



**Orsted**

# Investor presentation Q4 2021

2 February 2022

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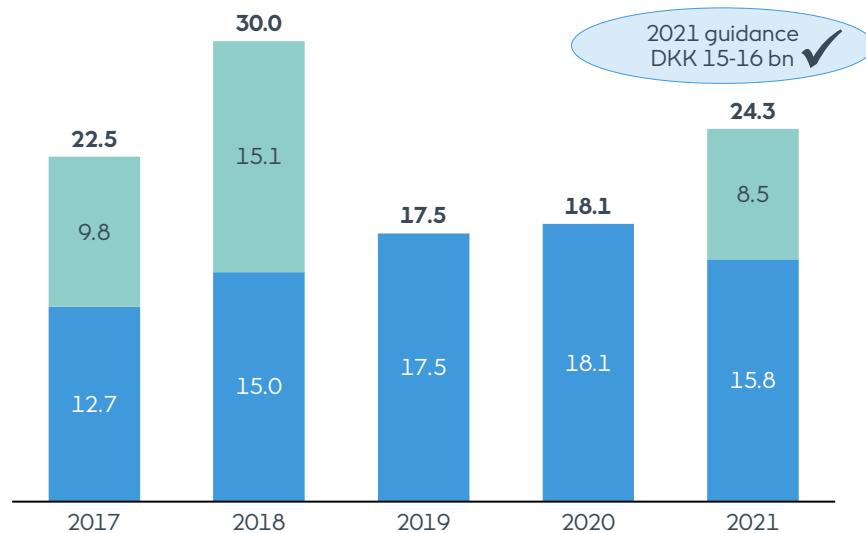
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# 2021 guidance delivered with very different composition of EBITDA due to extraordinary market conditions

## Group EBITDA DKKbn

- Offshore new partnerships
- Existing activities



## Achieved guidance in 2021

- Group EBITDA without new partnerships amounted to DKK 15.8 bn, in line with our expectations
- Results demonstrated strength of diversification as EBITDA was supported by very strong performance from our CHP plants and gas business and offset the impact from unusual low wind speeds and the energy crunch in Offshore
- High availability rates maintained despite COVID-19
- Return on capital employed was 15 %
- The Board of Directors recommend a dividend of DKK 12.5 per share, an increase of 8.7 %

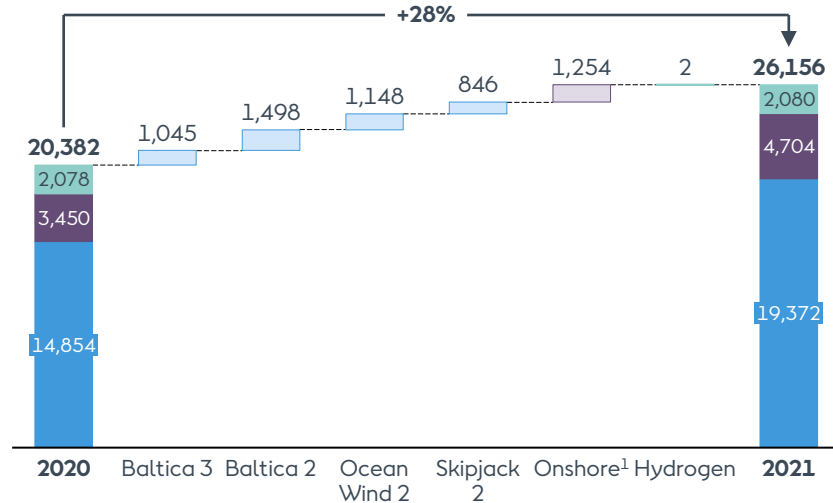
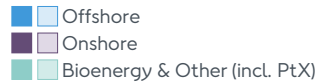
## Demonstrated proven partnership model

- Closed 50 % farm-downs of Borssele 1 & 2 and Greater Changhua 1
- Signed 50 % farm-down of Borkum Riffgrund 3, to be closed in 2022

# Grew firm capacity by 28 % in 2021 in a competitive environment

## Firm renewable capacity

MW, gross



## Firm capacity milestones

### Offshore

- Demonstrated proven partnership approach through JV with PGE in Poland as partner, adding 2.5 GW to firm capacity
- Successful at competitive auctions with awards of 1,148 MW in New Jersey and 846 MW in Maryland

### Onshore

- Diversified our footprint with the acquisition of Brookfield Renewable Ireland (BRI) in the UK and Ireland with 327 MW operating assets, 62 MW under construction, and other pipeline projects. Since acquisition, brought another 45 MW to FID
- Acquired 302 MW Lincoln Land in MISO (US)
- Continued strong greenfield development with FID on 518 MW wind and solar PV Helena Energy Center

### Renewable Hydrogen

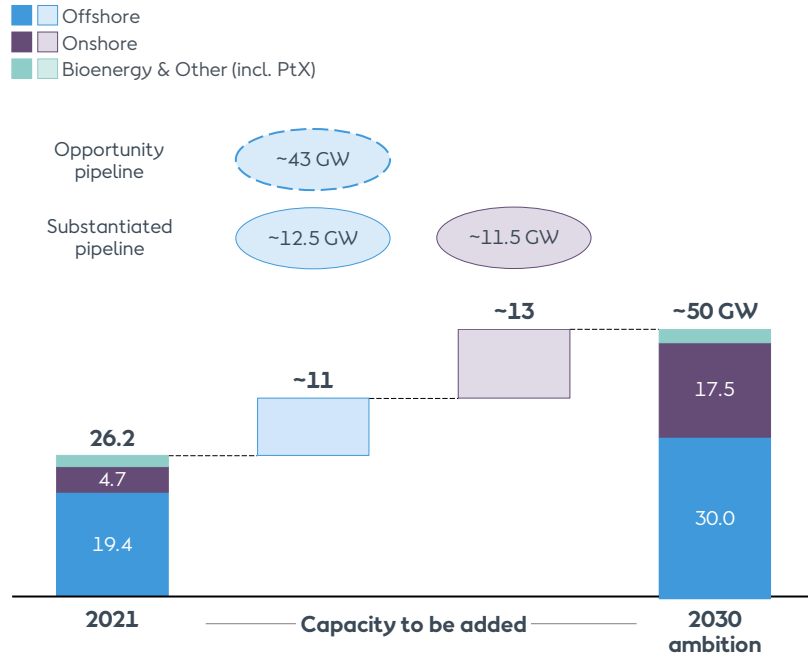
- Reached FID and started construction on the 2 MW H2RES project in Denmark

1. Reached FID on Helena Energy Center (518 MW), acquired Brookfield Renewable Ireland and reached FID on pipeline projects (327 MW operating, 107 MW under construction), and Lincoln Land acquisition (302 MW)

Note: 2021 firm capacity includes 16 MW Ballykeel (FID on 13 Jan 2022), but not in final accounting numbers that reflect Q4 2021

# Accomplishing strategic milestones and building out pipeline to meet ~50 GW 2030 ambition

## Strong pipeline to realise the 2030 ambition GW, gross



## Progress continues on market development

### Offshore

- Scotland: Awarded a 1 GW floating lease site in ScotWind auction
- Korea: Signed MoUs with KOSCO and KOMIPO to develop 1.6 GW near Incheon City
- Vietnam: Signed MoU with T&T bringing together a multi-GW pipeline near Binh Thuan and Ninh Thuan provinces
- Baltics: Signed MoU with Enefit, outlining offshore development vision
- Norway: Joined consortium with Fred. Olsen Renewables and Hafslund Eco for long-term development and upcoming seabed auctions

### Onshore

- Onshore business expansion into the UK, Ireland, and MISO (US) can be leveraged for future opportunities

### Renewable Hydrogen

- 10-project pipeline of +3 GW where funding progresses
- Sweden: Partnership with Liquid Wind for 45 % ownership of FlagshipONE sustainable e-methanol project
- A number of MoUs with Salzgitter, POSCO, Uniper, Williams, and the Edinburgh Airport provide future project opportunities

# Ørsted awarded 846 MW offshore wind contract in Maryland and received final COP for the 130 MW South Fork project



## 846 MW Skipjack 2 project

- Awarded a 20-year Offshore Renewable Energy Certificate (OREC) following a competitive solicitation
- The 20-year OREC price is USD 83.9 per MWh from 2026, with a 3% annual escalator (corresponding to a levelised 2017 price of USD 75.8 per MWh)
- Subject to final investment decision, Skipjack 2 and the previously-awarded Skipjack 1 (120 MW) will be built as one project, with expected commissioning in 2026
- Ørsted has been awarded a total of c. 5 GW offshore wind projects in the US, which unlocks significant synergies in procurement, construction, and operations
- In addition to the awarded capacity, Ørsted and our partners have rights to c. 3 GW of seabed leases on the US East Coast

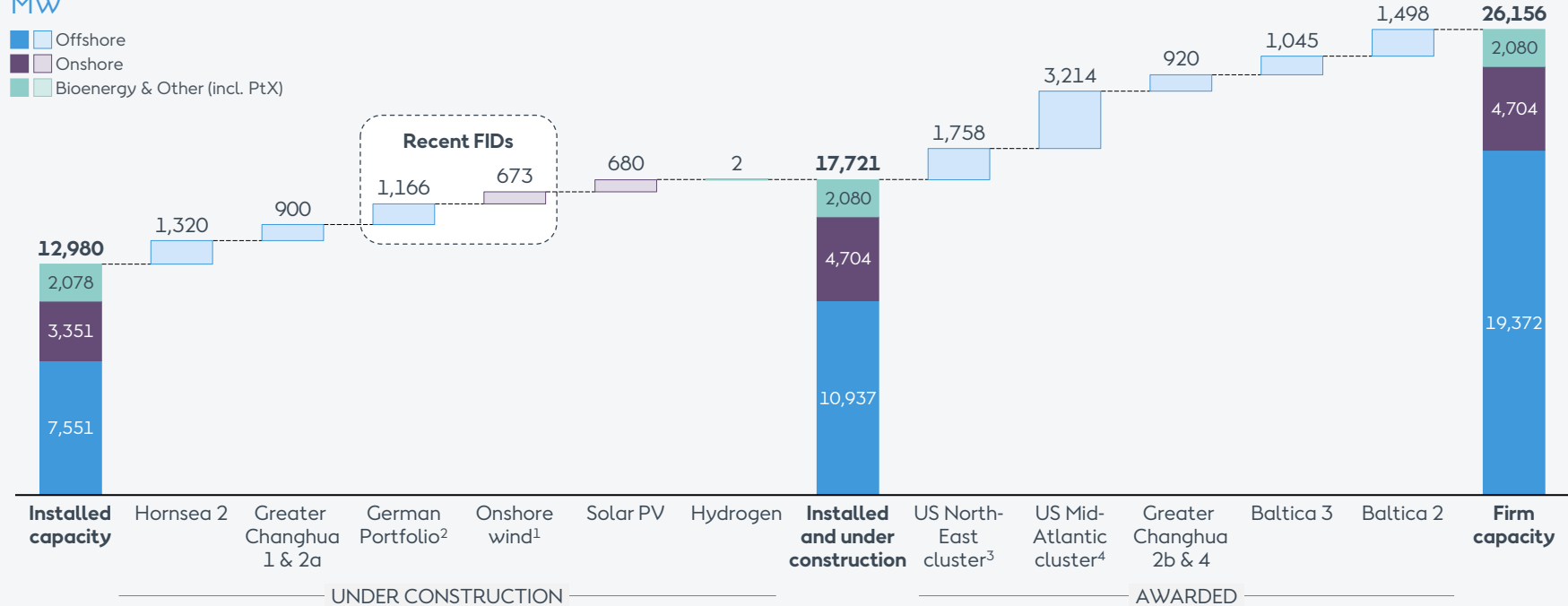
## 130 MW South Fork project

- Received the final Construction and Operations Plan (COP) on 18 January 2022

# Ørsted construction programme and pipeline

## Gross renewable capacity MW

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

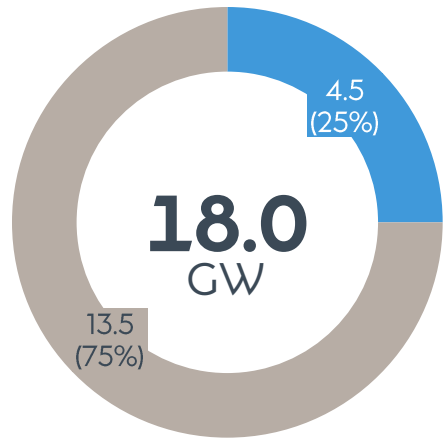


1. Ballykeel (16 MW) FID on 13 Jan 2022 is included on this slide but not in final accounting numbers that reflect Q4 2021  
 2. German Portfolio: Gode Wind 3 (253 MW) and Borkum Riffgrund 3 (913 MW)  
 3. US North-East cluster: South Fork (1,130 MW), Revolution Wind (704 MW) and Sunrise Wind (924 MW)  
 4. US Mid-Atlantic cluster: Skipjack 1 (1,200 MW), Skipjack 2 (846 MW), Ocean Wind 1 (1,100 MW) and Ocean Wind 2 (1,148 MW)

