

Orrön Energy

# Capital Markets Day 2024

14 February 2024



# Orrön Energy Capital Markets Day 2024

## Agenda

- Introduction ..... Daniel Fitzgerald
- Greenfield development overview ..... Daniel Fitzgerald
- Nordic overview ..... Jonas Dahlström
- Financial update ..... Espen Hennie
- Concluding remarks ..... Daniel Fitzgerald
- Q&A

## Speakers



**Daniel Fitzgerald**  
CEO



**Espen Hennie**  
CFO



**Jonas Dahlström**  
Managing Director  
Sweden



**Robert Eriksson**  
Director Investor Relations  
and Corporate Affairs

## Moderator

# Introduction

# This is Orrön Energy



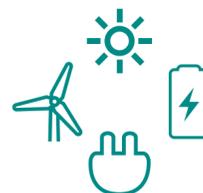
**Pure play**  
renewable energy  
company



**Diversified across  
technologies**



**Operational assets**  
1,100 GWh of production



**Greenfield development**  
40 GW onshore pipeline



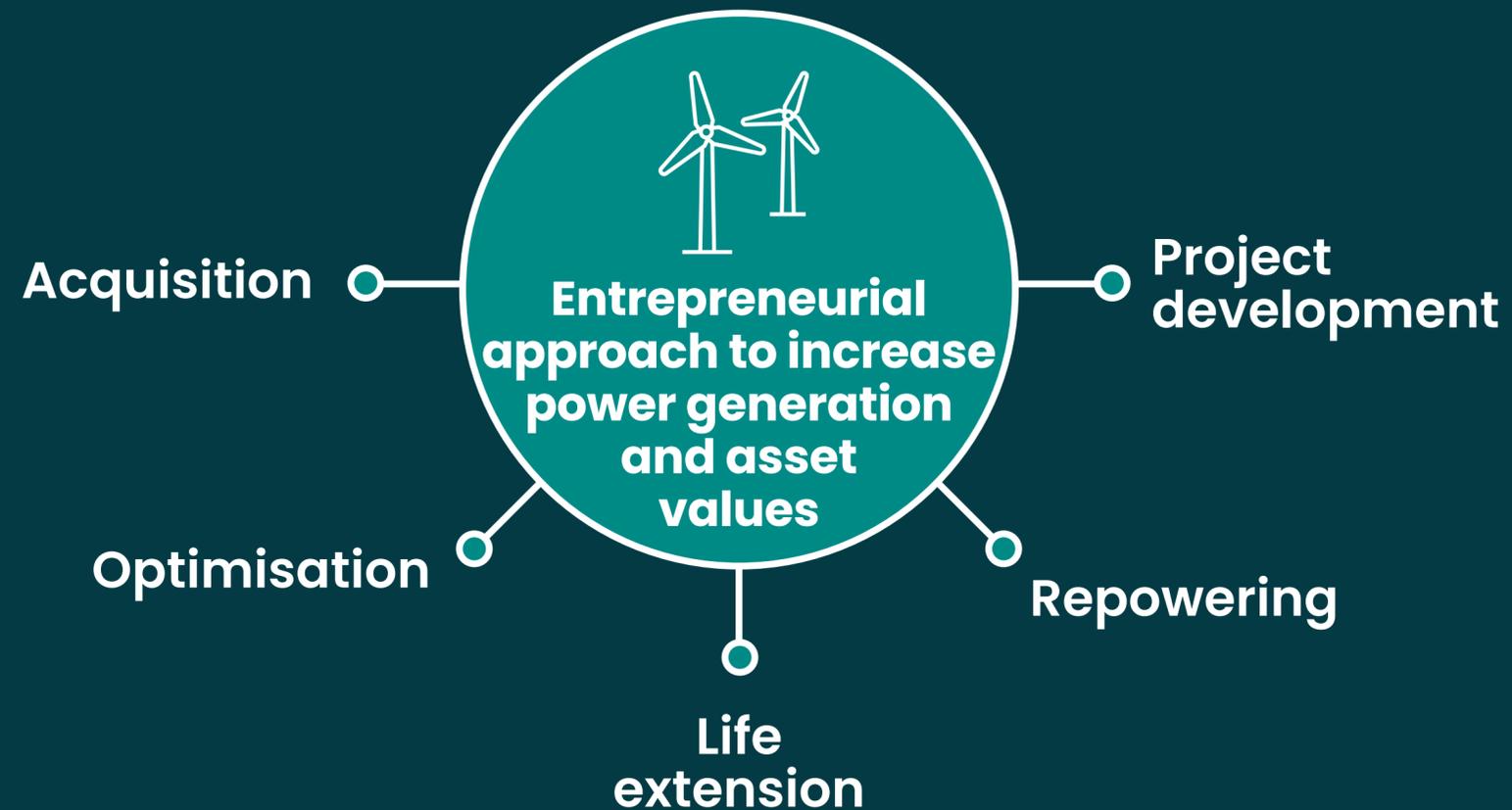
**Organic growth**  
across the full lifecycle

