

# FY 2023 results & Capital Markets Update



7 February 2024

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# FY 2023 and Capital Markets Update

## Business update

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**Mads Nipper**  
Chief Executive Officer

## Financial update

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**Rasmus Errboe**  
Interim Chief Financial Officer

## Q&A session

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# Business update

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**Mads Nipper**  
Chief Executive Officer



# Today we present an updated business plan based on a comprehensive portfolio review

## Solid results for 2023 despite challenges

Solid underlying financial results with adjusted EBITDA slightly above guidance

Several strategic milestones achieved in 2023

Ocean Wind impairment and cancellation fees in line with Q3 2023 announcement

## Risk reduced across portfolio

Concluded thorough review of project portfolio

Actions taken to further reduce risks on execution projects

Learnings from challenged US offshore projects are being implemented in remainder of portfolio

Several portfolio changes including market exits and a re-focused offshore strategy for US

## Robust business plan in place

Measures in place to ensure robust balance sheet incl.:

- CAPEX reduction & phasing
- Cost reductions and efficiency improvements
- Partnership and divestment programme
- 3-year dividend holiday

High visibility on short-term earnings and investments

Flexibility to allocate capital into the most value-creating opportunities

## Delivering attractive and accretive growth

150-300 bps targeted range for spread to WACC<sup>1</sup>

~14 % average ROCE (2024-2030)

DKK ~270 bn total gross investments (2024-2030)

Strategic ambition of ~35-38 GW installed renewable capacity by 2030

DKK 39-43 bn EBITDA<sup>2</sup> in 2030

Notes: 1. Our targeted range for the fully loaded unlevered lifecycle spread to weighted average cost of capital (WACC), at the time of bid/final investment decision (FID) whichever comes first, for our offshore and onshore projects will be 150-300 basis points. The targeted range is not a hurdle rate and, consequently, there could be projects that deviate from the targeted range. 2. Excluding new partnerships.

# We delivered solid operational results in 2023 with adjusted EBITDA slightly above guidance and several important milestones achieved

## Financial highlights for 2023

**DKK 24.0 bn EBITDA** excl. new partnerships and  
excl. cancellation fees<sup>1</sup>

*Slightly above guidance of DKK 20-23 bn*

**12.9 % ROCE**

*Adjusted for impairment losses and cancellation fees*

**DKK 26.8 bn impairments**

*Majority relating to Ocean Wind 1 (DKK 19.9 bn)*

**46 % decrease in Scope 1-3 emissions**

*Excluding natural gas sales*

## Strategic milestones achieved

**2.9 GW** Hornsea 3 FID

**0.9 GW** Greater Changhua 2b and 4 FID

**0.7 GW** Revolution Wind FID

**1.6 GW** Incheon Electricity Business License

**0.6 GW** onshore wind and solar COD

**Successful farm-downs** of Gode Wind 3 (50 % of 0.3 GW) and  
London Array (25 % of 0.6 GW)

**Near-complete construction** of Greater Changhua 1 and 2a  
(0.9 GW) and South Fork (0.1 GW)

**Breaking ground** on FlagshipONE e-methanol project

**Award and construction start** on first CCS project

# Several adverse developments have impacted our business plan and led us to take a number of actions in recent months

## Developments since CMD in June 2023



Short-term negative impact from ceased project development



Declining forward power price curves leading to lower expected revenue



Further supply chain delays and cost of mitigation actions



Further CAPEX and OPEX increases following cost inflation and supply chain bottlenecks

## Actions since our Q3 2023 results

1

Concluded review of events that led to the Ocean Wind challenges and taken decisive actions to further optimise our operating model

2

Comprehensive risk review across offshore projects under construction and awarded with focus on further reducing execution risks

3

Portfolio revisited to prioritise growth opportunities with the most value creation potential

4

Implementing measures to ensure robust balance sheet supporting long-term growth and capital structure resilience as part of a balanced 2030 plan

# We are implementing the learnings from our Ocean Wind review to reduce risks in project development and execution

## Ocean Wind 1 challenges

General adverse industry developments

Development and execution in parallel (due to permitting delays) with high pre-FID commitments

New and developing supply chain with some suppliers not delivering contractual commitments

No back-up capacity available for mitigation towards 2025 installation schedule

Federal and local permit challenges

Lack of clarity on obtaining additional 10 % ITC at time of decision

## We are implementing learnings to revise our project operating model, with particular focus on:

### Supply chain and inflation

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Contingency planning including more proactive contracting for back-up supply chain capacity

Monitoring of suppliers including intensified factory and supplier management visits to track manufacturing progress

Inflation protection in offtake arrangements in future projects

### CAPEX and break away profiles

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Scrutiny of pre-FID commitments, seeking to avoid high capital commitments relative to project maturity

Securing all critical local permits ahead of FID and significant capital commitments

Ensuring greater flexibility on project timelines and commissioning dates with phasing of CAPEX

### Governance and reviews

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Stage gate process with more independent reviews, including internal peer assessments

Structured external reviews for select projects when relevant

Monitoring and more frequent updates on project execution including risk reviews in Group Executive Team and Board of Directors



# While the supply chain remains tight, we consider our offshore portfolio to be more robust

	Under construction (6.7 GW)						Awarded (3.7 GW)		
	Changhua 1 and 2a	South Fork	German programme <sup>2</sup>	Changhua 2b and 4	Revolution Wind	Hornsea 3	Sunrise Wind <sup>4</sup>	Baltica 2	Baltica 3
<b>Capacity<sup>1</sup></b>	900 MW	130 MW	1,166 MW <sup>2</sup>	920 MW	704 MW	2,852 MW	924 MW	1,498 MW	1,255 MW <sup>6</sup>
<b>COD</b>	Q1 2024	Q1 2024	2024/25 <sup>3</sup>	2025	2025	2027	2026	2027	2029
<b>Status</b>	Installation is nearly complete  107 of 111 turbines installed, vessel secured for last 4 turbines	First power delivered into the grid  Turbine installation is ongoing with 10 out of 12 turbines installed	Gode Wind 3 progressing as planned, all monopiles installed  Borkum Riffgrund 3 foundation, cable and turbine installation planned for 2024 but on a compressed schedule	Manufacture of offshore substation close to completion ahead of schedule  2025 installation schedule tight, mitigations under planning	All major contracts signed  Back-up vessel secured and work in progress to secure second back-up vessel  Strong focus on timely monopile delivery  Offshore construction start Q2 2024	Contingency & mitigations increased prior to FID  Critical paths proactively monitored and mitigated  Bid part of capacity into Allocation Round 6	Most major contracts signed  OREC re-bid submitted  ROD expected in Q1 ahead of potential FID <sup>5</sup>  Strong focus on timely monopile delivery  Back up vessel under discussion	Major contracts signed with relatively low cancellation costs, assuming FID in mid-2024  CAPEX contingency increased	Reconfiguration in progress  Permitting work initiated on revised design envelope

Notes: 1. Gross capacity in MW. 2. Borkum Riffgrund 3 (913 MW) and Gode Wind 3 (253 MW). 3. Expected COD for Gode Wind 3 and Borkum Riffgrund 3 is 2024 and 2025, respectively. 4. Subject to re-award in New York 4 offshore wind solicitation. 5. Remaining federal permits to follow after FID. 6. Includes both Baltica 3 (1,045 MW) and the awarded lease capacity for Baltica 2+ (210 MW).

# We have taken FID on Hornsea 3 with comfort around the execution and value creation

## Expected returns

Value creation at time of FID around the **bottom end of our targeted lifecycle project return range** of 150-300 basis points on top of our weighted average cost of capital

## Risk-reducing elements

### Framework conditions

Attractive regulatory regime with flexibility and rebidding opportunities

Short timeline from bid to FID

All permits in place at point of auction time

Inflation-indexed CfD

Well-developed regional supply chain

### Contracting

All major contracts in place

Flexibility in schedule with built-in float on long lead time items

Installation vessels with contractually committed start date

## NON-EXHAUSTIVE

### Ørsted execution

Third project in a sequence with deep learning embedded

Industry-leading project team

Lowest O&M costs in portfolio due to synergies with Hornsea 1 and 2

Possible further cluster synergies from Hornsea 4

# We have re-focused capital allocation towards the most value-accretive opportunities in prioritised markets

## Core portfolio principles



**Value over volume**



**Solid capital structure**



**Focused market prioritisation**

## Portfolio decisions

US offshore wind portfolio re-focused towards the North-East Atlantic (e.g., withdrew OREC<sup>1</sup> for Skipjack)

Exiting Norway, Spain, and Portugal as well as deprioritising development in other markets including Japan

Leaner floating offshore wind and P2X development

Acceleration of partnership and divestment programme

Notes: 1. In consultation with the State of Maryland, Ørsted has withdrawn from its OREC awards for Skipjack 1 & 2 and is exploring the most value-creating path forward. Development will continue.

# We have re-focused our US offshore pipeline providing optionality in the most attractive US states

■ North-East hub ■ Mid-Atlantic hub

## Outcome of our US review

Withdrew from Skipjack OREC awards and exploring path forward<sup>1</sup>

Submitted OREC re-bid for Sunrise in New York auction and conditional acquisition of full ownership

Continue developing select US seabed leases with strong financial discipline and cost focus

Pursue offtake opportunities where attractive with low pre-FID commitments and inflation protection

Closely monitor key drivers of long-term US offshore attractiveness, including:

- Political support, federal incentives and improved permitting
- Increasing offtake prices including risk-sharing, e.g., inflation-indexed PPAs

## Attractive portfolio now focused predominantly on the North-East

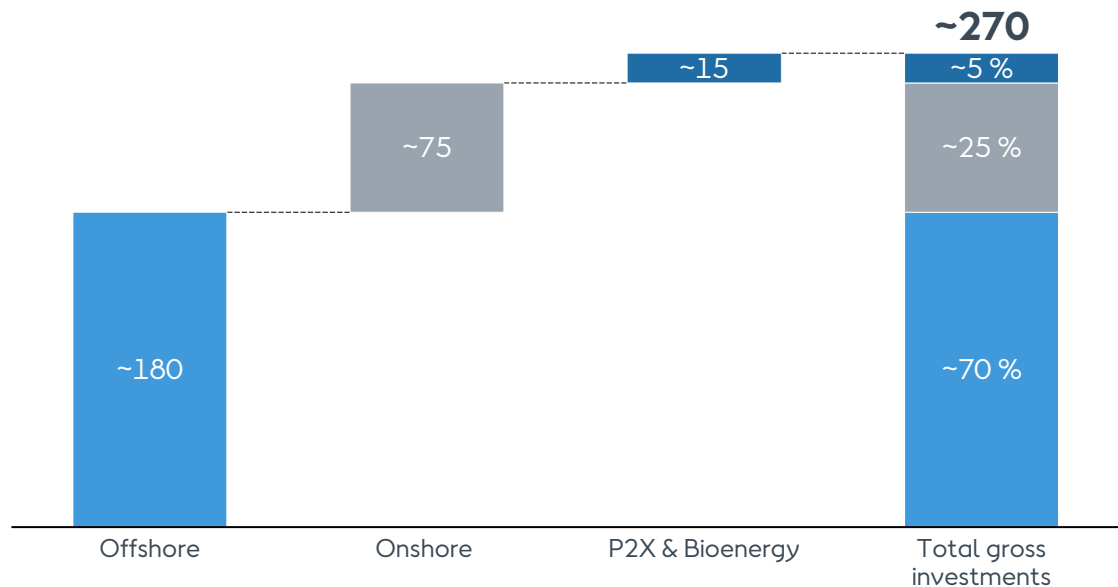
Hub	Ørsted sites	Capacity, gross GW	Project/site status
North-East	Block Island	0.03	In operation
	South Fork Wind	0.1	Under construction, expected COD in Q1 2024
	Revolution Wind	0.7	Under construction, expected COD in 2025
	Sunrise Wind <sup>2</sup>	0.9	OREC re-bid submitted in New York Round 4
	Lease Area 500	4.0	In development, to be bid where attractive (e.g., MA, RI, CT, NY)
Mid-Atlantic	Garden State Lease	0.7	In development with minimal spend
	Skipjack Wind	1.0	Withdrew from ORECs <sup>1</sup> ; development will continue with minimal spend
	Ocean Wind		Ceased development <sup>3</sup> ; exploring divestment of our leases as an opportunity for value creation

Notes: 1. In consultation with the State of Maryland, Ørsted has withdrawn from its OREC awards for Skipjack 1 & 2 and is exploring the most value-creating path forward. 2. Subject to re-award in New York 4 offshore wind solicitation. 3. Ceased development of the projects in the form they were awarded by the BPU as Ørsted explores the most value-creating path forward.

# We plan to deploy DKK ~270 bn gross investments towards 2030

## Capital allocation towards 2030

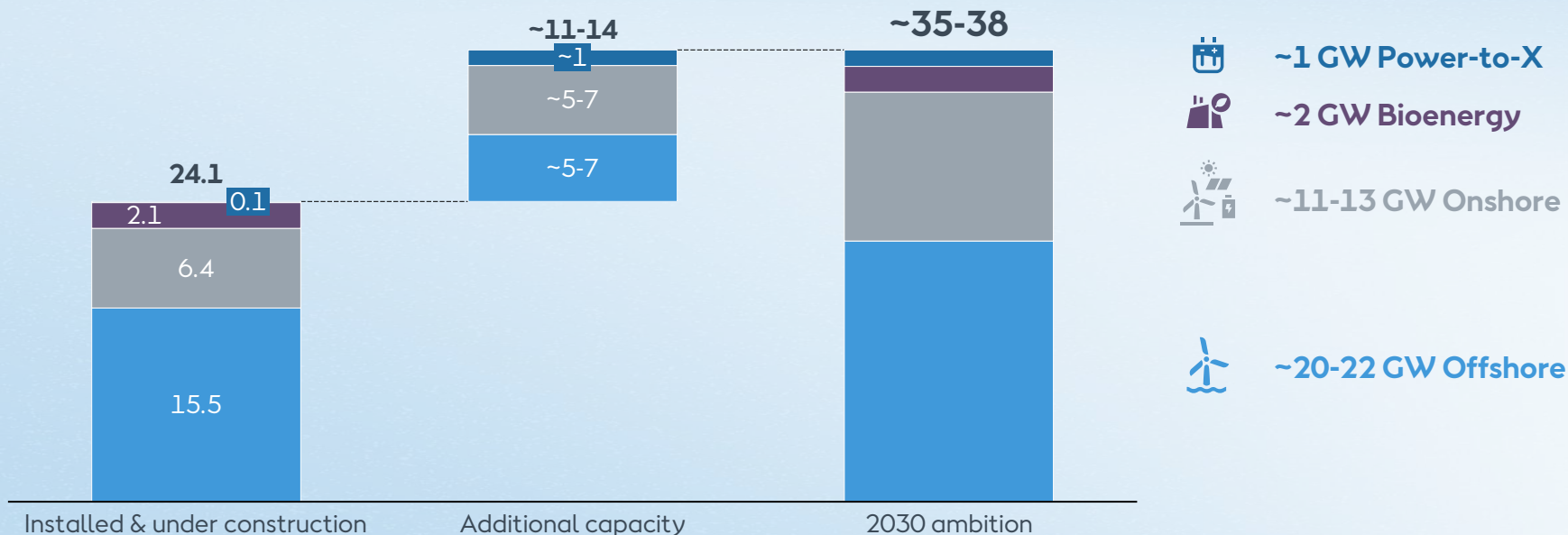
Gross investments (Ørsted share, excl. partners' CAPEX spend)  
2024-2030, DKKbn



