

Q4

**YEAR END REPORT
2023**

Orrön Energy AB (publ)
company registration number 556610-8055



Highlights

- Completion and handover of the Karskröv wind farm ahead of schedule at the end of November 2023, which is producing in line with expectations, adding 290 GWh of estimated annual power generation in the SE4 price region.
- Highest quarterly power generation for the Company at 226 GWh in the fourth quarter and 765 GWh for the full year 2023, which included power generation from the early startup of Karskröv, which was offset by unfavourable weather conditions.
- Continued to mature the 40 GW onshore UK, German and French project pipeline, originating further project leads, progressing land agreements and initiating pre-permitting work for multiple projects.
- Acquired a greenfield portfolio in January 2024 of up to 180 MW of wind energy projects in Finland, with land secured for all wind turbine locations and first permitting process expected to be initiated in 2024.
- Completion of the acquisition announced during the third quarter, comprising of ownership in six wind farms in Sweden, adding around 10 GWh of estimated annual power generation in the SE4 price region.
- Increased the revolving credit facility from MEUR 150 to MEUR 190 in January 2024, adding further capacity to fund growth.

Consolidated financials - 12 months

- Cash flows from operating activities amounted to MEUR 13.1.

Proportionate financials – 12 months

- Achieved electricity price amounted to EUR 47 per MWh, resulting in proportionate EBITDA of MEUR 5.3.
- Proportionate net debt of MEUR 92.4, with significant liquidity headroom available through the 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	1 Jan 2023- 31 dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Consolidated financials				
Revenue	28.0	8.4	13.8	11.3
EBITDA	-5.1	-0.9	4.5	6.4
Operating profit (EBIT)	-17.0	-4.4	1.0	3.5
Net result	-7.6	8.0	27.4	0.9
Earnings per share – EUR	-0.03	0.03	0.10	0.00
Earnings per share diluted – EUR	-0.03	0.03	0.10	0.00
Proportionate financials¹				
Power generation (GWh)	765	226	335	168
Average price achieved per MWh – EUR	47	43	120	88
Revenue	36.2	9.6	40.0	14.5
EBITDA	5.3	1.3	20.7	9.2
Operating profit (EBIT)	-11.0	-3.2	14.7	6.2

¹ Proportionate financials represent Orrön Energy's proportionate ownership (net) of assets and related financial results, including joint ventures. For more details see section Key Financial Data.

All numbers and updates in this report relate to the financial year ending 31 December 2023, unless otherwise specified. Amounts from the same period last year are presented in brackets. 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.

Orrön Energy is an independent, publicly listed (Nasdaq Stockholm: "ORRON") renewable energy company within the Lundin Group of Companies. Orrön Energy's core portfolio consists of high quality, cash flow generating assets in the Nordics, coupled with greenfield growth opportunities in the Nordics and Europe. With significant financial capacity to fund further growth and acquisitions, and backed by a major shareholder, management and Board with a proven track record of investing into, leading and growing highly successful businesses, Orrön Energy is in a unique position to create shareholder value through the energy transition.

Words from the CEO

The fourth quarter marks an important step in Orrön Energy's growth with the successful completion and handover of our Karskröv wind farm, adding around 290 GWh of annual power generation in the SE4 price region. This increases our annual power generation to 1,100 GWh and adds significant cash flow to our business. In early 2024, we acquired four greenfield wind projects in Finland with a total capacity of up to 180 MW, where land has already been secured, and coupled with the progress on our own projects, this adds to an already substantial development portfolio across wind, solar and battery projects spread across five countries in Europe.

We delivered the Company's highest quarterly power generation in the fourth quarter of 2023, including one month of contribution from Karskröv. Wind speeds continued to be unseasonably low in the fourth quarter, meaning our production was slightly lower than expected, however, I am pleased to see that trend improving already in January 2024 with production above our forecast for the month. Electricity prices remained volatile during the fourth quarter, with the early part of the quarter affected by high hydrological balances in Sweden as a result of storm Hans, and the remainder of the quarter impacted by unseasonably low and variable wind speeds. January has shown a much improved picture, where we see a combination of higher winds and colder weather leading to a strong start for the Company in 2024.

Power generation and financial performance

We achieved proportionate power generation of 765 GWh for the year, and 226 GWh during the fourth quarter, marking the highest quarterly power generation for the Company. The full year power generation was slightly lower than expected due to lower than average wind speeds across the Nordics during a majority of the year. We delivered in line with or ahead of our expenditure guidance for the year, achieving an electricity price of EUR 47 per MWh, proportionate revenues of MEUR 36.2, proportionate EBITDA of MEUR 5.3 and ended the year with a proportionate net debt position of MEUR 92.4. Looking ahead into 2024, we increase our estimated annual power generation by around 40 percent to 1,100 GWh, while at the same time decrease our unit operating cost by 20 percent to EUR 15 per MWh, adding significant cash flow to the business. Our CAPEX programme for 2024 is also significantly reduced to MEUR 14, which can be fully funded out of cash generation at electricity prices of EUR 50 per MWh, which is in line with our achieved price in 2023. In the beginning of 2024, we increased our revolving credit facility from MEUR 150 to MEUR 190, adding more financial firepower that allows us to take advantage of favourable market conditions as they arise.

Growing our Development Portfolio

During the fourth quarter, we continued to grow our pipeline of onshore wind, solar and battery storage projects. Our large-scale greenfield projects in the UK and Germany continue to mature as per plan, where we have progressed further exclusivity agreements for land and commenced important pre-permitting and grid related work. This large-scale portfolio is a key part of the growth story for Orrön Energy and with scarcity and significant valuations for large-scale derisked projects, I am sure that this will have a material impact for the Company as we monetise these assets.

Our portfolio in the Nordics also continued to grow during the period, where we now have a secured pipeline of almost 500 MW of solar, wind and battery projects. Our battery portfolio is quickly maturing towards investment decisions and at year-end we had submitted building permits for almost 40 MW of battery projects in Sweden, of which 20 MW have already been approved by local authorities, and our first 1 MW project has commenced construction.

In January 2024, we acquired around 180 MW of ready to permit wind assets across four sites in Finland, where we retain the option to build out the projects ourselves, or to sell down should market conditions remain favourable. With land secured for all wind turbine locations, we intend to start the first permitting process during 2024, aiming to reach ready-to-build in 2027. As with all of our projects, the timing and size of the final projects depends on successful derisking as they mature towards key milestones.

Laying the foundation for future growth

Looking back at 2023, I am proud of the achievements that we have made and the foundation that we have established in such a short period of time since the initial inception of the Company. Our acquisitions in 2022 and 2023 are now fully integrated into our business and through expanding the capability and competence of our teams over the last 12 months, we are now generating growth opportunities organically, which will form the basis for value creation over the long term. Looking further into 2024, our operational portfolio and cash generation is much stronger with Karskröv online, our development teams have an exciting activity plan for the year and with increased financial firepower and market conditions improving, there are more opportunities for value accretive acquisitions.

I want to thank all of our shareholders for your support during 2023, and I look forward to reporting on another exciting year for the Company in 2024.



CEO

Operational review

Power generation outlook

Orrön Energy's operating portfolio consists of high-quality, cash generating renewable energy assets in the Nordics. The proportionate power generation amounted to 765 GWh for the year, which was slightly lower than expected due to low wind speeds and adverse weather conditions across the Nordics. The wind speeds in many parts of the Nordics in 2023 were significantly lower than the long-term historical average, impacting production during three out of four quarters in 2023. The Company took over the commercial operations of the Karskröv wind farm ahead of schedule at the end of November 2023 and initial power generation is in line with expectations. With the completion of Karskröv, the Company has increased its estimated annual power generation to 1,100 GWh for 2024, which assumes average long-term meteorological conditions.