Part of the entrepreneurial  
**LUNDIN**GROUP  
of companies

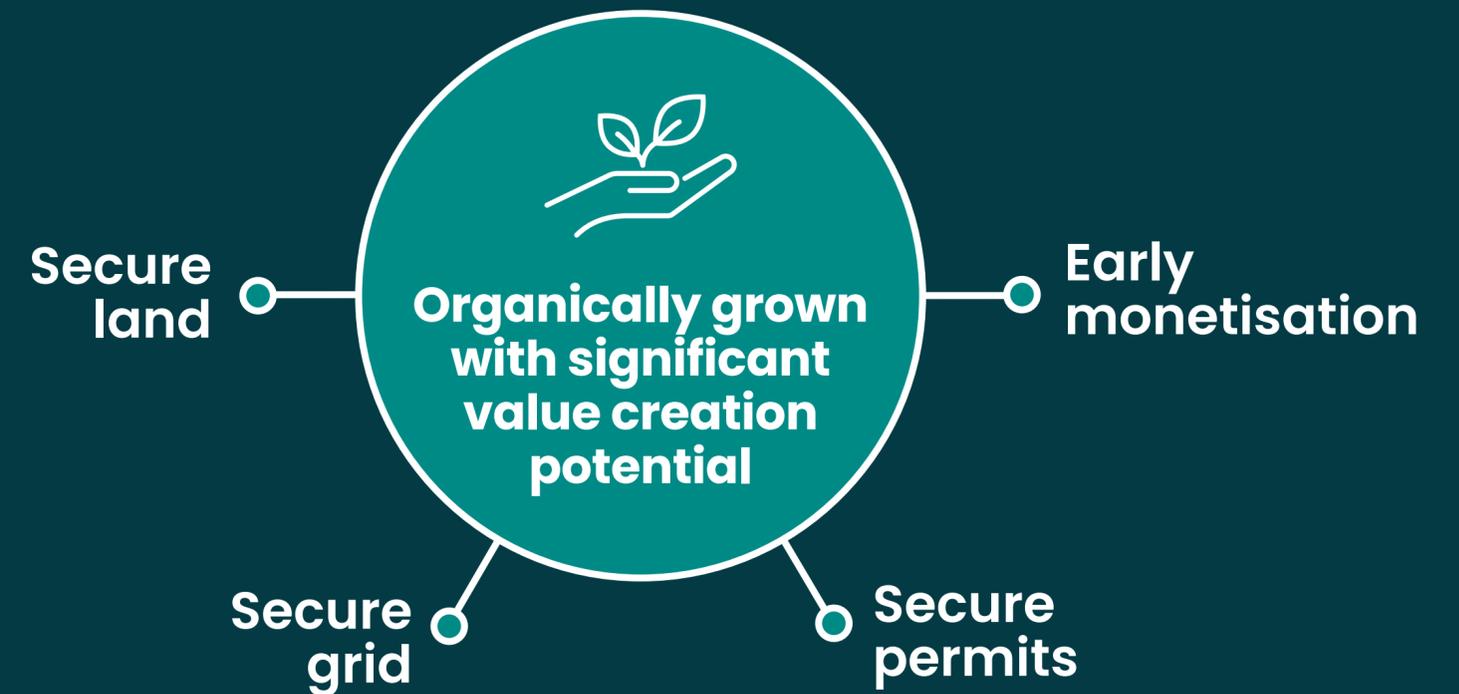
# Orrön Energy

## Corporate Strategy

### Build a portfolio of cash generating assets



### Develop a large scale pipeline of development projects

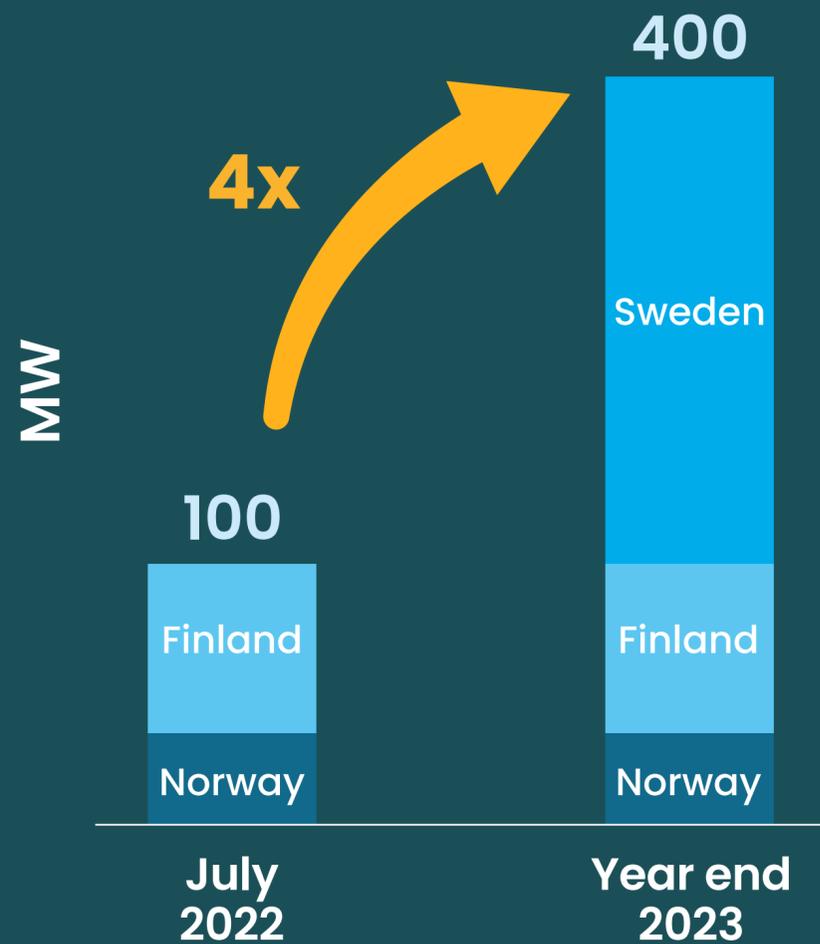


# Orrön Energy

## Delivering On Our Growth Ambition

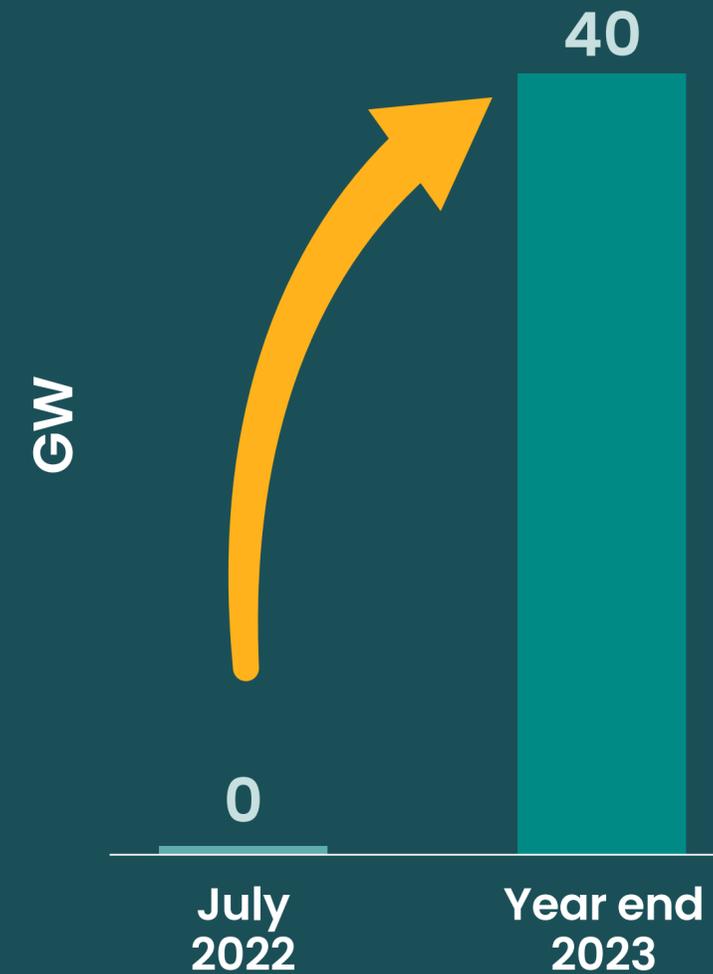
### Producing assets

4x production capacity through acquisition and project delivery



### Development pipeline

Created a material development pipeline across 5 countries



# Orrön Energy

## 2023 Highlights

Power generation

**765** GWh

Completed **6 transactions**  
and established organic  
growth platforms  
across **5 countries**

Revenues

**37** MEUR

EBITDA<sup>(1)</sup>

**8** MEUR

At 47 EUR/MWh<sup>(2)</sup>

Karskruv online  
November 2023

**+290** GWh p.a.

Low net debt

**92** MEUR

Increased  
credit facility

**190** MEUR

Delivered in line with  
expenditure guidance

All numbers proportionate

<sup>(1)</sup> Excluding non-cash items

<sup>(2)</sup> Achieved price

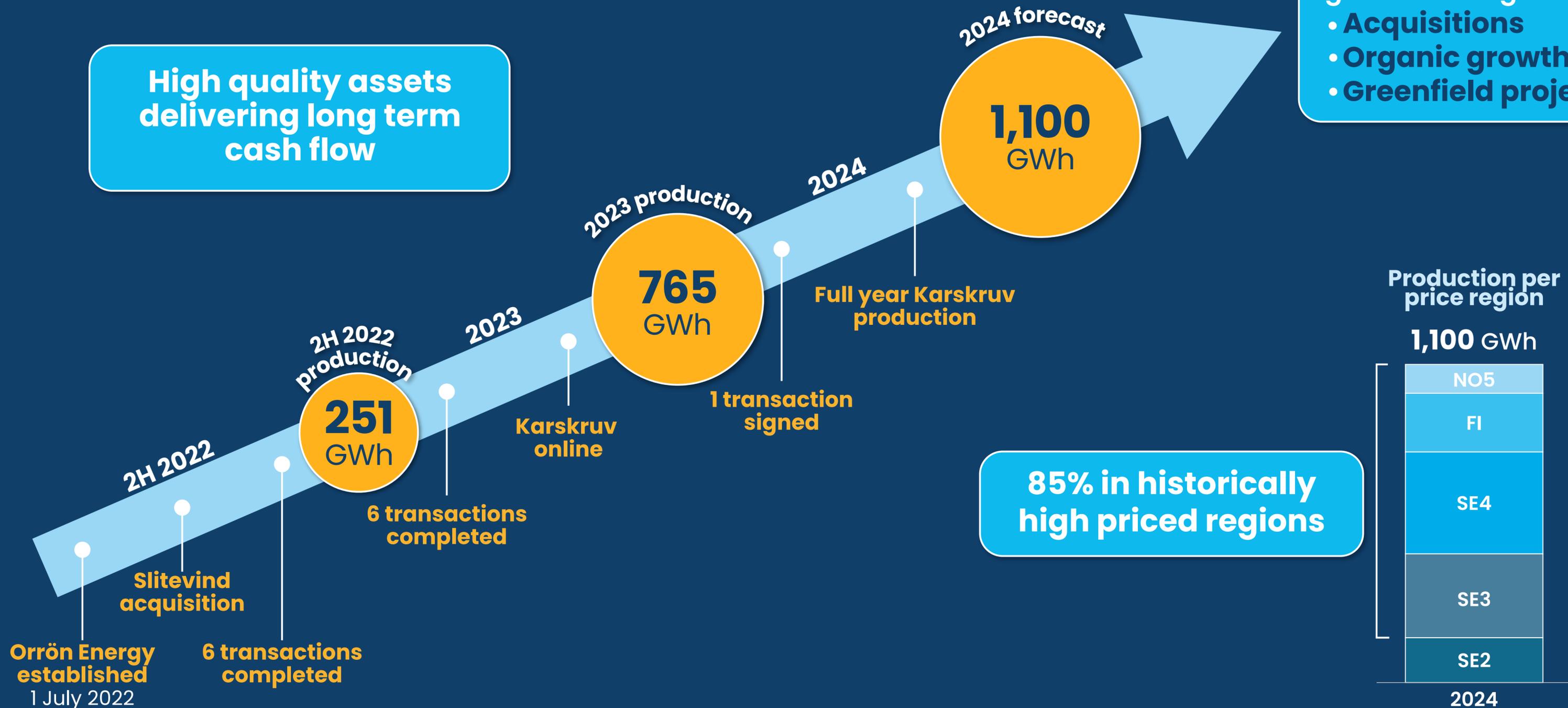
# Orrön Energy

## Production Growth of 800 GWh Since Inception

High quality assets delivering long term cash flow

Further production growth through:

- Acquisitions
- Organic growth
- Greenfield projects



Annual power generation estimates assume average meteorological conditions and operational performance

