



Orsted

Investor presentation
Q3 2022



3 November 2022

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These forward-looking statements are based on current views with respect to future events and financial performance. These statements are by nature uncertain and associated with risk. Many factors may cause the actual development to differ materially from our expectations. These factors, include, but are not limited to changes in temperature, wind conditions, wake and blockage effects, precipitation levels, the development in power, coal, carbon, gas, oil, currency, interest rate markets, the ability to uphold hedge accounting, inflation rates, changes in legislation, regulations, or standards, the renegotiation of contracts, changes in the competitive environment in our markets, reliability of supply, and market volatility and disruptions from geopolitical tensions. As a result, you should not rely on these forward-looking statements. Please read more about the risks in the chapter ‘Our risks and risk management’ on p. 70 and in note 6 of the 2021 annual report, available at www.orsted.com.

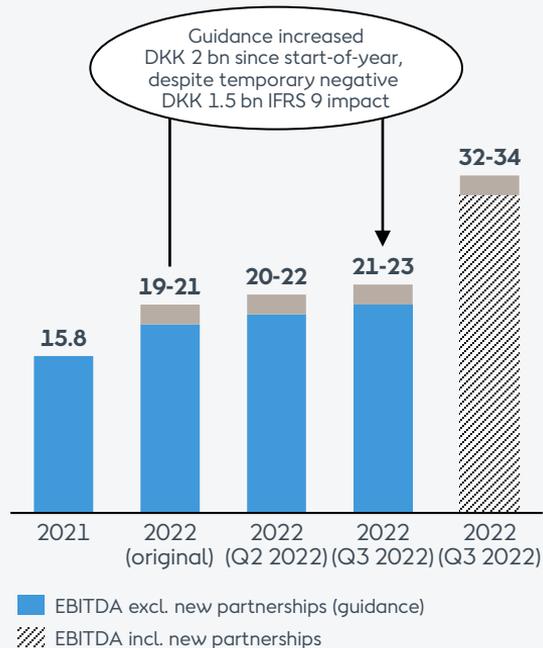
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Full-year EBITDA guidance increased again, and long-term earnings growth from renewable investments intact

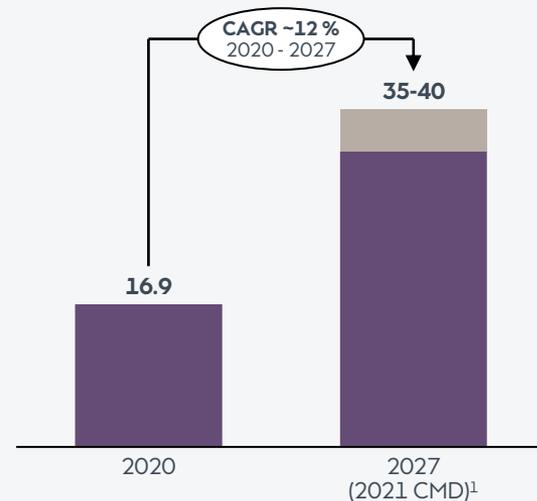
Reflections from CEO

- Highly unusual and volatile period across markets
- European energy crisis continues
- High and volatile energy prices
- Regulatory uncertainty in EU and UK
- Currently many challenging dynamics within our industry
- Fundamental outlook remains positive with strong growth, both short - and long-term

Full-year Group EBITDA DKKbn



EBITDA from offshore and onshore assets in operation, DKKbn



Strategic milestones achieved with new partnerships and acquisitions

Strategic highlights – Q3 2022

- Full-year EBITDA guidance upgraded to DKK 21 – 23 bn excluding new partnerships
- Hornsea 2 offshore wind farm commissioned and 50 % farm-down completed
- Entered into partnership with CIP to develop approx. 5.2 GW of offshore wind in Denmark
- Global partnership with WWF to unite action on climate and ocean biodiversity
- Farm-down of four onshore assets across the US with a total capacity of 862 MW
- Completed the acquisition of the German and French onshore platform Ostwind
- Green bond issuance with proceeds close to DKK 15 bn
- New organisational structure implemented to drive global growth



New organisational structure and changes to executive management to drive global growth

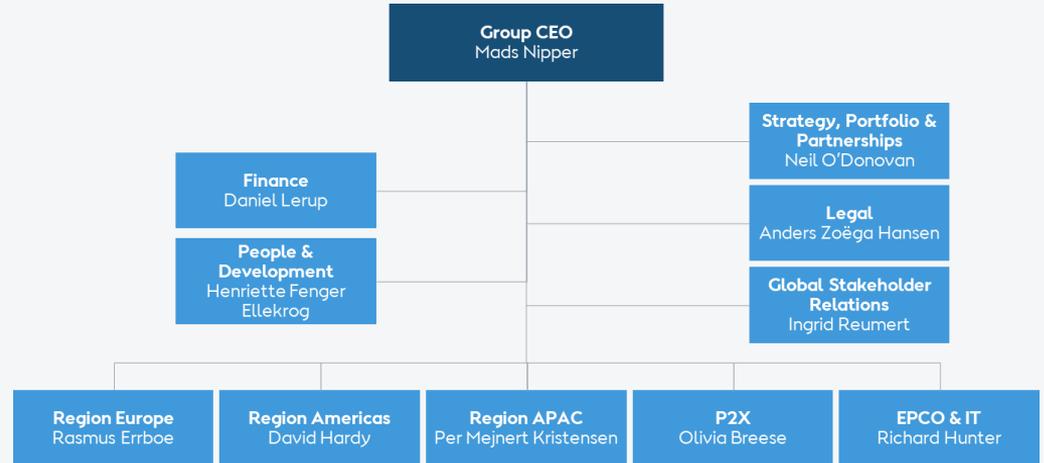
Purpose of new organisational structure

- Drive growth under increasingly different local market requirements
- Integrating our offshore and onshore renewables organisations into three regions:
 - Americas
 - Europe
 - APAC
- Leveraging the synergies of a global organisation
- Closer to our markets and our customers, and empower market organisations
- Continue financial reporting in three segments: Offshore, Onshore, and Bioenergy & Other

Ørsted Group Executive Team

~7.5 years of average industry experience

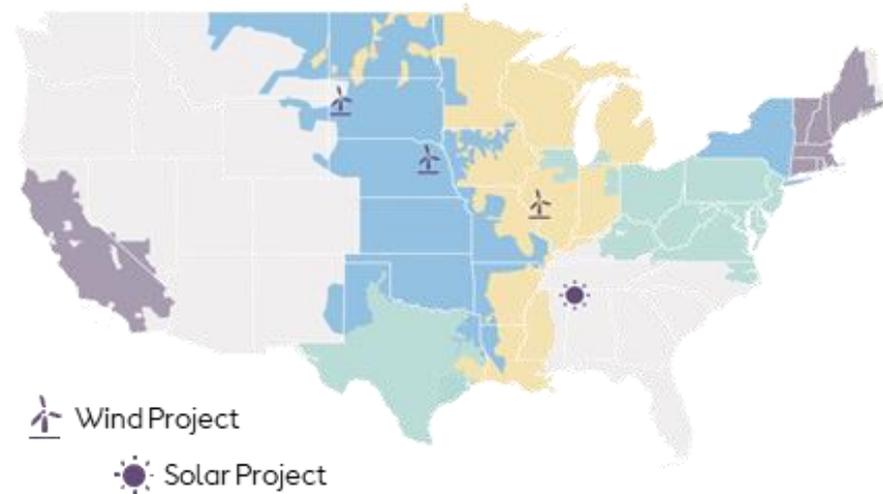
~6 years of average Ørsted tenure



Ørsted's first-ever farm-down of onshore assets

50 % farm-down of four onshore US projects

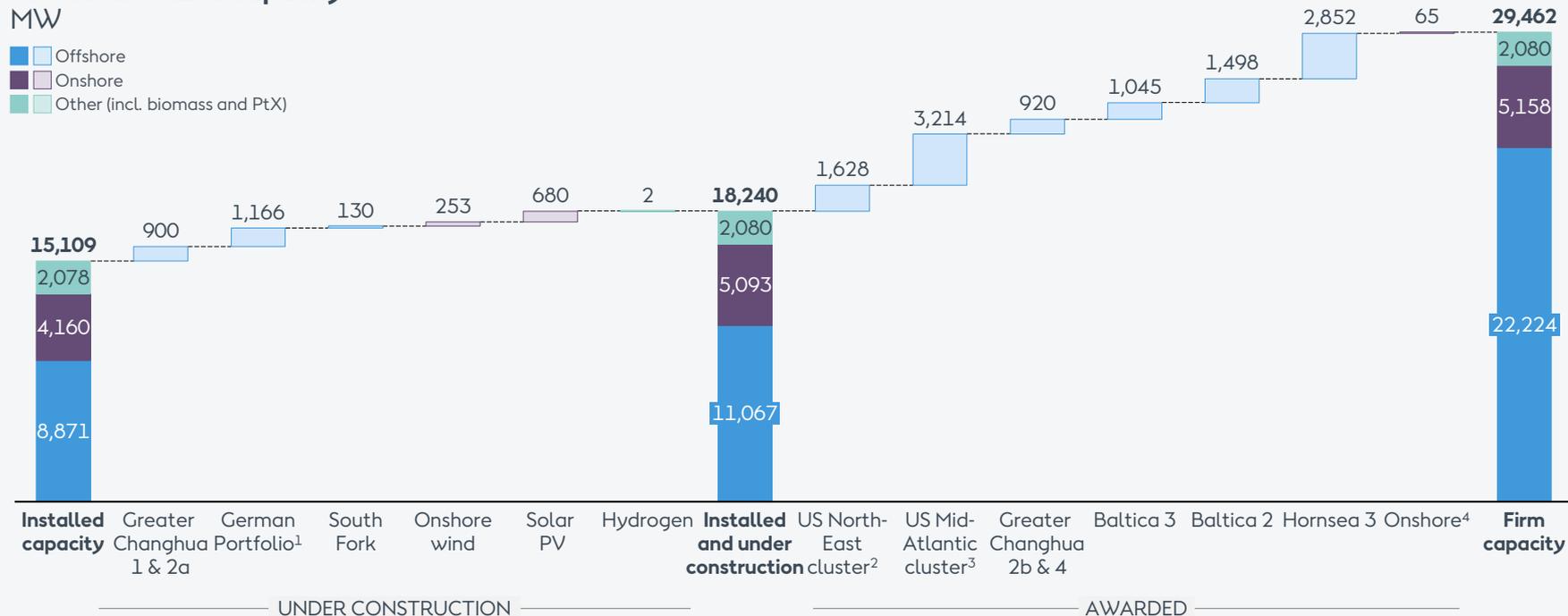
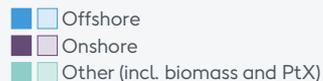
- Consistent with strategy to potentially pursue opportunistic farm-downs within Onshore
- Ørsted's first farm-down of onshore assets and first time we farm-down multiple assets in one transaction
- Transaction successfully recycles capital for growth with around 100 % NPV retention
- Proceeds from transaction of USD c. 410 m (net of tax equity)
- Closed transaction with US investor Energy Capital Partners on 21 October 2022
- Portfolio consisting of three onshore wind farms and one solar farm in the US (50 % of 862 MW total capacity¹)
- Portfolio spread across four US states and three markets
- Supportive to our ambition of reaching ~50 GW of installed renewable capacity by 2030