# We update our renewable capacity ambition to ~35-38 GW by 2030

## Installed renewable capacity ambition by 2030

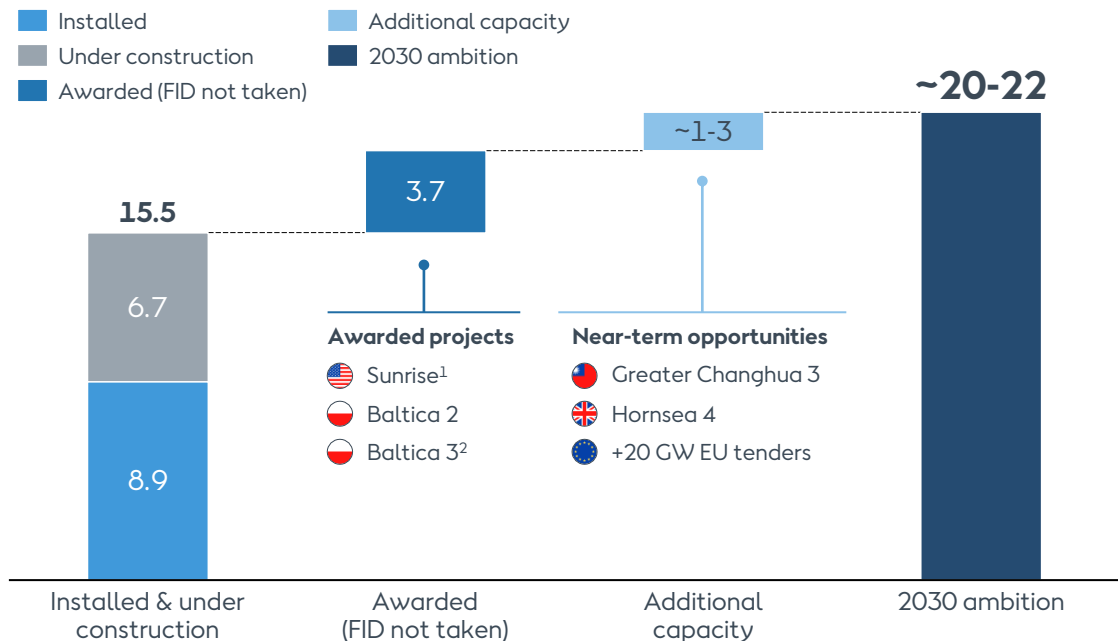
Gross capacity, GW



# We have strong visibility on our offshore projects towards 2030

## Offshore wind build-out

Gross capacity, GW



## Strong position for offshore growth towards 2030

15.5 GW offshore wind already installed and under construction

3.7 GW awarded capacity across Sunrise Wind (0.9 GW<sup>1</sup>), Baltica 2 (1.5 GW) and Baltica 3 (1.3 GW<sup>2</sup>)

Only 1-3 GW additional capacity to be added from a strong pipeline of near-term opportunities predominantly from Europe

Pipeline of seabed to bid in near-term auctions with Greater Changhua 3 and Hornsea 4

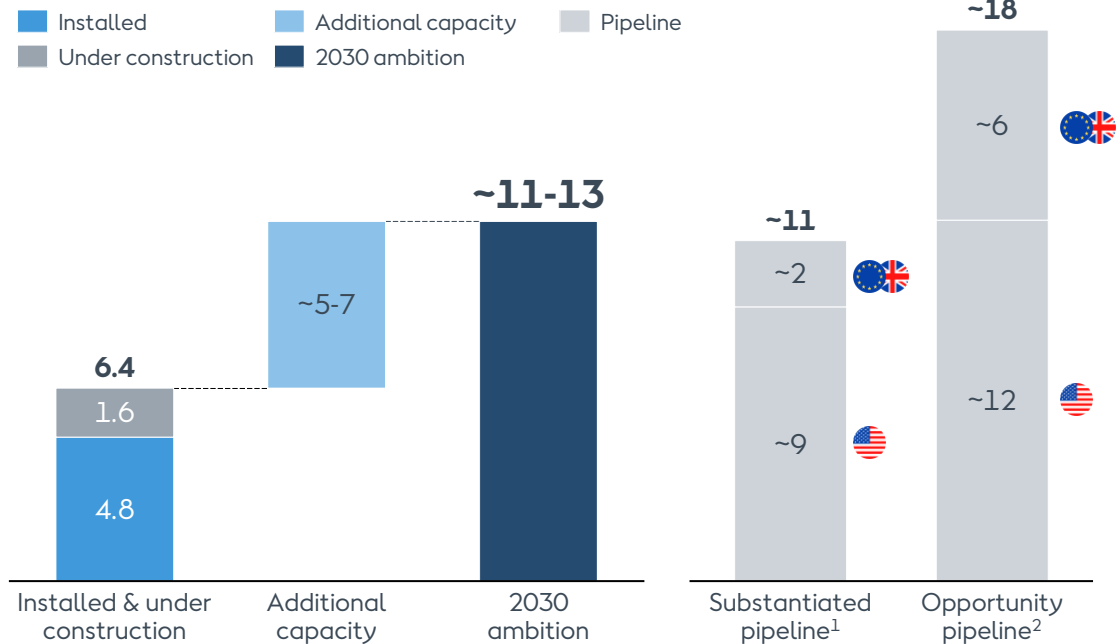
+20 GW tenders in the near term within the EU

Notes. 1. Subject to re-award in New York 4 offshore wind solicitation. 2. Includes both Baltica 3 (1,045 MW) and the awarded lease capacity for Baltica 2+ (210 MW).

# We have broad optionality in onshore due to our extensive pipeline

## Onshore wind and solar build-out

Gross capacity, GW



## Strong position for onshore growth towards 2030

Broad optionality to select the most value-creating opportunities from our ~30 GW pipeline across US & Europe

Deep regional experience and proven track record in early-stage project acquisitions, greenfield development, execution, tax equity monetisation and CPPAs

Flexibility to optimise on execution timelines and CAPEX phasing

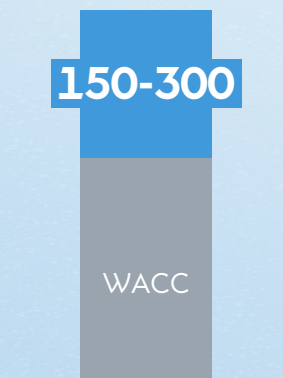
Ability to leverage onshore for short-cycle CAPEX investments with offtake levels following cost profile



# We plan to deliver strong returns and growth towards 2030

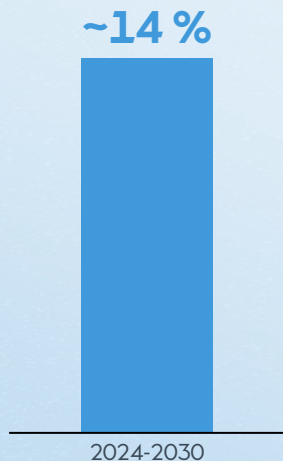
## Spread to WACC

Targeted range at time of bid/FID<sup>1</sup>, basis points



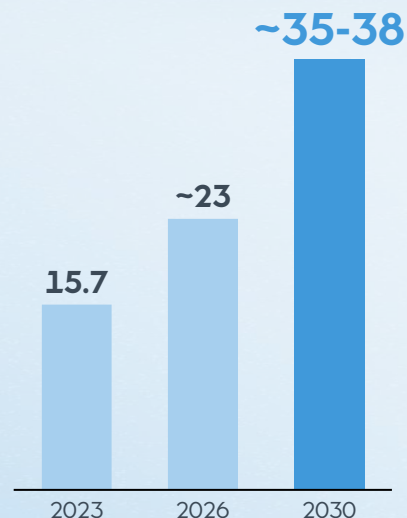
## ROCE

Average ROCE, %



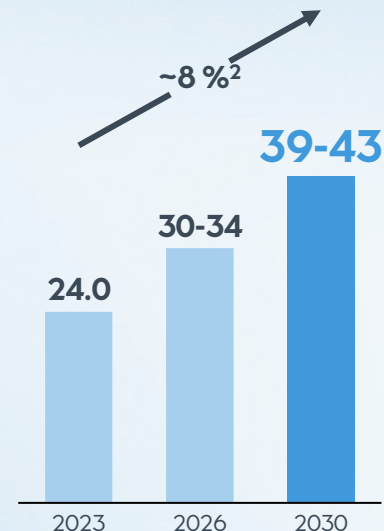
## Renewable capacity

Installed renewable capacity, gross GW



## EBITDA

Group EBITDA excluding new partnerships and cancellation fees, DKKbn, %



Notes: 1. Our targeted range for the fully loaded unlevered lifecycle spread to weighted average cost of capital (WACC), at the time of bid/final investment decision (FID) whichever comes first, for our offshore and onshore projects will be 150-300 basis points. The targeted range is not a hurdle rate and, consequently, there could be projects that deviate from the targeted range.

2. Compound annual growth rate (CAGR) 2023-2030. The EBITDA CAGR of ~8% is partly a result of overperformance in 2023 with DKK 24 bn adjusted EBITDA (i.e., above DKK 20-23 bn guided range). If EBITDA for 2023 had been at mid-point of guided range (i.e., DKK 21.5 bn), the CAGR towards 2030 would be ~10% (on a like-for-like basis versus CMD 2023).

# Financial update

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**Rasmus Errboe**  
Interim Chief Financial Officer

# Solid EBITDA excluding new partnerships and cancellation fees slightly exceeded our guidance for FY 2023

## Strong underlying performance in 2023

Offshore Sites delivered strong earnings growth driven by:

- No negative hedging impacts in 2023
- Ramp-up of power generation from Hornsea 2 and Greater Changhua 1 and 2a
- Higher winds speeds vs. 2022
- Higher prices on inflation-indexed subsidies and lower balancing costs

Existing partnerships benefitted from adjustment of wake and warranty provisions, offset by lower construction agreement earnings

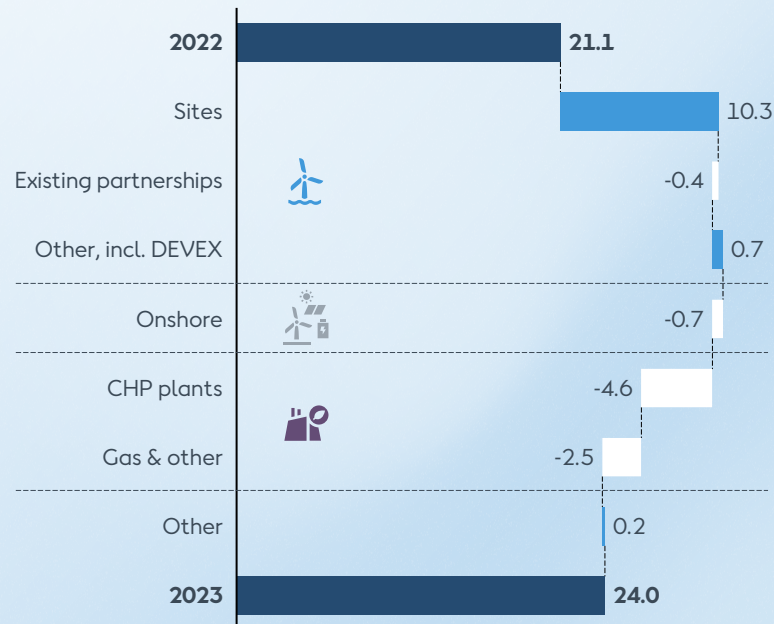
Lower project development cost due to market prioritisation

Onshore generation capacity increased, offset by lower power prices and availability rates

Lower earnings from CHP plants driven by significantly lower power prices and higher fuel costs

Lower earnings from gas activities driven by significantly lower volatility and prices

## EBITDA excl. new partnerships and cancellation fees DKKbn, FY 2023



# We expect to deliver DKK 23 - 26 bn in EBITDA in 2024

## Financial outlook 2024

**EBITDA excluding new partnerships and excluding cancellation fees is expected to be DKK 23 - 26 bn in 2024**

Offshore Sites earnings expected to increase driven by:

- Ramp-up of generation from Greater Changhua 1 and 2a, South Fork, and Gode Wind 3
- Partly offset by lower power prices on merchant assets and a step down in subsidy level for our older German assets

Lower earnings from existing partnerships, as positive effects from wake and warranty provisions in 2023 are not expected to be repeated in 2024

Increase in 'DEVEX and other' driven by

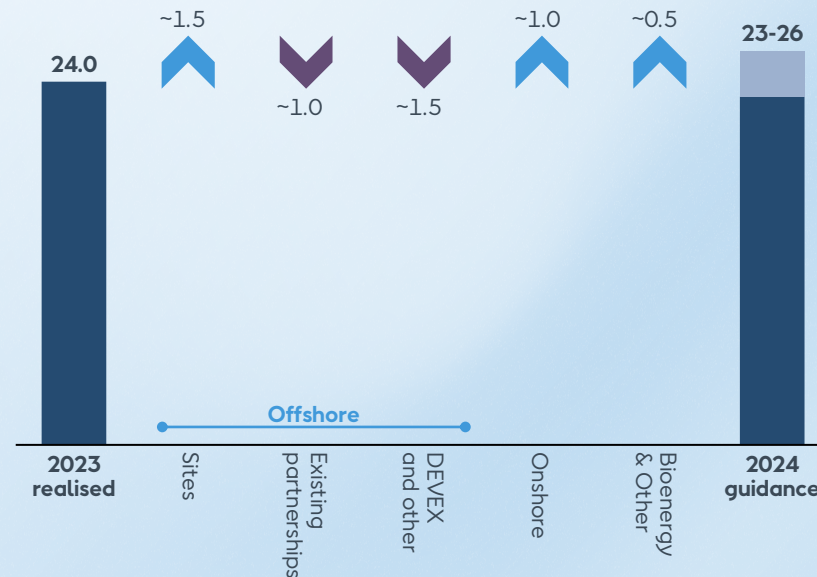
- Internal costs related to ceasing development of Ocean Wind 1
- Higher share of cost base being expensed vs. capitalised (no change in underlying cost base)

Onshore generation capacity increased, partly offset by slightly lower power prices

Increased earnings from CHP plants driven by lower fuel cost, partly offset by lower power prices

## Guidance on 2024 EBITDA excl. new partnerships and excl. cancellation fees

DKKbn, FY 2023



# Our revised capital allocation principles support a robust capital structure

## Capital allocation principles



Target above 30 % FFO/Net Debt<sup>1</sup>, commensurate with a solid investment grade rating



Dividend holiday for the financial years 2023-2025 with target to reinstate dividend for the financial year 2026<sup>2</sup>



Strict value creation target



# We have conducted a comprehensive review of our near-term business plan enabling a significant improvement of our credit metrics

## Comprehensive review of near-term business plan for 2024-2026<sup>1</sup>

### DKK ~35 bn reduced CAPEX

through project cancellations, reprioritisations and phasing across our portfolio

### DKK ~15 bn increased proceeds

from accelerated partnership and divestment programme

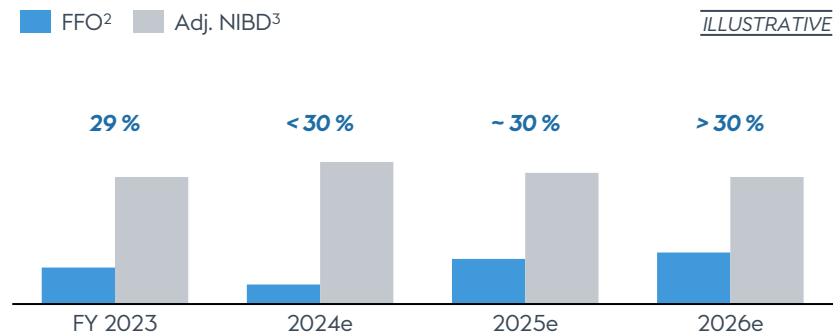
### DKK ~3 bn DEVEX reductions

through market prioritisation

### DKK 1 bn fixed costs reduction

by 2026 compared to 2023, on a like-for-like basis, by simplifying our organisation and increasing our efficiency

## Credit metrics outlook 2024-2026



### Key drivers for development in funds for operations (FFO):

- (+) Earnings growth from commissioning of ongoing construction projects
- (-) 2024 cancellation fee payments

### Key drivers for development in adjusted net-interest bearing debt (adj. NIBD):

- (-) Investment program of DKK 130 bn
- (+) Divestment proceeds in the range of DKK 70-80 bn
- (+) Cash flow from operations, including tax equity proceeds

Notes: 1. Numbers on CAPEX, investment proceeds, and DEVEX are compared to Capital Markets Day June 2023.

