Continued engagement with investors and other stakeholders.
- Considering and managing the implications of the ongoing trial in relation to past operations in Sudan, and of the legacy Indonesian tax case.

The Board therefore believes that the Employee LTIP 2024 is the best way to ensure a clear alignment between performance outcomes for both shareholders and Group management.

It is also considered that the Employee LTIP 2024 is best financed through delivery of shares allowing the Company to allocate all available capital towards growth. To minimise dilution and impact on shareholders, the net equity settlement method has been chosen to ensure that only the value created over and above the market price of the share at award is delivered, leading to a significantly lower dilution than the headline amount of options issued. As an example, assuming a scenario with an average share price growth of 10 percent per annum over seven years, the dilution to shareholders would reduce by 50 percent compared to the headline dilution.

Shares received through the Employee LTIP 2024 are further subject to certain disposal restrictions to ensure that Group management build towards a meaningful shareholding in Orrön Energy. The level of shareholding expected of each management participant is 100 percent (200 percent for the CEO) of the participant's annual gross base salary over time by retaining minimum 50 percent of exercised shares, net of tax. The CEO holds 550,000 shares in the Company and the remainder of Group management hold 180,000 shares in aggregate as per 31 March 2025.

**Performance monitoring and review**
The Board is responsible for monitoring and reviewing on a continuous basis the work and performance of the CEO and shall carry out at least once a year a formal performance review. The Board also considered proposals regarding the compensation of the CEO and other members of Group management. Neither the CEO nor other members of Group management were present at the Board meetings when discussions regarding their compensation took place.

The tasks of the Compensation Committee also include monitoring and evaluating the general application of the Policy on Remuneration, as approved by the shareholders' meeting, and the Compensation Committee prepares a yearly Remuneration Report, for approval by the Board and the AGM, on the application of the Policy on Remuneration and the evaluation of Group management remuneration. As part of its review process, the statutory auditor of the Company also verifies on a yearly basis whether the Company has complied with the Policy on Remuneration. Both reports are available on the Company's website.

## The following Policy on Remuneration for Group Management was approved by the 2022 EGM

**Application of the Policy**
This Policy on Remuneration applies to the remuneration of "Group management" at the Company, which includes (i) the Chief Executive Officer (the "CEO"), (ii) the Deputy CEO, who from time to time may be designated from one of the other members of Group management, and (iii) executives so designated by the Board. The Policy also applies to members of the Board of Directors (the "Board") of the Company where remuneration is paid for work performed outside the directorship.

The Policy is, together with previous years' Policies, available on the Company's website and it will remain available for ten years.

**Key remuneration principles at the Company**
The Company's remuneration principles and policies are designed to ensure responsible and sustainable remuneration decisions that support the Company's strategy, shareholders' long-term interests and sustainable business practices. It is the aim of the Company to recruit, motivate and retain high calibre executives capable of achieving the objectives of the Company and to encourage and appropriately and fairly reward executives for their contributions to the Company's success.

**Remuneration to members of the Board**
In addition to Board fees resolved by the General Meeting, remuneration as per prevailing market conditions may be paid to members of the Board for work performed outside the directorship.

**Compensation Committee**
The Board has established a Compensation Committee to support it on matters of remuneration relating to the CEO, the Deputy CEO (if appointed), other members of Group management and other key employees of the Company. The objective of the Committee is to structure and implement remuneration principles to achieve the Company's strategy, the principal matters for consideration being:
- the review and implementation of the Company's remuneration principles for Group management, including this Policy which requires approval by the General Meeting of Shareholders;
- the remuneration of the CEO and the Deputy CEO (if appointed), as well as other members of Group management, and any other specific remuneration issues arising;
- the design of long-term incentive plans that require approval by the General Meeting of Shareholders; and
- compliance with relevant rules and regulatory provisions, such as this Policy, the Swedish Companies Act, the Swedish Corporate Governance Code and the Swedish Stock Market Self-Regulation Committee's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes.

**Elements of remuneration for Group management**
There are four key elements to the remuneration of Group management:

| | Description, purpose and link to strategy and sustainability | Process and governance | Relative share of estimated/maximum total reward[1] |
|---|---|---|---|
| **a) Base salary** | • Fixed cash remuneration paid monthly. Provides predictable remuneration to aid attraction and retention of key talent. | • The Committee reviews salaries every year as part of the review of total remuneration (see below for a description of the benchmarking process). | 30% |
| **b) Annual variable remuneration** | • Annual bonus is paid for performance over the financial year.<br>• Each position has a set expected bonus opportunity, which can be up to the equivalent of 12 months' base salary.<br>• Any value awarded by the Board that is more than 12 months' base salary is paid for delivering outstanding performance, subject to a maximum cap of 18 months base salary.<br>• Signals and rewards the strategic and operational results and behaviours expected for the year that contribute to the long-term, sustainable value creation of the Company. | • The annual review of total remuneration also considers annual bonus awards, outcomes, target structure, weightings of targets and specific target levels of performance.<br>• Measurable financial and non-financial performance requirements are identified according to position and responsibilities and include delivery against power generation, investment, financial, ESG and strategic targets.<br>• The Committee reviews the design of annual variable remuneration separately. | 15% |
| **c) Long-term incentive plan** | • Annual awards of equity-based long-term incentives, approved by the General Meeting, that align the interests of participants with those of shareholders.<br>• Awards may be granted with a fair value of up to 300% of base salary at award. | • Annual review of total remuneration considers long-term incentive awards and outcomes.<br>• Group Management are required to build a significant personal shareholding of up to 100% of base salary (200% for the CEO) over time by retaining 50% of exercised shares, net of tax, until the predetermined limit for the personal shareholding has been achieved.<br>• The Committee reviews the design of long-term incentives separately. | 50% |
| **d) Benefits** | • Predictable benefits to help facilitate the discharge of each executive's duties, aiding the attraction and retention of key talent. | • The Committee reviews benefits and contractual terms regularly to ensure that the Company does not fall behind the market.<br>• Benefits are set with reference to external market practices, internal practices, position and relevant reference remuneration. | 5% |
| **Total** | | | 100% |

[1] Estimated reward shows the percentage of total reward where proportions are estimated assuming 50 per cent of maximum annual bonus and the fair value of the long-term incentive without any further share price or dividend effect. Different actual awards and the variable nature of incentives means that the actual proportions for an individual may be different.

When the Committee makes decisions, including determining, reviewing and implementing the Policy, it follows a process where:

- the Board sets and reviews the terms of reference of the Committee;
- the Chair of the Committee approves the Committee's agenda;
- the Committee considers any reports, data and presentations and debates any proposal. In its considerations the Committee will give due regard to the Company's situation, the general and industry specific remuneration environment, the remuneration and terms of employment of the broader employee population, feedback from different stakeholders, relevant codes, regulations and guidelines published from time to time;
- the Committee may request the advice and assistance of management representatives, other internal expertise and of external advisors. However, it shall ensure that there is no conflict of interest regarding other assignments that any such advisors may have for the Company and Group management;
- the Committee ensures through a requirement to notify and recuse oneself that no individual with a conflict of interest will take part in a remuneration decision that may compromise such a decision;
- once the Committee is satisfied that it has been properly and sufficiently informed, it will make its decisions and, where required, formulate proposals for approval by the Board; and
- the Board will consider any items for approval or proposals from the Committee and, following its own discussions, make decisions, proposals for a General Meeting of Shareholders and/or further requests for the Committee to deliberate on.

**Review and benchmarking**
The Committee undertakes reviews of the Company's remuneration policies and practices considering the total remuneration of each executive as well as the individual components. Levels are set considering:

- the total remuneration opportunity;
- the external pay market;
- the scope and responsibilities of the position;
- the skills, experience and performance of the individual;
- the Company's performance, affordability of reward and general market conditions; and
- levels and increases in remuneration, as well as other terms of employment, for other positions within the Company.

External benchmarks for total remuneration are acquired when the Committee considers it necessary, consisting of one or more sets of companies that compete with the Company for talent, taking into consideration factors like size, complexity, geography and business profile when determining such peer groups.

**Variable remuneration**
The Company considers that variable remuneration forms important parts of executives' remuneration packages, where associated performance targets reflect the key drivers for pursuing the Company's strategy, and to achieve sustainable value creation and growth in long-term shareholder value. The Committee ensures that performance and design align with the strategic direction and risk appetite of the Company before incentives are approved by the Board.

There is no deferral of incentive payments, however, the Board can recover annual bonuses paid in the unlikely event of outcomes based on information which is subsequently proven to have been manifestly misstated. The Board can also in exceptional circumstances reduce long-term incentive awards, including reducing them to zero, should it consider the vesting outcome to incorrectly reflect the true performance of the Company.

**Benefits**
Benefits provided shall be based on market terms and shall facilitate the discharge of each executive's duties. The pension provision is the main benefit and follows the local practice of the geography where the individual is based. The pension benefits consist of a basic defined contribution pension plan, where the employer provides 60 per cent and the employee 40 per cent of an annual contribution of up to 18 per cent of the capped pensionable salary and, at the Board's discretion, a supplemental defined contribution pension plan where the employer provides 60 per cent and the employee 40 per cent of a contribution up to 14 per cent of the capped pensionable salary.

**Severance arrangements**
Executives have rolling contracts where mutual notice periods of up to twelve months apply between the Company and the executive. In addition, severance terms are incorporated into the employment contracts for executives that give rise to compensation in the event of termination of employment due to a change of control of the Company. Such compensation, together with applicable notice periods, shall not exceed 24 months' base salary.

The Board is further authorised, in individual cases, to approve severance arrangements, in addition to the notice periods and the severance arrangements in respect of a change of control of the Company, where employment is terminated by the Company without cause, or otherwise in circumstances at the discretion of the Board. Such severance arrangements may provide for the payment of up to 12 months' base salary.

In all circumstances, severance payments in aggregate (i.e. for notice periods and severance arrangements) shall be limited to a maximum of 24 months' base salary

## Internal control over financial reporting

The purpose of internal control over financial reporting is to provide assurance with regards to the reliability of the external financial reporting and to ensure that the financial reporting is produced in accordance with generally accepted accounting principles, applicable legislation and with other requirements imposed on listed companies.

The Board has overall responsibility for establishing and monitoring an effective system for internal control. The CEO is responsible for ensuring that both a process and an adequate organisation are in place to safeguard internal control and the quality of the internal and external financial reporting. The purpose of this report is to provide shareholders and other parties with an understanding of how internal control is organised at Orrön Energy.

Orrön Energy's system for internal control over financial reporting is based on the Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The five components of this framework are control environment, risk assessment, control activities, information and communication and monitoring activities.

The Board has assessed the need for establishing an internal audit function but concluded that the control environment and the control activities carried out by the Company, the Board and the Audit Committee are sufficient to ensure adequate internal control over financial reporting.

**Control environment**
The control environment is the foundation of Orrön Energy's system for internal control and is defined by the Company's policies and procedures, guidelines and codes as well as its responsibility and authority structure. In the area of control activities, Orrön Energy has documented all critical, financial processes and controls in the Group. The business culture established within the Group is also fundamental to ensure highest level of ethics, morals and integrity.

**Risk assessment**
Risks relating to financial reporting are evaluated and monitored by the Board through the Audit Committee. The Group's risk assessment process is used as a means to monitor that risks are managed and consists in identifying and evaluating risks and also determining the potential impact on the financial reporting. Regular reviews on local level as well as on Group level are made to assess any changes made in the Group that may affect internal control.

**Control activities**
Control activities range from high level reviews of financial results in management meetings to detailed reconciliation of accounts and day to day review and authorisation of payments. The monthly review and analysis of the financial reporting made on Company level and Group level are important control activities performed to ensure that the financial reporting does not contain any significant errors and also to prevent fraud.

**Information and communication**
Orrön Energy has processes in place aiming to ensure effective and correct information in regards to financial reporting, both internally within the organisation as well as externally to the public to meet the requirements for a listed company. All information regarding the Company's policies, procedures and guidelines is available to the Group's employees and any updates and changes to reporting and accounting policies are issued via email and at regular finance meetings. In addition, the Information Policy ensures that the public is provided with accurate, reliable, and relevant information concerning the Group and its financial position at the right time.

**Monitoring**
Follow-up, improvements and the development of systems, processes and controls take place on an ongoing basis. Continuous monitoring of control activities is made at different levels of the organisation and involves both formal and informal procedures performed by management, process owners or control owners.

# Financial Statements and Notes

# Consolidated Income Statement

| MEUR | Note | 2024 | 2023 |
|---|---|---|---|
| Revenue | 9 | 25.7 | 28.0 |
| Other income | 9 | 11.0 | 0.4 |
| Operating expenses | | -12.5 | -12.6 |
| General and administration expenses | 20, 21, 22 | -19.8 | -18.2 |
| Depreciation | | -15.9 | -11.9 |
| Share in result of associates and joint ventures | 2 | -6.0 | -2.7 |
| **Operating profit/loss** | | **-17.5** | -17.0 |
| Finance income | 3 | 5.3 | 6.3 |
| Finance costs | 4 | -7.1 | -8.4 |
| **Net financial items** | | **-1.8** | -2.1 |
| **Profit/loss before income tax** | | **-19.3** | -19.1 |
| Income tax | 5 | 6.0 | 11.5 |
| **Net result** | | **-13.3** | -7.6 |
| Attributable to: | | | |
| Shareholders of the Parent Company | | -13.4 | -8.0 |
| Non-controlling interest | | 0.1 | 0.4 |
| | | **-13.3** | -7.6 |
| **Earnings per share – EUR**[1] | 12.4 | -0.05 | -0.03 |
| **Earnings per share diluted – EUR**[1] | 12.4 | -0.05 | -0.03 |

[1] Based on net result attributable to shareholders of the Parent Company.

