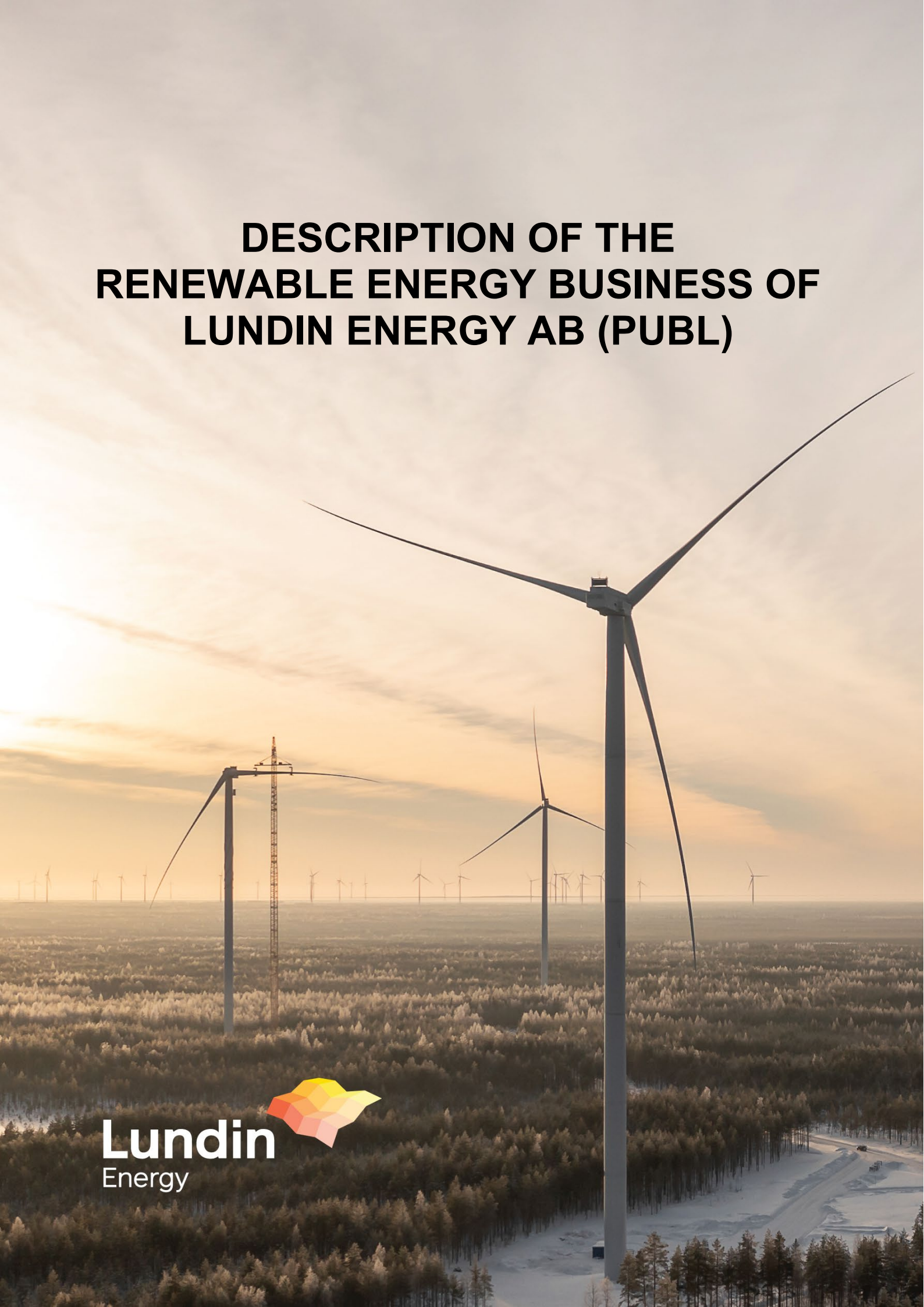
DESCRIPTION OF THE RENEWABLE ENERGY BUSINESS OF LUNDIN ENERGY AB (PUBL)



Contents

*This company description (the "**Company Description**") does not constitute an offer to sell or the solicitation of an offer to buy any securities. The Company Description is not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Counsel of 14 June 2017 and it has not been subject to approval by the Swedish Financial Supervisory Authority or any other relevant competent authority.*

Background

On 21 December 2021, Lundin Energy AB ("**Lundin Energy**" or the "**Company**") and Aker BP ASA ("**Aker BP**") entered into an agreement regarding a combination of Aker BP's and the Company's E&P business, leaving behind Lundin Energy AB which will contain the renewable energy assets post completion of the transaction. The combination will be carried out as a statutory cross-border merger in accordance with Norwegian and Swedish law. Through the proposed combination Aker BP will absorb the Company's wholly-owned subsidiary Lundin Energy MergerCo AB (publ) ("**MergerCo**"), which at the time of the completion of the merger will contain the Company's E&P business, in return for cash and shares in Aker BP (the "**Combination**" and the "**Combination Proposal**"). In order to facilitate an efficient distribution of the merger consideration directly to the shareholders of the Company, the Company shall in accordance with the Combination Proposal shortly before the completion of the Combination distribute all shares in MergerCo to the Company's shareholders, through a so-called Lex ASEA dividend. The merger consideration that thereafter will be payable to the shareholders will consist of a mix of cash and shares in Aker BP.

The completion of the Combination Proposal, including the distribution of all shares in MergerCo, is subject to, *inter alia*, approval by the shareholders of each of the Company and Aker BP at their respective annual general meetings, as well as to customary regulatory approvals. The Board of Directors of the Company has unanimously recommended the shareholders to vote in favour of the Combination Proposal at the 2022 AGM. For more information regarding the Combination Proposal, including the distribution of all shares in MergerCo, please refer to the Board of Directors' complete proposals as set out under item 20 a)–c) on the proposed agenda for the 2022 Annual General Meeting, which can be found on the Company's website www.lundin-energy.com. It is the intention of the Company to cancel the current dividend policy and cease dividend distributions post completion of Combination.

The terms of the Combination are set out in the joint merger plan dated 14 February 2022 which can be found at the Company's website www.lundin-energy.com and in an Exemption Document prepared by Aker BP. The Exemption Document will be published shortly on each of the Company and Aker BP websites, www.lundin-energy.com and www.akerbp.com.

The legal entity of the Company and its portfolio of onshore renewables assets in the Nordics are not part of the Combination Proposal, and, the Company, with its renewable business, will thus remain listed on Nasdaq Stockholm.

The purpose of this Company Description is to describe the remaining renewable business and the continuing operations of the Company, which is not part of the contemplated Combination. Accordingly, this Company Description relates to the Company's business and management as it is intended to be after the completion of the Combination, which is planned to occur at the end of the second quarter 2022. Necessary corporate resolution, including the election of new members of the Board of Directors, will be proposed for approval at an Extraordinary General Meeting of the Company in Q2 2022.

Business description

Lundin Energy to retain the Nordic renewables business, focussed on cash generation and aiming to create value through the energy transition.

After completion of the proposed Combination of Lundin Energy's E&P business with Aker BP, Lundin Energy will initially become a Nordic renewables company, containing the Leikanger, Metsälamminkangas (MLK) and Karskruv assets, with an experienced Board and management team from Lundin Energy. Lundin Energy will become the new renewables business within the Lundin Group of Companies, with the full support of the Lundin family.

Renewables Company highlights

- Three high quality renewables assets in the Nordics, generating around 600 GWh p.a.
- Fully funded with 130 MUSD of cash to build out the Karskruv project in southern Sweden
- Generating free cash flow from late 2023 onwards, when all projects will be fully operational
- Initially debt free with the capacity to raise capital for growth and acquisitions
- The Company will remain listed on Nasdaq Stockholm, and maintain its headquarters in Sweden

The Company will retain key members of Lundin Energy's current Board and management team, with knowledge of the current asset base and a proven track record of building companies which have delivered significant value for shareholders over many years. The intention is that the senior management team, post completion of the Combination with Aker BP, shall consist of Daniel Fitzgerald as the CEO and Espen Hennie as CFO. More information around management and Board can be found on pages 21-24.

The European Union has published ambitious plans to decarbonise by 2050 which requires significant investments in renewable energy, as well as radical changes to the way energy is produced, consumed and transported. The legislative framework is changing, delivering strong support for growth in renewables, including high CO2 pricing and paving the way for incentivisation of investments into renewable energy. The energy transition has only just started and not only is there significant investment and growth required in power generation and transmission systems, but the technology to deliver decarbonisation is still in its infancy. It is estimated that the decarbonisation path will require investing an estimated EUR 28 trillion in clean technologies and techniques.

There are many opportunities to create value over the coming decades through the energy transition, and the Company is in a strong position to take advantage of these opportunities with cash flowing assets, the ability to raise capital for growth and with the Board, management team and major shareholder fully aligned to grow the business.

Lundin Energy has a proven track record of organic value creation with a compound annual growth rate of 28 percent[1]. Following the Combination of Lundin Energy's E&P business with Aker BP[2], a standalone business initially focussed on renewable energy will remain, positioned to continue delivering shareholder value. The initial focus for the business will be in the Nordics, which has a stable and mature market for renewable energy, followed by a potential expansion in Europe.

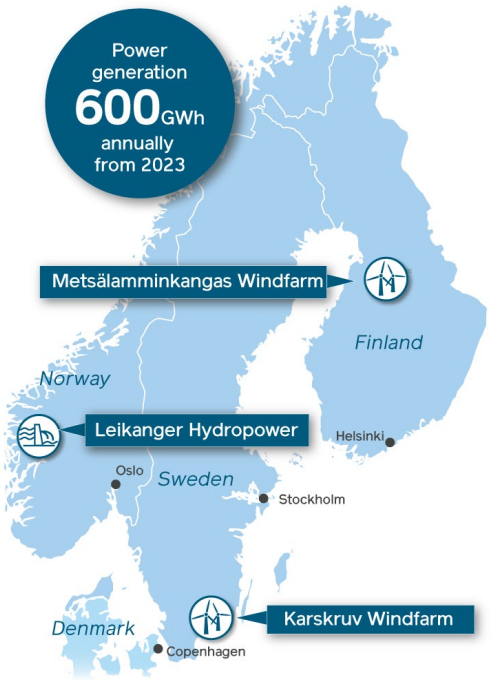
[1] Compound annual average return over period 2001 to 2022 compared to share price as at 1 March 2022
[2] See more information about the Combination Proposal in the section "*Background* on page 3

The long-term vision is to grow the business into an industry-leading energy company, with scale and sufficient cash flow to be able to provide progressive shareholder returns, contribute to drive the energy transition and help put Europe on a path to a sustainable future.