Guidance

The Company delivered in line with or ahead of expenditure guidance for the year. Operating expenses were within the guidance range for 2023 whereas G&A expenses, Sudan legal costs and capital expenditure were all below guidance.

Full year 2024 guidance for operating expenses is MEUR 15 to 17, where a portion of the operating expenses will vary based on electricity prices and power generation. The increased operating expenses guidance for 2024 compared to 2023 guidance is a result of higher estimated annual power generation and represents a reduction in unit operating cost compared with 2023. The G&A expense guidance is MEUR 9, and guidance for legal costs in relation to the defence of the Company and its former representatives in the Sudan legal case is MEUR 8. Capital expenditure guidance is MEUR 14 and mainly relates to capital allocated to greenfield activities. The reduced capital expenditures guidance for 2024 compared to 2023 is due to completion of the Karskröv development project, which accounted for the majority of capital expenditures in 2023.

Guidance ¹	2023 Actuals	2023 Guidance	2024 Guidance
Operating expenses	MEUR 13.5	MEUR 12–14	MEUR 15-17
G&A expenses ²	MEUR 8.8	MEUR 10	MEUR 9
Sudan legal costs ³	MEUR 7.1	MEUR 8	MEUR 8
Capital expenditure	MEUR 73.5	MEUR 75	MEUR 14

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

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

³Legal 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 expenses line item in the consolidated income statement. More information about the case can be found in the section Contingent liabilities.

Operational assets

The Company's proportionate power generation amounted to 765 GWh for the year, and 226 GWh for the fourth quarter. This was slightly below expectation due to lower-than-average windspeeds and adverse weather conditions across the Nordics. The newly constructed Karskröv wind farm contributed with approximately one month of power generation in the fourth quarter, with production in line with expectations.

Realised electricity price amounted to EUR 47 per MWh for the year, and EUR 43 per MWh for the fourth quarter. Out of the realised electricity prices, guarantees of origin accounted for EUR 4 per MWh for the year and EUR 3 per MWh for the fourth quarter. 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 power generation during the year amounted to EUR 54 per MWh, and the Nordic system price averaged EUR 57 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. The realised price for the year included EUR 2 per MWh positive impact from historical hedges linked to acquired companies, and EUR 2 per MWh positive hedging impact for the fourth quarter.

Proportionate operating expenses amounted to MEUR 13.5 for the year, which was in line with guidance.

Sweden

The Company has a diversified portfolio consisting of ownership in 230 operational wind turbines in more than 50 sites across Sweden, which have an estimated proportionate annual power generation in 2024 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. Power generation from the Swedish portfolio was slightly below expectation during the year, due to lower-than-average wind speeds.

The largest producing asset in the Swedish portfolio is the Karskröv wind farm, which was completed and taken over for commercial operations at the end of November 2023. Karskröv has an estimated annual power generation of 290 GWh, which is generated from 20 Vestas turbines with a total installed capacity of 86 MW. The project 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. The wind farm is situated in the SE4 price area.

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 power generation of around 150 GWh. The Näsudden hub is situated in the SE3 price region.

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Finland

The Company owns 50 percent of the Metsälamminkangas (MLK) wind farm and 100 percent of a 9 GWh wind farm located in Hanko in Finland. MLK has an estimated gross annual 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. Power generation from MLK was below expectation during the year, due to lower-than-expected wind speeds.

Norway

The Company owns 50 percent of the Leikanger hydropower plant in Norway, which is situated in the NO5 price area. Leikanger has an estimated gross annual power generation of around 200 GWh per annum, which is generated from a single turbine with a total capacity of 77 MW. It has been operational since 2021 and has an estimated operational life of approximately 60 years. As the asset is a run-of-river hydropower plant, the power generation is variable depending mainly on the rate of snow melt during the spring and summer months, and precipitation conditions during the autumn season. Power generation from Leikanger during the year was below expectation, due to low levels of precipitation.

Project Pipeline

During the year, the Company has taken further steps to develop its growth platforms, and has progressed a long-term pipeline of projects. This includes laying the foundation for greenfield project developments in onshore wind, solar and battery storage solutions and maturing growth opportunities in the operational portfolio. The Company has established a presence in all stages of the renewable lifecycle and will continue to develop its project pipeline.

Karskruv project

The Karskruv wind farm was completed and taken over for commercial operations at the end of November 2023, and the wind farm has since produced in line with expectations. Project execution and delivery has been excellent and ahead of schedule throughout the project. During the first quarter, civil construction works, including foundation casting and anchor tensioning were completed. In the second quarter, the turbine supplier installed all 20 wind turbines, approximately one month ahead of schedule, and grid connection works were completed. In the third quarter, work to energise and connect all turbines to the grid was finalised. Handover inspections for all turbines as well as civil and electrical works were completed during the fourth quarter, leading to a commercial handover ahead of schedule.

Development projects

Nordics

In the Nordics, the Company has identified a range of stand-alone greenfield as well as co-located project opportunities, ranging from early-stage projects in the screening phase, through to projects with construction permits in place moving towards investment decisions. The identified project opportunities are across proven and low-cost onshore technologies; wind energy, solar energy and battery storage, which when realised will diversify the Company's power generation capacity and revenue streams.

The Company is working on securing project rights and the necessary land, grid connections and permits for identified projects and is continuously exploring opportunities to grow its project pipeline. The Company is working on a wide range of opportunities to organically grow its portfolio, optimise power generation and crystallise further value from its operational assets, which includes projects aimed at extending asset lifetimes, re-powering and consolidation of ownership shares.

During the year, work has been ongoing to progress a number of projects within the Company's operational portfolio. This includes adding complementary technology of solar and battery storage solutions to wind power facilities to optimise the grid utilisation. During the fourth quarter, the Company submitted permit applications for 10 MW of battery projects and continued to progress a number of projects towards investment decision. At the end of 2023, the Company had submitted permit applications for 40 MW of battery storage and solar projects, out of which permits enabling battery projects up to 20 MW have been obtained.

The Company is working towards having its largest wind farms, MLK and Karskruv, set up to provide ancillary services to the grid. The process for MLK has been initiated, and the Company's expectation is that MLK will be qualified by the transmission system operator during the first quarter 2024, and activities to determine the feasibility are ongoing for the Karskruv wind farm.

In Finland, the Company acquired an early-stage greenfield portfolio in the beginning of 2024, consisting of four wind energy projects with an estimated installed capacity of up to 180 MW. The greenfield projects are at an early-stage, where land agreements have been secured for all planned wind turbine locations, the first permitting process is expected to start in 2024 and the projects aim to reach ready-to-build in 2027. Final project realisation for all development projects is dependent on a number of factors, such as permitting, fulfilment of projects milestones and commercial viability. The Company has an opportunistic approach to realising value from this portfolio and will seek to monetise projects upon reaching key milestones subject to prevailing market conditions at the time.

Operational review

UK, Germany and France

In the beginning of 2023, the Company expanded its geographical footprint in Europe and established a business focusing on developing onshore solar and battery projects in the UK, Germany and France. These countries have high ambitions to increase renewable generation and represent attractive markets for developers with strong regulatory support, high electricity prices, low political and operational risk and a robust investor universe. The Company's greenfield business is led by an experienced development team, with a proven track-record in greenfield project origination and development in these markets.