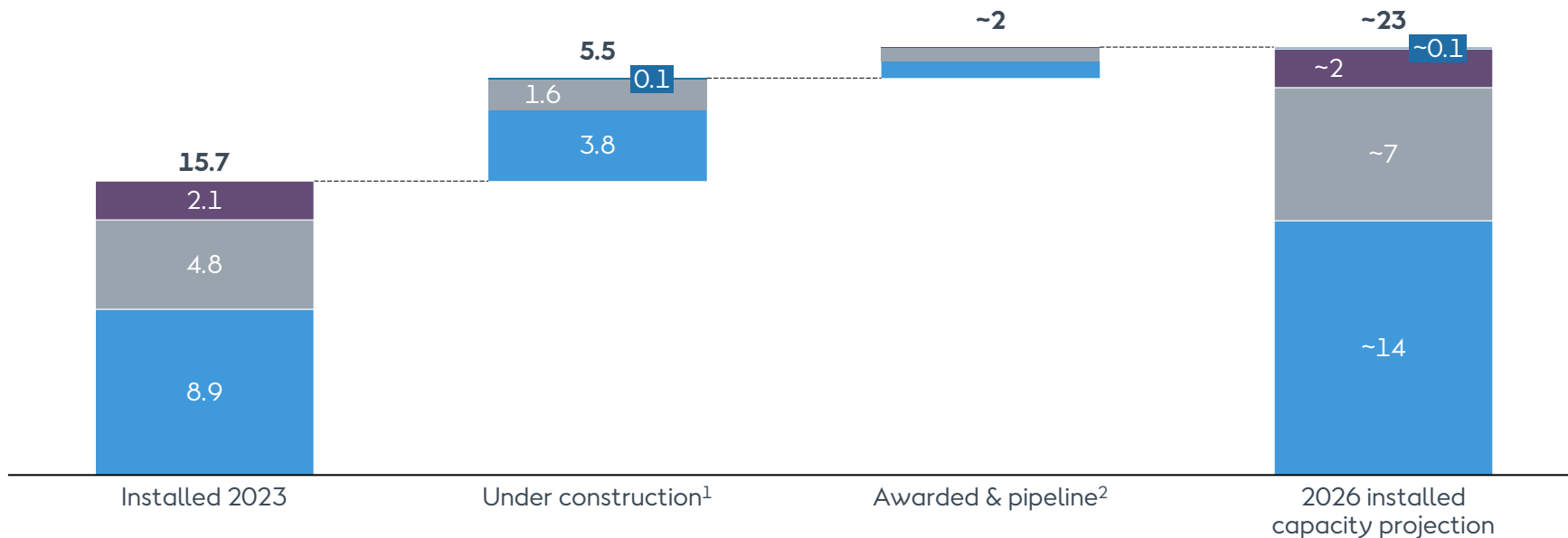
22 2. Funds from operations; Reflecting Ørsted definition. 3. Adjusted net interest-bearing debt; Reflecting Ørsted definition.

# We expect to grow our installed portfolio by ~50 % towards 2026

## Installed renewable capacity ambition by 2026

Gross capacity, GW

Offshore Onshore Bioenergy P2X

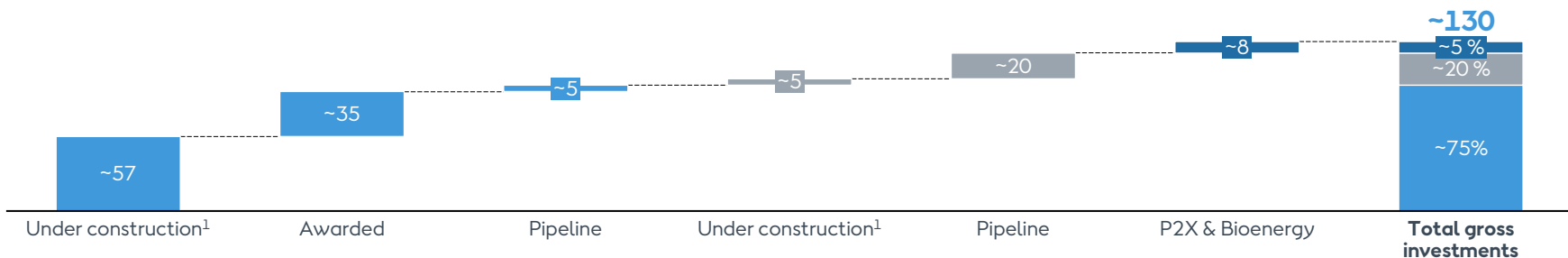


Notes: 1. Projects under construction includes German Programme (1.2 GW), Greater Changhua 1 and 2a (0.9 GW), Greater Changhua 2b and 4 (0.9 GW), Revolution Wind (0.7 GW), South Fork Wind (0.1 GW), 1.6 GW onshore capacity, and 0.1 GW Power-to-X capacity. 2. Projects awarded includes Sunrise Wind (0.9 GW) and onshore capacity. Sunrise Wind is subject to re-award in New York 4 offshore wind solicitation.

# We plan to invest DKK ~130 bn through 2026 with high visibility

## Gross investments

Ørsted share, excl. partners' CAPEX spend, 2024-2026, DKKbn



Offshore		Onshore		P2X & Bioenergy	
<b>Under construction</b>		<b>Awarded (FID not taken)</b>		<b>Under construction</b>	
<ul style="list-style-type: none"> <li>🇬🇧 Hornsea 3: 2.9 GW</li> <li>🇩🇪 German Programme: 1.2 GW</li> <li>🇨🇳 Greater Changhua 1 and 2a: 0.9 GW</li> <li>🇨🇳 Greater Changhua 2b and 4: 0.9 GW</li> <li>🇺🇸 Revolution Wind: 0.7 GW</li> <li>🇺🇸 South Fork Wind: 0.1 GW</li> </ul> <b>Total capacity: 6.7 GW</b>	<ul style="list-style-type: none"> <li>🇩🇪 Baltica 2: 1.5 GW</li> <li>🇩🇪 Baltica 3: 1.3 GW<sup>2</sup></li> <li>🇺🇸 Sunrise Wind: 0.9 GW<sup>3</sup></li> </ul> <b>Total capacity: 3.7 GW</b>	<ul style="list-style-type: none"> <li>🇺🇸 Eleven Mile Solar: 0.6 GW</li> <li>🇺🇸 Mockingbird Solar: 0.5 GW</li> <li>🇺🇸 Sparta Solar: 0.3 GW</li> <li>🇺🇸 Old 300: 0.1 GW<sup>4</sup></li> <li>🇮🇪 Garreenleen: 0.1 GW</li> <li>🇪🇺 France/Germany assets: 0.1 GW</li> </ul> <b>Total capacity: 1.6 GW</b>	<ul style="list-style-type: none"> <li>🇸🇪 FlagshipONE (e-methanol)</li> <li>🇩🇰 Kalundborg Hub (CCS)</li> </ul>		

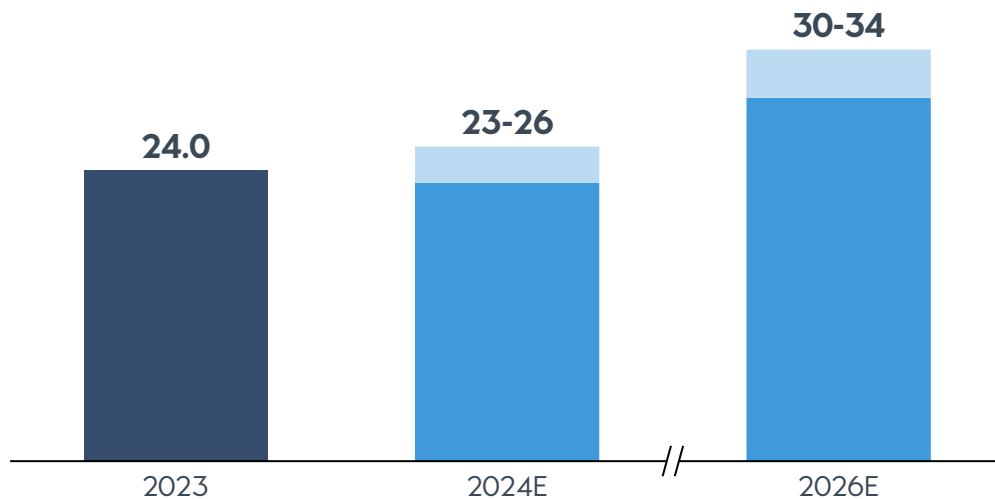
Notes. 1. Covers CAPEX spend in 2024-2026 for projects under construction today, i.e., does not include historic CAPEX spend for projects under construction.  
 2. Includes both Baltica 3 (1,045 MW) and the awarded lease capacity for Baltica 2+ (210 MW). 3. Subject to re-award in New York 4 offshore wind solicitation.  
 4. Remaining 0.1 GW of the 0.4 GW total Old 300 project. 5. List of P2X and Bioenergy projects under construction is not exhaustive, but projects not listed are smaller.



# We plan to deliver continued EBITDA growth with high certainty towards 2026

Group EBITDA (excl. new partnerships and cancellation fees)

DKKbn



# We have a holistic and flexible approach to partnerships and divestments

## Three strategic objectives

Any decision related to execution of partnerships and divestments<sup>1</sup> will factor in the following three objectives in a non-prioritised order:

### Value creation

Maximise proceeds and enhance project economics

### Risk diversification

Mitigate and optimise portfolio and project level risk exposure

### Capital recycling

Free up investment capacity to reinvest in value-accretive renewable projects

We expect divestments to be accretive to project returns

## Two approaches to partnerships and divestments

	Description	Examples, not exhaustive
<p><b>1</b></p> <p><b>50 % farm-downs and partnerships</b></p>	<p>Continue with existing plan to farm-down and/or enter 50 % partnerships on offshore and onshore assets</p>	<p>Hornsea 3</p> <p>Greater Changhua 4</p> <p>US onshore portfolio</p>
<p><b>2</b></p> <p><b>Farm-downs below 50% ownership and asset disposals</b></p>	<p>Select farm-downs below 50 % ownership and full divestments of non-strategic assets</p>	<p>Revolution Wind</p> <p>South Fork</p> <p>West of Duddon Sands</p>

# We plan to deliver DKK ~70-80 bn proceeds from partnerships and divestments towards 2026 based on already well-advanced program

## Near-term outlook and long-term plan

**DKK ~70-80 bn**

proceeds<sup>1</sup> expected between 2024-2026

**12**

partnerships and divestments currently in early and progressed investor dialogue, equivalent to more than 50 % of expected proceeds for 2024-2026

## Track record

**DKK ~55 bn**

proceeds<sup>1</sup> between 2021-2023

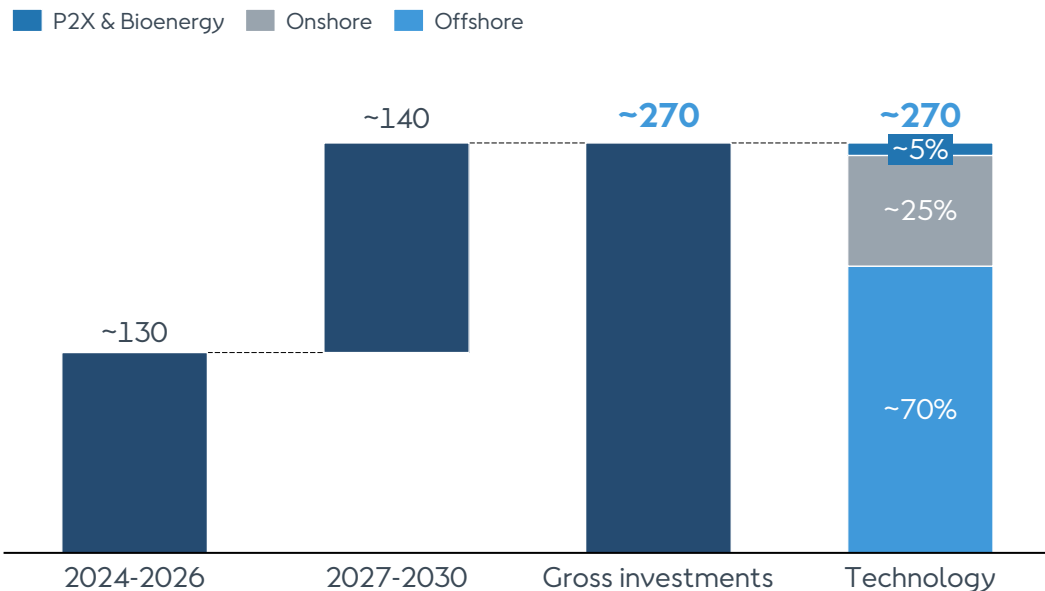
**8**

partnerships and divestments closed between 2021-2023 in four different markets across all regions

# We plan to invest DKK ~270 bn towards 2030 with emphasis on visibility and flexibility

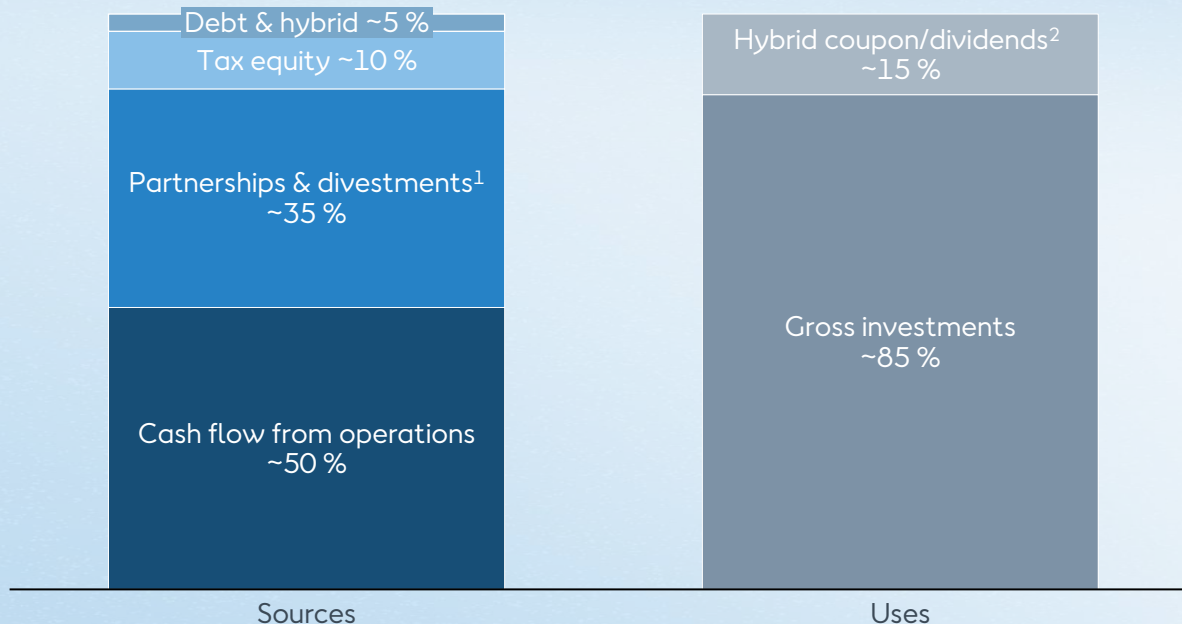
## Gross investments

Ørsted share, excl. partners' CAPEX spend, 2024-2030, DKKbn



# Our funding programme towards 2030 is fully financed in our plan based on a stable cash flow profile as well as partnerships and divestments

## Long-term funding programme 2024-2030



Notes: 1. Partnerships and divestments refers to any transaction where Ørsted ends up in an asset project specific partnership with another party or fully divest one or more assets. The terminology thereby covers both full divestments, strategic joint operations and farm-downs. 2. Includes coupon payment for hybrid securities, dividends to minority shareholders in assets and as a planning assumption an estimate of dividend capacity.