The Company will initially be a pure play Nordic renewable power generation company, delivering free cash flow from late 2023 onwards. A key differentiator for the Company is that it will start trading with cash flow generated by the operational assets, no debt and the ability to raise significant capital to continue to grow the business. High levels of spot market exposure to power pricing allows the business and investors to be exposed to European power prices, which are expected to stay strong in the medium term. The Company intends to continue its investments into renewable power generation. The ability to take on project and development risk will allow it to pursue projects at an early stage, increasing the potential project returns. Given the competitiveness of the renewables sector, especially onshore, local knowledge, project expertise and the ability to generate a pipeline of opportunities for investment are key, thus creating an organic growth model which has been a great success for many companies within "*The Lundin Group of Companies*" over the years.

Renewable Energy Portfolio

The renewable energy portfolio currently consists of a 100 percent ownership in the Karskruv wind farm in Sweden, which is under development, a 50 percent interest in the MLK wind farm in Finland, which is planned for commercial handover in late Q1 2022, and a 50 percent interest in the Leikanger hydropower plant in Norway, which is fully operational. The three assets were acquired in 2020 and 2021 with OX2 AB ("**OX2**") as counterparty for the wind farm transactions and Sognekraft AS ("**Sognekraft**") as the seller and continued partner in the hydropower plant.



The three renewables investments will remain in the Company post the Combination with Aker BP, with a combined net power generation of around 600 GWh per annum from late 2023. All the renewable energy assets are newly constructed and equipped with modern technology to ensure low cost and efficient operations. The early life asset base means the cost for estimated maintenance is low, with high availability and efficiency during a long-term asset lifetime.

Environmental impact assessments have been conducted on all the Company´s renewable energy assets, to ensure the business fully understands and mitigates any impact on biodiversity and protected areas. In addition, the Company is developing projects for nature conservation and local stakeholder engagement in the areas around the wind farms.

Metsälamminkangas (MLK) wind farm

- Annual estimated gross production of 400 GWh
- 50 percent ownership, with Sval Energi AS ("**Sval**") as the partner
- 24 turbines with total installed capacity of 132 MW
- Commercial handover in late Q1 2022
- Estimated lifespan of the turbines of at least 30 years

The Company owns a 50 percent interest in the MLK wind farm, 80 km south-east of Oulu in Finland, with the remaining 50 percent held by Sval, a portfolio company of HitecVision. The development started in the second quarter of 2020 and OX2 is constructing the wind farm under an engineering, procurement and construction ("**EPC**") contract, with a fixed cost exposure to the Company, including penalties for late delivery of the project. The project works are close to completion on the wind farm, with the construction work completed and only the final commissioning remaining. Power has already started to be generated with the first wind turbine coming online in early October 2021. Commercial handover of the wind farm to the Company was originally planned for late Q4 2021 but has been pushed into late Q1 2022 with final commissioning taking longer than anticipated. The turbines have been purchased from, installed by and will be maintained by a single supplier, with an availability warranty which guarantees the availability and power production levels from the turbines through their operational life, giving the Company significant protection against downtime and outages. MLK will produce around 400 GWh per annum gross, from 24 5.5MW wind turbines, once it is fully operational. The wind farm's turbines have a hub height of 141-151 meters and the total capacity is 132 MW.

Image: Metsälamminkangas (MLK) wind farm in Finland

Karskruv wind farm

- Annual estimated net production of 290 GWh
- 100 percent ownership in the wind farm, on track for production start in late 2023
- 20 turbines with total installed capacity of 86 MW
- Approximately 90 MEUR capital expenditure remaining from the second half of 2022 until commercial handover
- Cash flow positive from late 2023 when fully online
- Estimated lifespan of the turbines of at least 30 years
- Stakeholder engagement and biodiversity projects ongoing in the local area

As of March 2022, the Karskruv onshore wind farm in southern Sweden has started construction and civil works which are progressing on schedule with the facility planned to be operational in late 2023. The 20 4.3MW wind turbines are expected to be installed in 2023, generating total production of an estimated 290 GWh per annum. The total investment in Karskruv, including the acquisition cost, amounts to 130 MEUR with approximately 90 MEUR remaining spend from the second half of 2022 until project completion. The project is expected to be cash flow positive from late 2023 when fully online. The Company has a 100 percent interest in the wind farm which is located in the municipality of Uppvidinge, Kronoberg County, in southern Sweden. OX2 is constructing the wind farm as part of an EPC contract, with a fixed cost until the commercial handover of the wind farm. The turbines have been purchased from, installed by and will be maintained by one single supplier, with an availability warranty which guarantees the availability and power production levels from the turbines through their operational life, giving the Company significant protection against downtime and outages. The wind farm's turbines have a hub height of 116 meters and the total capacity is 86 MW.

Projects for local stakeholder engagement and biodiversity are ongoing in the area surrounding the wind farm. This includes grazing projects with local farmers, planting of wildflowers and investments in developing a recreational area next to the wind farm.

Leikanger hydropower plant

- Annual estimated gross production of 200 GWh
- 50 percent ownership in the hydropower plant, with Sognekraft as the partner
- Single turbine with a total installed capacity of 77 MW
- Cost efficient operations with an estimated lifespan of around 60 years
- Long-term operations and maintenance agreement with Sognekraft providing certainty for cost elements
- Proximity to the new export grid connections to UK and Northern Europe
- Designed as a river run off system without a reservoir for lowest environmental impact

The Company owns a 50 percent interest in the Leikanger hydropower plant north of Bergen in western Norway. The power plant was constructed by and remains operated by Sognekraft, which also owns the remaining 50 percent. The hydropower plant became fully operational in March 2021, with water sourced from two river systems (Grindselvi and Henjaelvi) and eight river inlets. The capacity of the plant is 77 MW and gross annual production is estimated to be about 200 GWh.

Image: Leikanger hydropower plant in Norway

Financial Information

The Company will have strong focus on cash flow generation and operational excellence in combination with an entrepreneurial mindset supporting long term value creation in a dynamic energy transition landscape.

The Company will be debt free initially but may explore options for utilising debt funding for future growth given the three current renewables projects' expected long-term cash flow generation capacity. The aim is to maintain a solid balance-sheet to allow the Company to sell power on a merchant basis with a minimal amount of power price hedging, allowing shareholders to benefit from higher power pricing. Given the balance sheet strength, the Company should remain financially robust and able to withstand periods of lower power pricing should they occur, while allowing the benefit of exposure to higher pricing. The Company's three assets are located in high demand regions in Norway, Finland and Sweden that have historically benefited from premium pricing compared to the Nordic System Price.

Following completion of the Combination with Aker BP, the Company's remaining capital investment commitments relate to the Karskruv onshore wind farm in Sweden, which will be financed through cash at hand. The Company does not have any capital investment commitments beyond 2023 based on its current portfolio of assets. In addition to the Leikanger hydropower project which has been fully operational since March 2021, the Company expects generate operational revenues from the MLK project in 2022, giving the Company operational revenues from two renewables projects with combined net annualised power generation of around 300 GWh. This will, in combination with a cash balance of 130 MUSD, more than cover the remaining capital investments for the Karskruv wind farm project in addition to general and administrative ("**G&A**") costs, legal and other costs related to the defence of the Company and the individuals in relation to the Sudan case (see "*Legal and regulatory risks–Litigations or other proceedings in relation to the Company's current or past business* " and "*Legal and other*

supplementary information–The Sudan proceedings"), and any other expenditures during the period until late 2023, when all three projects are fully operational and generating positive cash flow.

The Company has historical tax losses related to earlier G&A costs, which can be utilised to reduce future tax payments. In addition, the recent and future capital expenditures related to the Company's renewables projects will result in lower tax payments during the initial years of operation.

The Company's G&A and cost base will be recalibrated and reduced compared to earlier periods to align with the smaller organisation and asset base going forward, with the aim of achieving a competitive level of recurring costs. Besides G&A costs and renewables assets operating expenditures, the Company will be exposed to legal and other costs associated with the defence of the Company and the individuals in relation to the ongoing Sudan proceedings.

Historical financial information can be found in the Company's Annual Report 2021, which is available on the Company's website, www.lundin-energy.com.

Sustainability

In order to limit the global temperature increase to no more than 1.5°C above pre-industrial age levels and meet the objectives of the Paris Agreement, greenhouse gas emissions must fall by 80 percent and renewable energy supply globally will need to increase four-fold by 2040 to meet the target. Lundin Energy's mission is to help drive the energy transition by producing renewable energy, at low cost and in a safe and responsible manner.

The Company's approach to sustainability is aligned with the United Nations Sustainable Development Goals – in particular Goal 7 on affordable and clean energy, and Goal 13 on climate action – and underpins the way the Company conducts its business and produce energy, ensuring that the Company delivers lasting value for its shareholders, stakeholders and wider society. Lundin Energy also actively support the UN Global Compact's 10 Principles on human rights, labour standards, environment and anti-corruption.

As a pure-play renewables business, all the Company's assets qualify as environmentally sustainable under the EU Green Taxonomy's Technical Screening Criteria, by contributing substantially to climate change mitigation. As such, virtually 100 percent of the Company's revenue, capital expenditure and operating expenditure as a business will be taxonomy-aligned.

Within the Company's sustainability approach, the Company has set objectives across four material focus areas where the Company will create value for its shareholders and stakeholders. More information regarding Lundin Energy's sustainability strategy will be shared along with the 2022 guidance in Q2 2022:

- **Climate change and the Energy Transition:** As a renewable energy producer the Company is making a significant contribution to mitigate climate change by increasing the share of renewable power generation in the countries in which it operates.
- **Biodiversity Protection:** The Company is committed to protect biodiversity around its assets and to cause no significant harm to ecosystems. Lundin Energy already has plans in place to develop biodiversity enhancement projects, such as nature conservation in targeted areas at the Company's Karskruv wind farm in southern Sweden.

- **Safe Operations:** The Company will maintain a strong focus on health and safety across its workforce and contractors, and aim for zero serious incidents.
- **Strong and Inclusive Communities:** The Company will conduct stakeholder engagement and consultation, in order to support local communities around the Company's operations. Lundin Energy is already developing a grazing project to support the local farming community at its Karskruv wind farm.