# Consolidated Statement of Comprehensive Income

| MEUR | 2024 | 2023 |
|---|---|---|
| **Net result** | **-13.3** | -7.6 |
| Items that may be subsequently reclassified to profit or loss: | | |
| Exchange differences foreign operations | -4.4 | 4.5 |
| Items that will not be reclassified to profit or loss: | | |
| Changes in the fair value of equity investments | 0.4 | – |
| **Other comprehensive income, net of tax** | **-4.0** | 4.5 |
| **Total comprehensive income** | **-17.3** | -3.1 |
| Attributable to: | | |
| Shareholders of the Parent Company | -17.4 | -3.4 |
| Non-controlling interest | 0.1 | 0.3 |
| | **-17.3** | -3.1 |

# Consolidated Balance Sheet

| MEUR | Note | 2024 | 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible assets | | 0.1 | – |
| Property, plant and equipment | 6 | 281.3 | 295.2 |
| Investment in associates and joint ventures | 7 | 41.0 | 34.0 |
| Deferred tax assets | 5 | 40.2 | 39.3 |
| Non-current financial assets | 8 | 46.7 | 95.5 |
| | | **409.3** | 464.0 |
| **Current assets** | | | |
| Other current assets | | 6.3 | 7.5 |
| Trade receivables | | 0.5 | 1.7 |
| Other current financial assets | 8, 10 | 14.5 | 5.7 |
| Cash and cash equivalents | | 17.6 | 21.8 |
| | | **38.9** | 36.7 |
| **TOTAL ASSETS** | | **448.2** | 500.7 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 12.1 | 0.4 | 0.4 |
| Additional paid in capital | 12.1 | 315.8 | 315.8 |
| Other reserves | 12.2 | 1.8 | 2.5 |
| Retained earnings | 12.3 | 32.1 | 39.4 |
| Net result | | -13.4 | -7.6 |
| | | **336.7** | 350.5 |
| Non-controlling interest | | 2.7 | 2.9 |
| **TOTAL EQUITY** | | **339.4** | 353.4 |
| **Non-current liabilities** | | | |
| Interest bearing loans and borrowings | 13 | 83.6 | 114.7 |
| Deferred tax liability | 5 | 11.4 | 15.9 |
| Provisions | 14 | 2.1 | 3.0 |
| | | **97.1** | 133.6 |
| **Current liabilities** | | | |
| Trade and other payables | 15 | 11.0 | 12.7 |
| Current tax liabilities | 5 | 0.1 | 0.2 |
| Other current financial liabilities | 8 | 0.6 | 0.8 |
| | | **11.7** | 13.7 |
| **TOTAL LIABILITIES** | | **108.8** | 147.3 |
| **TOTAL EQUITY AND LIABILITIES** | | **448.2** | 500.7 |

# Consolidated Statement of Cash Flows

| MEUR | Note | 2024 | 2023 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net result | | -13.3 | -7.6 |
| Adjustments for items not included in the Cash flow | 11 | 9.7 | 8.1 |
| Interest received | | 4.2 | 4.7 |
| Interest paid | | -6.7 | -3.7 |
| Income taxes paid | | – | -0.2 |
| Distributions received | | 0.2 | 13.1 |
| Distributions paid to non-controlling interest | | -0.3 | -0.3 |
| Changes in working capital: | | | |
| Changes in receivables | | 0.5 | 4.9 |
| Changes in liabilities | | -0.6 | -3.5 |
| **Total cash flows from operating activities** | | **-6.3** | 15.5 |
| **Cash flows from investing activities** | | | |
| Investment in renewable energy business [1] | | -15.0 | -72.3 |
| Acquisition of subsidiary net of cash | | -0.1 | -6.7 |
| Investment in associated companies | | -1.8 | -0.1 |
| Proceeds from equity investments | | 0.4 | – |
| Proceeds from sale of joint venture | | 28.9 | – |
| Repayment of loan from joint venture | | 20.2 | – |
| **Total cash flows from investing activities** | | **32.6** | -79.1 |
| **Cash flows from financing activities** | | | |
| Net drawdown of credit facility | 16 | 65.0 | 94.6 |
| Repayment of credit facility | 16 | -94.8 | -35.6 |
| Financing fees paid | | -0.3 | -1.3 |
| **Total cash flows from financing activities** | | **-30.1** | 57.7 |
| **Change in cash and cash equivalents** | | -3.8 | -5.9 |
| Cash and cash equivalents at the beginning of the year | | 21.8 | 26.9 |
| Currency exchange difference in cash and cash equivalents | | -0.4 | 0.8 |
| **Cash and cash equivalents at the end of the year** | | **17.6** | 21.8 |

[1] Includes acquisitions of renewable energy assets and funding of joint ventures.

# Consolidated Statement of Changes in Equity

| MEUR | Share capital | Additional paid-in capital/ other reserves | Retained earnings | Total | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|
| **1 January 2023** | **0.4** | **310.3** | **40.7** | **351.4** | **8.3** | **359.7** |
| **Comprehensive income** | | | | | | |
| Net result | – | – | -8.0 | -8.0 | 0.4 | -7.6 |
| Other comprehensive income | – | 4.6 | – | 4.6 | -0.1 | 4.5 |
| **Total comprehensive income** | **–** | **4.6** | **-8.0** | **-3.4** | **0.3** | **-3.1** |
| **Transactions with owners** | | | | | | |
| Non-controlling interests | – | – | – | – | -5.9 | -5.9 |
| Share based payments | – | – | 2.7 | 2.7 | – | 2.7 |
| **Total transaction with owners** | **–** | **–** | **2.7** | **2.7** | **-5.9** | **-3.2** |
| **31 December 2023** | **0.4** | **314.9** | **35.4** | **350.7** | **2.7** | **353.4** |
| Adjustment of opening balance[1] | – | 3.4 | -3.6 | -0.2 | 0.2 | – |
| **31 December 2023 - Restated** | **0.4** | **318.3** | **31.8** | **350.5** | **2.9** | **353.4** |
| **Comprehensive income** | | | | | | |
| Net result | – | – | -13.4 | -13.4 | 0.1 | -13.3 |
| Other comprehensive income | – | -4.0 | – | -4.0 | – | -4.0 |
| **Total comprehensive income** | **–** | **-4.0** | **-13.4** | **-17.4** | **0.1** | **-17.3** |
| **Transactions with owners** | | | | | | |
| Non-controlling interests | – | – | – | – | -0.3 | -0.3 |
| Share based payments | – | 3.4 | – | 3.4 | – | 3.4 |
| Other | – | – | 0.2 | 0.2 | – | 0.2 |
| **Total transaction with owners** | **–** | **3.4** | **0.2** | **3.6** | **-0.3** | **3.3** |
| **31 December 2024** | **0.4** | **317.7** | **18.6** | **336.7** | **2.7** | **339.4** |

[1] Reclassification within equity between retained earnings, other reserves and non-controlling interest.

# Notes to the Consolidated Financial Statements

## Note 1 – Accounting policies

**General information**
Orrön Energy AB (publ), with company registration number 556610-8055, is a limited liability company and its registered office is located at Hovslagargatan 5, Stockholm, Sweden. The Orrön Energy share is listed on Nasdaq Stockholm.

The Company is active in the renewable energy sector and holds a core portfolio consisting of high-quality cash flow generating assets coupled with greenfield growth opportunities. Its subsidiaries' primary operations are located in the Nordics, the UK, Germany, and France and are described in detail in the Directors' Report in this Annual and Sustainability Report.

The consolidated financial statements for the financial year ending on 31 December 2024 were approved by the Board of Directors on 2 April 2025, and will be presented to the Annual General Meeting for adoption on 5 May 2025.

**Basis of preparation**
The consolidated financial statements of Orrön Energy have been prepared in accordance with IFRS Accounting Standards and the Swedish Annual Accounts Act (1995:1554). IFRS Accounting Standards comprise IFRS Accounting Standards, IAS Standards, and Interpretations developed by the IFRS Interpretations Committee. In addition, RFR 1 Supplementary rules for groups has been applied as issued by the Swedish Corporate Reporting Board.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed under the headline Critical accounting estimates and judgements. The consolidated financial statements have been prepared under the historical cost convention, except for items that are required to be accounted for at fair value as detailed in the Group's accounting policies. Intercompany transactions and balances have been eliminated.

The consolidated financial statements are presented in Euro (EUR), which is the currency the Group has elected to use as the presentation currency. All amounts have been rounded off to the nearest million EUR (MEUR), with one decimal, except when otherwise indicated.

**Accounting standards, amendments and interpretations**
The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024.
- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments listed above did not have any impact on the amounts recognised in prior years or in the current period and are not expected to significantly affect future periods.

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the group. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

**Principles of consolidation**

Subsidiaries
Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing the Group's control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The non-controlling interest in a subsidiary represents the portion of the subsidiary not owned by the Group. The equity of the subsidiary relating to the non-controlling shareholders is shown as a separate item within equity for the Group. The Group recognises any non-controlling interest on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Intercompany transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

**Joint ventures**
An investment in a joint venture is an investment in an undertaking where the Group has joint control, generally accompanying a shareholding of not more than 50 percent of the voting right. Joint control is the contractually agreed sharing of control, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Such investments are accounted for in the consolidated financial statements in accordance with the equity method and are initially recognised at cost. The difference between the acquisition cost of shares in a joint venture and the net fair value of the assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the joint venture and is assessed for impairment as part of the investment. The Group's share in the post-acquisition results of the joint venture is recognised in the income statement and the Group's share in post-acquisition movements in other comprehensive income of the joint venture are recognised directly in other comprehensive income of the Group. When the Group's accumulated share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's percentage in the joint ventures. Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the asset transferred.

**Associated companies**
An investment in an associated company is an investment in an undertaking where the Group exercises significant influence but not control, generally accompanying a shareholding of at least 20 percent but not more than 50 percent of the voting rights. Such investments are accounted for in the consolidated financial statements in accordance with the equity method and are initially recognised at cost. The difference between the acquisition cost of shares in an associated company and the net fair value of the assets, liabilities and contingent liabilities of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. The Group's share in the post-acquisition results of the associated company is recognised in the income statement and the Group's share in post-acquisition movements in other comprehensive income of the associated company are recognised directly in other comprehensive income of the Group.

When the Group's accumulated share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's percentage in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

**Foreign currencies**
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Euro, which is the currency the Group has elected to use as the presentation currency.

**Transactions and balances**
Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date and foreign exchange currency differences are recognised in the income statement. Transactions in foreign currencies are translated at exchange rates prevailing at the transaction date. Exchange differences are included in finance income/costs in the income statement except deferred exchange differences on qualifying cash flow hedges which are recorded in other comprehensive income.

**Presentation currency**
The balance sheets and income statements of foreign Group companies are translated for consolidation purposes. All assets and liabilities are translated at the balance sheet date rates of exchange, whereas the income statements are translated at average rates of exchange for the year, except for transactions where it is more relevant to use the rate of the day of the transaction. The translation differences which arise are recorded directly in the foreign currency translation reserve within other comprehensive income. Upon disposal of a foreign operation, the translation differences relating to that operation will be transferred from equity to the income statement and included in the result on sale.

**Exchange rates**
For the preparation of the annual financial statements, the following currency exchange rates have been used.

| | 31 Dec 2024 | | 31 Dec 2023 | |
|---|---|---|---|---|
| | Average | Period end | Average | Period End |
| 1 EUR equals SEK | 11.4309 | 11.4590 | 11.4728 | 11.0960 |
| 1 EUR equals NOK | 11.6251 | 11.7950 | 11.4244 | 11.2405 |
| 1 EUR equals GBP | 0.8466 | 0.8292 | 0.8699 | 0.8691 |
| 1 EUR equals CHF | 0.9526 | 0.9412 | 0.9717 | 0.9260 |

**Classification of assets and liabilities**
Non-current assets, long-term liabilities and non-current provisions consist of amounts that are expected to be recovered or paid more than twelve months after the balance sheet date. Current assets, current liabilities and current provisions consist solely of amounts that are expected to be recovered or paid within twelve months after the balance sheet date.

**Property, plant and equipment**
Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment. The cost includes expenditure which is directly attributable to the acquisition of the asset. The cost for wind farms also includes, in contrast to the cost for other investments, normal expenses for calibration and commissioning. Interest expenses during the construction and assembly period are included in the cost.

In conjunction with the granting of permits for the construction of wind turbines, the Group commits to restore land to its original condition after the end of the turbines' useful life. The estimated future expense for this restoration is provided for in the consolidated financial statements and is calculated using an estimated pre-tax discount rate that reflect the current market assessment of the time value of money.

Subsequent expenditure increases the asset's carrying amount or is recognised as a separate component only when it is likely that the future economic benefits associated with the asset will accrue to the Group, and the cost of the asset can be reliably estimated. All other forms of repair and maintenance are recognised as expenses in the income statement in the period in which they arise.

Land is assumed to have an indefinite useful life and is therefore not depreciated. The value of wind farms is depreciated on a straight-line basis down to a maximum of the asset's estimated residual value and over the asset's expected useful life. The depreciation of wind farms is initiated when the commercial handover from the constructor has taken place.

For the calculation of depreciation according to plan, the following useful lives are applied:
- Buildings 20 years
- Wind turbines and foundations 10–30 years
- Other equipment 3–5 years

**Impairment of assets**
At each balance sheet date, the Group assesses whether there is an indication that an asset may be impaired. Where an indicator of impairment exists or when impairment testing for an asset is required, the Group makes a formal assessment of the recoverable amount. Where the carrying value of a cash generating unit (CGU) exceeds its recoverable amount the CGU is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is calculated by discounting estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When the recoverable amount is less than the carrying value an impairment loss is recognised with the expensed charge to the income statement.

If indications exist that previously recognised impairment losses no longer exist or are decreased, the recoverable amount is estimated. When a previously recognised impairment loss is reversed the carrying amount of the asset is increased to the estimated recoverable amount but the increased carrying amount may not exceed the carrying amount after depreciation that would have been determined had no impairment loss been recognised for the asset in prior years.

**Financial assets and liabilities**
Assets and liabilities are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost unless stated otherwise. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are categorised according to whether they are measured at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss. Orrön Energy recognises the following financial assets and liabilities:

Financial assets at amortised cost
Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The Group's loans and receivables consist of fixed or determined cash flows related solely to principal and interest amounts or contractual energy sales. The Group's intent is to hold these receivables until cash flows are collected. Loans are recognised initially at fair value, net of any transaction costs incurred and subsequently measured at amortised cost.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets measured at FVTPL are assets which do not qualify as financial assets at amortised cost or at fair value through other comprehensive income.

Financial liabilities at amortised cost
Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL, or the Group has opted to measure them at FVTPL. Borrowings and accounts payable are recognised initially at fair value, net of any transaction costs incurred, and subsequently at amortised cost using the effective interest method.

**Financial liabilities at FVTPL**
Financial liabilities measured at FVTPL are liabilities which include embedded derivatives and cannot be classified as amortised cost.

**Impairment of financial assets**
The measurement of impairment of financial assets is based on the expected credit losses model. For the trade and other receivables, the Group applies the simplified approach which requires the use of the lifetime expected loss provision for all trade receivables. In estimating the lifetime expected loss provision, the Group considered historical industry default rates as well as credit ratings of major customers. Additional disclosure related to the Group's financial assets is included in Note 9.

**Derivatives used for hedging**
Derivative financial instruments may be used by the Group to manage economic exposure to market risks relating to foreign currency exchange rates and interest rates. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Where specific financial instruments are executed, The Group assesses, both at the time of purchase and on an ongoing basis, whether the financial instrument used in the particular transaction is effective in offsetting changes in fair values or cash flows of the transaction.

The effective portion of changes in the fair value of derivatives that qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion, if any, is recognised immediately in the income statement. Amounts accumulated in other comprehensive income are transferred to the income statement in the period when the hedged item will affect the income statement. When a hedging instrument no longer meets the requirements for hedge accounting, expires or is sold, any accumulated gain or loss recognised in other comprehensive income remains in shareholders' equity until the forecast transaction no longer is expected to occur, at which point it is transferred to the income statement.

