

Base Prospectus dated 30 October 2020



ØRSTED A/S

(incorporated as a public limited company in Denmark with CVR number 36213728

and

ØRSTED WIND POWER TW HOLDING A/S

(incorporated as a public limited company in Denmark with CVR number 36035781)

€7,000,000,000

Debt Issuance Programme

guaranteed (in the case of Notes issued by Ørsted A/S) by

ØRSTED WIND POWER TW HOLDING A/S

and

guaranteed (in the case of NTD Notes issued by Ørsted Wind Power TW Holding A/S) by

ØRSTED A/S

Under the €7,000,000,000 Debt Issuance Programme (the “**Programme**”) described in this Base Prospectus (the “**Base Prospectus**”), each of Ørsted A/S (“**Ørsted**”) and Ørsted Wind Power TW Holding A/S (“**Ørsted Wind**”) (each an “**Issuer**” and together, the “**Issuers**” and each in its capacity as an individual issuer of Notes as the “**Relevant Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities (the “**Notes**”) which, in the case of Notes issued by Ørsted, shall be unconditionally and irrevocably guaranteed by Ørsted Wind (the “**Upstream Guarantee**”) and which, in the case of NTD Notes (as defined below) issued by Ørsted Wind, shall be unconditionally and irrevocably guaranteed by Ørsted (the “**Downstream Guarantee**”). Subject to compliance with all relevant laws, regulations and directives, the Notes may have no maximum maturity. The aggregate nominal amount of Notes outstanding will not at any time exceed €7,000,000,000 (or the equivalent in other currencies), subject to increase as provided in the Dealer Agreement (as defined herein). Notes may be issued by Ørsted in any currency agreed between the Ørsted and the Relevant Dealer(s). Notes issued by Ørsted Wind shall only be denominated in New Taiwan Dollar. Any Notes to be issued after the date hereof under the Programme are issued subject to the provisions set out herein save that Notes which are to be consolidated and form a single series with Notes issued prior to the date hereof will be issued subject to the Conditions of the Notes applicable on the date of issue for the first tranche of Notes of such series. Subject as aforesaid, this does not affect any Notes issued prior to the date hereof.

Each Series of Notes (other than NTD Notes) to be issued under the Programme shall be constituted by a trust deed dated 30 October 2020 between Ørsted, Ørsted Wind and Citicorp Trustee Company Limited (the “**Trustee**”) (as may be amended, restated or supplemented from time to time, the “**Amended and Restated Trust Deed**”), and issued pursuant to an amended and restated agency agreement dated 30 October 2020 between Ørsted, Ørsted Wind, the Trustee, Citibank, N.A. as initial issuing and paying agent and the other agents named in it (as amended, restated or supplemented from time to time, the “**Amended and Restated Agency Agreement**”).

Each Series of Notes denominated in New Taiwan Dollar (the “**NTD Notes**”) and to be issued under the Programme shall be constituted (i) by the Amended and Restated Trust Deed, as supplemented by a trust deed supplemental to the Amended and Restated Trust Deed dated 4 November 2019 between Ørsted, Ørsted Wind, the Trustee and CTBC Bank Co., Ltd. (the “**Taiwanese Trustee**”) (as may be amended, restated or supplemented from time to time, the “**Supplemental Trust Deed**”) and, together with the Amended and Restated Trust Deed, the “**Trust Deed**”) and (ii) by registration in the book-entry system of the Taiwanese Depository & Clearing Corporation (the “**TDCC**”). NTD Notes shall be issued pursuant to an agency agreement supplemental to the Amended and Restated Agency Agreement dated 4 November 2019 between Ørsted, Ørsted Wind, the Trustee, Citibank, N.A. as initial issuing and paying agent, CTBC Bank Co., Ltd. (the “**Taiwanese Paying Agent**”) and the other agents named in it (as amended, restated or supplemented from time to time, the “**Supplemental Agency Agreement**”) and, together with the Amended and Restated Agency Agreement, the “**Agency Agreement**”).