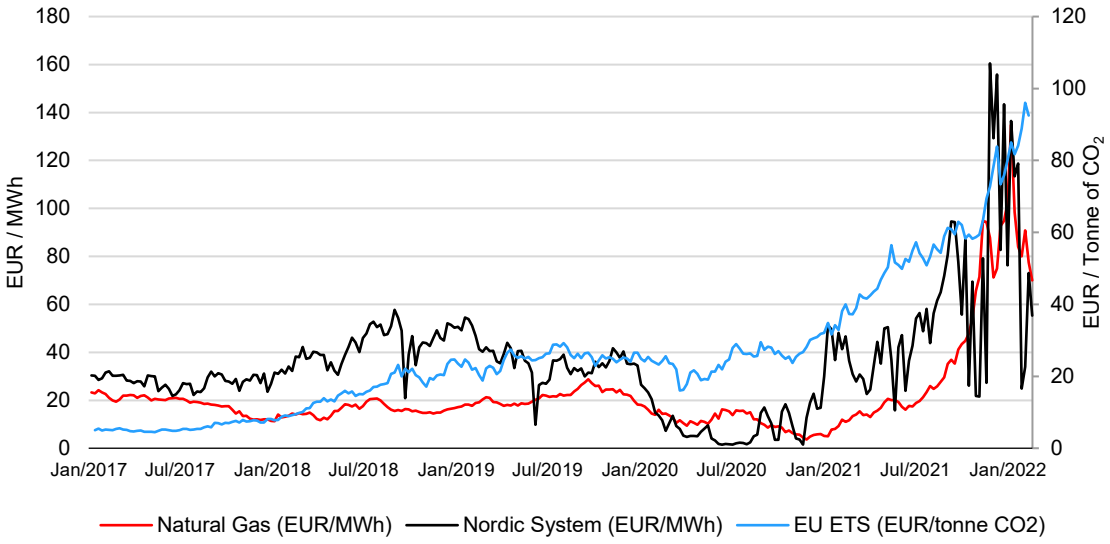
In addition, Lundin Energy will continue to strive for top performance across the relevant ESG Ratings, including the Carbon Disclosure Project (CDP), and will communicate its sustainability performance against the above metrics, as well as the value created, to its shareholders and stakeholders.

Sustainability is further embedded within Lundin Energy's corporate governance framework, which seeks to ensure that the business is conducted efficiently and responsibly, that responsibilities are allocated in a clear manner and that the interests of shareholders, management and the Board of Directors remain fully aligned. Lundin Energy's Code of Conduct sets out the core principles on how the Company conducts its activities in a responsible and sustainable manner. Corporate sustainability policies and procedures further outline the commitment to ensure the highest levels of ethical conduct across the operations and wider value chain, including in respect of anti-corruption, human rights, whistleblowing, competition, tax, anti-fraud and anti-money laundering.

Market outlook

Power price outlook

- The current high natural gas price and the rapidly increasing CO2 price have resulted in record high electricity prices in the Nordics.



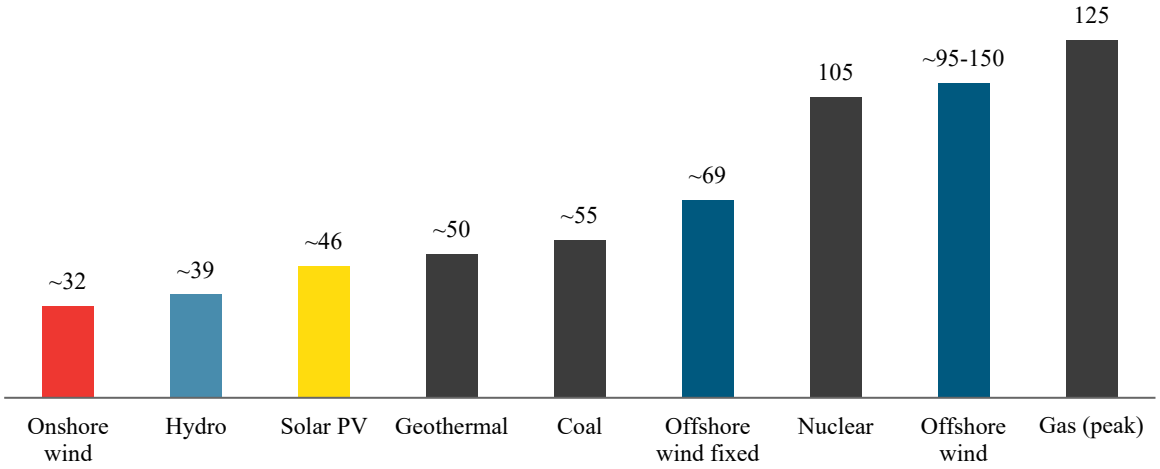
Source: Bloomberg

- European electricity demand is expected to surge as the continent transitions from fossil energy sources to renewable electricity. The transition to electric vehicles ("EV") in transportation together with manufacturing and other power intensive industries such as data centres and metal, cement, fertilizer and hydrogen production are expected to be the biggest consumption additions to demand going forward.
- Sweden and Norway are, in a normal year, net exporters of electricity to neighbouring countries. This is mainly due to investments into new power generation outpacing local demand. Hence, Nordic power prices have historically been lower than in continental Europe.[3]
- The Transmission System Operators ("TSOs") plan to increase interconnection capacity both within each country, between the Nordic countries and to continental Europe.[4] This will enable larger power exports to Europe and will decrease price spreads between European and Nordic power prices.
- Nuclear decommissioning strategies in Sweden and Germany together with long lead times for new capacity further increase the potential for new renewable capacity towards 2040. The much-anticipated Finnish Olkiluoto 3 nuclear power plant was planned to be completed in 2009, however, the project has been beset by a series of setbacks and is still not at full capacity.
- All these conditions are expected to continue and represent strong drivers for higher electricity prices in the Nordics going forward.

[3] Nordic Grid Development Plan 2021, Statnett.
[4] Nordic Grid Development Plan 2021, Statnett.

- Renewable energy sources such as onshore wind, hydro and solar are already considered as the cheapest source of new energy capacity in most locations globally. CO_2 prices are increasingly expected to push the levelised cost of energy ("LCOE") for thermal generation up going forward, further increasing the cost benefit of renewable electricity generation.[5]

LCOE 2020 - EUR / MWh



Sources: International Renewable Energy Agency (IRENA), The International Energy Agency (IEA), Lazard, University of Cork

- The electrification of society is outpacing regulation and investments in grid infrastructure. Even with record high investments, grid improvements within key price area bottlenecks will take much longer than expected. The Company is set to benefit from this as it owns assets in some of the highest demand regions in the Nordics.

[5] Lazard's Levelized Cost of Energy Analysis, Version 15.0.

Market overview

The European renewable energy market has experienced significant growth over the last decade primarily fuelled by decreasing technology costs, increasing investor interest in the sector and governments' commitment to the green transition. The EU aims to have an economy with net-zero greenhouse gas emissions by 2050 and has set an objective to keep the global temperature increase to well below 2°C and pursue efforts to keep it to 1.5°C. To be able to achieve this, Europe needs to replace vast amounts of fossil energy sources and replace them with renewable power generation (see Figure 1).[6]

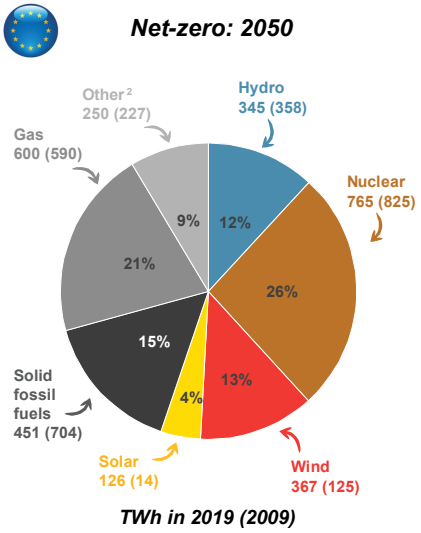


Figure 1: EU energy mix 2009-2019, TWh

Wind and solar energy are among the technologies that have seen the strongest growth in the sector. The continuous declining cost for solar and wind technologies is the key driver of this development. Over the last decade the LCOE for wind and solar has decreased by more than 50 percent (see Figure 2).[7] Further decreases in LCOE are expected in the coming decade, primarily due to increased production efficiency and increasing commoditisation of the technologies.

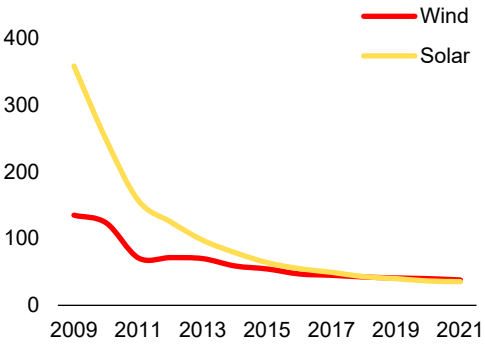


Figure 2: LCOE, USD/MWh

The 2020 EU energy directives have set the scene for an even stronger renewable expansion in Europe. The EU's overall 2050 goal is the massive decarbonisation of the energy system, to achieve a reduction of greenhouse gas emissions by 80-95 percent compared to 1990 levels. At the regional level, all Nordic countries have set carbon neutrality goals in their domestic policies. The development of additional renewable energy projects on a large scale is clearly crucial in achieving these targets.

[6] Nordic Energy Research "Renewable Energy in the Nordics 2021", Eurostat.
[7] Lazard's Levelized Cost of Energy Analysis, Version 15.0.

The renewable energy growth trend is expected to continue as more investments will flow into the sector to enable governments to deliver on their targets and create the needed structural shift in the energy mix (see Figure 3).[8]

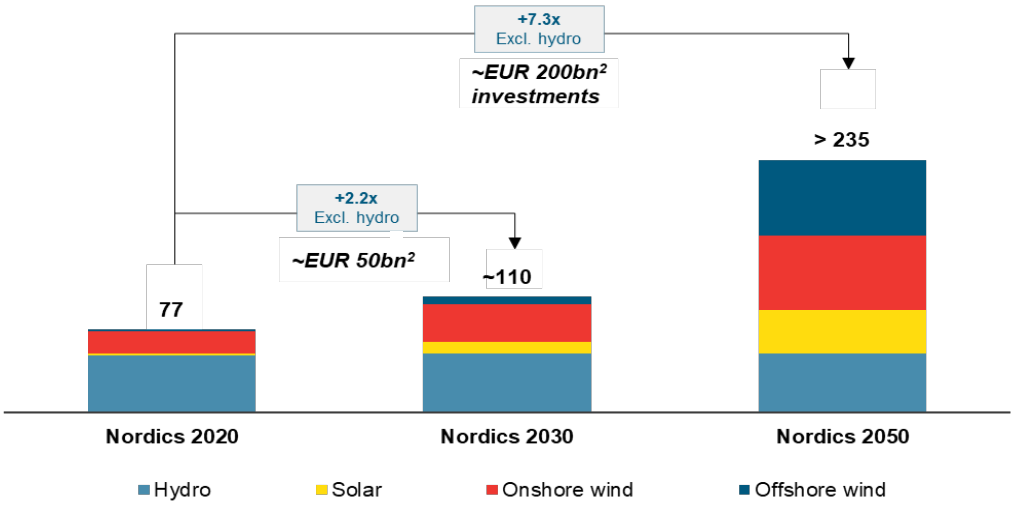


Figure 3: Current and estimated Nordic capacity in 2030 and 2050, GW

Introduction to the Nordic power market

Common to all Nordic countries is a high share of renewable energy generation in the overall energy mix, ranging from 36 percent to 99 percent in 2020.[9] The Nordic energy market is dominated by hydro, wind and nuclear generation, with other renewables and fossil fuel generation being complementary components in the current energy mix (see Figure 4).[10] Hydropower currently provides more than half of all electricity generated in the Nordics.[11]

Going forward, however, the energy mix is expected to change with solar and wind making up a larger part of the energy mix. This is due to ageing nuclear plants in Sweden and ambitions to phase out fossil fuels in the Nordic electricity production over the coming decades.

