



Orrön Energy

Capital Markets Day 2023

15 February 2023

Orrön Energy

Capital Markets Day 2023

Agenda

- Our strategy.....Daniel Fitzgerald
- Market outlook
- 2022 results and 2023 outlook.....
- Building an organic growth pipeline.....Carl Sixtensson
Jonas Dahlström
- Fully funded for growth.....Espen Hennie
- Concluding remarks.....Daniel Fitzgerald
- Q&A

Speakers



Daniel Fitzgerald
CEO



Espen Hennie
CFO



Carl Sixtensson
Technical Director



Jonas Dahlström
Managing Director
Sweden

Moderator



Robert Eriksson
Director Investor Relations
and Corporate Affairs



Our strategy

This is Orrön Energy



**Pure play
European
Renewable
Company**

Present in
all stages of
the **renewable
lifecycle**

Enhancing
value through
**organic
growth**

**Cash
generating
assets** with
spot market
exposure

Fully funded
for expansion

Entrepreneurial
team backed
by the
Lundin Family

Creating value through
the **Energy Transition**

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Pure Play Renewable Company




1,100 GWh
of production⁽¹⁾

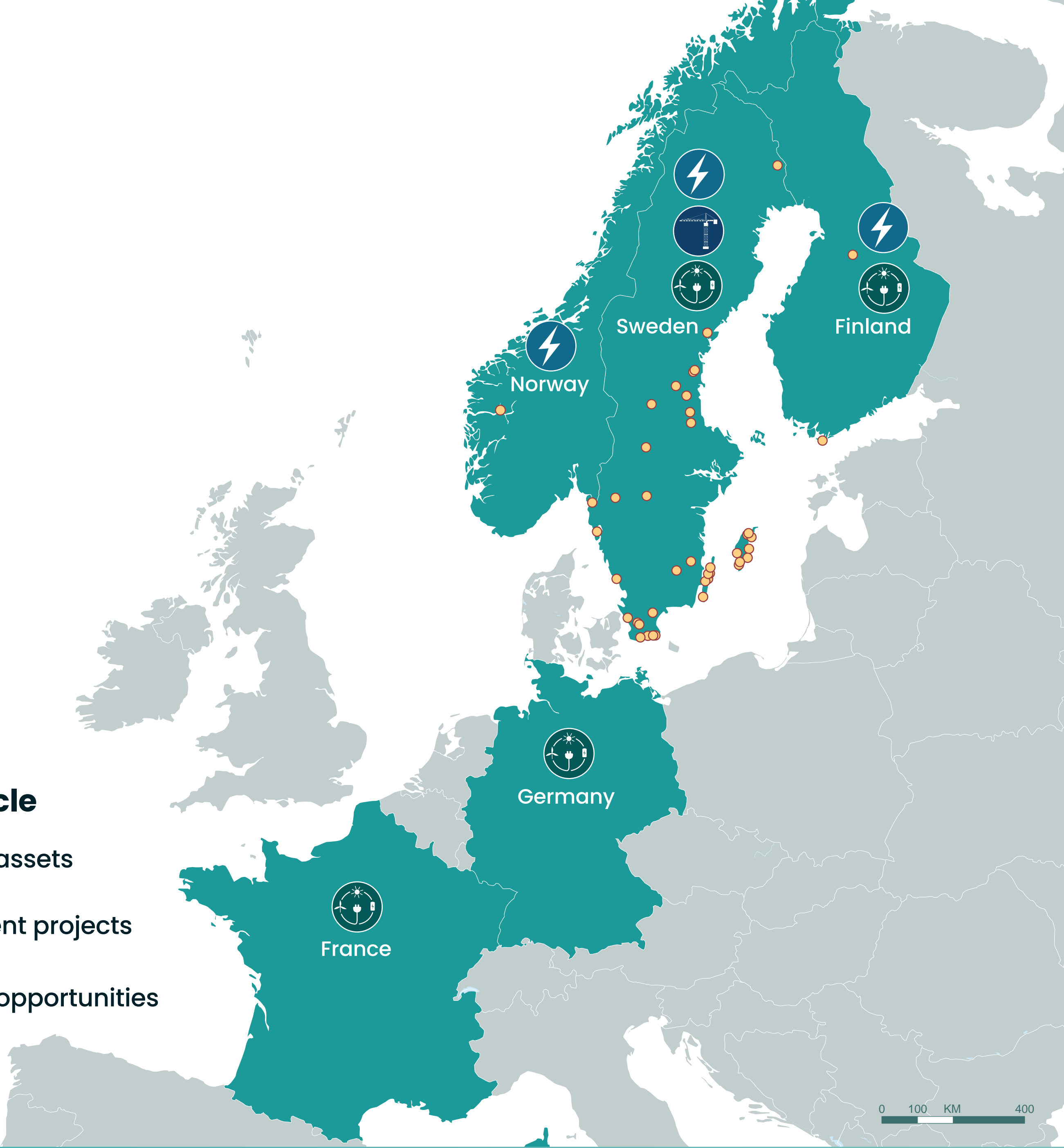
Acquisition led strategy
to create scale

Expanding into Europe
with greenfield
development

Organic growth to
enhance returns

Asset life cycle

-  Producing assets
-  Development projects
-  Greenfield opportunities

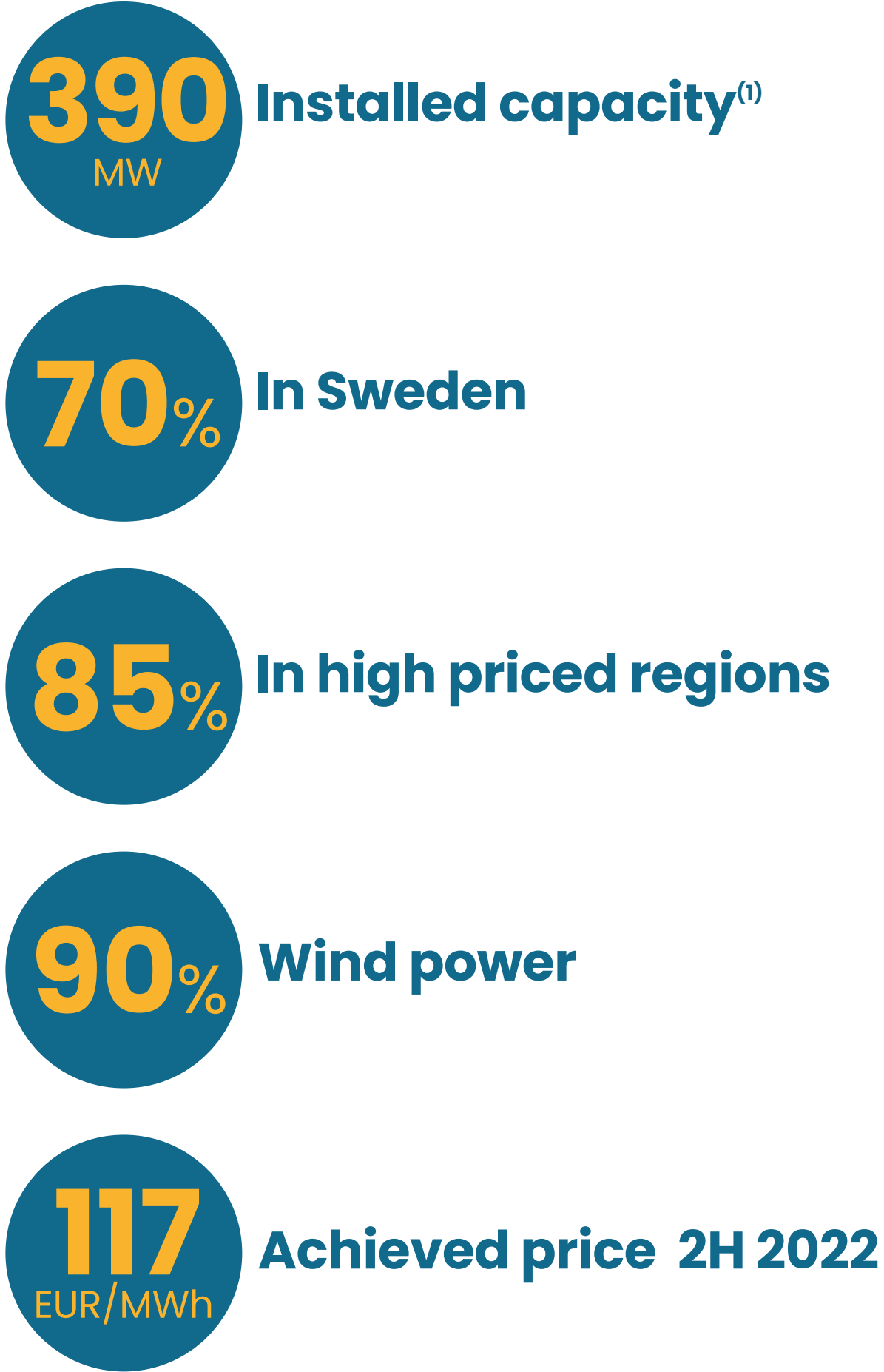


⁽¹⁾ Estimated annual power generation from end 2023 assuming average meteorological conditions and operational performance