The Company's strategy is to develop large-scale greenfield solar and battery projects to key milestones aiming to divest prior to incurring significant development and construction costs. The large-scale nature of the projects means the projects are very attractive for large landowners and enables the Company to secure land further away from each substation location. During 2023, the Company's focus has been on originating and growing the early stage pipeline while establishing and strengthening the core teams in each country.

In the UK, the Company has secured a portfolio of grid connections with a capacity of 24 GW for solar projects and 12 GW for co-located battery projects, with expected grid energisation dates between 2030 and 2040. The grid connections are located in favourable areas for development, based on extensive screening of key criteria such as irradiation, grid capacity, land availability and constraint mapping. The UK has a high permitting success rate for projects and, in addition, large-scale projects benefit from increased regulatory support as nationally significant infrastructure projects (NSIP). Having already secured grid connections, the Company has secured its first land exclusivity agreement in 2024 and is in negotiations for multiple other projects. The portfolio is at an early-stage and final project realisation will depend on a number of factors, such as access to land, permitting, fulfilment of project milestones and commercial viability.

In Germany, the Company has initiated land acquisition work in targeted regions which have been chosen based on a range of key criteria, such as irradiation, grid capacity and land availability. The Company has successfully originated a pipeline of 3.1 GW of battery projects and 0.8 GW of solar projects, and secured multiple exclusivity contracts for land. For the most advanced projects, initial pre-permit assessments and grid capacity requests are underway. Pending a successful outcome of such early assessments, the Company will move towards binding land agreements and continue with additional pre-permit work to reach the ready-to-permit stage.

In France, the Company has carried out early-stage land availability studies as well as high level grid surveys. The Company has also identified key areas based on irradiation, land availability and grid capacity and is working to secure land for its first projects.

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 February 2023, the Company entered into an agreement to acquire an additional 15 percent ownership in the wind farm Långås, which takes the Company's interest to 32.5 percent. The transaction adds an estimated annual power generation of 3 GWh and 1.2 MW installed capacity in price area SE4.

In February 2023, the Company entered into agreements, focusing on developing brownfield and greenfield projects in Finland, France and Germany.

In March 2023, the Company entered into an agreement, focusing on developing greenfield projects in the UK.

In June 2023, the Company entered into an agreement to acquire additional minor ownership stakes in the Kulle, Storugns and Klinte wind farms. The transaction adds an estimated annual power generation of 1.3 GWh and 0.5 MW installed capacity in the price area SE3.

In June 2023, the Company entered into an agreement to acquire a company which has minority ownership stakes in five different wind farms in Sweden. The transaction adds an estimated annual power generation of 4.4 GWh and 1.4 MW installed capacity in price areas SE3 and SE4. The transaction was completed in July 2023.

In September 2023, the Company entered into an agreement to acquire a company which has various ownership stakes in six different wind farms in Sweden. The transaction adds an estimated annual power generation of 10.2 GWh and 5 MW installed capacity in price area SE4. The transaction was completed in October 2023.

Transactions after year-end

In January 2024, the Company entered into an agreement to acquire a greenfield portfolio consisting of four wind development projects in Finland, with a total installed capacity of up to 180 MW.

Sustainability

Sustainability is at the core of Orrön Energy's business as a pure play renewables company and constitutes an important cornerstone of the Company's long-term shareholder value creation. The Company owns and operates renewable assets in a safe and responsible manner, with a long-term horizon for the benefit of all its stakeholders.

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, such as renewable energy, if we are to limit global warming in line with the Paris Agreement. The energy transition is backed by firm targets set by the EU, which will require a significant increase of renewable energy generation, with wind

Operational review

and solar power being highlighted as crucial to achieve these objectives. Orrön Energy is directly contributing to the achievement of these goals by investing in and increasing the supply of renewable energy in its countries of operation. The demand for clean energy is set to increase, and Orrön Energy is committed to continue investing in renewable power generation and technologies to drive the energy transition, for a clean and sustainable energy future.

Orrön Energy's approach to sustainability is aligned with the UN Sustainable Development Goals, in particular Goal 7 on Affordable and Clean Energy, Goal 13 on Climate Action and Goal 15 on Life on Land, which underpins the way in which the Company conducts its business. This ensures that the business delivers lasting value for all its stakeholders. The Company also actively supports the UN Global Compact's 10 Principles on human rights, labour standards, environment and anti-corruption. Orrön Energy is developing biodiversity enhancement projects in areas around its renewable assets, such as targeted projects aiming to increase biodiversity, planting of wildflowers to stimulate the growth of bee populations, wildlife monitoring systems and grazing projects in collaboration with local farming communities. In addition, the Company considers strong community engagement as essential to its business success and is collaborating with several local organisations to support and contribute to the local communities around its assets. Environmental aspects and community engagements are key considerations throughout the assets' operational life.

During the second quarter, the Company was awarded with Prime Status by ISS ESG, one the world's largest ESG rating agencies.

Health and safety of people and the environment are core priorities for the business and the Company has procedures in place to identify and mitigate risks, including investigation and reporting of incidents and accidents. During the third quarter, a fire occurred at one wind turbine, which was safely managed with no personal injury or material environmental impact. A thorough investigation was conducted to identify both the root cause and preventative measures. There were no recordable health and safety incidents during the year.

Financial Review

Changes in the Group

The Company has from 1 January 2023 changed its presentation currency from US dollar to Euro to better reflect the economic environment in which the Company operates. Assets and liabilities, for each period presented, have been translated at closing rate of the respective balance sheet date. Income and expenses for each period presented have been translated at average rate for the period and all resulting exchange differences have been recognised in other comprehensive income.

In 2022, Orrön Energy Holding AB, a wholly-owned subsidiary of Orrön Energy AB (publ), made a public offer to acquire all shares in Slitevind AB (publ) ("Slitevind") for SEK 125 in cash per share. The offer was accepted by shareholders owning 96.5 percent of all shares and votes in Slitevind. The remaining shares have been acquired in 2023 through a compulsory buy-out procedure, in accordance with the Swedish Companies Act. Slitevind has subsequently been renamed Orrön Energy Sweden AB ("Orrön Energy Sweden").

On 30 June 2022, Orrön Energy, then named Lundin Energy, completed a transaction to combine the Company's exploration and production ("E&P") business with Aker BP. The result of this transaction is shown as discontinued operations in the comparative income statement for 2022. In addition, the comparative statement of cash flows show the cashflow from discontinued operations. Through this transaction, the shareholders of the Company received cash totalling USD 2.2 billion and 271,908,589 shares in Aker BP, and retained their shareholding in Orrön Energy. The combination was carried out as a statutory cross-border merger in accordance with Norwegian and Swedish law, through which Aker BP absorbed Lundin Energy MergerCo AB (publ), which at the time of the completion contained the Company's E&P business. Shortly before the merger and completion of the transaction, the shares in Lundin Energy MergerCo (publ) were distributed to the Company's shareholders as a so called *lex asea* dividend.