# Orrön Energy

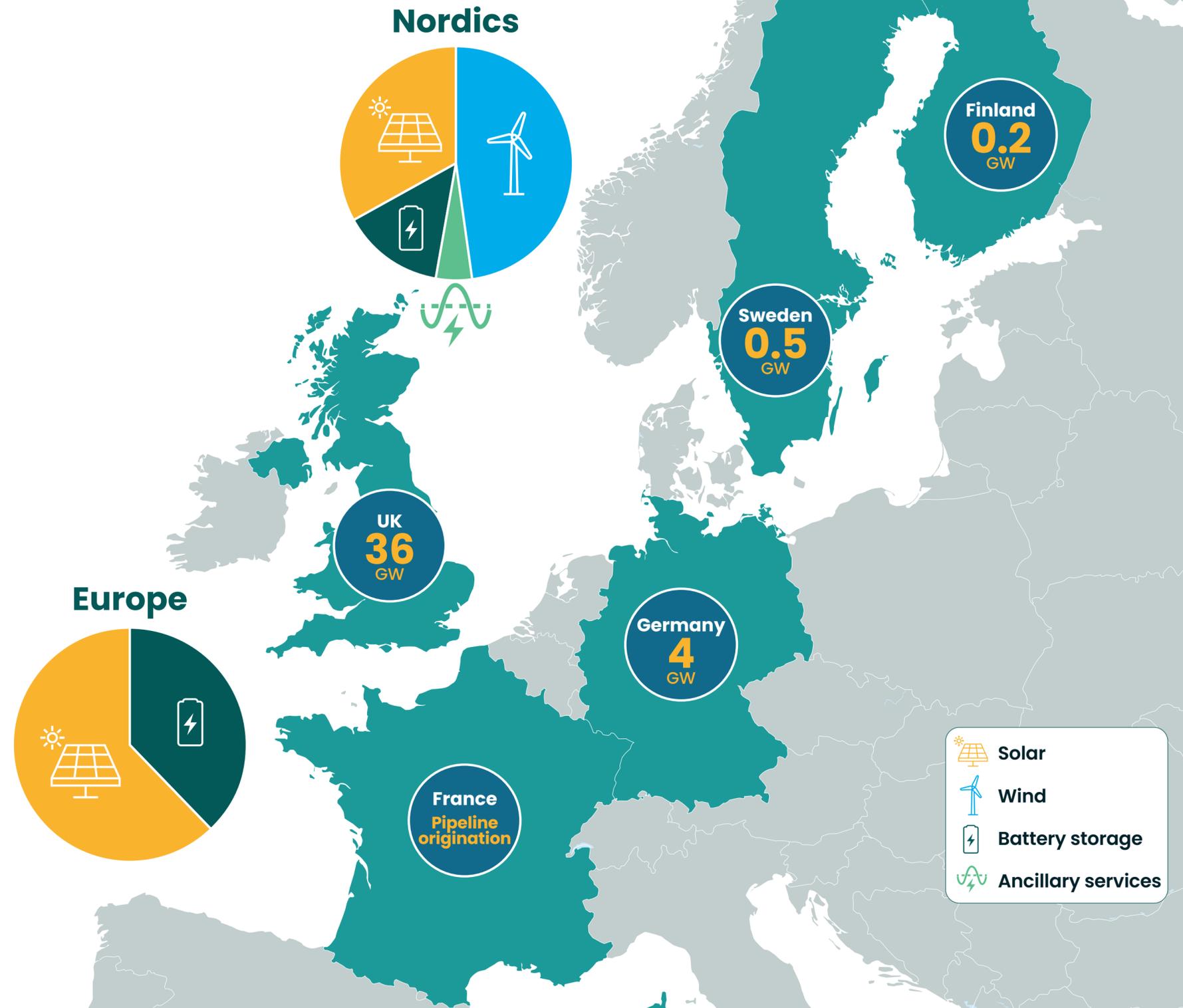
## Value Creation through Greenfield Development

**40 GW** early stage pipeline  
created organically

**Projects maturing**  
towards key milestones

**Monetisation** of large scale  
projects to recycle capital

**Opportunistic approach** and flexible  
timing enhances value creation



# Orrön Energy

## Sustainability is at the Core of Our Business



Supporting bird habitats in Karskruv

<sup>(1)</sup> Based on EU-27 mix in 2022, and an estimated power generation in 2024

# Orrön Energy 2024 Outlook

	2024 outlook	Compared to 2023
Production <sup>(1)</sup>	<b>1,100</b> GWh	<b>40% increase</b>
Operating cost	<b>15</b> EUR/MWh	<b>20% decrease</b>
G&A expenditure <sup>(2)</sup>	<b>17</b> MEUR	<b>in line with 2023</b>
Capital expenditure	<b>14</b> MEUR	<b>80% decrease</b> fully funded through cash flow
EBITDA at 50 EUR/MWh <sup>(3)</sup>	<b>22</b> MEUR	<b>175% increase</b>

<sup>(1)</sup> Annual power generation estimates assume average meteorological conditions and operational performance

<sup>(2)</sup> G&A: 9 MEUR, Sudan legal costs: 8 MEUR

<sup>(3)</sup> Achieved price

# Orrön Energy

## Strong Balance Sheet Supported by Long Term Cash Flow

### Long-term cash flow

Annual  
revenues

**35-75** MEUR

Annual  
EBITDA

**10-50** MEUR

at 30 to 70 EUR/MWh achieved price  
excluding 8 MEUR legal costs in 2024 and 2025

