

**Company announcement
No. 3/2024**

Annual report for 2023 – strong underlying results and strategic progress in a challenging year

Today, Ørsted's Board of Directors approved the annual report for 2023.

Operating profit (EBITDA) for the year amounted to DKK 18.7 billion. Excluding new partnerships and cancellation fees, EBITDA amounted to DKK 24.0 billion, above our guidance of DKK 20-23 billion.

EBITDA from offshore sites more than doubled to DKK 20.2 billion in 2023 due to ramp-up of generation at Hornsea 2 and Greater Changhua 1 and 2a, and as the negative effects from hedges in 2022 were not repeated in 2023.

EBITDA in 2023 was impacted by a provision of DKK 9.6 billion for cancellation fees related to our decision to cease the development of Ocean Wind 1. In addition, we recognised impairment losses of DKK 26.8 billion in 2023. The majority of these (DKK 19.9 billion) related to Ocean Wind 1.

Net profit amounted to DKK -20.2 billion, and return on capital employed (ROCE) came in at -14 %. Net profit and ROCE excluding impairment losses and cancellation fees amounted to DKK 14.9 billion and 12.9 %, respectively.

As part of our Capital Markets Update announced earlier today, the Board of Directors have decided to pause dividend payments for the financial years 2023-2025. Hereafter, the target is to reinstate dividend payments.

In 2024, EBITDA excluding new partnership agreements and cancellation fees is expected to be DKK 23-26 billion, and gross investments are expected to be DKK 48-52 billion.

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

"Despite a year with strong underlying business progress, 2023 marked a year with substantial challenges for Ørsted. Our financial results are adversely affected by the impairments we took on our US offshore projects in the third quarter of 2023 and the provision for cancellation fees related to ceasing the development of the offshore project Ocean Wind 1.

"We've thoroughly reviewed the events leading up to our decision to cease the development of our Ocean Wind 1 project and are implementing the learnings into our operating model to reduce risks in the development and execution of projects. Despite the short-term challenges, our traction and underlying momentum was strong in 2023. We delivered strong operational results in 2023 with an adjusted EBITDA slightly above our guidance and with several important milestones achieved. Earnings from our offshore sites more than doubled compared to last year, and in 2023, we advanced three large offshore wind projects

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with a total capacity of 4.5 GW to final investment decision, one in the UK, the US, and Taiwan, respectively.

"Today, we've presented an updated business plan, including a strategic ambition of 35-38 GW installed renewable capacity by 2030, based on a comprehensive portfolio review. We've revisited our portfolio to prioritise growth options with the highest potential for value creation and at the same time reduce risks in the development and execution of our projects. We remain optimistic about the future of the renewable energy industry, and we're confident we can be a key contributor in accelerating the renewable build-out in the years to come."

Financial key figures for 2023:

DKK million	Q4 2023	Q4 2022	%	2023	2022	%
EBITDA	(686)	6,696	n.a.	18,717	32,057	(42 %)
- New partnerships	317	77	312 %	4,324	10,993	(61 %)
- Cancellation fees	(9,621)	0	n.a.	(9,621)	0	n.a.
- EBITDA excl. new partnerships and cancellation fees	8,618	6,619	30 %	24,014	21,064	14 %
Profit (loss) for the period	(284)	(329)	(14 %)	(20,182)	14,996	n.a.
Cash flow from operating activities	6,170	20,915	(70 %)	28,532	11,924	139 %
Gross investments	(13,039)	(9,826)	33 %	(38,509)	(37,447)	3 %
Divestments	1,861	983	89 %	1,542	25,636	(94 %)
Free cash flow	(5,008)	12,072	n.a.	(8,435)	113	n.a.
Net interest-bearing debt	47,379	30,571	55 %	47,379	30,571	55 %
FFO/adjusted net debt	28.6 %	42.7 %	(14 %p)	28.6 %	42.7 %	(14 %p)
ROCE	(14.2 %)	16.8 %	(31 %p)	(14.2 %)	16.8 %	(31 %p)

Presentation of full-year results and Capital Markets Update

Mads Nipper, Group President and CEO of Ørsted, and Rasmus Errboe, interim CFO of Ørsted, will present the full-year results and a Capital Markets Update on Wednesday, 7 February at 13:00 CET.

To join the live streaming, please click here: [Ørsted full-year results 2023 and Capital Markets Update \(getvisualtv.net\)](https://getvisualtv.net)

Presentation slides will be available prior to the Capital Markets Update at [Investors | Ørsted \(orssted.com\)](https://investors.orssted.com)

Press briefing

Ørsted will host a phone press briefing for journalists on Wednesday, 7 February 2024 at 09:00 CET to elaborate on and answer questions about the Capital Markets Update and the annual results for 2023.

Dial-in numbers for the press briefing:

Denmark: +45 89 87 50 45

UK: +44 20 3936 2999

Access code: 421285

For participation in the press briefing, please register here: [NetRoadshow](#)

For further information, please contact:

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Attachments to this company announcement:
Annual report 2023 (PDF)
Company announcement (PDF)

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. 8,900 people. Ørsted's shares are listed on Nasdaq Copenhagen (Orsted). In 2023, the group's revenue was DKK 79.3 billion (EUR 10.6 billion). Visit orsted.com or follow us on [Facebook](#), [LinkedIn](#), Instagram, and [X](#).