Revenue and results – Consolidated financials

EBITDA for the year amounted to MEUR -5.1 compared to MEUR 4.5 in the prior year and was impacted by lower share in result from associates and joint ventures, and higher operating expenses resulting from increased power generation, partly offset by revenue from power generation increasing to MEUR 28.0 compared to MEUR 13.8 in the prior year. The Karskröv wind farm was taken over for commercial operations at the end of November 2023 and contributed with approximately one month to the earnings in 2023. Orrön Energy Sweden, fully consolidated since the acquisition on 31 August 2022, started to contribute to the financial results on 1 September 2022 providing a four-month contribution to the prior year's results. The MLK wind farm and the Leikanger hydropower plant are consolidated through the equity method and therefore reported as share in result from associates and joint ventures.

Operating expenses

Operating expenses amounted to MEUR 12.6 (MEUR 3.5) for the year. Orrön Energy Sweden, fully consolidated since the acquisition on 31 August 2022, started to contribute to the financial results on 1 September 2022 providing a four-month contribution to the prior year's results, which explains the higher operating expenses compared to the prior year.

General and administration expenses

General and administration expenses amounted to MEUR 18.2 (MEUR 16.7) for the year, including MEUR 7.1 (MEUR 5.9) for legal and other fees incurred for the defence of the Company and its former representatives in the Sudan legal case. A total non-cash expense of MEUR 2.3 (MEUR 1.3) 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 -2.7 (MEUR 10.9) for the year and is detailed in note 2. This represents mainly Orrön Energy's portion of the results in the 50 percent owned joint ventures, the MLK wind farm and the Leikanger hydropower plant. These investments 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. The share in result from the MLK wind farm, which started to generate power in the second quarter of 2022, amounted to MEUR -3.0 (MEUR 7.8) for the year. The result reported in the prior year included liquidated damages, due to late start-up of the wind farm and uptime being below the contractually guaranteed levels. The share in result from the Leikanger hydropower plant represented a gain of MEUR 0.3 (MEUR 3.0). The decrease compared to the prior year was mainly due to lower achieved electricity prices.

Net financial items

Finance income amounted to MEUR 6.3 (MEUR 9.0) for the year and is detailed in note 3. Interest income of MEUR 5.9 (MEUR 2.6) related to loans to joint ventures. Other finance income amounted to MEUR 0.4 (MEUR 6.4) and reflected a financial gain representing the variation in market value of historical hedges entered into by acquired companies.

Finance costs amounted to MEUR 8.4 (MEUR 9.2) for the year and are detailed in Note 4. The net foreign exchange loss for the year amounted to MEUR 2.6 (MEUR 1.6). 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 intercompany loan balances, denominated in other currencies than the functional currency of the Group company providing the financing. Interest expenses amounted to MEUR 4.8 (MEUR 0.7) and related to the Group's external loans. Other finance costs amounted to MEUR 1.0 (MEUR 6.9) and represented mainly fees and other costs in relation to the Company's revolving credit facility.

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Income tax

Income tax representing a net income amounted to MEUR 11.5 (MEUR 26.6) for the year and is detailed in Note 5. This amount is mainly comprised of a deferred tax income of MEUR 11.3 (MEUR 26.7), which was recognised during the fourth quarter relating to tax losses carried forward, which are expected to be used against future taxable profits in Sweden.

Revenue and results - Proportionate financials

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.

Proportionate financials MEUR	1 Jan 2023- 31 Dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Power generation (GWh)	765	226	335	168
Average price achieved per MWh – EUR	47	43	120	88
Revenue	36.2	9.6	40.0	14.5
Other income	0.8	0.0	4.0	1.9
Operating expenses	-13.5	-3.7	-6.7	-2.8
G&A expenses ¹	-18.2	-4.6	-16.6	-4.4
EBITDA	5.3	1.3	20.7	9.2
Depreciation	-16.3	-4.5	-6.0	-3.0
Operating profit/loss (EBIT)	-11.0	-3.2	14.7	6.2

¹ Includes legal and other fees of MEUR 7.1 (MEUR 5.9) 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 2.3 (MEUR 1.3) for the year.

Proportionate revenues amounting to MEUR 36.2 (MEUR 40.0) for the year included revenues from the Company's operational assets in the Nordics and include the revenue generated by the Karskröv wind farm since commercial takeover at the end of November 2023. The Leikanger hydropower plant contributed to the revenues for the full year 2022, the MLK wind farm contributed from 1 April 2022 and the asset portfolio from Orrön Energy Sweden contributed from 1 September 2022.

EBITDA amounted to MEUR 5.3 (MEUR 20.7) for the year, with increased power generation being more than offset by lower electricity prices and higher operating costs linked to the larger asset base.

Proportionate operating expenses amounted to MEUR 13.5 (MEUR 6.7) for the year.

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 13.7 and 20.6 percent for the majority of the business in 2023 with the exception of Norway. Following a change to the hydropower tax regime in Norway in late 2022, the Leikanger hydropower plant is subject to a tax rate of 67 percent. This change consists of an eight-percentage point increase in ground rent tax, effective retroactively from 1 January 2022. The additional 23 percent levy in Norway on electricity sold at a price exceeding NOK 700 per MWh effective from 28 September 2022 was terminated from 1 October 2023.

Cash flow and investments – Consolidated financials

Cash flow

Net cash flows from operating activities amounted to MEUR 15.5 (MEUR 7.1) for year. The positive cash flows from operating activities included dividend payments from joint ventures of MEUR 13.1 (MEUR 12.2).

Investments

Cash flows from investing activities amounted to MEUR -79.1 (MEUR -154.3), out of which MEUR -72.3 (MEUR -53.1) related to investments in the renewable energy business. The acquisition of the remaining 3.5 percent of the shares in Orrön Energy Sweden, which have been acquired in 2023, together with acquisition of a company and additional ownership in wind farms in Sweden, impacted the cash flows from investing activities with MEUR -6.7.

Financing and liquidity – Consolidated financials

On 3 July 2023, the Group entered into a new three-year revolving credit facility of MEUR 150, at a floating interest rate margin 1.8 percent above the reference interest rate for the borrowed currency. The facility included an additional MEUR 150 accordion option and replaced the previous MEUR 100 revolving credit facility.

Financial Review

Interest bearing loans and borrowings amounted to MEUR 114.7 (MEUR 28.8) and related mainly to an outstanding loan of MEUR 112.0 (MEUR –), which has been drawn under the Group's revolving credit facility. Interest bearing loans and borrowings also included a long-term loan of MEUR 2.7 (MEUR 28.8) taken up by a subsidiary. Following the completion of the refinancing, the amount drawn under the Group's previous MEUR 100 revolving credit facility was reclassified in the second quarter 2023 from current to non-current liabilities.

The Company's net debt at year-end amounted to MEUR 93.7 compared to MEUR 29.7 at year-end 2022.

Other current financial liabilities amounted to MEUR 0.8 (MEUR 27.8) and related to a short-term loan, with less than twelve months maturity of MEUR 0.8 (MEUR 6.4), which is held by a subsidiary. At year-end 2022, other current financial liabilities included an amount of MEUR 21.4 related to the Group's MEUR 100 revolving credit facility, which has been reclassified from current to non-current following the refinancing.

Cash and cash equivalents amounted to MEUR 21.8 (MEUR 26.9).

Subsequent events

In January 2024, the Company exercised a portion of the accordion option and increased its revolving credit facility from MEUR 150 to MEUR 190, at identical commercial terms as the original facility, adding further capacity to fund future growth.

Other Information

Parent Company

The business of the Parent Company is to invest in and manage operations within the renewable energy sector as of 1 July 2022. This is a change to the Company's previous business mainly conducted within the oil and gas sector.