### Fully funded for growth

YE 2023  
net debt

**92** MEUR

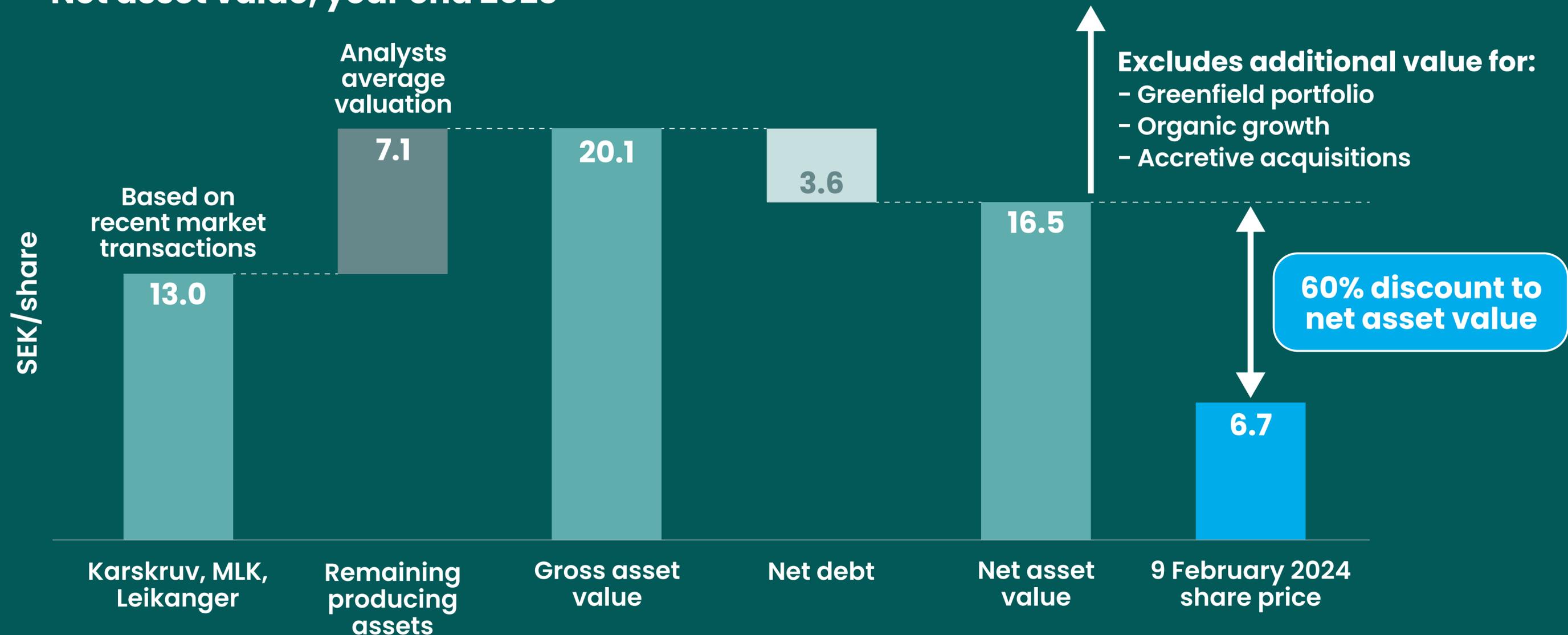
Revolving  
credit facility

**190** MEUR

# Orrön Energy

## Trading at 60% Discount to Net Asset Value

### Net asset value, year end 2023



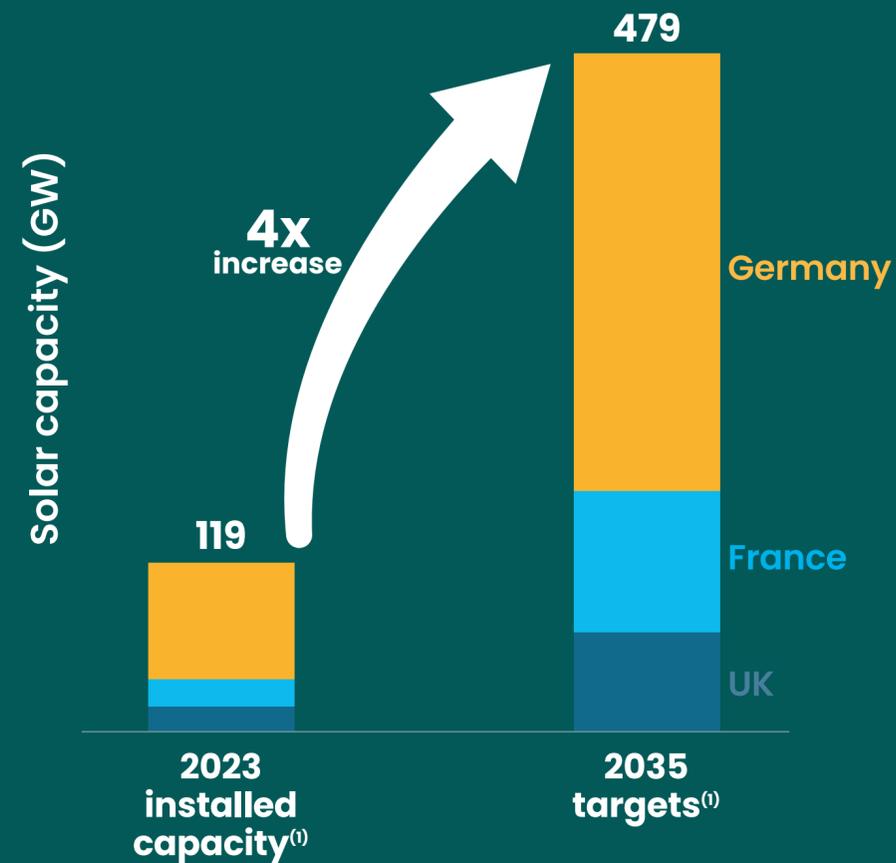


# Greenfield development overview

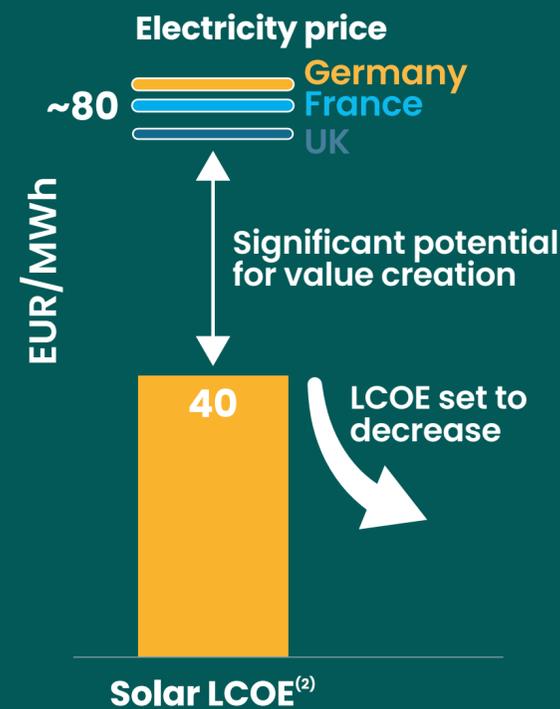
# Orrön Energy Greenfield

## Strategically Positioned for Value Creation

**Stable jurisdictions with high renewables ambitions and strong regulatory support**



**Mature markets with high electricity prices and low cost of capital**



**Orrön Energy positioned to capitalise on the opportunity**

**Entrepreneurial team with local expertise**

**Material portfolio secured, rapidly maturing**

**Agile and fast moving organisation**

<sup>(1)</sup> Sources: Solarpower Europe, Montel, Bloomberg

<sup>(2)</sup> Levelised cost of energy and electricity prices 2025, sources: DNV, Nasdaq Commodities, Bloomberg

# Orrön Energy Greenfield United Kingdom

## 31 large scale solar and battery projects

### Grid connections secured

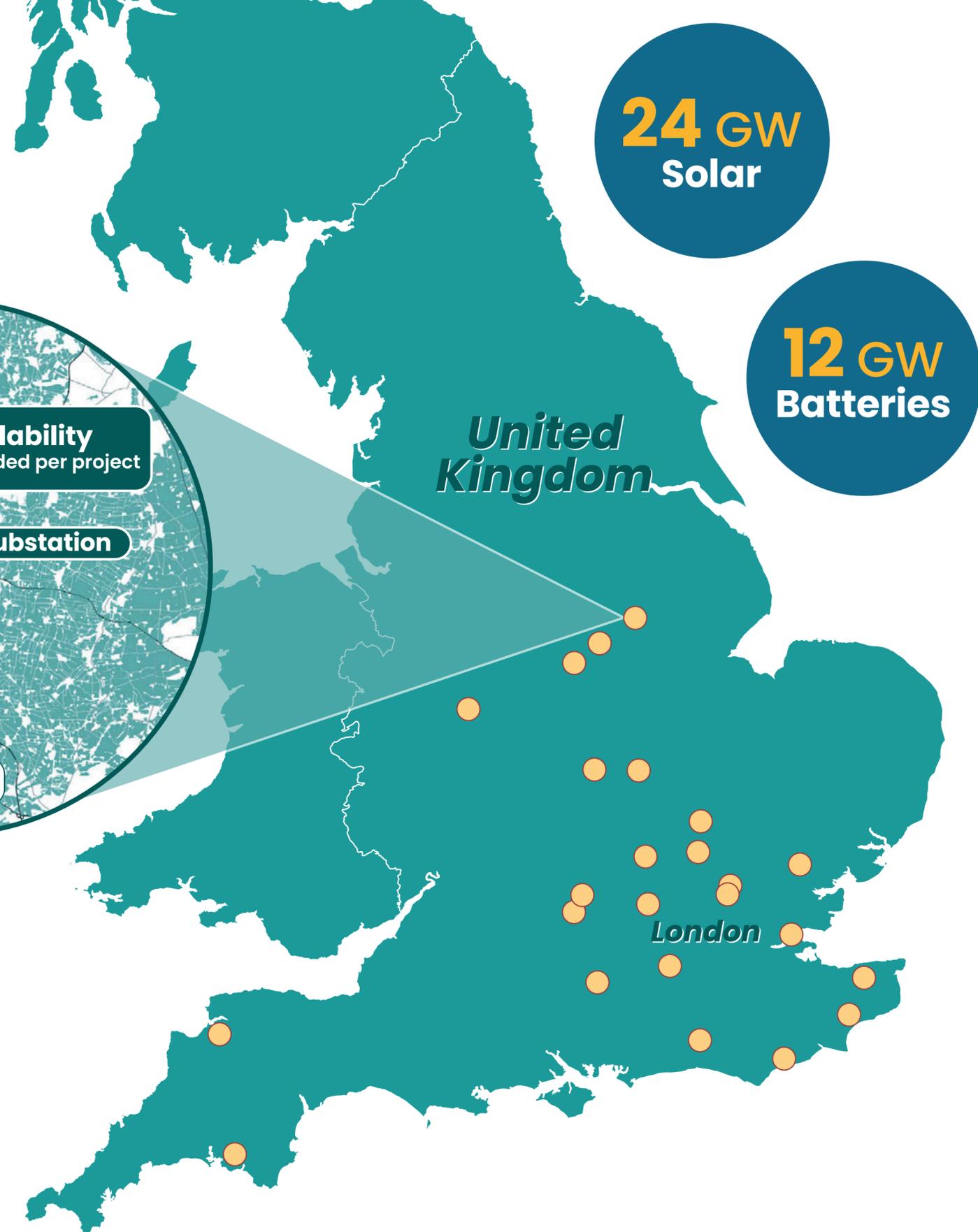
- Connection dates between 2030-2040
- Strategic advantage as new grid connection requests are subject to significant delays

### Large scale projects unlock additional land areas

- Possibility to secure land further from substations
- Attractive value proposition for landowners

### High permitting success rate

- Approximately 90% of all solar permit applications approved<sup>(1)</sup>
- Increased regulatory support for national significant infrastructure projects (NSIP) >50MW



<sup>(1)</sup> Last five years prior to 2023

# Orrön Energy Greenfield Germany

## 3.9 GW pipeline rapidly maturing

### Initial focus areas identified based on extensive screening criteria

- Irradiation levels
- Land availability
- Available grid capacity
- Significant dispatchable production

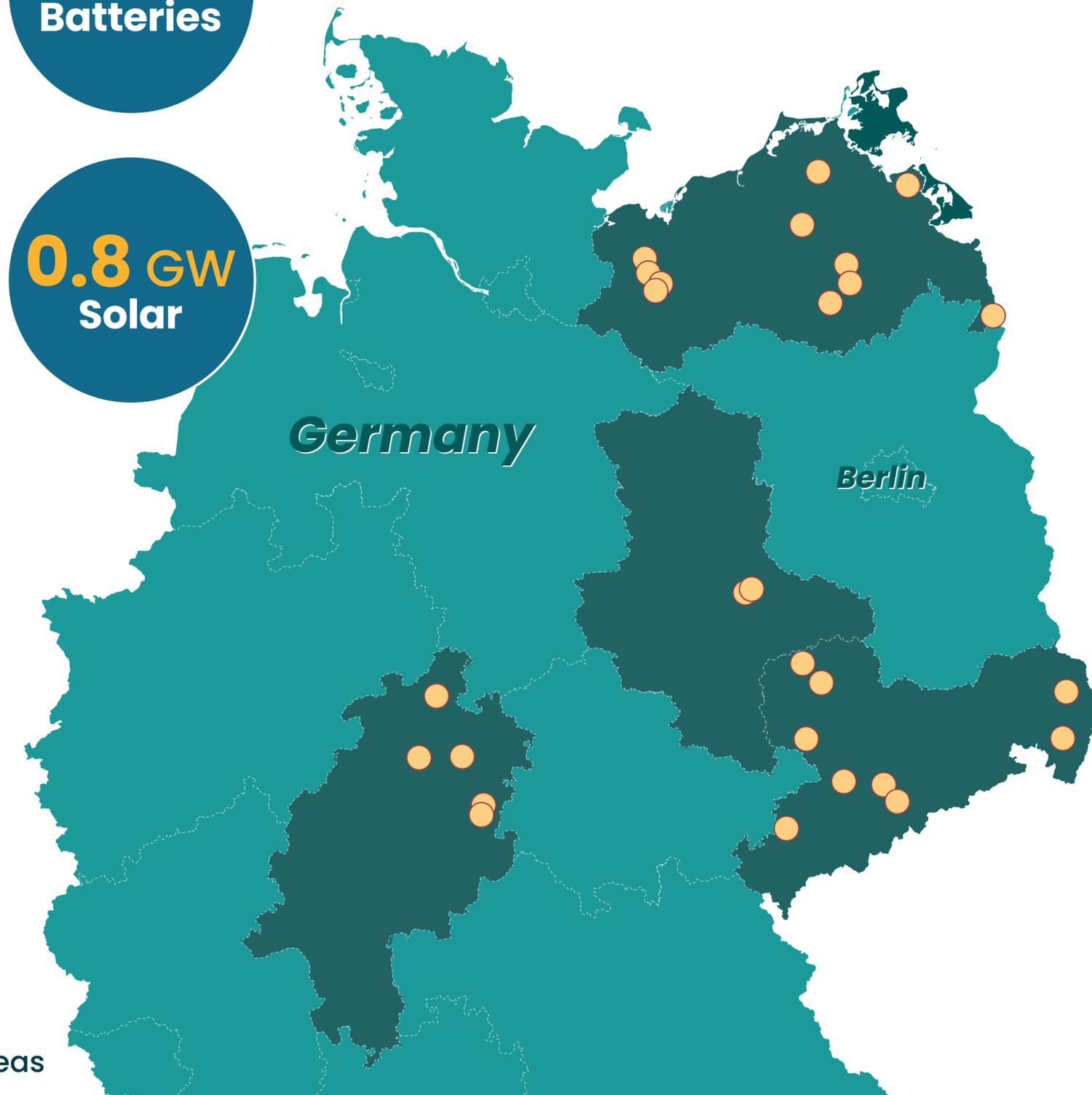
### Multiple land exclusivity agreements secured

