

**Company announcement
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Ørsted ceases development of its US offshore wind projects Ocean Wind 1 and 2, takes final investment decision on Revolution Wind, and recognises DKK 28.4 billion impairments

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Following decisions of its Board of Directors, Ørsted will cease development of the Ocean Wind 1 and 2 projects and has taken final investment decision on the Revolution Wind project. The decisions are part of an ongoing review of Ørsted's US offshore wind portfolio.

Impairment update

On 29 August 2023, Ørsted announced anticipated impairments on its US portfolio of up to DKK 16 billion.

Since the announcement, the US offshore wind projects have experienced further negative developments from adverse impacts relating to supply chains, increased interest rates, and the lack of an OREC (Offshore Renewable Energy Certificate) adjustment on Sunrise Wind. The total impairments recognised in the interim financial report for the first nine months of 2023 amount to DKK 28.4 billion, and the majority of these (DKK 19.9 billion) relate to Ocean Wind 1.

Ocean Wind 1 and 2

Ørsted has taken the decision to cease the development of the Ocean Wind 1 and 2 projects. This is a consequence of additional supplier delays further impacting the project schedule and leading to an additional significant project delay. In addition, Ørsted has updated its view on certain assumptions, including tax credit monetization and the timing and likelihood of final construction permits. Finally, increases to long-dated US interest rates have further deteriorated the business case.

A provision related to Ørsted ceasing the development of Ocean Wind 1 will negatively impact Q4 2023 EBITDA. The provision accounts for potential contract cancellation fees not already covered by the impairments but excludes any potential reuse value of existing contracted equipment. Ørsted currently estimates the provision to be approximately DKK 8-11 billion.

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

"We are extremely disappointed to announce that we are ceasing the development of Ocean Wind 1 and 2. We firmly believe the US needs offshore wind to achieve its carbon emissions reduction ambition, and we remain committed to the US renewables market and truly value the

efforts by the US government to support the build-up of the US offshore wind industry. However, the significant adverse developments from supply chain challenges, leading to delays in the project schedule, and rising interest rates have led us to this decision, and we will now assess the best way to preserve value while we cease development of the projects. At the same time, with an attractive forward-looking value creation, we progress the Revolution Wind project into the construction phase.”

Capital structure

The impairments and provision mentioned above will impact Ørsted’s capital structure. Therefore, Ørsted is taking measures to support its capital structure and long-term commitment to its credit rating. In addition to cost-savings initiatives, such measures include working capital improvements such as supply chain financing, prioritisation of development activities, portfolio rationalisation, and other actions aimed at strengthening the company's capital structure.

As part of the ongoing review of its US portfolio, Ørsted will assess the potential implications for its current long-term strategic build-out ambition and financial targets.

Ørsted expects to update the market no later than in the Q4 2023 results announcement, including (if relevant) potential implications to its long-term strategic ambition and financial targets.

Revolution Wind

Ørsted has today taken the final investment decision (FID) on the 704 MW Revolution Wind project, which Ørsted owns in a 50/50 partnership with Eversource. Onshore construction has started, and offshore construction will start in 2024, with the project expected to be completed in 2025. Notwithstanding the impairment of DKK 3.3 billion that Ørsted is recording in its Q3 results, Revolution Wind has an attractive forward-looking value creation with a forward-looking spread to WACC above Ørsted’s guided range.

Sunrise Wind

Ørsted welcomes NYSEDA’s (New York State Energy Research and Development Authority) request for information on an accelerated solicitation for offshore wind capacity, which could provide an opportunity to rebid Sunrise Wind, which Ørsted owns in a 50/50 partnership with Eversource, at a price level that reflects current component and financing costs. Ørsted awaits the conditions of the request for proposal to determine whether to rebid or not.

Skipjack Wind

Ørsted continues to reconfigure this project with minimal project spend and expects to have more clarity on its path forward in the Q4 2023 report as Ørsted continues discussions with stakeholders in Maryland.

2023 guidance

Ørsted's previously guided EBITDA for 2023, excluding new partnership agreements, of DKK 20-23 billion remains unchanged, when excluding the provision of approximately DKK 8-11 billion related to Ocean Wind 1. Due to a later timing across its project portfolio and the termination of investments on Ocean Wind 1, Ørsted's gross investment for 2023 is now expected to amount to DKK 40-44 billion, a reduction of DKK 4 billion.

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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. Ørsted is recognised on the CDP Climate Change A List as a global leader on climate action and was the first energy company in the world to have its science-based net-zero emissions target validated by the Science Based Targets initiative (SBTi). Headquartered in Denmark, Ørsted employs approx. 8,700 people. Ørsted's shares are listed on Nasdaq Copenhagen (Orsted). In 2022, the group's revenue was DKK 132.3 billion (EUR 17.8 billion). Visit orsted.com or follow us on [Facebook](#), [LinkedIn](#), Instagram, and [Twitter](#).