**Borrowings**
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised costs using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or a shorter period where appropriate and is continuously reassessed.

**Cash and cash equivalents**
Cash and cash equivalents include cash at bank, cash in hand and interest bearing securities with original maturities of three months or less.

**Equity**
Share capital consists of the registered share capital for the Parent Company. Share issue costs associated with the issuance of new equity are treated as a direct reduction of proceeds. Excess contribution in relation to the issuance of shares is accounted for in the item additional paid-in-capital.

When any group company purchases the Parent Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Parent Company's equity holders until these shares are cancelled or sold. Where these shares are subsequently sold, any consideration received, net of any directly attributable incremental transaction costs and related income tax effects, is included in equity attributable to the Company's equity holders.

The change in fair value of hedging instruments which qualify for hedge accounting is accounted for in the hedge reserve. Upon settlement of the hedge instrument, the hedged item will be transferred to the income statement. The currency translation reserve contains unrealised translation differences due to the conversion of the functional currencies into the presentation currency. Retained earnings contain the accumulated results attributable to the shareholders of the Parent Company.

**Provisions**
A provision is reported when the Company has a legal or constructive obligation as a consequence of an event and is more likely than not that an outflow of resources is required to settle the obligation, and a reliable estimate can be made of the amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and the discount rate used in the calculation is the risk-free rate with the addition of a credit risk element. The increase in the provision due to passage of time is recognised as finance costs.

On land where the Group is required to contribute to site restoration costs, a provision is recorded to recognise the future commitment. An asset is created, as part of the wind farm, to represent the discounted value of the anticipated site restoration liability and depleted over the life of the asset. The corresponding accounting entry to the creation of the asset recognises the discounted value of the future liability. The discount applied to the anticipated site restoration liability is subsequently released over the life of the asset and is charged to financial expenses. Changes in site restoration costs and provisions are treated prospectively and consistent with the treatment applied upon initial recognition.

**Revenue recognition**
Income is recognised in the income statement when control has been passed to the purchaser. Orrön Energy's net sales include the sale of generated electricity, earned and sold electricity certificates and guarantees of origin, as well as gains and losses from electricity and currency derivatives attributable to the hedged production. Income arising from the sale of generated electricity is recognised at a point in time in the period in which delivery took place, at the spot price, forward price or other contracted price. Income relating to electricity certificates is recognised over time at the applicable spot price, forward price or other contracted price for the period in which the electricity certificate is earned, which is the period in which the electricity was produced. Income from electricity, electricity certificates and guarantees of origin is recognised in net sales from the date of commissioning.

Electricity certificates are recognised under inventories in the balance sheet when they are registered in the Swedish Energy Agency's account, and as accrued income for any periods during which they have been earned but not yet registered.

**Borrowing costs**
Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets. Qualifying assets are assets that take a substantial period of time to complete for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending to be used for the qualifying asset, is deducted from the borrowing costs eligible for capitalisation. This applies on the interest on borrowings to finance wind farms under development which is capitalised within the wind farm until production commences. All other borrowing costs are recognised in the income statement in the period in which they occur. Interest on borrowings to finance the acquisition of producing wind farms is charged to the income statement as incurred.

**General and administration expenses**
Expenses which are classified as general, and administration expenses include all costs which are not directly attributable to operations. These costs mainly consist of personnel costs, office costs, costs for travel and external services.

**Employee benefits**

Short-term employee benefits
Short-term employee benefits such as salaries, social premiums and holiday pay, are expensed when incurred.

Pension obligations
Pensions are the most common long-term employee benefits. The pension schemes are funded through payments to insurance companies. The Group's pension obligations consist of defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an expense when they are due.

Share based payments
Equity-settled share based payments are recognised in the income statement as expenses during the vesting period and as equity in the Balance Sheet. The option is measured at fair value at the date of grant using an option pricing model and is charged to the income statement over the vesting period without revaluation of the value of the option.

**Income taxes**
The components of tax are current and deferred. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is matched.

Current tax is tax that is to be paid or received for the year in question and also includes adjustments of current tax attributable to previous periods.

Deferred tax is a non-cash charge provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values. Temporary differences can occur, for example, where investment expenditure is capitalised for accounting purposes, but the tax deduction is accelerated, or where site restoration costs are provided for in the financial statements but not deductible for tax purposes until they are actually incurred. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are offset against deferred tax liabilities in the balance sheet where they relate to the same jurisdiction.

**Segment reporting**
Operating segments are reported in a manner consistent with the internal reporting provided to Group management. Since the Company changed to become a pure renewable energy business on 1 July 2022, the activity has been treated as one segment, this may change in the future when the business expands geographically and operationally.

**Critical accounting estimates and judgements**
The management of Orrön Energy has to make estimates and judgements when preparing the financial statements of the Group. Uncertainties in the estimates and judgements could have an impact on the carrying amount of assets and liabilities and the Group's result. The most important estimates and judgements in relation thereto are:

Reclassification to held for sale
The criteria for held for sale or distribution classification is regarded as met only when the sale or distribution is highly probable, and the asset or disposal group is available for immediate sale, or distribution in its present condition. Actions required to complete the sale, or distribution should indicate that it is unlikely that significant changes to the sale or distribution will be made or that the decision to sell or distribute will be withdrawn. Management must be committed to the plan to sell or distribute the asset, and the sale or distribution expected to be completed within one year from the date of the classification.

## Note 2 – Share in result of associates and joint ventures

| MEUR | 2024 | 2023 |
|---|---|---|
| Metsälamminkangas Wind Oy (50%) | -5.8 | -3.2 |
| Leikanger Kraft AS (50%) | – | 0.3 |
| Other | -0.2 | 0.2 |
| | **-6.0** | -2.7 |

## Note 3 – Finance income

| MEUR | 2024 | 2023 |
|---|---|---|
| Foreign currency exchange gain, net | – | – |
| Interest income | 5.3 | 5.9 |
| Other | 0.0 | 0.4 |
| | **5.3** | 6.3 |

## Note 4 – Finance costs

| MEUR | 2024 | 2023 |
|---|---|---|
| Foreign currency exchange loss, net | 0.8 | 2.6 |
| Interest expense | 4.9 | 4.8 |
| Other | 1.4 | 1.0 |
| | **7.1** | 8.4 |

## Note 5 – Income tax

| MEUR | 2024 | 2023 |
|---|---|---|
| Current tax | -0.1 | -0.2 |
| Deferred tax | 6.1 | 11.7 |
| | **6.0** | 11.5 |

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of Sweden as follows:

| MEUR | 2024 | 2023 |
|---|---|---|
| Profit/loss before tax | -19.3 | -19.1 |
| Tax calculated at the corporate tax rate in Sweden 20.6% (20.6%) | 4.0 | 3.9 |
| Tax effect of expenses non-deductible for tax purposes | -0.5 | -4.1 |
| Increased/decreased unrecorded tax losses | 5.1 | 0.0 |
| Tax effect on accelerated depreciation | 7.6 | 0.4 |
| Deferred tax asset on unrecorded tax losses | – | 11.3 |
| **Tax per income statement** | **6.0** | 11.5 |

There is no tax charge/credit relating to components of other comprehensive income.

| **Corporation tax asset - current and deferred** | Current | | Deferred | |
|---|---|---|---|---|
| MEUR | 2024 | 2023 | 2024 | 2023 |
| Sweden | – | – | 40.2 | 39.3 |
| | – | – | **40.2** | 39.3 |

| **Corporation tax liability - current and deferred** | Current | | Deferred | |
|---|---|---|---|---|
| MEUR | 2024 | 2023 | 2024 | 2023 |
| Sweden | 0.0 | 0.2 | 11.4 | 15.9 |
| Switzerland | 0.1 | – | – | – |
| | **0.1** | 0.2 | **11.4** | 15.9 |

| **Specification of deferred tax assets and tax liabilities**<br>MEUR | 2024 | 2023 |
|---|---|---|
| **Deferred tax assets** | | |
| Temporary differences on property, plant and equipment | 2.2 | – |
| Temporary differences on tax loss carry forwards | 38.0 | 39.3 |
| | **40.2** | 39.3 |
| **Deferred tax liabilities** | | |
| Excess values on property, plant and equipment | 11.4 | 15.9 |
| | **11.4** | 15.9 |

**Unrecognised tax losses**
The Group has Swedish tax loss carry forwards of approximately MEUR 216.4 (MEUR 205.4). At year-end 2024, the deferred tax asset amounts to MEUR 38.0 (MEUR 39.3) relating to these tax losses. After considering the deferred tax asset recognised, the remaining unrecognised tax losses amount to MEUR 31.7 (MEUR 16.4) at year-end. The tax losses can be carried forward indefinitely.

**International tax reform OECD Pillar 2 model rules**
The Group falls within the scope of the OECD Pillar 2 model rules which are implemented in Sweden through the Law on Top-up Tax (Sw. Lag (2023:875) om tilläggsskatt) and is expected to stay within scope until the end of 2024 only. The new law entered into force 1 January 2024 and applies to fiscal years beginning after 31 December 2023.

Under Pillar 2, the Group is liable to pay top-up tax for jurisdiction where the Group has low-taxed operations. Operations are deemed as low-taxed if the Group's effective tax rate in a jurisdiction, calculated in accordance with the certain rules of Pillar 2, falls below the minimum tax rate of 15 percent. Pillar 2 also includes temporary safe harbour rules which, if fulfilled for a particular jurisdiction, implies that the top-up tax for the jurisdiction is deemed to be zero.

The Group's assessment indicates that Group companies meet the safe harbour rules, where no top-up tax liability is expected for any jurisdiction. Accordingly, the Group does not expect that the enactment of Pillar 2 will have any material impact on the Group's effective tax rate.

## Note 6 – Property, plant and equipment

| MEUR | Land and buildings | Plant and machinery | Construction in progress | Other | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| **1 January 2023** | 0.2 | 228.9 | 63.6 | 13.7 | 306.4 |
| Additions | – | 7.8 | 6.4 | – | 14.2 |
| Reclassifications | 17.3 | 126.3 | -70.0 | -9.2 | 64.4 |
| Disposal | – | -0.2 | – | – | -0.2 |
| Currency translation difference | – | 0.8 | – | 0.9 | 1.7 |
| **31 December 2023** | **17.5** | **363.6** | – | **5.4** | **386.5** |
| Additions | 0.4 | 7.2 | – | 0.0 | 7.6 |
| Reclassifications | 1.2 | – | – | -1.2 | – |
| Change in estimation | – | -1.1 | – | – | -1.1 |
| Disposal | – | 0.9 | – | -0.1 | 0.8 |
| Currency translation difference | -0.1 | -7.9 | – | -0.1 | -8.1 |
| **31 December 2024** | **19.0** | **362.7** | – | **4.0** | **385.7** |
| **Depreciation** | | | | | |
| **1 January 2023** | – | -65.3 | – | -5.3 | -70.6 |
| Depreciation charge | 0.0 | -11.8 | – | -0.5 | -12.3 |
| Reclassifications | -1.7 | -7.5 | – | 1.7 | -7.5 |
| Business combination | 0.0 | -0.5 | – | -0.4 | -0.9 |
| **31 December 2023** | **-1.7** | **-85.1** | – | **-4.5** | **-91.3** |
| Depreciation charge | -0.4 | -15.0 | – | -0.1 | -15.5 |
| Reclassifications | -0.4 | -0.5 | – | 0.5 | -0.4 |
| Currency translation difference | 0.0 | 2.7 | – | 0.1 | |
| **31 December 2024** | **-2.5** | **-97.9** | – | **-4.0** | **-104.4** |
| **Net book value** | | | | | |
| 31 December 2024 | 16.5 | 264.8 | – | 0.1 | 281.3 |
| 31 December 2023 | 15.8 | 278.5 | – | 0.9 | 295.2 |

**Estimated useful life**
Buildings are depreciated using an estimated useful life of 20 years and taking into account the residual value.

Plant and machinery represent the Group's wind farms and consists of wind turbines, foundations and other equipment. The estimated useful lives of wind farms are reviewed on a park-by-park basis. Wind turbines and foundations are depreciated over 10 to 30 years and other equipment is depreciated over three to five years.

For other assets, the depreciation charge for the year is based on cost and an estimated useful life of three to five years for office equipment and other assets.

**Impairment**
Orrön Energy carries out impairment tests of individual cash-generating units when impairment triggers are identified. No impairment triggers were identified during the year.

**Capitalised borrowing costs**
No interest expenses were capitalised in 2024 or in 2023.

**Development expenditure commitments**
At the balance sheet date, the Group had contracted future capital expenditure of MEUR 0.9 (MEUR 1.5), which has not been recognised as liabilities.

**Leases**
The Group's leases mainly relate to land leases and rented offices, and the value of the leases is not material. The Group has entered into land lease agreements for its wind farms which are entirely variable. The lease payments are paid at a percentage of the income from electricity production. The lease term for a land lease is deemed to coincide with the useful life of the wind turbine constructed on the land and has not been recognised as a lease liability due to its low value.

In 2024, the Group has incurred costs of MEUR 1.0 (MEUR 1.3) in total for variable leases. The yearly cost for short term leases and non-material leases amounted to less than MEUR 0.1 in total.

## Note 7 – Investments in associates and joint ventures

| | Number of shares | Share % | 2024 Book amount MEUR | 2023 Book amount MEUR |
|---|---|---|---|---|
| Metsälamminkangas Wind Oy | 1,250 | 50.0 | 34.2 | 12.0 |
| Leikanger Kraft AS | – | – | – | 16.5 |
| Eagle Wind JV AB | 5,000 | 20.0 | 4.6 | 5.5 |
| Eslöv Vind AB | 365 | 36.5 | 0.1 | 0.0 |
| Gärdslösa Drift AB | 340 | 33.3 | 0.0 | 0.0 |
| Istad Wind Power Management AB | 240 | 20.0 | 0.0 | 0.0 |
| Kräklingbo Vind AB | 175 | 35.0 | 0.0 | 0.0 |
| Orust Drift AB | 320 | 33.3 | 0.0 | 0.0 |
| Ryd-Rönnerum Drift AB | 200 | 20.0 | 0.0 | 0.0 |
| Slättens vind AB (publ) | 253,349 | 24.2 | 2.1 | 0.0 |
| Torsburgen Vind AB | 700 | 35.0 | 0.0 | 0.0 |
| Östra Sallerup Vind AB | 12 | 25.0 | 0.0 | 0.0 |
| | | | **41.0** | 34.0 |

The Group's interest held in Metsälamminkangas Wind Oy relates to a wind farm in Finland. The remaining interests relate to investments made by Orrön Energy Sweden AB. The interest in Leikanger Kraft AS of 50 percent and 451,500 shares held at the end of 2023 was sold in 2024.