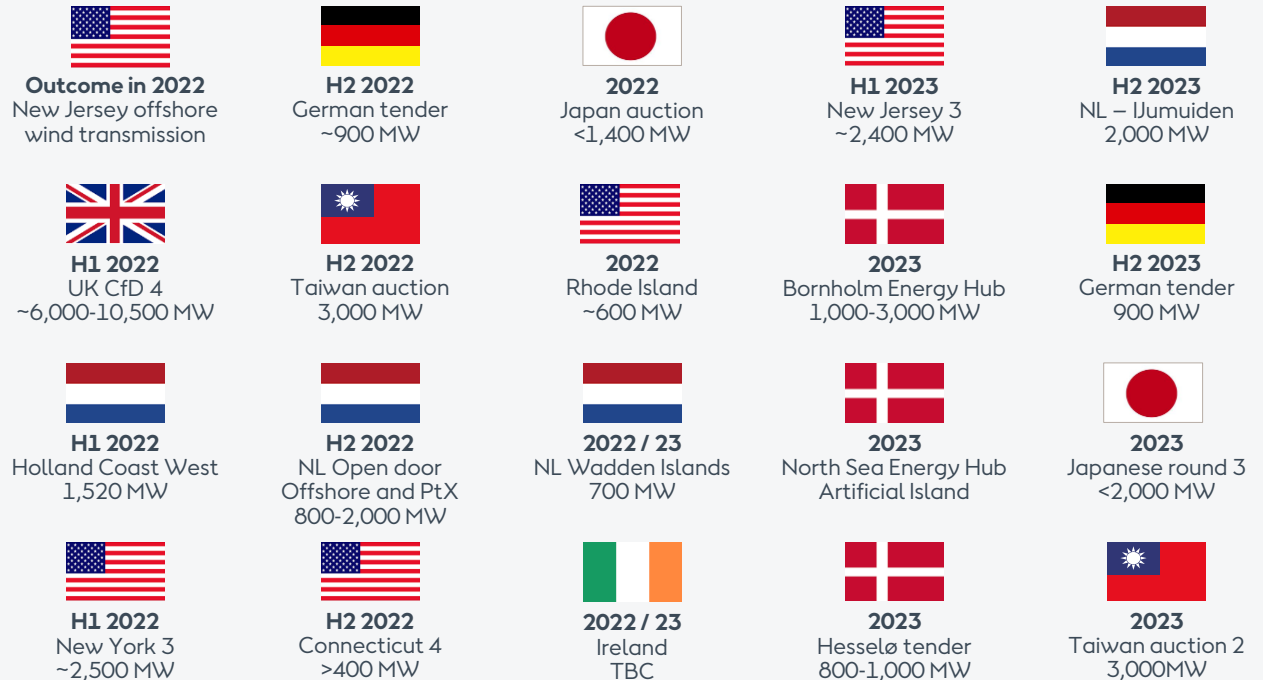
# Secured 25 % of awarded capacity in 2021 with significant number of offshore wind auctions and tenders yet to come

## Awarded gross capacity 2021<sup>1</sup> GW

- Ørsted and partners
- Other



## Upcoming auctions and tenders



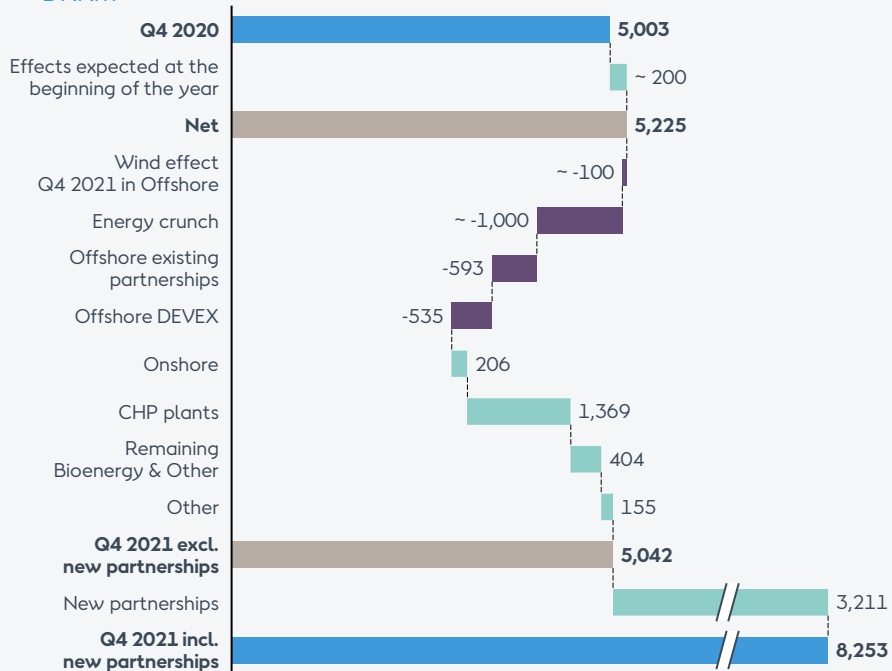
1. We present gross capacity as our 30 GW offshore wind 2030 ambition and our market share expectation are based on gross capacity. Accounting for partners in Poland and the US, net capacity awarded is 3.3 GW (18%). Projects secured include 2.5 GW in Poland (50% partnership with PGE), 1.1 GW in New Jersey, and 846 MW in Maryland. All auction and tender timelines and capacities based on current expectations and subject to change. Timeline reflects bid submission deadline, not time of award.



# EBITDA impacted by energy crunch, exceptional performance from CHP plants and farm-down gain

EBITDA of DKK 8.3 bn, up DKK 3.3bn on Q4 2020

DKKm



## Effects expected at the beginning of the year

- Wind impact 2020 in Offshore (DKK -0.1 bn), ceasing business performance (DKK 0.3 bn), higher TNUoS tariffs (DKK -0.1 bn), ramp-up sites (DKK 0.3 bn), and Borssele 1 & 2 farm-down (DKK -0.2 bn)

## Q4 effects

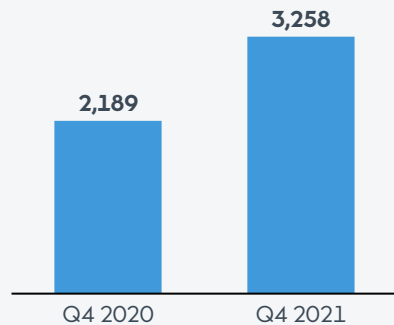
- Slightly lower than normal wind speeds in Offshore in Q4 2021
- Negative impact in Offshore sites due to energy crunch, leading to higher balancing and intermittency costs, and costs related to buy back of hedges
- Existing partnerships negatively impacted by further wake provisions (DKK 0.5bn)
- Offshore project development expenses increased due to the continued expansion of our footprint
- Significant increase in Onshore generation driven by ramp-up partly offset by higher costs relating to continued expansion of business
- Increased earnings from CHP plants due to high power and heat generation, higher power prices, and high sale of ancillary services
- Gas Market & Infrastructure benefited from optimised purchase from our long-term gas contracts

## New partnerships

- New partnership effect from DKK 3.5 bn farm-down gain relating to 50 % Greater Changhua 1 divestment partly offset by adjustment to Borssele 1 & 2 farm-down gain

# Net profit, net interest-bearing debt, and credit metric

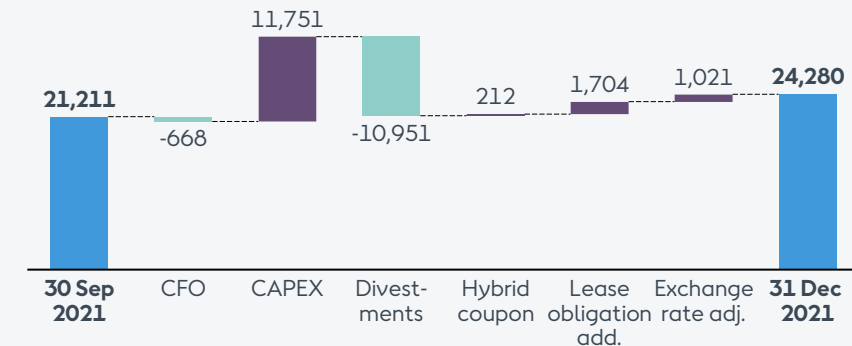
## Net profit DKKm



## Net profit of DKK 3.3 bn

- Higher EBITDA in Q4 2021

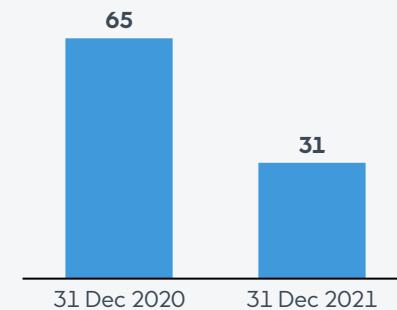
## Cash flow and net debt DKKm



## Net interest-bearing debt of DKK 24.3 bn, up DKK 3.1 bn

- Operating cash flow including EBITDA and tax equity contribution from partner at Haystack offset by margin payments of DKK 8.8 bn
- Gross investments related to our Offshore and Onshore portfolio
- Divestment proceeds from Greater Changhua 1 farm-down
- Negative effect from exchange rate adjustments driven by appreciation of GBP

