

Ørsted Wind Power TW Holding A/S

Annual report for 2020

CVR no. 36 03 57 81

(7th Financial year)

Adopted at the annual general meeting on 26 May
2021

Ulrik Jarlov
chairman

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Statement by management on the annual report

The board of directors and the executive board have today discussed and approved the annual report of Ørsted Wind Power TW Holding A/S for the financial year 1 January - 31 December 2020.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved at the annual general meeting.

Skærbæk, 17 May 2021

Executive board

Lars Brinch Danielsen

Board of Directors

Daniel Lerup
Chairman

Matthias Bausenwein
Deputy chairman

Lars Brinch Danielsen

Independent auditor's report

To the shareholder of Ørsted Wind Power TW Holding A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Ørsted Wind Power TW Holding A/S for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial statements Act. We did not identify any material misstatement in Management's Review.

Independent auditor's report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 17 May 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant
MNE no. mne28705

Company details

The company

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7000 Fredericia

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E-mail: info@orsted.dk

Website: www.orsted.com

CVR no.: 36 03 57 81

Reporting period: 1 January - 31 December 2020

Financial year: 7th financial year

Domicile: Fredericia

Board of Directors

Daniel Lerup, chairman
Matthias Bausenwein, deputy chairman
Lars Brinch Danielsen

Executive board

Lars Brinch Danielsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

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

The Group Annual Report of Ørsted A/S, CVR no. 36 21 37 28 may be obtained at the following address:

www.orsted.com/en/investors/ir-material/financial-reports-and-presentations

Management's review

Business review

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

Description of significant changes in the company's business and financial conditions

The company has issued further bonds in Taiwan in 2020 for the purpose of financing its investments, through subsidiaries, in its offshore wind projects in Taiwan.

The company has 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.

Accounting policies

The annual report of Ørsted Wind Power TW Holding A/S for 2020 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 annual report for 2020 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 that relate 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, liabilities and foreign currency transactions and surcharges and allowances under the Danish Tax Prepayment 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 year, which comprises the current tax charge for the year 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 year 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 is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made if the recoverable amount is lower than the carrying 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 December

	Note	2020 TDKK	2019 TDKK
Revenue		0	0
Other external expenses		-1.733	-236
Gross profit		-1.733	-236
Staff costs	1	0	0
Profit/loss before net financials		-1.733	-236
Income from investments in subsidiaries	2	0	-34.134
Financial income	3	318.095	26.093
Financial costs	4	-177.526	-21.897
Profit/loss before tax		138.836	-30.174
Tax on profit/loss for the year	5	-30.545	-869
Profit/loss for the year		108.291	-31.043

Distribution of profit

Retained earnings		108.291	-31.043
		108.291	-31.043

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
Assets			
Investments in subsidiaries	6	11.007.530	1.586.637
Fixed asset investments		11.007.530	1.586.637
Total non-current assets		11.007.530	1.586.637
Receivables from group companies	7	4.247.726	8.309.678
Other receivables		1.636	11
Receivables		4.249.362	8.309.689
Cash at bank and in hand		1.534.787	5.610
Total current assets		5.784.149	8.315.299
Total assets		16.791.679	9.901.936

Balance sheet 31 December

	Note	2020 TDKK	2019 TDKK
Equity and liabilities			
Share capital		7.275.603	7.275.603
Retained earnings		82.437	-25.854
Equity	8	7.358.040	7.249.749
Bonds	9	5.746.637	2.643.841
Total non-current liabilities		5.746.637	2.643.841
Trade payables		721	0
Payables to group companies		0	12
Loan to group companies		3.648.246	0
Corporation tax		30.544	870
Other payables		7.491	7.464
Total current liabilities		3.687.002	8.346
Total liabilities		9.433.639	2.652.187
Total equity and liabilities		16.791.679	9.901.936
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January 2020	7.275.603	-25.854	7.249.749
Net profit/loss for the year	0	108.291	108.291
Equity at 31 December 2020	7.275.603	82.437	7.358.040

Notes

	<u>2020</u> TDKK	<u>2019</u> TDKK
1 Staff costs		
Average number of employees	<u>1</u>	<u>1</u>
The executive board and board of directors have not been paid remuneration.		
2 Income from investments in subsidiaries		
Impairment of investments in subsidiaries	<u>0</u>	<u>-34.134</u>
	<u>0</u>	<u>-34.134</u>
3 Financial income		
Interest received from group companies	7.870	8.291
Other financial income	124	0
Exchange gains	<u>310.101</u>	<u>17.802</u>
	<u>318.095</u>	<u>26.093</u>
4 Financial costs		
Financial expenses, group companies	16.802	293
Other financial costs	38.608	4.080
Exchange loss	<u>122.116</u>	<u>17.524</u>
	<u>177.526</u>	<u>21.897</u>

Notes

	<u>2020</u> TDKK	<u>2019</u> TDKK
5 Tax on profit/loss for the year		
Current tax for the year	30.544	870
Adjustment of tax concerning previous years	<u>1</u>	<u>-1</u>
	<u>30.545</u>	<u>869</u>
6 Investments in subsidiaries		
Cost at 1 January 2020	1.620.772	276.076
Additions for the year	<u>9.420.893</u>	<u>1.344.696</u>
Cost at 31 December 2020	<u>11.041.665</u>	<u>1.620.772</u>
Revaluations at 1 January 2020	-34.135	0
Revaluations for the year, net	<u>0</u>	<u>-34.135</u>
Revaluations at 31 December 2020	<u>-34.135</u>	<u>-34.135</u>
Carrying amount at 31 December 2020	<u>11.007.530</u>	<u>1.586.637</u>
7 Receivables from group companies		
<p>The company's receivables from group companies includes TDKK 2.539.658 in a cash pool scheme with the ultimate parent company, Ørsted A/S (2019: TDKK 5.662.185). Receivables of TDKK 1.707.859 is a long term loan which is due between 1-2 years.</p>		

Notes

8 Equity

The share capital consists of 7.275.603 shares of a nominal value of TDKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2020	2019	2018	2017	2016
	TDKK	TDKK	TDKK	TDKK	TDKK
Share capital at 1 January 2020	7.275.603	503	502	501	500
Additions for the year	0	7.275.100	1	1	1
Share capital	7.275.603	7.275.603	503	502	501

9 Bonds

Bonds of TWD 4 billion which mature 19 November 2026 (issued 2019)
 Bonds of TWD 4 billion which mature 13 November 2027 (issued 2020)
 Bonds of TWD 3 billion which mature 13 November 2030 (issued 2020)
 Bonds of TWD 8 billion which mature 19 November 2034 (issued 2019)
 Bonds of TWD 8 billion which mature 13 November 2040 (issued 2020)

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

10 Subsequent events

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Notes

11 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 (see Management's review) 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.

Furthermore, in relation to the incorporation of the company as an issuer under Ørsted A/S Debt Issuance Programme from 4 November 2019, 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 deeds 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.

Notes

12 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