

News from Ørsted

Ørsted partners with Breakthrough Energy Catalyst, the European Commission, and the European Investment Bank for FlagshipONE

Today, at COP28, Ørsted announced that the EU-Catalyst Partnership, which consists of the European Commission, Breakthrough Energy Catalyst, and the European Investment Bank, has vowed to support Ørsted's FlagshipONE project, highlighting the innovative nature of this project and its potential to contribute to the decarbonisation of shipping. FlagshipONE is Europe's largest e-methanol plant and is currently the world's strongest proof point that carbon-neutral shipping is possible.

Breakthrough Energy Catalyst is a first-of-its-kind model, bringing together government partners and leading organisations from across the private sector to fund and scale emerging climate technologies. Breakthrough Energy Catalyst will acquire a 15 % equity interest in [FlagshipONE](#) and provide a grant to the project, subject to the fulfilment of funding conditions. With the funding supporting the project, Ørsted will seek to sign long-term offtake agreements, creating a new model for the shipping industry to purchase fuel, which will be needed for future projects to secure the capital required to scale production of green fuels.

In addition, the project is also expected to receive a grant from Horizon Europe and a quasi-equity investment from EIB through InvestEU. EU funding for the partnership is from Horizon Europe and the EU Innovation Fund within the framework of InvestEU according to the established governance procedures. The EU funding will contribute to the first commercial demonstration of the technology of FlagshipONE. Located in Örnsköldsvik in northern Sweden, FlagshipONE is expected to produce up to 55,000 tonnes of e-methanol each year to enable the shipping industry offtakers to achieve a >95 % reduction in carbon emissions versus when using conventional fossil fuels.

Werner Hoyer, President of the European Investment Bank, says: "Putting the world on track for net-zero will require game-changing technologies, especially for the hard-to-abate sectors in the economy. Today, we're announcing our intention to support – under the EU-Catalyst Partnership – Ørsted's FlagshipONE project to decarbonise the heavy shipping industry. Through our cooperation with the European Commission and Breakthrough Energy Catalyst, we seek to finance the development and scale-up of innovative solutions that are essential for transitioning to climate neutrality."

Mads Nipper, Group President and CEO of Ørsted, says: "We're extremely proud to partner with three of the most forward-thinking and ambitious leaders in the green transformation, highlighting that FlagshipONE is truly a breakthrough project. Ørsted's history of scaling technologies from first-of-a-kind to widespread adoption – often with support from EIB – gives us confidence that, together with Breakthrough Energy Catalyst, the European Commission, and EIB, we can apply that hard-won experience to delivering the maturation of the European P2X industry."

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Rodi Guidero, Executive Director of Breakthrough Energy and Managing Partner of Breakthrough Energy Ventures, says:

“Today’s announcement demonstrates the tangible impact of Breakthrough Energy Catalyst’s approach. This collaboration helps advance FlagshipONE – from finalising development, commencing construction, and, ultimately, achieving operations. Together, we’re providing a blueprint for accelerating first-of-a-kind solutions that will help Europe meet its decarbonisation goals.”

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 green fuels across Northern Europe and the US. FlagshipONE is the first e-methanol project in Ørsted’s green fuels pipeline. The company is also developing a 300,000 tonnes/year e-methanol project in the US Gulf Coast area, which was recently awarded funding by the US Department of Energy as part of the US ‘Hydrogen Hubs’ initiative. There are 230 dual-fuel ships in operation or on order, 47 % of which were announced this year, highlighting the rising interest from shipping companies.

[FlagshipONE](#) is located on the grounds of the Swedish biomass-fired combined heat and power plant ‘Hörneborgsverket’ in Örnsköldsvik, operated by Övik Energi. The e-methanol from FlagshipONE will be produced using renewable energy, which is almost exclusively the electricity source in this part of Sweden, and biogenic carbon dioxide captured from Hörneborgsverket. In addition, FlagshipONE will use steam, process water, and cooling water from Hörneborgsverket, and excess heat from the e-methanol production process will be delivered back to Övik Energi and integrated into 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. 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. 8,000 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 [X](#).