## FFO / Adj. net debt %

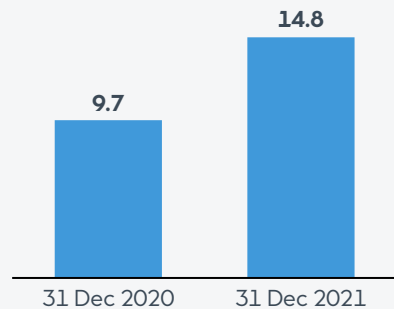


## FFO / Adj. net debt of 31 %

- Credit metric above our target of around 25 %

# Financial and non-financial ratios

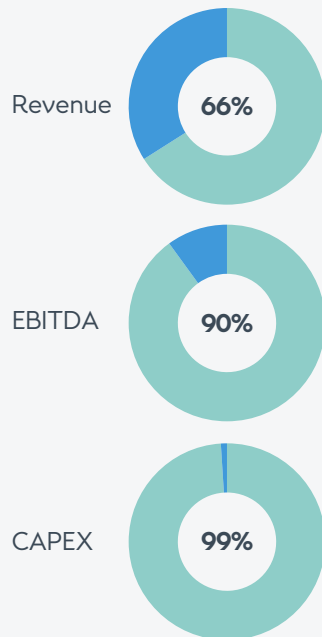
## ROCE %



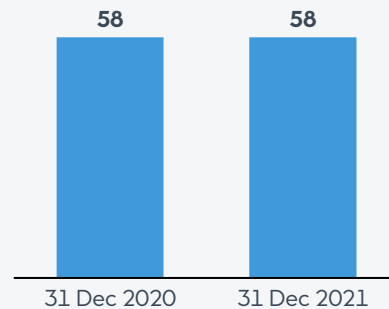
### ROCE of 15 %

- Increase driven by higher EBIT
- On track to achieve average ROCE of 11-12 % in 2020-2027

## Taxonomy-eligible KPIs YTD



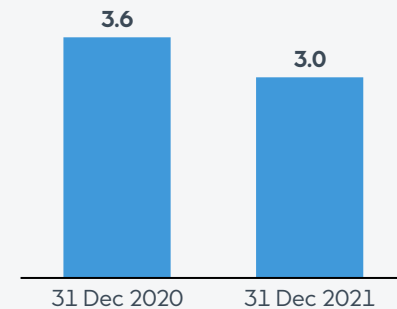
## Greenhouse gas emissions (scope 1 & 2), g CO<sub>2</sub>e/kWh, YTD



### Continued focus on emissions

- Emissions from our heat and power generation (scope 1 and 2) at same level as 2020
- Emissions from our supply chain and sales activities (scope 3) decreased by 28 %

## Safety Total recordable injury rate, YTD



### TRIR of 3.0

- 4 % reduction in injuries and 15 % increase in hours worked leading to a decline in the total recordable injury rate (TRIR)

# Outlook – Guidance for 2022

## 2022 EBITDA without new partnerships of DKK 19 – 21 bn

### Directional earnings development per business unit

- Offshore (without new partnerships) expected to be significantly higher than in 2021
- Onshore expected to be significantly higher than in 2021
- Bioenergy & Other expected to be significantly lower than in 2021

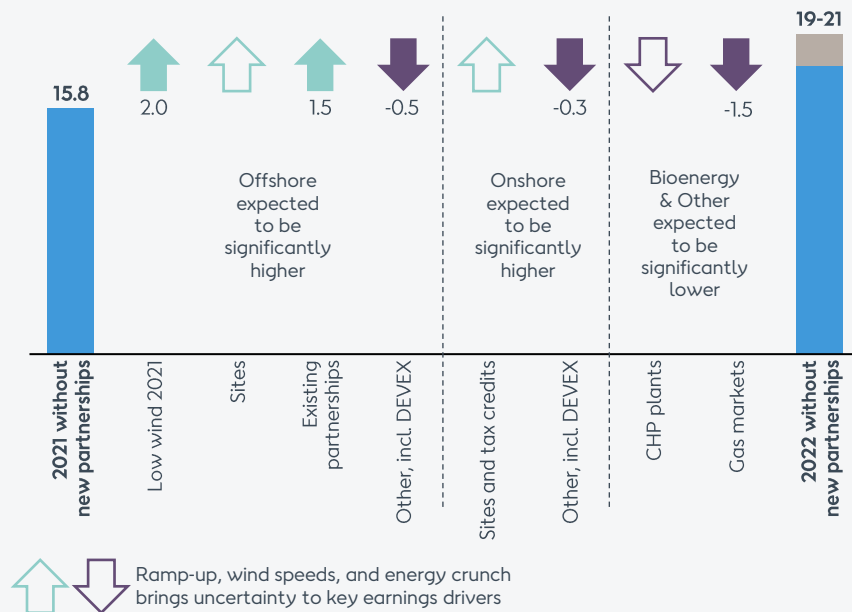
### New partnerships in 2022

- Expect to close the farm-down of Borkum Riffgrund 3 and Hornsea 2 during 2022
- Including the expected farm-down gains, 2022 EBITDA will be significantly higher than 2021 EBITDA including new partnerships of DKK 24.3bn

## 2022 gross investments expected to be DKK 38 – 42 bn

- Reflecting a high level of activity in Offshore and Onshore

## Guidance on 2022 EBITDA without new partnerships DKKbn



# 2022 guidance, strategic ambition and financial guidance

## 2022 guidance

	DKKbn
EBITDA (without new partnerships)	19 – 21
Gross investments	38 – 42

## Business unit EBITDA FY 2022 vs. FY 2021

	Direction
Offshore (without new partnerships)	Significantly higher
Onshore	Significantly higher
Bioenergy & Other	Significantly lower

## Strategic ambition and financial guidance

Ambition for installed renewable capacity by 2030	~50 GW
- Offshore	~30 GW
- Onshore	~17.5 GW
Total CAPEX spend, 2020-2027	DKK 350 bn
- Offshore & Hydrogen	~80 %
- Onshore	~20 %
Average ROCE, 2020-2027	11-12 %
Average share of EBITDA from regulated and contracted activities, 2020-2027	~90 %
Average yearly increase in EBITDA from offshore and onshore assets in operation, 2020-2027	~12 %
Rating (Moody's/S&P/Fitch)	Baa1/BBB+/BBB+
FFO/Adjusted net debt threshold	~25 %
Ambition to increase the dividend paid by a high single-digit rate compared to the dividend for the previous year up until 2025	

# Q&A

## Earnings call

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For questions, please press 01



# Appendix

# Outlook – Directional business unit EBITDA FY 2022 vs. FY 2021

## Offshore – Significantly higher

- Earnings from wind farms in operation expected to increase driven by:
  - Wind speeds reverting to a normal wind year
  - Ramp-up of generation from Hornsea 2 and Greater Changhua 1 & 2a with expected COD in late H1 and H2, respectively. Partly offset by the 50 % farm-down of Borssele 1 & 2 in May 2021
  - Full year of CFD contribution at Hornsea 1
  - Less negative impact from energy crunch, but continued negative impact from high balancing and intermittency costs
- Partnership contributions from Greater Changhua 1 included as existing partnership
- DKK 0.8 bn warranty provision in 2021 related to cable protection system issues
- Increase in partner provisions in 2021 due to updated wake assumptions
- Expected DKK 0.5 bn increase in costs relating to project development, hydrogen, and general costs

## Onshore – Significantly higher

- Ramp-up of generation from Permian Energy Center, Western Trail, Muscle Shoals, and Lincoln Land (all commissioned during 2021)
- Expected commissioning of Old 300 Solar Center, Helena Energy Center (both expected in H2 2022), and Haystack (in H1 2022)
- Full-year earnings from Brookfield Renewable Ireland (acquired Q2 2021)
- Expected DKK 0.3 bn increase in project development and general costs

## Bioenergy & Other – Significantly lower

- In 2021, our CHP plants benefitted from large demand for ancillary services and very high power prices and spreads in the last four months of the year, which also led to unusually high power generation. This is not expected to be repeated to the same extent in 2022
- In 2021, earnings in 'Gas Markets & Infrastructure' were positively impacted by a one-off effect in connection with the renegotiation of gas purchase contracts
- 2021 saw a strong underlying performance in 'Gas Markets & Infrastructure' in a very volatile and bullish gas market where we were able to optimise purchase from our long-term gas contracts. In 2022, we expect earnings to be fairly limited, reflecting normal margins on these activities



# Renewable capacity as of 31 December 2021

Indicator, MW, gross	FY 2021	FY 2020	Δ
<b>Installed renewable capacity</b>	<b>12,980</b>	<b>11,318</b>	<b>1,662</b>
Offshore, wind power	7,551	7,572	(21)
Onshore	3,351	1,668	1,683
- Wind power	2,654	1,658	996
- Solar PV power	657	10	647
- Battery storage	40	-	40
Other (incl. PtX)	2,078	2,078	-
- Biomass, thermal heat	2,054	2,054	-
- Biogas, power	3	3	-
- Battery storage	21	21	-
<b>Decided (FID) renewable capacity</b>	<b>4,725</b>	<b>4,068</b>	<b>657</b>
Offshore, wind power	3,386	2,286	1,100
Onshore	1,337	1,782	(445)
- Onshore wind power	657	665	(8)
- Solar PV power	680	1,077	(397)
- Battery storage	-	40	(40)
Other (incl. PtX), hydrogen	2	-	2
<b>Awarded/contracted renewable capacity (no FID yet)</b>	<b>8,435</b>	<b>4,996</b>	<b>3,439</b>
Offshore, wind power	8,435	4,996	3,439
<b>Sum of installed and FID capacity</b>	<b>17,705</b>	<b>15,386</b>	<b>2,319</b>
<b>Sum of installed, FID, and awarded/contracted capacity</b>	<b>26,140</b>	<b>20,382</b>	<b>5,758</b>

Note: In Q2 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'.

## Installed renewable capacity

The installed renewable capacity is calculated as the cumulative renewable gross capacity installed by Ørsted before divestments.

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) renewable capacity

Decided (FID) capacity is the renewable capacity for which 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 capacity is the capacity for which Ørsted has signed a contract or power purchase agreement (PPA) concerning a new renewable energy plant. Typically, offshore wind farms are awarded, whereas onshore wind farms are contracted. We include the full capacity if more than 50 % of PPAs/offtake are secured.

## Installed storage capacity

The battery storage capacity is included after commercial operation date (COD) has been achieved. The capacity is presented as megawatts of alternating current (MW<sub>ac</sub>).