Ørsted construction programme and pipeline

Gross renewable capacity

MW



1. German Portfolio: Gode Wind 3 (253 MW) and Borkum Riffgrund 3 (913 MW)
 2. US North-East cluster: Revolution Wind (704 MW) and Sunrise Wind (924 MW)
 3. US Mid-Atlantic cluster: Skipjack 1 (1,20 MW), Skipjack 2 (846 MW), Ocean Wind 1 (1,100 MW) and Ocean Wind 2 (1,148 MW)
 4. Ballinrea Solar Farm

Significant number of future offshore wind auctions and tenders



Outcome in 2022
Holland Coast West
1,520 MW



H1 2023
Japan auctions
>1,500 MW



H2 2023
German tender
8,000 - 9,000 MW



2023
Utsira Nord
1,500 MW



2023-2024
Connecticut
TBD



H2 2022
New York 3
2,000 - 4,600 MW



H1 2023
Rhode Island
600 - 1,000 MW



H2 2023
IJmuiden Ver I-IV
4,000 MW



2023
Portugal floating
TBA



H1 2024
Princess Elisabeth
700 MW



2022-2023
Massachusetts 4
TBA



H1 2023
New Jersey 3
> 1,200 MW



H2 2023
Investor selection
TBA



2023
Taiwan auction R3-2
3,000 MW



H1 2023
ORESS 1
1,900 - 2,500 MW



H1 2023
Sørlige Nordsjø II site 1
1,500 MW



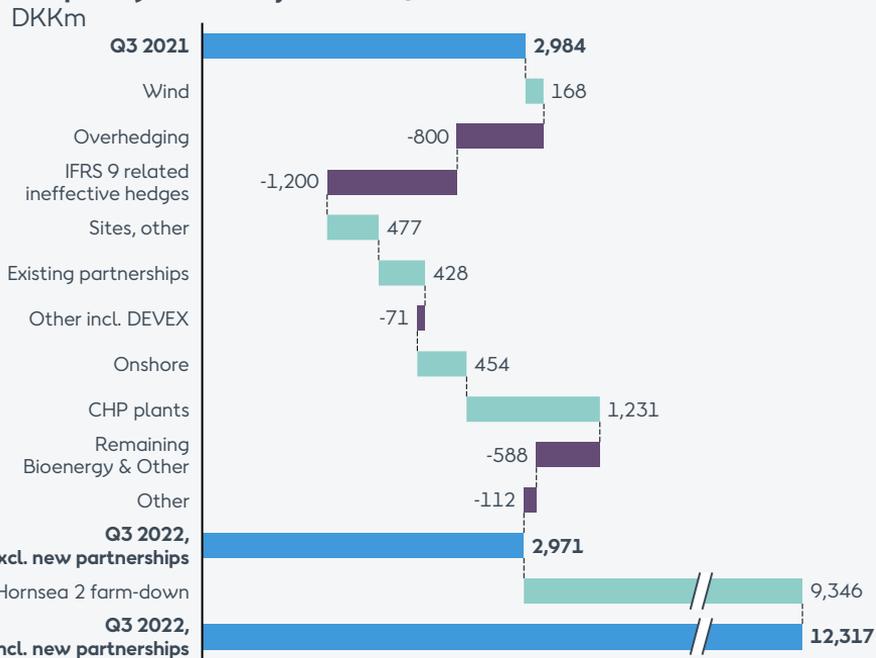
2023
Spanish auction
TBA



2023
CFD AR5
TBA

Robust Q3 EBITDA highlights strong portfolio composition

EBITDA of DKK 3.0 bn in Q3 2022 (DKK 4.2bn excluding temporary IFRS 9 adjustments)



EBITDA excluding new partnerships

- Offshore wind speeds above last year (7.7 m/s in Q3 2022 vs. 7.6 m/s in Q3 2021) but below norm (8.4 m/s)
- Negative impact from volume-related overhedging mainly due to lower-than-expected wind speeds (DKK -0.8 bn) and IFRS 9 related ineffective hedges (DKK -1.2 bn)
- Positive impact from ramp-up generation from Hornsea 2, higher achieved prices from one-sided German CFD sites, and market trading activities
- Earnings from existing partnerships mainly relating to construction work at Greater Changhua 1
- Onshore earnings increase of 110 %, driven by higher generation from new assets and higher prices in US and Europe
- Earnings increase of 268 % from our CHP plants due to higher power prices and condensing power generation
- Lower earnings from our gas storage activities, mainly due to positive effect in Q3 2021 from gas purchase contracts renegotiation

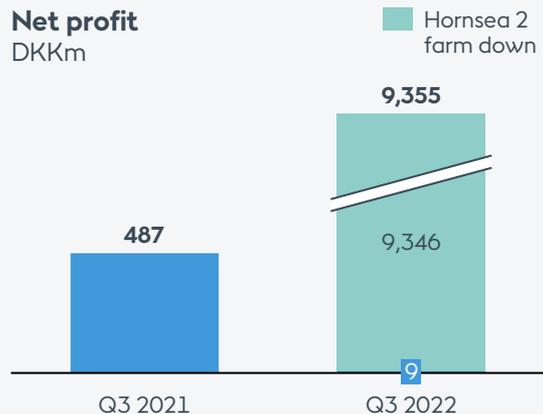
New partnerships in Q3 2022

- DKK 9.3 bn farm-down gain relating to the 50 % Hornsea 2 divestment

Net profit, ROCE and Equity

Net profit

DKKm

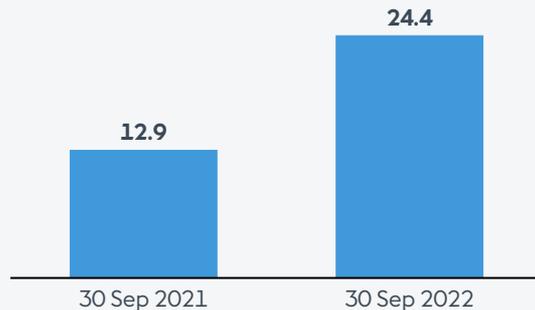


Net profit of DKK 9.4 bn

- Lower underlying net profit driven by higher depreciations from more assets in operation

ROCE

%, last 12 months



ROCE of 24.4 %

- Increase driven by higher EBIT over the 12-month period
- On track to achieve average ROCE of 11 – 12 % between 2020 – 2027

Equity

DKKbn



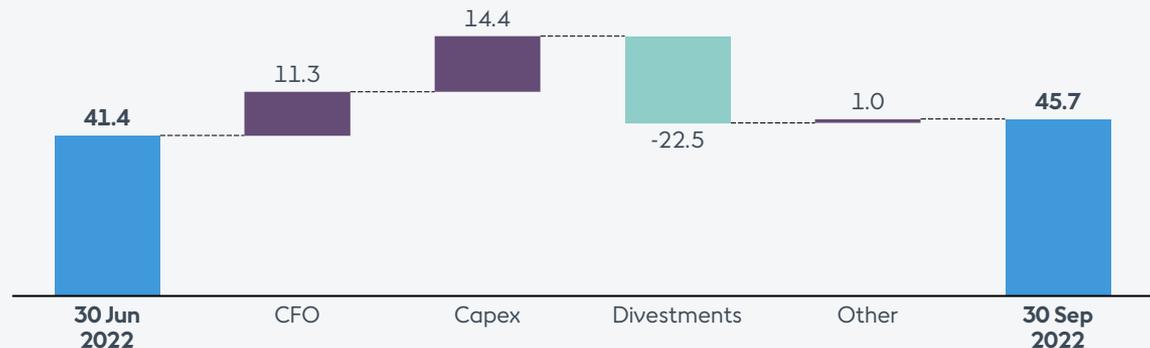
Equity of DKK 53.8 bn

- Reduction driven by unrealised losses on hedge reserve
- ~15 % of hedging reserve will materialise by end of 2022 and additional ~43 % by end of 2023. In total ~58 % to materialise by end of 2023