# Offshore leader with high-graded renewable portfolio and reduced risks

**Global leader in a massively growing industry** undergoing short-term challenges, but with long-term growth fundamentals intact

**Robust near-term portfolio with reduced risks** by leveraging recent learnings across markets and with high visibility on earnings towards 2026

**Disciplined growth** with re-focused capital allocation towards the most value-accretive opportunities in high-potential markets

**Unparalleled scale and experience** in EPC and operations, but with revised and strengthened operating model reflecting recent learnings

**Proven partnership model** with unrivalled farm-down track record and team with a strong presence in the current market

**Attractive pipeline and flexibility** on long-term capital allocation to select the most value-creating opportunities towards 2030



# Appendix



# Disclosure summary

## Strategic ambition and financial targets

		Year
Ambition for installed renewable capacity	~35-38 GW	By 2030
- Offshore	~20-22 GW	
- Onshore	~11-13 GW	
- P2X	~1 GW	
- Bioenergy	~2 GW	
Ambition for installed renewable capacity	23 GW	By 2026
- Offshore	~14 GW	
- Onshore	~7 GW	
- Bioenergy	~2 GW	
- P2X	~0.1 GW	
Fully loaded unlevered lifecycle spread to WACC at the time of bid/FID <sup>1</sup> .	150-300 bps	Continuous
Group EBITDA excl. new partnerships and cancellation fees	DKK 39-43 bn	In 2030
	DKK 30-34 bn	In 2026
Average return on capital employed (ROCE)	~14 %	2024-2030

## Financial policies

Target a solid investment grade rating with Moody's/S&P/Fitch

FFO to adjusted net debt above 30 %

No dividend payout for the financial years 2023-2025. Target to reinstate dividend for the financial year 2026

## Additional disclosure

		Year
Gross investments	DKK ~270 bn	2024-2030
- Offshore	~70 %	
- Onshore	~25 %	
- P2X & Bioenergy	~5 %	
Gross investments	DKK ~130 bn	2024-2026
- Offshore	~75 %	
- Onshore	~20 %	
- P2X & Bioenergy	~5 %	
Divestment proceeds	DKK ~115 bn	2024-2030
Divestment proceeds	DKK ~70-80 bn	2024-2026

## Financial outlook 2024

EBITDA excl. new partnerships and cancellation fees	DKK 23-26 bn	2024
Gross investments	DKK 48-52 bn	2024



# Group – Financial highlights

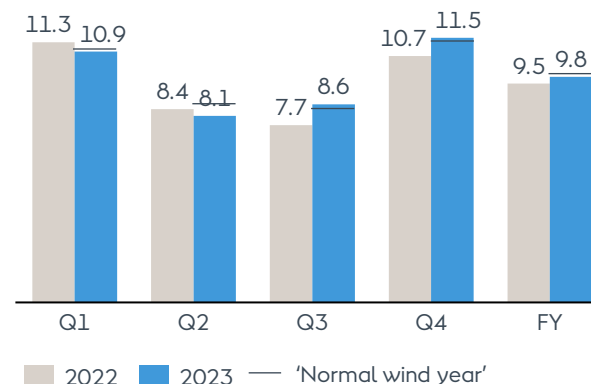
Financial highlights		Q4 2023	Q4 2022	Δ	FY 2023	FY 2022	Δ
EBITDA	DKKm	(686)	6,696	n.a.	18,717	32,057	(42 %)
- New partnerships		317	77	312 %	4,324	10,993	(61 %)
- Cancellation fees		(9,621)	-	n.a.	(9,621)	-	n.a.
- EBITDA excl. new partnerships and cancellation fees		8,618	6,619	30 %	24,014	21,064	14 %
• Offshore		(2,611)	2,094	n.a.	13,817	19,569	(29 %)
• Onshore		525	852	(38 %)	2,970	3,644	(18 %)
• Bioenergy & Other		1,434	3,609	(60 %)	1,523	8,619	(82 %)
Operating profit (EBIT)		(1,405)	1,375	n.a.	(17,853)	19,774	n.a.
Total net profit		(284)	(329)	(14 %)	(20,182)	14,996	n.a.
Operating cash flow		6,170	20,915	(70 %)	28,532	11,924	139 %
Gross investments		(13,039)	(9,826)	33 %	(38,509)	(37,447)	3 %
Divestments		1,861	983	89 %	1,542	25,636	(94 %)
Free cash flow		(5,008)	12,072	n.a.	(8,435)	113	n.a.
Net interest-bearing debt		47,379	30,571	55 %	47,379	30,571	55 %
FFO/Adjusted net debt <sup>1</sup>	%	28.6	42.7	(14 %p)	28.6	42.7	(14 %p)
ROCE	%	(14.2)	16.8	(31 %p)	(14.2)	16.8	(31 %p)



# Offshore – Financial Highlights

Financial highlights		Q4 2023	Q4 2022	Δ	FY 2023	FY 2022	Δ
EBITDA	DKK m	(2,611)	2,094	n.a.	13,817	19,569	(29 %)
• Sites, O&Ms and PPAs		7,164	3,746	91 %	20,207	9,940	103 %
• Construction agreements and divestment gains		676	(715)	n.a.	5,218	12,277	(57 %)
• Cancellation fees		(9,621)	-	n.a.	(9,621)	-	n.a.
• Other, incl. project development		(830)	(937)	(11 %p)	(1,987)	(2,648)	(25 %)
Key business drivers							
Power generation	GWh	6,011	5,411	11 %	17,761	16,483	8 %
Wind speed	m/s	11.5	10.7	7 %	9.8	9.5	3 %
Availability	%	92	95	(3 %p)	93	94	(1 %p)
Load factor	%	56	54	2 %p	43	42	1 %p
Decided (FID) and installed capacity <sup>1</sup>	GW	15.5	11.1	40 %	15.5	11.1	40 %
Installed capacity <sup>1</sup>	GW	8.9	8.9	0 %	8.9	8.9	0 %
Generation capacity <sup>2</sup>	GW	5.0	4.7	7 %	5.0	4.7	7 %

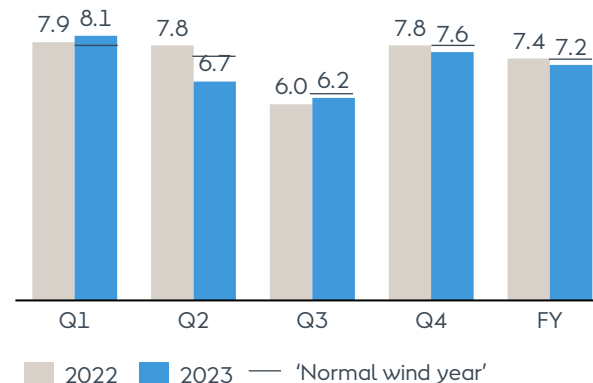
## Wind speeds, m/s



# Onshore – Financial Highlights

Financial highlights		Q4 2023	Q4 2022	Δ	FY 2023	FY 2022	Δ
EBITDA	DKKm	525	852	(38 %)	2,970	3,644	(18 %)
• Sites		394	420	(6 %)	1,256	2,097	(40 %)
• Production tax credits and tax attributes		590	712	(17 %)	2,567	2,556	0 %
• Other, incl. project development		(460)	(280)	64 %	(854)	(1,009)	(15 %)
Key business drivers							
Power generation	GWh	3,376	3,425	(1 %)	13,374	13,146	2 %
Wind speed	m/s	7.6	7.7	(1 %)	7.2	7.4	(3 %)
Availability, wind	%	85	91	(6 %p)	88	93	(5 %p)
Availability, solar PV	%	98	99	(1 %p)	98	98	0 %p
Load factor, wind	%	36	40	(4 %p)	36	40	(4 %p)
Load factor, solar PV	%	17	17	0 %p	24	25	(1 %p)
Installed capacity	GW	4.8	4.2	15 %	4.8	4.2	15 %

## Wind speeds, m/s



# Bioenergy & Other – Financial Highlights

Financial highlights		Q4 2023	Q4 2022	Δ	FY 2023	FY 2022	Δ
EBITDA	DKKm	1,434	3,609	(60 %)	1,523	8,619	(82 %)
• CHP plants		836	1,718	(51 %)	1,218	5,851	(79 %)
• Gas Markets & Infrastructure		589	2,073	(72 %)	558	3,117	(82 %)
• Other, incl. project development		9	(182)	n.a.	(253)	(349)	(28 %)
Key business drivers							
Heat generation	GWh	2,385	2,064	16 %	6,587	6,368	3 %
Power generation	GWh	1,042	1,409	(26 %)	4,437	6,012	(26 %)
Degree days	#	966	861	12 %	2,585	2,548	1 %

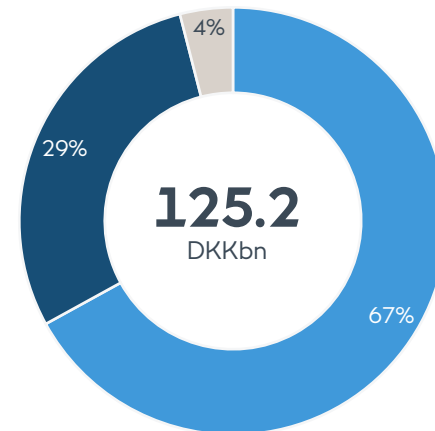


# Capital employed

Capital employed, DKKm	FY 2023	FY 2022
Intangible assets, and property and equipment	183,195	181,694
Assets classified as held for sale, net	-	-
Equity investments and non-current receivables	1,172	996
Net working capital, capital expenditures	(4,542)	(5,665)
Net working capital, work in progress	1,705	1,471
Net working capital, tax equity	(15,811)	(15,157)
Net working capital, other items	7,794	11,928
Derivatives, net	(10,383)	(32,322)
Decommissioning obligations	(12,977)	(14,076)
Other provisions	(19,886)	(5,630)
Tax, net	(1,047)	1,609
Other receivables and other payables, net	(4,050)	1,255
<b>TOTAL CAPITAL EMPLOYED</b>	<b>125,170</b>	<b>126,103</b>

## Capital employed by segment %, FY 2023

- Offshore
- Onshore
- Bioenergy & Other



# FFO/Adjusted net debt calculation

Funds from operations (FFO), DKKm <sup>1</sup>	2023	2022
<b>EBITDA</b>	<b>18,717</b>	<b>32,057</b>
Change in provisions and other adjustments	8,742	(2,213)
Change in derivatives	4,274	(8,687)
Variation margin (add back)	(7,086)	10,332
Reversal of gain (loss) on divestment of assets	(5,745)	(10,885)
Income tax paid	(2,717)	(1,263)
Interests and similar items, received/paid	1,385	(563)
Reversal of interest expenses transferred to assets	(453)	(586)
50 % of coupon payments on hybrid capital	(273)	(264)
Dividends received and capital reductions	19	23
<b>FUNDS FROM OPERATION (FFO)</b>	<b>16,863</b>	<b>17,951</b>

Adjusted interest-bearing net debt, DKKm	31 Dec 2023	31 Dec 2022
<b>Total interest-bearing net debt</b>	<b>47,379</b>	<b>30,571</b>
50 % of hybrid capital	9,552	9,897
Other interest-bearing debt (add back)	(3,339)	(4,924)
Other receivables (add back)	4,597	3,290
Cash and securities, not available for distribution, excl. repo loans	867	3,241
<b>ADJUSTED INTEREST-BEARING NET DEBT</b>	<b>59,056</b>	<b>42,075</b>

<b>FFO / ADJUSTED INTEREST-BEARING NET DEBT</b>	<b>28.6 %</b>	<b>42.7 %</b>
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# Taxonomy-aligned KPIs