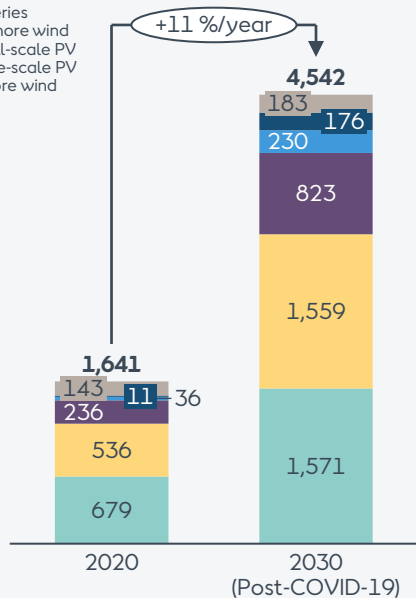
# Forecasted renewable capacity build-out

## Global renewable energy capacity by technology<sup>1</sup>

GW installed

### CAGR

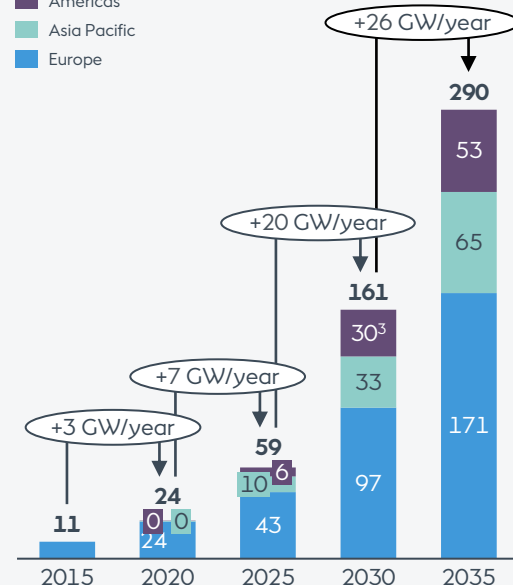
- 2 % biomass
- 32 % Batteries
- 20 % Offshore wind
- 13 % Small-scale PV
- 11 % Large-scale PV
- 9 % Onshore wind



## Global offshore wind capacity excl. mainland China

GW installed

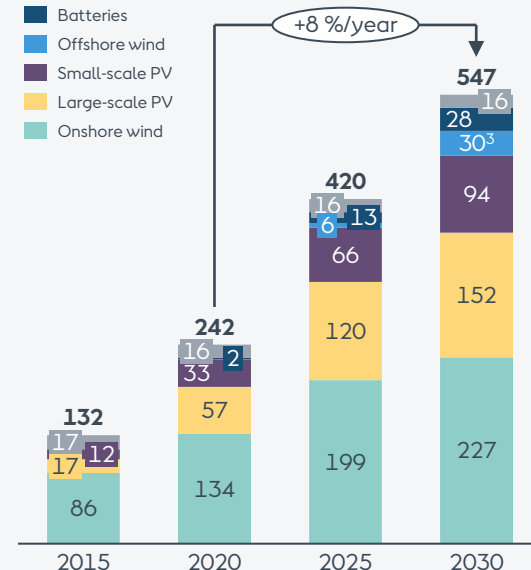
- Americas
- Asia Pacific
- Europe



## North American renewable capacity by technology<sup>2</sup>

GW installed

- Biomass
- Batteries
- Offshore wind
- Small-scale PV
- Large-scale PV
- Onshore wind



1. Excludes solar thermal, geothermal, marine, tidal, and others which combined account for less than 1 % of capacity

2. North America includes the United States and Canada. Excludes solar thermal, geothermal, marine, and tidal which combined account for less than 1 % of capacity

3. Considering 30 GW offshore wind capacity target announced by US administration

Source: BNEF New Energy Outlook 2021 for capacity of all technologies except offshore wind. Offshore wind figures from BNEF Offshore Wind Market Outlook H2 2021

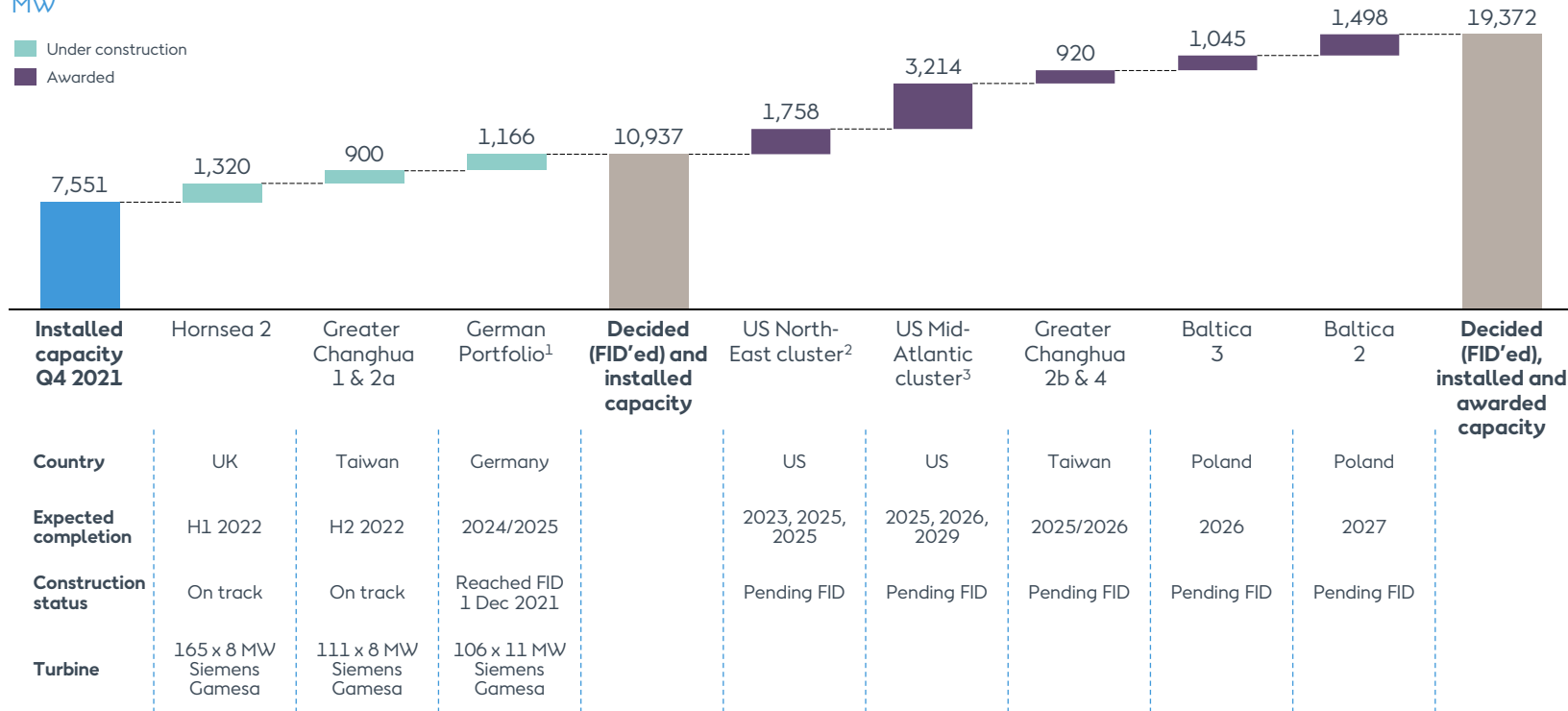
# Offshore wind build-out plan

## Installed capacity

MW

Under construction

Awarded



Installed capacity Q4 2021

Hornsea 2

Greater Changhua 1 & 2a

German Portfolio<sup>1</sup>

**Decided (FID'ed) and installed capacity**

US North-East cluster<sup>2</sup>

US Mid-Atlantic cluster<sup>3</sup>

Greater Changhua 2b & 4

Baltica 3

Baltica 2

**Decided (FID'ed), installed and awarded capacity**

Country

UK

Taiwan

Germany

US

US

Taiwan

Poland

Poland

Expected completion

H1 2022

H2 2022

2024/2025

2023, 2025, 2025

2025, 2026, 2029

2025/2026

2026

2027

Construction status

On track

On track

Reached FID 1 Dec 2021

Pending FID

Pending FID

Pending FID

Pending FID

Pending FID

Turbine

165 x 8 MW Siemens Gamesa

111 x 8 MW Siemens Gamesa

106 x 11 MW Siemens Gamesa

1. German Portfolio: Gode Wind 3 (253 MW) and Borkum Riffgrund 3 (913 MW)

2. US North-East cluster: South Fork (130 MW), Revolution Wind (704 MW) and Sunrise Wind (924 MW)

3. US Mid-Atlantic cluster: Skipjack 1 (120 MW), Skipjack 2 (846 MW), Ocean Wind 1 (1,100 MW) and Ocean Wind 2 (1,148 MW)

# Offshore market development – UK and Continental Europe

<b>United Kingdom</b>	<ul style="list-style-type: none"> <li>• UK Government target annual build-out of 3 GW to reach 40 GW capacity by 2030, including 1 GW of floating wind by 2030</li> <li>• CfD auction opened December 2021 with an allocated pot of GBP 200 m for bottom-fixed, but no capacity cap. Floating Wind will compete for a different allocated pot of GBP 75 m (pot 2) with other immature technologies; pot 2 includes a minimum (or ringfenced) spend of GBP 24 m for floating</li> <li>• 17 sites awarded in first large-scale seabed lease auction for both bottom-fixed and floating projects launched by Crown Estate Scotland in 2021</li> <li>• Innovation and Oil &amp; Gas Transition (INTOG) offshore leasing round announced by Crown Estate Scotland, further details expected to be announced around H1 2022</li> <li>• Celtic Sea Leasing round announced for total of 4GW of floating projects. The first leases are to be awarded in 2023 with both small scale (300MW projects pre-2030) and utility scale (1GW projects 2030-35). Details of auction model and available sites to be clarified through 2022</li> </ul>
<b>Germany</b>	<ul style="list-style-type: none"> <li>• New Government has ambitions to increase offshore wind targets to 30 GW by 2030, 40 GW by 2035 and 70 GW by 2045. Targets are subject to legal formalisation</li> <li>• First centralised tender launched in February 2021. 900 MW was awarded in September 2021</li> </ul>
<b>Netherlands</b>	<ul style="list-style-type: none"> <li>• New government to increase current 1.1 GW by 2030 target to ~21 GW by 2030</li> <li>• For the additional ~10 GW by 2030, additional OFW zones and export cable trajectories are designated. Updated roadmap incl. timing of tenders expected in Q2 2022</li> <li>• Next tender of 1,520 MW for Holland Coast West with bid deadline H1 2022</li> </ul>
<b>Denmark</b>	<ul style="list-style-type: none"> <li>• Political agreement on 2 GW new offshore wind before 2030 and potential 1 GW extra dedicated for PtX</li> <li>• Hesselø tender (0.8-1.0 GW) uncertain due to seabed conditions, if the location is dropped by the authorities there will most likely be a replacement</li> <li>• Tender award for designing, building and co-owning an artificial island in the North Sea as hub for up to 10 GW offshore wind in H1 2024</li> <li>• Tenders for 5 GW of offshore wind farms in total connected to the Bornholm and North Sea Energy Hubs towards 2033 and political indications for 7 GW more towards 2040</li> </ul>
<b>Poland</b>	<ul style="list-style-type: none"> <li>• Upcoming seabed auctions of 11-13 GW offshore wind expected to progress in 2022</li> <li>• Winners of awarded seabed can participate in auctions for a CFD subsidy scheme in 2025 and 2027 with an expected award of 5 GW offshore wind capacity</li> </ul>
<b>Belgium</b>	<ul style="list-style-type: none"> <li>• Allocation of ~3.8 GW towards total capacity target of ~5.8 GW by 2030. Tenders expected in 2024/2025</li> <li>• MoU signed with Denmark for large scale offshore wind power imports</li> </ul>
<b>Baltic States</b>	<ul style="list-style-type: none"> <li>• Lithuania: Draft laws for 700 MW 2024 offshore wind tender under review by Lithuanian parliament. Second tender of 700 MW planned for 2025</li> <li>• Latvia and Estonia: MoU between Latvia and Estonia in place for the development of a joint offshore wind project of up to 1 GW</li> </ul>
<b>Sweden</b>	<ul style="list-style-type: none"> <li>• 100% renewable electricity target by 2040 and carbon neutrality by 2045</li> <li>• National electrification and hydrogen strategies being developed. Government proposal to ease wind farm environmental permitting</li> <li>• Proposed Offshore transmission scheme has been decided upon be designed before June 2022</li> </ul>
<b>Norway</b>	<ul style="list-style-type: none"> <li>• Norwegian authorities have opened two areas for offshore wind projects (bottom-fixed and floating) with a max capacity of 4.5 GW to be allocated through competitive process in 2022. Details of auction model to be clarified and announced during H1 2022</li> </ul>