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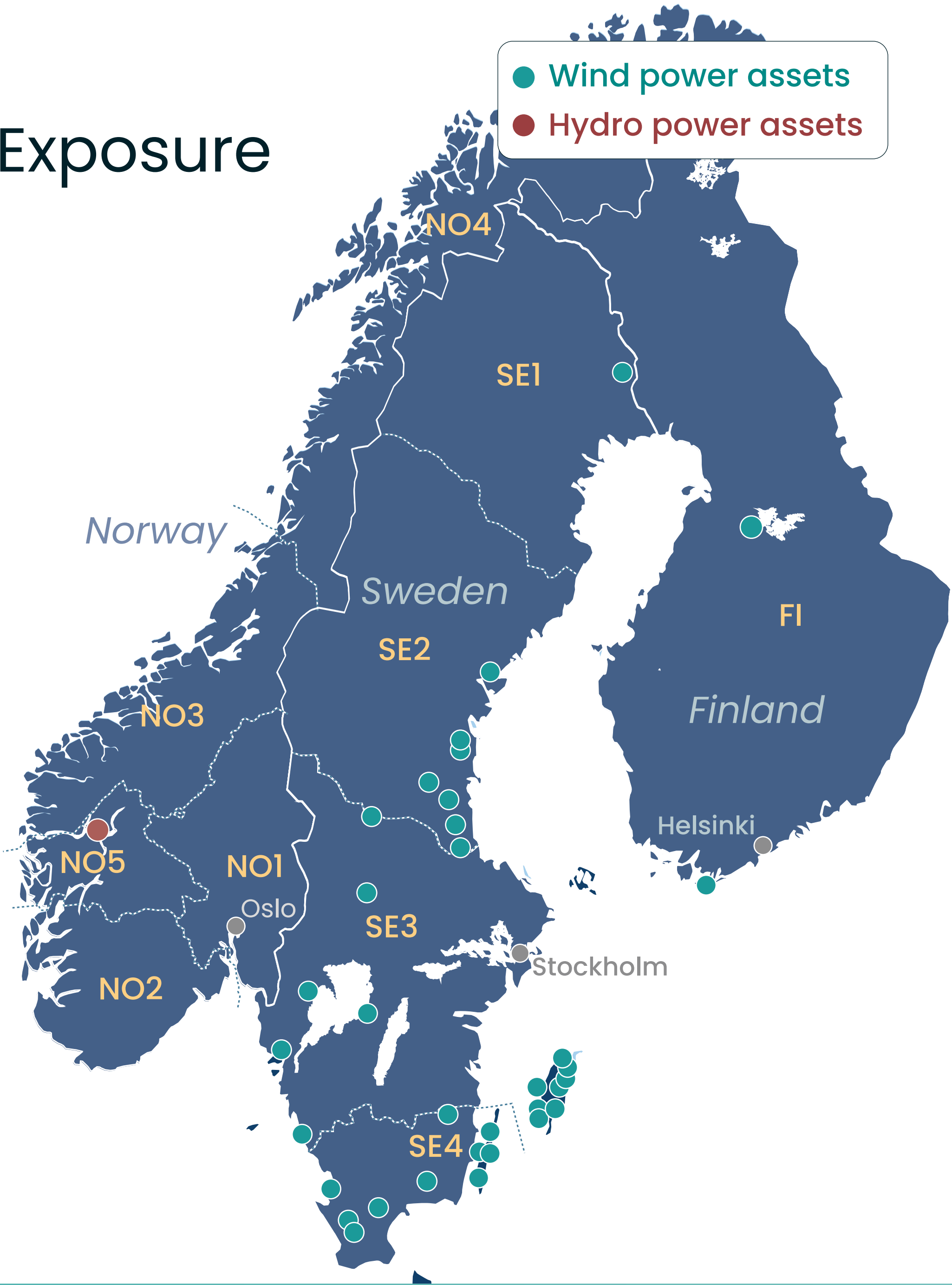
Cash Generating Assets with Spot Market Exposure

Power generation



⁽ⁱ⁾ From end 2023

Power generation by price region



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Present in All Stages of the Renewable Lifecycle

Producing assets

1,100 GWh production⁽¹⁾
Brownfield acquisitions
Power trading & optimisation

Development projects

Karskruv wind farm
Expansion projects
Repowering & life extension

Greenfield projects

Nordic & European expansion
Onshore focus
Solar, wind, energy storage

⁽¹⁾ From end 2023



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Fully Funded for Expansion

Strong cash generation

25–70 MEUR
EBITDA in 2023⁽¹⁾

40% increase in
power generation
from end 2023

Low leverage

13 MUSD
net debt⁽²⁾

>250 MUSD
debt capacity

Low CAPEX commitments

80 MEUR in 2023

No capital
commitments
from 2024 onwards

**Financial capacity to build a
full cycle renewables company**

⁽¹⁾ At an achieved price between 70 and 125 EUR/MWh

⁽²⁾ Year end 2022

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Building an Organic Growth Pipeline



Panel discussion



Carl Sixtensson
Technical Director



Jonas Dahlström
Managing Director
Sweden

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A Sustainable Approach

By increasing the supply of renewable energy, Orrön Energy is directly contributing to the energy transition and the achievement of global and regional climate goals

Driving the energy transition and decarbonising our energy systems



Protecting the environment



Safe operations



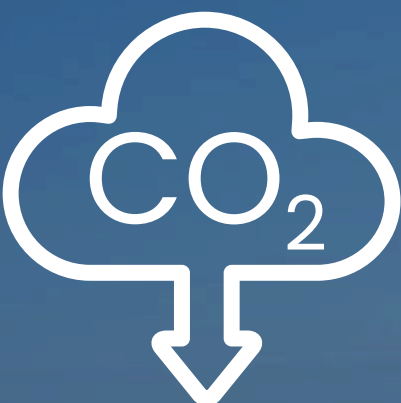
Strong & inclusive communities



Robust governance framework



Powering
>275K
homes⁽¹⁾



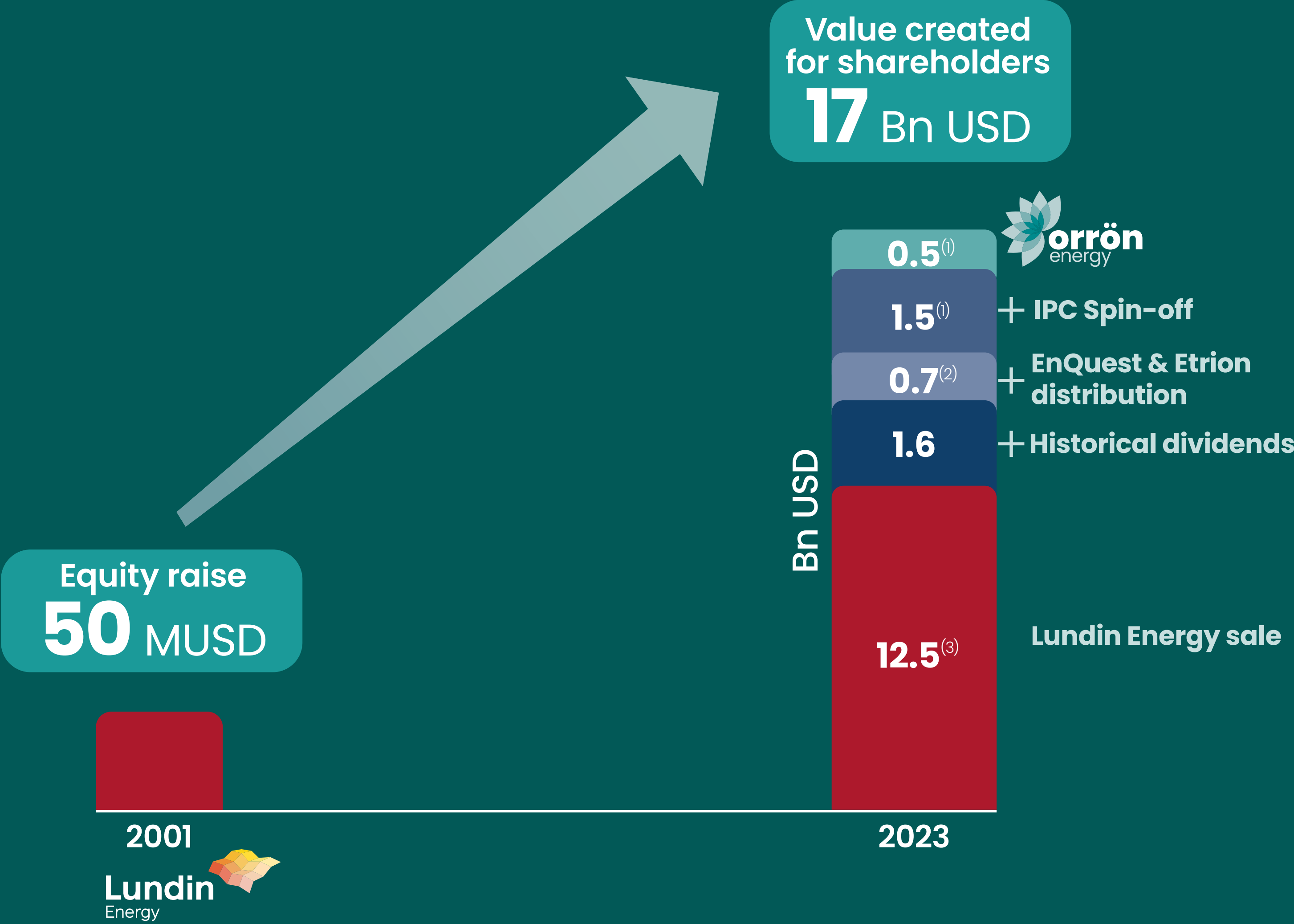
Avoiding
>800K
TCO₂⁽¹⁾

Member of
the **UN Global Compact**

⁽¹⁾ Estimated from end of 2023 onwards

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A History of Shareholder Value Creation