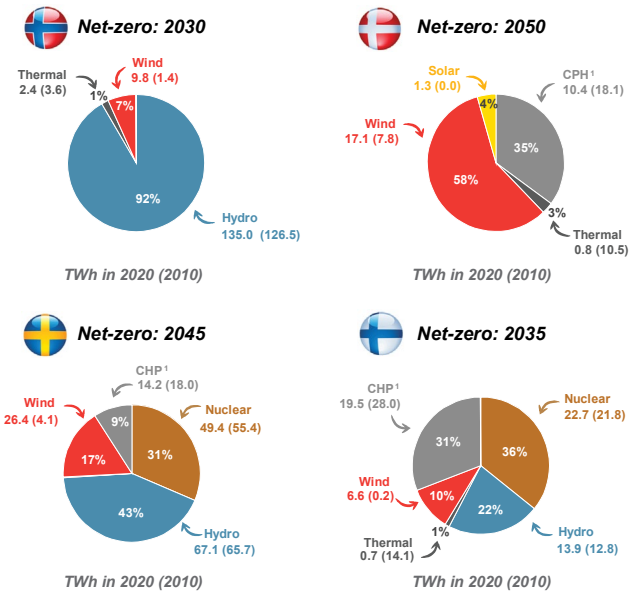


Figure 4: Nordic energy mix by country 2010-2020, TWh
1. CHP: combined heat and power i.e. energy from waste

[8] NVE "Long-term energy analysis", Nordic Energy Research "Nordic Clean Energy Scenarios" (Triangulated across different scenarios), WindEurope "Wind in Europe Statistics 2020" and Wood MacKenzie, assuming EUR 1.5m per MW in Capex until 2030 and EUR 1.2m per MW after 2030.
[9] Nordic Energy Research "Renewable Energy in the Nordics 2021", NVE, DEA, SCB, SF, Eurostat.
[10] Nordic Energy Research "Renewable Energy in the Nordics 2021", NVE, DEA, SCB, SF, Eurostat.
[11] Nordic Energy Research "Renewable Energy in the Nordics 2021", NVE, DEA, SCB, SF, Eurostat.

Country-level carbon neutrality targets are also impacting the development in the energy mix, with Norway aiming to become carbon-neutral by 2030, followed by Finland in 2035 and Sweden in 2045.[12]

Nordic hydro and wind resources can also facilitate the energy transition in other countries given the substantial potential to export large quantities of clean electricity as connectivity between the Nordics and Europe improves (see Figure 5).[13]

The Nordic electricity system is a leader in regional coupling of electricity grids. The region is well-connected to neighbouring countries and can help displace emission-intensive power generation in Europe, while dispatchable hydropower provides balancing services for variable renewables.

The Nordic electricity transmission network

The transmission capacity plays an important role in tackling local, short-term variation as well as seasonal variations in the power price. The Nordic system is interconnected with other countries through several transmission connections. There are several connections to western Denmark (Jutland) from Sweden, Norway and Eastern Denmark. Connections also run from Sweden to Germany, Poland and Lithuania. There is a connection from Norway to the Netherlands and UK, and from Finland to Estonia.

In addition to the existing interconnectors, the Nordic TSOs have made investment decisions to enable an increased transfer capacity to surrounding countries. The total transmission capacity between the Nordics and continental Europe will increase by ~7,500 MW between 2019 and 2025, according to the Nordic TSOs. This will enable a larger power export to Europe and in addition decrease spreads between European and Nordic power prices. At the same time, the phasing out of fossils energy sources is expected to reduce the power supply, creating more room for new renewable energy capacity going forward.

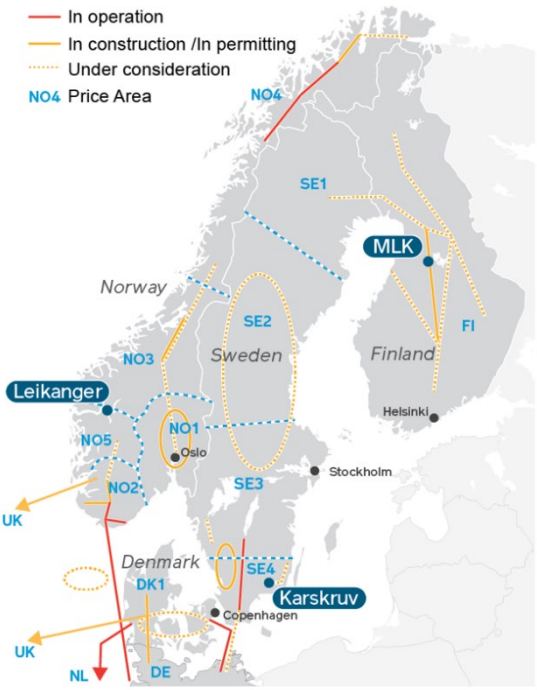


Figure 5: Nordic Grid Development Plan 2021,Source Statnett

The Nordics are expected to remain a net exporter of electricity in the long run, being the Green Battery for Europe and at the same time secure green electrification of the Nordic industry. The power system will need to tackle increased volatility as the generation becomes more variable and weather dependent.[14] This creates several business opportunities for the Company.

[12] Nordic Energy Research 2021.
[13] Nordic Statnett, Fingrid, EnergiNet and Svenska Kraftnät.
[14] Nordic Grid Development Plan 2021, Statnett.

The Nordic power wholesale market

Nord Pool, owned by Euronext and the Nordic and Baltic TSOs, is one of the world's largest and most liquid power exchanges, with a total of 963 TWh of power traded in 2021.

From 2020, the Nordic day-ahead and intraday markets are fully open to competition between exchanges. While the physical day-ahead power market is traded at Nord Pool, Nasdaq and EEX offers long-term futures contracts, increasing the efficiency of the Nordic power market and providing liquidity in the longer term, supporting the Power Purchase Agreement (PPA) market.

The Nordic spot power price is determined through a daily auction, where the marginal cost of the last source of energy used in order to fulfil demand sets the price. Given that wind has one of the lowest marginal costs of all energy sources, demand for wind will supersede other energy sources, including both nuclear and fossil fuel energy.

As the available transmission capacity is limited, Nord Pool is divided in several bidding areas, where prices can vary. The system price is calculated as a reference price for trading and clearing of financial contracts and disregards internal transmission constraints. Sweden was divided into four bidding areas in November 2011 (SE1 – SE4).

Cost of fossil generation sets the marginal price for Nordic power

The energy mix in the Nordic region is already today largely renewable and the decarbonisation of its power system is continuing.[15] However, as power prices are set by the cost of running the marginal power plant in the system, CO_2 and fossil fuels have a large impact on Nordic prices. An upturn in commodity prices would increase power prices both on the continent and in the Nordics via the interconnectors, clearly illustrated by the recent rally in natural gas and coal prices which contributed to higher power prices in the Nordics.

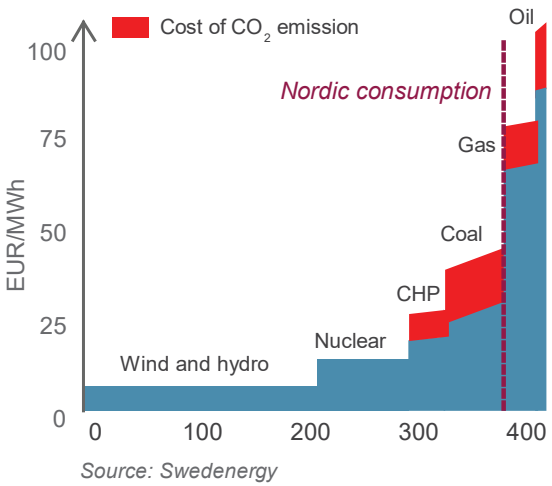


Figure 6: Marginal price of power in the Nordics

Fossil fuel power plants are obliged to buy carbon emission rights according to the EU emission trading scheme ("**EU ETS**"). The cost of emissions are included in the short-run marginal cost of a fossil fuel power plant and therefore have a substantial impact on the power price.

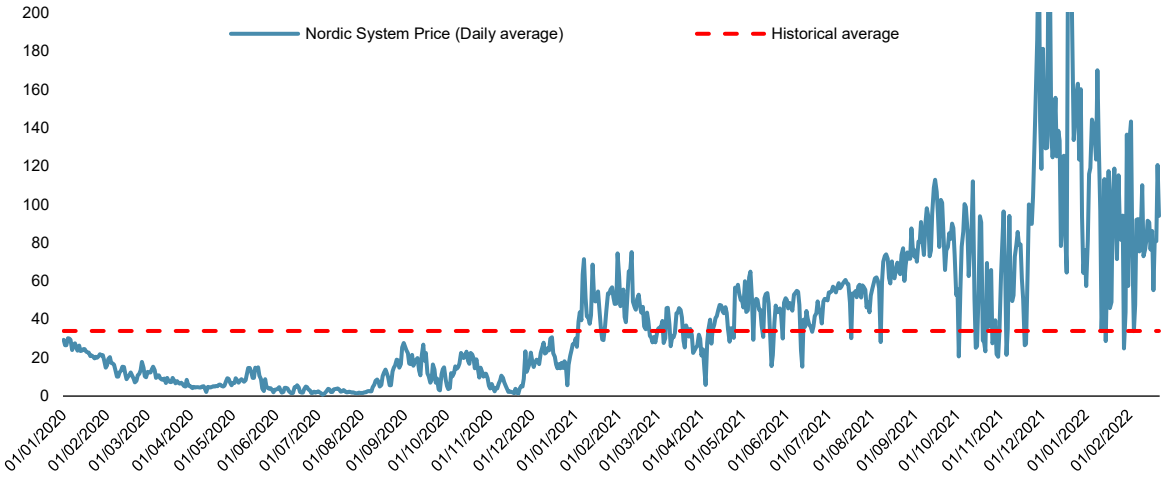
The Market Stability Reserve, which came into effect in 2019 aims at correcting current and future imbalances between offer and demand of EU ETS over time. Its introduction has strengthened confidence in the scheme and stabilised CO_2 prices at higher levels than in the previous years. Coal-based power plants used to be the marginal source of baseload power in continental Europe. With most European countries now phasing out their coal power plants, gas is set to replace coal as the marginal source of generation.