# Offshore market development – US

<b>Massachusetts</b>	<ul style="list-style-type: none"><li>• Target of 5.6 GW offshore wind by 2027, of which 3.2 GW has already been awarded, through and including December 2021 awards</li><li>• Next auction expected in late 2023</li></ul>
<b>Connecticut</b>	<ul style="list-style-type: none"><li>• Target of 2 GW of offshore wind capacity by 2030, of which 1.2 GW remains available</li><li>• Next auction expected in 2022</li></ul>
<b>New York</b>	<ul style="list-style-type: none"><li>• Target 9 GW offshore wind by 2035</li><li>• 2.5 GW awarded in Q1 2021 and 4.2 GW in total</li><li>• BOEM opened a sale of 6 new seabed lease areas representing up to 7 GW of capacity through New York Bight</li></ul>
<b>New Jersey</b>	<ul style="list-style-type: none"><li>• Target of 7.5 GW offshore wind capacity by 2035, of which 3.7 GW remains available following recent awards to Ocean Wind 2 and Atlantic Shores</li><li>• Next auction of at least 1.2 GW expected in early 2023</li><li>• NJ Board of Public Utilities and PJM currently evaluating 2021 bids for offshore wind shared transmission. Outcome is expected in H2 2022</li></ul>
<b>Maryland</b>	<ul style="list-style-type: none"><li>• Awarded 1.6 GW across two projects in December 2021, meeting its solicitation target and therefore closing future solicitation rounds</li><li>• No firm targets for offshore wind beyond awarded projects</li></ul>
<b>Rhode Island</b>	<ul style="list-style-type: none"><li>• Executive order signed to power the state with 100 % renewable energy by 2030</li><li>• Next auction of up to 600 MW expected in 2022</li></ul>
<b>California</b>	<ul style="list-style-type: none"><li>• First BOEM auction of up to 5 seabed leases expected in late 2022. Sites are in deep waters off California's central and northern coasts</li><li>• New law requires state energy agency to set non-binding offshore wind goal in summer 2022. Previous state modeling indicates goal could be as big as 10+ GW</li></ul>
<b>North Carolina</b>	<ul style="list-style-type: none"><li>• BOEM lease auction expected in 2022</li><li>• Legislation requires electric sector to reach 70% decarbonisation by 2030 and 100% by 2050. Executive Order targets 2.8GW of offshore wind by 2030 and 8GW by 2040</li></ul>
<b>Other</b>	<ul style="list-style-type: none"><li>• BOEM lease auctions expected in Gulf of Mexico, Central Atlantic, Oregon, and Gulf of Maine between 2022 and 2024</li></ul>

# Offshore market development – APAC

<b>Taiwan</b>	<ul style="list-style-type: none"> <li>• Taiwan has met its target of awarding 5.5 GW to be commissioned by 2025</li> <li>• 600 MW Greater Changhua 3 project ready for future auctions</li> <li>• Third round auction announced with 15 GW offshore wind target to be constructed from 2026-2035, up from 10 GW previously</li> <li>• The third round auction is expected to take place in H2 2022</li> </ul>
<b>Japan</b>	<ul style="list-style-type: none"> <li>• Authorities announced the 1st Offshore Wind Vision confirming 10 GW offshore wind target towards 2030 and 30-45 GW by 2040</li> <li>• 11 areas have been designated as potentially suitable for the development of offshore wind for upcoming auctions onwards with a capacity of ~7 GW</li> <li>• After 1.5 GW was awarded in December 2021, awards for the next auction are expected to be communicated around December 2022. The Happono zone will be included in the next auction – this zone has already commenced the auction process. Tsugaru North and Isumi have also been selected as potential promotional zones for the next auction</li> </ul>
<b>South Korea</b>	<ul style="list-style-type: none"> <li>• 12 GW offshore wind build-out by 2030 has been targeted by South Korea under its 'Green New Deal'. A Wind Power Special Act is now being drafted which could potentially streamline offshore wind planning and consenting under a 'one-stop shop' system</li> <li>• In the wider electricity sector, a 35 % renewable mix towards 2030 and up to 42 % by 2034 is targeted under the 9th Basic Plan on Supply and Demand of Electricity. The plan also confirms renewable energy will be 77.8 GW to towards 2034 this equals 62.3 GW new renewable capacity and of those 25 GW is expected from wind power. The Carbon Neutrality Framework Act passed in 2021 also formally legislates for net-zero by 2050, and targets at least 35% GHG emissions reductions from 2018 levels by 2030</li> <li>• The baseline of OSW REC multiplier is increased from 2.0 to 2.5 and REC mandate has been reformed from 10% by 2022 to 25% by 2026</li> <li>• Electricity Business License "EBL" submitted for Incheon 1.6 GW. Approval expected Q2 2022</li> <li>• Hydrogen Act announced in February 2021 setting targets for 15GW of hydrogen fuel cells for power generation and production of 6.2 million hydrogen FCEVs by 2040</li> </ul>
<b>Vietnam</b>	<ul style="list-style-type: none"> <li>• Vietnamese government expected to finalise &amp; release 8th Power Development Plan ('PDP8') by H1 2022. Current targets are 5GW in 2030 &amp; 10 GW in 2035 for offshore wind</li> <li>• Offshore Wind officially stated to be a technology of strategic importance for VN to achieve 2050 net zero target</li> <li>• Strategic MOU on offshore wind with Vietnamese conglomerate T&amp;T Group, combining a multi-GW pipeline in the two provinces with Vietnam's best offshore wind resources</li> <li>• Ørsted submits site application for a GW-sized project in the North of Vietnam to help meet strong government demand for large renewable development in the North</li> </ul>
<b>Other markets</b>	<ul style="list-style-type: none"> <li>• Australia's federal government approved the Offshore Energy Bill into parliament, which establishes a licensing system for developing offshore wind projects and allows the federal minister to declare offshore wind zones. State governments are also developing state-level legislation, some of which is expected to be introduced beginning of 2022</li> </ul>

# Upcoming offshore seabed competition



**2022**  
Poland  
~ 12 GW



**H1 2022**  
New York Bight  
~ 7 GW



**2022**  
Norway  
~ 4.5 GW



**Q4 2022 / Q1 2023<sup>1</sup>**  
Gulf of Mexico  
TBC



**H2 2023<sup>1</sup>**  
Oregon  
TBC



**2023**  
Celtic Sea floating  
< 4 GW



**H1 2022**  
Scotland INTOG<sup>2</sup>



**H1 2022**  
North Carolina  
TBC



**H2 2022**  
California  
~ 4.5 GW



**Q2 / Q3 2023<sup>1</sup>**  
Central Atlantic  
TBC



**H2 2024<sup>1</sup>**  
Gulf of Maine  
TBC



# Hydrogen and green fuels project pipeline of +3GW

	Project	Current potential (MW)	Country	Application	Partners
1	Westküste 100 / HySCALE100	700-2,100			Raffinerie Heide, Hynamics, Holchim, +more
2	Lingen Green Hydrogen	550			bp
3	Yara Sluiskil	100			Yara
4	SeaH2Land	1,000		  	Yara, ArcelorMittal, Dow, Zeeland Refinery, North Sea Port, +more
5	H2RES	2			Everfuel, DSV, GHS, +more
6	Green Fuels for Denmark	1,300		  	Maersk, SAS, CPH Airport, DFDS, DSV, +more
7	DFDS Europe Seaways	TBD			DFDS, Ballard, Lloyd's Register, +more
8	Gigastack	100			Philips 66, ITM Power, +more
9	Oyster	1		Offshore H <sub>2</sub>	ITM Power, Siemens Gamesa, Element Energy
10	FlagshipONE	70			Liquid Wind

## Additional announced development partnerships

- **POSCO:** MoU expands relationship, involving conducting feasibility studies on potential renewable hydrogen collaboration
- **Uniper:** MoU establishes strategic partnership with the goal of large-scale hydrogen production from Wilhelmshaven offshore wind on the German North Sea coast
- **Williams:** MOU explores potential jointly-developed Power-to-X projects in Wyoming, USA
- **Edinburgh Airport:** MOU explores decarbonising the airport, vehicles, and aircrafts
- **Salzgitter:** MoU aiming to establish closed value chains in their business relationships



# Overview of US offshore wind federal permitting process

## Planning & Analysis

~ 2 years

BOEM<sup>1</sup> conducts a process of area identification, environmental reviews, etc.

## Leasing

1-2 years

BOEM conducts auctions and issues leases

## Site Assessment

Up to 5 years

BOEM grants developer up to five years (not all time must be taken) to complete requirements

Requirements include conducting site characterization surveys and submitting a Site Assessment Plan (SAP)

BOEM must approve the SAP

## Submit COP for NOI

~ 6 months

Developer submits a Construction and Operations Plan (COP) before the five-year site assessment period expires

BOEM issues a Notice of Intent (NOI) once it deems the developer's COP submission as Complete and Sufficient

BOEM may issue an Initiation of Action Notice (IAN) ~2-3 months before issuing its NOI. This can provide an indication on timing

## Construction & Operations

~ 2 years

## Construction and Operations Plan (COP)

~ 2 years

BOEM's issuance of the NOI starts the ~2-year clock for BOEM to approve the COP, disapprove it, or approve it with modifications. If the COP is approved, then the developer has its final federal permitting needed to start construction

## Environmental Impact Statement (EIS)

< 2 years

BOEM prepares a Draft Environmental Impact Statement (EIS) and a Final EIS. BOEM explores alternatives to the proposed COP

A Record of Decision (ROD) is issued at the end of this process. This is not the final approval but is a framework for any further required reviews, site-specific actions, or broad regional mandates

## Final Permit Approvals

< 2 years

BOEM coordinates inter-agency approval. Approval timing varies per agency, but the last approval deadline is 90 days after the ROD. This generally coincides with the COP approval

Approvals come from: NOAA,<sup>3</sup> The US Army Corps of Engineers, the Fish and Wildlife Service, and the Environmental Protection Agency

## Federal permitting overview<sup>2</sup>

BOEM oversees a four-step process: Planning & Analysis, Leasing, Site Assessment, and Construction & Operations. It can take up to roughly a decade in total

We highlight key milestones within each step

This is a new process for BOEM, who have yet to permit any Projects under this federal process