The Parent Company reported a net result of MSEK 160.3 (MSEK -590.4) for the year, which was mainly impacted by financial income, general and administration expenses and the recognition of a deferred tax asset in the fourth quarter.

General and administration expenses amounted to MSEK 192.5 (MSEK 200.0), out of which MSEK 81.0 (MSEK 63.2) related to legal fees and other costs incurred for the defence of the Company and its former representatives in the Sudan legal case.

Finance income amounted to MSEK 186.3 (MSEK 10.9) and related to dividends and group contributions received from a subsidiary.

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

Contingent Liabilities

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 five 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 expected to last until February 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 has 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. The Company has not recognised any provision in relation hereto as it does not believe the proceedings will lead to any liability for the Company.

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.

Share Data

Share capital

The Company's issued share capital amounted to SEK 3,478,713 represented by 285,924,614 shares with a quota value of SEK 0.01 each (rounded off).

The Board will propose to the AGM that no dividend will be paid to the shareholders for the financial year 2023.

Remuneration

The Policy on Remuneration and details of long-term incentive plans ("LTIP") are provided on www.orrön.com.

Employee LTIP

In 2022, a new long-term share-related incentive plan was introduced in the form of a share option plan for members of Group management and other employees of the Company as approved by the 2022 EGM ("Employee LTIP 2022"). The reason for establishing a new long-term share related incentive plan was to align the interests of the members of Group management and other employees with the interests of the shareholders as well as to provide market appropriate reward for a new business reflecting continuity, commitment and share price appreciation.

The Employee LTIP 2022 was introduced as part of a new remuneration approach within the updated Policy on Remuneration for Group management, where base salaries and annual bonus opportunities have been set at the lower end of the market to create an overall remuneration approach that further emphasises the long-term sustainable growth and strategic success of the Company. The updated Policy on Remuneration was approved by the 2022 EGM.

In order to secure the Company's obligations under the Employee LTIP 2022, the Company has issued 8,560,000 warrants, which were registered on 5 July 2022.

A similar plan was approved by the 2023 AGM ("Employee LTIP 2023").

In order to secure the Company's obligations under the Employee LTIP 2023, the 2023 AGM resolved to approve that the Company enters 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 terms and conditions of Employee LTIP 2023. The equity swap

Other Information

arrangement was concluded during the second quarter 2023.

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.

Exchange rates

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

	31 Dec 2023		31 Dec 2022	
	Average	Period end	Average	Period end
1 EUR equals SEK	11.4728	11.0960	10.6274	11.1218
1 EUR equals NOK	11.4244	11.2405	10.1015	10.5138
1 EUR equals GBP	0.8699	0.8691	0.8526	0.8869
1 EUR equals USD	1.0816	1.1050	1.0539	1.0666

The Board of Directors and the CEO certify that the financial report for the twelve months ended 31 December 2023 gives a fair view of the performance of the business, position and profit or loss of the Company and the Group and describes the principal risks and uncertainties that the Company and the companies in the Group face.

Stockholm, 14 February 2024

Grace Reksten Skaugen
Chair

Peggy Bruzelius
Board Member

C. Ashley Heppenstall
Board Member

William Lundin
Board Member

Jakob Thomasen
Board Member

Daniel Fitzgerald
CEO

Consolidated Income Statement

MEUR	Note	1 Jan 2023- 31 Dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Revenue		28.0	8.4	13.8	11.3
Other income		0.4	–	–	–
Operating expenses		-12.6	-3.2	-3.5	-3.0
General and administration expenses		-18.2	-4.6	-16.7	-4.7
Depreciation		-11.9	-3.5	-3.5	-2.9
Share in result of associates and joint ventures	2	-2.7	-1.5	10.9	2.8
Operating profit/loss		-17.0	-4.4	1.0	3.5
Finance income	3	6.3	1.5	9.0	4.8
Finance costs	4	-8.4	-0.6	-9.2	-6.5
Net financial items		-2.1	0.9	-0.2	-1.7
Profit/loss before income tax		-19.1	-3.5	0.8	1.8
Income tax	5	11.5	11.5	26.6	-0.9
Net result from continuing operations		-7.6	8.0	27.4	0.9
Discontinued operations					
Net result from E&P business	6	–	–	12,823.3	-0.1
Net result		-7.6	8.0	12,850.7	0.8
Attributable to:					
Shareholders of the Parent Company		-8.0	7.9	12,850.4	0.5
Non-controlling interest		0.4	0.1	0.3	0.3
		-7.6	8.0	12,850.7	0.8
Earnings per share – EUR¹					
From continuing operations		-0.03	0.03	0.10	0.00
From discontinued operations		–	–	44.92	0.00
Earnings per share diluted – EUR¹					
From continuing operations		-0.03	0.03	0.10	0.00
From discontinued operations		–	–	44.75	0.00

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

Consolidated Statement of Comprehensive Income

MEUR	1 Jan 2023- 31 Dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Net result	-7.6	8.0	12,850.7	0.8
Items that may be subsequently reclassified to profit or loss:				
Exchange differences foreign operations	4.5	6.1	410.5	-12.7
Cash flow hedges	-	-	9.8	9.8
Other comprehensive income, net of tax	4.5	6.1	420.3	-2.9
Total comprehensive income	-3.1	14.1	13,271.0	-2.1
Attributable to:				
Shareholders of the Parent Company	-3.6	14.3	13,270.7	-2.4
Non-controlling interest	0.5	-0.2	0.3	0.3
	-3.1	14.1	13,271.0	-2.1

Consolidated Balance Sheet

MEUR	Note	31 December 2023	31 December 2022	31 December 2021 ¹
ASSETS				
Non-current assets				
Property, plant and equipment		295.2	235.8	27.9
Investment in associates and joint ventures		34.0	51.5	95.9
Deferred tax assets		39.3	27.5	–
Other non-current financial assets	10	95.5	96.8	31.0
		464.0	411.6	154.8
Current assets				
Assets held for distribution		–	–	6,480.4
Other current assets		7.5	9.0	0.1
Trade receivables	10	1.7	0.3	–
Other current financial assets	10	5.7	2.5	118.1
Cash and cash equivalents	10	21.8	26.9	114.8
		36.7	38.7	6,713.4
TOTAL ASSETS		500.7	450.3	6,868.2
EQUITY AND LIABILITIES				
Equity				
Shareholders' equity		353.4	359.7	-1,253.1
Non-current liabilities				
Interest bearing loans and borrowings	10	114.7	28.8	–
Deferred tax liability		15.9	16.9	–
Provisions		3.0	1.1	–
		133.6	46.8	–
Current liabilities				
Trade and other payables	10	12.7	13.0	3.7
Current tax liabilities		0.2	0.5	–
Provisions		–	2.5	–
Dividends payable		–	–	113.5
Liabilities held for distribution		–	–	8,004.1
Other current financial liabilities	10	0.8	27.8	–
		13.7	43.8	8,121.3
TOTAL LIABILITIES		147.3	90.6	8,121.3
TOTAL EQUITY AND LIABILITIES		500.7	450.3	6,868.2

¹ Following the change in presentation currency from US dollar to Euro in 2023, an additional comparative period is presented, corresponding to the beginning of the preceding period, in line with IAS 1.