The table below summarises the financial information for the joint ventures, which represent the large majority of total investments in associates and joint ventures. The investments are accounted for using the equity method and the amounts represent 100 percent of those companies.

| Income statement | Metsälamminkangas Wind OY | | Leikanger Kraft AS | |
|---|---|---|---|---|
| MEUR | 2024 | 2023 | 2024 | 2023 |
| Revenue | 11.1 | 15.1 | – | 8.3 |
| Operating costs | -6.4 | -5.9 | – | -1.8 |
| Depreciation | -7.3 | -7.3 | – | -1.3 |
| Operating profit | -2.6 | 1.9 | – | 5.2 |
| Net financial items | -9.1 | -8.4 | – | -2.7 |
| Profit/Loss before tax | -11.7 | -6.5 | – | 2.5 |
| Income tax | 0.1 | – | – | -1.8 |
| **Net result** | **-11.6** | -6.5 | **–** | 0.7 |

| Balance sheet<br>MEUR | Metsälamminkangas Wind OY 2024 | Metsälamminkangas Wind OY 2023 | Leikanger Kraft AS 2024 | Leikanger Kraft AS 2023 |
|---|---|---|---|---|
| Non-current assets | | | | |
| Property, plant and equipment | 163.0 | 170.1 | – | 75.7 |
| Current assets | | | | |
| Other current financial assets | 1.8 | 1.5 | – | 0.5 |
| Cash and cash equivalents | 2.4 | 3.1 | – | 3.8 |
| **Total assets** | **167.2** | 174.7 | **–** | 80.0 |
| Equity | 65.9 | 6.0 | – | 22.8 |
| Non-current liabilities | | | | |
| Interest bearing loans and borrowings | 90.0 | 145.9 | – | 48.5 |
| Deferred tax liability | 3.9 | 19.4 | – | 4.4 |
| Provisions | 0.1 | – | – | – |
| Current liabilities | 7.3 | 3.4 | – | 4.3 |
| **Total liabilities** | **101.3** | 168.7 | **–** | 57.2 |
| **Total equity and liabilities** | **167.2** | 174.7 | **–** | 80.0 |

## Note 8 – Financial instruments and financial risk management

**Capital management**
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to meet its committed work programme requirements in order to create shareholder value. The Group may put in place new credit facilities, repay debt, or other activities as appropriate. Group management continuously monitors and manages the Group's net cash/net debt position in order to assess the requirement for changes to the capital structure to meet objectives and to maintain flexibility and monitors capital. Net cash/net debt is calculated as interest bearing loans and borrowings less cash and cash equivalents. Orrön Energy is not subject to any externally imposed capital requirements.

| Net cash / Net debt<br>MEUR | 2024 | 2023 |
|---|---|---|
| Interest bearing loans and borrowings – Non-current | 83.6 | 114.7 |
| Interest bearing loans and borrowings – Current | 0.6 | 0.8 |
| Less: Cash and cash equivalents | -17.6 | -21.8 |
| | **66.6** | 93.7 |

**Interest rate risk**
Interest rate risk is the risk to the earnings due to uncertain future interest rates. Orrön Energy is exposed to interest rate risk through the corporate credit facility, see also Liquidity risk below. No interest expenses have been capitalised during 2024.

Orrön Energy will assess the benefits of interest rate hedging on borrowings on a continuous basis.

**Interest rate exposure**
The following table summarises the effect that a change in interest rate would have on operating profit for the year ended 31 December 2024.

**Sensitivity analysis interest rate**

| | | |
|---|---|---|
| **Net result, MEUR** | -13.3 | -13.3 |
| Shift in interest rates 100 basis points | Increase | Decrease |
| Total effect on net result, MEUR | -0.9 | 0.9 |

The Group had no outstanding interest rate hedges at year-end.

**Currency risk**
Orrön Energy is a Swedish company which is operating internationally and therefore attracts foreign exchange exposure, both on transactions as well as on the translation from functional currency for entities to the Group's presentation currency of the Euro. The main functional currencies of Orrön Energy's subsidiaries are Swedish krona, Swiss francs and British pound, as well as Euro, making the Company sensitive to fluctuations of these currencies against the Euro.

**Foreign exchange exposure**
The following table summarises the effect that a change in these currencies against the Euro would have on net result through the conversion of the monetary assets and liabilities of the Group's subsidiaries from functional currency to the presentation currency Euro for the year ended 31 December 2024.

**Sensitivity analysis foreign exchange rate**

| | | | |
|---|---|---|---|
| **Net result, MEUR** | | -13.3 | -13.3 |
| Shift in currency exchange rates | Average rate 2024 | 10% EUR weakening | 10% EUR strengthening |
| SEK/EUR | 11.4309 | 10.3918 | 12.5740 |
| Total effect on net result, MEUR | | 1.1 | -1.1 |

The Group had no outstanding currency hedges at year-end.

**Price risk**
Energy prices are affected by the normal economic drivers of supply and demand as well as the market uncertainty. Factors that influence these include operational decisions, natural disasters, economic conditions, political instability or conflicts or actions by major energy exporting countries. Price fluctuations can affect Orrön Energy's financial position.

Orrön Energy's strategy is to be fully merchant exposed to energy prices but adopt a flexible approach towards price hedging, based on an assessment of the benefits of the hedge contract in specific circumstances. Based on analysis of the circumstances, Orrön Energy will assess the benefits of forward hedging for the purpose of establishing cash flow.

**Energy price exposure**
The table below summarises the effect that a change in electricity prices would have had on the net result and equity on 31 December 2024.

**Sensitivity analysis energy price**

| | | |
|---|---|---|
| **Net result, MEUR** | -13.3 | -13.3 |
| Shift in energy prices | 25% weakening | 25% strengthening |
| Total effect on net result, MEUR | -6.3 | 6.3 |

The Group had no outstanding price hedges at year-end.

**Credit risk**
On 31 December 2024, trade receivables amounted to MEUR 0.5 (MEUR 1.7). There is no recent history of default and no future losses are expected. Other long-term and short-term receivables are considered recoverable and no provision for bad debt was accounted for at year-end 2024. Cash and cash equivalents are maintained with banks having strong long-term credit ratings.

**Liquidity risk**
Liquidity risk is defined as the risk that the Group could not be able to settle or meet its obligations on time or at a reasonable price. Liquidity and funding risks and related processes and policies are closely overseen by Group management.

In January 2024, the Company exercised a portion of the accordion option and increased its three-year revolving credit facility entered into in 2023, from MEUR 150 to MEUR 190, adding further capacity to fund future growth. The commercial terms of the facility are unchanged and include a floating interest rate margin of 1.8 percent above the reference interest rate for the borrowed currency. Following the sale of the Company's interest in the Leikanger hydropower plant, which completed in May 2024, the revolving credit facility was reduced from MEUR 190 to MEUR 170.

The revolving credit facility agreement provides that an “event of default” occurs where the Group does not comply with certain material covenants or where certain events occur as specified in the agreement, as are customary in financing agreements of this size and nature. These financial covenants are calculated on a proportionate basis as described in section Key financial data on page 79 of this report. They consist of minimum liquidity (cash and cash equivalents plus available funds under credit facilities) and Debt Service Cover Ratio (ratio of proportionate EBITDA adjusted for certain non-cash expenses to debt service). The Company met all its financial covenant obligations during the year.

The table below analyses the Group’s financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

| MEUR | 31 December 2024 | 31 December 2023 |
| --- | --- | --- |
| **Repayment within 6 months:** | | |
| Trade and other payables | 11.0 | 12.7 |
| **Repayment after 6 months:** | | |
| Other current financial liabilities | 0.6 | 0.8 |
| **Repayment within 1–2 years:** | | |
| Interest bearing loans and borrowings | 1.9 | – |
| **Repayment within 2–5 years:** | | |
| Interest bearing loans and borrowings[1] | 81.7 | 114.7 |
| | **95.2** | 128.2 |

[1] Including an extension option.

**Classification of financial instruments**
The tables below present the classification of the financial instruments in the balance sheet in 2024 and 2023. Financial assets and liabilities are categorised according to whether they are measured at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss.

| | Level | 2024 | 2023 |
| --- | --- | --- | --- |
| **Financial assets** | | | |
| **Financial assets at amortised cost** | | | |
| Non-current financial assets | 2 | 46.7 | 95.5 |
| Trade receivables | | 0.5 | 1.7 |
| Other current financial assets | | 14.1 | 5.7 |
| Cash and cash equivalents | | 17.6 | 21.8 |
| | | **78.9** | 124.7 |
| **Financial assets at fair value through other comprehensive income** | | | |
| Other current financial assets – Equity securities | 1 | 0.4 | – |
| | | **0.4** | – |
| **Financial liabilities** | | | |
| **Financial liabilities at amortised cost** | | | |
| Interest bearing loans and borrowings | | 83.6 | 114.7 |
| Trade and other payables | | 11.0 | 12.7 |
| Other current financial liabilities | | 0.6 | 0.8 |
| | | **95.2** | 128.2 |

The nature of financial assets and liabilities is, in all material respects, the same as on December 31, 2023. The carrying amounts and fair values are deemed to essentially correspond with one another. Non-current financial assets include loans to joint ventures of MEUR 46.4 (MEUR 94.9) and other current financial assets of MEUR 0.3 (MEUR 0.6).

For financial assets and liabilities measured at fair value in the balance sheet, the following fair value measurement hierarchy is used:
- Level 1: based on quoted prices in active markets;
- Level 2: based on inputs other than quoted prices as within level 1, that are either directly or indirectly observable;
- Level 3: based on inputs which are not based on observable market data.

## Note 9 – Revenue and other income

The Group's revenue was mainly comprised of sale of generated electricity which amounted to MEUR 25.6 (MEUR 27.9) of the Group's total revenue of MEUR 25.7 (MEUR 28.0), which also included sale of ancillary services, earned electricity certificates and guarantees of origin.

Revenues are mainly derived from sales at the spot market, to electricity trading companies, and near 100 percent of the Group's total revenue was contracted with two customers.

Other income for the year of MEUR 11.0 (MEUR 0.4) included a profit of MEUR 10.9 made on the sale of the Leikanger hydropower plant in April 2024. Other income for the year also included liquidated damages of MEUR 0.1. In 2023 other income represented income from sale of services of MEUR 0.4.

## Note 10 – Other current financial assets

| MEUR | **2024** | 2023 |
|---|---|---|
| Project development portfolio | 11.5 | 4.5 |
| Other | 3.0 | 1.2 |
| | **14.5** | 5.7 |

The project development portfolio consists of early-stage greenfield projects in onshore wind, solar and battery in the Nordics, the UK, Germany, and France.

## Note 11 – Supplementary information to the Statement of Cash Flows

The Consolidated Statement of Cash Flows is prepared in accordance with the indirect method.

| MEUR | **2024** | 2023 |
|---|---|---|
| **Adjustments for items not included in the Cash Flows:** | | |
| Depreciation and amortisation | 15.9 | 11.9 |
| Current tax | 0.1 | 0.2 |
| Deferred tax | -6.1 | -11.6 |
| Long-term incentive plans | 3.4 | 2.3 |
| Foreign currency exchange gain/loss | 0.6 | 1.3 |
| Amortisation of deferred financing fees | 0.4 | – |
| Interest income | -5.3 | -5.9 |
| Interest expense | 5.5 | 5.5 |
| Unwinding of site restoration discount | 0.1 | – |
| Result from associated companies and joint ventures | 6.0 | 2.7 |
| Profit from sale of joint venture | -10.9 | – |
| Other | 0.0 | 1.7 |
| | **9.7** | 8.1 |

## Note 12 – Equity

### Note 12.1 – Share capital and share premium

| | Share capital | | | Additional paid in capital |
|---|---|---|---|---|
| | Number of shares | Par value MSEK | Par value MEUR | MEUR |
| **1 January 2023** | 285,924,614 | 3.5 | 0.4 | 315.8 |
| Sold treasury shares | – | – | – | – |
| **31 December 2023** | 285,924,614 | 3.5 | 0.4 | 315.8 |
| Retirement of shares | -19,427 | – | – | – |
| **31 December 2024** | **285,905,187** | **3.5** | **0.4** | **315.8** |

**Share capital**
The Company's issued share capital amounted to SEK 3,478,713 represented by 285,905,187 shares with a quota value of SEK 0.01 each (rounded off). All shares are ordinary shares with equal right to dividends.

During the year, the number of shares and votes in the Company decreased following the retirement of 19,427 of the Company's own shares as resolved upon during an Extraordinary General Meeting (EGM) held on 7 August 2024. The shares were received as a result of a legacy corporate transaction, and the acquisition value of these shares was nil. A resolution to reduce the share capital by SEK 236.36 through retirement of these shares was approved by the EGM. The purpose of the reduction of the share capital was allocation to unrestricted equity. The EGM further resolved to increase the share capital by SEK 236.36. No new shares were issued in connection with the increase of the share capital. The amount by which the share capital was increased has been transferred to share capital from unrestricted equity.

### Note 12.2 – Other reserves

| | Fair value reserve | Currency translation reserve | Share option plans Value of employee services | Total |
|---|---|---|---|---|
| 1 January 2023 | – | -5.5 | – | -5.5 |
| Other comprehensive income | – | 4.6 | – | 4.6 |
| Transactions with owners | – | – | 3.4 | 3.4 |
| **31 December 2023** | – | -0.9 | 3.4 | 2.5 |
| Other comprehensive income | 0.4 | -4.6 | – | -4.2 |
| Transactions with owners | – | – | 3.5 | 3.5 |
| **31 December 2024** | **0.4** | **-5.5** | **6.9** | **1.8** |

### Note 12.3 – Retained earnings

| MEUR | 2024 | 2023 |
|---|---|---|
| 1 January | 31.8 | 40.7 |
| Net result for the year | -13.4 | -8.0 |
| Share based payments | – | 2.7 |
| Reclass - Share based payments[1] | – | -3.6 |
| Other | 0.3 | – |
| **31 December** | **18.7** | 31.8 |

[1] Reclassification of share based payments from retained earnings to other reserves.

## Note 12.4 – Earnings per share

| | 2024 | 2023 |
|---|---|---|
| **Net result attributable to shareholders of the Parent Company, MEUR** | **-13.4** | -7.6 |
| Weighted average number of shares of the year | 285,918,085 | 285,924,614 |
| **Earnings per share, EUR** | **-0.05** | -0.03 |

## Note 13 – Interest bearing liabilities

| MEUR | 2024 | 2023 |
|---|---|---|
| **Non-current** | | |
| Bank loans | 83.6 | 114.7 |
| | **83.6** | 114.7 |
| **Current** | | |
| Bank loans | 0.6 | 0.8 |
| | **0.6** | 0.8 |

Orrön Energy is not subject to any externally imposed capital requirements. The revolving credit facility agreement provides that an "event of default" occurs where the Group does not comply with certain material covenants or where certain events occur as specified in the agreement, as are customary in financing agreements of this size and nature. See section Liquidity risk in Note 8 Financial instruments and financial risk management.