Cash flow, net debt and credit metric

Cash flow and net debt

DKKbn

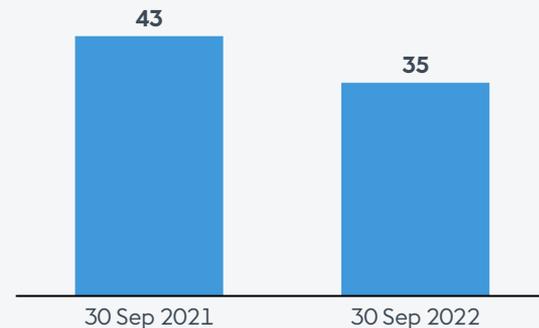


Net interest-bearing debt of DKK 45.7 bn, up DKK 4.3 bn

- Operating cash flow negatively impacted by collateral postings, net DKK 18.4 bn during Q3
- Gross investments in construction projects, as well as acquisitions of Ostwind and Ford Ridge
- Divestments proceeds from 50 % farm-down of Hornsea 2
- Decrease in 'Other' due to exchange rate adjustments of decreased GBP

FFO / Adj. net debt

%¹



FFO / Adj. net debt of 35 %

- Updated definition of credit metric to exclude variation margin payments and other interest-bearing debt and other receivables
- Methodology in line with credit rating agencies
- Ratios with previous methodology of 6 % and 42 % for 2022 and 2021, respectively

Liquidity reserve significantly above target

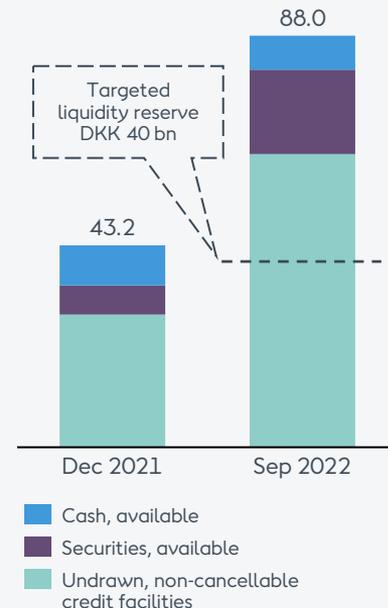
Continued strong liquidity position

- Collateral requirements continued to increase due to increasing and volatile power and gas prices
- Collateral postings of DKK 30.6 bn by end of Q3 2022
- Tied up additional DKK 18.4 bn in variation and initial margin payments during Q3 2022
- Several initiatives taken to improve our financial resources, including:
 - Issued green bonds in GBP and EUR (DKK 14.8 bn)
 - Established a new 2-year syndicated RCF (DKK 15 bn)
 - Increased existing 2-year committed bilateral credit facilities (DKK 9 bn)
- By end of Q3 2022, our liquidity reserve totaled DKK 88 bn
- Significantly above our targeted liquidity reserve of DKK 40 bn
- Even when prices peaked in August, no use of bilateral RCF needed

Collateral and margin postings, DKKbn



Liquidity reserve DKKbn

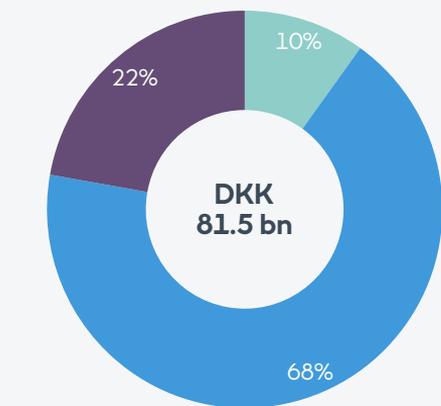


Debt and hybrids overview

Total gross debt and hybrids

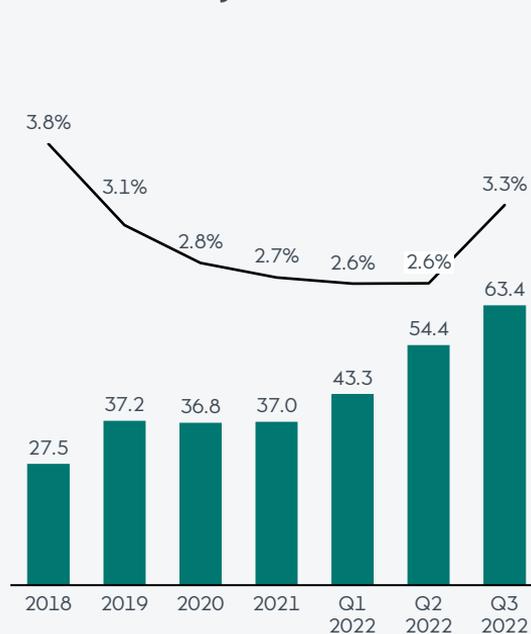
30 September 2022, DKKbn

>95 % of gross debt (bond and bank loans) fixed interest rate. Remainder floating or inflation-linked



- Bank loans
- Bond loans
- Hybrid securities

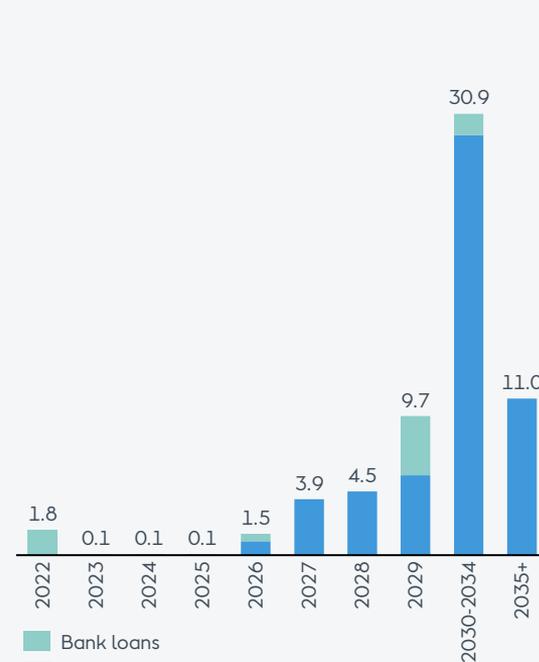
Effective funding costs – Gross debt



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

Maturity profile of gross debt

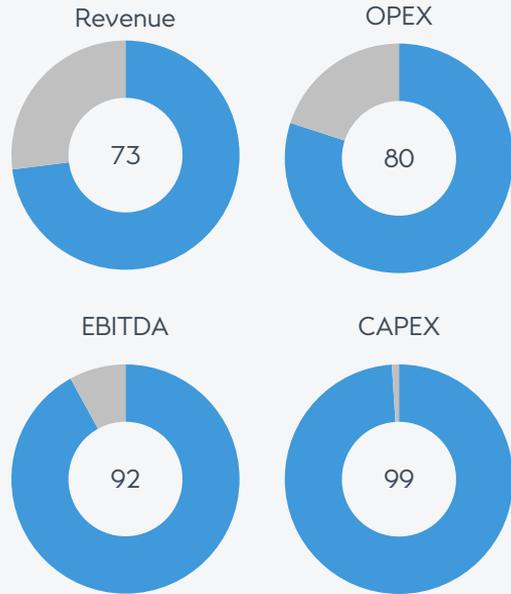
DKKbn



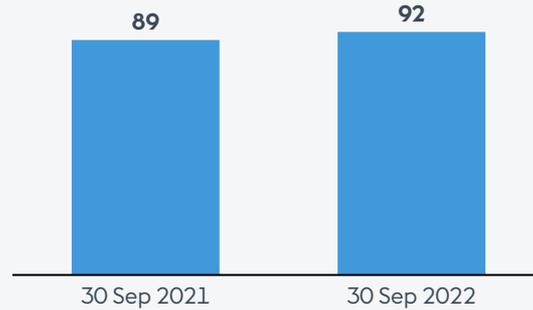
- Bank loans
- Bond loans

Non-financial ratios

Taxonomy-eligible KPIs %, YTD



Green share of energy generation %, YTD

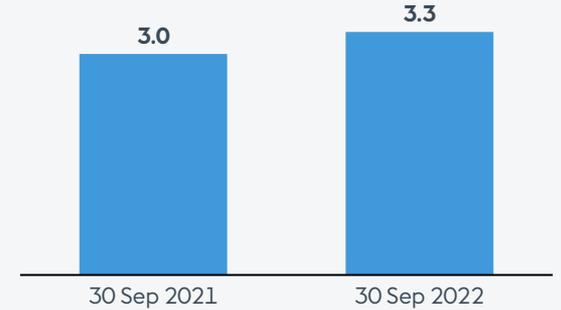


Green share of energy at 92 %

- More wind and solar assets in operation
- Higher wind speeds

Safety

Total recordable injury rate, YTD



TRIR of 3.3

- Increase in number of injuries due to contractor related incidents
- Several initiatives implemented to improve safety performance

2022 guidance, strategic ambition, and financial guidance

2022 guidance

	DKKbn
EBITDA (excluding new partnerships)	21 – 23
<i>Implied EBITDA including new partnerships</i>	32 – 34
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 higher

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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US: +1 646 722 4902

For questions, please press 01





Appendix

Renewable capacity as of 30 September 2022

Indicator, MW, gross	9M 2022	9M 2021	Δ	FY 2021
Installed renewable capacity	15,019	12,678	2,431	12,980
Offshore, wind power	8,871	7,551	1,320	7,551
Onshore	4,160	3,049	1,111	3,351
- Wind power	3,459	2,352	1,107	2,654
- Solar PV power	661	657	4	657
- Battery storage	40	40	-	40
Other (incl. PtX)	2,078	2,078	-	2,078
- Biomass, thermal heat	2,054	2,054	-	2,054
- Biogas, power	3	3	-	3
- Battery storage	21	21	-	21
Decided (FID) renewable capacity	3,131	3,832	(708)	4,725
Offshore, wind power	2,196	2,220	(24)	3,386
Onshore	933	1,610	(684)	1,337
- Onshore wind power	253	930	(684)	657
- Solar PV power	680	680	-	680
- Battery storage	-	-	-	-
Other (incl. PtX), hydrogen	2	2	-	2
Awarded/contracted renewable capacity (no FID yet)	11,222	8,687	2,535	8,435
Offshore, wind power	11,157	8,687	2,470	8,435
Onshore, solar PV power	65	-	65	-
Sum of installed and FID capacity	18,240	16,510	1,723	17,705
Sum of installed, FID, and awarded/contracted capacity	29,462	25,197	4,258	26,140

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_{ac}).