Incl. voluntary disclosures

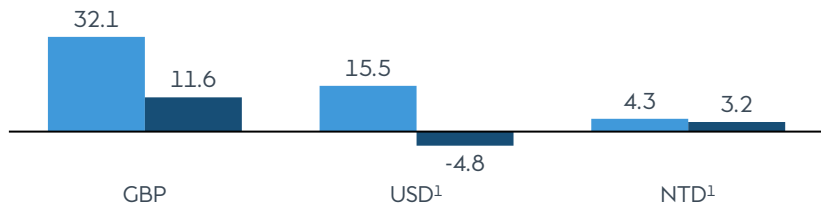
	Unit	2023	FY 2022	Δ
<b>Revenue (turnover)</b>	<b>DKKm</b>	<b>79,255</b>	<b>114,417</b>	<b>(31 %p)</b>
<b>Taxonomy-aligned revenue</b>	<b>%</b>	<b>86</b>	<b>69</b>	<b>17 %p</b>
- Taxonomy-aligned revenue adjusted for green bond financing	%	83	63	20 %p
<b>Taxonomy-non-eligible revenue</b>	<b>%</b>	<b>14</b>	<b>31</b>	<b>(17 %p)</b>
- Gas sale	%	8	18	(10 %p)
- Fossil-based generation	%	3	5	(2 %p)
- Other activities	%	3	8	(5 %p)
<b>CAPEX</b>	<b>DKKm</b>	<b>38,146</b>	<b>35,595</b>	<b>7 %</b>
<b>Taxonomy-aligned CAPEX</b>	<b>%</b>	<b>99</b>	<b>99</b>	<b>0 %p</b>
- Taxonomy-aligned CAPEX adjusted for green bond financing		50	77	(27 %p)
<b>Taxonomy-non-eligible CAPEX</b>	<b>%</b>	<b>1</b>	<b>1</b>	<b>0 %p</b>
<b>OPEX</b>	<b>DKKm</b>	<b>2,368</b>	<b>1,720</b>	<b>38 %</b>
<b>Taxonomy-aligned OPEX</b>	<b>%</b>	<b>79</b>	<b>80</b>	<b>(1 %p)</b>
<b>Taxonomy-non-eligible OPEX</b>	<b>%</b>	<b>21</b>	<b>20</b>	<b>1 %p</b>
<b>EBITDA</b>	<b>DKKm</b>	<b>18,717</b>	<b>32,057</b>	<b>(42 %p)</b>
<b>Taxonomy-aligned EBITDA (voluntary)</b>	<b>%</b>	<b>95</b>	<b>85</b>	<b>10 %p</b>
- Electricity generation from solar PV and storage electricity	%	4	2	2 %p
- Electricity generation from wind power	%	86	71	15 %p
- Cogeneration of heat and power from bioenergy	%	5	12	(7 %p)
<b>Taxonomy-non-eligible EBITDA (voluntary)</b>	<b>%</b>	<b>5</b>	<b>15</b>	<b>(10 %p)</b>
- Gas sales	%	3	8	(5 %p)
- Fossil-based generation	%	1	6	(5 %p)
- Other activities	%	1	1	0 %p

# Currency and energy exposure

## Currency exposure 2024-2028

DKKbn

■ Before hedging  
■ After hedging



Risk after hedging, DKKbn	Effect of price +10 %	Effect of price -10 %
GBP: 11.6 sales position	+1.2	-1.2
USD: 4.8 purchase position	-0.5	+0.5
NTD: 3.2 sales position	+0.3	-0.3

## Merchant exposure 2024-2026

DKKbn

■ Before hedging  
■ After hedging via as-produced PPAs and traded markets



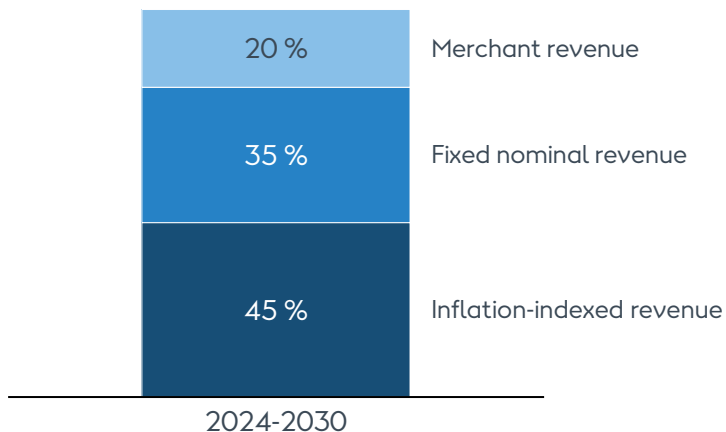
Risk after hedging, DKKbn	Effect of price +10 % <sup>2</sup>	Effect of price -10 % <sup>2</sup>
Power: 14.2 sales position	+1.4	-1.4
Gas: 0.1 sales position	+0.0	-0.0
Oil: 0.1 purchase position	-0.0	+0.0
Spread (power): 5.9 sales position	+0.6	-0.6

40 Notes: 1. For USD and NTD, we manage our risk to a natural time spread between front-end capital expenditures and long-term revenue.  
2. Assuming linear exposure.



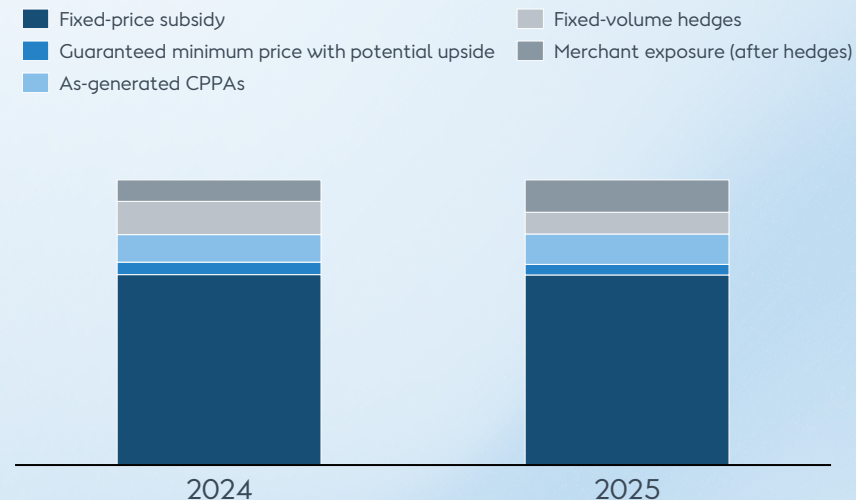
# Revenue composition including merchant exposure

## Revenue composition of offshore and onshore assets, 2024-2030



For the period 2024-2030, approximately 80 % of our expected revenue from our wind and solar PV assets are fixed price inflation-indexed or fixed nominal. The remaining 20% is exposed to fluctuations in power prices.

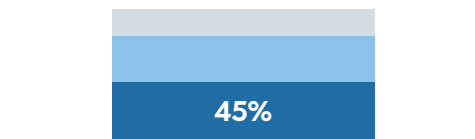
## Composition of revenue from generation of power in Offshore and Onshore, 2024-2025



The revenue from inflation-indexed or fixed nominal (covered by the three blue components in the graph) is 81% and 81%, respectively, compared to the 80 % inflation-indexed or fixed nominal from 2024-2030 shown to the right.

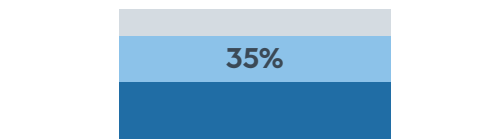
# Key financial exposures are proactively managed

## Inflation-indexed revenue



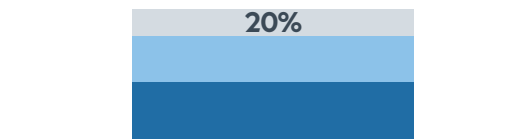
- **Prioritise inflation-indexed revenue** to protect against cost inflation and higher cost of capital
- Inflation-indexed revenue more than covers the operational expenditures subject to inflation risk<sup>1</sup>

## Fixed nominal revenue



- **Debt used to de-risk fixed nominal revenue** from assets in operation and under construction
- Interest rate swaps used to manage short-term interest exposure from awarded (pre-construction) assets

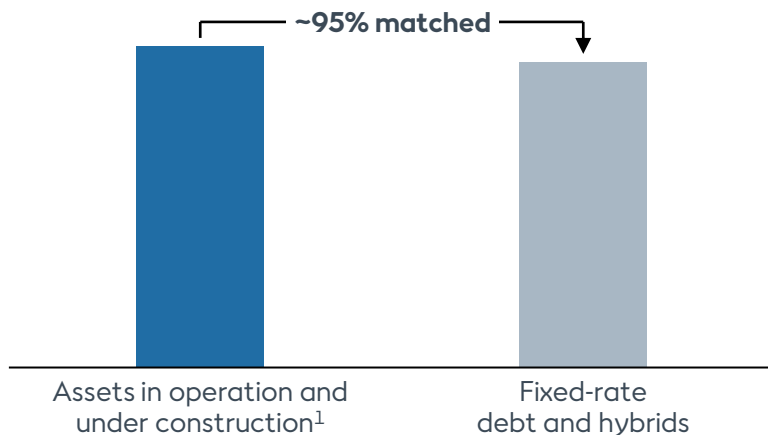
## Merchant revenue



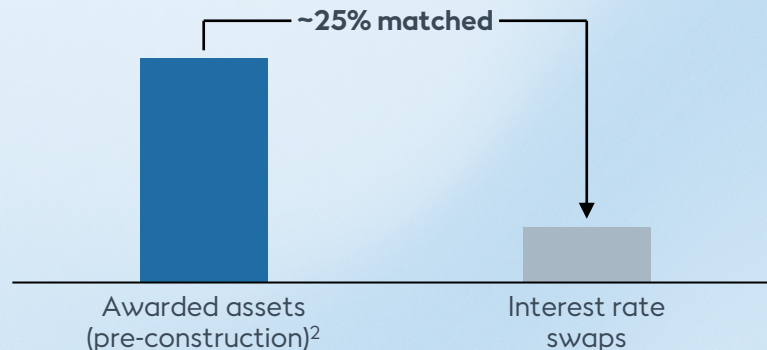
- **Corporate PPAs used to de-risk merchant revenue**
- New Hedging framework helps to ensure EBITDA stability and makes the portfolio more resilient in turbulent years

# Protecting fixed nominal assets against interest rates via fixed rate debt and derivatives

Fixed-rate debt used to protect fixed nominal cash flows against interest rate increases



Fixed nominal awarded assets where construction has not started are matched with interest rate swaps

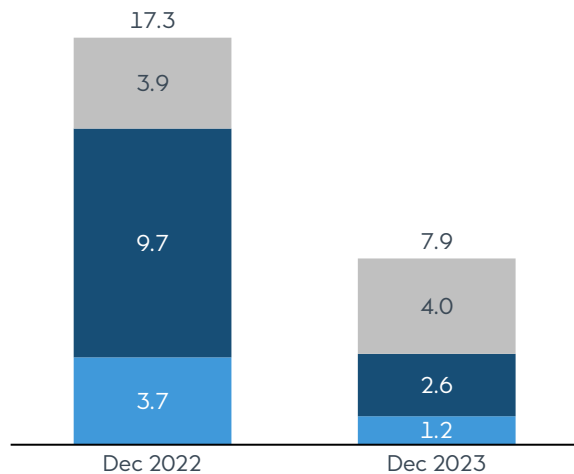


Notes: 1. Lifetime present value of fixed nominal cash flows excluding CAPEX. Assets under construction include the German Portfolio, Greater Changhua 1 and 2a and South Fork Wind. 2. Include Greater Changhua 2b and 4 (FID'ed), Revolution Wind (FID'ed), and Sunrise Wind (categorised as awarded; subject to re-award in New York 4 offshore wind solicitation).

# Liquidity reserve remains significantly above target

## Collateral and margin postings

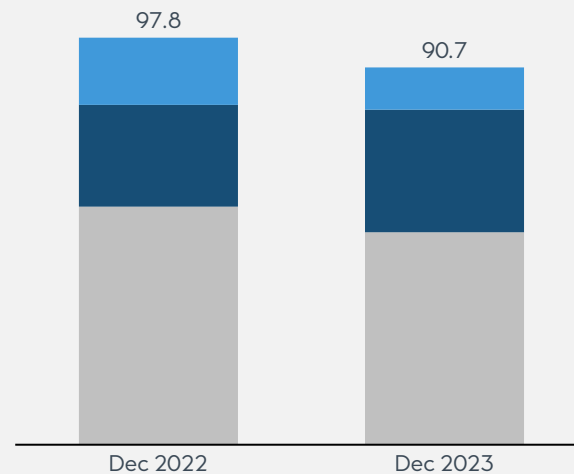
DKKbn



- Initial margin
- Variation margin
- Credit support annex and other collateral

## Liquidity reserve

DKKbn



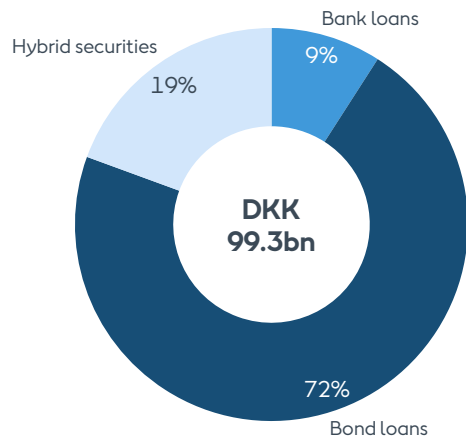
- Cash, available
- Securities, available
- Undrawn, non-cancellable credit facilities

# Debt and hybrids overview

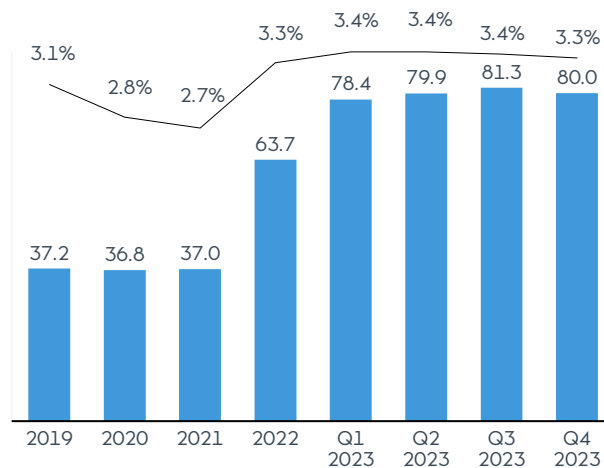
## Total gross debt and hybrids

31 December 2023, DKKbn

>90 % of gross debt (bond and bank loans) fixed interest rate. Remainder floating or inflation-linked



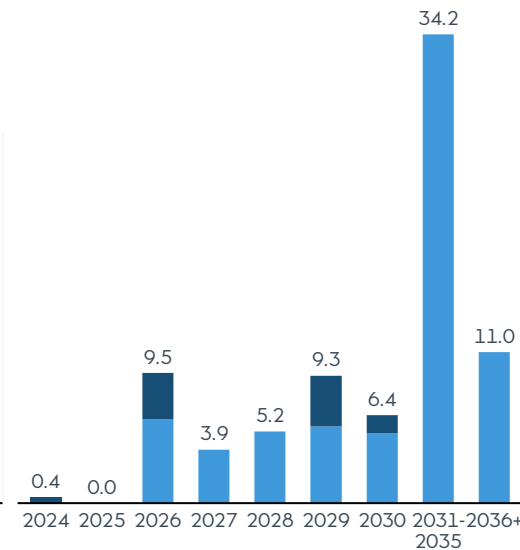
## Effective funding costs – Gross debt



■ Gross debt (bank and bond loans) (DKKbn)  
 — Average effective interest rate of gross debt

## Maturity profile of notionals of gross debt

31 December 2023, DKKbn



■ Bank loans  
 ■ Bond loans

Ørsted will continue to proactively assess its liquidity and funding opportunities on a regular basis, and may consider a hybrid refinancing ahead of the next EUR 500m hybrid call date in August 2024

# Hybrid capital in short

Hybrid capital can broadly be defined as funding instruments that combine features of debt and equity in a cost-efficient manner:

- Hybrid capital encompasses the credit-supportive features of equity and improves rating ratios
- Perpetual or long-dated final maturity (1,000 years for Ørsted)
- Absolute discretion to defer coupon payments and such deferrals do not constitute default nor trigger cross-default
- Deeply subordinated and only senior to common equity
- Without being dilutive to equity holders (no ownership and voting rights, no right to dividend)

Due to hybrid's equity-like features, rating agencies assign equity content to the hybrids when calculating central rating ratios (e.g. FFO/NIBD).