About EU-Catalyst partnership

The EU-Catalyst Partnership brings together the Commission, the European Investment Bank, and Breakthrough Energy Catalyst. It was first announced at the Mission Innovation Ministerial Conference in June 2021 by Commission President Ursula von der Leyen and Bill Gates, founder of Breakthrough Energy. The partnership will mobilise up to EUR 820 million between 2022-2026 to accelerate the deployment and rapidly commercialise innovative technologies that will help deliver on the European Green Deal ambitions and the EU's 2030 climate targets. Each euro of public funds is expected to leverage three euros of private funds. Investments will be directed towards a portfolio of EU-based projects with high potential in five sectors: renewable hydrogen; sustainable aviation fuels; direct air capture; long-duration energy storage, and decarbonisation of industry.

About Breakthrough Energy

Breakthrough Energy is committed to accelerating the world's journey to a clean energy future. The organization funds breakthrough technologies, advocates for climate-smart policies, and mobilizes partners around the world to take effective action, accelerating progress at every stage.

Breakthrough Energy Catalyst is a novel platform that funds and invests in first-of-a-kind commercial projects for emerging climate technologies. By investing in these opportunities, Catalyst seeks to accelerate the adoption of these technologies worldwide and reduce their costs.

Catalyst currently focuses on five technology areas: clean hydrogen, sustainable aviation fuel, direct air capture, long-duration energy storage, and manufacturing decarbonization. In addition to capital, Catalyst leverages the team's energy-infrastructure-investing and project-development expertise to work with innovators on advancing their projects from the development stage to funding and ultimately, to construction. Learn more about Breakthrough Energy and Catalyst at breakthroughenergy.org.

About the European Investment Bank

The EIB is the lending institution of the EU, owned by its Member States and makes long-term finance available for sound investment to advance the EU's policy goals. In 2019, the EIB's Energy Lending Policy was adopted to end financing to any unabated fossil fuels energy projects, including natural gas, the first Multilateral Development Bank (MDB) to do so. In 2021, the EIB became the first MDB to align our financial activities with the Paris Agreement.

Through its [Climate Bank Roadmap](#), the EIB Group aims to support €1 trillion of investment in climate action and environmental sustainability through the critical decade, 2021-2030. The EIB committed to increasing investment in climate action and environmental sustainability to more

than 50 % of the EIB's annual lending by 2025 – last year, that was exceeded with 58%.

About the European Commission

The European Commission is part of the executive of the European Union. The Commission has a range of policies and programmes to deliver on its climate ambitions. Under the European Green Deal, the 'Fit for 55' package was adopted in July 2021 with the aim of cutting greenhouse gas emissions by at least 55% by 2030. The EU-Catalyst partnership is one of the key actions through, which the European Commission seeks achieve this goal through mobilizing private funding through public support.

[Horizon Europe](#) is the EU's research and innovation framework programme worth €95.5 billion (2021-2027). It dedicates 35% of its budget to climate action. At the same time, the programme also supports a range of partnerships which mobilise private funding to deliver on pressing global challenges and modernise industry through research and innovation. The programme also includes the [European Innovation Council](#) (EIC) that supports start-ups and companies in the whole innovation chain, from research to validation, acceleration and commercialization.

The [Innovation Fund](#) is one of the world's largest funding programmes for the demonstration of low- and zero-carbon innovative solutions and technologies funded entirely from [EU Emissions Trading System \(EU ETS\)](#) revenues and estimated at €40 billion until 2030. The Fund has so far provided almost €7 billion in grants for over 100 projects through calls for proposals. On 23 November 2023, the Innovation Fund opened its 7th call for proposals and its first auction.

The InvestEU programme provides the European Union with crucial long-term funding by leveraging substantial private and public funds in support of a sustainable recovery. It also helps mobilise private investments for the European Union's policy priorities, such as the European Green Deal and the digital transition. The InvestEU programme brings together under one roof the multitude of EU financial instruments currently available to support investment in the European Union, making funding for investment projects in Europe simpler, more efficient and more flexible. The programme consists of three components: the InvestEU Fund, the InvestEU Advisory Hub and the InvestEU Portal. The InvestEU Fund is implemented through financial partners that will invest in projects using the EU budget guarantee of €26.2 billion. The entire budget guarantee will back the investment projects of the implementing partners, increase their risk-bearing capacity and thus mobilise at least €372 billion in additional investment.