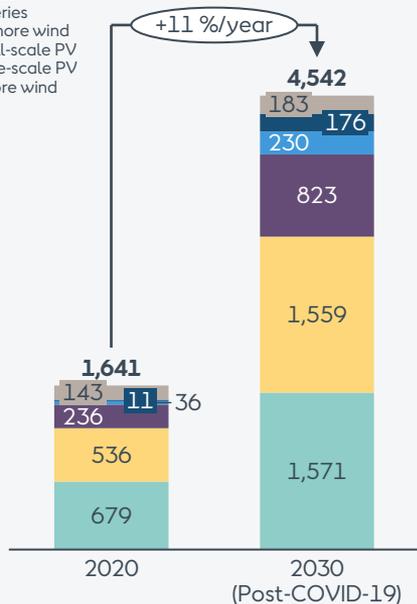
Note: In Q3 2021, we aligned our definition of installed capacity, hence all assets (installed or FID'ed) are reported using nameplate capacity. Previously a few wind farms were reported using 'power optimised capacity' or 'export cable limit capacity'.

Forecasted renewable capacity build-out

Global renewable energy capacity by technology¹ GW installed

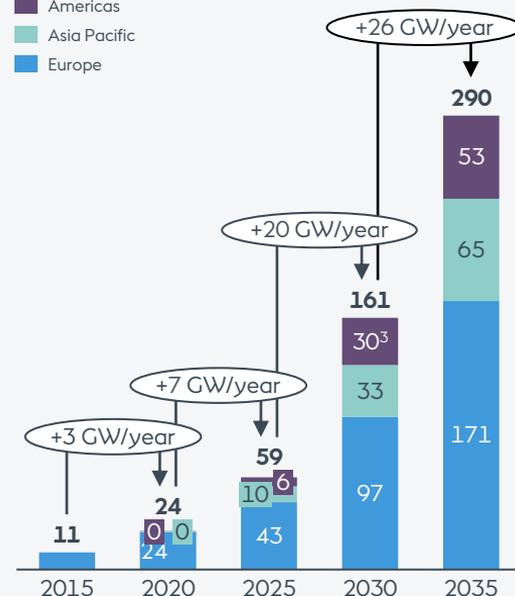
CAGR

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



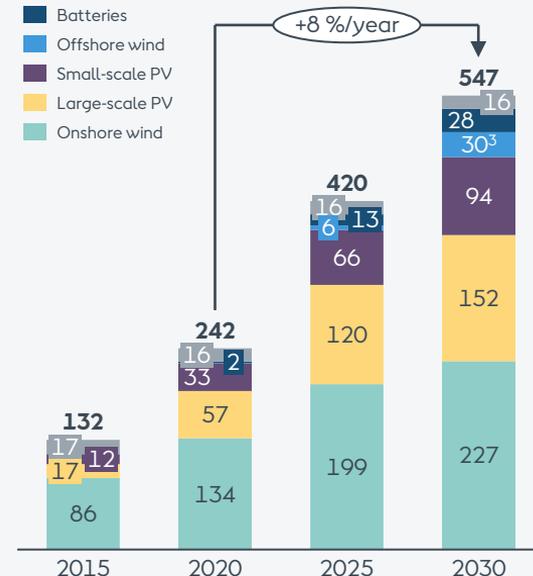
Global offshore wind capacity excl. mainland China GW installed

- Americas
- Asia Pacific
- Europe



North American renewable capacity by technology² 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

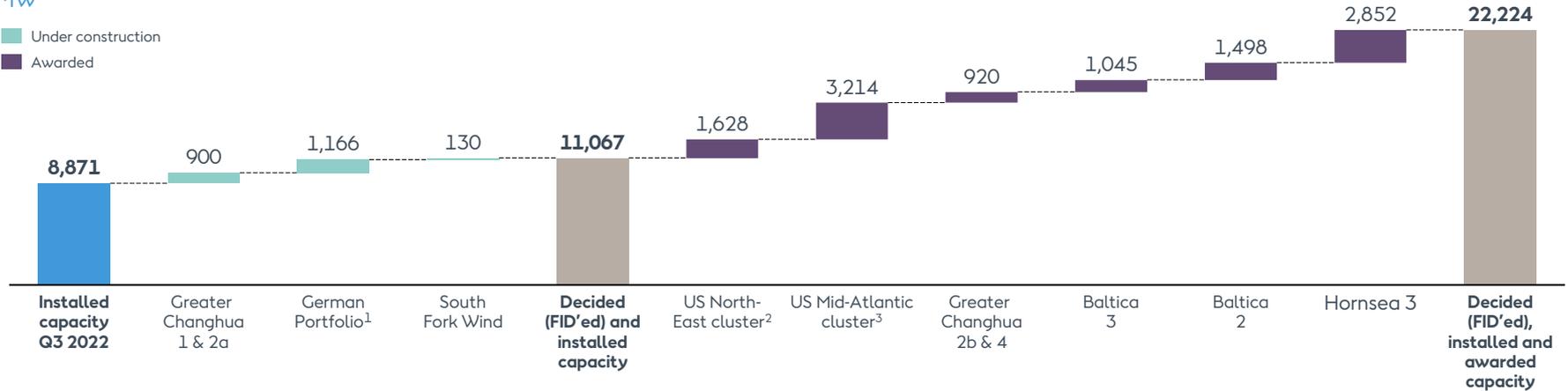
3. Considering 30 GW offshore wind capacity target announced by US administration

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



Country	Taiwan	Germany	US		US	US	Taiwan	Poland	Poland	UK	
Expected completion	2023	2024/2025	2023		2025	2025/2026/ 2029	2025/2026	2026	2027	2027	
Construction status	Delayed	On track	On track		Pending FID	Pending FID	Pending FID	Pending FID	Pending FID	Pending FID	
Turbine	111 x 8 MW Siemens Gamesa	106 x 11 MW Siemens Gamesa	12 x 11 MW Siemens Gamesa								

1. German Portfolio: Gode Wind 3 (253 MW) and Borkum Riffgrund 3 (913 MW)
 2. Revolution Wind (704 MW) and Sunrise Wind (924 MW)
 3. 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 & Ireland

United Kingdom

- UK Government has increased the ambition of offshore wind to 50 GW by 2030, including 5 GW of floating offshore wind to reduce reliance on imports and improve energy security
- Commitment to decarbonise electricity system by 2035 and binding target to reach net zero emissions by 2050
- CFD allocation rounds to be held annually in an effort to speed up the deployment of renewable energy projects. Government programme in place to remove barriers to accelerated deployment (grid, planning etc.)
- Results of Allocation Round 4 announced 7 July, where Ørsted was awarded the 2.9 GW Hornsea 3 project
- Innovation and Targeted Oil & Gas (INTOG) offshore leasing round announced by Crown Estate Scotland targeting up to 500 MW of Innovation projects and up to 5.7 GW of Targeted Oil & Gas Decarbonisation projects; the application window closes in November 2022 with results expected end Q1 2023
- Celtic Sea Leasing round announced by The Crown Estate for total of 4 GW of floating projects. The first leases are to be awarded in 2023 with both small scale (300 MW projects pre-2030) and utility scale (1 GW projects 2030-2035). Details of auction model and available sites to be clarified in Q4 2022

Ireland

- Climate Action Plan published in Nov. 2021 providing a plan to achieve 51 % reduction in overall greenhouse gas emissions by 2030 and to reach net zero emissions by 2050; also includes target of 80 % of electricity demand from renewables by 2030 and an aspiration for 7 GW offshore wind by 2030
- In Dec. 2021, the Maritime Area Planning (MAP) Act 2021 was enacted providing for the establishment of the Maritime Area Regulatory Authority (MARA) – a dedicated maritime area agency. The CEO of MARA has been appointed and Board members are being recruited
- The Maritime Area Consent (MAC) regime opened for applications in March, and were received in September 2022 for the seven qualified projects ahead of the first Offshore Renewable Energy Support Scheme (ORESS) which is expected to open in Q1 2023 and conclude in Q2 2023