- High success rate through targeted approach
- Optionality between traditional solar and agri PV
- Agri PV unlocks previously unavailable land
- Growing demand for battery projects and quick route to permit

### Progressing first large-scale projects towards permitting

**3.1 GW**  
Batteries

**0.8 GW**  
Solar



# Orrön Energy Greenfield Next Steps

**Secure additional land and generate new leads**

**Mature first projects to ready to permit**

**Explore monetisation options upon reaching ready to permit**

**Short development cycle**

**Opportunistic approach to value creation**

**Scale unlocks significant and unique opportunities**

# Nordic overview

# Orrön Energy Nordics

## High Quality Portfolio of Diversified Assets

2024 production **1,100** GWh

2023 availability **96%**

Average asset age **7** years



**Karskruv**



SE4

**290** GWh  
**86** MW  
**20** WTGs



**Näsudden  
hub**



SE3

**150** GWh  
**50** MW  
**35** WTGs



**Rest of Sweden**



SE2, 3 & 4

**360** GWh  
**160** MW  
**145** WTGs



**MLK**



FI

**200** GWh  
**66** MW  
**24** WTGs



**Leikanger**



NO5

**100** GWh  
**38** MW  
Run-of-river  
hydropower

WTG: Wind Turbine Generators

WTG numbers gross, all other numbers net

# Orrön Energy Nordics

## Karskröv Wind Farm – A Strategic Asset

Annual  
power generation  
**+290 GWh**  
in SE4

Exceptional project delivery  
with minimal carry-over work

High availability since  
project handover

January production 22%  
above forecast

**20** Vestas  
turbines      **86** Installed  
**MW** capacity

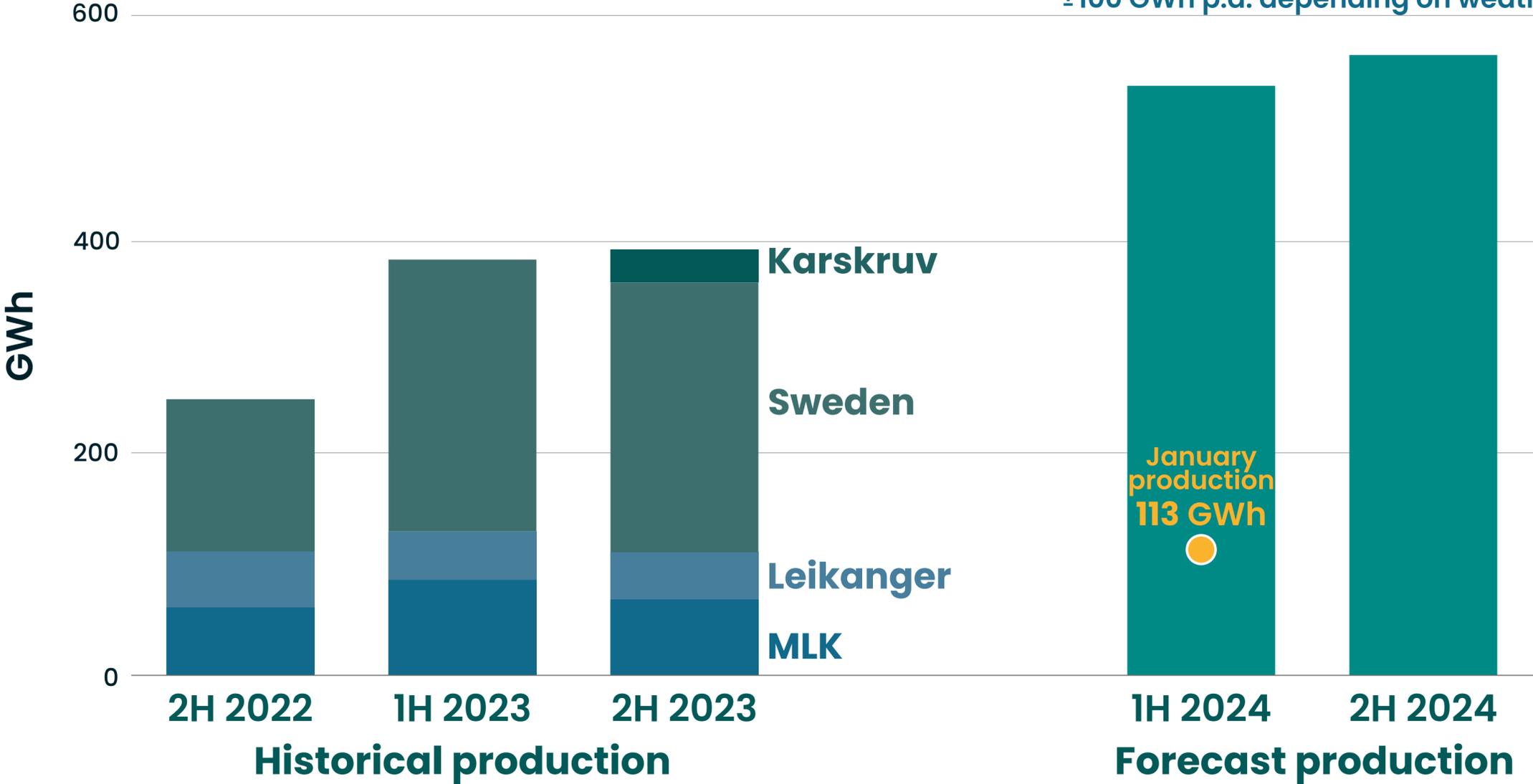
# Orrön Energy Nordics

## Power Generation Outlook

2023 production  
**765** GWh

2024 forecast  
**1,100** GWh

±100 GWh p.a. depending on weather



Production forecasts assume long-term average meteorological conditions

# Orrön Energy Nordics

## Increasing the Value of Our Assets

### Optimisation of existing asset base

#### Life extension

Proactively maintaining integrity of assets to extend operational life

**5-15 years added asset life**

#### Technical upgrades

Replacing key components to enhance efficiency

**Production increase at low cost**

#### Repowering

Replacing existing turbines, increasing production with reduced capex

**2-3x production for 30 years**

### Growth through acquisitions and greenfield development

#### Consolidation

Acquiring minority interests in existing assets

**400 GWh potential**

#### Acquisitions

Expanding asset base through acquisitions

**500 GWh added since inception**

#### Greenfield

Project initiation and execution to increase asset base

**765 MW Nordic pipeline**

# Orrön Energy Nordics

## Project Pipeline

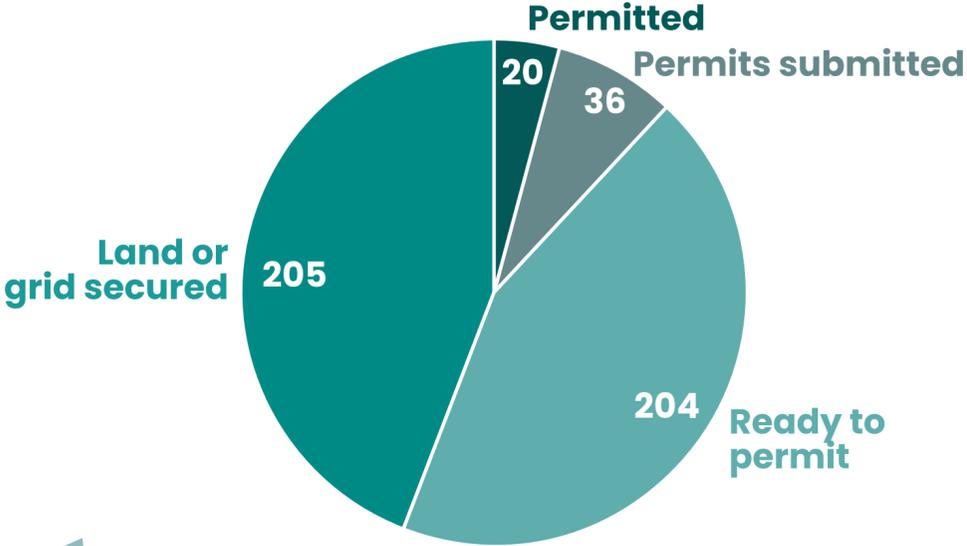
Opportunistic approach to value creation through investment or divestment

**465 MW** projects with land or grid secured

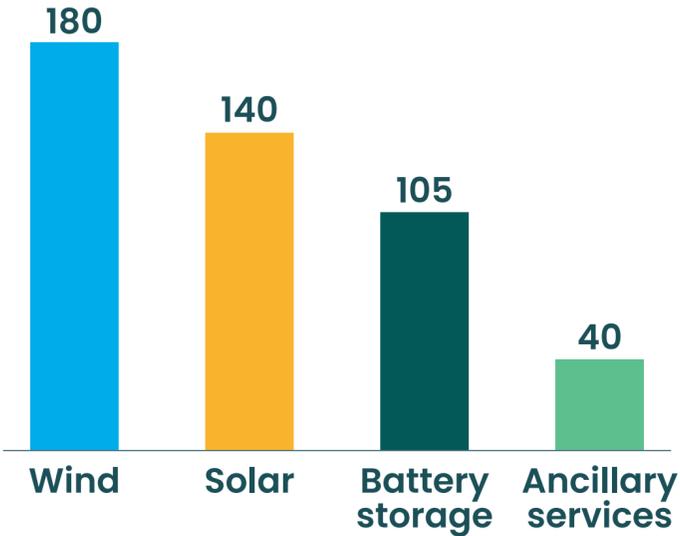


**300 MW** in screening phase

Project status (MW)



