

Ørsted Wind Power TW Holding A/S

**Interim financial report for
the period
1 January to 31 March 2022**

CVR no. 36 03 57 81

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Company details

The company	Ørsted Wind Power TW Holding A/S Kraftværksvej 53 Skærbæk 7000 Fredericia
	Telephone: +45 99 55 11 11
	E-mail: info@orsted.dk
	Website: www.orsted.com
	CVR no.: 36 03 57 81
	Reporting period: 1 January - 31 March 2022
	Domicile: Fredericia
Date of publication of interim financial statement	24 April 2022
Board of Directors	Lars Brinch Danielsen Christy Wang Pernille Nygaard Rasmussen
Executive board	Mikkel Friis-Olsen
Consolidated financial statements	The company is included in the consolidated financial statements of the parent company Ørsted A/S, Fredericia, CVR no. 36 21 37 28

Accounting policies

The interim financial report of Ørsted Wind Power TW Holding A/S for the period 1 January - 31 March 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as selected rules applying to reporting class C.

The accounting policies applied are consistent with those of last year.

The interim financial report for the period 1 January - 31 March 2022 is presented in TDKK

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Other external expenses

Other external expenses include expenses related to administration etc.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to realised and unrealised capital/exchange, gains and losses on securities, foreign currency transactions, surcharges and allowances under the advance-payment-of-tax scheme, etc.

Profit/loss from investments in subsidiaries

Dividend from investments is recognised in the reporting year in which the dividend is declared.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Ørsted Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed Danish entities in proportion to their taxable income. Danish entities with tax losses receive joint taxation contributions from the ultimate parent company (the management company), Ørsted A/S equivalent to the tax base of the tax losses utilised (full allocation), while Danish entities that utilise tax losses in other entities pay joint taxation contributions to the Ørsted A/S equivalent to the tax base of the utilised losses.

Tax for the period, which comprises the current tax charge for the period and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the period and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Investments in subsidiaries

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Cost is written down to the extent that dividend distributed exceeds the accumulated earnings after the date of takeover.

Where the parent company has a legal or constructive obligation to cover the companies' negative balances or obligations, such obligation is recognised in liabilities.

Impairment of fixed assets

The carrying amount of investments in subsidiaries is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Accounting policies

Where there are indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables, which include trade receivables, receivables from group entities and other receivables, are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities

Bond loans are measured at amortised cost, which corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing. Transaction costs incurred in connection with issue of bond loans are capitalized and amortized over the duration of the bond loans.

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

Income statement 1 January - 31 March

	Note	2022 TDKK	2021 TDKK
Revenue		0	0
Other external expenses		-123	-814
Gross profit		-123	-814
Staff costs	2	0	0
Profit/loss before net financials		-123	-814
Financial income	3	122.014	121.714
Financial costs	4	-85.234	-287.877
Profit/loss before tax		36.657	-166.977
Tax on profit/loss for the year	5	-8.065	36.735
Profit/loss for the year		28.592	-130.242

Distribution of profit

Retained earnings		28.592	-130.242
		28.592	-130.242

Balance sheet 31 March

	Note	2022 TDKK	2021 TDKK
Assets			
Investments in subsidiaries	6	5.420.809	11.041.664
Fixed asset investments		5.420.809	11.041.664
Total non-current assets		5.420.809	11.041.664
Receivables from group companies	7	12.672.266	5.529.685
Other receivables		9.248	1.613
Deferred tax asset		948	0
Corporation tax		45.761	6.191
Receivables		12.728.223	5.537.489
Cash at bank and in hand		37.361	543.995
Total current assets		12.765.584	6.081.484
Total assets		18.186.393	17.123.148

Balance sheet 31 March

	Note	2022 TDKK	2021 TDKK
Equity and liabilities			
Share capital		7.275.603	7.275.603
Retained earnings		3.212.127	-13.671
Equity	8	10.487.730	7.261.932
Bonds	9	7.515.397	5.971.118
Payables to subsidiaries		74.736	3.866.975
Total non-current liabilities		7.590.133	9.838.093
Trade payables		0	350
Payables to group companies		244	0
Other payables		108.286	22.773
Total current liabilities		108.530	23.123
Total liabilities		7.698.663	9.861.216
Total equity and liabilities		18.186.393	17.123.148
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January 2022	7.275.603	3.183.535	10.459.138
Net profit/loss for the year	0	28.592	28.592
Equity at 31 March 2022	7.275.603	3.212.127	10.487.730

Notes to the interim financial report

1 Main activity

The purpose of the company is to hold shares in subsidiaries.