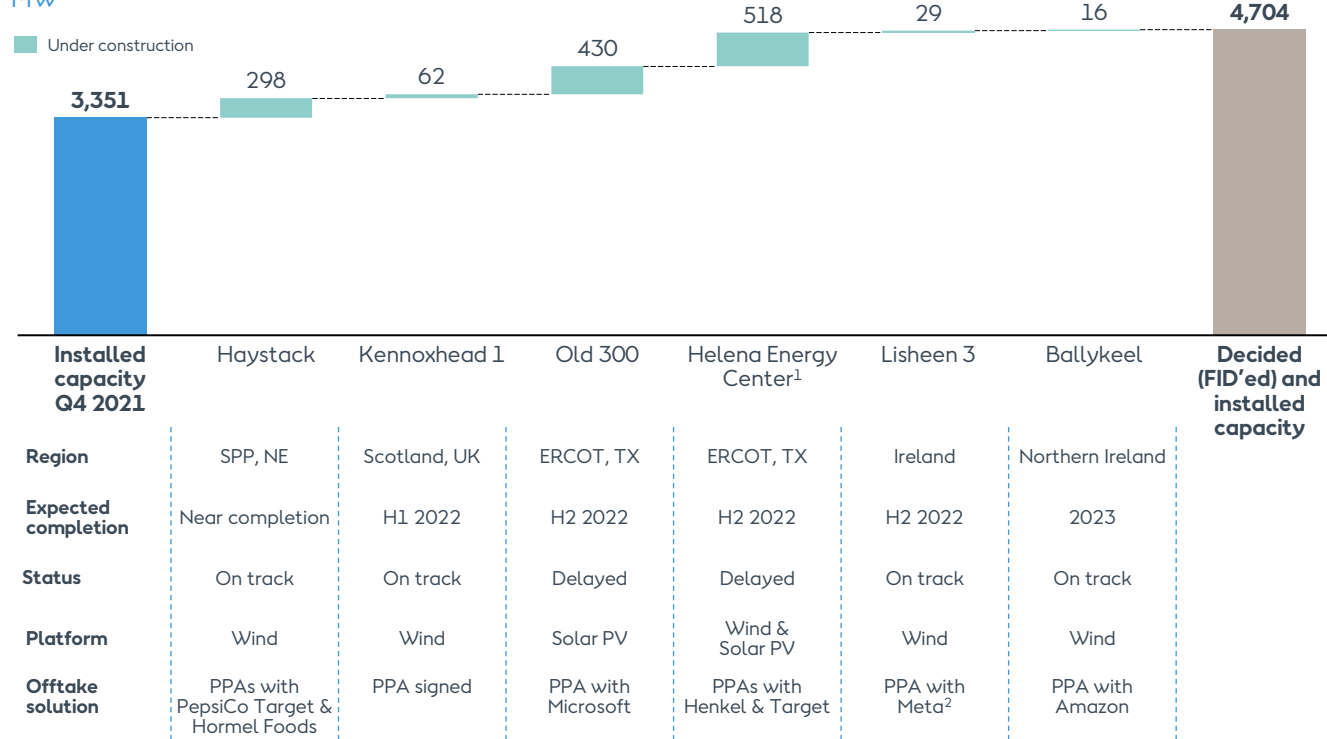
1: BOEM stands for the Bureau of Ocean Energy Management

2: State-level permitting processes vary across states and typically run concurrent with the federal process

3: NOAA stands for National Oceanic and Atmospheric Administration

# Onshore build-out plan

## Installed capacity MW

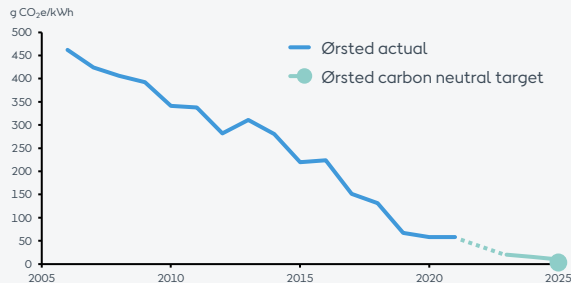


26 1. Helena Energy Center consists of 268 MW onshore wind and 250 MW<sub>AC</sub> solar PV  
 2. Meta was previously known as Facebook

# Sustainability and ESG at Ørsted

## Green leadership

- In 2021, 90% of our energy generation was green. We target 99% green energy generation by 2025.
- By 2025, we aim to be carbon neutral (scope 1-2) by reducing  $\geq 98\%$  of our carbon emissions vs. 2006, and by eliminating or covering the remaining  $< 2\%$  with offset projects certified to remove atmospheric carbon.
- By 2040, we aim to reach net-zero emissions across our entire carbon footprint (scope 1-3), with a midway target to reduce our scope 3 emissions by 50% in 2018-2032.
- In 2021, we have placed a ban on landfilling of wind turbine blades.
- No later than 2030, all projects commissioned must have net positive biodiversity impact.



## Contributing to the global goals



Ørsted is a LEAD participant of the UN Global Compact and adheres to its ten principles for responsible business behaviour.



First and only energy company in the world with an approved science-based net-zero target for the full value chain (scopes 1-3) to help limit global warming to  $< 1.5^\circ\text{C}$ .

### Catalysing the green energy transformation

With our core business, we aspire to have a transformational impact on SDG 7 on affordable and clean energy and SDG 13 on climate action:



Ensure access to affordable, reliable, sustainable and modern energy for all



Take urgent action to combat climate change and its impacts

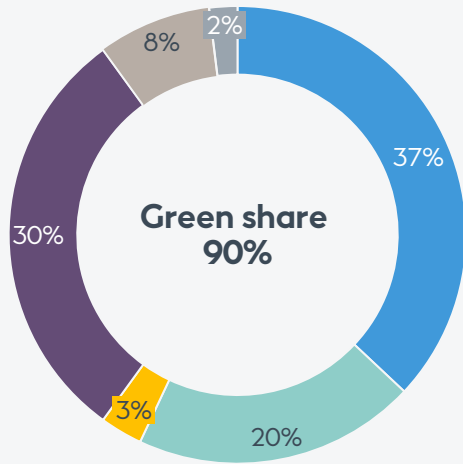
## ESG ratings of Ørsted

Rating agency	Score	Benchmark
CDP A LIST 2020 CLIMATE	A	Highest possible rating for three consecutive years and recognised as a global leader on climate action
MSCI	AAA	Highest possible rating for five consecutive ratings
SUSTAINALYTICS	16.3 (low risk)	No. 1 and only company assessed as "low risk" among direct utility peers measured by market cap
Corporate ESG Performance ISS ESG Prime	B+	Ranked in 1 <sup>st</sup> decile among electric utilities and awarded highest possible 'Prime' status
PLATINUM 2021 ecovadis Sustainability Rating	80	Platinum Medal for being among top 1% of companies assessed by EcoVadis

# ESG Performance

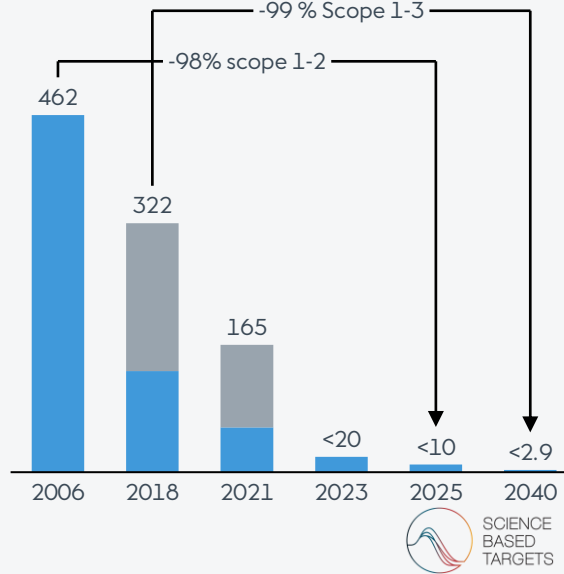
## Total heat and power generation FY 2021 Energy source, %

- Offshore wind
- Biomass
- Onshore wind
- Coal
- Solar PV
- Natural gas



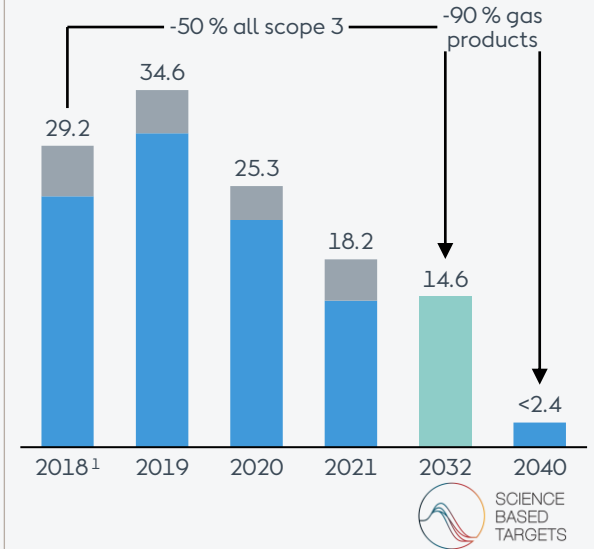
## Greenhouse gas emission intensity g CO<sub>2</sub>e/kWh

- Scope 3
- Scope 1-2



## Scope 3 greenhouse gas emissions, million tonnes CO<sub>2</sub>e

- Other scope 3 emissions
- Natural gas sales
- Total scope 3



# Group – Financial highlights

FINANCIAL HIGHLIGHTS		Q4 2021	Q4 2020	Δ	FY 2021	FY 2020	Δ
EBITDA	DKKm	8,253	5,003	65 %	24,296	18,124	34 %
- New partnerships		3,211	-	n.a.	8,507	-	n.a.
- EBITDA excl. new partnerships		5,042	5,003	1 %	15,789	18,124	(13 %)
• Offshore		5,244	4,128	27 %	18,021	14,750	22 %
• Onshore		530	324	64 %	1,349	1,131	19 %
• Bioenergy & Other		2,416	643	276 %	4,747	2,136	122 %
Operating profit (EBIT)		4,361	2,343	104 %	16,195	10,536	54 %
Total net profit		3,258	2,189	49 %	10,887	16,716	(35 %)
Operating cash flow		688	6,756	(90 %)	12,148	16,466	(26 %)
Gross investments		(11,752)	(8,639)	36 %	(39,307)	(26,967)	46 %
Divestments		10,952	(1,519)	n.a.	21,159	19,039	13 %
Free cash flow – continuing operations		(132)	(3,402)	(96 %)	(5,640)	8,538	n.a.
Net interest-bearing debt		24,280	12,343	97 %	24,280	12,343	97 %
FFO/Adjusted net debt <sup>1</sup>	%	31.3	65.0	(34 %p)	31.3	65.0	(34 %p)
ROCE <sup>1</sup>	%	14.8	9.7	5 %p	14.8	9.7	5 %p



# Offshore – Financial highlights

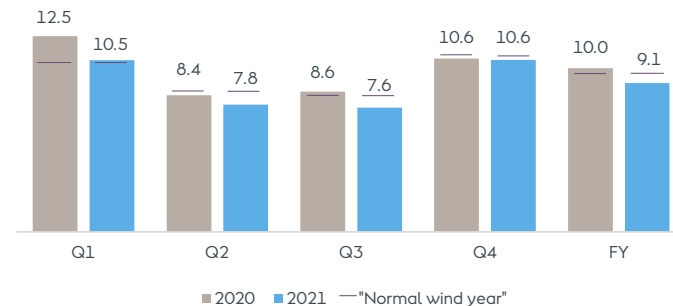
FINANCIAL HIGHLIGHTS		Q4 2021	Q4 2020	Δ	FY 2021	FY 2020	Δ
EBITDA	DKKm	5,244	4,128	27 %	18,021	14,750	22 %
• Sites, O&Ms and PPAs		3,983	4,950	(20 %)	13,059	15,476	(16 %)
• Construction agreements and divestment gains		2,469	(149)	n.a.	7,535	1,593	373 %
• Other, incl. project development		(1,208)	(673)	79 %	(2,573)	(2,319)	11 %

## KEY BUSINESS DRIVERS

Power generation	GWh	4,452	4,912	(9 %)	13,808	15,248	(9 %)
Wind speed	m/s	10.6	10.6	0 %p	9.1	10.0	(9 %)
Availability	%	95	94	1 %p	94	94	0 %p
Load factor	%	53	53	0 %p	39	45	(6 %p)
Decided (FID) and installed capacity*	GW	10.9	9.9	10 %	10.9	9.9	10 %
Installed capacity*	GW	7.6	7.6	0 %	7.6	7.6	0 %
Generation capacity**	GW	4.0	4.4	(9 %)	4.0	4.4	(9 %)

In Q2 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 using 'power optimised capacity' or 'export cable limit capacity'. We have improved the accuracy of our offshore wind speed calculations in 2021 and restated 2020 wind speed data to support comparison. In 2021 we have used an improved input data set for calculating wind speeds for offshore wind farms. Previously individual wind speed measuring points covered several wind farms and were reported for an average hub height. Now each offshore wind farm has its own specific wind speed measuring point for the actual wind farm height. For comparison reasons we have also updated the actual and normal wind speed data reported for 2020 using the new more detailed wind speed datasets.