Consolidated Statement of Cash Flows

MEUR	Note	1 Jan 2023- 31 Dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Cash flows from operating activities					
Net result from continuing operations		-7.6	8.0	27.4	0.8
Net result from discontinued operations		–	–	12,823.3	-0.1
Adjustments for items not included in the cash flow	11	8.1	-6.4	-9,636.5	-132.1
Interest received		4.7	1.3	1.0	–
Interest paid		-3.7	-1.7	-32.9	-1.3
Income taxes paid		-0.2	-0.2	-1,422.7	–
Distributions received		13.1	–	12.2	4.9
Distributions paid to non-controlling interest		-0.3	–	–	–
Changes in working capital		1.4	-0.6	-310.8	-13.2
Total cash flows from operating activities		15.5	0.4	1,461.0	-141.0
- of which relates to continuing operations		15.5	0.4	7.1	12.9
- of which relates to discontinued operations		–	–	1,453.9	-153.9
Cash flows from investing activities					
Investment in oil and gas properties		–	–	-281.4	–
Investment in renewable energy business ¹		-72.3	-17.8	-53.1	-5.6
Acquisition of subsidiary net of cash		-6.7	-2.0	-102.6	-28.5
Investment in other fixed assets		-0.1	–	-0.8	–
Decommissioning costs paid		–	–	-1.3	–
Total cash flows from investing activities		-79.1	-19.8	-439.2	-34.1
- of which relates to continuing operations		-79.1	-19.8	-154.3	-27.0
- of which relates to discontinued operations		–	–	-284.9	-7.1
Cash flows from financing activities					
Net drawdown/repayment of credit facility		59.0	20.4	-598.4	-20.8
Repayment of lease commitments		–	–	-11.6	–
Sold treasury shares		–	–	54.2	–
Dividends paid		–	–	-277.4	–
Financing fees paid		-1.3	–	–	–
Total cash flows from financing activities		57.7	20.4	-833.2	-20.8
- of which relates to continuing operations		57.7	20.4	-261.8	-20.8
- of which relates to discontinued operations		–	–	-571.4	–
Change in cash and cash equivalents		-5.8	1.1	188.6	-195.9
Cash and cash equivalents at the beginning of the period		26.9	19.9	399.2	64.1
Currency exchange difference in cash and cash equivalents		0.8	0.9	95.8	4.8
Change in consolidation - E&P business		–	–	-656.7	153.9
Cash and cash equivalents at the end of the period		21.8	21.8	26.9	26.9
- of which relates to continuing operations		21.8	21.8	26.9	26.9
- of which relates to discontinued operations		–	–	–	–

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

Consolidated Statement of Changes in Equity

MEUR	Attributable to owners of the Parent Company				Non-controlling interest	Total equity
	Share capital	Additional paid-in-capital/Other reserves	Retained earnings	Total		
1 January 2022	0.4	-164.3	-1,089.2	-1,253.1	–	-1,253.1
Comprehensive income						
Net result	–	–	12,850.7	12,850.7	–	12,850.7
Other comprehensive income	–	420.3	–	420.3	–	420.3
Total comprehensive income	–	420.3	12,850.7	13,271.0	–	13,271.0
Transactions with owners						
Non-controlling interests on acquisition of a subsidiary	–	–	–	–	8.3	8.3
Distributions	–	–	-11,724.4	-11,724.4	–	-11,724.4
Sold treasury shares	–	54.3	–	54.3	–	54.3
Share based payments	–	–	3.6	3.6	–	3.6
Total transactions with owners	–	54.3	-11,720.8	-11,666.5	8.3	-11,658.2
31 December 2022	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 transactions 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

Notes to the consolidated financial statements

Note 1 – Accounting policies

This interim report has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting and International Financial Reporting Standards (IFRS).

The Company has from 1 January 2023 changed its presentation currency from US dollar to Euro to better reflect the economic environment in which the Company operates. Assets and liabilities, for each period presented, have been translated at closing rate of the respective balance sheet date. Income and expenses for each period presented have been translated at average rate for the period and all resulting exchange differences have been recognised in other comprehensive income.

The accounting policies adopted are in all other aspects consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022.

The financial reporting of the Parent Company has been prepared in accordance with accounting principles generally accepted in Sweden, applying RFR 2 Reporting for legal entities, issued by the Swedish Financial Reporting Board and the Annual Accounts Act (SFS 1995:1554).

The Parent Company's financial information is reported in Swedish krona.

Note 2 – Share in result of associates and joint ventures MEUR	1 Jan 2023- 31 Dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Metsälamminkangas Wind Oy (50%)	-3.2	-1.6	7.8	3.4
Leikanger Kraft AS (50%)	0.3	0.0	3.0	-0.6
Other	0.2	0.1	0.1	0.0
	-2.7	-1.5	10.9	2.8

Note 3 – Finance income MEUR	1 Jan 2023- 31 Dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Foreign currency exchange gain, net	–	–	–	-0.7
Interest income	5.9	1.8	2.6	1.2
Other	0.4	-0.3	6.4	4.3
	6.3	1.5	9.0	4.8

Note 4 – Finance costs MEUR	1 Jan 2023- 31 Dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Foreign currency exchange loss, net	2.6	-1.4	1.6	1.6
Interest expense	4.8	1.7	0.7	0.5
Other	1.0	0.3	6.9	4.4
	8.4	0.6	9.2	6.5

Note 5 – Income tax MEUR	1 Jan 2023- 31 Dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Current tax	-0.2	0.0	-0.1	-0.1
Deferred tax	11.7	11.5	26.7	-0.8
	11.5	11.5	26.6	-0.9

Notes to the consolidated financial statements

Note 6 – Discontinued operations – E&P business

On 21 December 2021, the Company announced that it had entered into an agreement with Aker BP whereby Aker BP would absorb the E&P business through a cross-border merger in accordance with Norwegian and Swedish law. Before completion of the cross-border merger, the shares in the company holding the E&P business would be distributed to the shareholders of the Company, which occurred on 29 June 2022. The results of the E&P business are included in the financial statements until 29 June 2022 and are shown in the comparative columns as discontinued operations.

The financial performance of the discontinued operations and the gain on the distribution of the E&P business made in 2022 are described in detail in the financial statements of 2022.

Note 7 – 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.

The Group has not entered into any material agreements with any related parties.

Note 8 – Risks and risk management

Orrön Energy pursues a business that is exposed to changes in energy prices, which in turn are dependent on macro-economic factors and geopolitical conditions. The Company's operations have an impact on the surrounding environment and operational processes are associated with occupational health and safety risks.

Risks and risk management relating to financial, operational and strategic risks are described in the 2022 Annual and Sustainability Report on pages 16–17 and are in all material aspects unchanged. Additional information on financial risks and information on how Orrön Energy manages these risks, including liquidity, credit and market risks are addressed in note 9 to the consolidated financial statements in the 2022 Annual Report.

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.

Note 9 – Business combinations

Siral

In 2022, Orrön Energy acquired 100 percent of the issued share capital of Siral Förvaltning AB and gained control of the company from 1 December 2022. This acquisition added estimated annual power generation of 44 GWh and 15 MW installed capacity, out of which 90 percent is situated in price areas SE3 and SE4. The consideration amounted to MEUR 8.6. The valuation at fair value resulted in a surplus value of MEUR 4.6, which has been allocated to plant, property and equipment and no goodwill was recognised. The amounts have been translated from SEK to EUR at closing rate 30 November 2022.

Orrön Energy Sweden

In 2022, Orrön Energy acquired 96.5 percent of the issued share capital of Slitevind AB (publ), subsequently renamed Orrön Energy Sweden AB and gained control of the company from 31 August 2022. The remaining shares have been acquired in 2023.