The Company's credit facility held by the group entity Orrön Energy Finance AB is secured by a pledge over the shares of certain group companies. The pledged assets amounted to MEUR 3,780.8 (MEUR 3,780.8) at year end and represented the carrying value of the pledge of the Group companies whose shares are pledged.

## Note 14 – Provisions

| MEUR | Site restoration provision | Other | Total |
|---|---|---|---|
| **1 January 2023** | 0.9 | 2.7 | 3.6 |
| Additions | 2.1 | – | 2.1 |
| Changes in estimates | – | -0.2 | -0.2 |
| Payments | – | -2.5 | -2.5 |
| **31 December 2023** | 3.0 | – | 3.0 |
| Changes in estimates | -1.0 | 0.1 | -0.9 |
| Unwinding of site restoration discount | 0.1 | – | 0.1 |
| Currency translation difference | -0.1 | – | -0.1 |
| **31 December 2024** | **2.0** | **0.1** | **2.1** |
| Non-current | 2.0 | 0.1 | 2.1 |
| Current | – | – | – |
| **Total** | **2.0** | **0.1** | **2.1** |

**Site restoration provision**
When the Group has an obligation to contribute to environmental restoration on land where it has its operations, a provision is recorded to recognise the future commitment.

Provisions are measured at the present value of the amount expected to be required to settle the obligation. In calculating the present value of the site restoration provision, a discount rate of 4.5 percent (4.5 percent) was used, based on long-term risk-free interest rate projections. The provision relates to the liability associated with the Company's operational assets in Sweden and the change in estimates was recorded following technical review of the estimated future costs related to the environmental restoration of land. See section Provisions in Note 1 Accounting policies.

## Note 15 – Trade and other payables

| MEUR | **2024** | 2023 |
|---|---|---|
| Accounts payable | 3.6 | 3.0 |
| Other current liabilities | 1.3 | 4.4 |
| Accrued payables and deferred income | 6.1 | 5.3 |
| | **11.0** | 12.7 |

## Note 16 – Changes in liabilities with cash flow movements

The changes in liabilities and relating cash flow movements are disclosed as part of financing activities in the cash flow statement and are detailed as follows:

| | | | Non-Cash changes | |
|---|---|---|---|---|
| | 1 January 2024 | Cash flows | Foreign exchange movement | 31 December 2024 |
| Financial liabilities | 114.7 | -30.1 | -1.0 | 83.6 |

| | | | Non-Cash changes | |
|---|---|---|---|---|
| | 1 January 2023 | Cash flows | Foreign exchange movement | 31 December 2023 |
| Financial liabilities | 56.3 | 57.7 | 0.7 | 114.7 |

## Note 17 – Contingent liabilities and assets

In November 2021, the Swedish Prosecution Authority 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 Prosecution Authority represents the value of the gain of MSEK 720.1 that the Company made on the sale of an asset in 2003. The Company 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 could become payable. The claim for forfeiture of economic benefits was increased from MSEK 1,391.8 by the Swedish Prosecution Authority in August 2023. This latest increase to the claimed forfeiture amount means that the Prosecutor has presented three completely different amounts, based on three different methodologies, over the past six years, raising serious questions about the substance and credibility of the Prosecutor's claim. It is obvious that the methodology used by the Prosecutor to arrive at the claimed forfeiture amount is fundamentally flawed, leading to an unreasonable forfeiture claim which has no basis in law and is highly speculative. Any potential corporate fine or forfeiture of economic benefits would only be imposed after an adverse final conclusion of the case against former representatives of the Company. The trial at the Stockholm District Court started in September 2023 and is scheduled to finish during the second quarter 2026. The Company considers this to be a contingent liability and therefore no provision has been recognised.

As part of the IPC spin-off that was completed on 24 April 2017, the Company had indemnified IPC for certain legal proceedings related to the period before the spin-off concerning Indonesian land and building tax assessed for the fiscal years 2012 and 2013. The legal proceedings have been concluded for the fiscal year 2012 and did not lead to any liability for IPC, nor the Company. In early 2024, the Company acquired the entity subject to the claim for 2013 from IPC and the indemnity to IPC was extinguished. In October 2024, the legal proceedings were concluded for the fiscal year 2013 and the Supreme Court dismissed the appeal. The Group has not recognised any provision in relation hereto as it does not believe it is probable that the judgement will lead to any outflow of resources for the Group.

A portion of the Company's past operations was held through a Canadian holding structure when acquired back in 2006. The tax filings in Canada since 2006 in relation to both corporate income tax and withholding tax are under review by the Canadian Tax Office. All tax has been paid in relation to these tax filings and no provision has been recognised.

## Note 18 – Related party transactions

Orrön Energy recognises the following related parties: associated companies, jointly controlled entities, key management personnel and members of their close family or other parties that are partly, directly or indirectly controlled by key management personnel or of its family or of any individual that controls or has joint control or significant influence over the entity.

At the balance sheet date, the Group had an outstanding loan receivable on associates and joint ventures of MEUR 46.4 relating to MLK, which amounted to MEUR 94.9 at year-end 2023 and related to MLK and Leikanger. Interest income on loans to associates and joint ventures amounted to MEUR 5.2 (MEUR 5.9) for the year.

## Note 19 – Average number of employees

| | **2024** | | 2023 | |
|---|---|---|---|---|
| **Average number of employees per country** | Total employees | of which men | Total employees | of which men |
| **Parent Company in Sweden** | **6** | **4** | 6 | 5 |
| **Subsidiaries** | | | | |
| Sweden | 19 | 12 | 12 | 7 |
| Switzerland | 12 | 7 | 8 | 5 |
| United Kingdom | 8 | 5 | 4 | 3 |
| Germany | 6 | 5 | 1 | 1 |
| France | 2 | 2 | 1 | 1 |
| | **47** | **31** | 26 | 17 |
| **Total** | **53** | **35** | 32 | 22 |

| | **2024** | | 2023 | |
|---|---|---|---|---|
| **Board members and Group management** | Total at year-end | of which men | Total at year-end | of which men |
| **Parent Company in Sweden** | | | | |
| Board members[1] | 5 | 3 | 5 | 3 |
| **Subsidiaries** | | | | |
| Group management | 3 | 2 | 3 | 2 |
| **Total** | **8** | **5** | 8 | 5 |

[1] Daniel Fitzgerald, CEO was Board member from 1 July 2022 until 4 May 2023 and is reported as Group management.

## Note 20 – Personnel expenses

The amounts in the tables below are calculated according to the accruals concept, in which salaries and other remuneration refer to expensed amounts.

| Expensed remuneration TEUR | 2024 Salaries and other remuneration [1] | 2024 Social security costs | 2023 Salaries and other remuneration [1] | 2023 Social security costs |
|---|---|---|---|---|
| **Parent Company in Sweden** | | | | |
| Board members | 531 | 68 | 551 | 60 |
| Employees | 1,281 | 431 | 1,027 | 370 |
| **Subsidiaries** | | | | |
| Group management | 3,744 | 743 | 3,347 | 406 |
| Other employees | 5,397 | 907 | 3,084 | 815 |
| **Total** | **10,953** | **2,149** | 8,009 | 1,651 |
| **Of which pension costs** | | **726** | | 511 |

[1] Salaries and other remuneration include long term variable remuneration of TEUR 3,390 (TEUR 2,345), which is reported on an accrual basis. The amounts reflect the expense recognised during the year, valued at grant, for the share option plans approved by the 2022 EGM and the 2023 and 2024 AGM and does not equal the fair value of the options at the balance sheet date.

| 2024 Expensed remuneration to the Board TEUR | Fee [1] | Other fees [2] | Total excl. recognised expense for share options | Recognised expense for share options [3] | Total expense recognised |
|---|---|---|---|---|---|
| **Board members** | | | | | |
| Grace Reksten Skaugen | 120 | 10 | 130 | 78 | 208 |
| Peggy Bruzelius | 60 | 8 | 68 | – | 68 |
| C. Ashley Heppenstall [4] | 30 | 8 | 38 | – | 38 |
| William Lundin | 60 | 5 | 65 | – | 65 |
| Mike Nicholson | 30 | 5 | 35 | – | 35 |
| Jakob Thomasen | 60 | 5 | 65 | 39 | 104 |
| Aksel Azrac [5] | – | – | – | 13 | 13 |
| **Total** | **360** | **41** | **401** | **130** | **531** |

[1] Refers to fixed board remuneration paid during the year.
[2] Refers to fees for membership in board committees paid during the year.
[3] Refers to the long-term incentive plan. The amounts reflect the cost recognised in 2024, valued at grant, for the share option plan approved by the 2022 EGM and does not equal the fair value of the options at the balance sheet date.
[4] C. Ashley Heppenstall was Board member until 15 May 2024 and did not stand for re-election at the 2024 AGM.
[5] Aksel Azrac was Board member until 4 May 2023 and did not stand for re-election at the 2023 AGM.

| 2023 Expensed remuneration to the Board TEUR | Fee [1] | Other fees [2] | Total excl. recognised expense for share options | Recognised expense for share options [3] | Total expense recognised |
|---|---|---|---|---|---|
| **Board members** | | | | | |
| Grace Reksten Skaugen | 120 | 10 | 130 | 84 | 214 |
| Peggy Bruzelius | 30 | 3 | 33 | – | 33 |
| C. Ashley Heppenstall | 60 | 15 | 75 | 42 | 117 |
| William Lundin | 30 | 3 | 33 | – | 33 |
| Jakob Thomasen | 60 | 5 | 65 | 42 | 107 |
| Aksel Azrac [4] | 30 | 3 | 33 | 14 | 47 |
| **Total** | **330** | **39** | **369** | **182** | **551** |

[1] Refers to fixed board remuneration paid during the year.
[2] Refers to fees for membership in board committees paid during the year.
[3] Refers to the long-term incentive plan. The amounts reflect the cost recognised in 2023, valued at grant, for the share option plan approved by the 2022 EGM and does not equal the fair value of the options at the balance sheet date.
[4] Aksel Azrac was Board member until 4 May 2023 and did not stand for re-election at the 2023 AGM.

| **2024** **Expensed remuneration to Group management** TEUR | Base salary | Variable remuneration[1] | Other benefits[2] | Pension fees | **Total excl. recognised expense for share options** | Recognised expense for share options[3] | **Total expense recognised** |
|---|---|---|---|---|---|---|---|
| Daniel Fitzgerald, CEO | 444 | 185 | 21 | 68 | 718 | 942 | 1,660 |
| Other[4] | 667 | 278 | 102 | 113 | 1,160 | 924 | 2,084 |
| **Total** | **1,111** | **463** | **123** | **181** | **1,878** | **1,866** | **3,744** |

[1] Refers to short-term variable remuneration reported on an accrual basis and includes the bonus relative to the performance in 2024.
[2] Other benefits may include, but are not limited to, school fees and health insurance.
[3] Refers to the long-term incentive plan. The amounts reflect the cost recognised in 2024, valued at grant, for the share option plans approved by the 2022 EGM and the 2023 and 2024 AGMs and does not equal the fair value of the options at the balance sheet date.
[4] Comprises two people: CFO Espen Hennie and General Counsel Henrika Frykman.

| **2023** **Expensed remuneration to Group management** TEUR | Base salary | Variable remuneration[1] | Other benefits[2] | Pension fees | **Total excl. recognised expense for share options** | Recognised expense for share options[3] | **Total expense recognised** |
|---|---|---|---|---|---|---|---|
| Daniel Fitzgerald, CEO | 422 | 195 | 7 | 40 | 664 | 805 | 1,469 |
| Other[4] | 633 | 293 | 83 | 74 | 1,083 | 795 | 1,878 |
| **Total** | **1,055** | **488** | **90** | **114** | **1,747** | **1,600** | **3,347** |

[1] Refers to short-term variable remuneration reported on an accrual basis and includes the bonus relative to the performance in 2023.
[2] Other benefits may include, but are not limited to, school fees and health insurance.
[3] Refers to the long-term incentive plan. The amounts reflect the cost recognised in 2023, valued at grant, for the share option plans approved by the 2022 EGM and the 2023 AGM and does not equal the fair value of the options at the balance sheet date.
[4] Comprises two people: CFO Espen Hennie and General Counsel Henrika Frykman.

**Board members**
No severance pay agreements are in place for any of the Company's Board members.

**Group management**
The pension contribution for Group management is between 5 and 14 percent of the qualifying income for pension purposes depending on the age. The Company provides for 60 percent of the pension contribution and the employee for the remaining 40 percent. Qualifying income is defined as annual base salary and short-term variable remuneration and is capped at approximately TCHF 882 (TCHF 882). The typical contractual retirement age for men is 65 years and for women between 64 and 65 years depending on the year of birth.

A mutual termination period of between six months and twelve months applies between the Company and Group management, depending on the duration of the employment with the Company. In addition, severance terms are incorporated into the employment contracts for executives that give rise to compensation, up to two years' base salary, in the event of termination of employment due to a change of control of the Company. The Board of Directors is further authorised, in individual cases, to approve severance arrangements, in addition to the notice periods and the severance arrangements in respect of a change of control of the Company, where employment is terminated by the Company without cause, or otherwise in circumstances at the discretion of the Board. Such severance arrangements may provide for the payment of up to one year's base salary; no other benefits shall be included. Severance payments in aggregate (i.e. for notice periods and severance arrangements) shall be limited to a maximum of two years' base salary.

See pages 31–32 of the Corporate Governance report for further information on the Group's principles of remuneration and the Policy on Remuneration for Group management for 2024.

## Note 21 – Long term incentive plans

**Share Option Plan**

**Employee LTIP**
Long-term share-related incentive plans in the form of share option plans for Group management and other employees were approved by the 2022 EGM, the 2023 and 2024 AGMs ("Employee LTIPs), all aimed at aligning the interests of members of Group management and other employees with those of shareholders while offering competitive, market-aligned rewards for a growth-focused business. Designed to emphasise strong shareholder returns, the Employee LTIPs also reflect the Company's entrepreneurial and growth-oriented nature. Given that renewable energy projects require long time to mature and ultimately crystallise value, the Employee LTIPs have also been designed to incentivise decision making to support long-term value creation, which is being reflected in the length of the exercise and vesting periods.

The Employee LTIPs are fully aligned with the interest of shareholders as any pay-out will require a share price increase, which was considered to be an appropriate performance criterion given the Company's phase of development. The share price was also considered the best measure to determine shareholder value creation, as the Employee LTIPs will only deliver value to the extent that Group management are able to increase the Company's valuation. During the initial phase of the Company's development, it was challenging to find a suitable peer group or other performance conditions, which would adequately assess the Company's performance against the market. A performance condition focused on growth targets may not have led to share price appreciation and could in essence reward outcomes, which were not aligned with value appreciation for shareholders, in particular under prevailing market conditions.