**Wind speed**  
(m/s), offshore wind farms



The wind speed indicates how many metres per second the wind has blown in the areas where we have offshore wind farms. The weighting is based on our generation capacity

# Onshore – Financial highlights

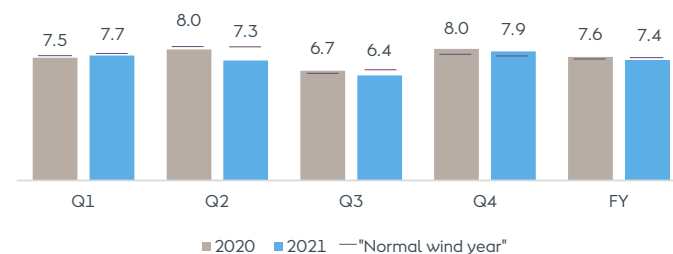
FINANCIAL HIGHLIGHTS		Q4 2021	Q4 2020	Δ	FY 2021	FY 2020	Δ
EBITDA	DKKm	530	324	64 %	1,349	1,131	19 %
• Sites		211	99	113 %	535	451	19 %
• Production tax credits and tax attributes		480	314	53 %	1,382	1,004	38 %
• Other, incl. project development		(161)	(89)	81 %	(568)	(324)	75 %

## KEY BUSINESS DRIVERS

Power generation	GWh	2,818	1,817	55 %	8,352	5,738	46 %
Wind speed, US	m/s	7.9	8.0	(1 %)	7.4	7.6	(3 %)
Availability, US wind	%	96	95	1 %p	96	96	0 %
Availability, US solar PV	%	99	-	n.a.	96	-	n.a.
Load factor, US wind	%	47	50	(3%p)	42	45	(3%p)
Load factor, US solar PV	%	19	-	n.a.	24	-	n.a.
Installed capacity	GW	3.4	1.7	100 %	3.4	1.7	100 %

## Wind speed

(m/s), US onshore wind farms



The wind speed indicates how many metres per second the wind has blown in the areas where we have onshore wind farms. The weighting is based on our generation capacity

# Bioenergy & Other – Financial highlights

FINANCIAL HIGHLIGHTS		Q4 2021	Q4 2020	Δ	FY 2021	FY 2020	Δ
EBITDA	DKKm	2,416	643	276 %	4,747	2,136	122 %
• CHP plants		1,715	346	396 %	3,202	1,111	188 %
• Gas Markets & Infrastructure		770	389	98 %	1,829	411	345 %
• Distribution, B2C, and city light		-	-	n.a.	-	926	n.a.
• Other, incl. project development		(69)	(92)	(25 %)	(284)	(312)	(9 %)

## KEY BUSINESS DRIVERS

Heat generation	GWh	2,467	2,230	11 %	7,907	6,671	19 %
Power generation	GWh	2,096	1,291	62 %	6,890	4,438	55 %
Degree days	#	927	825	12 %	2,820	2,432	16 %



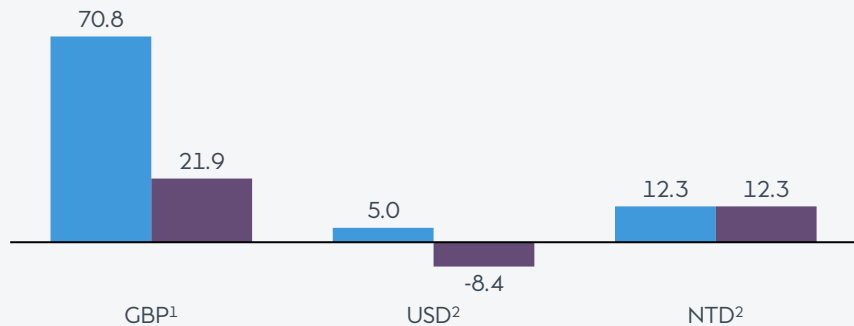


# Currency and energy exposure

## Currency exposure Q1 2022 – Q4 2026

DKKbn

■ Before hedging  
■ After hedging

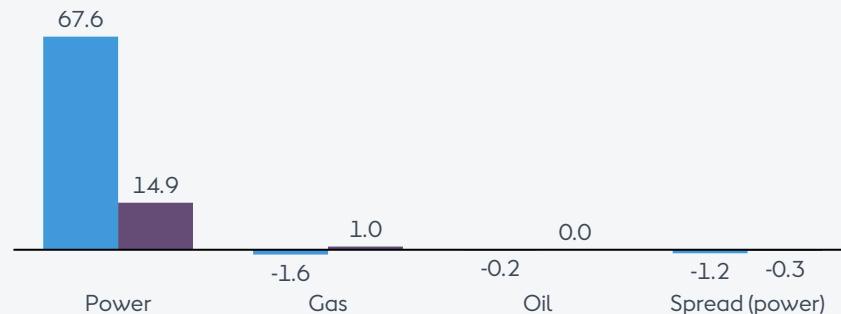


Risk after hedging, DKKbn	Effect of price +10 %	Effect of price -10 %
GBP: 21.9 sales position	+2.2	-2.2
USD: 8.4 purchase position	-0.8	+0.8
NTD: 12.3 sales position	+1.2	-1.2

## Energy exposure Q1 2022 – Q4 2026

DKKbn

■ Before hedging  
■ After hedging



Risk after hedging, DKKbn	Effect of price +10 %	Effect of price -10 %
Power: 14.9 sales position	+1.5	-1.5
Gas: 1.0 sales position	+0.1	-0.1
Oil: 0.0 sales position	+0.0	-0.0
Spread: 0.3 purchase position	-0.0	+0.0

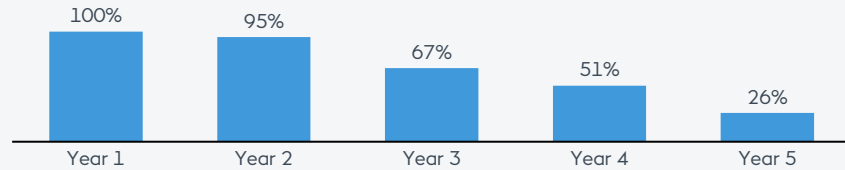
1. The GBP exchange rate for hedges impacting EBITDA in 2022 and 2023 is hedged at an average exchange rate of DKK/GBP 8.5 and 8.3.

2. For USD and NTD, we manage our risk to a natural time spread between front-end capital expenditures and long-term revenue. In the five year horizon, we are therefore seeing that our hedges increase our net exposure to USD, but in the longer horizon, our hedges reduce the USD risk.

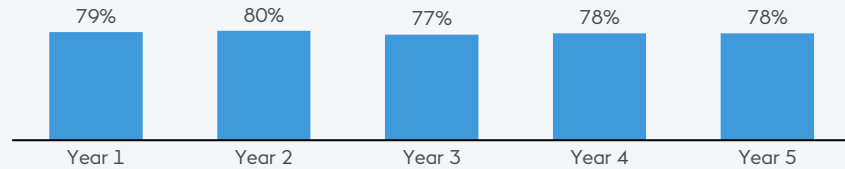
# Hedging levels

## Hedging level of total exposures for each BU, as of 31/12/2021

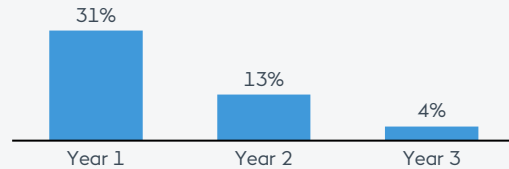
### Offshore



### Onshore



### Bioenergy

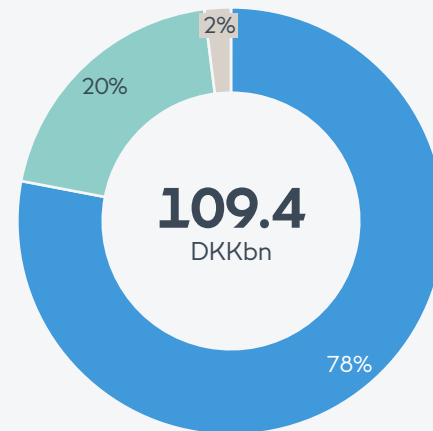


# Capital employed

Capital employed, DKKm	FY 2021	FY 2020
Intangible assets, and property and equipment	162,939	122,249
Assets classified as held for sale, net	860	793
Equity investments and non-current receivables	828	777
Net working capital, capital expenditures	(8,913)	(4,040)
Net working capital, work in progress	5,948	9,775
Net working capital, tax equity	(13,268)	(7,246)
Net working capital, other items	10,820	2,228
Derivatives, net	(32,995)	(209)
Decommissioning obligations	(8,851)	(7,003)
Other provisions	(7,037)	(6,860)
Tax, net	3,844	(771)
Other receivables and other payables, net	(4,759)	(21)
<b>TOTAL CAPITAL EMPLOYED</b>	<b>109,416</b>	<b>109,672</b>

## Capital employed by segment %, FY 2021

- Offshore
- Onshore
- Bioenergy & Other



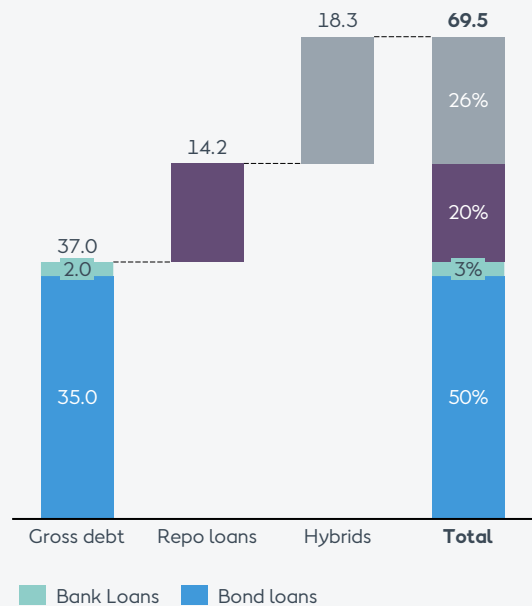
# FFO/Adjusted net debt calculation

<b>Funds from operations (FFO), DKKm</b>	<b>FY 2021</b>	<b>FY 2020</b>
<b>EBITDA (Business performance for 2020)</b>	<b>24,296</b>	<b>18,124</b>
Change in provisions and other adjustments	(2,472)	(403)
Reversal of gain (loss) on divestment of assets	(7,920)	(805)
Income tax paid	(1,380)	(1,118)
Interests and similar items, received/paid	(467)	(1,829)
Reversal of interest expenses transferred to assets	(782)	(449)
50 % of coupon payments on hybrid capital	(215)	(245)
Dividends received and capital reductions	29	18
<b>FUNDS FROM OPERATION (FFO)</b>	<b>11,089</b>	<b>13,293</b>
<b>Adjusted interest-bearing net debt, DKKm</b>	<b>FY 2021</b>	<b>FY 2020</b>
<b>Total interest-bearing net debt</b>	<b>24,280</b>	<b>12,343</b>
50 % of hybrid capital	8,992	6,616
Cash and securities, not available for distribution	2,130	1,485
<b>ADJUSTED INTEREST-BEARING NET DEBT</b>	<b>35,402</b>	<b>20,444</b>
<b>FFO / ADJUSTED INTEREST-BEARING NET DEBT</b>	<b>31.3 %</b>	<b>65.0 %</b>