Technology breakdown (MW)



● Wind ● Solar ● Battery storage ● Ancillary services

# Orrön Energy Nordics

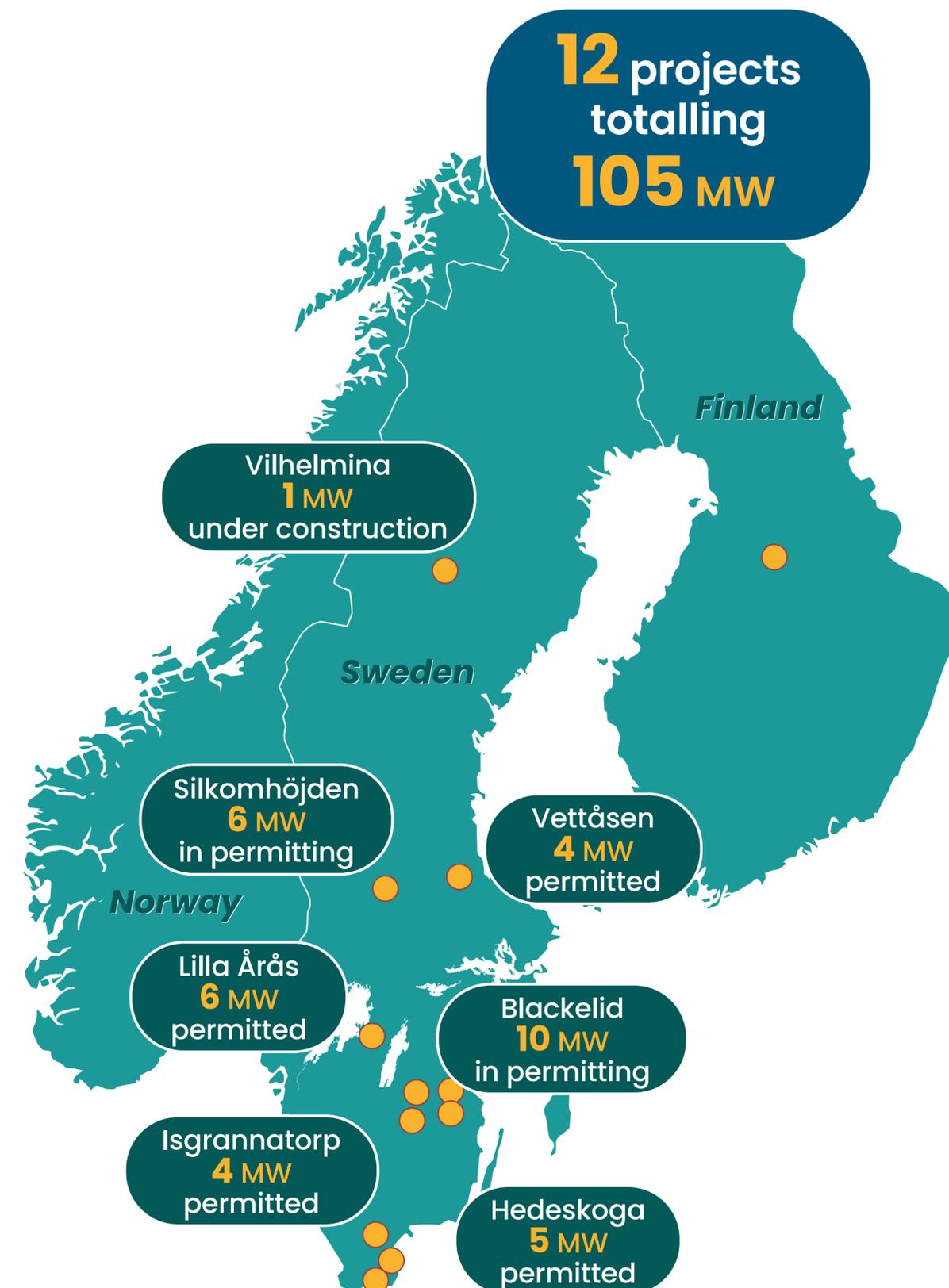
## Battery Projects

Increasing market demand for grid stabilising services

Diversifies and enhances revenues through ancillary services

Strong economics with fast payback

Projects moving towards execution – first in construction





# Financial update

# Orrön Energy

## Fourth Quarter and Full Year 2023 Results

### Fourth Quarter Results

Power generation **226** GWh

Achieved price **43** EUR/MWh

Revenue **10** MEUR

EBITDA<sup>(1)</sup> **2** MEUR

### Full Year Results

Power generation **765** GWh

Achieved price **47** EUR/MWh

Revenue **37** MEUR

EBITDA<sup>(1)</sup> **8** MEUR

### Low leverage

Net debt end Q4 **92** MEUR

Revolving credit facility increased to **190** MEUR

All figures proportionate

<sup>(1)</sup> Excluding non-cash items

# Orrön Energy

## Key Financial Metrics

Power generation (GWh)

214 164 161 226

Achieved price (EUR/MWh)