Going forward, the Board proposes to the 2025 AGM transitioning to a new long-term, performance-based incentive plan ("LTIP 2025") for Group management and key employees. The primary objectives of this new plan are fully aligned with the current LTIPs to ensure continuity in rewarding performance and commitment, while still ensuring a strong link between performance and shareholder value. Under LTIP 2025, participants will be eligible to receive shares in the Company, provided they maintain continuous employment and meet specific performance conditions over a three-year period. Vesting will occur over three years with performance conditions measured during the period between 1 January and 31 March in the year of award and vesting, respectively. The proposed plan's performance conditions are based on the Company's relative Total Shareholder Return measured against a peer group of companies with a 75 percent weighting and Strategic Performance Conditions tied to the Company's long-term strategy with a 25 percent weighting. Further information on the LTIP 2025 proposal can be found in the notice of the 2025 AGM.

In order to secure the Company's obligations under the current LTIPs, the Company has issued 20,160,000 warrants in total under series 2022:2, 2024:1 and 2024:2 as resolved by the 2022 EGM and 2024 AGM respectively. Additionally, the Company maintains an option to deliver shares to participants under an equity swap arrangement with a third party. Under this arrangement, the third party, acting in its own name, has the right to acquire and transfer shares, including to the participants, as resolved by the 2023 AGM.

**Board LTIP**
The 2022 EGM resolved to approve a one-off long-term share-related incentive plan for members of the Board ("Board LTIP 2022") in the form of a share option plan.

The Company has secured its obligations under the Board LTIP 2022 by entering into an equity swap arrangement with a third party, whereby the third party in its own name shall be entitled to acquire and transfer shares, including to the participants, in accordance with the plan.

| Share Option Plans - Number of options | 2024 Plan | 2023 Plan | 2022 Plan | Total |
|---|---|---|---|---|
| **Employee LTIP** | | | | |
| Outstanding at the beginning of the year | – | 5,994,500 | 7,921,000 | 13,915,500 |
| Awarded during the year | 5,285,000 | – | – | 5,285,000 |
| Forfeited during the year | – | -15,000 | – | -15,000 |
| Outstanding at the end of the year | 5,285,000 | 5,979,500 | 7,921,000 | 19,185,500 |
| **Board LTIP** | | | | |
| Outstanding at the beginning of the year | – | – | 871,000 | 871,000 |
| Forfeited during the year | – | – | -201,000 | -201,000 |
| Outstanding at the end of the year | – | – | 670,000 | 670,000 |
| **Total outstanding at the end of the year** | 5,285,000 | 5,979,500 | 8,591,000 | **19,855,500** |

**Costs associated with the Share Option Plans**
The share options are measured at fair value at the date of grant using an option pricing model and an expense is recognised in the income statement over the vesting period without revaluation of the value of the share options in accordance with IFRS. Social costs, which will be due when the share options are exercised, are calculated on the fair value of the share options at the balance sheet date and are recognised in the income statement over the vesting period.

The amounts in the table below reflect the expense recognised in the income statement and include the share option plans valued at grant and related social costs, calculated on the fair value of the share options. No social costs have been recognised in 2024 as the fair value of the share options was nil. The total expense for 2023 was impacted by a release of social costs recognised in 2022 of MEUR 0.3 as the fair value of the share options was nil at year-end 2023. The total expense recognised does not equal the fair value of the options at balance sheet date.

| **Share Option Plans - Expense**<br>TEUR | **2024** | | 2023 | |
|---|---|---|---|---|
| | Share options | Social costs | Share options | Social costs |
| 2022 Plan | 2,164 | – | 2,133 | -274 |
| 2023 Plan | 835 | – | 486 | – |
| 2024 Plan | 391 | – | – | – |
| | **3,390** | **–** | 2,619 | -274 |

The total effect on equity for the share option plans 2022, 2023 and 2024 at 31 December 2024 amounted to MEUR 6.9 (MEUR 3.6).

**Fair value at grant date of share options**
The fair value at grant date has been independently determined using the Black-Scholes model. The model inputs for options granted included:

| | Employee LTIP | | | Board LTIP |
|---|---|---|---|---|
| **Share option plans** | 2024 Plan | 2023 Plan | 2022 Plan | 2022 Plan |
| Fair value at grant - IFRS cost [1] | 4.38 | 4.78 | 8.45 | 7.6 |
| Exercise price (SEK) [2] | 7.59 | 11.78 | 8.88 | 10.66 |
| Defined pricing period | 20–24 May 2024 | 22–26 May 2023 | 18–22 July 2022 | 18–22 July 2022 |
| Vesting date | 31 May 2027 | 31 May 2026 | 31 July 2025 | 31 July 2025 |
| Expiry date | 31 May 2031 | 31 May 2030 | 31 July 2029 | 31 July 2029 |
| Share price at grant date (SEK) | 9.21 | 11.66 | 15.00 | 15.00 |
| Expected price volatility of the Company's shares | 35% | 35% | 35% | 35% |
| Risk free interest rate | 2.4% | 2.5% | 1.8% | 1.8% |
| Vesting period | 3 years | 3 years | 3 years | 3 years |

[1] The fair value has been calculated on the date of grant in line with IFRS and does not correspond to the fair value when the decision was made.
[2] The exercise prices for the Employee LTIPs have been calculated based on the volume weighted average price as quoted on Nasdaq Stockholm during the defined pricing period. The exercise price for the Board LTIP corresponds to 120% of the volume weighted average price during the defined pricing period.

## Note 22 – Remuneration to the Group's Auditors

| TEUR | **2024** | 2023 |
|---|---|---|
| Ernst & Young | | |
| Audit engagements | 296.4 | 285.4 |
| Audit assignments in addition to the audit engagement | 26.8 | – |
| Other services | – | – |
| | **323.2** | 285.4 |
| Remuneration to other auditors | 171.1 | 30.0 |
| **Total** | **494.3** | 315.4 |

## Note 23 – Subsequent events

There has been no material event subsequent to the balance sheet date.

# Annual Accounts of the Parent Company

## Parent Company

The business of the Parent Company is to invest in and manage operations within the renewable energy sector.

The Parent Company reported a net result of MSEK -22.6 (MSEK 160.3) for the year, which was impacted by a dividend received from a group company of MSEK 125.3 (MSEK 127.9).

General and administration expenses amounted to MSEK 187.9 (MSEK 192.5), out of which MSEK 81.9 (MSEK 81.0) related to legal fees and other costs incurred for the defence of the Company and its former representatives in the Sudan legal case.

A deferred tax income of MSEK 130.0 was recognised in the previous year and related to tax losses carried forward which are expected to be used against future taxable profits in Sweden.

## Accounting Policies

The financial statements of the Parent Company are prepared in accordance with accounting policies generally accepted in Sweden, applying RFR 2 issued by the Swedish Financial Reporting Board and the Annual Accounts Act (1995: 1554). RFR 2 requires the Parent Company to use similar accounting policies as for the Group, i.e. IFRS to the extent allowed by RFR 2. The Parent Company's accounting policies do not in any material respect deviate from the Group policies, see Note 1 Accounting policies of the consolidated financial statements.

# Parent Company Income Statement

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **Revenue** | | **43.8** | 41.9 |
| General and administration expenses | | -187.9 | -192.5 |
| **Operating profit/loss** | | **-144.1** | -150.6 |
| Finance income | 1 | 125.6 | 186.3 |
| Finance costs | 2 | -4.1 | -5.4 |
| **Net financial items** | | **121.5** | 180.9 |
| **Profit/loss before income tax** | | **-22.6** | 30.3 |
| Income tax | 3 | – | 130.0 |
| **Net result** | | **-22.6** | 160.3 |

# Parent Company Comprehensive Income Statement

| MSEK | 2024 | 2023 |
|---|---|---|
| **Net result** | **–22.6** | 160.3 |
| Items that will not be reclassified to profit or loss: | | |
| Changes in the fair value of equity investments | 4.0 | – |
| **Total comprehensive income** | **–18.6** | 160.3 |
| Attributable to: | | |
| Shareholders of the Parent Company | -18.6 | 160.3 |

# Parent Company Balance Sheet

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Shares in subsidiaries | 10 | 3,780.8 | 3,780.8 |
| Other tangible fixed assets | | 0.0 | 0.1 |
| Deferred tax assets | | 436.0 | 436.0 |
| | | **4,216.8** | 4,216.9 |
| **Current assets** | | | |
| Receivables | 4 | 6.6 | 5.9 |
| Other financial assets | | 4.0 | – |
| Cash and cash equivalents | | 102.2 | 111.5 |
| | | **112.8** | 117.4 |
| **TOTAL ASSETS** | | **4,329.6** | 4,334.3 |
| **EQUITY AND LIABILITIES** | | | |
| **Restricted equity** | | | |
| Share capital | | 3.5 | 3.5 |
| Statutory reserve | | 861.3 | 861.3 |
| | | **864.8** | 864.8 |
| **Unrestricted equity** | | | |
| Other reserves | | 7,188.7 | 7,182.7 |
| Retained earnings | | -3,796.2 | -3,964.6 |
| Net result | | -22.6 | 160.3 |
| | | **3,369.8** | 3,378.4 |
| **TOTAL EQUITY** | | **4,234.6** | 4,243.2 |
| **Non-current liabilities** | | | |
| Interest bearing loans and borrowings | | 47.3 | 39.5 |
| | | **47.3** | 39.5 |
| **Current liabilities** | | | |
| Other liabilities | 5 | 47.7 | 51.6 |
| | | **47.7** | 51.6 |
| **TOTAL LIABILITIES** | | **95.0** | 91.1 |
| **TOTAL EQUITY AND LIABILITIES** | | **4,329.6** | 4,334.3 |

# Parent Company Cash Flow Statement

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Net result | | -22.6 | 160.3 |
| Adjustment for items not included in the cash flow | 6 | -115.6 | -254.1 |
| Changes in working capital: | | | |
| Changes in current assets | | -0.3 | 11.5 |
| Changes in current liabilities | | 9.4 | 13.3 |
| **Total cash flow from operating activities** | | **-129.1** | -69.0 |
| **Cash flow from investing activities** | | | |
| Result from equity investment | | 4.0 | – |
| Dividends received | | – | 127.9 |
| **Total cash flow from investing activities** | | **4.0** | 127.9 |
| **Cash flow from financing activities** | | | |
| Drawdown of loan | | 115.8 | 28.0 |
| **Total cash flow from financing activities** | | **115.8** | 28.0 |
| **Change in cash and cash equivalents** | | -9.3 | 86.9 |
| Cash and cash equivalents at the beginning of the year | | 111.5 | 24.6 |
| Currency exchange difference in cash and cash equivalents | | – | – |
| **Cash and cash equivalents at the end of the year** | | **102.2** | 111.5 |

# Parent Company Statement of Changes in Equity

| | Restricted equity | | Unrestricted equity | | | |
|---|---|---|---|---|---|---|
| MSEK | Share capital | Statutory reserve | Other reserves | Retained earnings | Dividends | Total equity |
| **1 January 2023** | **3.5** | **861.3** | **7,182.7** | **55,573.3** | **-59,542.8** | **4,078.0** |
| **Transfer of prior year dividends** | **–** | **–** | **–** | **-59,542.8** | **59,542.8** | **–** |
| **Comprehensive income** | | | | | | |
| Net result | – | – | – | 160.3 | – | 160.3 |
| **Total comprehensive income** | **–** | **–** | **–** | **160.3** | **–** | **160.3** |
| **Transactions with owners** | | | | | | |
| Share based payments | – | – | – | 4.9 | – | 4.9 |
| **Total transactions with owners** | **–** | **–** | **–** | **4.9** | **–** | **4.9** |
| **31 December 2023** | **3.5** | **861.3** | **7,182.7** | **-3,804.3** | **–** | **4,243.2** |
| **Comprehensive income** | | | | | | |
| Net result | – | – | – | -22.6 | – | -22.6 |
| Other comprehensive income | – | – | – | 4.0 | – | 4.0 |
| **Total comprehensive income** | **–** | **–** | **–** | **-18.6** | **–** | **-18.6** |
| **Transactions with owners** | | | | | | |
| Share based payments | – | – | 6.0 | – | – | 6.0 |
| Other | – | – | – | 4.0 | – | 4.0 |
| **Total transactions with owners** | **–** | **–** | **6.0** | **4.0** | **–** | **10.0** |
| **31 December 2024** | **3.5** | **861.3** | **7,188.7** | **-3,818.9** | **–** | **4,234.6** |

# Parent Company Notes to the Financial Statements

## Note 1 – Finance Income

| MSEK | 2024 | 2023 |
|---|---|---|
| Dividend | 125.3 | 186.2 |
| Interest income | 0.0 | 0.1 |
| Foreign exchange gain | 0.1 | – |
| Other | 0.2 | – |
| | **125.6** | 186.3 |

## Note 2 – Finance costs

| MSEK | 2024 | 2023 |
|---|---|---|
| Foreign exchange loss | – | 2.6 |
| Interest expense | 4.0 | 2.0 |
| Other | 0.1 | 0.7 |
| | **4.1** | 5.4 |

## Note 3 – Income tax

| MSEK | 2024 | 2023 |
|---|---|---|
| Net result before tax | -22.6 | 30.3 |
| | | |
| Tax calculated at the corporate tax rate in Sweden 20.6% (20.6%) | 4.7 | -6.2 |
| Tax effect of received dividend | 25.8 | 38.3 |
| Tax effect of expenses non-deductible for tax purposes | -0.4 | -0.2 |
| Increase unrecorded tax losses | -30.1 | -31.9 |
| | **–** | – |

A deferred tax income of MSEK 130.0 was recognised in 2023, which increased the total deferred tax asset to MSEK 436.0 at year end 2023. The deferred tax asset relates to tax losses carried forward, which are expected to be used against future taxable profits. No further deferred tax income has been recognised in 2024.

## Note 4 – Receivables

| MSEK | 2024 | 2023 |
|---|---|---|
| Due from Group companies | 2.6 | 2.6 |
| VAT receivable | 0.6 | 0.1 |
| Prepaid expenses and accrued income | 1.0 | 2.5 |
| Other | 2.4 | 0.7 |
| | **6.6** | 5.9 |

## Note 5 – Other liabilities

| MSEK | 2024 | 2023 |
|---|---|---|
| Due to Group companies | 26.4 | 32.9 |
| Accounts payables | 11.8 | 10.8 |
| Accrued payables and deferred income | 7.2 | 6.9 |
| Other | 2.3 | 1.0 |
| | **47.7** | 51.6 |

### Note 6 – Supplementary information to the Statement of Cash Flows

The Statement of Cash Flows is prepared in accordance with the indirect method.

| MSEK | 2024 | 2023 |
|---|---|---|
| **Adjustments for items not included in the Cash Flows:** | | |
| Depreciation and amortisation | 0.1 | 0.2 |
| Long-term incentive plans | 6.0 | 3.7 |
| Interest expense | 3.6 | – |
| Deferred tax | – | -130.0 |
| Result from participation in group companies | -125.3 | -127.9 |
| | **-115.6** | -254.1 |

### Note 7 – Remuneration to the Auditor

| MSEK | 2024 | 2023 |
|---|---|---|
| Ernst & Young | | |
| Audit engagements | 1.8 | 1.8 |
| Audit assignments in addition to the audit engagement | 0.1 | – |
| | **1.9** | 1.8 |

There has been no remuneration to any auditor other than Ernst & Young.

