Annual report for 2021

Ørsted achieved significant results, both strategically, operationally, and financially, despite an extraordinary year with various external factors significantly impacting the markets where we operate.

Today, Ørsted’s Board of Directors approved the annual report for 2021.

Our operating profit (EBITDA) totalled DKK 24.3 billion, an increase of DKK 6.2 billion compared to 2020. Our earnings included a gain of DKK 8.5 billion from the 50% farm-downs of Borssele 1 & 2 and Greater Changhua 1. Operating profit excluding these new partnerships amounted to DKK 15.8 billion, which compares to our guidance of DKK 15-16 billion at the beginning of the year.

Thus, we came in well in line with our expectations and delivered strong financial results despite unforeseen negative impacts during the year, including lower wind speeds, the European energy crunch, and provisions due to updated wake assumptions and cable protection system issues at some of our offshore wind farms. This was due to exceptionally good performance by our CHP plants and our gas business.

Net profit amounted to DKK 10.9 billion, and return on capital employed (ROCE) came in at 15%.

Our green share of heat and power generation ended at 90% in 2021, the same as last year.

The Board of Directors recommends a dividend of DKK 12.5 per share (DKK 5.3 billion in total), up 8.7% and in line with our dividend policy.

Mads Nipper, Group President and CEO of Ørsted, says in a comment to the annual report for 2021:
“We successfully navigated the challenges during the year, and we have achieved significant results in 2021, both strategically, operationally, and financially.

We secured 4.5 GW of firm offshore wind capacity in tenders and auctions, corresponding to 25% of the total awarded capacity in 2021 and 50% above our strategic ambition of adding 3 GW offshore wind per year. This

The Ørsted vision is a world that runs entirely on green energy. Ørsted develops, constructs, and operates offshore and onshore wind farms, solar farms, energy storage facilities, renewable hydrogen and green fuels facilities, and bioenergy plants. Moreover, Ørsted provides energy products to its customers. Ørsted is the only energy company in the world with a science-based net-zero emissions target as validated by the Science Based Targets Initiative (SBTi). Ørsted ranks as the world’s most sustainable energy company in Corporate Knights’ 2022 index of the Global 100 most sustainable corporations in the world and is recognized on the CDP Climate Change A List as a global leader on climate action. Headquartered in Denmark, Ørsted employs 6,836 people. Ørsted’s shares are listed on Nasdaq Copenhagen (Orsted). In 2021, the group’s revenue was DKK 77.7 billion (EUR 10.4 billion). Visit orsted.com or follow us on Facebook, LinkedIn, Instagram, and Twitter.
strongly solidifies our global leadership position and proves our ability to differentiate and compete in offshore wind despite increasing competition. In the US, we were awarded 1,148 MW in New Jersey for our Ocean Wind 2 project and 846 MW in Maryland for our Skipjack 2 project. In Poland, we were awarded 2,543 MW for our Baltica 2 & 3 projects together with our partner PGE.

Within Onshore, we added 1.2 GW of firm capacity through organic growth and acquisitions in Europe and the US, and we installed our 1,000th onshore wind turbine.

These very strong contributions increased our firm capacity to 26.1 GW from 20.4 GW at the end of 2020 and keeps us well on track to deliver on our 2030 ambition of 50 GW renewable capacity.

In our renewable hydrogen and green fuels business, we also saw strong progress during the year, with four of our European projects progressing in the Important Projects of Common European Interest (IPCEI) funding process in the EU programme, and we now await the final IPCEI approval by the EU Commission and the subsequent funding commitment. In addition, we have entered into several other partnerships with the aim of exploring and developing renewable hydrogen and green fuels, including e-methanol, both in the US and in Europe.

We achieved a strong operational performance in 2021, with our assets remaining fully operational and with normal availability rates. We are currently constructing two of the world’s largest offshore wind farms, Hornsea 2 in the UK and Greater Changhua 1 & 2a in Taiwan, and we expect to commission the two wind farms in the first and second half of 2022, respectively.

We expect operating profit, excluding new partnerships, to be DKK 19-21 billion in 2022, positively impacted by ramp-up from new wind and solar assets. Gross investments for 2022 are expected to amount to DKK 38-42 billion, reflecting a high level of activity in our build-out of renewable assets.

We have come a long way, and we have built a strong position as the undisputed global leader in offshore wind. As we have demonstrated that large-scale offshore wind is feasible and scalable, we will continue to apply our courage and capability to innovate, scale, and accelerate the transformation of the world’s energy systems and thereby continue to be a catalyst for a world that runs entirely on green energy.”
Financial key figures for 2021:

<table>
<thead>
<tr>
<th>DKK million</th>
<th>Q4 2021</th>
<th>Q4 2020</th>
<th>%</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>8,253</td>
<td>5,003</td>
<td>65</td>
<td>24,296</td>
<td>18,124</td>
<td>34</td>
</tr>
<tr>
<td>Profit (loss) for the period</td>
<td>3,258</td>
<td>2,189</td>
<td>49</td>
<td>10,887</td>
<td>16,716</td>
<td>(35)</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>668</td>
<td>6,756</td>
<td>(90)</td>
<td>12,148</td>
<td>16,466</td>
<td>(26)</td>
</tr>
<tr>
<td>Gross investments</td>
<td>(11,752)</td>
<td>(8,639)</td>
<td>36</td>
<td>(39,307)</td>
<td>(26,967)</td>
<td>46</td>
</tr>
<tr>
<td>Divestments</td>
<td>10,952</td>
<td>(1,519)</td>
<td>n.a.</td>
<td>21,519</td>
<td>19,039</td>
<td>13</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>(132)</td>
<td>(3,402)</td>
<td>(96)</td>
<td>(5,640)</td>
<td>8,538</td>
<td>n.a.</td>
</tr>
<tr>
<td>Net interest-bearing debt</td>
<td>24,280</td>
<td>12,343</td>
<td>97</td>
<td>24,280</td>
<td>12,343</td>
<td>97</td>
</tr>
<tr>
<td>FFO/adjusted net debt</td>
<td>31%</td>
<td>65%</td>
<td>(34%p)</td>
<td>31%</td>
<td>65%</td>
<td>(34%p)</td>
</tr>
<tr>
<td>ROCE</td>
<td>15%</td>
<td>10%</td>
<td>5%p</td>
<td>15%</td>
<td>10%</td>
<td>5%p</td>
</tr>
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Earnings call

In connection with the presentation of the annual report, an earnings call for investors and analysts will be held on Wednesday, 2 February 2022 at 14:00 CET.

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The earnings call can be followed live at:
https://edge.media-server.com/mmc/p/qr8ym6nd

Presentation slides will be available prior to the earnings call at:
www.orsted.com/en/investors/ir-material/financial-reports-and-presentations#0

The annual report is available for download at:
www.orsted.com/en/investors/ir-material/financial-reports-and-presentations#0

Attachments to this company announcement:

Annual report 2021(pdf)
Company announcement (pdf)
Investor presentation (pdf)