⁽¹⁾ Market capitalisation at 31 Jan 2023 ⁽²⁾ Value at distribution ⁽³⁾ Cash value of Aker BP shares at 30 June + cash dividend

Market outlook

Accelerating
Growth in Renewables

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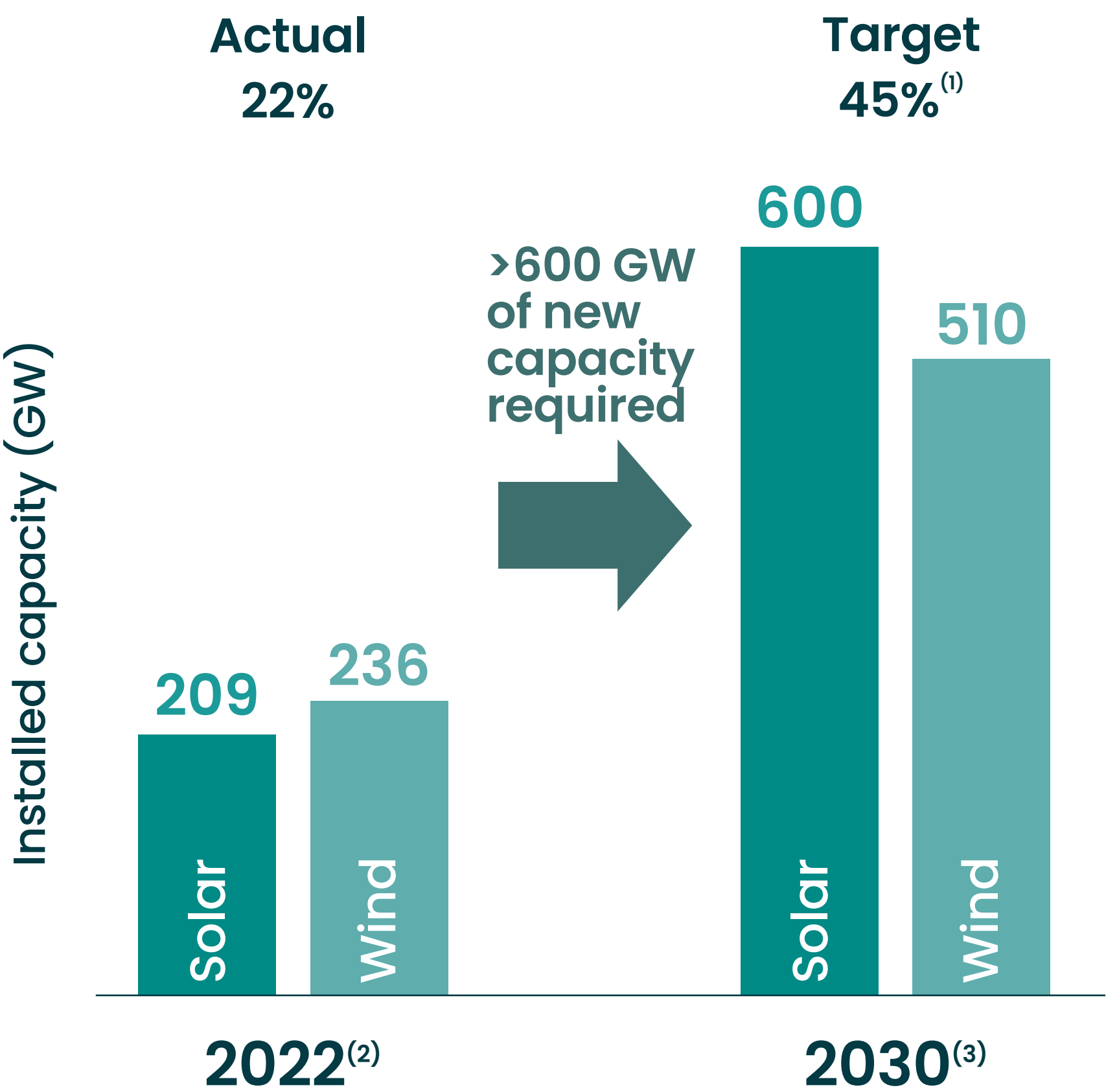
Renewables Expansion Expected to Accelerate

Climate neutral pledges require significant growth in renewable energy

Permitting challenges and grid constraints must be resolved

Renewable generation market share

EU Renewable Generation



⁽¹⁾ REPower EU Plan 2022

⁽²⁾ SolarPower Europe and Wind Energy Europe

⁽³⁾ Targets from EU Solar Strategy and REPower EU Action Plan

Volatile Market Conditions Expected to Continue

2022 energy crisis resulted in historically high power prices

Energy supply remains fragile and sensitive to minor changes

Increasing intermittency leads to higher volatility

Historical Nordic System Price





2022 Results & 2023 Outlook

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Second Half 2022 Highlights

Power generation

251 GWh

7 transactions closed

+500 GWh p.a. power generation
+190 MW installed capacity

Completed
12.5 Bn USD
Aker BP deal

EBITDA generation

21 MUSD

**Strengthening our position
in Sweden**

Acquisitions
Organic growth

**Successful
transition to
renewable
energy**

Low net debt

13 MUSD
year end 2022

Entering new markets

Greenfield projects
New technologies

All numbers proportionate

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What to Expect in 2023

Power generation⁽¹⁾
800 GWh p.a.

**Karskruv online
year end 2023**
+290 GWh p.a.
power generation⁽¹⁾

EBITDA
25–70 MEUR⁽²⁾

**Organic
growth**

**Further
acquisitions**

**Greenfield
projects**

**3 deals signed
in 2023**

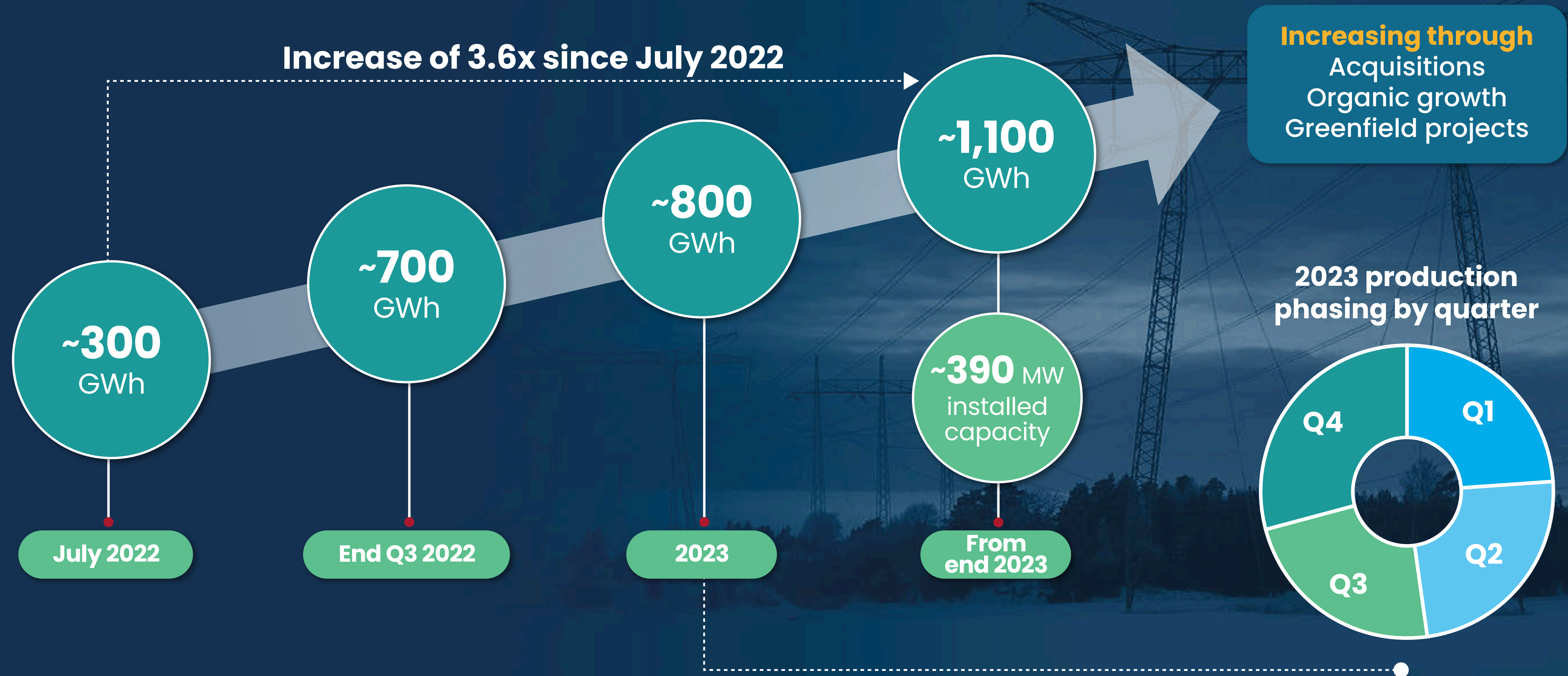


⁽¹⁾ Estimated annual power generation assuming average meteorological conditions and operational performance