Weather is important for Nordic power prices in the short run

The long-term power price in the Nordics is defined by the continental European price, the natural gas price and the price of CO_2 emissions. However, in the short-run, power prices are determined by Nordic

[15] Nordic Energy Research "Renewable Energy in the Nordics 2021", NVE, DEA, SCB, SF, Eurostat.

supply and demand. A relatively high level of electric heating gives a strong seasonal pattern, with higher prices in the winter and lower prices in the summer. This correlates well with wind power, which produces more during the winter. The hydrological situation is, in addition to temperature, also important for short-term price development, where precipitation above normal levels drives prices down and vice versa. The Nordic power prices have recently increased significantly due to a very low hydrological balance, while prices in continental Europe have been affected by little wind and high gas and coal prices. A higher price level in the Nordics is expected going forward, due to additional export capacity with Europe and new expansion projects within power intensive industries being established and expanded.[16]



Source: Nord Pool

Figure 7: Historical power prices, Bloomberg

Renewable Guarantees of origin

In Europe, renewable energy producers are entitled to receive guarantees of origin ("**GoO**") for each MWh of power produced. The scheme is following the EU's objective of a free and transparent energy market, whereby consumers within the union can make informed choices about the origin of the electricity they consume, without being penalised by the local production mix of their consumption area. Through the redemption of GoO, consumers can therefore ensure that each MWh consumed has been offset by a renewable MWh produced within Europe.

Given the diverse nature of GoO (from different power sources and countries), there is currently no unified GoO market platform, as is the case for power. GoO are therefore generally sold over the counter through brokers or directly to end consumers.

While still a relatively minor component of the revenue streams for wind farms, GoO are set to become a key instrument for the disclosure of electricity origin. Demand for renewable GoO has grown at an impressive 15 percent yearly average rate in the past 10 years, showing the increasing environmental interest of power consumers, reaching a demand of 762 TWh in 2020. Both demand and supply are expected to grow further, with countries such as the Netherlands now introducing mandatory disclosure of 100 percent of their electricity consumption and Portugal joining the European platform enabling import and export of other European GoO to and from the country.

[16] Nordic Grid Development Plan 2021, Statnett.

Description of the Company's principal markets

Lundin Energy's current principal markets are Sweden and Finland, where the Company owns onshore wind assets, and Norway, where the Company's hydropower asset is located. These geographical regions have mature renewable energy markets, functioning efficiently without government subsidies. The strong growth trajectory in Lundin Energy's principal markets is expected to continue, underpinned by improved interconnectivity, political support and stable investment flows into the regions.

Sweden

Most of Sweden's energy supply currently comes from hydro and nuclear generation, along with an expanding contribution from wind (see Figure 8).[17]

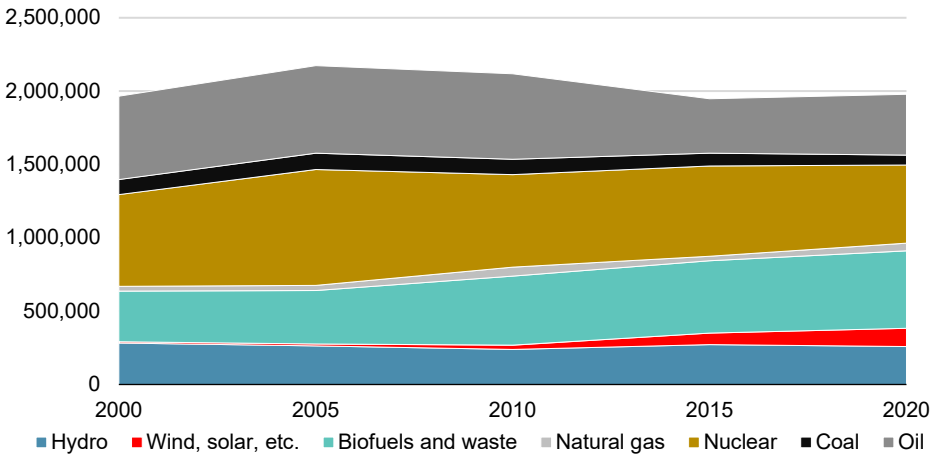


Figure 8: Total energy supply (TES) by source, Sweden 2000-2020, TJ

Historically, the renewable energy market has experienced strong growth in Sweden, primarily driven by onshore wind capacity development. Currently, onshore wind makes up about 12 percent of the total electricity production in the country.[18]

Sweden's ambitious climate and energy policy goals from 2016 led to an investment boom in wind power development. More than SEK 100 billion will be invested between 2017-2023.[19] Assessments of the future electricity demand point to around 200 TWh in 2040, of which at least 120 TWh can be delivered by wind power, a fourfold increase from the 30 TWh currently generated by wind (see Figure 9).[19]

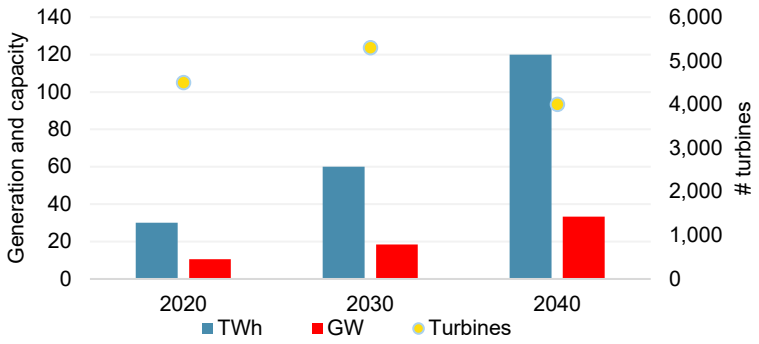


Figure 9: Expected development in wind power in Sweden until 2040

[17] The International Energy Agency (IEA), Sweden - Countries & Regions – IEA.
[18] The International Energy Agency (IEA), Sweden - Countries & Regions – IEA.
[19] Swedish Wind Energy Association.

As the output from wind power is increasing, the number of turbines is expected to remain stable or even decrease, due to technology improvements allowing for more generation from each turbine.

The long-term growth of the wind sector in Sweden will be driven by several factors such as the long-term frameworks that promote investments, including Sweden's 2045 zero emissions target, the electrification of new areas and increased export of renewable energy.

The extension, decommissioning or replacement of nuclear capacity in Sweden is currently high on the political agenda. Even if Sweden were to decide on keeping, or even increasing nuclear capacity in the future, the lead time for new nuclear capacity is very long. Sweden will be dependent on new renewable capacity being built over the next decades and onshore wind, hydro and solar have the lowest cost of energy and are therefore considered the preferred energy source to meet increased energy demand in the Nordics and Europe.

Finland

Finland's current energy mix is split across multiple energy sources, as the country is still significantly reliant on oil and coal for energy production (see Figure 10).[20] Unlike Norway and Sweden, Finland has relatively modest hydro resources and relies to a larger degree on baseload nuclear, coal and gas in addition to combined heat and power. Nuclear is currently the largest source of electricity production, accounting for about 33 percent of the total 69 TWh generated in 2021.[21] About 54 percent of the electricity generated in 2021 came from renewable sources.

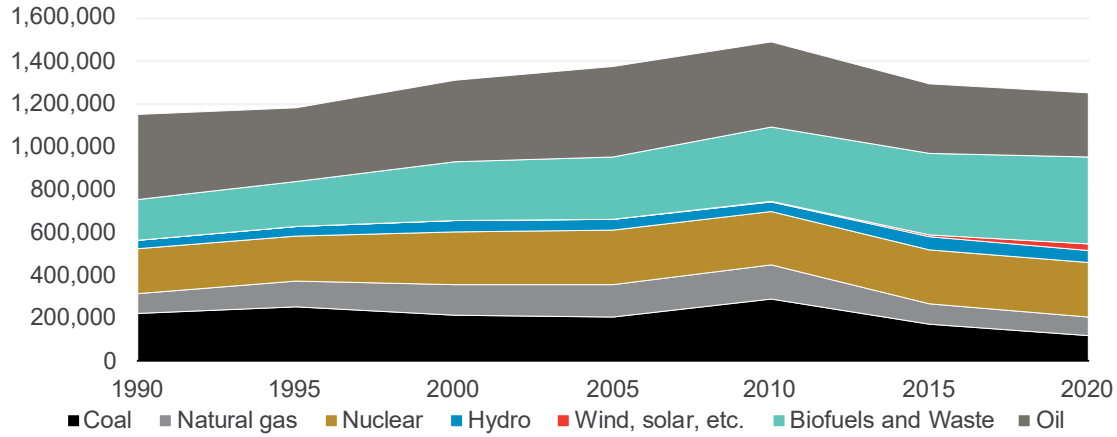


Figure 10: Total energy supply (TES) by source, Finland 2000-2020, TJ

Finland has one of the most ambitious targets among European countries, aiming for carbon neutrality by 2035. Renewables and nuclear will play a central role in achieving that target. Onshore wind in particular is an important source of growth in domestic electricity generation over the medium term due to its lower LCOE relative to nuclear

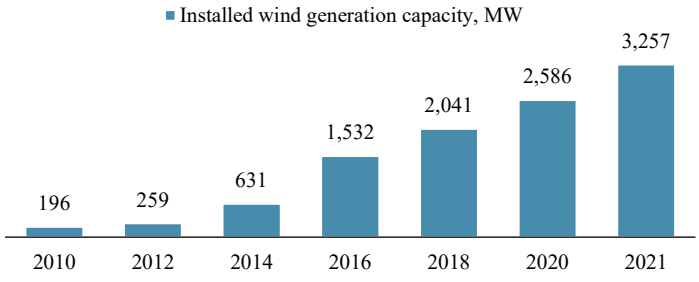


Figure 11: Installed wind generation capacity 2010-2023E, MW

[20] The International Energy Agency (IEA).
[21] Finnish Energy, International Energy Agency.

sources, as well as the public sentiment shifting away from nuclear. Wind power capacity increased by 26 percent and production increased by 1.5 percent over the last year (see Figure 11)[15].

In recent years, the Finnish government has taken active measures to promote the development of wind parks by simplifying the administrative permit system for wind power projects. Permitting legislation was revised to allow for an expedited, smooth and more effective process, in addition to raising the threshold for conducting a mandatory environmental impact assessment from 30 MW to 45 MW for projects with less than 10 turbines.