### Note 8 – Proposed disposition of unappropriated earnings

The 2025 Annual General Meeting has an unrestricted equity at its disposal of MSEK 3,369,799,630 including the net loss for the year of MSEK -22,633,921. The Board of Directors proposes that the unrestricted equity of the Parent Company of MSEK 3,369,799,630, including the net loss for the year of MSEK -22,633,921 be brought forward, and that no dividend shall be paid for the financial year.

### Note 9 – Pledged assets

Pledged assets of MSEK 3,780.8 (MSEK 3,780.8) relate to the carrying value of the pledge of the shares in respect of the Group's credit facility entered into by the wholly-owned subsidiary Orrön Energy Finance AB, see Note 13 Interest bearing liabilities of the financial statements of the Group.

### Note 10– Shares in subsidiaries

The book value of the directly owned company Orrön Energy Holding AB amounts to MSEK 3,780.8 (MSEK 3,780.8) at year end.

| | Registration number | Registered office | Total number of shares issued | Percentage controlled | Nominal value per share |
|---|---|---|---|---|---|
| **Directly owned** | | | | | |
| Orrön Energy Holding AB | 559349-1730 | Stockholm, Sweden | 250 | 100 | SEK 100.00 |
| **Indirectly owned** | | | | | |
| Orrön Energy Finance AB | 559349-1748 | Stockholm, Sweden | 250 | 100 | SEK 100.00 |
| Karskruv Vind AB | 559211-6106 | Stockholm, Sweden | 500 | 100 | EUR 9.88 |
| Karskruv Nät AB | 559036-7289 | Stockholm, Sweden | 1,000 | 100 | SEK 100.00 |
| Orrön Energy SA | 660.0.330.999-0 | Collonge-Bellerive, Switzerland | 1,000 | 100 | CHF 100.00 |
| Orrön Energy Sweden AB | 556453-2819 | Gotland, Sweden | 7,114,450 | 100 | SEK 10.00 |
| Isgrannatorp Drift AB | 556787-6833 | Gotland, Sweden | 1,020 | 67 | SEK 100.00 |
| Saba Wind OY | 1868533-5 | Ekenäs, Finland | 8,000 | 100 | SEK 278.00 |
| Näsvind AB | 556855-2565 | Gotland, Sweden | 450,000 | 52 | SEK 1.00 |
| Ownpower Gotland AB | 556676-4931 | Gotland, Sweden | 450,470 | 81 | SEK 18.00 |
| KlasBod Vindkraft AB | 556748-7284 | Gotland, Sweden | 10,973 | 70 | SEK 600.00 |
| Skålsparken AB | 556882-7488 | Gotland, Sweden | 100,000 | 64 | SEK 1.00 |
| Österudd och Näs Annex AB | 556798-4587 | Gotland, Sweden | 9,900 | 54 | SEK 2,000.00 |

| | Registration number | Registered office | Total number of shares issued | Percentage controlled | Nominal value per share |
|---|---|---|---|---|---|
| Vindbolaget i När AB | 556947-3373 | Gotland, Sweden | 100,000 | 54 | SEK 1.00 |
| Markbolaget i När AB | 559238-7327 | Gotland, Sweden | 250 | 54 | SEK 10.00 |
| Stugyl AB | 556756-4652 | Gotland, Sweden | 23,500 | 81 | SEK 10.00 |
| Näsudden Väst Adm. AB | 556655-4803 | Gotland, Sweden | 305,328 | 74 | SEK 1.00 |
| Storugns III AB | 556868-2370 | Gotland, Sweden | 500 | 60 | SEK 100.00 |
| Gotlands Allwind Invest AB | 559346-7870 | Gotland, Sweden | 1,000 | 55 | SEK 25.00 |
| Orrön Energy Greenfield AB | 559398-0518 | Stockholm, Sweden | 1,612 | 70 | SEK 25.00 |
| Orrön Energy Development Ltd. | 14737332 | Northampton, UK | 1,004 | 70 | GBP 1.00 |
| Alverdiscott 10 Renewables Holdco Ltd. | 14604716 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Alverdiscott 10 Renewables Ltd. | 14605063 | Northampton, UK | 100 | 70 | GBP 1.00 |
| Amersham 10 Renewables Ltd. | 15122671 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Appleford 2 Renewables Ltd. | 14915058 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Appleford 7 Renewables Ltd. | 14914378 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Basingstoke East 2 Renewables Ltd. | 14914367 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Basingstoke East 7 Renewables Ltd. | 14914353 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Biggleswade 10 Renewables Ltd. | 15128288 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Braintree 10 Renewables Ltd. | 15125518 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Bramley 2 Renewables Ltd. | 14915202 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Bramley 7 Renewables Ltd. | 14915277 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Bushbury 10 Renewables Ltd. | 15125508 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Canterbury North 10 Renewables Ltd. | 15125499 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Coddington 10 Renewables Ltd. | 14914945 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Coryton 10 Renewables Ltd. | 15125478 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Cowley 2 Renewables Ltd. | 14914340 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Cowley 7 Renewables Ltd. | 14914334 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Dragon Green 2 Renewables Ltd. | 14914407 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Dragon Green 7 Renewables Ltd. | 14913700 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Kegworth 10 Renewables Ltd. | 14914243 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Langage 10 Renewables Holdco Ltd. | 14604675 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Langage 10 Renewables Ltd. | 14605013 | Northampton, UK | 100 | 70 | GBP 1.00 |
| Leighton Buzzard 10 Renewables Ltd. | 15128338 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Little Harrowden 10 Renewables Ltd. | 15128323 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Ninfield 10 Renewables Ltd. | 15125441 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Rye House 10 Renewables Ltd. | 15125422 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Sellindge West 10 Renewables Ltd. | 15125694 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Stoke Bardolph 10 Renewables Ltd. | 15128170 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Waltham Cross 2 Renewables Ltd. | 14914290 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Waltham Cross 7 Renewables Ltd. | 14914262 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| West Haddon 10 Renewables Ltd. | 15123046 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Wymondley 10 Renewables Holdco Ltd. | 14604699 | Northampton, UK | 1,000 | 70 | GBP 1.00 |
| Wymondley 10 Renewables Ltd. | 14605051 | Northampton, UK | 100 | 70 | GBP 1.00 |
| Orrön Energy Energiprojekte GmbH | HRB 131605 | Düsseldorf, Germany | 1,000 | 70 | EUR 25.00 |
| Orrön Kastorf Agri-PV Beteiligungs GmbH | HRB 137137 | Düsseldorf, Germany | 1,000 | 70 | EUR 25.00 |
| Orron Kastorf Agri-PV GmbH & Co.KG | HRA54027 | Düsseldorf, Germany | – | 70 | – |
| Orrön Energy Développement France SAS | 951 006 154 | Paris, France | 1,655,021 | 70 | EUR 1.00 |
| Orrön Energy Finland Holding AB | 559398-0542 | Stockholm, Sweden | 1,000 | 100 | SEK 25.00 |
| Orrön Energy Greenfield Finland Holding Oy | 3363476-3 | Mariehamn, Finland | 2,500 | 100 | EUR 0.00 |
| Orrön Energy Finland Oy | 3299865-3 | Mariehamn, Finland | 2,500 | 100 | EUR 0.00 |
| Ruohoninenmäki Renewables Oy | 3363479-8 | Mariehamn, Finland | 2,500 | 100 | EUR 0.00 |
| Pökkiperä Renewables Oy | 3363477-1 | Mariehamn, Finland | 2,500 | 100 | EUR 0.00 |
| Honkamäki Renewables Oy | 3363475-5 | Mariehamn, Finland | 2,500 | 100 | EUR 0.00 |
| Nuolisalonneva Renewables Oy | 3363474-7 | Mariehamn, Finland | 2,500 | 100 | EUR 0.00 |
| LRL Bolag Ltd. | 656565-4 | Vancouver, Canada | 55,855,414 | 100 | CAD 1.00 |
| OE Netherlands I BV | 92962025 | The Hague, Netherlands | 100 | 100 | EUR 0.01 |
| OE Netherlands II BV | 27296469 | The Hague, Netherlands | 18,000 | 100 | EUR 1.00 |

# Board Assurance

As at 2 April 2025, the Board of Directors and the CEO of Orrön Energy AB have adopted this annual and sustainability report for the financial year ended 31 December 2024.

## Board Assurance

The Board of Directors and the CEO certify that the annual report for the Parent Company has been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated accounts have been prepared in accordance with IFRS as adopted by the EU and give a true and fair view of the financial position and profit of the Company and the Group and provides a fair review of the performance of the Group's and Parent Company's business, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

The annual and sustainability report was signed by all on 2 April 2025.

Orrön Energy AB (publ) Reg. Nr. 556610-8055

**Grace Reksten Skaugen**
Chair

**Peggy Bruzelius**
Board Member

**William Lundin**
Board Member

**Mike Nicholson**
Board Member

**Jakob Thomasen**
Board Member

**Daniel Fitzgerald**
CEO

Our audit report was issued on 8 April 2025

**Anders Kriström**
Authorised Public Accountant
Lead Partner

# Auditor's Report

To the general meeting of the shareholders of Orrön Energy AB (publ), corporate identity number 556610-8055

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Orrön Energy AB (publ) except for the corporate governance statement on pages 24–36 and the statutory sustainability report on pages 11–20 for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 6–74 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 24–36 and the statutory sustainability report on pages 11–20. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

**Ongoing legal case regarding alleged violation against international law in Sudan**

| Description | How our audit addressed this key audit matter |
|---|---|
| In June 2010, the Swedish Prosecution Authority began a preliminary investigation into alleged complicity in violations of international humanitarian law in Sudan during 1997–2003. On 11 November 2021, the Swedish Prosecution Authority brought criminal charges against the former Chairman of the Board and a former Director in relation to past operations in Sudan from 1999–2003 and 2000–2003, respectively. The charges also included claims against the Company for a corporate fine of 3 MSEK and forfeiture of economic benefits of 2 381 MSEK which according to the Swedish Prosecution Authority represents the value of the gain of SEK 720 MSEK that the Company made on the sale of the business in 2003. Any potential corporate fine or forfeiture could only be imposed after a conviction in a trial. The trial started on 5th September 2023 and is expected to end in 2026. The company disclose this matter as a contingent liability.<br><br>We believe that the presentation and disclosures in the financial statements regarding the legal case as a contingent liability constitute a key audit matter in the audit. This is in respect to the complexity of the prosecution, extent of the claim and the fact that there is no case law from similarly settled court cases in Sweden.<br><br>For information see the directors report page 22 and note 17. | We have taken this key audit matter into account in the audit through audit procedures consisting, inter alia, of:<br>- We have conducted meetings with the company's General Counsel and reviewed the internal documented positions regarding the legal case.<br>- We have received and reviewed external legal letters from the firms representing the company and its former senior executives.<br>- We have reviewed the disclosures made in the annual report regarding the ongoing legal case. |

**Valuation of deferred tax asset**

| Description | How our audit addressed this key audit matter |
|---|---|
| As per December 31, 2024, the deferred tax asset amounts to MSEK 436 and is based on the estimated accumulated tax losses carried forward for Orrön Energy AB that could be utilized in the future multiplied by a tax rate of 20,6 %. There has not been any change made to the balance compared to prior year. There are further potential losses carry forward amounting to MSEK 282 with a potential tax effect of MSEK 58 that has not been capitalized as deferred tax asset as of year end 2024.<br><br>A deferred tax asset can only be included in the balance sheet if there is enough expected future taxable income to offset the tax effects. The group prepares a forecast annually to assess future taxable income against capitalized losses carried forward. Consideration is given to both external factors such as assessed electricity prices, expected capacity from the electricity-producing facilities as well as internal factors such as deficits in companies with group contribution restrictions and expected costs for running the business.<br><br>The valuation is based on assumptions, which makes it a complex area of our audit. As a result of the uncertainties that the assumptions include and the significant effects that changes in the assumptions could have in the financial statements, we consider this area to be a key audit matter in our audit.<br><br>For information see note 5 (group) and note 3 (parent company). | We have taken this key audit matter into account in the audit through audit procedures consisting, inter alia, of:<br>- Mapped and evaluated the Group's valuation process<br>- Reviewed and analyzed the parameters and assumptions in the valuation model and evaluated the probability of future assumptions against internal and external sources of information<br>- Engaged valuation experts with appropriate skills in the team when performing our review<br>- Examined whether there were any implemented or future changes in the tax regulations in Sweden that could affect the possibility of utilizing the losses, and whether these were considered in accordance with generally accepted accounting principles<br><br>We have reviewed the information provided in the annual report and consolidated accounts. |

**Other Information than the annual accounts and consolidated accounts**
This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–5, 11–20 and 24–36. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Board of Directors and the Managing Director**
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

**Auditor's responsibility**
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and the consolidated accounts is located at the Swedish Inspectorate of Auditors website. This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

**Report on the audit of the administration and the proposed appropriations of the company's profit or loss**

**Opinions**
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Orrön Energy AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

**Basis for opinions**
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

**Responsibilities of the Board of Directors and the Managing Director**
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

**Auditor's responsibility**
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of t he administration is located at the Swedish Inspectorate of Auditors website. This description forms part of our auditor's report.

## The auditor's examination of the ESEF report

**Opinion**
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Orrön Energy AB for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

**Basis for opinion**
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Orrön Energy AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of the Board of Directors and the Managing Director**
The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

**Auditor's responsibility**
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

## The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 24–36 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

## The auditor´s opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 11–20, and that it is prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Orrön Energy AB (publ) by the general meeting of the shareholders on the 15 May 2024 and has been the company's auditor since the 2020.

Stockholm, 8 April 2025
Ernst & Young AB

**Anders Kriström**
Authorized Public Accountant

ADDITIONAL INFORMATION

# Key Financial Data

The alternative performance measures presented and disclosed in this report are used internally by management in conjunction with IFRS measures to measure performance and make decisions regarding the future direction of the business. The Group believes that these alternative performance measures, when provided in combination with reported IFRS measures, provide helpful supplementary information for investors.

In addition to the consolidated financial reporting in line with IFRS, the Group provides proportionate financial reporting, which forms part of the alternative performance measures the Group presents. Proportionate reporting is aligned with the Group's internal management reporting, analysis and decision making.