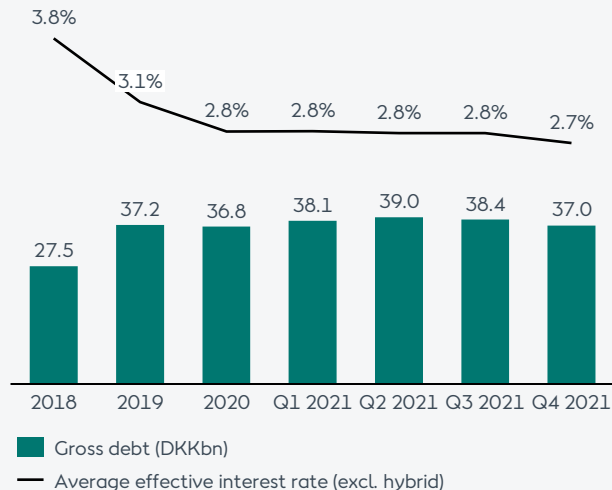
# Debt and hybrids overview

## Total gross debt and hybrids 31 December 2021, DKKbn

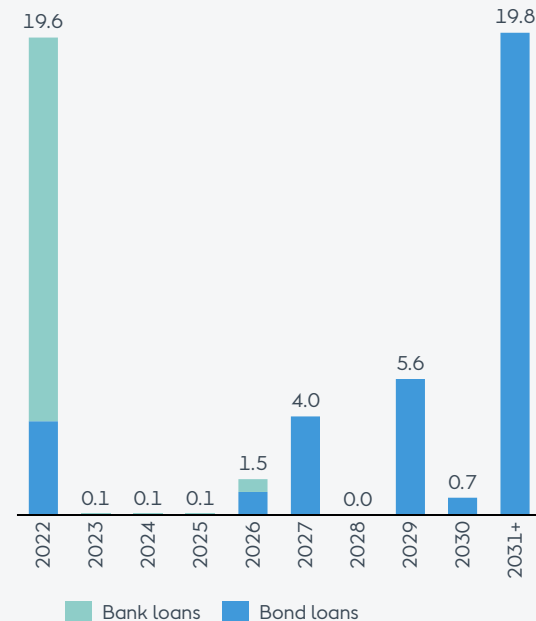


## Effective funding costs – Gross debt

	Cost of debt (%)	Modified duration (%)	Avg. time to maturity (years)
Bond loans	2.8	8.4	9.9
Bank loans	0.5	0.4	2.0
<b>Total</b>	<b>2.7</b>	<b>7.9</b>	<b>9.5</b>



## Maturity profile DKKbn



# 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 2021 Annual Report

Hybrids issued by Ørsted A/S <sup>1</sup>	Principal amount	Type	First Reset Date <sup>3</sup>	Coupon	Accounting treatment <sup>2</sup>	Tax treatment	Rating treatment
<b>6.25 % hybrid due 3013</b>	EUR 350 m	Hybrid capital (subordinated)	Jun. 2023	Fixed during the first 10 years, first 25bp step-up in Jun. 2023	100 % equity	Debt – tax-deductible coupon payments	50 % equity, 50 % debt
<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

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)

38 2. Due to the 1,000-year structure

3. First Par Call Date

# Ørsted's outstanding bonds

Bond Type	Issue date	Maturity	Face Value	Principal amount	Coupon	Coupon payments	Green bond	Allocated to green projects (DKKm)	Avoided emissions (t CO <sub>2</sub> /year) attributable to the bonds
Senior Unsecured	Sep. 2012	19 Sep. 2022	EUR 750m	EUR 517m	2.625%	Every 19 Sep.	No	n/a	n/a
Senior Unsecured	Nov. 2017	26 Nov. 2029	EUR 750m	EUR 750m	1.5%	Every 26 Nov.	Yes	5,499	551,000
Senior Unsecured	Apr. 2010	9 Apr. 2040	GBP 500m	GBP 500m	5.750%	Every 9 Apr.	No	n/a	n/a
Senior Unsecured	Jan. 2012	12 Jan. 2032	GBP 750m	GBP 750m	4.875%	Every 12 Jan.	No	n/a	n/a
Senior Unsecured	May 2019	17 May 2027	GBP 350m	GBP 350m	2.125%	Every 17 May	Yes	2,968	318,000
Senior Unsecured	May 2019	16 May 2033	GBP 300m	GBP 300m	2.5%	Every 16 May	Yes	2,518	258,000
Senior Unsecured/CPI-linked	May 2019	16 May 2034	GBP 250m	GBP 250m	0.375%	Every 16 May & 16 Nov.	Yes	2,128	227,000
Senior Unsecured	Nov. 2019	19 Nov. 2026	TWD 4,000m	TWD 4,000m	0.92%	Every 19 Nov.	Yes	882	69,000
Senior Unsecured	Nov. 2019	19 Nov. 2034	TWD 8,000m	TWD 8,000m	1.5%	Every 19 Nov.	Yes	1,765	139,000
Senior Unsecured	Nov. 2020	13 Nov. 2027	TWD 4,000m	TWD 4,000m	0.6%	Every 13 Nov.	Yes	882	69,000
Senior Unsecured	Nov. 2020	13 Nov. 2030	TWD 3,000m	TWD 3,000m	0.7%	Every 13 Nov.	Yes	661	52,000
Senior Unsecured	Nov. 2020	13 Nov. 2040	TWD 8,000m	TWD 8,000m	0.98%	Every 13 Nov.	Yes	1,763	139,000
Hybrid capital	Jun. 2013	26 Jun. 3013	EUR 700m	EUR 350m	6.25%	Every 26 Jun.	No	n/a	n/a
Hybrid capital	Nov. 2017	24 Nov. 3017	EUR 500m	EUR 500m	2.25%	Every 24 Nov.	Yes	3,674	370,000
Hybrid capital	Dec. 2019	9 Dec. 3019	EUR 600m	EUR 600m	1.75%	Every 9 Dec.	Yes	4,424	528,000
Hybrid capital	Feb. 2021	18 Feb. 3021	EUR 500m	EUR 500m	1.50%	Every 18 Feb.	Yes	0	0
Hybrid capital	Feb. 2021	18 Feb. 3021	GBP425m	GBP425m	2.50%	Every 18 Feb.	Yes	3,630	526,000

Ørsted's Green Finance Framework, allocated the dark green shading in the Second 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. Besides the outstanding Green Bonds, Ørsted additionally has a TWD 25bn Green RCF to finance the construction of the offshore wind projects in Taiwan.

# Financing strategy



At Ørsted, we have a centralised financing strategy utilizing our strong balance sheet and diverse portfolio.

The strategy supports:

- A capital structure supportive of our BBB+ rating ambition
- Concentration of and scale in financing activities
- Cost efficient financing based on a strong parent rating
- Optimal terms and conditions and uniform documentation
- Transparent and simple debt structure
- No financial covenants and restrictions on operating arrangements
- Corporate market more stable and predictable than project finance market
- Avoidance of structural subordination

The financing strategy optimizes the effect of a fully integrated cash pool where cash at practically all of the company's more than 200 subsidiaries is made available for the company's financing and liquidity purposes.

Financing of activities at subsidiary level is provided by Ørsted A/S in a standardised and cost-efficient setup.

Widespread use of project financing is not considered cost-efficient and dilutes the creditworthiness of the company.



# Currency risk management

## General principles

- Highly certain cash flows are hedged
- Cost-of-hedging is minimized by netting of exposures in the portfolio of projects, as well as use of construction contracts and debt in local currencies.

## Managing outright long risk

- Operations: 5-year minimum hedging staircase mandate by the Board of Directors with 100 % in year 1 – declining to 20 % in year 5. The hedging staircase is a compromise between stabilizing cash flows in the front-end and ensuring a balanced FFO/NIBD.
- Beyond the 5-year horizon the currency exposures are to some extent hedged with foreign-currency debt.

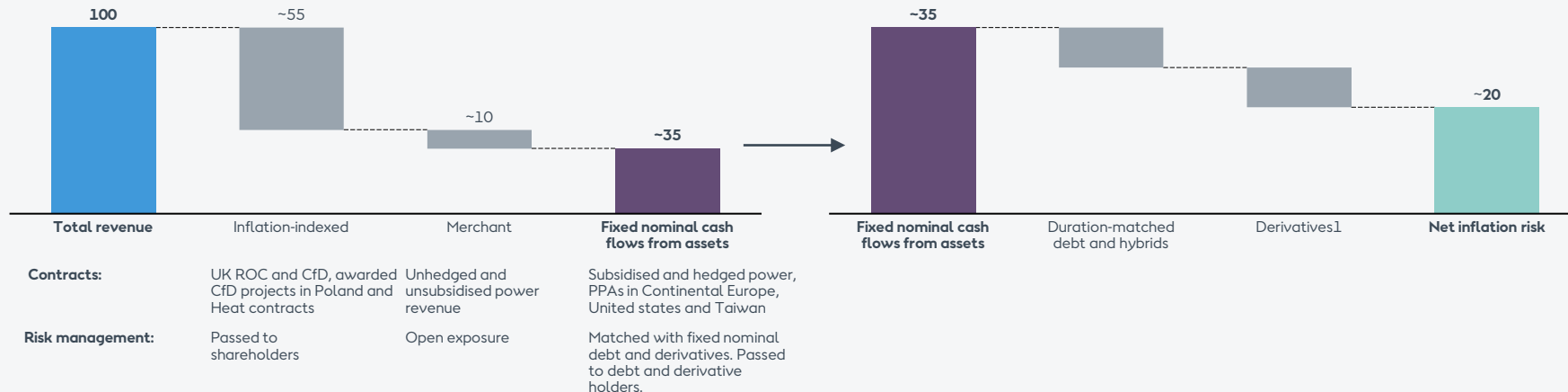
## Managing time-spread risk (new markets)

- Construction period: Hedge 100 % of year 1 currency cash flow risk by swapping the exposure to a year with the same currency revenue.
- In new markets the capital expenditures beyond year 1 are netted with future revenue in the same currency.



# Inflation and interest rate risks

2022-2031 revenue from assets in operation, under construction, and awarded before debt, %



## Objectives of interest rate and inflation risk management

1. Protect long-term real value of equity by offsetting interest and inflation risk exposure embedded in assets by allocating debt with similar, but opposite risk exposure
2. Cost of funding optimized by actively managing debt portfolio
3. Cost of hedging minimised by using natural portfolio synergies between assets, allowing matching of up to 100 % of asset value with appropriate debt

## Framework for risk management

- Assets divided into risk categories based on nature of inflation and interest rate risk exposure
- Simple risk metrics are used to match assets with appropriate debt within each category
- Fixed nominal-category has first priority for debt allocation to protect shareholders against inflation
- Inflation-indexed revenues reserved to service equity return for shareholders thereby to a large extent protecting the real value of equity against fluctuations in inflation



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