The onshore wind market is expected to continue expanding, driven by financially attractive merchant projects, corporate PPAs and strong governmental support. Market studies suggest that onshore wind capacity could reach 30 TWh by 2030, implying a CAGR of about 14.5 percent during 2021-2030.[22]

Norway

With 23.5 MWh annual consumption per person, Norway is second only to Iceland in terms of electricity consumption per capita in the world. Norway's electricity-intensive industries, high penetration of electricity use in heating and the accelerating electrification of transportation are responsible for this high domestic consumption of electricity. The vast supply of relatively cheap electricity generated from hydropower is key to this development. The Norwegian power mix relies mostly on hydropower, oil and natural gas (see Figure 12)[20], with wind gaining an increasingly large share.

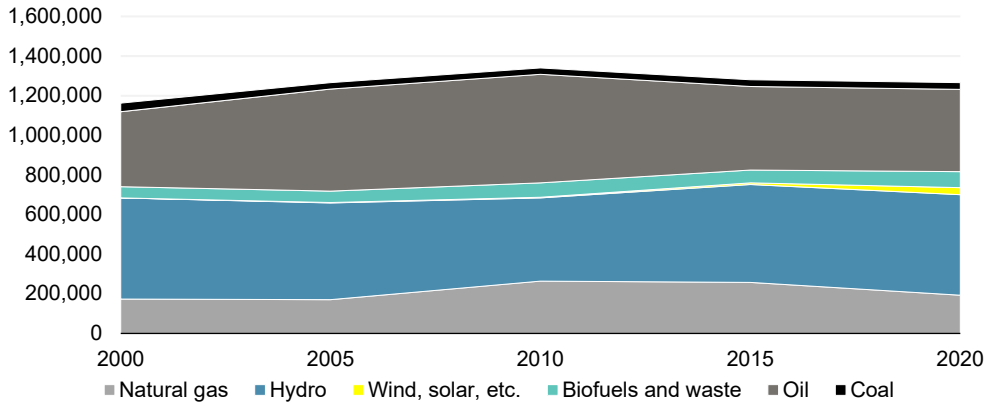


Figure 12: Total energy supply (TES) by source, Norway 2000-2020, TJ

Electricity, on the other hand, has historically been supplied almost exclusively by hydropower, with 99 percent of electricity generated by this source through to 2006.[23] At that point, new technologies infiltrated the market such that in 2020 non-hydro electricity generation amounted to 8.5 percent, of which 6.4 percent was generated from wind, 1.6 percent from gas, 0.3 percent from biomass and the rest from solar and coal.

National electricity consumption is expected to grow by 57 percent from 140 TWh per year in 2020 to 234 TWh per year in 2050.[24] Fuelled primarily by demand from the industry, transportation, hydrogen production and oil and gas production. While demand is expected to grow significantly until 2050, hydropower generation is expected to increase by only 8 percent in the same period. The remainder of the demand will be fulfilled mostly by wind, predominantly offshore wind. Onshore wind has seen significant growth in the past years, however, public sentiment combined with almost a full stop in

[22] Finnish Wind Power Association and Energy Finland.
[23] Energy Transition Norway 2021, DNV.
[24] Energy Transition Norway 2021, DNV.

issuing new concessions will limit growth in this sector. The share of hydropower in the electricity generation mix in 2050 is expected to amount to 60 percent, followed by offshore wind at 25 percent.[25]

Hydropower operations are highly dependent on water levels in the reservoirs and as average precipitation levels are likely to increase going forward[26], it will benefit the overall efficiency and hydropower production volumes. Hydropower will continue to play a central role in Norway's electricity system with the potential of expanding until up to 46GW of capacity.[27] It will play an increasing role as the balancing source in the larger European power system as new interconnections to UK, Germany and the rest of Scandinavia come online. Hence, the adoption of new technologies allowing the swift ramping up and down of hydropower plants will be instrumental in the integration of hydropower and other renewable sources, such as wind.

[25] Energy Transition Norway 2021, DNV.
[26] Energy Transition Norway 2021, DNV.
[27] Energy Transition Norway 2021, DNV.

Board of Directors and senior executives

Background

As stated in the section "*Background*" above, this Company Description relates to the Company's business and management as it is intended to be after the completion of the Combination. The Company's Nomination Committee has proposed to the 2022 Annual General Meeting to retain the current composition of the Board of Directors given that the Combination Proposal involves several complex steps that the current Board of Directors have considered in detail and will need to continue to supervise. The Nomination Committee therefore considers it important that the same Board members that negotiated and approved the entering into of the Combination Proposal, subject to approval at the 2022 Annual General Meeting, oversee the process all the way to completion of the Combination Proposal, which is expected to occur in late Q2 2022.

The Nomination Committee has considered the composition of the Board of Directors of the renewables business post-completion of the Combination Proposal. The Nomination Committee will publish a complete recommendation to the Extraordinary General Meeting of the Company that is proposed to be held during the second quarter of 2022 to address matters related to the remaining renewables business, including the composition of the Board of Directors. The new Board of Directors elected by the Extraordinary General Meeting will in turn resolve on the members of the Compensation Committee and Audit Committee.

The Board of Directors and senior management team presented below illustrates the proposed composition of the Company's board and senior executives after the completion of the Combination. The envisaged Board of Directors and senior management team have extensive experience from publicly listed companies, including governance, financial matters and internal controls, Swedish practice and compliance matters, sustainability and HSEQ, as well as in-depth knowledge of the assets of the remaining renewables business.

Board of Directors

The section below presents the intended members of the Board of Directors of the Company after the completion of the Combination, their position, whether they are considered to be independent in relation to the Company, its executive management and its major shareholders as well as their current shareholding in the Company.

		Independent in relation to	
Board member	**Position**	**The Company and its executive management**	**Major shareholders[1)]**
Grace Reksten Skaugen	Chair	Yes	Yes
Jakob Thomasen	Board member	Yes	Yes
Ashley Heppenstall	Board member	Yes	Yes
Aksel Azrac	Board member	Yes	No
Daniel Fitzgerald	Board member	No	Yes

1) Major shareholders are defined as those controlling, directly or indirectly, ten per cent or more of the shares or votes in the Company.

Grace Reksten Skaugen

Born: 1953

Principal education: MBA, BI Norwegian School of Management, B.Sc. (Honours Physics), Ph.D (Laser Physics) from the Imperial College of Science and Technology, University of London.

Other current positions: Member of the board of Investor AB, Euronav NV and PJT Partners, co-founder and board member of the Norwegian Institute of Directors, trustee and council member of the International Institute for Strategic Studies in London.

Previous positions: Director of Corporate Finance with SEB Enskilda Securities in Oslo. Board member/deputy chair of Statoil ASA. Member of HSBC European Senior Advisory Council.

Shareholding: 6,000

Independence pursuant to the Swedish Corporate Governance Code: Grace Reksten Skaugen is in the Nomination Committee's and the Company's opinion independent of both the Company and Group management and the Company's major shareholders.

Jakob Thomasen

Born: 1962

Principal education: Graduate of the University of Copenhagen, Denmark, M.Sc. in Geoscience and completed the Advanced Strategic Management programme at IMD, Switzerland.

Other current positions: Chair of DHI Group, ESVAGT, RelyOn Nutec and Hovestadens Letebane.

Previous positions: CEO of Maersk Oil and a member of the Executive Board of the Maersk Group.

Shareholding: 8,820

Independence pursuant to the Swedish Corporate Governance Code: Jakob Thomasen is in the Nomination Committee's and the Company's opinion independent of both the Company and Group management and the Company's major shareholders.

Ashley Heppenstall

Born: 1962

Principal education: B.Sc. Mathematics from the University of Durham.

Other current positions: Chairman of the board of International Petroleum Corp. and Josemaria Resources Inc. and member of the board of Lundin Gold Inc. and Lundin Mining Corp.

Previous positions: CEO of the Company. CFO of the Company. CFO of Lundin Oil AB. Various positions within Lundin-related companies since 1993.

Shareholding: 1,142,618 through an investment company Rojafi.

Independence pursuant to the Swedish Corporate Governance Code: Ashley Heppenstall is in the Nomination Committee's and the Company's opinion independent of both the Company and Group management and the Company's major shareholders.

Aksel Azrac

Born: 1971

Principal education: Engineering, Ecole Polytechnique de Lausanne (EPFL) and business administration, HEC Lausanne.

Other current positions: Co-Founder and Partner of 1875 Finance. Chair of Etrion Corp. Board member of Adolf H Lundin Charitable Foundation, member of investment committee of AHLCF.

Previous positions: Portfolio manager of Swiss and foreign private client portfolios at the Ferrier Lullin & Cie bank as. Manager of two funds at Paribas bank. In charge of auditing and consulting services at Baumgartner Papier.

Shareholding: 0

Independence pursuant to the Swedish Corporate Governance Code: Aksel Azrac is in the Nomination Committee's and the Company's opinion independent of the Company and Group management and not independent of the Company's major shareholders.

Daniel Fitzgerald

Born: 1982

Principal education: Chemical Engineering, University of New South Wales, Sydney.

Other current positions: Currently COO of the Company, however Daniel Fitzgerald is intended to be elected as CEO of the Company after completion of the Combination, as presented in this Company Description.

Previous positions: COO of International Petroleum Corporation. Group Operations Manager for the Company.

Shareholding: 0

Independence pursuant to the Swedish Corporate Governance Code: Daniel Fitzgerald is in the Nomination Committee's and the Company's opinion not independent of the Company and Group management and independent of the Company's major shareholders.

Senior executives

The section below presents the intended members the Company's senior management team after the completion of the Combination, their position and their current shareholding in the Company.

Name	Position
Daniel Fitzgerald	CEO
Espen Hennie	CFO

Daniel Fitzgerald

Please see the section "*Board of Directors and senior executives–Board of Directors*" above for information regarding Daniel Fitzgerald.

Espen Hennie

Born: 1980

Principal education: Master of Science in Financial Economics, BI Norwegian Business School.

Other current positions: Corporate Finance and Planning Director at the Company.

Previous positions: Various senior positions within the Company's finance department. Equity Research Analyst at DNB Markets.

Shareholding: 0

Risk factors

An investment in the Company's shares is associated with risks. Prior to any investment decision, it is important to carefully analyse risks in the Company and the future performance of the shares, including, for example, risks related to the Company's operations and industry, legal risks, financial risks and risks related to the shares.

This section contains a selection of risks which are deemed to become particularly related to the Company and its shares post completion of the Combination. The risk factors are not ranked in any specific order of importance. It should be noted that this section does not contain a description of all risks associated with an investment in the Company's shares. Each investor must rely on its own assessment of potential risk factors. The description of the risk factors below is based on information available and estimates made on the date of this Company Description.