The hybrid capital increases Ørsted's investment capacity and supports our growth strategy and rating target.

Ørsted has made use of hybrid capital to maintain our ratings at target level in connection with the merger with Danish power distribution and production companies back in 2006 and in recent years to support our growth in the offshore wind sector.

## Accounting treatment

- Hybrid bonds are classified as equity
- Coupon payments are recognised in equity and do not have any effect on profit (loss) for the year
- Coupon payments are recognised in the statement of cash flows in the same way as dividend payments
- For further information see note 5.3 in the 2023 Annual Report

Hybrids issued by Ørsted A/S <sup>1</sup>	Outstanding amount	Type	First Reset Date <sup>3</sup>	Coupon	Accounting treatment <sup>2</sup>	Tax treatment	Rating treatment
<b>2.25 % Green hybrid due 3017</b>	EUR 500 m	Hybrid capital (subordinated)	Nov. 2024	Fixed during the first 7 years, first 25bp step-up in Nov. 2029	100 % equity	Debt – tax-deductible coupon payments	50 % equity, 50 % debt
<b>1.75 % Green hybrid due 3019</b>	EUR 600 m	Hybrid capital (subordinated)	Dec. 2027	Fixed during the first 8 years, first 25bp step-up in Dec. 2032	100 % equity	Debt – tax-deductible coupon payments	50 % equity, 50 % debt
<b>1.50 % Green hybrid due 3021</b>	EUR 500 m	Hybrid capital (subordinated)	Feb. 2031	Fixed during the first 10 years, first 25bp step-up in Feb. 2031	100 % equity	Debt – tax-deductible coupon payments	50 % equity, 50 % debt
<b>2.50 % Green hybrid due 3021</b>	GBP 425 m	Hybrid capital (subordinated)	Feb. 2033	Fixed during the first 12 years, first 25bp step-up in Feb. 2033	100 % equity	Debt – tax-deductible coupon payments	50 % equity, 50 % debt
<b>5.25 % Green hybrid due 3022</b>	EUR 500 m	Hybrid capital (subordinated)	Dec. 2028	Fixed during the first 6 years, first 25bp step-up in Dec. 2028	100 % equity	Debt – tax-deductible coupon payments	50 % equity, 50 % debt

Notes: 1. All listed on Luxembourg Stock Exchange and rated Baa3 (Moody's), BB+ (S&P) and BBB- (Fitch). The four Green hybrids are furthermore listed on the Luxembourg Green Exchange (LGX); 2. Due to the 1,000-year structure; 3. First Par Call Date.

# Ørsted's outstanding senior bonds

Bond Type	Issue date	Maturity	Face Value	Outstanding amount	Fixed/Floating rate	Coupon	Coupon payments	Green bond	Allocated to green projects (DKKm)	Avoided emissions (thousand tons CO <sub>2</sub> /year)
Senior Unsecured	Nov. 2017	26 Nov. 2029	EUR 750m	EUR 750m	Fixed	1.5%	Every 26 Nov.	Yes	5,499	541
Senior Unsecured	Jun. 2022	14 Jun. 2028	EUR 600m	EUR 600m	Fixed	2.25%	Every 14 Jun.	Yes	4,430	757
Senior Unsecured	Jun. 2022	14 Jun. 2033	EUR 750m	EUR 750m	Fixed	2.875%	Every 14 Jun.	Yes	5,553	356
Senior Unsecured	Sep. 2022	13 Sep. 2031	EUR 900m	EUR 900m	Fixed	3.25%	Every 13 Sep.	Yes	1,705	400
Senior Unsecured	Mar. 2023	1 Mar. 2026	EUR 700m	EUR 700m	Fixed	3.625%	Every 1 Mar.	Yes	5,187	405
Senior Unsecured	Mar. 2023	1 Mar. 2030	EUR 600m	EUR 600m	Fixed	3.75%	Every 1 Mar.	Yes	0	0
Senior Unsecured	Mar. 2023	1 Mar. 2035	EUR 700m	EUR 700m	Fixed	4.125%	Every 1 Mar.	Yes	0	0
Senior Unsecured	Jun. 2023	8 Jun. 2028	EUR 100m	EUR 100m	Fixed	3.625%	Every 8 Jun.	Blue	n/a	n/a
Senior Unsecured	Apr. 2010	9 Apr. 2040	GBP 500m	GBP 500m	Fixed	5.75%	Every 9 Apr.	No	n/a	n/a
Senior Unsecured	Jan. 2012	12 Jan. 2032	GBP 750m	GBP 750m	Fixed	4.875%	Every 12 Jan.	No	n/a	n/a
Senior Unsecured	May 2019	17 May 2027	GBP 350m	GBP 350m	Fixed	2.125%	Every 17 May	Yes	2,968	303
Senior Unsecured	May 2019	16 May 2033	GBP 300m	GBP 300m	Fixed	2.5%	Every 16 May	Yes	2,518	252
Senior Unsecured/CPI-linked	May 2019	16 May 2034	GBP 250m	GBP 309m	Inflation-linked	0.375%	Every 16 May & 16 Nov.	Yes	2,128	217
Senior Unsecured	Sep. 2022	13 Sep. 2034	GBP 375m	GBP 375m	Fixed	5.125%	Every 13 Sep.	Yes	1,100	100
Senior Unsecured	Sep. 2022	13 Sep. 2042	GBP 575m	GBP 575m	Fixed	5.375%	Every 13 Sep.	Yes	1,340	160
Senior Unsecured	Nov. 2019	19 Nov. 2026	TWD 4,000m	TWD 4,000m	Fixed	0.92%	Every 19 Nov.	Yes	882	69
Senior Unsecured	Nov. 2019	19 Nov. 2034	TWD 8,000m	TWD 8,000m	Fixed	1.5%	Every 19 Nov.	Yes	1,765	139
Senior Unsecured	Nov. 2020	13 Nov. 2027	TWD 4,000m	TWD 4,000m	Fixed	0.6%	Every 13 Nov.	Yes	882	69
Senior Unsecured	Nov. 2020	13 Nov. 2030	TWD 3,000m	TWD 3,000m	Fixed	0.7%	Every 13 Nov.	Yes	661	52
Senior Unsecured	Nov. 2020	13 Nov. 2040	TWD 8,000m	TWD 8,000m	Fixed	0.98%	Every 13 Nov.	Yes	1,763	139

Notes: Ørsted's green finance framework, allocated the dark green shading in the second-party opinion from CICERO Shades of Green, includes green bonds, green loans and other types of green financing instruments. Ørsted applies green proceeds exclusively for the financing of eligible projects, currently offshore wind projects, onshore wind projects and solar PV projects.

# Renewable capacity as of 31 December 2023

Indicator, MW, gross	2023	2022	Δ
<b>Installed renewable capacity</b>	<b>15,731</b>	<b>15,121</b>	<b>610</b>
Offshore, wind power	8,871	8,871	-
Onshore	4,785	4,175	610
- Wind power	3,171	3,464	253
- Solar PV power <sup>1</sup>	1,028	671	357
- Battery storage <sup>1</sup>	40	40	-
Bioenergy <sup>2</sup>	2,075	2,075	-
P2X	-	-	-
<b>Decided (FID'ed) renewable capacity</b>	<b>8,323</b>	<b>4,340</b>	<b>3,983</b>
Offshore, wind power	6,672	2,196	4,476
Onshore	1,579	2,072	(493)
- Onshore wind power	100	321	(221)
- Solar PV power <sup>1</sup>	1,179	1,451	(272)
- Battery storage <sup>1</sup>	300	300	-
Other (incl. P2X)	72	72	-
<b>Awarded and contracted renewable capacity (no FID yet)<sup>3</sup></b>	<b>3,720</b>	<b>11,157</b>	<b>(7,437)</b>
Offshore, wind power	3,677	11,157	(7,480)
Onshore, wind power	43	-	43
<b>Sum of installed and FID'ed capacity</b>	<b>24,054</b>	<b>19,461</b>	<b>4,593</b>
<b>Sum of installed, FID'ed, and awarded/contracted capacity</b>	<b>27,774</b>	<b>30,618</b>	<b>(2,844)</b>

## Installed renewable capacity

The installed renewable capacity is calculated as renewable gross capacity installed by Ørsted accumulated over time. We include all capacities after commercial operation date (COD) has been reached, and where we had an ownership share and an EPC (engineering, procurement, and construction) role in the project. Capacities from acquisitions are added to the installed capacity. For installed renewable thermal capacity, we use the heat capacity, as heat is the primary outcome of thermal energy generation, and as bioconversions of the combined heat and power plants are driven by heat contracts.

## Decided (FID'ed) renewable capacity

Decided (FID'ed) capacity is renewable capacity where a final investment decision (FID) has been made.

## Awarded and contracted renewable capacity

The awarded renewable capacity is based on the capacities which have been awarded to Ørsted in auctions and tenders. The contracted renewable capacity is the capacity for which Ørsted has signed a contract or power purchase agreement (PPA) concerning a new renewable energy asset. We include the full capacity if more than 50 % of PPAs or offtake is secured.

Notes: 1 Both the solar PV and battery storage capacities are measured in megawatts of alternating current (MW<sub>AC</sub>). 2 Including thermal heat capacity from biomass and battery capacity not in Onshore (21 MW). 3. We have removed Ballinrea (65 MW) from our contracted renewable capacity.

In Q4 2021, we aligned our definition of installed capacity, hence all assets (installed or FID'ed) are reported using nameplate capacity. Previously a few wind farms were reported using 'power optimised capacity' or 'export cable limit capacity'.

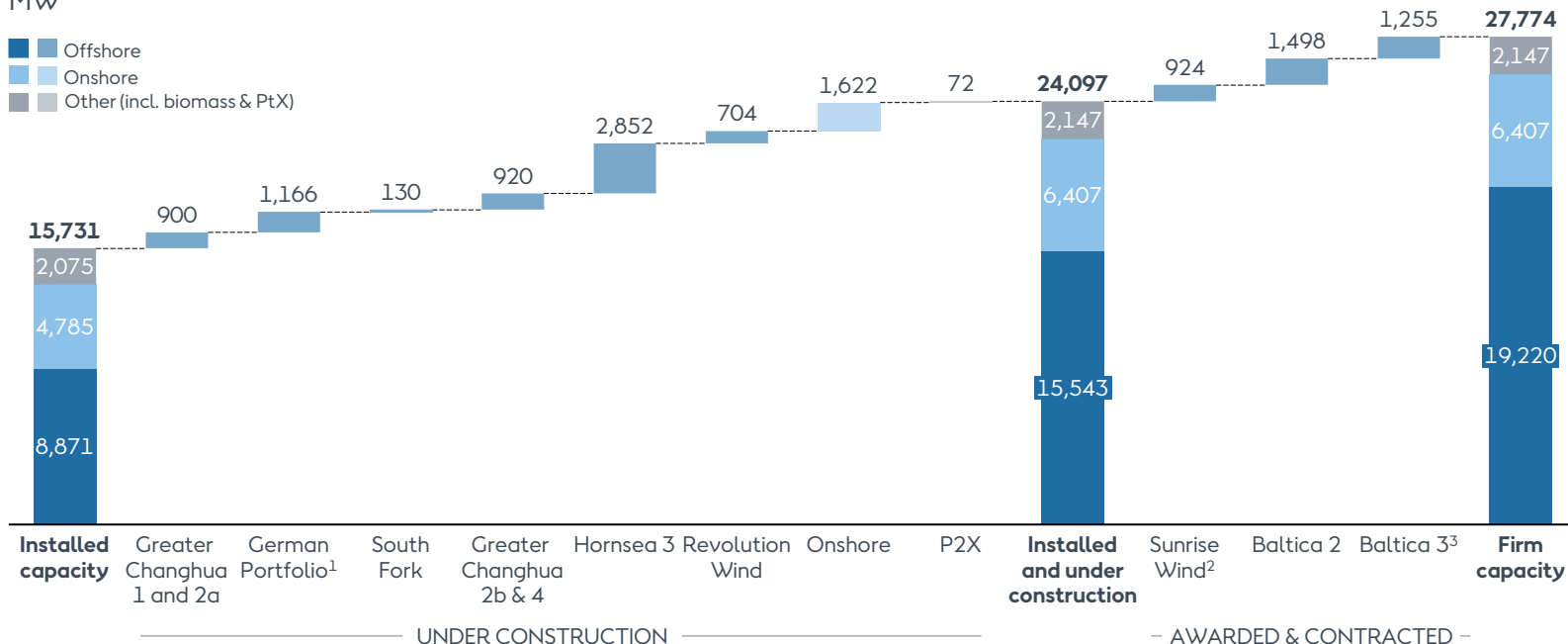


# Ørsted construction programme and pipeline

## Gross renewable capacity

MW

- Offshore
- Onshore
- Other (incl. biomass & PtX)

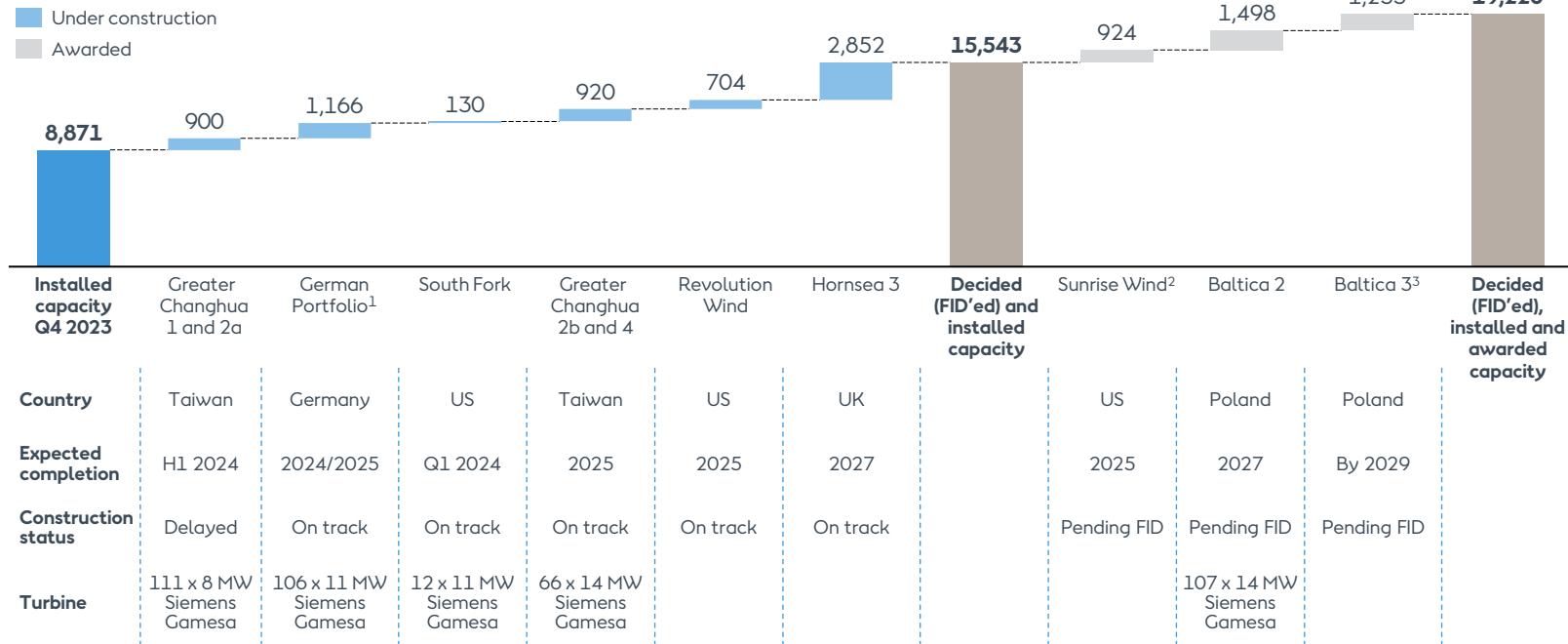


Notes: 1. German Portfolio: Code Wind 3 (253 MW) and Borkum Riffgrund 3 (913 MW). 2. Subject to re-award in New York 4 offshore wind solicitation. 3. Includes Baltica 3 (1,045 MW) and the awarded lease capacity for Baltica 2+ (210 MW).