Details of the purchase consideration, and the net assets acquired are as follows:

Purchase consideration MEUR	% of shares	Share price SEK	Number of shares	Value MEUR
Step 1 – Ownership 31 August 2022	91.0%	125	6,476,654	75.8
Step 2 – Ownership 13 September 2022	5.5%	125	388,694	4.5
Step 3 – Buy-out procedure	3.5%	125	249,102	2.9
	100.0%		7,114,450	83.3

Notes to the consolidated financial statements

The assets and liabilities recognised as a result of the acquisition were as follows:

Assets and liabilities	Fair value¹
	MEUR
Non-current assets	
Property, plant and equipment	144.1
Investment in associates and joint ventures	10.6
Other financial assets	0.7
	155.4
Current assets	
Other current assets	1.8
Trade receivables	0.4
Deferred tax asset	1.6
Other current financial assets	0.6
Cash and cash equivalents	1.4
	5.8
Non-current liabilities	
Interest bearing loans and borrowings	-43.0
Deferred tax liability	-15.9
Provisions	-0.7
	-59.6
Current liabilities	
Trade and other payables	-1.2
Other current financial liabilities	-12.4
	-13.6
Net identifiable assets acquired	88.0
Less Non-controlling interest	-4.7
Net assets acquired	83.3

¹Translated from SEK to EUR at closing rate 31 August 2022.

Acquired receivables

The fair value of acquired trade receivables is MEUR 0.4, which corresponds to the book value.

Revenue and profit contribution

The acquired business will contribute significantly to the Group's results and represented the totality of the Group's revenues at year-end 2022.

Purchase consideration, outflow of cash, net of cash acquired

MEUR	
Cash consideration	83.3
Less cash balances acquired	-1.4
Net outflow of cash – Investing activities	81.9

Notes to the consolidated financial statements

Note 10 – Financial instruments

The Group holds the following financial instruments:

MEUR	Level	31 December 2023	31 December 2022
Financial assets			
Financial assets at amortised cost			
Other non-current financial assets		95.5	96.8
Trade receivables		1.7	0.3
Other current financial assets ¹		5.7	2.5
Cash and cash equivalents		21.8	26.9
		124.7	126.5
Financial assets at fair value through profit or loss			
Other current financial assets ¹ - Derivative financial instruments	2	–	–
		–	–
Financial liabilities			
Financial liabilities at amortised cost			
Interest bearing loans and borrowings		114.7	28.8
Trade and other payables		12.7	13.0
Other current financial liabilities		0.8	27.5
		128.2	69.3
Financial liabilities at fair value through profit or loss			
Other current financial liabilities - Derivative financial instruments	2	–	0.3
		–	0.3

¹ Other current financial assets on the face of the balance sheet are divided in this table in financial assets at amortised cost and financial assets at fair value through profit and loss.

The nature of financial assets and liabilities is, in all material respects, the same as on December 31, 2022. The carrying amounts and fair values are deemed to essentially correspond with one another.

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 11 – Supplementary information to the statement of cash flows

The consolidated statement of cash flows is prepared in accordance with the indirect method.

Adjustments for items not included in the cash flow MEUR	1 Jan 2023- 31 Dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Gain on distribution of E&P business	–	–	-12,516.9	–
Exploration costs	–	–	23.5	–
Depletion, depreciation and amortisation	11.9	3.5	3.5	2.9
Current tax	0.2	0.0	2,255.1	–
Deferred tax	-11.6	-11.4	295.3	-27.1
Long-term incentive plans	2.3	0.7	10.8	1.2
Foreign currency exchange gain/loss	1.3	-1.7	312.1	-111.0
Interest income	-5.9	-1.8	-2.6	-1.2
Interest expense	5.5	2.2	25.8	0.8
Amortisation of deferred financing fees	–	–	4.5	0.1
Ineffective hedging contracts	–	–	-52.2	–
Result from associated companies and joint ventures	2.7	1.5	–	–
Other	1.7	0.6	4.6	2.2
	8.1	-6.4	-9,636.5	-132.1

Parent Company Income Statement

MSEK	1 Jan 2023- 31 Dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Revenue	41.9	14.8	13.4	2.7
General and administration expenses	-192.5	-51.1	-200.0	-42.4
Operating profit/loss	-150.6	-36.3	-186.6	-39.7
Finance income	186.3	0.1	10.9	-12.2
Finance costs	-5.4	-1.0	-720.7	0.6
Net financial items	180.9	-0.9	-709.8	-11.6
Profit/loss before income tax	30.3	-37.2	-896.4	-51.3
Income tax	130.0	130.0	306.0	–
Net result	160.3	92.8	-590.4	-51.3

Parent Company Comprehensive Income Statement

MSEK	1 Jan 2023- 31 Dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Net result	160.3	92.8	-590.4	-51.3
Other comprehensive income	–	–	–	–
Total comprehensive income	160.3	92.8	-590.4	-51.3
Attributable to:				
Shareholders of the Parent Company	160.3	92.8	-590.4	-51.3

Parent Company Balance Sheet

MSEK	31 December 2023	31 December 2022
ASSETS		
Non-current assets		
Shares in subsidiaries	3,780.8	3,780.8
Other tangible fixed assets	0.1	0.3
Deferred tax assets	436.0	306.0
	4,216.9	4,087.1
Current assets		
Receivables	5.9	17.8
Cash and cash equivalents	111.5	24.6
	117.4	42.4
TOTAL ASSETS	4,334.3	4,129.5
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity including net result for the period	4,243.2	4,078.0
Non-current liabilities		
Provisions	–	1.3
Interest bearing loans and borrowings	39.5	–
	39.5	1.3
Current liabilities		
Other liabilities	51.6	50.2
	51.6	50.2
TOTAL LIABILITIES	91.1	51.5
TOTAL EQUITY AND LIABILITIES	4,334.3	4,129.5

Parent Company Statement of Cash Flows

MSEK	1 Jan 2023- 31 Dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Cash flows from operating activities				
Net result	160.3	92.8	-590.4	-51.3
Adjustment for items not included in the cash flows	-254.1	-128.6	-312.6	13.9
Changes in working capital	24.8	7.0	2,989.7	-104.4
Total cash flows from operating activities	-69.0	-28.8	2,086.7	-141.8
Cash flows from investing activities				
Investments in subsidiaries	–	–	-0.5	–
Dividends received	127.9	–	–	–
Total cash flows from investing activities	127.9	–	-0.5	–
Cash flows from financing activities				
Net drawdown/repayment of loan	28.0	38.2	–	–
Dividends paid	–	–	-2,672.1	–
Sold treasury shares	–	–	583.8	–
Total cash flows from financing activities	28.0	38.2	-2,088.3	–
Change in cash and cash equivalents	86.9	9.4	-2.1	-141.8
Cash and cash equivalents at the beginning of the period	24.6	102.1	44.3	206.0
Currency exchange difference in cash and cash equivalents	–	–	-17.6	-39.6
Cash and cash equivalents at the end of the period	111.5	111.5	24.6	24.6

Parent Company Statement of Changes in Equity

MSEK	Restricted equity		Unrestricted equity			Total equity
	Share capital	Statutory reserve	Other reserves	Retained earnings	Dividends	
1 January 2022	3.5	861.3	6,599.0	60,628.9	-4,467.2	63,625.5
Transfer of prior year dividends	–	–	–	-4,467.2	4,467.2	–
Total comprehensive income	–	–	–	-590.4	–	-590.4
Transactions with owners						
Distributions	–	–	–	–	-59,542.8	-59,542.8
Share based payments	–	–	–	2.0	–	2.0
Sold treasury shares	–	–	583.7	–	–	583.7
Total transactions with owners	–	–	583.7	2.0	-59,542.8	-58,957.1
31 December 2022	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	–
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

Key Financial Data

The alternative performance measures presented and disclosed in this interim 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 the following page. Definitions of the performance measures are provided under the key ratio definitions below.