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in its capacity as competent authority under the Luxembourg Act dated 16 July 2019 on prospectuses for securities (as amended, the “**Luxembourg Prospectus Act**”) and Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) to approve this document as a base prospectus. The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either of Ørsted or Ørsted Wind or the quality of the Notes that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. By approving this Base Prospectus, the CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of Ørsted or Ørsted Wind in accordance with the Luxembourg Prospectus Act. Pursuant to the Luxembourg Prospectus Act, the CSSF is not competent to approve prospectuses for the offering to the public or for the admission to trading on regulated markets of money market instruments having a maturity at issue of less than 12 months.

Application has also been made to the Luxembourg Stock Exchange for Notes (other than NTD Notes and Exempt Notes (as defined below)) issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to trading on the regulated market of the Luxembourg Stock Exchange (the “**Market**”) and to be admitted to the official list of the Luxembourg Stock Exchange (the “**Official List**”). Notes to be admitted to trading on the Market and to be admitted to the Official List shall only be issued by Ørsted and not Ørsted Wind. References in this Base Prospectus to Notes (other than Exempt Notes) being “**listed**” (and all related references) shall mean that such Notes (other than Exempt Notes) have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of Directive 2014/65/EU (as amended, “**MiFID II**”) of the European Parliament and of the Council

awarded new offshore wind projects and time of construction, capital employment including financing and possible farm down of the projects. These exposures are to some extent hedged by the fixed nominal payment obligations relating to Ørsted and Ørsted Wind's fixed rate debt obligations including any hybrid capital.

Ørsted and Ørsted Wind conducts a significant portion of their operational, investment and financial activities, including debt obligations, cash position and bond investments, in currencies other than Danish Kroner and are therefore exposed to fluctuations in currency exchange rates relative to the Danish Kroner. The Group's main currency exposure stems from offshore wind farms in the United Kingdom, which makes Ørsted particularly exposed to adverse effects from Brexit on the Pound Sterling ("GBP") exchange rate and interest and inflation rates. Increasing activities in Taiwan and the United States have also increased exposure towards the currencies, interest and inflation rates of these two countries.

Ørsted's net long GBP exposure is significant and mainly stems from the sale of power, ROCs (Receivables Obligation Certificates) and CfDs (Contracts for Differences) reduced by local currency operating and construction expenditures. Within the Group's hedging horizon of five years (2020-2025), the net exposure after hedging towards GBP totalled **DKK 20.1 billion** as at 30 September 2020. Furthermore, Ørsted has significant amounts of net GBP receivables after the five-year hedge horizon, which is only partly hedged through Ørsted's GBP-denominated debt obligations and related swaps.

Within the five-year hedge horizon, Ørsted has a net long currency exposure in USD. The long USD exposure primarily comes from revenues from US onshore and offshore parks net of CAPEX on the US projects, from net USD flows from Ørsted's global construction and divestment activities and from the sourcing of LNG, oil-indexed gas contracts and purchase of coal and biomass quoted in USD.

Within the five-year hedge horizon, Ørsted and Ørsted Wind has a net long NTD exposure from revenue generated by its Greater Changhua project's 1 and 2a (expected to become operational no later than 2022) and divestment proceeds, net of CAPEX on the Changhua 1 and 2a projects. In certain markets, like the NTD in Taiwan, where the market for financial derivatives are illiquid beyond the short term or non-existing, Ørsted may only to a limited extent, or not at all, be able to hedge its currency exposure to the extent desired or required by internal policies.

The Group's EUR exposure is subject to continuous assessment but is normally not hedged beyond Ørsted's EUR-denominated interest-bearing debt obligations including bonds and hybrid capital as Ørsted deems it very unlikely for Denmark to abandon its fixed exchange rate policy towards the Euro.

A materialisation of any of these risks may materially and adversely affect Ørsted and Ørsted Wind's operations or financial condition and cause harm to Ørsted's and Ørsted Wind's reputation.