The company have issued bonds in Taiwan for the purpose of financing its investments, through subsidiaries, in its offshore wind projects in Taiwan.

The company have achieved a corporate rating with Taiwan Rating. The rating is twAA and covers the company's activities in Taiwan. The rating is based on credit support provided by Ørsted A/S in the form of a general parent company guarantee, covering all the company's actual or contingent, present or future obligations and liabilities undertaken by the company in the ordinary course of its business.

	2022 TDKK	2021 TDKK
2 Staff costs		
Average number of employees	<u>1</u>	<u>1</u>

The executive board and board of directors have not been paid remuneration.

3 Financial income

Interest received from group companies	30.181	106.899
Other financial income	89.113	0
Exchange gains	<u>2.720</u>	<u>14.815</u>
	<u>122.014</u>	<u>121.714</u>

Notes to the interim financial report

	2022 TDKK	2021 TDKK
4 Financial costs		
Financial expenses, group companies	38.942	27.741
Other financial costs	17.079	242.965
Exchange loss	29.213	17.171
	85.234	287.877
5 Tax on profit/loss for the year		
Current tax for the year	8.065	-36.735
	8.065	-36.735
6 Investments in subsidiaries		
Cost at 1 January 2022	11.041.664	11.041.664
Disposals for the year	-5.620.855	0
Cost at 31 March 2022	5.420.809	11.041.664
Carrying amount at 31 March 2022	5.420.809	11.041.664

7 Receivables from group companies

The company's receivables from group companies includes TDKK 6.180.401 in a cash pool scheme with the ultimate parent company, Ørsted A/S (31/3 2021: TDKK 1.036.604).

Notes to the interim financial report

8 Equity

The share capital consists of 7.275.603 shares of a nominal value of TDKK 1.000. No shares carry any special rights.

The share capital has developed as follows:

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Share capital at 1 January 2022	7.275.603	7.275.603	2.775.603	503	0
Additions for the year	0	0	4.500.000	2.775.100	0
Share capital	7.275.603	7.275.603	7.275.603	2.775.603	0

9 Bonds

The company has issued bonds of TWD 8 billion (TDKK 1.769.244) which mature 19 November 2034 and for TWD 4 billion (TDKK 884.621) which mature 19 November 2026.

Fee in connection with the issue of the bonds are capitalized and will be amortised over the duration of the bonds.

10 Contingent assets, liabilities and other financial obligations

Liability in joint taxation

The Ørsted Group's Danish companies are jointly and severally liable for tax on the Ørsted Group's jointly taxed income, etc. Reference is made to the Annual Report for Ørsted A/S, the company responsible for the administration of the joint taxation arrangement. The Ørsted Group's Danish companies are also jointly and severally liable for Danish withholding taxes on dividends, royalties and interests within the Ørsted group of jointly taxed entities. Any subsequent corrections to income and withholding taxes may result in an increase in the entities' liability.

The Ørsted Group's Danish companies are jointly and severally liable for their joint VAT registration.

Guarantees

In view of the parent company guarantee provided by Ørsted A/S and for the purposes of ranking creditors of the company pari passu with the creditors of Ørsted A/S, the company has formally decided to provide a guarantee covering all of Ørsted A/S' actual or contingent, present or future payment obligations and liabilities undertaken by Ørsted A/S in relation to any senior bonds issued by it under its Debt Issuance Programme listed on Luxembourg Stock Exchange or other bond documentation.

Notes to the interim financial report

10 Contingent assets, liabilities and other financial obligations(continued)

Furthermore, in relation to the incorporation of the company as an issuer under Ørsted A/S Debt Issuance Programme, the company will guarantee the due payment of all sums expressed to be payable by Ørsted A/S in relation to any future bonds issued under the programme. The Company's obligation in that respect will be contained in the trust deed relating to the Debt Issuance Programme.

The company's obligations under these upstream guarantees will at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

11 Related parties and ownership structure

Controlling interest

Ørsted Wind Power Holding A/S, Kraftværksvej 53, 7000 Fredericia (parent company)

Other related parties

Ørsted A/S (ultimate parent company)

The Danish State represented by the Ministry of Finance

Group companies and associates

Board of directors, executive board and senior employees

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Ørsted Wind Power Holding A/S