Risks related to the Company's operations and industry

Macro-economic factors and geopolitical conditions

The demand for wind and hydropower is dependent on the overall economic situation within the renewable energy industry, which in turn, is affected by macro-economic factors and geopolitical conditions. The alternative cost compared to other energy sources, infrastructural development, the political view on renewable energy do all have an impact on the demand for renewable energy generation.

In addition, inflation expectations, for example, affects interest levels financing opportunities as well as yield requirements on investments. Investors' yield requirements could also be affected by other factors such as access to investments perceived as associated with less risk, general risk appetite on the market for investments in renewable power production and other macroeconomic factors.

The Company currently operates, and will continue to operate after the Combination, its renewable business in Sweden, Finland and Norway and is thus particularly exposed to macro-economic factors and geopolitical conditions in these countries.

All these factors affect both the Company's ability to carry out wind and hydropower projects or other renewable power production, which could lead to a deterioration of the Company's future profitability and to reduced revenues.

Fluctuations in energy prices

The market price of electricity is volatile and varies over time, and is impacted by economic cycles, the price of emission rights as well as the relationship between supply and demand for electricity. As variable renewable energy sources, such as wind and solar, successively increase its share of the European power systems, short-term price volatility may also increase and be more dependent of meteorological conditions. The transition from fossil-based industry to electric-powered industry is expected to increase the need for electricity in Europe, but the development of more energy-efficient technologies may in the long run lead to a reduction in demand, which would have a negative effect on the market price of electricity.

The profitability of the Company will after the completion of the Combination depend to a large extent on the sales price of the electricity produced and a drop in prices may affect the Company's opportunities to operate and develop its projects on terms acceptable to the Company, and thereby adversely affect its future growth, profitability and results.

The Company's exposure to fluctuations in the price of electricity occurs in cases where, and to the extent that, the Company's energy sales have not been hedged, in which cases fluctuations in prices in the electricity and electricity certificate markets would have a direct impact on the Company's earnings.

Disruptions in the electricity production

Disruptions in the electricity production may occur as a result of a breakdown, overload, manufacturing defect or other externally inflicted damage on individual wind turbines, electrical plants or electrical grids, and can as such have a negative effect on the Company's ability to fulfil its obligations towards its customers. Should such a disruption last for a long period and concern a significant portion of the Company's production it could have a material adverse effect on the Company's business operations, earnings and financial position. Suspensions and interruptions may also occur as a result of workplace incidents and IT system failures.

Iincreased operating costs

The Company is subject to risks that may increase its operating costs, among other things, non-fulfilment by suppliers and increased costs for service and maintenance. The Company's wind and hydropower plants require delivery and assembly of numerous technical components from various suppliers. The Company is thus dependent on its suppliers' abilities to fulfil the agreements, *e.g.* in respect of the agreed standards of quality and delivery time. As the general delivery time for the required input goods is relatively long, delayed deliveries or the non-delivery of goods may result in delays or stand-still in the development of new projects, if the Company is unable to replace the delivery of goods for the same price and in a timely manner, which in turn may result in increased operating costs for the Company.

The Company's costs for service and maintenance of its wind and hydropower plants may also significantly differ from estimated costs. Over the course of the utilization period for wind and hydropower plants, service and maintenance costs will be incurred. Due to unforeseen circumstances, the costs for service and maintenance may differ from the cost estimates on which an investment has been based on, entailing an increase of the Company's operating costs.

Legal and regulatory risks

Litigations or other proceedings in relation to the Company's current or past business

From time to time, the Company may be subject to or otherwise impacted by litigation or arbitration arising out of the Company's current or past activities or operations, whether or not a direct party to those matters, which could have a material effect on the Company's financial position or profitability.

On 11 November 2021, the Swedish Prosecution Authority brought criminal charges against the current chairman of the Board of Directors, Ian H. Lundin, and director, Alex Schneiter, in relation to past operations in Sudan from 1999–2003 and 2000–2003, respectively. The charges also included claims against the Company for a corporate fine of SEK 3,000,000 and forfeiture of economic benefits of SEK 1,391,791,000, which according to the Swedish Prosecution Authority represents the value of the gain of SEK 720,098,000 that the Company made on the sale of the business in 2003. In 2018, the Swedish Prosecution Authority also began a preliminary investigation into alleged interference in a judicial matter as a result of allegations of witness harassment. The Company and its representatives are not aware of any details of the alleged actions, despite several requests for information, and reject any knowledge of, or involvement in, any wrongdoing. Ian H. Lundin and Alex Schneiter have been interviewed by the Swedish Prosecution Authority and have been notified of the suspicions that form

the basis for the investigation. The Company refutes that there are any grounds for allegations of wrongdoing by any of its representatives.

As part of the spin-off of International Petroleum Corporation that was completed on 24 April 2017, the Company has indemnified International Petroleum Corporation for certain legal proceedings related to the period before spin-off, which are contested.

Some of the Company's past operations were held through a Canadian holding structure when acquired 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, and may result in additional taxes or penalties becoming due.

Litigation and other legal proceedings are inherently uncertain and the Company cannot predict the outcome of such proceedings nor the Company's ultimate potential liability should the outcome of such proceedings be unfavourable to the Company. There is a risk that such proceedings may incur substantial legal costs which exceeds the Company's estimates and/or consume substantial Company resources, management time and divert management's attention away from the Company's core business. Adverse outcomes in litigation or other legal proceedings could have a material adverse effect on the Company's financial condition, reputation, investor and lender perception, cash flows and operating results.

For more information on the Company's litigations and other proceedings, see "*Legal and other supplementary information–Litigations and other proceedings*" below.

Securing land, necessary permits and other factors related to establishment of wind, hydropower and other renewable energy project plants

The Company's renewable energy production is dependent on the Company's ability to establish, operate and develop wind, hydropower and other renewable energy power plants. Establishment of wind, hydropower and other renewable energy power plants requires the Company to obtain the necessary permits and *e.g.* entering into lease agreements with landowners regarding land that, from the relevant geological and meteorological conditions, is suitable for extracting renewable energy, and where electricity grid connections are available or possible to establish on acceptable terms.

The Company's possibility to obtain the necessary permits is in turn subject to a number of regulations that may differ between markets and may also be subject to changes. Furthermore, in some jurisdictions, for example in Sweden, the administrative process of obtaining the necessary permits involves the possibility for third parties to appeal decisions, which could make the process of obtaining permits to construct and operate a wind, hydropower or other renewable energy project extensive and complex, which in turn may make it difficult for the Company to predict costs for individual projects.

Failure to conclude and maintain land lease agreements, obtain necessary permits, a negative public opinion towards the Company's projects or any similar developments constitute risk factors that may adversely affect the development of new projects and consequently the Company's renewable business operations and future prospects.

Permits and land leases do not normally have unlimited terms and the Company may need to apply for new permits and/or enter into new land lease agreements once current permits and/or land lease agreements expire. In addition, the Company needs to continuously fulfil the terms of its permits and land leases. If the Company applies for a new environmental permit for its existing operations the decision in such an application will replace the current environmental permit and if unsuccessful it will have a material impact on the production of such a project, in some cases prior to the end of the projected life of the project.

Environmental related risks

The Company is subject to the environmental risks typically associated with wind and hydropower. Environmental risks associated with wind power is primarily related to noise emissions and shadow formation and in relation to hydropower there are risks related to flooding, downstream water quality and impacts on wildlife and surrounding land. Permits related to wind and hydropower plants often include rigorous requirements on how the operations at a power plant may be conducted and the scope of such operations, as well as requirements on restoration after the operations has ceased.

Furthermore, the Company is subject to directives, laws and regulations regarding the environment, health and safety, including in relation to storage, handling, processing, transport and removal of environmentally hazardous and toxic materials. Construction of renewable power plants is associated with environmental risks, *e.g.* in relation to the land on which the power plants are built and the risk of, for example, oil and diesel spills during construction, which lead to soil contaminations. The Company may be held responsible for investigating and decontaminating pollutions and emissions at sites where power plants are built, which would lead to increased project costs and thus a lower gross margin.

Tax related risks

The Company seeks to comply with all applicable tax laws and regulations, and the Company's tax policy enjoins all employees to follow both the spirit and letter of all applicable laws and regulations. The Company is committed to paying the correct and fair amount of direct corporate taxes, indirect taxes, and payroll and other taxes in every country in which it operates.

Despite prudence and monitoring of the tax environment, the amounts of taxes the Company must pay could change significantly as a result of other interpretations of the relevant tax laws and regulations or changes to such laws and regulations. In addition, tax authorities could review and question the Company's tax returns leading to additional taxes and tax penalties which could be material.

The Company may become involved from time to time in certain tax disputes. Tax disputes could have a material adverse effect on the Company's business, results of operations, and financial condition. See "*Legal and regulatory risks–Litigations or other proceedings in relation to the Company's current or past business.*"

Risks related to the shares

Dilution of shareholdings negatively impacting the share price

In the future, the Company may seek to raise capital through offerings of debt securities (potentially including convertible debt securities) or additional equity securities, for example in connection with future acquisitions or investments in other businesses or other material investments. An issuance of additional equity securities or securities with rights to convert into equity could adversely impact the market price of the shares and would dilute the economic and voting rights of existing shareholders if made without granting subscription rights to existing shareholders. Since the timing and nature of any future offering will depend on the Company's future capital needs and market conditions at the time of such an offering, the Company cannot predict or estimate the amount, timing or nature of any future offerings. Thus, holders of shares bear the risk of any future offerings reducing the market price of the shares and/or diluting their shareholdings in the Company.

Active, liquid and functioning market for trading in the Company's shares

There is a risk that an active market for trading in the shares will not be upheld following completion of the Combination. Low liquidity in the Company's shares could entail difficulties in selling shares in the Company at a point in time that is considered desirable for the shareholder or at a price level that could be obtained if a favourable liquidity situation prevailed. This presents a significant risk for investors.

The market price of the Company's share could in addition decline if there are substantial sales of the Company's shares, particularly sales by the Company's directors, senior executives, and major shareholders, or otherwise when a large number of shares are sold. Any sales of substantial amounts of the Company's shares in the public market by the shareholders could cause the market price of the Company's share to decline, which entails a significant risk for investors.

Legal and other supplementary information

General corporate information

Lundin Energy AB (publ), reg. no. 556610-8055 is a Swedish public limited liability company (Sw. *publikt aktiebolag*) which was incorporated on 4 April 2001 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 4 May 2001. The Company's LEI Code is 549300IULC8F8IGXKI15. The address to the Company's website is www.lundin-energy.com and telephone number +46 8 440 54 50. The Company has its registered office in Stockholm, Sweden. The Company's activities are carried out in accordance with the Swedish Companies Act.