Financial data (Continuing operations) MEUR	1 Jan 2023- 31 Dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Consolidated financials				
Revenue	28.0	8.4	13.8	11.3
EBITDA	-5.1	-0.9	4.5	6.4
Operating profit (EBIT)	-17.0	-4.4	1.0	3.5
Net result	-7.6	8.0	27.4	0.9
Net cash (-) / Net debt (+)	93.7	93.7	29.7	29.7
Proportionate financials				
Power generation (GWh)	765	226	335	168
Average price achieved per MWh – EUR	47	43	120	88
Revenue	36.2	9.6	40.0	14.5
EBITDA	5.3	1.3	20.7	9.2
Operating profit (EBIT)	-11.0	-3.2	14.7	6.2
Net cash (-) / Net debt (+)	92.4	92.4	12.4	12.4

Key Financial Data

	1 Jan 2023- 31 Dec 2023	1 Oct 2023- 31 Dec 2023	1 Jan 2022- 31 Dec 2022	1 Oct 2022- 31 Dec 2022
Data per share EUR	12 months	3 months	12 months	3 months
Earnings per share	-0.03	0.03	0.10	0.00
Earnings per share – diluted	-0.03	0.03	0.10	0.00
EBITDA per share	-0.02	0.00	0.02	0.02
EBITDA per share – diluted	-0.02	0.00	0.02	0.02
Number of shares issued at period end	285,924,614	285,924,614	285,924,614	285,924,614
Number of shares in circulation at period end	285,924,614	285,924,614	285,924,614	285,924,614
Weighted average number of shares for the period	285,924,614	285,924,614	285,458,805	285,924,614
Weighted average number of shares for the period – diluted	288,526,711	289,585,628	286,567,833	287,033,642
Share price				
Share price at period end in SEK	7.96	7.96	22.46	22.46
Share price at period end in EUR ¹	0.72	0.72	2.02	2.02
Key ratios				
Return on equity (%)	-2	2	8	0
Return on capital employed (%)	-4	-1	0	0
Equity ratio (%)	71	71	80	80

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.

	1 Jan 2023- 31 Dec 2023	1 Oct 2023- 31 Dec 2023	1 Jan 2022- 31 Dec 2022	1 Oct 2022- 31 Dec 2022
EBITDA – Consolidated financials MEUR	12 months	3 months	12 months	3 months
Operating profit/loss (EBIT)	-17.0	-4.4	1.0	3.5
Add: Depreciation	11.9	3.5	3.5	2.9
	-5.1	0.9	4.5	6.4

	1 Jan 2023- 31 Dec 2023	1 Oct 2023- 31 Dec 2023	1 Jan 2022- 31 Dec 2022	1 Oct 2022- 31 Dec 2022
Net debt/Net cash – Consolidated financials MEUR	12 months	3 months	12 months	3 months
Interest bearing loans and borrowings – Non-current	114.7	114.7	28.8	28.8
Interest bearing loans and borrowings – Current	0.8	0.8	27.8	27.8
Less: Cash and cash equivalents	-21.8	-21.8	-26.9	-26.9
	93.7	93.7	29.7	29.7

	1 Jan 2023- 31 Dec 2023	1 Oct 2023- 31 Dec 2023	1 Jan 2022- 31 Dec 2022	1 Oct 2022- 31 Dec 2022
EBITDA – Proportionate financials MEUR	12 months	3 months	12 months	3 months
Operating profit/loss (EBIT)	-11.0	-3.2	14.7	6.2
Add: Depreciation	16.3	4.5	6.0	3.0
	5.3	1.3	20.7	9.2

Key Financial Data

Net debt/Net cash – Proportionate financials MEUR	1 Jan 2023- 31 Dec 2023 12 months	1 Oct 2023- 31 Dec 2023 3 months	1 Jan 2022- 31 Dec 2022 12 months	1 Oct 2022- 31 Dec 2022 3 months
Net cash / Net debt – Consolidated financials	93.7	93.7	29.7	29.7
Less: Cash and cash equivalents of Associates and joint ventures	-3.5	-3.5	-17.3	-17.3
Add: External interest bearing loans and borrowings of Associates and joint ventures	2.2	2.2	–	–
	92.4	92.4	12.4	12.4

Bridge from proportionate to consolidated financials

1 Jan – 31 Dec 2023 – 12 months 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
<i>Attributable to:</i>				
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 income/loss.

1 Oct – 31 Dec 2023 – 3 months MEUR	Proportionate financials	Residual ownership for fully consolidated entities ¹	Elimination of equity consolidated entities ²	Consolidated financials
Revenue	9.6	0.9	-2.1	8.4
Other income	0.0	0.0	0.0	0.0
Operating expenses	-3.7	-0.7	1.2	-3.2
General and administration expenses	-4.6	–	0.0	-4.6
Share in result of associates and joint ventures	–	–	-1.5	-1.5
EBITDA	1.3	0.2	-2.4	-0.9
Depreciation	-4.5	-0.1	1.1	-3.5
Operating profit (EBIT)	-3.2	0.1	-1.3	-4.4
Net financial items	-0.5	-0.1	1.5	0.9
Tax	11.6	0.1	-0.2	11.5
Net result	7.9	0.1	0.0	8.0
<i>Attributable to:</i>				
Shareholders of the Parent Company	7.9	–	–	7.9
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 income/loss.

Key Financial Data

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: Net cash / Net debt – Consolidated less cash and cash equivalents of associates and joint ventures plus 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.

Definitions and abbreviations

CHF	Swiss franc
EUR	Euro
GBP	British pound sterling
NOK	Norwegian Krone
SEK	Swedish Krona
USD	US dollar
TSEK	Thousand SEK
TUSD	Thousand USD
MEUR	Million EUR
MSEK	Million SEK
MUSD	Million USD
BUSD	Billion USD

Industry related terms and measurements

GWh	Giga Watt hours
MWh	Mega Watt hours

Shareholders' information

Daniel Fitzgerald, CEO and Espen Hennie, CFO comment on the fourth quarter results 2023.

Listen to Daniel Fitzgerald, CEO and Espen Hennie, CFO commenting on the report and presenting the latest developments in Orrön Energy and its future growth strategy together with members of Orrön Energy's management team at the Company's Capital Markets Day on 14 February 2024 at 14.00 CET. The Capital Markets Day will be streamed online, and the presentation will be followed by a question-and-answer session.

Follow the presentation live on the below webcast link:

<https://ir.financialhearings.com/orron-energy-cmd-2024/register>

Financial Calendar

- | | |
|---|---------------|
| • Annual and Sustainability report 2023 | 17 April 2024 |
| • Interim report for the first quarter of 2024 | 14 May 2024 |
| • Interim report for the second quarter of 2024 | 8 August 2024 |

The AGM will be held on 15 May 2024 in Stockholm, Sweden.

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This information is information that Orrön Energy AB is required to make public pursuant to the Securities Markets Act. The information was submitted for publication, through the contact persons set out above, at 07.30 CET on 14 February 2024.

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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