# Offshore wind build-out plan

## Installed capacity

MW



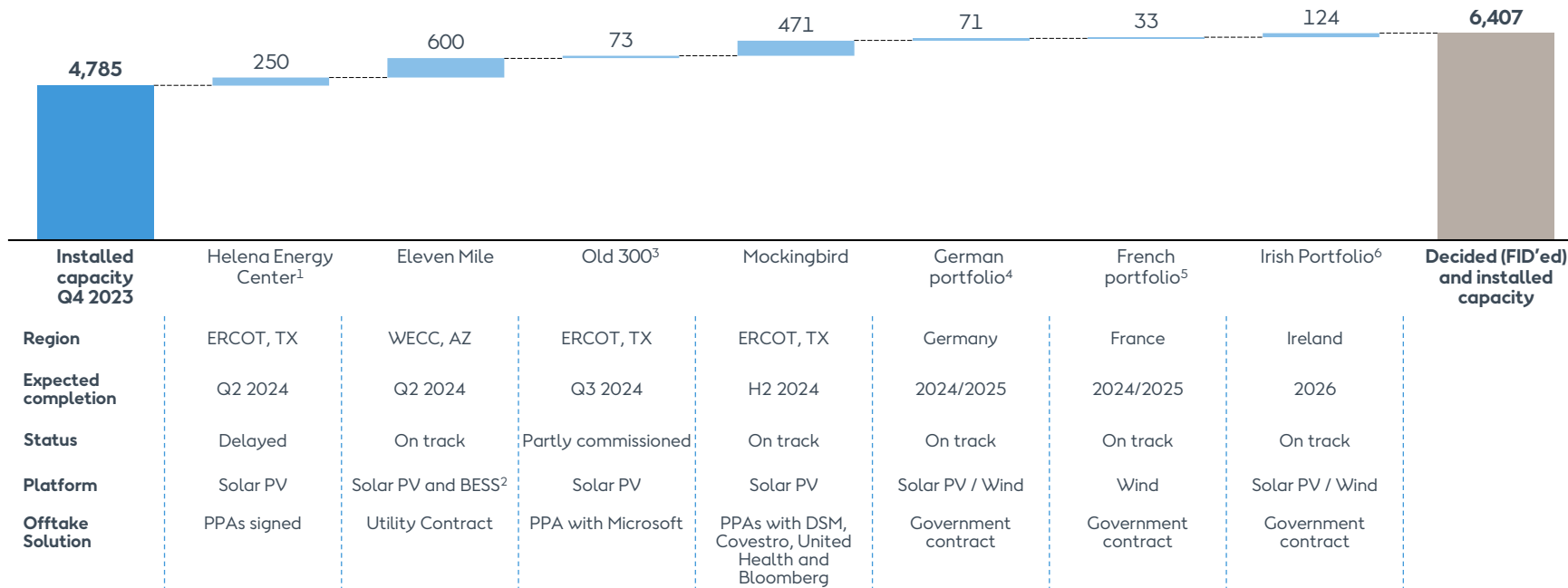
Notes: 1. German Portfolio: Gode Wind 3 (253 MW) and Borkum Riffgrund 3 (913 MW). 2. Subject to re-award in New York 4 offshore wind solicitation. 3. Includes Baltica 3 (1,045 MW) and the awarded lease capacity for Baltica 2+ (210 MW).

# Onshore build-out plan

## Installed capacity

MW

Under construction

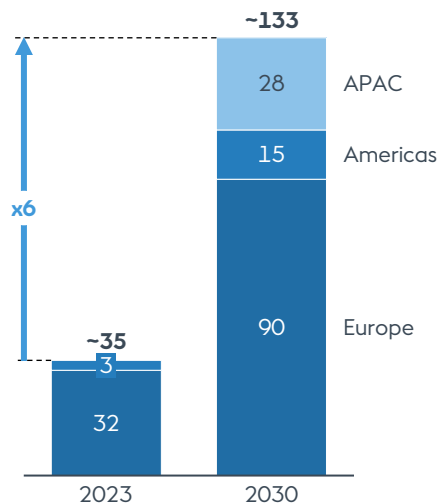


Notes: 1. Solar PV phase of Helena Energy Center. 2. 1,200 MWh for BESS. 3. Full park capacity of 430 MW<sub>AC</sub>. 4. Bahren West 1 50 MW, St. Wendel 17 MW, Amberg Süd 3.8 MW<sub>AC</sub>. 5. Gatineau 9 MW, Delta Sèvre-Argent 9 MW, Les Ramonières 15 MW. 6. Garreenleen Phase 1 81 MW<sub>AC</sub> and Farranrory 43 MW.

# Promising renewable energy market outlook

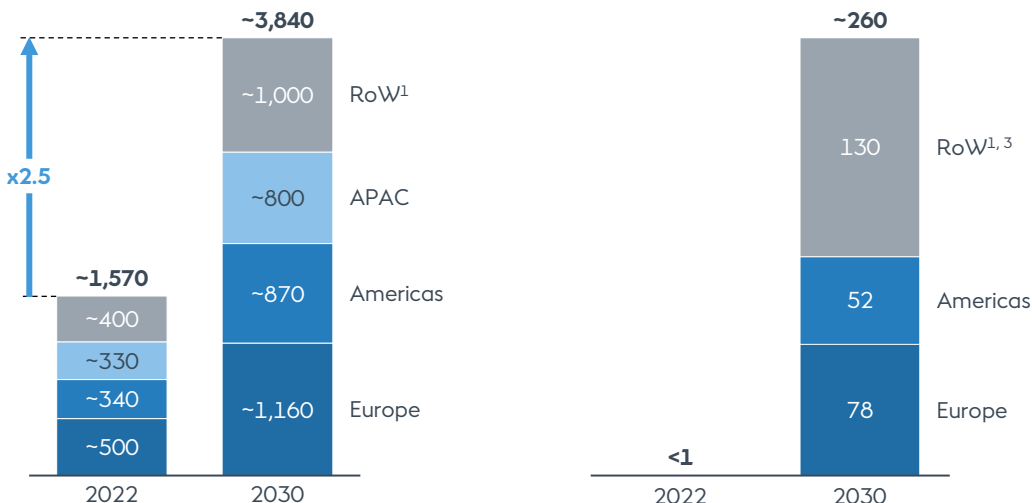
## Offshore wind

Installed capacity (excl. China), GW



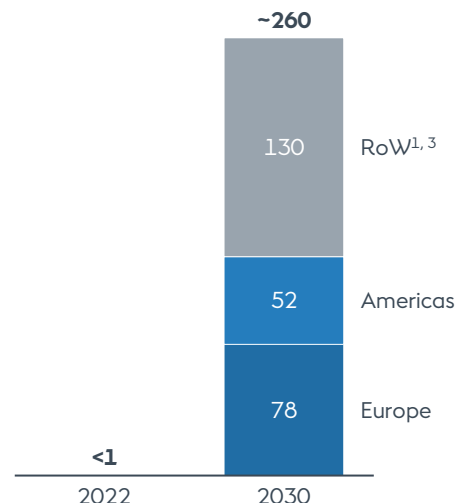
## Onshore renewables

Installed capacity (excl. China), GW



## Power-to-X (P2X)

Electrolyser capacity, GW<sup>2</sup>



Notes: 1. Rest of world. 2. Estimated electrolyser capacity required to meet forecasted renewable H<sub>2</sub> demand of 21 mtpa, based on IEA's Announced Pledges Scenario (APS) H<sub>2</sub> balance. Regional split indicates location of expected demand (which may differ from supply) and is based on internal estimates applied to IEA data. 3. Incl. APAC.  
Sources: BNEF (2022, 2023).

# Offshore market development – Europe (1/2)

## United Kingdom

- Ambition of 50 GW by 2030 for offshore wind, including 5 GW of floating, was reiterated in March 2023
- Commitment to decarbonise electricity system by 2035 and binding target to reach net-zero emissions across the whole economy by 2050
- The ASP for Allocation Round 6 was set in late 2023 at £73 for bottom-fixed offshore wind in 2012 prices. The budget for the round is yet to be set and the round is expected to open in March 2024
- Government has published consultation on Sustainable Industry Awards (formerly referred to as non-price factors) for consideration in Allocation Round 7 and beyond
- Government programme in place to tackle barriers to deployment (grid, planning etc.) and ongoing fundamental review of the electricity market (REMA)
- UK Government implemented the levy targeting exceptional electricity generation receipts with effect from 1 January 2023
- Seabed tender (Lease Round 5) for floating projects in the Celtic Sea will launch in 2024 for three pre-defined, pre-investigated sites (4.5 GW total)

## Ireland

- Binding targets of 51 % reduction in GHG-emissions by 2030 and net-zero emissions by 2050
- Target of 80 % of electricity from renewables by 2030 and specific targets for offshore wind (5 GW by 2030, 20 GW by 2040 and 37 GW by 2050)
- ORESS 1 saw 3.1 GW awarded in mid-2023 to four projects. The two unsuccessful projects (~1.2 GW) have until 2025 to secure a commercial route to market
- Government has set annual auctions; the next auction will be ORESS 2.1 for a state-selected 900 MW bottom-fixed site expected in late 2024

## Isle of Man

- Target for 100 % carbon neutral electricity by 2030 and at least 20 MW of local renewable energy generation on the Island by 2026
- The Isle of Man is a Crown Dependency and energy projects in its territorial waters are not currently eligible to participate in UK CfD auctions
- Ørsted was successful in being awarded the first and so-far only Agreement for Lease in 2015
- A new Energy Strategy was published in June 2023 with a stated policy principle to work with Ørsted to maximise the benefits of the Agreement for Lease
- Plan to begin work scoping future licensing rounds for offshore wind

## Germany

- Target of 80 % renewables in the energy mix by 2030 and GHG-neutrality by 2045
- Official national offshore wind capacity targets of 30 GW by 2030, 40 GW by 2035 and 70 GW by 2045
- Germany will tender 8 GW of offshore wind in 2024 in the North Sea – 2.5 GW non-developed in a price only auction (dynamic price auction) and 5.5 GW pre-investigated in a hybrid auction (price and non-price, sealed envelope)
- No fundamental changes to tender regulation expected, final framework including data for pre-investigated sites will be published in February and March 2024, respectively

## Offshore market development – Europe (2/2)

### Netherlands

- The government on firm trajectory to deliver 21 GW by 2030
- Next tender is IJmuiden Ver (2 x 2 GW) in H1 2024. Government has opt'ed for a tender design that includes a capped payment and qualitative criteria focused on ecology and system integration

### Denmark

- Political agreement reached for centralised tenders of 9 GW, with potential of overplanting for an additional 5 GW. The mechanism will be price-only with the Danish state requiring 20 % ownership of 6 out of the 9 GW offshore wind farms
- The tender process for the North Sea Energy Island has been temporarily suspended

### Poland

- New government was appointed in December 2023
- The new government has indicated personnel changes in state owned companies to replace employees politically appointed by former government. It will have an impact on the management board in PGE and PGE Baltica

### Belgium

- Capacity will grow from current 2.2 GW in operation to 5.8 GW before 2030. First tender of 700 MW expected H2 2025
- MoU signed with Denmark for large scale offshore wind power imports

### Sweden

- 100 % fossil free electricity target by 2040 and carbon neutrality by 2045
- Energy Agency forecasts electricity demand could double by 2035
- TSO planning grid reinforcement of SEK 100 bn to support increased electricity demand

# Offshore market development – US

<b>New York</b>	<ul style="list-style-type: none"> <li>• Target of 9 GW offshore wind by 2035. 8.3 GW previously awarded</li> <li>• State issued awards in NY 3 RFP in Q4 2023, with a total of 4 GW awarded across three projects</li> <li>• State has initiated an accelerated re-bid process (NY 4) intended to provide a “re-bid” opportunity for previously awarded projects, but new projects may also bid. Bids are due by 25 January with award decisions expected by the end of February</li> </ul>
<b>Massachusetts</b>	<ul style="list-style-type: none"> <li>• Target of 5.6 GW offshore wind by 2027 of which 3.2 GW awarded. Up to 2.0 GW have been “withdrawn” (Commonwealth Wind &amp; SouthCoast Wind)</li> <li>• Active procurement for up to 3.6 GW with bids due by 27 March 2024; solicitation in coordination with Connecticut and Rhode Island</li> </ul>
<b>Connecticut</b>	<ul style="list-style-type: none"> <li>• Target of up to 2.3 GW of offshore wind capacity by 2030, of which 2 GW remains available (includes available capacity following Avangrid withdrawal)</li> <li>• Active procurement for up to 2 GW with bids due by 27 March 2024; solicitation in coordination with Massachusetts and Rhode Island</li> </ul>
<b>Rhode Island</b>	<ul style="list-style-type: none"> <li>• Legislation signed to power the state with 100 % renewable energy by 2033</li> <li>• Active procurement for 1.2 GW with bids due by 27 March 2024; solicitation in coordination with Massachusetts and Connecticut</li> </ul>
<b>New Jersey</b>	<ul style="list-style-type: none"> <li>• Target of 11 GW of offshore wind capacity by 2040</li> <li>• Award in NJ 3 solicitation of between 1.2 GW and 4 GW expected Q1 2024</li> <li>• State expected to issue RFP for NJ 4 in Q1 2024</li> </ul>
<b>Maryland</b>	<ul style="list-style-type: none"> <li>• Legislation establishing 8.5 GW offshore wind goal by 2031, passed in April 2023</li> <li>• State expected to issue RFP in Q3 2024 for 1,450 MW – 1,600 MW</li> </ul>
<b>Delaware</b>	<ul style="list-style-type: none"> <li>• Legislation to establish offshore wind procurement goal is expected to be consideration H1 2024; anticipate modest target of approximately 1 GW</li> </ul>
<b>California</b>	<ul style="list-style-type: none"> <li>• Planning target of 25 GW by 2045</li> <li>• Established a process to develop state-run procurement regime through 2024</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Louisiana issued offshore wind operating agreements for development in state waters to two developers, expected to result in small-scale pilot projects</li> <li>• Auctions for Central Atlantic and Gulf of Maine expected in 2024; Oregon tentative for 2024</li> </ul>