Offshore market development – Continental Europe

Germany	<ul style="list-style-type: none"> • New government has ambitions to increase offshore wind targets to 30 GW by 2030, 40 GW by 2035 and 70 GW by 2045 • Tender volumes for 2023 have been increased to 8-9 GW and are expected to be allocated in auctions including both price and qualitative elements
Netherlands	<ul style="list-style-type: none"> • The government doubled its 10.7 GW by 2030 capacity target to more than 21 GW • The government has published an updated auction calendar: 4 GW in H2 2023, 4 GW in H1 2025, 4 GW in 2026 and 4.7 GW in 2027 • Next tender is IJmuiden Ver (4 x 1 GW) in H2 2023 - it is expected that the government will opt for a tender design that includes a capped payment and qualitative criteria focused on system integration
Denmark	<ul style="list-style-type: none"> • Political agreement on tendering 4 GW new offshore wind before 2030 in addition to the existing agreement on 2 GW and potential 1 GW extra dedicated for PtX. First tenders are expected to take place in 2024 • Hesselø tender has been reallocated to a new site due to seabed conditions. New site investigation is started, and the auction is expected to be kicked off in 2024 • Tender in H1 2023 for designing, building and co-owning an artificial island in the North Sea as hub for up to 10 GW offshore wind. • Political agreement on expanding tender for offshore wind farms connected to the Bornholm Energy Island from 2 GW to 3 GW
Poland	<ul style="list-style-type: none"> • Seabed auctions of 11-13 GW offshore wind started, 11 sites have been released by the Polish government, results are expected in Q4 2022 / Q1 2023 • 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
Belgium	<ul style="list-style-type: none"> • Capacity will grow from current 2.2 GW in operation to 5.8 GW in total before 2030. Tenders expected in 2024/2025 • First tender 700 MW expected H1 2024 – tenders for remaining volumes in new Princess Elisabeth zone are expected for 2025 • MoU signed with Denmark for large scale offshore wind power imports
Baltic States	<ul style="list-style-type: none"> • Latvia and Estonia: MoU between Latvia and Estonia in place for the development of a joint offshore wind project of up to 1 GW
Sweden	<ul style="list-style-type: none"> • 100 % renewable electricity target by 2040 and carbon neutrality by 2045 • National electrification and hydrogen strategies were presented in spring 2022. Energy Agency tasked to find areas for another 90 TWh offshore for the next version of MSP • TSO has shared new transmission scheme and prioritized grid connection areas in June 2022
Norway	<ul style="list-style-type: none"> • Two areas opened with a max capacity of 3 GW. Tender procedures expected to start in H1 2023 with allocation ultimo 2023 • Utsira Nord consists of multiple smaller floating projects allocated through a qualitative competition • Sørlige Nordsjø II is a bottom-fixed 1.5 GW project radially connected to Norway and allocated through an auction expected to be price only (CFD)
Iberia	<ul style="list-style-type: none"> • Spain: Target of up to 3 GW floating offshore wind by 2030 supported by planned investment of EUR 200 mio. in research and innovation • Portugal: An ambition of 10 GW installed capacity by 2030 with an expected first auction in 2023

Offshore market development – US

Massachusetts	<ul style="list-style-type: none">• Target of 5.6 GW offshore wind by 2027, of which 3.2 GW has already been awarded, through and including Dec. 2021 awards• Next auction expected end of 2022 or in 2023
Connecticut	<ul style="list-style-type: none">• Target of 2 GW of offshore wind capacity by 2030, of which 1.2 GW remains available• CT has announced they will not procure more offshore wind until certain transmission issues have been resolved
New York	<ul style="list-style-type: none">• Target 9 GW offshore wind by 2035. NY-3 RFP for 2-4.6 GW published on July 26 with bids due Dec. 22 and awards expected H1 2023• 2.5 GW awarded in Q1 2021 and 4.3 GW in total• BOEM completed a sale of six new seabed lease areas in the New York Bight, all leases can serve both New York and New Jersey markets
New Jersey	<ul style="list-style-type: none">• 21 September, Governor Murphy announced an increase in the state's offshore wind goal to 11 GW by 2040• Next auction is expected to be at least 1.2 GW and held in H1 2023• NJ Board of Public Utilities and PJM currently evaluating 2021 bids for offshore wind shared transmission. Outcome is expected in H2 2022
Maryland	<ul style="list-style-type: none">• Awarded 1.6 GW across two projects in Dec. 2021, meeting its solicitation target and therefore closing future solicitation rounds• No firm targets for offshore wind beyond awarded projects
Rhode Island	<ul style="list-style-type: none">• Executive order signed to power the state with 100 % renewable energy by 2030• Next auction for 600-1,000 MW with RFP expect in Q4 2022 and bids due in H1 2023
California	<ul style="list-style-type: none">• 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• Preliminary planning target updated to 25 GW by 2045
North Carolina	<ul style="list-style-type: none">• Legislation requires electric sector to reach 70 % decarbonisation by 2030 and 100 % by 2050. Executive Order targets 2.8 GW of offshore wind by 2030 and 8 GW by 2040
Other	<ul style="list-style-type: none">• BOEM lease auctions expected in Gulf of Mexico, Central Atlantic, Oregon, and Gulf of Maine between 2022 and 2024

Offshore market development – APAC

Taiwan	<ul style="list-style-type: none">• Taiwan has met its target of awarding 5.5 GW to be commissioned by 2025• More than 6 GW of developing pipeline in preparation to participate future auctions• Third round auction announced with 15 GW offshore wind target to be constructed from 2026-2035, up from 10 GW previously• Round 3.2 bid submission expected at end of Sep. 2023
Japan	<ul style="list-style-type: none">• Authorities announced the 1st Offshore Wind Vision confirming 10 GW offshore wind target 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• Next round of auctions expected to commence by end of 2022 with bids due in H1 2023. Revisions of auction rules under way towards this milestone
South Korea	<ul style="list-style-type: none">• The previous administration's NDC pledge for 40 % GHG reduction by 2030 against 2018 levels is set to be maintained by newly elected President Yoon• Electricity Business License "EBL" submitted for Incheon 1.6 GW. Approval expected within 2022• 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• 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
Vietnam	<ul style="list-style-type: none">• High gas prices delay finalization of Vietnam's energy master plan as gas targets are revised. Offshore wind targets of 7 GW in 2030, 18 GW in 2035, 40.5 GW in 2040 and 66.5 GW in 2045 remain in place.• Prime Minister issues resolution clarifying rules for awarding site survey permits for offshore wind projects including a 90-day process limit for authorities managing applications• Offshore Wind is officially stated to be a technology of strategic importance for VN to achieve its 2050 net zero target
Other markets	<ul style="list-style-type: none">• Australian federal government has released its secondary offshore energy legislation, outlining guidelines for application requirements/assessment criteria and recovery costs• Australia's Victorian government has announced a preliminary target of 9 GW by 2040, preceded by 2 GW by 2032 and 5 GW by 2035• Indian authorities have raised their desire to revive their 30 GW by 2030 ambition, with a tender for 4 GW in Tamil Nadu in 2022

Upcoming offshore seabed competition 2022/2023



Ongoing
Poland
11 - 13 GW



H2 2022
California
~4.5 GW



2023
Central Atlantic
TBC



2023
Gibbsland
TBA



Q4 2022
Scotland INTOG¹



H1 2023
Gulf of Mexico
~8 GW



2023
Oregon
~3 GW



2023
Celtic Sea floating
4 GW

Power-to-X: Hydrogen & green fuels project pipeline of +3GW



 Heavy transport
  Refineries
  Chemicals & fertilizers
  Steel
  Green Hydrogen
  eMethanol
  eKerosene

	Project	Maximum potential (MW)	Country	Application	Product(s)	Partners
1	H2RES	2				Everfuel, DSV, GHS, +more
2	Green Fuels for Denmark	1,300		  	  	Maersk, SAS, CPH Airport, DFDS, DSV, +more
3	FlagshipONE	70				Liquid Wind
4	Project Star	675				Maersk
5	Sluiskil	100				Yara
6	SeaH2Land	1,000		  		North Sea Port and a range of regional offtakers
7	Westküste 100 / HySCALE100	700-2,100			 	Raffinerie Heide, Hynamics, Holcim, +more
8	Lingen Green Hydrogen	600				bp
9	Gigastack	100				Philips 66
10	Oyster	1		R&D project for Offshore H ₂		ITM Power, Siemens Gamesa, Element Energy

Overview of US offshore wind federal permitting process

Planning & Analysis

~ 2 years

BOEM¹ 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,³ The US Army Corps of Engineers, the Fish and Wildlife Service, and the Environmental Protection Agency

Federal permitting overview²

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

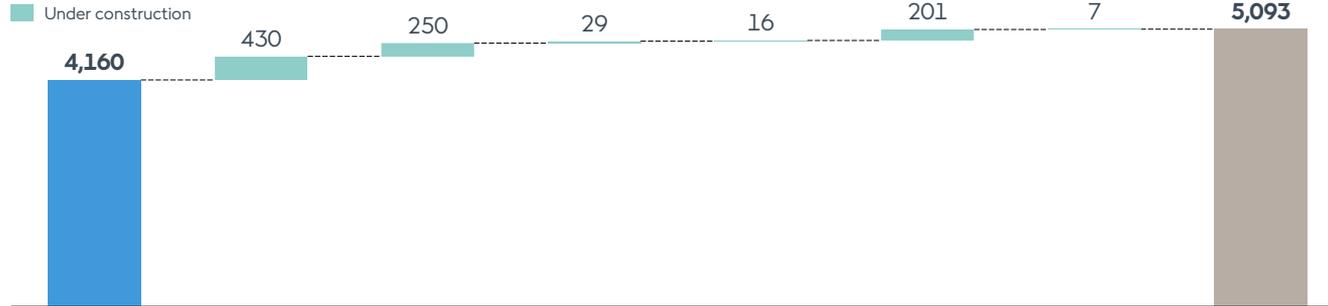
1. BOEM stands for the Bureau of Ocean Energy Management

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



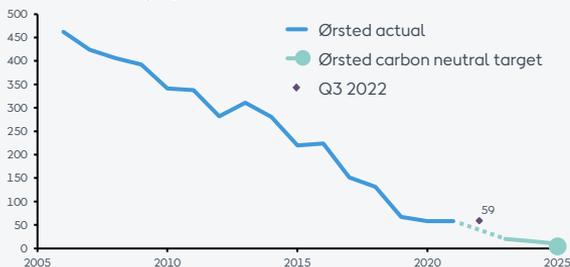
	Old 300	Helena Energy Center ¹	Lisheen 3	Ballykeel	Sunflower	Les Dix-Huit	Decided (FID'ed) and installed capacity
Region	ERCOT, TX	ERCOT, TX	Ireland	Northern Ireland	SPP, KS	France	
Expected completion	H1 2023	2023	H2 2022	2023	H2 2023	2023	
Status	Delayed	Delayed	On track	On track	On track	On track	
Platform	Solar PV	Solar PV	Wind	Wind	Wind	Wind	
Offtake Solution	PPA with Microsoft	PPA with Target	PPA with Meta ²	PPA with Amazon	PPA signed	Government contract	

Sustainability and ESG at Ørsted

Green leadership

- In Q3 2022, 89 % 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 ≥ 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.