Proportionate financials represent Orrön Energy's proportionate share of all the entities in which the Group holds an ownership. This is different to the consolidated financial reporting under IFRS, where the results from entities in which the Group holds an ownership of 50 percent or less are not fully consolidated but instead reported on one line, as share of result in joint ventures. All entities, in which the Group holds an ownership of more than 50 percent are fully consolidated in the financial reporting presented under IFRS.

Reconciliations of relevant alternative performance measures are provided on page 80. Definitions of the performance measures are provided on page 82.

| **Financial data**<br>MEUR | **2024** | 2023 |
|---|---|---|
| **Consolidated financials** | | |
| Revenue | 25.7 | 28.0 |
| EBITDA | -1.6 | -5.1 |
| Operating profit (EBIT) | -17.5 | -17.0 |
| Net result | -13.3 | -7.6 |
| Net cash (-) / Net debt (+) | 66.6 | 93.7 |
| | | |
| **Proportionate financials** | | |
| Power generation – GWh | 907 | 765 |
| Average price achieved per MWh – EUR | 34 | 47 |
| Operating expenses per MWh – EUR | 17 | 18 |
| Revenue | 30.7 | 36.2 |
| Operating expenses | -15.3 | -13.5 |
| EBITDA | 7.0 | 5.3 |
| Operating profit (EBIT) | -12.9 | -11.0 |
| Net cash (-) / Net debt (+) | 65.0 | 92.4 |

| **Data per share**<br>EUR | | |
|---|---|---|
| Earnings per share | -0.05 | -0.03 |
| Earnings per share – diluted | -0.05 | -0.03 |
| EBITDA per share | -0.01 | -0.02 |
| EBITDA per share – diluted | -0.01 | -0.02 |
| Number of shares issued at period end | 285,905,187 | 285,924,614 |
| Number of shares in circulation at period end | 285,905,187 | 285,924,614 |
| Weighted average number of shares for the period | 285,918,085 | 285,924,614 |
| Weighted average number of shares for the period – diluted | 293,520,419 | 288,526,711 |

| **Share price** | | |
|---|---|---|
| Share price at period end in SEK | 7.11 | 7.96 |
| Share price at period end in EUR [1] | 0.62 | 0.72 |

| **Key ratios** | | |
|---|---|---|
| Return on equity – % | -4 | -2 |
| Return on capital employed – % | -4 | -4 |
| Equity ratio – % | 76 | 71 |

[1] Share price at period end in EUR is calculated based on quoted share price in SEK and applicable SEK/EUR exchange rate at period end.

# Alternative Performance Measures

| **EBITDA – Consolidated financials**<br>MEUR | **2024** | 2023 |
|---|---|---|
| Operating profit/loss (EBIT) | -17.5 | -17.0 |
| Add: depreciation | 15.9 | 11.9 |
| | **-1.6** | -5.1 |

| **Net debt/Net cash – Consolidated financials**<br>MEUR | **2024** | 2023 |
|---|---|---|
| Interest bearing loans and borrowings – Non-Current | 83.6 | 114.7 |
| Interest bearing loans and borrowings – Current | 0.6 | 0.8 |
| Less: Cash and cash equivalents | -17.6 | -21.8 |
| | **66.6** | 93.7 |

| **EBITDA – Proportionate financials**<br>MEUR | **2024** | 2023 |
|---|---|---|
| Operating profit/loss (EBIT) | -12.9 | -11.0 |
| Add: depreciation | 19.9 | 16.3 |
| | **7.0** | 5.3 |

| **Net debt/Net cash – Proportionate financials**<br>MEUR | **2024** | 2023 |
|---|---|---|
| Net cash / Net debt – Consolidated financials | 66.6 | 93.7 |
| Less: Cash and cash equivalents of Associates and joint ventures | -0.4 | -3.5 |
| Add: Interest bearing loans and borrowings of Associates and joint ventures | -1.2 | 2.2 |
| | **65.0** | 92.4 |

| **2024**<br>**Bridge from proportionate to consolidated financials**<br>MEUR | Proportionate financials | Residual ownership for fully consolidated entities[1] | Elimination of equity consolidated entities[2] | Consolidated financials |
|---|---|---|---|---|
| Revenue | 30.7 | 0.7 | -5.7 | 25.7 |
| Other income | 11.4 | 0.0 | -0.4 | 11.0 |
| Operating expenses | -15.3 | -0.6 | 3.4 | -12.5 |
| General and administration expenses | -19.8 | – | – | -19.8 |
| Share in result of associates and joint ventures | 0.0 | – | -6.0 | -6.0 |
| **EBITDA** | **7.0** | 0.1 | -8.7 | **-1.6** |
| Depreciation | -19.9 | 0.0 | 4.0 | -15.9 |
| **Operating profit (EBIT)** | **-12.9** | 0.1 | -4.7 | **-17.5** |
| Net financial items | -6.5 | 0.0 | 4.7 | -1.8 |
| Tax | 6.0 | 0.0 | 0.0 | 6.0 |
| **Net result** | **-13.4** | 0.1 | – | **-13.3** |
| Attributable to: | | | | |
| Shareholders of the Parent Company | -13.4 | – | – | -13.4 |
| Non-controlling interest | – | 0.1 | – | 0.1 |

1 Residual ownership interests share of the proportionate financials in fully consolidated subsidiaries where Orrön Energy does not have 100 percent economic interest.
2 Elimination of proportionate financials from equity consolidated entities adjusted for Orrön Energy's share of net result.

| **2023**<br>**Bridge from proportionate to consolidated financials**<br>MEUR | Proportionate financials | Residual ownership for fully consolidated entities[1] | Elimination of equity consolidated entities[2] | Consolidated financials |
|---|---|---|---|---|
| Revenue | 36.2 | 3.6 | -11.8 | 28.0 |
| Other income | 0.8 | 0.0 | -0.4 | 0.4 |
| Operating expenses | -13.5 | -3.1 | 4.0 | -12.6 |
| General and administration expenses | -18.2 | – | – | -18.2 |
| Share in result of associates and joint ventures | – | – | -2.7 | -2.7 |
| **EBITDA** | **5.3** | 0.5 | -10.9 | **-5.1** |
| Depreciation | -16.3 | -0.1 | 4.5 | -11.9 |
| **Operating profit (EBIT)** | **-11.0** | 0.4 | -6.4 | **-17.0** |
| Net financial items | -7.9 | 0.2 | 5.6 | -2.1 |
| Tax | 10.9 | -0.2 | 0.8 | 11.5 |
| **Net result** | **-8.0** | 0.4 | 0.0 | **-7.6** |
| Attributable to: | | | | |
| Shareholders of the Parent Company | -8.0 | – | – | -8.0 |
| Non-controlling interest | – | 0.4 | – | 0.4 |

[1] Residual ownership interests share of the proportionate financials in fully consolidated subsidiaries where Orrön Energy does not have 100 percent economic interest.
[2] Elimination of proportionate financials from equity consolidated entities adjusted for Orrön Energy's share of net result.

# Definitions and Abbreviations

## Definitions

**Earnings per share:** Net result attributable to shareholders of the Parent Company divided by the weighted average number of shares for the period.

**Earnings per share – diluted:** Net result attributable to shareholders of the Parent Company divided by the weighted average number of shares for the period after considering any dilution effect.

**EBIT (Earnings Before Interest and Tax):** Operating profit

**EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation):** Operating profit before depreciation

**Equity ratio:** Total equity divided by the balance sheet total.

**Net debt/Net cash – Consolidated:** Interest bearing loans and borrowings less cash and cash equivalents.

**Net debt/Net cash – Proportionate:** Consolidated less cash and cash equivalents of associates and joint ventures plus/minus adjustment for external interest bearing loans and borrowings of associates and joint ventures.

**Return on equity:** Net result divided by average total equity.

**Return on capital employed:** Income before tax plus interest expenses plus/less currency exchange differences on financial loans divided by the average capital employed (the average balance sheet total less non-interest bearing liabilities).

**Weighted average number of shares for the period:** The number of shares at the beginning of the period with changes in the number of shares weighted for the proportion of the period they are in issue.

**Weighted average number of shares for the period – diluted:** The number of shares at the beginning of the period with changes in the number of shares weighted for the proportion of the period they are in issue after considering any dilution effect.

## Abbreviations

| | |
|---|---|
| **CHF** | Swiss franc |
| **EUR** | Euro |
| **GBP** | British pound sterling |
| **NOK** | Norwegian Krone |
| **SEK** | Swedish Krona |
| **TSEK** | Thousand SEK |
| **MEUR** | Million EUR |
| **MSEK** | Million SEK |

## Industry related terms and measurements

| | |
|---|---|
| **GW** | Gigawatt |
| **GWh** | Gigawatt hour |
| **MW** | Megawatt |
| **MWh** | Megawatt hour |

# Shareholders' information

## Contacts

Robert Eriksson
Corporate Affairs and Investor Relations
Tel: +46 701 11 26 15
robert.eriksson@orron.com

Jenny Sandström
Communications Lead
Tel: +41 79 431 63 68
jenny.sandstrom@orron.com

## Financial Calendar

| | |
|---|---|
| • Interim report for the first quarter of 2025 | 6 May 2025 |
| • Interim report for the second quarter of 2025 | 6 August 2025 |
| • Interim report for the third quarter of 2025 | 5 November 2025 |
| • Year end report 2025 | 18 February 2026 |

## Annual General Meeting

The Annual General Meeting (AGM) is held within six months from the close of the financial year. All shareholders who are registered in the shareholders' register and who have duly notified their intention to attend the AGM may do so and vote in accordance with their level of shareholding. Shareholders may also attend the AGM through a proxy and a shareholder shall in such a case issue a written and dated proxy. A proxy form is available on www.orron.com.

The 2025 AGM will be held on 5 May 2025 at 11.00 CEST as a digital meeting combined with an option to vote by post in advance of the AGM. Shareholders may choose to exercise their voting rights at the AGM by attending the digital meeting online, through a proxy or by postal voting.

### Vote at the AGM

Those who wish to exercise their voting rights at the AGM must:
- be entered as a shareholder in the share register kept by Euroclear Sweden AB on 24 April 2025 or, if the shares are registered in the name of a nominee, request that the nominee registers the shares in their own name for voting purposes in such time that the registration is completed by 28 April 2025; and
- give notice of attendance at the AGM to the Company in accordance with the instructions set out in the section "Online participation and voting at the AGM" or submit a postal vote in accordance with the instructions set out in the section "Voting by post in advance of the AGM" no later than 28 April 2025.

### Important information regarding participation and voting

The Board of Directors has decided to hold the AGM as a digital meeting combined with an option to vote by post in advance of the AGM in accordance with the Company's Articles of Association.

For terms and instructions for online participation and voting at the AGM, please refer to the section "Online participation and voting at the AGM" below.

For terms and instructions for voting by post in advance of the AGM, please refer to the section "Voting by post in advance of the AGM" below.

Please note that despite thorough preparations, it cannot be ruled out that online participation or voting at the AGM do not work as intended due to technical complications attributable to shareholders. The AGM will be held regardless of any such complications and there is a risk that votes submitted online at the AGM are not registered. Consequently, those who want to be certain of being able to exercise their voting rights should vote by post in advance of the AGM.

Please also note that it will not be possible to vote both by post in advance of the AGM and online at the AGM. If a postal vote has been submitted in accordance with the terms and instructions for voting by post and such postal vote has not been withdrawn by the shareholder no later than 28 April 2025, the Company will consider the postal vote at the AGM.

It is possible to vote by post in advance of the AGM and still follow the AGM without exercising any voting rights online, please see the section "Voting by post in advance of the AGM" below for more information.

### Online participation and voting at the AGM

Those who wish to participate at the digital AGM in person or through proxy shall give notice of attendance to the Company no later than 28 April 2025 either:
- electronically through the Company's website, www.orron.com (only applicable to individuals);
- by post to Computershare AB, Box 5267, SE-102 46 Stockholm (Att. "Orrön Energy's AGM");
- by telephone to +46 (0)8 518 01 554 on weekdays between 09.00 and 16.00 (CEST); or
- by email to info@computershare.se.

The notice of attendance shall state name, personal identification number or corporate registration number, address, telephone number and, where relevant, the number of accompanying advisors (not more than two).

To participate and vote online, a stable network connection must be maintained throughout the AGM. Online participation is possible via a computer, a smartphone or a tablet, provided the device is equipped with an up-to-date operating system and the latest software version. Access to the meeting will be facilitated via a web browser, ensuring a seamless and secure connection to the digital platform.

Those who give notice of attendance at the AGM will receive login instructions on the admission card which will be sent to the address stated in the notice of attendance. On the day of the AGM, the digital platform will open for login from 10.00 (CEST), and participants must log in no later than 11.00 (CEST) to attend.

In connection with each voting item, shareholders will be able to choose between the alternatives “Yes”, “No” and “Abstain”. Engagement and questions during the meeting will be facilitated through a dedicated written Q&A function.

Those who do not wish to participate or vote online in person may exercise their voting rights at the AGM through a proxy in possession of a written, signed and dated proxy form. In order for the proxy to obtain login instructions to the digital platform, the proxy’s name, personal identification number or corporate registration number and address must be included in the notice of attendance. A proxy form issued by a legal entity must be accompanied by a copy of a certificate of registration or a corresponding document of authority for the legal entity. Template proxy forms in Swedish and English are available on the Company’s website, www.orron.com. Proxy forms, certificates of registration and other documents of authority shall be appended to the notice of attendance. Please note that notice of attendance must be given even if a shareholder wishes to exercise its rights at the meeting through a proxy. A submitted proxy form does not count as a notice of attendance.

**Voting by post in advance of the AGM**
Those who wish to exercise their voting rights by post in advance of the AGM shall use the voting form and follow the instructions available on the Company’s website, www.orron.com. The postal vote must be received by the Company no later than no later than 28 April 2025. The postal vote shall be sent either:
- electronically in accordance with the instructions available on www.orron.com.
- by email to info@computershare.se.
- by post to Computershare AB, Box 5267, SE-102 46 Stockholm (Att. “Orrön Energy AGM”).

If a shareholder’s voting rights are exercised by proxy, a power of attorney and other authorisation documents must be enclosed with the voting form. A proxy form is available on the Company’s website, www.orron.com, and will be sent to shareholders upon request.

Shareholders who wish to exercise their voting rights by post in advance of the AGM may still follow the AGM online (without also exercising voting rights online). In order to receive login instructions, please elect for this option in the voting form.

This information is information that Orrön Energy AB is required to make public pursuant to the Swedish Securities Markets Act. The information was submitted for publication at 09.00 CEST on 9 April 2025.

## Forward-Looking Statements

Statements in this report 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 report 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.

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Corporate Head Office
Orrön Energy AB (publ)
Hovslagargatan 5
SE-111 48 Stockholm, Sweden
T +46-8-440 54 50
W orron.com