⁽²⁾ At an achieved price between 70 and 125 EUR/MWh

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Annual Power Generation Outlook



Power generation estimates assume average meteorological conditions and operational performance

Generating growth

A panel discussion with
Carl Sixtensson
and **Jonas Dahlström**

People

Assets

Capital

Organic Growth Platform

Existing assets

**Consolidation
opportunities**

**Expansion
projects**

New projects

**Brownfield
acquisitions**

**Greenfield
developments**

Powered by people

Competent

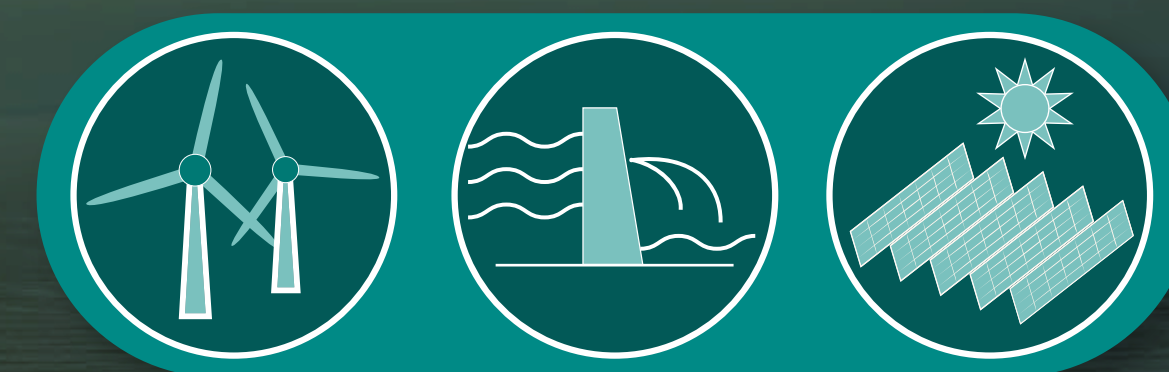
Well-connected

Entrepreneurial

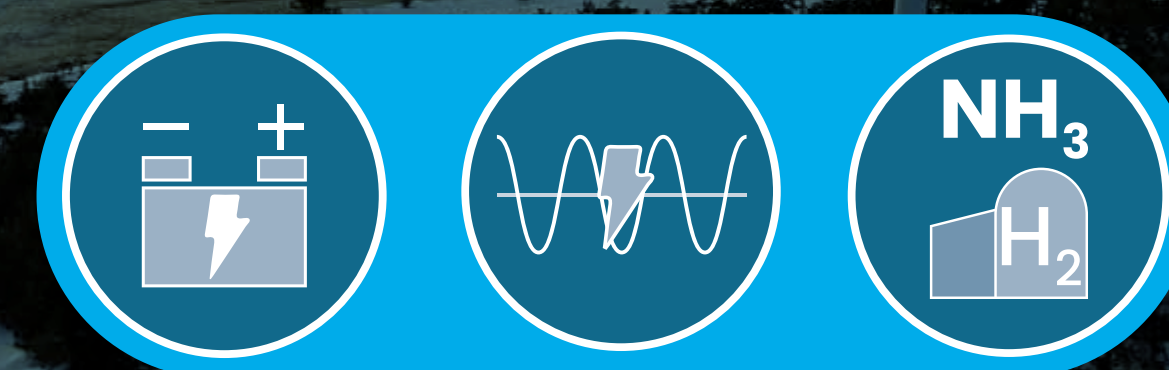
Dynamic

Technologies to unlock growth

Generation



Storage & frequency



Revenue optimisation



Planting seeds for growth



Current portfolio

Greenfield development

Brownfield acquisitions

Expansion projects

Consolidation opportunities

Expanding our footprint



Fully funded for growth

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Financially Strong

Long-life assets in
high price regions

**Capital spend
discretionary** from
end 2023

**Strong long-term
cash flow**
improved by
tax shields

**Significant debt
capacity** for
further growth



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Fourth Quarter and Second Half 2022

Fourth Quarter

Power generation

168 GWh

Realised electricity prices

Average: **88** EUR/MWh

Costs and investments

Capex: **7** MUSD
Operating expenses: **3** MUSD

Second Half

Strong cash generation

CFFO: **19** MUSD
EBITDA: **21** MUSD

Low leverage

Net debt end Q4: **13** MUSD
>250 MUSD debt capacity

All figures proportionate except CFFO

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2022 Actuals and 2023 Guidance

	Delivered ahead of guidance		
	2H 2022 Guidance ⁽¹⁾	2H 2022 Actuals	2023 Guidance ⁽⁴⁾
Operating expenses	6 MUSD	✓ 5 MUSD	12-14 MEUR
G&A expenses ⁽²⁾	4 MUSD	✓ 4 MUSD	10 MEUR
Sudan legal costs ⁽³⁾	3 MUSD	✓ 2 MUSD	8 MEUR
Capital expenditure	10 MUSD	✓ 7 MUSD	80 MEUR

⁽¹⁾ Guidance is presented based on proportionate (net) ownership in assets and related financial results

⁽²⁾ Excludes non-cash items and costs in relation to the Sudan legal case

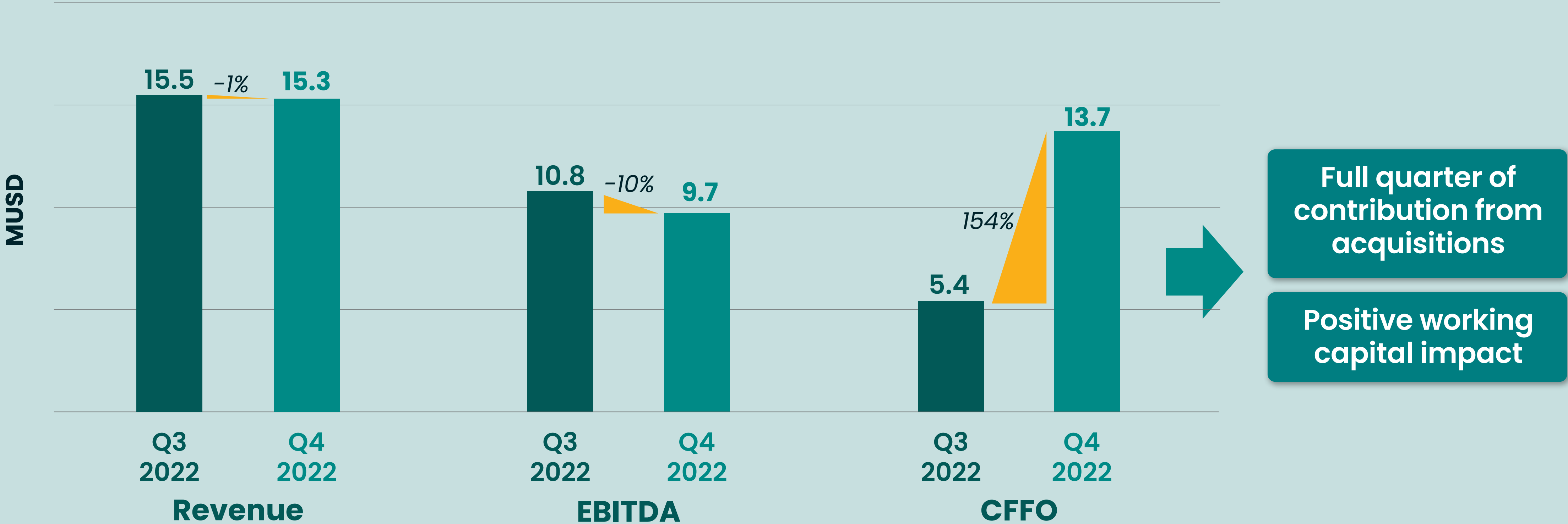
⁽³⁾ Legal costs in relation to the defence of the Company and its former representatives in the Sudan legal case. These costs are included in the G&A line item in the consolidated income statement