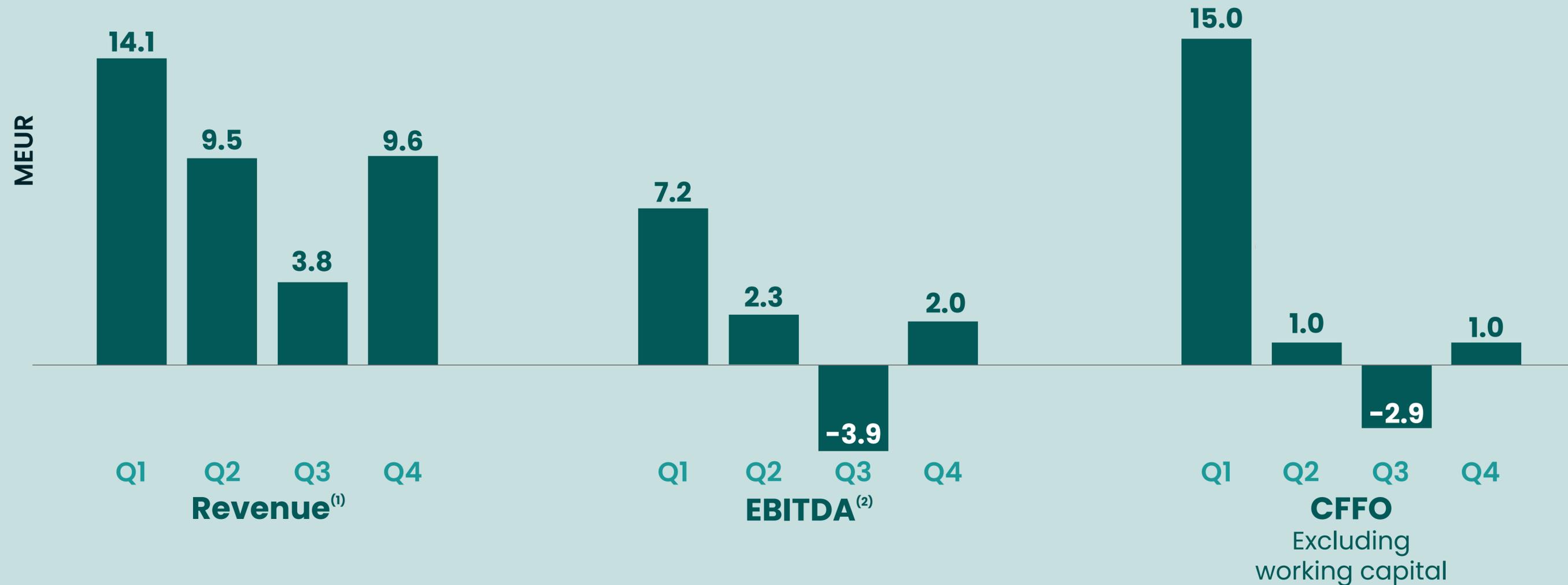
66 54 23 43

Dividends received

9.9 2.7 0.2 -

Working capital change

1.6 -3.7 4.1 -0.6



All figures proportionate except CFO

<sup>(1)</sup> Including other income

<sup>(2)</sup> Excluding non-cash items

# Orrön Energy

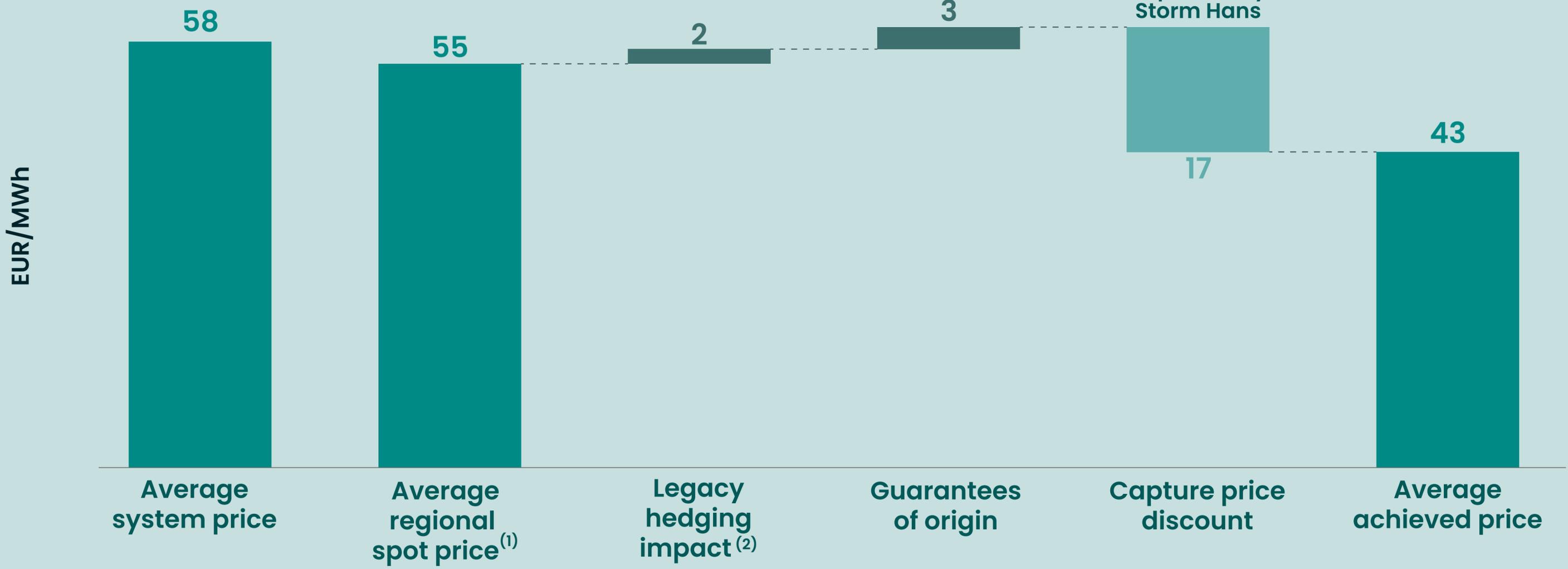
## Realised Electricity Prices

### Capture price discount

2H 2022	25%
1H 2023	16%
2H 2023	33%

**Around 20% future capture price discount expected<sup>(3)</sup>**

### Fourth Quarter 2023



<sup>(1)</sup> Based on actual power generation

<sup>(2)</sup> Existing hedges linked to acquisitions

<sup>(3)</sup> Company and Aurora Energy Research forecasts, January 2024

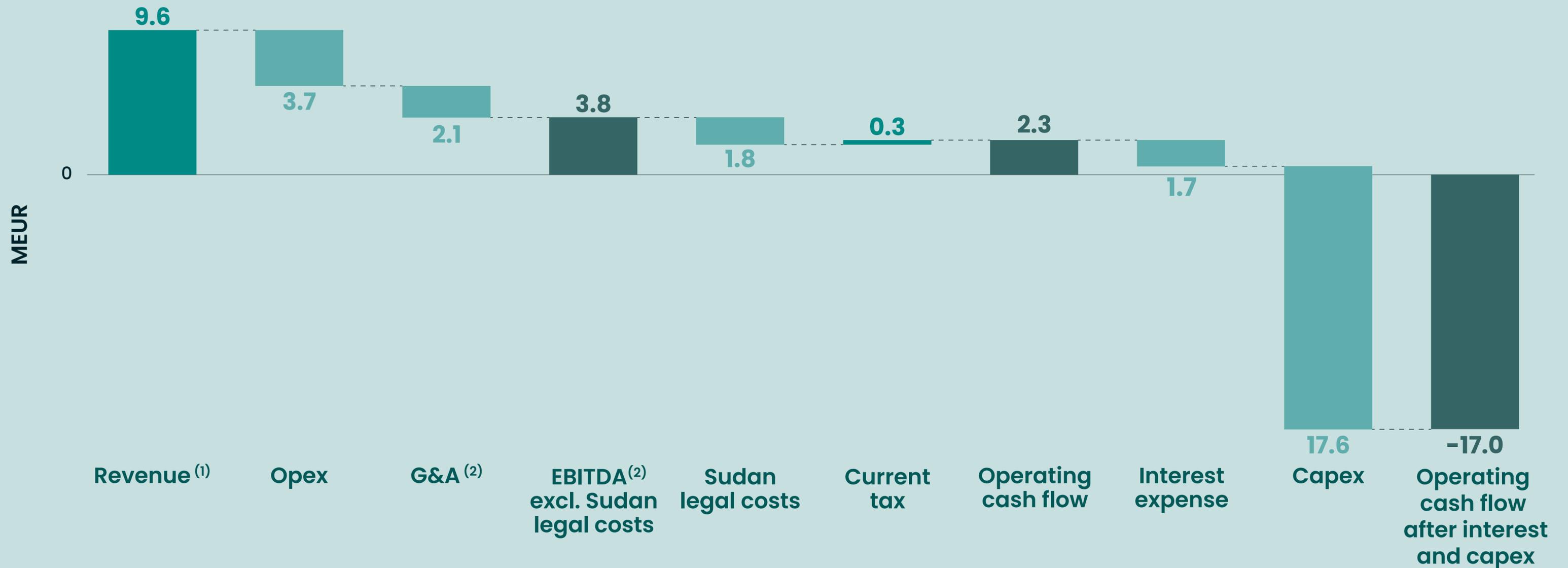
# Orrön Energy

## Underlying Cash Flow Generation

Q4 23

Power generation (GWh)	226
Achieved price (EUR/MWh)	43

### Fourth Quarter 2023



All numbers proportionate

<sup>(1)</sup> Including other income <sup>(2)</sup> Excluding non-cash items

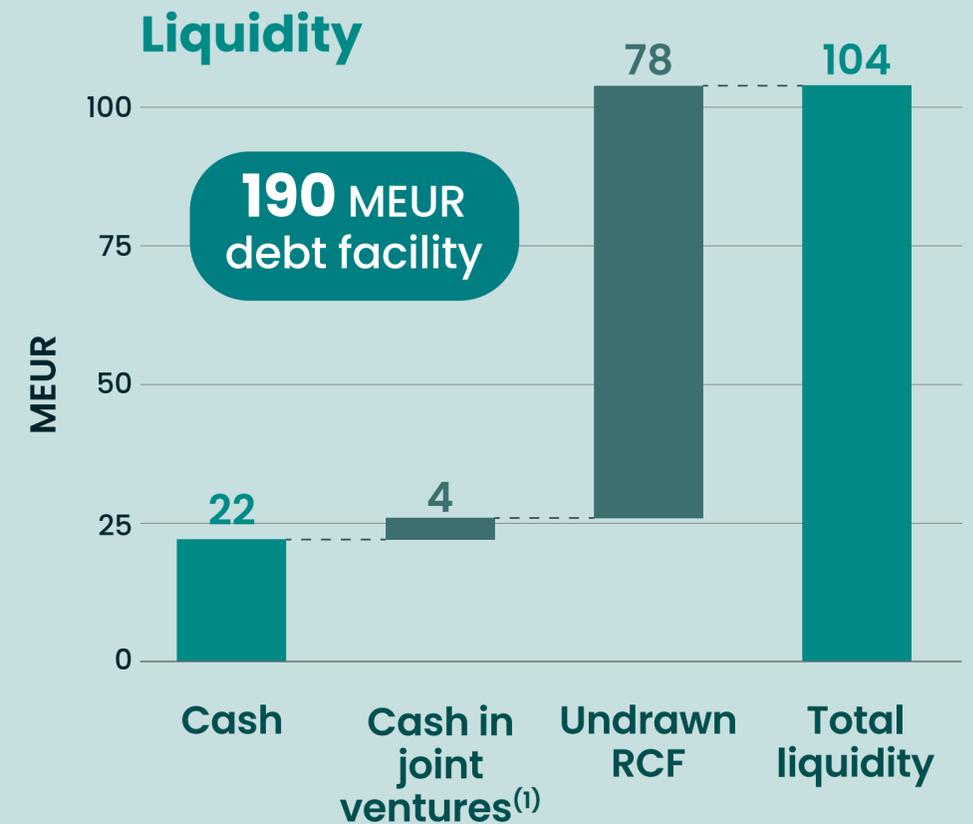
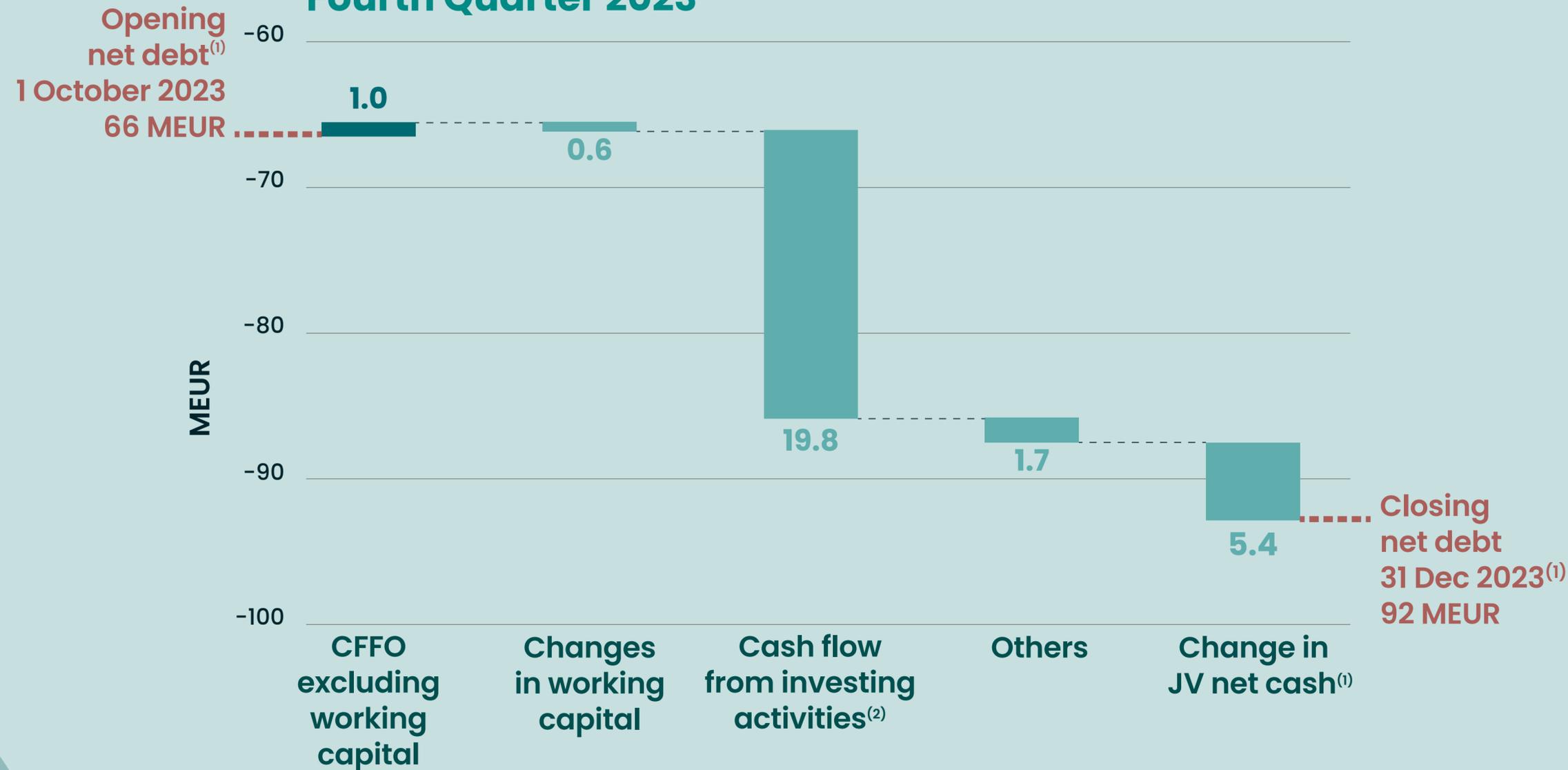
# Orrön Energy