Ørsted is exposed to market risks related to energy commodity prices and green certificates

Ørsted is exposed to fluctuations in and correlation between the prices of power, natural gas, certificates for the emission of carbon dioxide, RoC-certificates in the United Kingdom, biomass and other fuels and additives utilised in relation to Ørsted's energy production. Ørsted hedges commodity price risks after tax on a rolling five-year horizon. The aim is to stabilise cash flows after tax such that hedging of exposures takes local tax rates into account. Ørsted's general strategy is to hedge more of the price risk in the first years and less in the later years within the five-year hedge horizon. This is due to decreasing market liquidity and increasing uncertainty relating to Ørsted's energy exposure over time. The hedging strategy seeks to smoothen and mitigate any near-to mid-term adverse price movements. Any long lasting or permanent shifts in price levels, will eventually feed through and impact earnings and equity of the group.

Ørsted's power price risk is mainly related to sales on market terms of wind-based power generation including physical power acquired from partners on Ørsted's wind farms under long-term PPAs. As of 30 September

2020, the 5-year (2020-2025) net exposure towards the power prices after hedges amounted to DKK 5.7 billion. Ørsted has significant exposure to power prices post the 5-year hedge horizon.

Ørsted's generation of power from its thermal power plants entails a spread exposure, measured as the difference between the power price and the fuel price i.e. biomass, coal, gas and CO₂ quotas. As of 30 September 2020, the 5-year (2020-2025) net exposure after hedges from spread exposure amounts to DKK 0.3 billion.

Ørsted's gas and oil price risk stems from natural gas sourced on long-term contracts on gas and oil indexed prices, and sale of gas sold at fixed prices. As of 30 September 2020, the 5-year (2020-2025) net exposure after hedges from gas and oil amounts to DKK 0.3 billion.

Ørsted is exposed to risks in relation to its hedging and trading activities, which mainly cover hedging of energy commodities price and related currency exchange rate fluctuations, including situations where the hedging in place, which in some cases may be based on expected high correlations between different types of energy commodities, proves not to be efficient or suffers from illiquidity or inefficiencies in the relevant markets, or where hedging activities are based on assumptions about future prices, indices and volumes which may be wrong and cause inefficient commodity and currency hedges.

One example of such inefficiencies and uncertainties is in relation to Ørsted's power price hedges, where the hedges are normally settled against average monthly or yearly power prices, but where in power markets with significant shares of wind energy as e.g. Germany, the correlation between wind power production and the day-ahead power price is negative, i.e. high shares of wind power production has a downward pressure on the power price. Hence an additional risk to Ørsted when hedging its wind power price is to estimate how much lower the average monthly power price achieved by the wind parks is compared to the average power price normally used for hedging purposes.

In certain price areas in the US, where Ørsted has producing onshore wind farms and/or solar PV plants it may only be possible to hedge the power price to a limited extent or not at all, and any PPA's entered into to hedge such power price risks are in some cases proxy hedges with significant basis risk, when the reference price on the PPA does not correspond to the power price at Ørsted's delivery points.

Furthermore, if Ørsted's risk management systems, policies and procedures do not adequately capture the risk exposure from these activities or if the IT systems, including valuation and pricing models, and contingency procedures that support these activities break down or are inadequate, Ørsted may be further exposed to risks from its trading activities.

A materialisation of any of these risks may materially and adversely affect Ørsted's or Ørsted Wind's operations or financial condition and cause harm to Ørsted's or Ørsted Wind's reputation.