⁽⁴⁾ Orrön Energy has changed its reporting currency from USD to EUR as per 1 January 2023 and the 2023 guidance is presented in EUR to reflect this change

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Key Financial Metrics

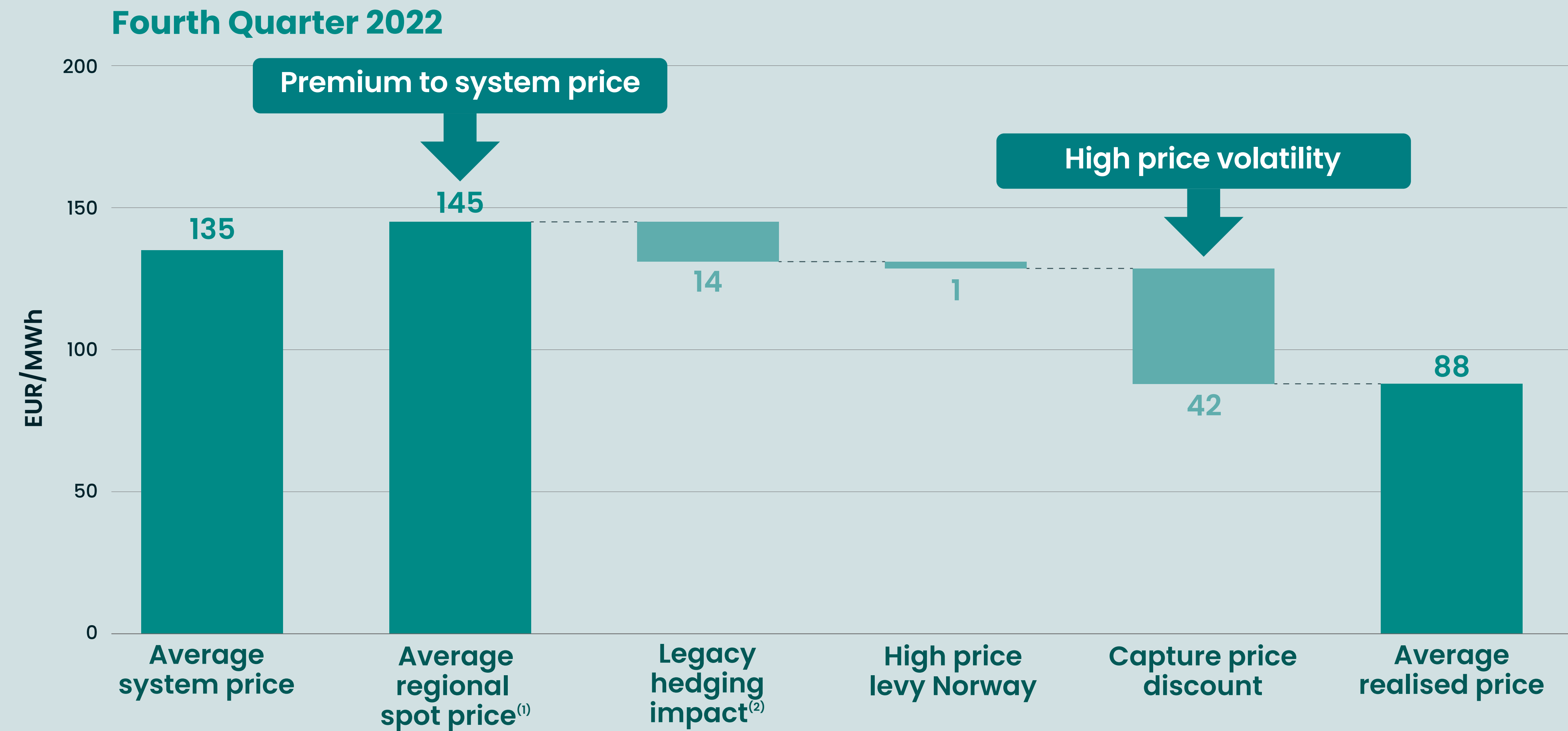
	Q3 22	Q4 22	Q4 22 vs Q3 22
Power generation (GWh)	83	168	+102%
Realised electricity price (EUR/MWh)	177	88	-50%



All figures proportionate except CFFO

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Realised Electricity Prices



⁽¹⁾ Based on actual power generation in Q4 22

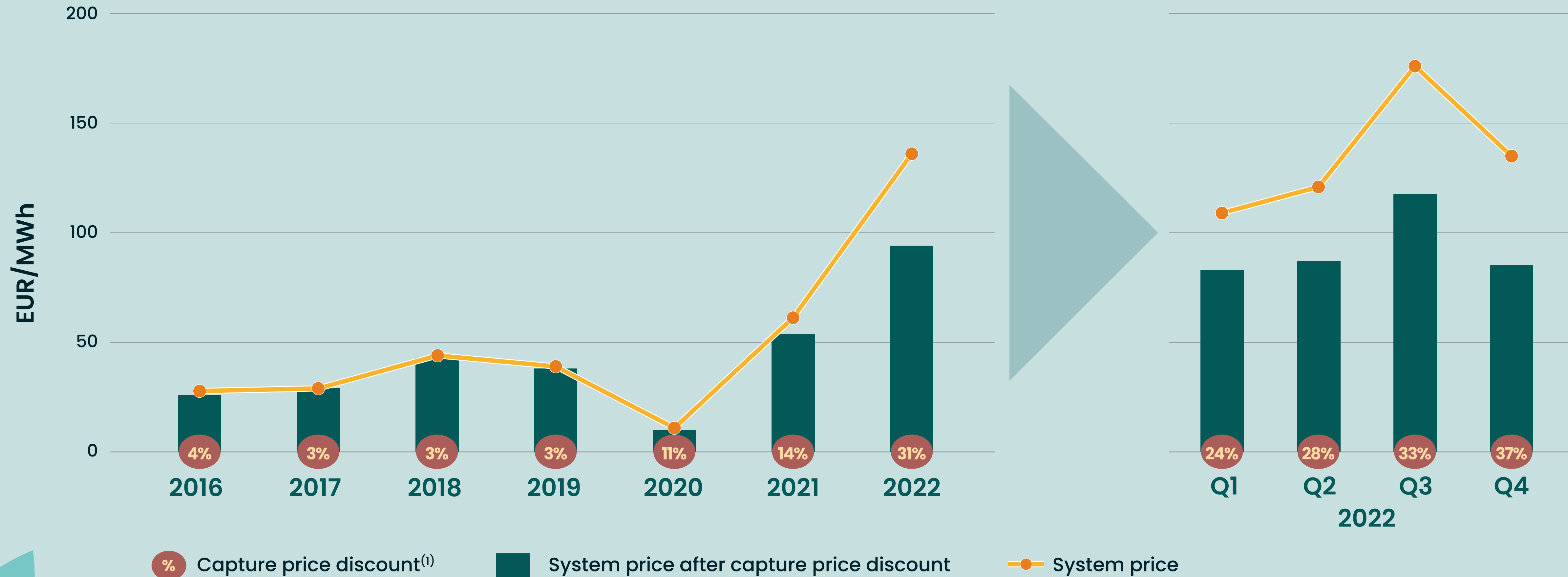
⁽²⁾ Existing hedges linked to acquisitions, hedging ceases beyond 2023