Scope 1 & 2 GHG intensity (g CO₂e/kWh)



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 (scope 1-3) to help limit global warming to < 1.5 °C.

Catalysing the green energy transformation

As a renewable energy company, we aspire to have a transformative impact on SDGs 7 – Affordable & Clean Energy, and 13 – Climate Action, while contributing to several others.



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

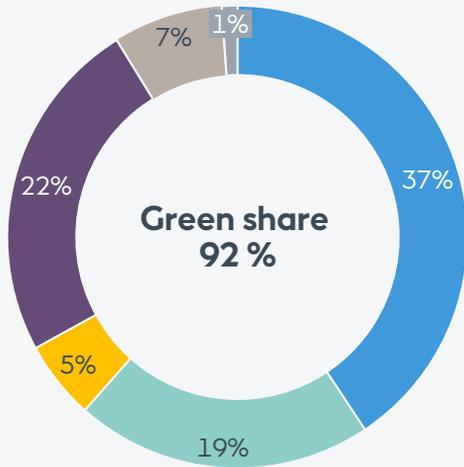
Rating agency	Score	Benchmark
	A	Highest possible rating for three consecutive years and recognised as a global leader on climate action
	AAA	Highest possible rating for six consecutive ratings
	16.4 (low risk)	Assessed as “low risk” and placed as no. 1 among direct utility peers measured by market cap
	A-	Ranked in 1 st decile among electric utilities and awarded highest possible ‘Prime’ status
	78	Platinum Medal for being among top 1 % of companies assessed by EcoVadis

ESG Performance

Total heat and power generation Q3 2022

Energy source, %

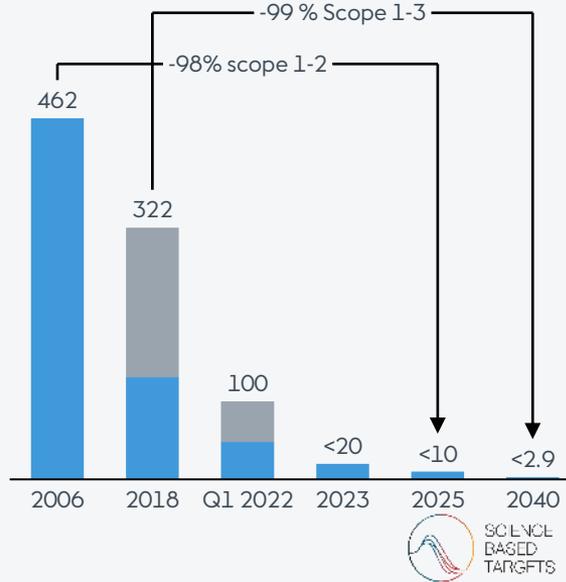
- Offshore wind
- Sustainable biomass
- Onshore wind
- Coal
- Solar PV
- Natural gas



Greenhouse gas emission intensity

g CO₂e/kWh

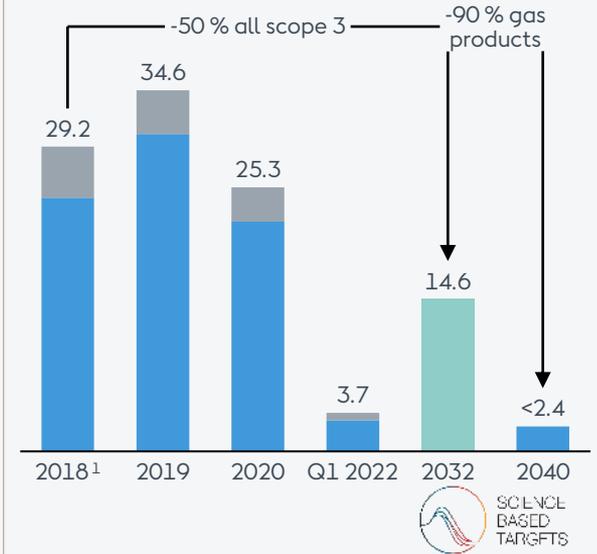
- Scope 3
- Scope 1-2



Scope 3 greenhouse gas emissions,

million tonnes CO₂e

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



Group – Financial highlights

Financial highlights		Q3 2022	Q3 2021	Δ	9M 2022	9M 2021	Δ	FY 2021	FY 2020	Δ
EBITDA	DKKm	12,317	2,984	313 %	25,361	16,043	58 %	24,296	18,124	34 %
- New partnerships		9,346	(59)	n.a.	10,916	5,296	106 %	8,507	-	n.a.
- EBITDA excl. new partnerships		2,971	3,043	(2 %)	14,445	10,747	34 %	15,789	18,124	(13 %)
• Offshore		306	1,304	(77 %)	6,559	7,481	(12 %)	18,021	14,750	22 %
• Onshore		867	413	110 %	2,792	819	241 %	1,349	1,131	19 %
• Bioenergy & Other		1,849	1,206	53 %	5,010	2,331	115 %	4,747	2,136	122 %
Operating profit (EBIT)		9,787	1,045	837 %	18,399	10,215	80 %	16,195	10,536	54 %
Total net profit		9,355	487	1,821 %	15,325	7,629	101 %	10,887	16,716	(35 %)
Operating cash flow		(11,309)	246	n.a.	(8,991)	11,480	n.a.	12,148	16,466	(26 %)
Gross investments		(14,417)	(8,757)	65 %	(27,621)	(27,555)	0 %	(39,307)	(26,967)	46 %
Divestments		22,459	7	n.a.	24,653	10,567	133 %	21,159	19,039	13 %
Free cash flow		3,267	8,504	(62 %)	11,959	5,508	117 %	(5,640)	8,538	n.a.
Net interest-bearing debt		45,701	21,211	115 %	45,701	21,211	115 %	24,280	12,343	97 %
FFO/Adjusted net debt ¹	%	35.3	42.5	(7 %p)	35.3	42.5	(10 %p)	31.3	65.0	(34 %p)
ROCE ¹	%	24.4	12.9	12%p	24.4	12.9	12%p	14.8	9.7	5%p

Offshore – Financial highlights

Financial highlights		Q3 2022	Q3 2021	Δ	9M 2022	9M 2021	Δ	FY 2021	FY 2020	Δ
EBITDA	DKKm	9,652	1,304	640 %	17,475	12,777	37 %	18,021	14,750	22 %
• Sites, O&Ms and PPAs		467	1,822	(74 %)	6,194	8,976	(31 %)	13,059	15,476	(16 %)
• Construction agreements and divestment gains		9,765	(9)	n.a.	12,992	5,066	156 %	7,535	1,593	373 %
• Other, incl. project development		(580)	(509)	14 %	(1,711)	(1,265)	35 %	(2,573)	(2,319)	11 %
Key business drivers										
Power generation	GWh	3,246	2,286	42 %	11,072	9,356	18 %	13,808	15,248	(9 %)
Wind speed	m/s	7.7	7.6	1 %	9.0	8.7	4 %	9.1	10.0	(9 %)
Availability	%	91	93	(2 %p)	93	94	(1 %p)	94	94	0 %p
Load factor	%	28	27	1 %p	38	35	3 %p	39	45	(6 %p)
Decided (FID) and installed capacity*	GW	11.1	9.8	13 %	11.1	9.8	13 %	10.9	9.9	10 %
Installed capacity*	GW	8.9	7.6	17 %	8.9	7.6	17 %	7.6	7.6	0 %
Generation capacity**	GW	5.3	4.0	33 %	5.3	4.0	33 %	4.0	4.4	(9 %)

Onshore – Financial highlights

Financial highlights		Q3 2022	Q3 2021	Δ	9M 2022	9M 2021	Δ	FY 2021	FY 2020	Δ
EBITDA	DKKm	867	413	110 %	2,792	819	241 %	1,349	1,131	19 %
• Sites		610	285	114 %	1,677	324	418 %	535	451	19 %
• Production tax credits and tax attributes		597	307	94 %	1,844	902	104 %	1,382	1,004	38 %
• Other, incl. project development		(340)	(179)	90 %	(729)	(407)	79 %	(568)	(324)	75 %
Key business drivers										
Power generation	GWh	2,723	1,904	43 %	9,721	5,534	76 %	8,352	5,738	46 %
Wind speed, US	m/s	6.0	6.4	(7 %)	7.2	7.1	1 %	7.4	7.6	(3 %)
Availability, US wind	%	92	98	(6 %p)	93	96	(3 %p)	96	96	0 %
Availability, US solar PV	%	96	98	(2 %p)	98	95	3 %p	96	-	n.a.
Load factor, US wind	%	30	33	(3 %p)	42	41	1 %p	42	45	(3 %p)
Load factor, US solar PV	%	32	27	5 %p	28	28	0 %p	24	-	n.a.
Installed capacity	GW	4.2	3.0	36 %	4.2	3.0	36 %	3.4	1.7	100 %