The Company is considering a change to its legal and commercial name and the object of the Company as set out in the Articles of Association following completion of the Combination. Such changes would require an amendment to the Company's Articles of Association and more information on any proposed changes, and the Extraordinary General Meeting to be called to enact resolve upon changes in Q2 2022, will be published in due course.

Share information

The share capital and the number of shares in the Company will not change due to the Combination. As of the date of this Company Description the Company's registered share capital amounts to SEK 3,478,713.38 divided among 285,924,614 shares. The Company has one class of shares. The ownership structure of the Company will not change as a result of the Combination.

Each share in the Company entitles the holder to one vote at general meetings of shareholders, and shareholders are entitled to vote for the full number of shares that they hold. If the Company issues new shares, warrants or convertibles, the shareholders will in general have preferential rights to subscribe for such securities in proportion to the number of shares held prior to the issue. The Articles of Association of the Company do not restrict the Company from issuing shares, warrants or convertibles with deviation from the shareholders' preferential rights, if provided for in the Swedish Companies Act. All shares carry equal rights to dividends as well as to the assets and any surplus in the event of dissolution of the Company. The Company's current dividend policy can be found on the Company's website: www.lundin-energy.com, however, such policy is expected to change following completion of the Combination. The shares are freely transferable. The voting rights at General Meetings of Shareholders, preferential rights to new shares, right to dividends and surplus in the event of liquidation or the transferability of the shares will not change as a result of the Combination.

Corporate governance

The Company's shares are listed on Nasdaq Stockholm and the Company applies Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code (the "**Code**"). The Code sets a higher standard for good corporate governance than the minimum standards of the Swedish Companies Act and other rules. Companies are not required to comply with all rules in the Code. Alternative solutions which are deemed more suitable for the relevant company's specific circumstances can be chosen, provided that any such deviations and the chosen alternative solutions are described and the reasons therefore are explained in the corporate governance report (according to the "comply or explain" principle). The Company did not report any deviations from the Code during 2021.

The Company's existing internal governance and control framework (including policies and guidelines for e.g. internal/external financial reporting, risk assessments, anti-corruption, etc.) will continue to

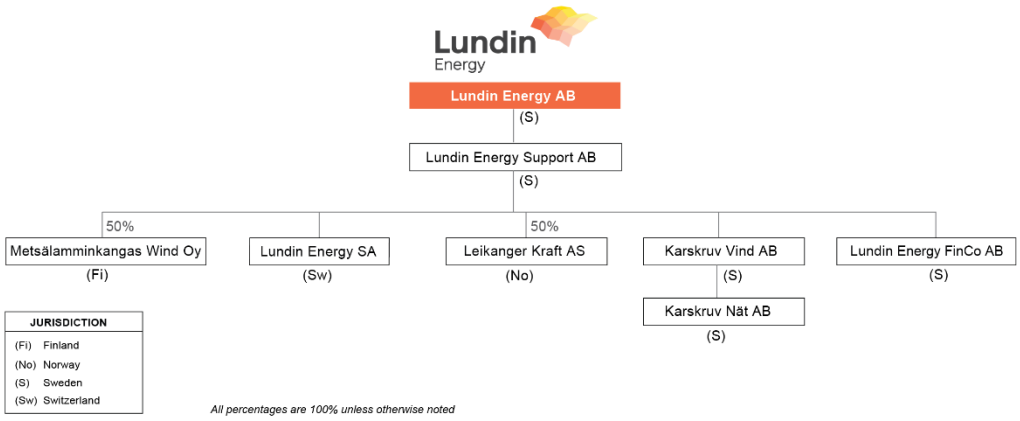
apply after the completion of the Combination. The renewable energy business is less complex than the much larger oil and gas operations and the Company does not foresee a need for any additional procedures to ensure a continued adequate corporate governance structure and control over the operations and related risks. For more information on the Company's corporate governance, please see the Corporate Governance Report 2021 and the Remuneration Report, which are available on the Company's website: www.lundin-energy.com.

The composition of the Company's current Compensation Committee and the current Policy on Remuneration are available at the Company's website: www.lundin-energy.com. A new Policy on Remuneration is planned to be proposed to an Extraordinary General Meeting that will be held during Q2 2022.

Planned ultimate Group structure

The Company will remain headquartered in Stockholm, Sweden, and will in addition have an office in Geneva, Switzerland, providing various services to group companies. It is proposed that the Company will be rebranded including a change of trading name and approval will be sought as part of the Extraordinary General Meeting of the Company, planned for Q2 2022.

Following completion of the transaction with Aker BP, the group structure of the Company is intended to be as follows:[28]



Litigations and other proceedings

The Sudan proceedings

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

On 11 November 2021, the Swedish Prosecution Authority brought criminal charges against the current chairman of the Board of Directors, Ian H. Lundin, and director, Alex Schneiter, in relation to past operations in Sudan from 1999–2003 and 2000–2003, respectively. The charges also included claims against the Company for a corporate fine of SEK 3,000,000 and forfeiture of economic benefits of SEK 1,391,791,000, which according to the Swedish Prosecution Authority represents the value of the gain of SEK 720,098,000 that the Company made on the sale of the business in 2003. The amount of the claim regarding forfeiture of economic benefits is approximately half of the amount originally notified by the Swedish Prosecution Authority in 2018. Any potential corporate fine or forfeiture could only be imposed after the conclusion of a trial with a negative outcome. The Company refutes that there are any

[28] Note: The group structure shows significant subsidiaries only.

grounds for allegations of wrongdoing by any of its representatives and has also challenged the legal basis of the criminal charges and pointed out the fundamental flaws of the Swedish Prosecution Authorities decision to indict.

The Company carried out fully legitimate and responsible business operations in Sudan as part of an international consortium. It operated within a framework of constructive engagement in the country as endorsed by the UN, EU and Sweden. There are no valid grounds for allegations of complicity by any Company representatives. The Company remains confident that both the defence and the extensive deficiencies in the conduct of the investigation will be considered by the Court process in determining that its representatives did nothing wrong.

In 2018, the Swedish Prosecution Authority also began a preliminary investigation into alleged interference in a judicial matter as a result of allegations of witness harassment. The Company and its representatives are not aware of any details of the alleged actions, despite several requests for information, and reject any knowledge of, or involvement in, any wrongdoing. Ian H. Lundin and Alex Schneiter have been interviewed by the Swedish Prosecution Authority and have been notified of the suspicions that form the basis for the investigation.

The Company and the individuals will continue to vigorously defend themselves and the Company will continue to incur legal and other costs in relation hereto.

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

Spin-off of International Petroleum Corporation

As part of the spin-off of International Petroleum Corporation that was completed on 24 April 2017, the Company has indemnified International Petroleum Corporation for certain legal proceedings related to the period before spin-off, which are contested. The Company has not provided for any costs in relation hereto as per 31 December 2021 as it does not believe the proceedings will lead to any liability for the Company.

Tax review by the Canadian Tax Office

Some of the Company's past operations were held through a Canadian holding structure when acquired 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, and may result in additional taxes or penalties becoming due. The Company has not provided for any costs in relation hereto as per 31 December 2021.

Long-term incentive plans

The Company's current long-term incentive plans will laps in connection with the Combination and the intention is to replace the current long-term incentive plans with new long-term incentive plans which will be adjusted to promote the long-term value creation of the new organisation and business operations. The new proposed long-term incentive plans are intended to be presented to the shareholders of the Company ahead of an Extraordinary General Meeting to be held during Q2 2022.

Information about the Company's current long-term incentive plans are provided in the Company's 2021 Annual Report, Remuneration Report and in the materials provided to shareholders in respect of the 2022 Annual General Meeting, available on www.lundin-energy.com.

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IMPORTANT INFORMATION

This Company Description does not constitute an offer to sell or the solicitation of an offer to buy any securities. The Company Description is not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Counsel of 14 June 2017, and therefore it has not been subject to approval by the Swedish Financial Supervisory Authority or any other relevant competent authority.

The Company Description is for information purposes only and for the benefit of Lundin Energy AB's shareholders and relates to the remaining renewable business that is not part of the contemplated merger between Aker BP ASA and MergerCo. MergerCo will at the time of the Combination not be a subsidiary of the Company and will contain the exploration and production business (including assets, rights and liabilities) which is currently carried out by the Company.

The Board of Directors of the Company has proposed that the Company's shareholders approve the Combination and the distribution of all shares in MergerCo to the shareholders of the Company by way of a dividend in kind (a so-called lex asea dividend) at the Annual General Meeting on 31 March 2022.

This Company Description does not constitute an offer to transfer or acquire securities in the Company. This Company Description is particularly not made to persons resident in the United States, Canada, Australia, New Zealand, Hong Kong, Japan, Switzerland, Singapore, South Africa or any other jurisdiction where release, distribution or publication of the Company Description could be unlawful or would require additional registration or other measures other than those required by Swedish law. The Company Description and other related documents may not be distributed in or to the mentioned countries or any other country or jurisdiction in which such distribution require such measures or otherwise would be in conflict with applicable regulations. Persons into whose possession the Company Description comes are required by to inform themselves about, and to comply with, such restrictions, and in particularly not to publish or distribute the Company Description in violation of applicable laws and regulations. Any failure to comply with the restrictions described above may result in a violation of applicable securities regulations.

No shares or other securities in the Company have been, and not be registered under the U.S. Securities Act of 1933, as amended, (the "**U.S. Securities Act**") or with any securities regulatory authority of any state of the United States, and may not be offered, sold or otherwise transferred, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Actor and pursuant to the securities regulation of the relevant state or other jurisdiction of the United States.

The Company Description contains in the section "*Risk factors*" a description of the risk factors deemed to be essential to the Company's business after the contemplated Combination and future development and readers are advised to read the Company Description in its entirety and in particular the section "*Risk factors*".

Forward-looking statements

This Company Description contains various forward-looking statements that reflect management's current views with respect to future events as well as anticipated financial results and operational performance. Forward-looking statements as a general manner are all statements other than statements as to historical facts or present facts or circumstances. The words "believe", "expect", "anticipate", "aim", "may", "plan to", "estimate", "will", "strive", "should", "could", "intend to" or "might", or in each case, their negative, or similar expressions, identify certain of these forward-looking statements. Forward-looking statements speak only as at the date of this Company Description. Accordingly, prospective investors are cautioned not to place undue reliance on any of the forward-looking statements in this Company Description. the Company undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation.

Presentation of financial information

Except where expressly stated, no financial information in this Company Description has been audited or reviewed by the Company's auditor. Financial information relating to the Company in this Company Description, which is not part of the information audited or reviewed by the Company's auditor as mentioned above, has been obtained from the Company's internal accounting and reporting systems. Amounts in this Company Description have been rounded to some extent. Accordingly, certain columns may not sum to the total amount shown. For example, this is the case when financial information is presented in thousands, millions or billions.