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Record Price and Volatility

Unprecedented capture price discount in Q4 2022

Driven by high underlying prices and volatility



⁽¹⁾ Swedish average, company data

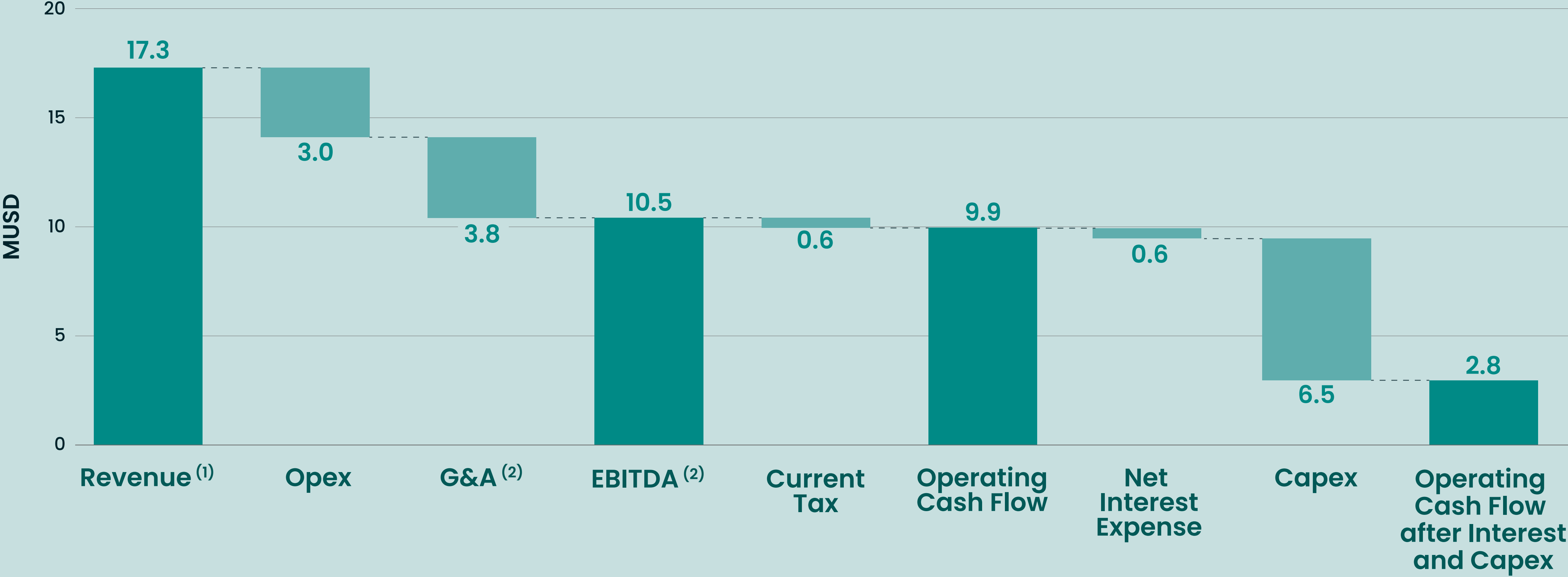
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Underlying Cash Flow Generation

Q4-22

Sales Volume (GWh)	168
Sales Price (EUR/MWh)	88

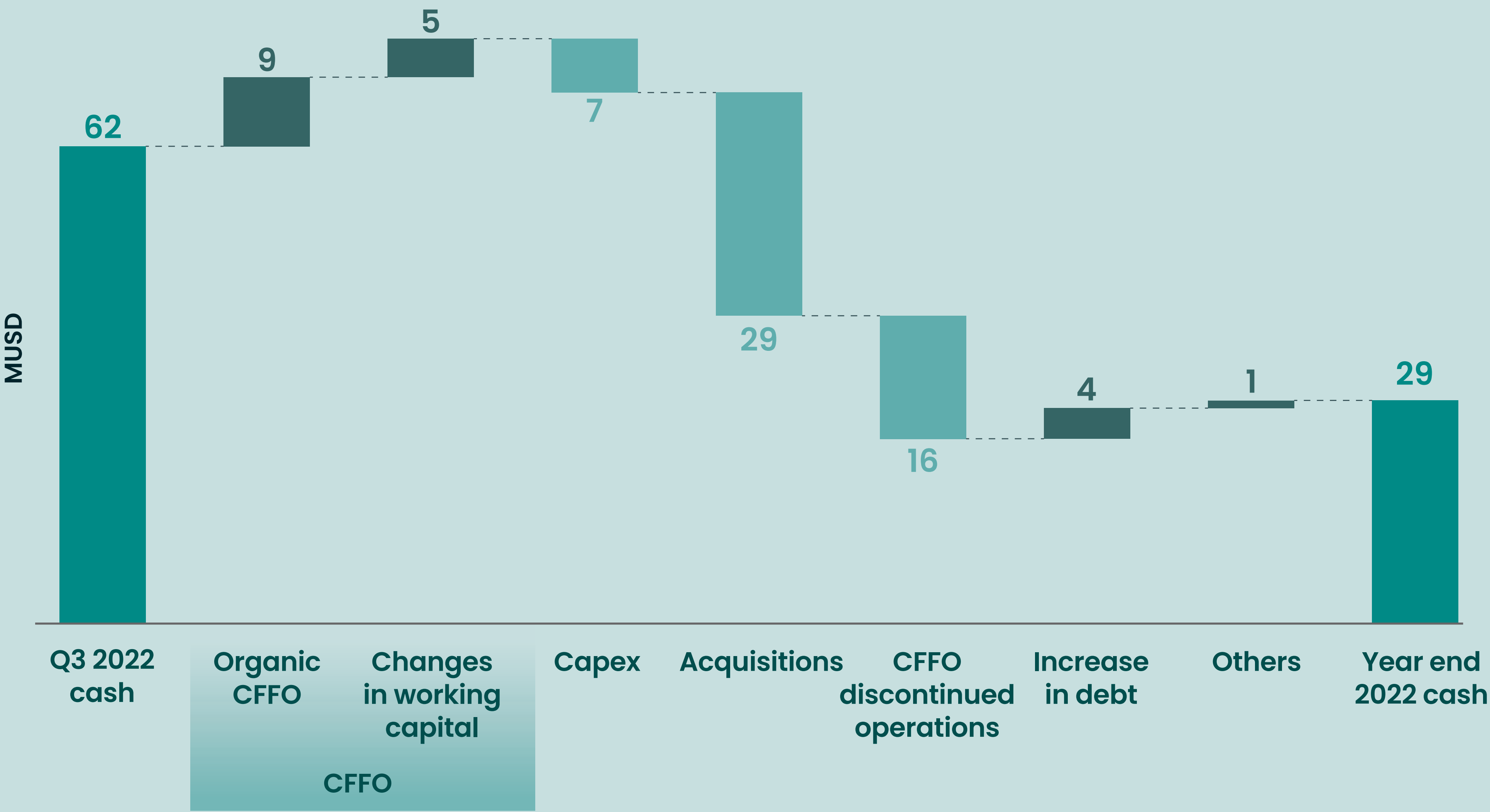
Fourth Quarter 2022



All figures proportionate
⁽¹⁾ Including other income
⁽²⁾ Excluding non-cash items of 0.9 MUSD