Bioenergy & Other – Financial highlights

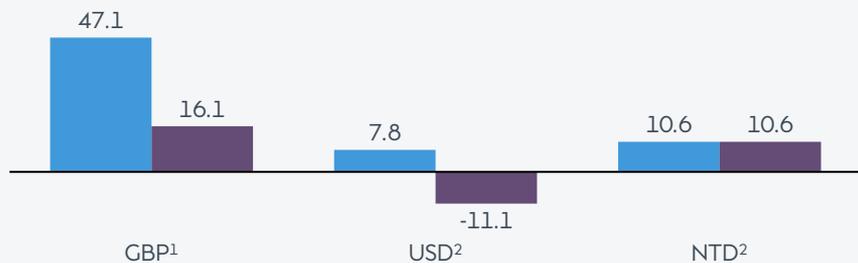
Financial highlights		Q3 2022	Q3 2021	Δ	9M 2022	9M 2021	Δ	FY 2021	FY 2020	Δ
EBITDA	DKKm	1,849	1,206	53 %	5,010	2,331	(115 %)	4,747	2,136	122 %
• CHP plants		1,691	460	268 %	4,133	1,487	(178 %)	3,202	1,111	188 %
• Gas Markets & Infrastructure		253	808	(69 %)	1,044	1,059	(1 %)	1,829	411	345 %
• Other, incl. project development		(95)	(62)	55 %	(167)	(215)	(22 %)	(284)	(312)	(9 %)
Key business drivers										
Heat generation	GWh	239	402	(41 %)	4,305	5,440	(21 %)	7,907	6,671	19 %
Power generation	GWh	1,363	1,028	33 %	4,603	4,794	(4 %)	6,890	4,438	55 %
Degree days	#	98	81	21 %	1,687	1,893	(11 %)	2,820	2,432	16 %

Currency and energy exposure

Currency exposure Q4 2022 – Q3 2027

DKKbn

■ Before hedging
■ After hedging

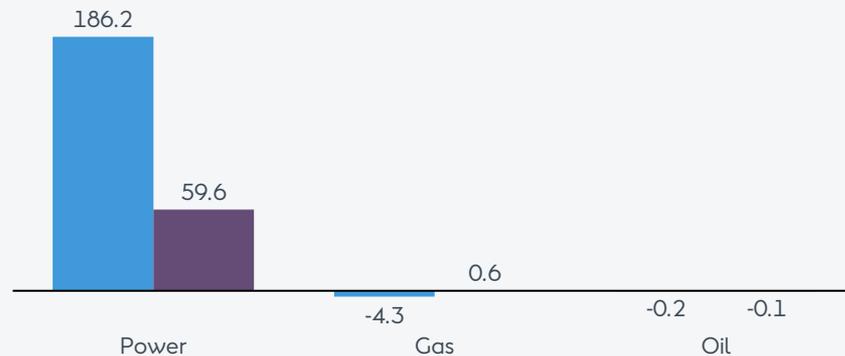


Risk after hedging, DKKbn	Effect of price +10 %	Effect of price -10 %
GBP: 16.1 sales position	+1.6	-1.6
USD: 11.1 purchase position	-1.1	+1.1
NTD: 10.6 sales position	+1.0	-1.0

Energy exposure Q4 2022 – Q3 2027

DKKbn

■ Before hedging
■ After hedging



Risk after hedging, DKKbn	Effect of price +10 %	Effect of price -10 %
Power: 59.6 sales position	+5.9	-5.9
Gas: 0.6 sales position	+0.1	-0.1
Oil: 0.1 purchase position	-0.0	+0.0

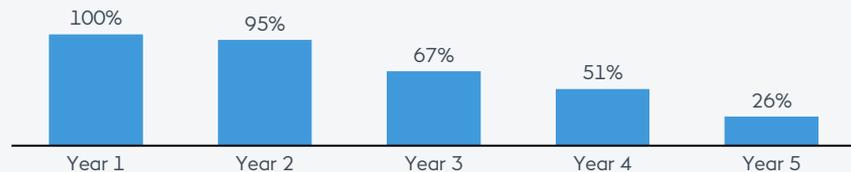
1. The average GBP exchange rate for hedges impacting EBITDA in 2023 and 2024 is around 8.3 DKK/GBP.

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.

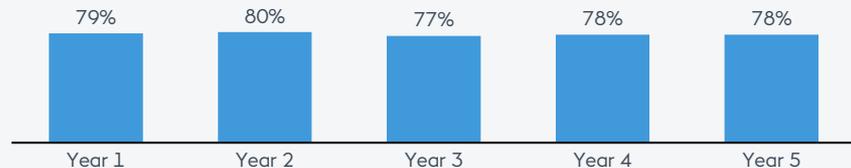
Hedging levels

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

Offshore



Onshore



Bioenergy

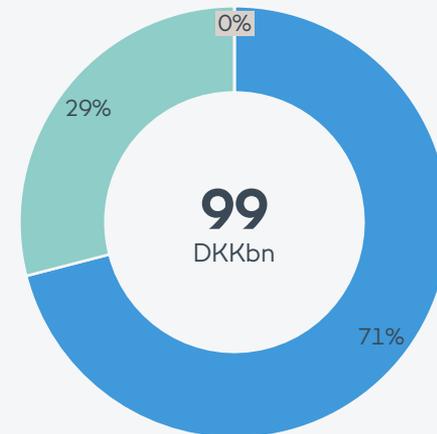


Capital employed

Capital employed, DKKm	Q3 2022	FY 2021	Q3 2021	FY 2020
Intangible assets, and property and equipment	179,660	162,939	149,954	122,249
Assets classified as held for sale, net	747	860	694	793
Equity investments and non-current receivables	1,300	828	882	777
Net working capital, capital expenditures	(6,368)	(8,913)	(7,690)	(4,040)
Net working capital, work in progress	3,251	5,948	7,062	9,775
Net working capital, tax equity	(16,007)	(13,268)	(10,744)	(7,246)
Net working capital, other items	22,399	10,820	5,191	2,228
Derivatives, net	(83,323)	(32,995)	(35,529)	(209)
Decommissioning obligations	(8,796)	(8,851)	(8,263)	(7,003)
Other provisions	(5,970)	(7,037)	(6,059)	(6,860)
Tax, net	8,831	3,844	5,386	(771)
Other receivables and other payables, net	3,754	(4,759)	(532)	(21)
TOTAL CAPITAL EMPLOYED	99,478	109,416	100,361	109,672

Capital employed by segment %, Q3 2022

- Offshore
- Onshore
- Bioenergy & Other



Taxonomy-eligible KPIs

	Unit	9M 2022	9M 2021	Δ	FY 2021
Revenue	DKKkm	96,598	47,007	105 %	77,673
Taxonomy-eligible revenue	%	73	67	6 %p	66
- Electricity generation from solar PV and wind power	%	65	58	7 %p	56
- Cogeneration of heat/coal and power from bioenergy	%	8	9	(1 %p)	10
Taxonomy-non-eligible revenue	%	27	33	(6 %p)	34
- Gas sale	%	18	20	(2 %p)	21
- Coal-based activities	%	3	2	1 %p	2
- Other activities ¹	%	6	11	(5 %p)	11
OPEX	DKKkm	4,625	3,699	25 %	5,760
Taxonomy-eligible OPEX	%	80	76	4 %p	80
- Electricity generation from solar PV and wind power	%	71	66	5 %p	71
- Cogeneration of heat/coal and power from bioenergy	%	9	10	(1 %p)	9
Taxonomy-non-eligible OPEX	%	20	24	(4 %p)	20
EBITDA	DKKkm	25,361	16,044	58 %	24,296
Taxonomy-eligible EBITDA	%	92	91	1 %p	90
- Electricity generation from solar PV and wind power	%	81	84	(3 %p)	80
- Cogeneration of heat/coal and power from bioenergy	%	11	7	4 %p	10
Taxonomy-non-eligible EBITDA	%	8	9	(1 %p)	10
- Gas sale	%	4	6	(2 %p)	8
- Coal-based activities	%	4	2	2 %p	2
- Other activities ¹	%	0	1	(1 %p)	0
CAPEX	DKKkm	27,982	32,468	(14 %)	50,415
Taxonomy-eligible CAPEX²	%	99	99	0 %p	99
- Electricity generation from solar PV and wind power	%	99	99	0 %p	97
- Cogeneration of heat/coal and power from bioenergy	%	0	0	0 %p	2
Taxonomy-non-eligible CAPEX	%	1	1	0 %p	1

¹ Other activities primarily consist of non-eligible power sales (incl. end customer sales), gas- and oil-based generation at the CHPs, oil distribution, and trading

² The taxonomy-eligible CAPEX ratio is also applied to gross investments (DKKkm [27,621] - see interim financial report for 9M 2022, p [10]) to calculate taxonomy-eligible gross investments.