# Offshore market development – APAC

## Taiwan

- Taiwan has met its target of awarding 5.5 GW to be commissioned by 2025. Target of 20.6 GW offshore wind by 2035
- Third round auction announced with 15 GW offshore wind target to be constructed from 2026-2035
- Auction round 3.2 bid submission deadline 10 April and expected award in May 2024

## Japan

- Target of 10 GW offshore wind towards 2030 and 30-45 GW by 2040
- 18 sites have been designated as potentially suitable for the development of offshore wind for upcoming auctions onwards with a capacity of ~7 GW

## South Korea

- Target of 12 GW offshore wind by 2030
- Ørsted granted EBL for the 1.6 GW Incheon Project in November 2023 which secured site exclusivity
- Hydrogen Act announced in February 2021 setting targets for 15 GW of hydrogen fuel cells for power generation and production of 6.2 million hydrogen FCEVs by 2040

## Australia

- Target of 2 GW offshore wind by 2032 and 9 GW by 2040 in Victoria. Additionally, Australia has declared an offshore wind zone in New South Wales
- Australian federal government has released its secondary offshore energy legislation, outlining guidelines for application requirements/assessment criteria and recovery costs
- Deadline for application for feasibility license with seabed exclusivity for sites in Victoria was 27 April 2023 with award announcement expected in H1 2024 number of licenses available for award has not been disclosed though 5.6 GW of projects were submitted
- Victoria's first CfD auction round has initially been proposed to open in 2025



# Up to 40 GW offshore wind capacity expected to be auctioned in 2024

## Upcoming auctions and tenders



**Q1 2024**

New York 4

Up to 4,200 MW (incl. re-bid of previous projects)



**Q1 2024<sup>1</sup>**

Rhode Island

Approx 1,200 MW



**Q1 2024<sup>1</sup>**

Connecticut 3

Up to 2,000 MW



**Q1 2024<sup>1</sup>**

Massachusetts 4

Up to 3,600 MW



**H1 2024**

New Jersey 4

TBD



**H1 2024**

Sørlige Nordsjø II site 1

1,500 MW



**H1 2024**

Taiwan auction

3,000 MW



**H1 2024**

IJmuiden Ver

4,000 MW



**Q3 2024 (tentative**

**RFP issue)**

Maryland



**2024**

ORESS 2.1

900 MW



**2024**

German tender

Up to 8,000 MW



**2024**

CfD AR6



**2024 – 2025**

Danish tender

6,000 – 14,000 MW

Notes: 1. Massachusetts, Connecticut, and Rhode Island plan to coordinate their selection of offshore wind projects and consider multi-state proposals in their respective procurements, based on the benefits to each state and the region.

All auction and tender timelines and capacities based on current expectations and subject to change. Timeline reflects bid submission deadline, not time of award (unless specifically stated).

# Renewable hydrogen & e-fuels

## Signals for significant market growth



### Critical regulatory developments in the EU and the US

EU's REDIII entered into force in November; this will significantly contribute to renewable H<sub>2</sub> demand in industry and transport towards 2030, further to the FuelEU and ReFuelEU mandates for e-fuels in shipping and aviation. US Treasury published preliminary guidance on access to tax credits of up to \$3/kg.



### Increasing funding in the EU and in the US

First round of EU Hydrogen Bank auction launched in November with €800 m of subsidies allocated for renewable H<sub>2</sub> production, with announcement of a second round to open in 2024 (€2.2 bn). In the US, 7 hydrogen hubs were awarded a total of \$7 bn funding to accelerate development of low-carbon H<sub>2</sub>.



### Tangible signs of hydrogen & e-fuels demand

Continued tangible signs of demand in shipping, refining and steel sectors (incl. steel majors receiving funding to decarbonise and >200 new dual-fuel methanol fuelled vessels on order); however, rate of green H<sub>2</sub> FIDs indicates caution on supply side.

## Ørsted Power-to-X (P2X) highlights during Q4 2023

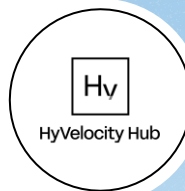
### FlagshipONE (FS1) partnership announcement

Announced at COP that the EU-Catalyst Partnership, consisting of the European Commission, Breakthrough Energy Catalyst and the European Investment Bank, will support Ørsted's FS1 e-methanol project in Sweden



### HyVelocity hydrogen hub funding

Ørsted is one of 7 core industry participants in the US HyVelocity hydrogen hub, which was awarded \$1.2 bn total funding from the US Department of Energy to boost the P2X sector along the coast of the Gulf of Mexico



### Project development

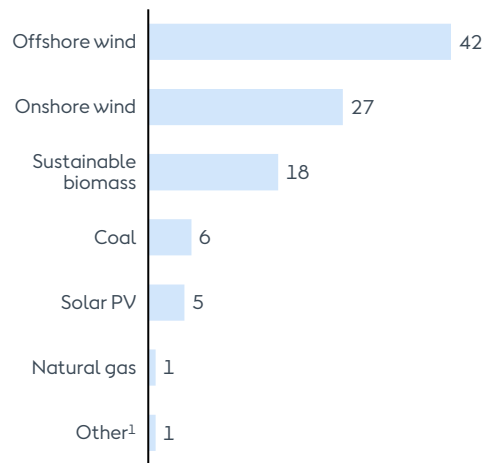
Ørsted continues to mature a pipeline of renewable H<sub>2</sub> and e-fuels project opportunities in Northern Europe and North America to meet ambition of delivering +2 GW gross electrolyser installed capacity by 2030



# ESG Performance

## Total heat and power generation, 2023

Energy source, %



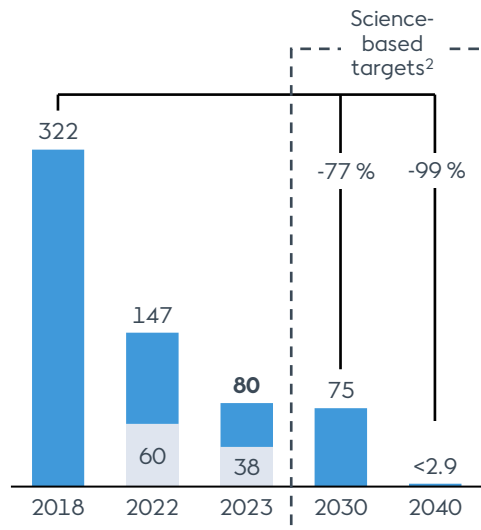
## Renewable share of energy generation, 2023



## Greenhouse gas emissions intensity

CO<sub>2</sub>e/kWh

■ Scope 1-3 (excl. natural gas sales)  
 ■ Scope 1-2



## Gender balance

%, women/men

### Total workforce



### People Leaders



### Senior directors and above



# Accelerating a successful and sustainable build-out of renewable energy

## Industry-leading sustainability initiatives



### Science-aligned climate action

We are the first energy company with a **science-based net-zero target for the full value chain** (scope 1-3), including a new near-term 2030 target as key interim milestone on the path to help limit global heating to 1.5 °C. Key initiatives in 2023 include:

- 1) Procuring low-carbon copper for the export cables at Hornsea 3, reducing emissions from export cables by ~50 %.
- 2) Forming a partnership with Vestas to procure 25 % low-emission steel turbine towers for all joint projects.
- 3) Signing a large-scale supply agreement with Dillinger, which in part enables Dillinger to invest in a low emission steel production route, reducing their company emissions by 55 % in 2030.



### Green energy that revives nature

We have an ambition that **all new renewable energy projects commissioned from 2030 must have a net-positive biodiversity impact**. Key initiatives in 2023 include:

- 1) Issuing an industry first blue bond to increase investments towards offshore biodiversity and sustainable ocean fuels.
- 2) Protecting and restoring up to 3,000 acres of tallgrass prairie near Sunflower Wind in Kansas, US, together with The Conservancy Fund and The Nature Conservancy.
- 3) Continuing our biodiversity pilot projects, including the seascape restoration project in the UK, the ReCoral project in Taiwan, and 3D-printed reefs in Denmark.
- 4) Becoming early adopters of the Taskforce on Nature-related Financial Disclosures (TNFD).



We **commit to not landfill blades nor solar PV modules** and in 2023 we continued our work to develop circular solutions within the industry, e.g., through DecomBlades, the Coalition for Wind Industry Circularity, and our partnerships with Vestas, DNV, Renewable Parts, SOLARCYCLE, and Plaswire.



### A green transformation that works for people

We are **committed to support a just transition** through decent jobs and thriving communities. In 2023, this was carried out through, i.a., community engagements and benefit funds, human rights assessments and trainings, respectful working environment campaigns, and partnerships with the Responsible Mining Assurance (IRMA) and the Responsible Business Conduct (IRBC) Agreement for the Renewable Energy Sector.



Ørsted has been named the world's most sustainable energy developer in Corporate Knights' 2024 Global 100 index

## ESG rating performance




Rating agency	Score	Benchmark
CDP CLIMATE A LIST 2023	A	<b>Climate:</b> Highest possible rating for five consecutive years and recognised as a global leader on climate action
CDP WATER	A-	<b>Water:</b> awarded the score 'A-' in 2023
MSCI ESG RATINGS AAA	AAA	Highest possible rating for six consecutive ratings
SUSTAINALYTICS Rated	17.2 (low risk)	Assessed as "low risk" and placed as no. 1 among direct utility peers measured by market cap
Corporate ESG Performance Prime	A-	Ranked in 1 <sup>st</sup> decile among electric utilities and awarded highest possible 'Prime' status
PLATINUM 2023 ecovadis SUSTAINABILITY RATING	78	Platinum Medal for being among top 1 % of companies assessed by EcoVadis

# Strategic sustainability ambitions and targets

To prepare for the Corporate Sustainability Reporting Directive (CSRD), we have conducted a double materiality assessment (DMA) for the Annual Report 2023

Our four strategic sustainability focus areas respond to material sustainability risks, opportunities and impacts identified in the DMA.

These areas support our efforts to deliver a fast build-out at scale that works for planet and people while laying the foundation for a resilient business.

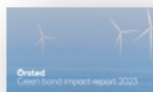
 <p><b>E</b> Science-aligned climate action</p>	 <p><b>S</b> A green transformation that works for people</p>	 <p><b>G</b> Governance that enables the right decisions</p>
<p><b>Key sustainability targets</b></p> <ul style="list-style-type: none"> <li>• <b>2025:</b> 98 % reduction in scope 1-2 emissions intensity (from 2006), incl. full phase-out of coal</li> <li>• <b>2030:</b> 77 % reduction in scope 1-3 emissions intensity, excl. gas sales (from 2018)</li> <li>• <b>2040:</b> Net-zero emissions in scope 1-3 and 90 % reduction in absolute emissions (scope 3, from gas sales)</li> </ul>	<p><b>Key sustainability targets</b></p> <ul style="list-style-type: none"> <li>• <b>Today:</b> Zero wind turbine blade and solar PV module waste directed to landfill</li> <li>• <b>2030:</b> Net-positive biodiversity impact from all new renewable energy projects commissioned from 2030 at the latest</li> </ul>	<p><b>Key sustainability targets</b></p> <ul style="list-style-type: none"> <li>• Further develop and integrate human rights due diligence in our management system</li> <li>• <b>Employee satisfaction:</b> Be in the top 25 % among benchmarking companies</li> <li>• <b>2025:</b> Achieve a total recordable injury rate (TRIR) of 2.5 per million hours worked</li> <li>• <b>2030:</b> Reach a 40:60 gender balance in our total workforce (women:men)</li> </ul>

## Our publications

Annual Report 2023



Green bond impact report 2023

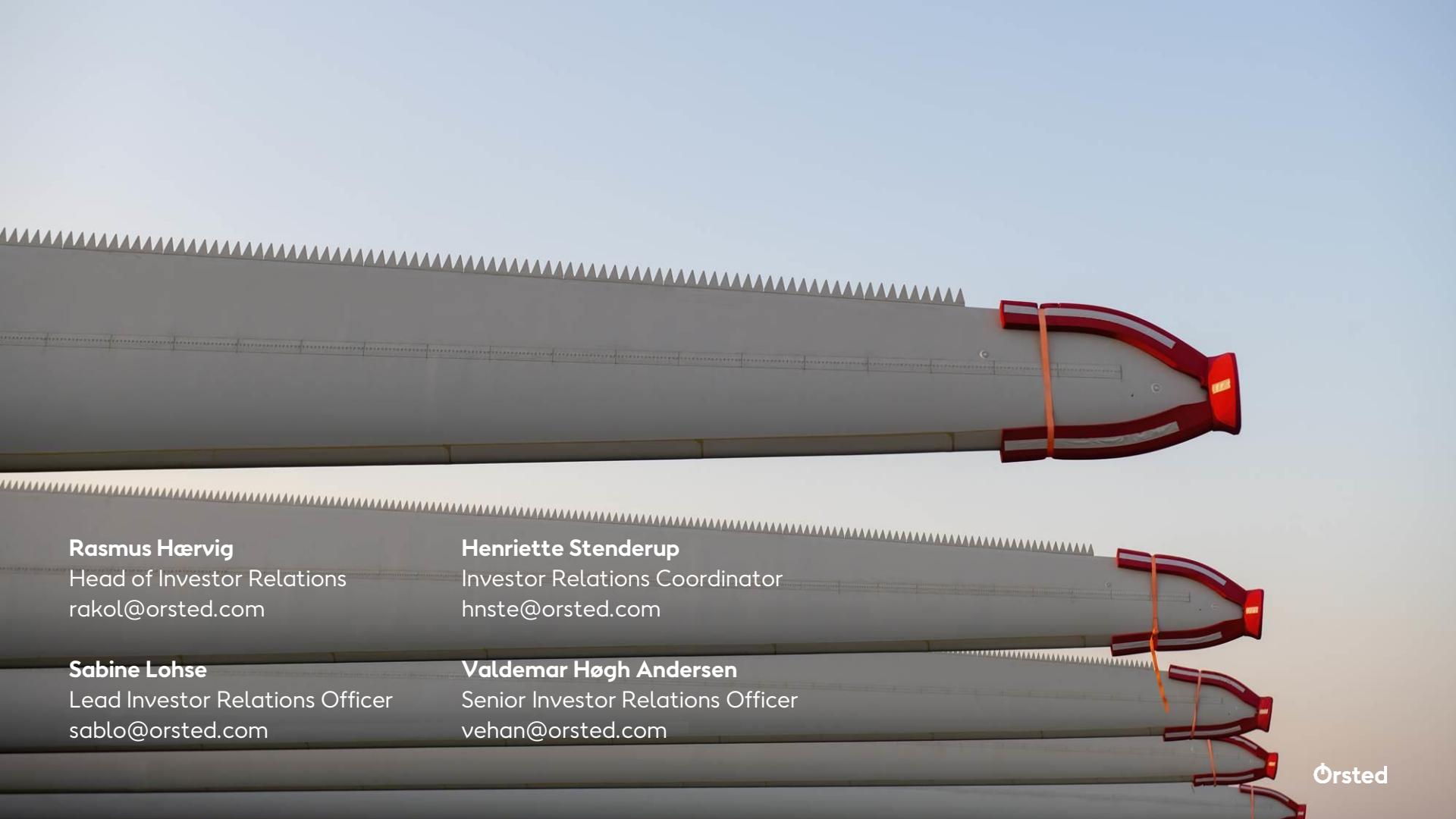


Climate advocacy report 2023



White paper: Uniting action on climate and biodiversity





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