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Cash Flow and Debt

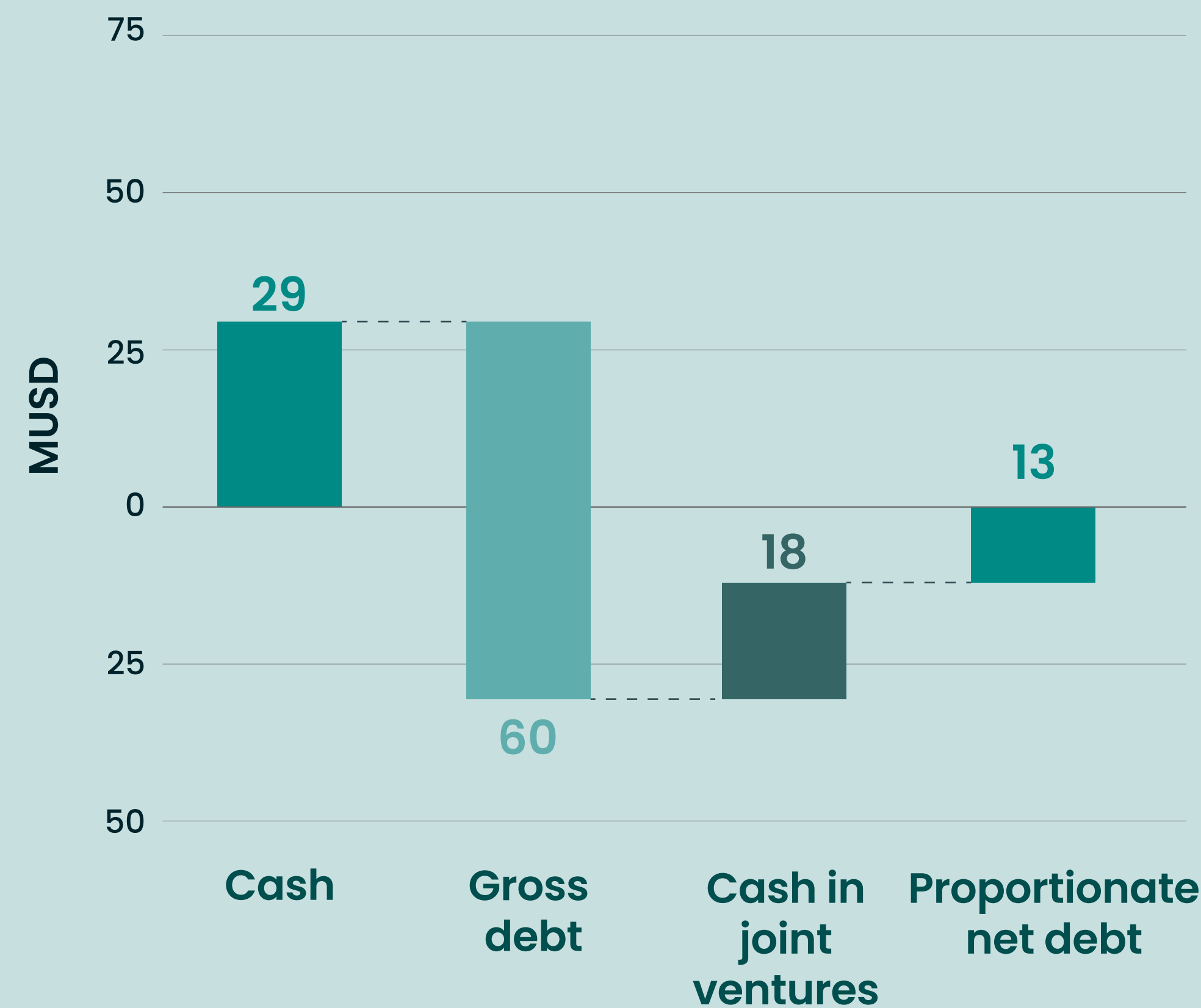


All figures consolidated

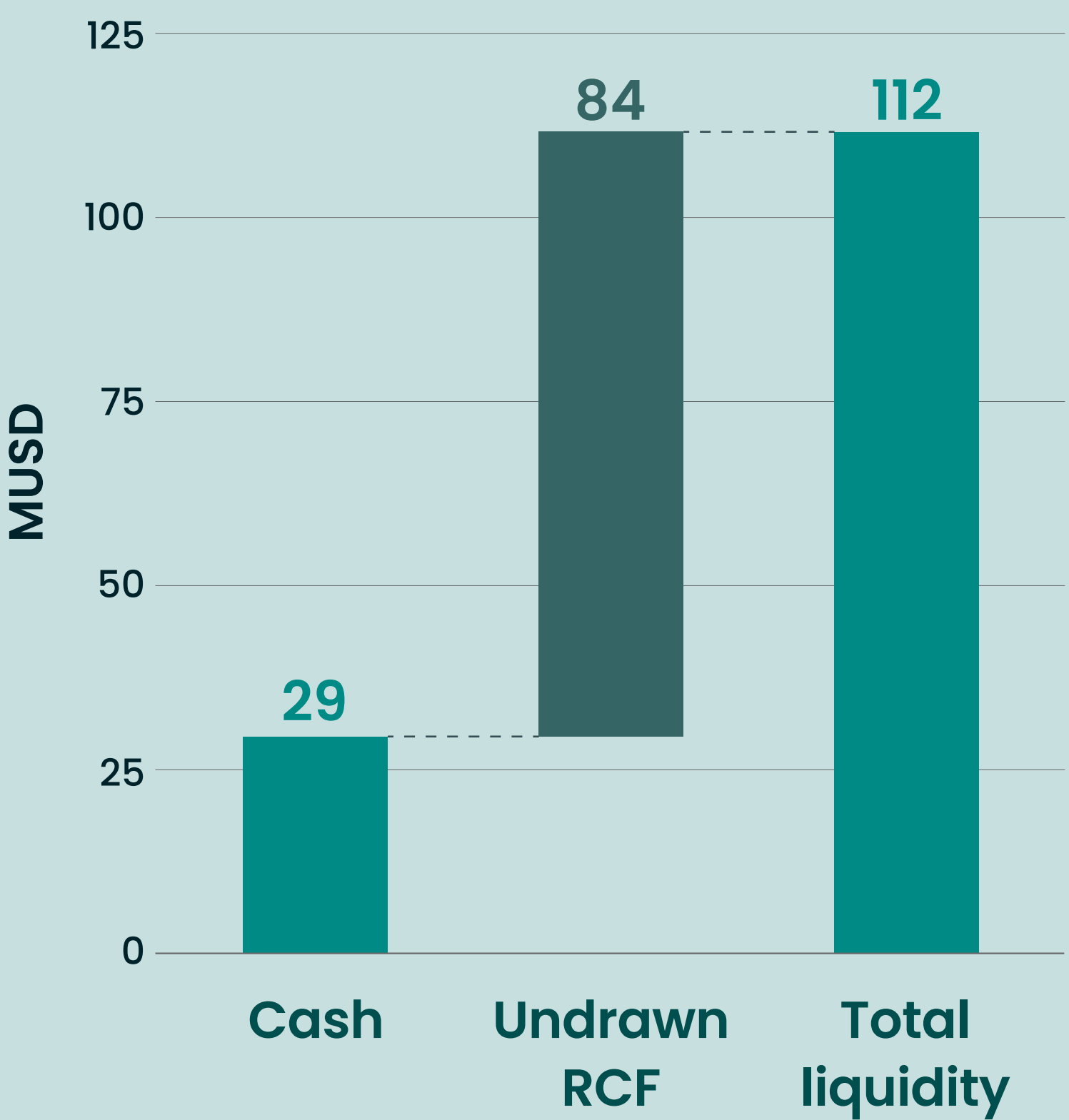
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Debt Position and Liquidity

Debt Position
Year End 2022



Liquidity
Year End 2022



Refinancing planned
First Half 2023

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Tax Balances

Significant tax shields
in Sweden and Finland

Payable tax position
in Norway



Tax Rates

Corporate Income Tax	22%	20%	20.6%
Ground Rent Tax	45%	–	–

All numbers as at year end 2022

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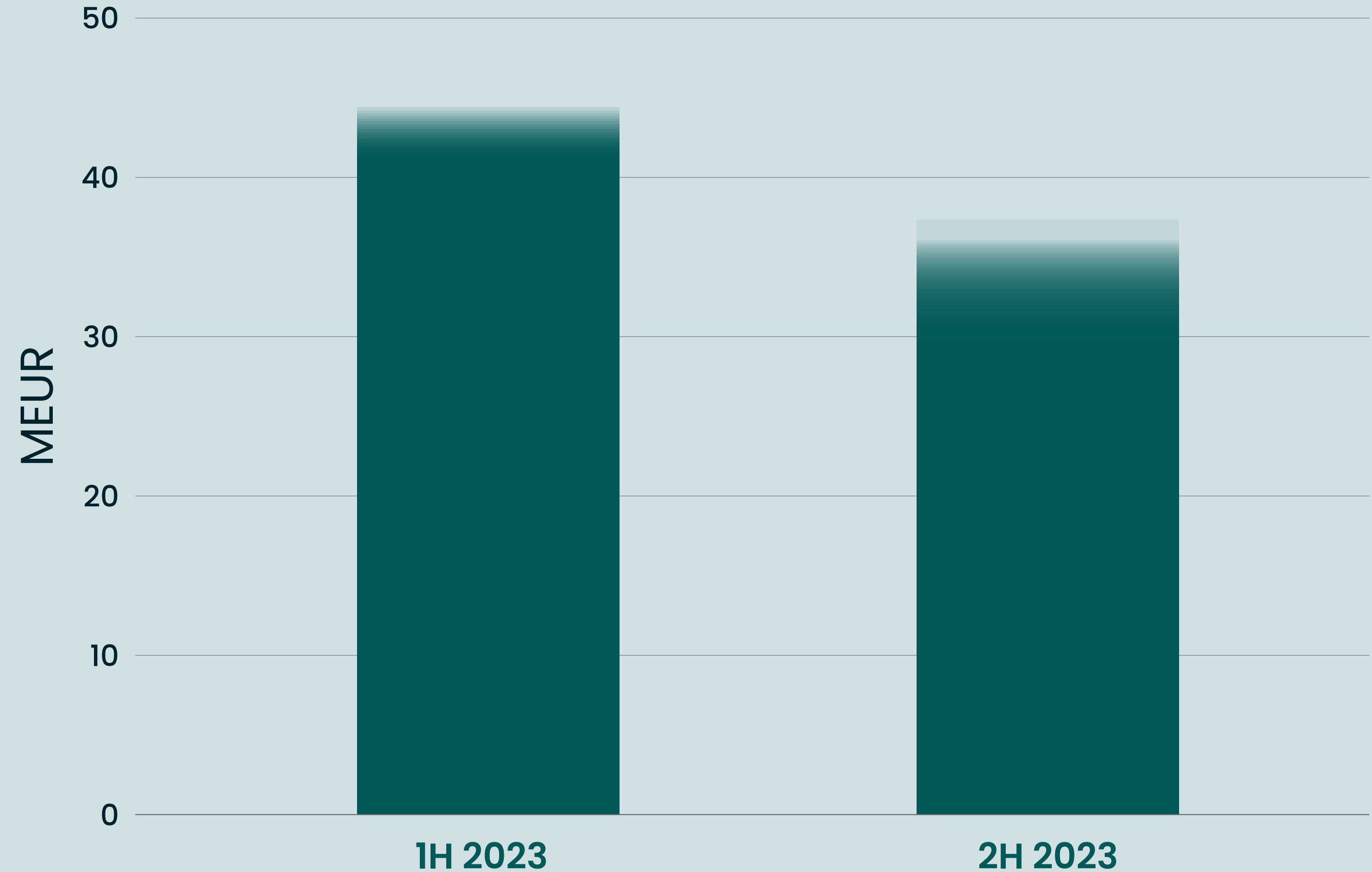
Capital Expenditure Forecast