FFO/Adjusted net debt calculation

Funds from operations (FFO), DKKm¹	30 Sep 2022	31 Dec 2021	30 Sep 2021
EBITDA	33,614	24,296	21,047
Change in provisions and other adjustments	(1,002)	(422)	(2,546)
Change in derivatives	(13,406)	(2,050)	2,618
Variation margin (add back)	17,140	(627)	944
Reversal of gain (loss) on divestment of assets	(13,236)	(7,920)	(5,175)
Income tax paid	(1,260)	(1,380)	(1,115)
Interests and similar items, received/paid	(380)	(467)	(834)
Reversal of interest expenses transferred to assets	(756)	(782)	(616)
50 % of coupon payments on hybrid capital	(237)	(215)	(215)
Dividends received and capital reductions	17	29	39
FUNDS FROM OPERATION (FFO)	20,494	10,462	14,147
Adjusted interest-bearing net debt, DKKm	30 Sep 2022	31 Dec 2021	30 Sep 2021
Total interest-bearing net debt	45,701	24,280	21,211
50 % of hybrid capital	8,992	8,992	8,992
Other interest-bearing debt (add back)	(3,056)	(535)	(626)
Other receivables (add back)	2,730	4,150	1,946
Receivables in connection with divestments (add back)	770	757	748
Cash and securities, not available for distribution	2,910	2,130	977
ADJUSTED INTEREST-BEARING NET DEBT	58,047	39,774	33,248
FFO / ADJUSTED INTEREST-BEARING NET DEBT	35.3 %	26.3 %	42.5 %

1. Last 12 months

We have adjusted our definition of FFO / adjusted net debt. We have excluded variation margin payments in our FFO definition, to reflect the changes implemented by the rating agencies. Furthermore, we have excluded 'other interest-bearing debt' and 'other interest-bearing receivables' from adjusted net debt, to align with common methodology used by the rating agencies. Comparative figures for 2021 are restated in accordance with the new definition of FFO/adjusted net debt.



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 ¹	Principal amount	Type	First Reset Date ³	Coupon	Accounting treatment ²	Tax treatment	Rating treatment
6.25 % hybrid due 3013	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
2.25 % Green hybrid due 3017	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
1.75 % Green hybrid due 3019	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
1.50 % Green hybrid due 3021	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
2.50 % Green hybrid due 3021	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)

2. Due to the 1,000-year structure

3. First Par Call Date

Ørsted's outstanding bonds

*Green bond proceeds from bonds & hybrid bonds issued in 2022 will be allocated at year-end

Bond Type	Issue date	Maturity	Face Value	Principal amount	Fixed/Floating rate	Coupon	Coupon payments	Green bond	Allocated to green projects (DKKm)	Avoided emissions (t CO ₂ /year) attributable to the bonds
Senior Unsecured	Nov. 2017	26 Nov. 2029	EUR 750m	EUR 750m	Fixed	1.5%	Every 26 Nov.	Yes	5,499	551,000
Senior Unsecured	Jun. 2022	14 Jun. 2028	EUR 600m	EUR 600m	Fixed	2.25%	Every 14 Jun.	Yes	0*	0*
Senior Unsecured	Jun. 2022	14 Jun. 2033	EUR 750m	EUR 750m	Fixed	2.875%	Every 14 Jun.	Yes	0*	0*
Senior Unsecured	Sep. 2022	13 Sep. 2031	EUR 900m	EUR 900m	Fixed	3.250%	Every 13 Sep.	Yes	0*	0*
Senior Unsecured	Apr. 2010	9 Apr. 2040	GBP 500m	GBP 500m	Fixed	5.750%	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	318,000
Senior Unsecured	May 2019	16 May 2033	GBP 300m	GBP 300m	Fixed	2.5%	Every 16 May	Yes	2,518	258,000
Senior Unsecured/CPI-linked	May 2019	16 May 2034	GBP 250m	GBP 250m	Inflation linked	0.375%	Every 16 May & 16 Nov.	Yes	2,128	227,000
Senior Unsecured	Sep. 2022	13 Sep. 2034	GBP 375m	GBP 375m	Fixed	5.125%	Every 13 Sep.	Yes	0*	0*
Senior Unsecured	Sep. 2022	13 Sep. 2042	GBP 575m	GBP 575m	Fixed	5.375%	Every 13 Sep.	Yes	0*	0*
Senior Unsecured	Nov. 2019	19 Nov. 2026	TWD 4,000m	TWD 4,000m	Fixed	0.92%	Every 19 Nov.	Yes	882	69,000
Senior Unsecured	Nov. 2019	19 Nov. 2034	TWD 8,000m	TWD 8,000m	Fixed	1.5%	Every 19 Nov.	Yes	1,765	139,000
Senior Unsecured	Nov. 2020	13 Nov. 2027	TWD 4,000m	TWD 4,000m	Fixed	0.6%	Every 13 Nov.	Yes	882	69,000
Senior Unsecured	Nov. 2020	13 Nov. 2030	TWD 3,000m	TWD 3,000m	Fixed	0.7%	Every 13 Nov.	Yes	661	52,000
Senior Unsecured	Nov. 2020	13 Nov. 2040	TWD 8,000m	TWD 8,000m	Fixed	0.98%	Every 13 Nov.	Yes	1,763	139,000
Hybrid capital	Jun. 2013	26 Jun. 3013	EUR 700m	EUR 350m	Fixed	6.25%	Every 26 Jun.	No	n/a	n/a
Hybrid capital	Nov. 2017	24 Nov. 3017	EUR 500m	EUR 500m	Fixed	2.25%	Every 24 Nov.	Yes	3,674	370,000
Hybrid capital	Dec. 2019	9 Dec. 3019	EUR 600m	EUR 600m	Fixed	1.75%	Every 9 Dec.	Yes	4,424	528,000
Hybrid capital	Feb. 2021	18 Feb. 3021	EUR 500m	EUR 500m	Fixed	1.50%	Every 18 Feb.	Yes	0	0
Hybrid capital	Feb. 2021	18 Feb. 3021	GBP425m	GBP425m	Fixed	2.50%	Every 18 Feb.	Yes	3,630	526,000

Financing strategy



At Ørsted, we have a centralised financing strategy utilising 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.

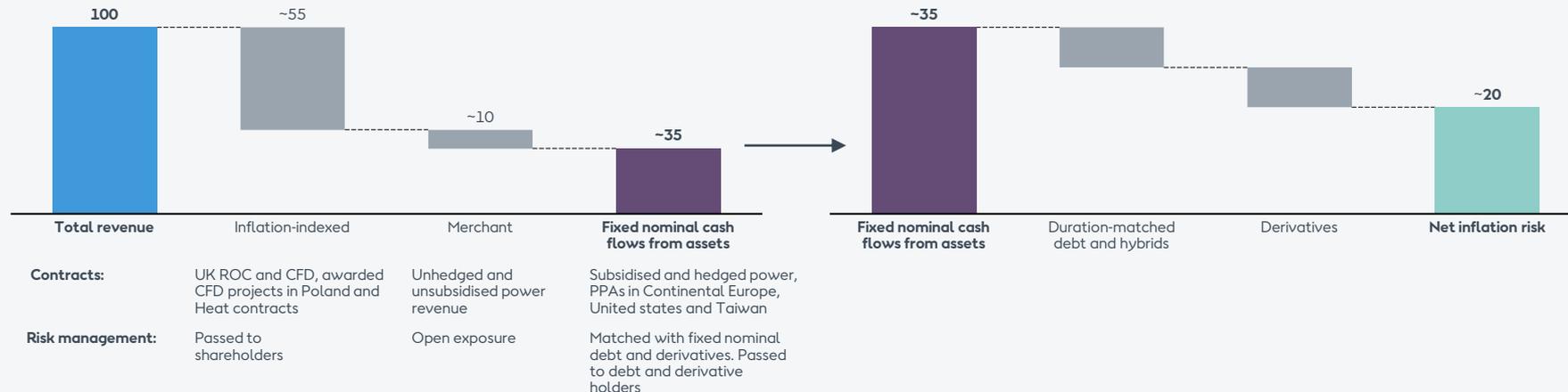
Managing time-spread risk (new markets)

- 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 as of 31 December 2021, %



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

Glossary

Balancing costs

The cost of settling intraday differences between expected (day-ahead) and actual (real-time) production

Intermittency costs

As hedges are settled against a fixed baseload production (volume x market price), this is the cost associated with when our actual production is either above or below the baseload production.

When approaching the delivery period, some costs can be proactively addressed by shaping baseload hedges from a P50 volume profile to the expected actual volume profile, minimising profile risk (i.e. real-time pricing impacted by volume of renewables generating at that time)

Overhedging

Misalignment between volume of actual production versus volume that was hedged. Potential causes include delayed ramp-up and low wind

Ineffective hedges

Expected overhedging of future periods, which we, according to IFRS, have to recognise already in the quarter where we report

Price-ineffective hedges under IFRS 9

In 2021, we started reporting according to IFRS 9 instead of the previous 'Business Performance' principle, as it had become easier to apply IFRS hedge accounting for our energy hedges. However, as we hedge up to five years ahead and within markets with low liquidity, we often use proxy hedging in addition to hedges that directly matches our exposures. In periods with 'normal' price levels and volatility, the impact of proxy hedging is insignificant.

However, due to the very high energy prices and volatility in 2022, this has led to a larger part of our trades being deemed ineffective under IFRS 9 (if value of proxy hedge is larger than the change in the exposure), compared to the former business performance principle.

Consequently, we have recognised the negative market value of these ineffective hedges in EBITDA in our Offshore and Bioenergy segments. Compared with the former business performance principle we have therefore included a higher loss on hedges in the current period at the benefit of a lower loss in future periods.



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