

News from Ørsted

Ørsted assumes full ownership and takes final investment decision on FlagshipONE, the largest green e-methanol project in Europe

Ørsted's Board of Directors has taken final investment decision (FID) on the 50,000 tonnes/year FlagshipONE e-methanol project. FlagshipONE will be Ørsted's first commercial-scale Power-to-X facility and is an important steppingstone towards Ørsted's ambition of taking a leading position in renewable hydrogen and green fuels. Reinforcing the commitment to the FID, Ørsted has taken full ownership of FlagshipONE by acquiring the remaining 55 % stake in the project from Liquid Wind AB, the original developer of the project.

Located in Örnköldsvik in Northern Sweden, FlagshipONE is Europe's largest FID'ed green e-methanol facility. FlagshipONE is expected to enter into operation in 2025 and will produce around 50,000 tonnes of e-methanol each year to help decarbonise the world's shipping industry.

Global shipping accounts for around 3 % of global carbon emissions, and the sector is a focus area for Ørsted as the company expands its presence in Power-to-X across Northern Europe and the United States. FlagshipONE is the first e-methanol project in Ørsted's ambitious green fuels pipeline; the company is also developing the 300,000 tonne 'Project Star' in the US Gulf Coast area and the 'Green Fuels for Denmark' project in Copenhagen, which will both produce significant volumes of e-methanol to enable the decarbonisation of shipping.

Today, green fuels for shipping come at a price premium compared to fossil-based alternatives, and the industry needs supportive regulation to incentivise demand and to drive the maturation of green fuels at scale and at speed. Until this regulation materialises, pricing of e-methanol, even from world-class Power-to-X assets like FlagshipONE, is subject to substantial uncertainties – and large-scale offtake appetite is yet to develop. Ørsted is prepared to lead the development of the Power-to-X industry and assume risk in the process – including by advancing strategic projects like FlagshipONE – but regulatory action that matches the ambitions of developers and shipping companies are urgently needed.

Mads Nipper, Group President and CEO of Ørsted, says:

"Now more than ever, the world needs bold green energy projects to fight climate change, decarbonise hard-to-electrify sectors, and secure regional energy independence. Ørsted is determined to lead the green transformation of society, and that's exactly what we're doing by constructing projects like FlagshipONE. E-methanol is the best solution currently available to decarbonise hard-to-electrify sectors like global

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shipping, and with this first commercial-scale project, Ørsted will break first ground in advancing our industry-leading pipeline of e-methanol projects."

Olivia Breese, CEO of Ørsted Power-to-X, says:

"The final investment decision on FlagshipONE proves our intention to take proactive investment decisions in order to drive the rapid maturation of the Power-to-X market beyond ambitions and announcements and into the delivery of molecules to abate well-to-wake emissions. Our first offshore wind projects came with significant risk, but we saw a route to leveraging our capabilities to deliver that technology as a cornerstone in the green transformation. Today, Power-to-X is at a similar inflection point - and at Ørsted, we're once again ready to assume risk and lead the maturation of this crucial technology. However, the Power-to-X industry urgently needs supportive frameworks that enable the transition away from fossil fuels, and we call on policymakers to take action to match the climate ambitions of developers and shipping companies."

Ørsted will start onsite construction of FlagshipONE in the spring of 2023. The project will be located on the grounds of the biomass-fired combined heat and power plant Hörneborgsverket in Örnköldsvik, operated by Övik Energi. The e-methanol from FlagshipONE will be produced using renewable electricity and biogenic carbon dioxide captured from Hörneborgsverket. In addition, FlagshipONE will use steam, process water, and cooling water from Hörneborgsverket. Excess heat from the e-methanol production process will be delivered back to Övik Energi and integrated in their district heating supply.

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About Ørsted

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), and Ørsted aims to deliver a net-positive biodiversity impact from all new renewable energy projects it commissions from 2030 at the latest. 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 recognised on the CDP Climate Change A List as a global leader on climate action. Headquartered in Denmark, Ørsted employs approx. 7,700 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](https://www.orsted.com) or follow us on Facebook, LinkedIn, Instagram, and Twitter.