## Cash Flow and Net Debt

### Increased RCF from 150 MEUR to 190 MEUR

- Maturity July 2026 + extension options
- 1.8% margin to EURIBOR<sup>(3)</sup>

### Fourth Quarter 2023



<sup>(1)</sup> Proportionate, other numbers consolidated

<sup>(2)</sup> Includes 2 MEUR of acquisition cost

<sup>(3)</sup> Or equivalent benchmark in other currencies

# Orrön Energy

## Tax Balances

Significant tax shields in Sweden and Finland

Payable tax position in Norway



**Tax Rates**

Corporate Income Tax  
Ground Rent Tax

22%  
45%

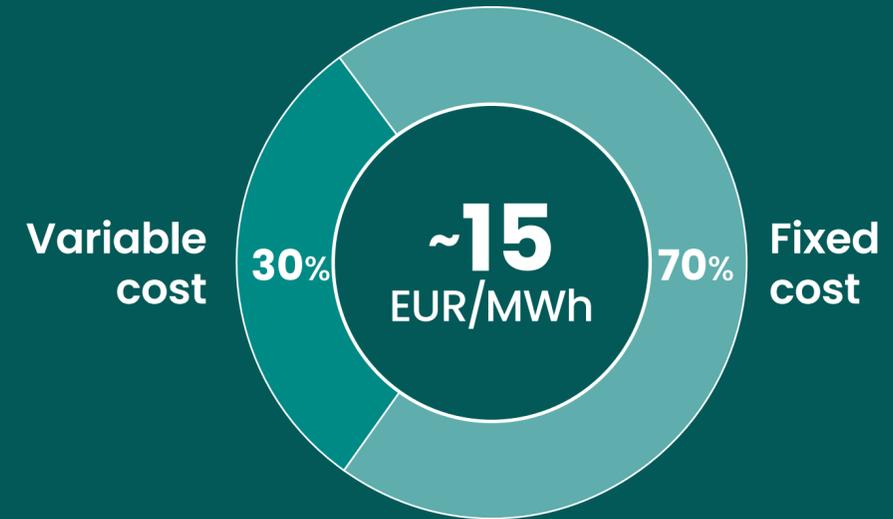
20%  
-

20.6%  
-

# Orrön Energy 2024 Guidance

	2024 Guidance <sup>(1)</sup>
Operating expenses	<b>15-17</b> MEUR
G&A expenses <sup>(2)</sup>	<b>9</b> MEUR
Sudan legal costs <sup>(3)</sup>	<b>8</b> MEUR
Capital expenditure	<b>14</b> MEUR

## Operating expenses



## Capital expenditure



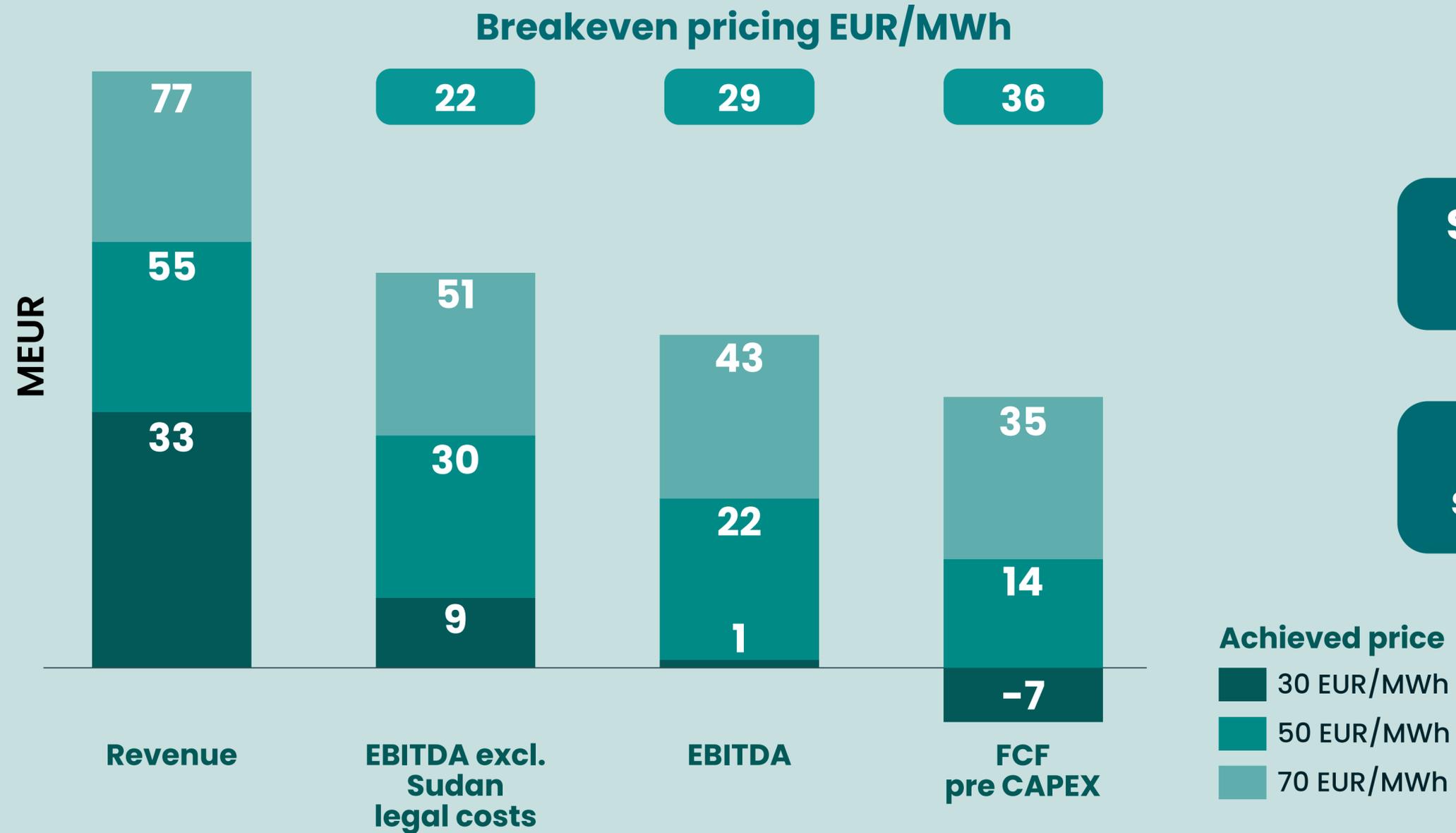
<sup>(1)</sup> Guidance is presented based on proportionate (net) ownership in assets and related financial results

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

<sup>(3)</sup> 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

# Orrön Energy

## 2024 Cash Flow Outlook



**Strong long-term cash flow and significant tax shields**

**Discretionary and short-cycled capital spend**

2024 Payable tax 1 MEUR    2024 Net finance expense 7 MEUR

Proportionate figures    Excludes certain non-cash items and working capital movements

# Concluding remarks

# Creating value through the Energy Transition

**1,100 GWh** power generation delivering **long-term cash flow**

**40 GW** onshore project **pipeline**

**Organic growth** platforms established across **5 countries**

**Financially strong** with **ample liquidity** for future growth

**Unique energy transition investment opportunity with growth and upsides**



# Q&A

# Orrön Energy

## Disclaimer

### **Forward-Looking Statements**

Statements in this presentation 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 presentation 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.



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