2023 CAPEX

80 MEUR

2024 onwards

**Discretionary capital
spend only**



Minimal Impact Expected from High Price Levies

All measures are temporary

65% of power generated in Sweden with lowest impact

Price caps are high compared to historical prices

2023 Power Generation

13%

22%

65%

Norway

23% levy on prices >700 NOK/MWh

Finland

30% tax on profits >10%
return on equity in 2023

Sweden

90% tax on prices >180 EUR/MWh
March to June 2023

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Operating Expenses

2023 Guidance

12–14 MEUR⁽¹⁾

Sensitivity

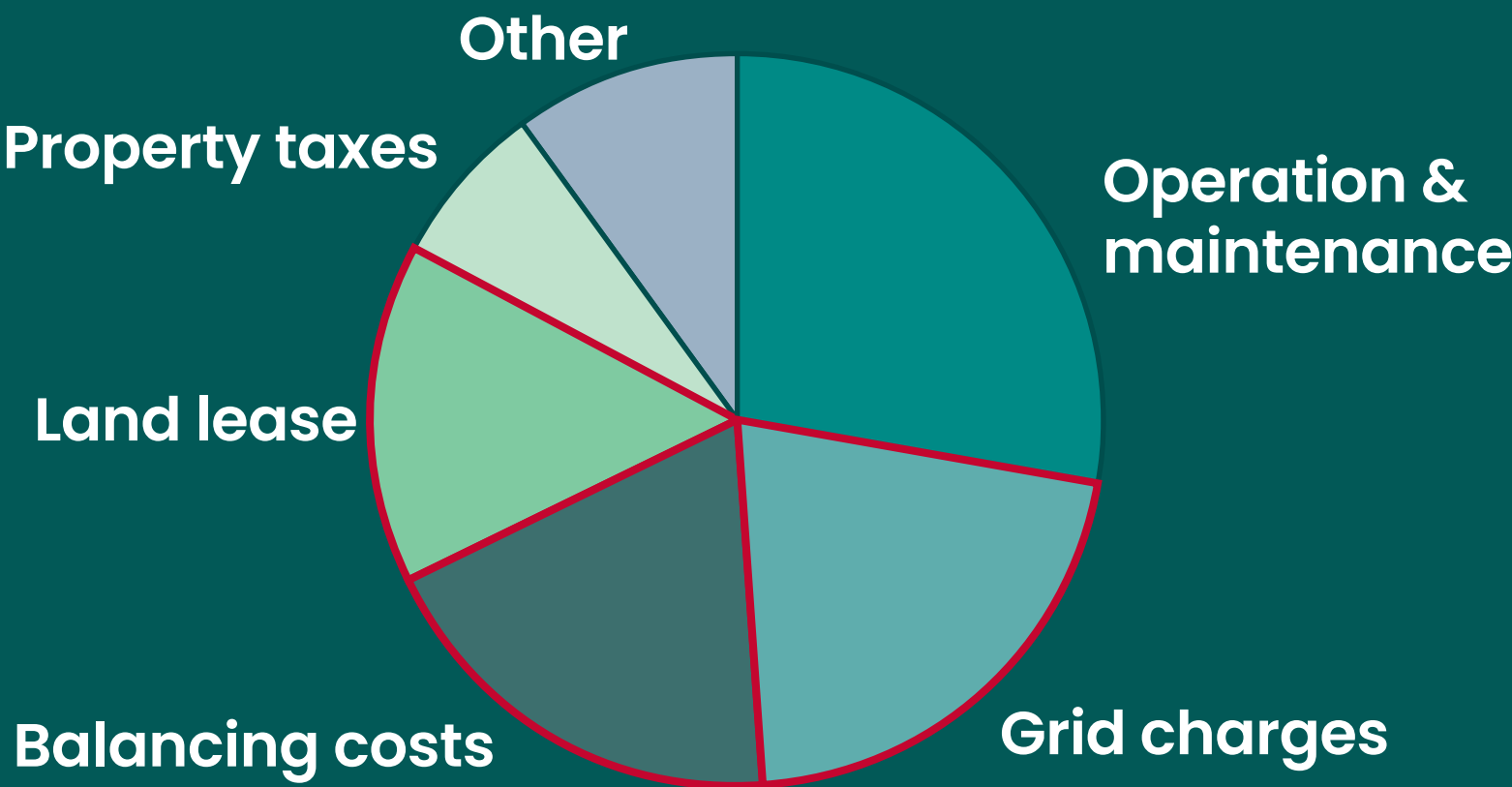
Power
generation

±10%

Operating
expenses

±1 MEUR

Operating expenses breakdown



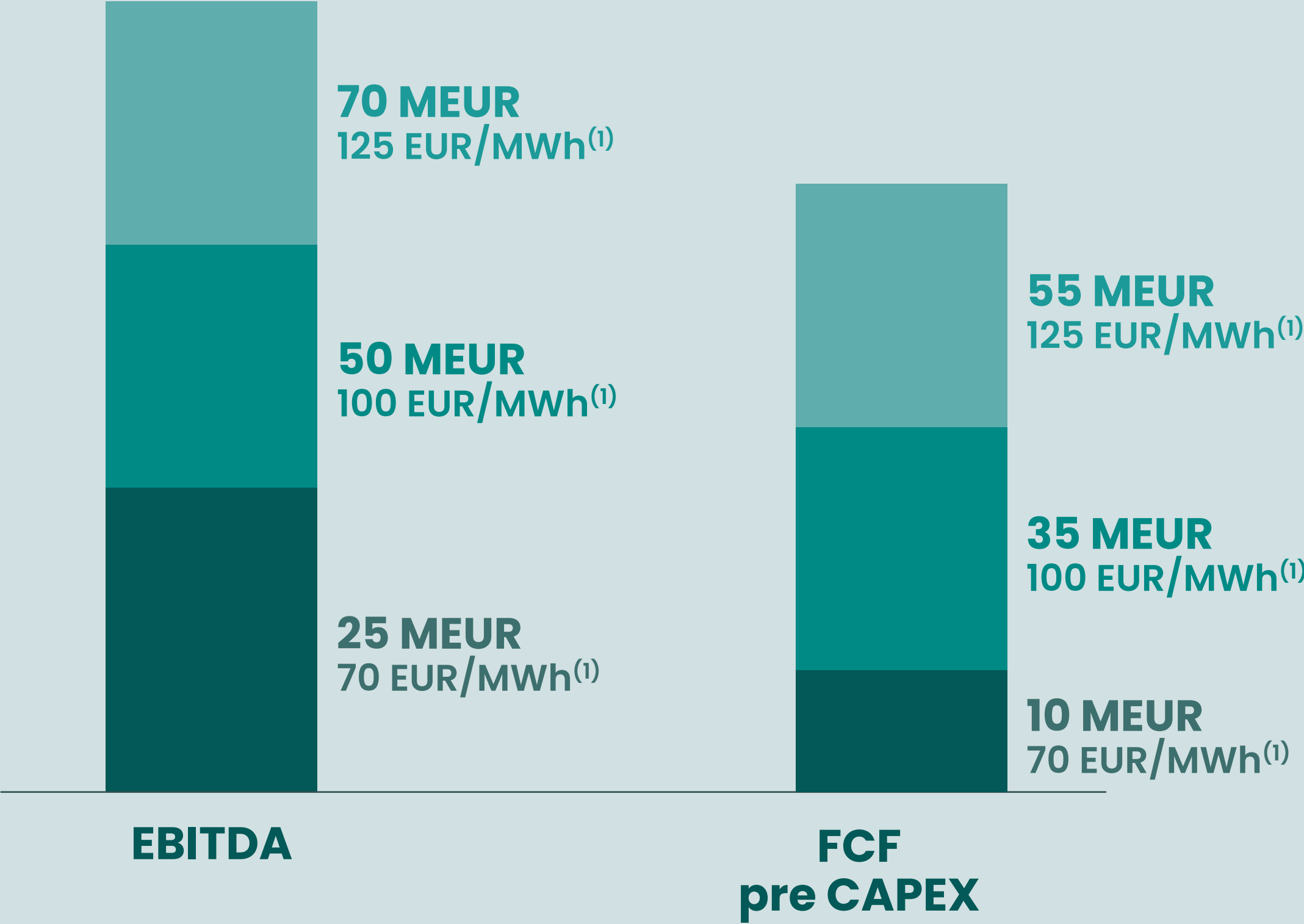
 Linked to price and/or volume

⁽¹⁾ At an achieved price between 70 and 125 EUR/MWh

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Cash Flow

2023 Outlook



2023 Payable tax 9 MEUR
2023 Net finance expense 6 MEUR

⁽¹⁾ Achieved price

2024 Onwards

- ~40% increase in power generation vs 2023
- Discretionary capital spend only
- Strong long-term cash flow

Concluding remarks

Creating value through the **Energy Transition**

1.1 TWh power generation⁽¹⁾
delivering **long-term free cash flow**

Delivering on our
M&A strategy

Building an **organic**
growth platform

Expanding our footprint
in Europe

Fully funded for
future growth



Unique
energy transition
investment
opportunity
with growth
and upsides

⁽¹⁾ Annual average from 2024, power generation estimates assume average meteorological conditions

Q&A

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Creating value through
the **energy transition**