Ørsted and Ørsted Wind are exposed to financing, liquidity and rating risks

Ørsted is exposed to changes in the rating methodologies applied by rating agencies, including changes related to (i) the equity content of individual outstanding hybrid capital securities and the ability of structures to obtain a certain level of equity credit, (ii) application of rating uplift for government support, where Ørsted rating is currently supported by the Danish State being its majority shareholder (iii) assessment of criteria for business risk and financial risk, and (iv) consolidation principles and adjustment practices to key credit metrics applied by the rating agencies. Any changes of such methodologies and practices that would result in an adverse effect on Ørsted's rating may materially and adversely affect Ørsted's operations or financial condition, Ørsted's willingness or ability to leave individual transactions outstanding and adversely affect Ørsted's financing costs, capital market reputation and market access. Since the rating of Ørsted Wind is reliant on the guarantee provided by Ørsted, any adverse development in the rating of Ørsted, irrespective of reason, is likely to have similar adverse effects on Ørsted Wind.

Ørsted has announced significant growth plans with total investments of DKK 200 billion from 2019 to 2025 part of which will be debt financed including NTD-debt to be taken up by Ørsted Wind. At the same time Ørsted has maturing interest bearing senior debt until 2025 corresponding to DKK 8.1 billion, which it anticipates will need to be refinanced. Ørsted's or Ørsted Wind's ability to secure financing through the bank or capital markets may be materially adversely affected by, among other factors, global financial crisis, or a crisis affecting a specific geographic region, industry or economic sector or by potential downgrades of Ørsted's or Ørsted Wind's credit ratings. For these or other reasons, the cost of financing may be significantly increased or, if financing proves to be unavailable even at unattractive terms, Ørsted or Ørsted Wind may not be able to raise the liquidity required to finance its business activities.

These risks may materially and adversely affect Ørsted's or Ørsted Wind's operations or financial condition and cause harm to Ørsted's or Ørsted Wind's reputation.

Ørsted and Ørsted Wind are exposed to counterparty credit risks

The Group is dependent on the creditworthiness of its suppliers, partners, customers, debtors and counterparties in relation to its trading activities, bilateral sales of energy commodities and placement of liquidity reserve in banks and securities, as well as other counterparties and is exposed to risks relating to counterparties fulfilling all obligations and/or collateral requirements. Furthermore, the Group is exposed to risks related to the failure of having adequate credit risk management systems and procedures in place, including risks of inaccurate assumptions related to exposure calculations and the legal positions of the Group and their respective counterparties.

Mainly for the purpose of reducing its risk towards fluctuating power prices, Ørsted is participating actively in the evolving market for corporate power purchase agreements (“cPPA’s”) and has entered into long-term fixed price power sales agreements linked to the power production from specific onshore and offshore wind farms. Such cPPA's include a 15-year agreement with Nestlé UK related to the Race Bank wind farm in the UK and a 20-year cPPA with Taiwan Semiconductor Manufacturing Company (“TSMC”) relating to the Changhua 2b and 4 wind farms in Taiwan. As some of these agreements are large in volume of power sold and have a long duration, they may represent significant market value to Ørsted in case the contracted sales prices are higher than the relevant market price for power on which Ørsted is exposed to the risk of the counterparty not fulfilling its obligations through default or other and in case a cPPA cannot be replaced at similar terms in the market.

As part of Ørsted's divestment of its oil and gas exploration and production licenses, including the divestment of the upstream Oil & Gas business to INEOS, Ørsted has assumed secondary liabilities relating to the decommissioning of offshore facilities in Denmark and Norway. In the UK, a potential decommissioning liability follows from the regulation. The terms of Ørsted's liabilities are different depending on which country it relates to. For further details on the Ørsted's divestment of its Oil & Gas business, please see the note 3.6 within the Annual Report 2017. Ørsted is exposed to risks relating to the creditworthiness and ability of the buyers and any guarantor, to which Ørsted may have recourse, to meet any and all costs relating to the decommissioning of these offshore facilities.

These counterparty risks including any secondary liability materialising may materially and adversely affect Ørsted's financial condition and cause harm to Ørsted's reputation.

Regulatory, tax, IT and other risks

Ørsted and Ørsted Wind are exposed to changes in tax and accounting laws, standards and practices

Ørsted's and Ørsted Wind's activities are complex and include domestic and cross border transactions including acquisitions, divestments and restructurings, and in the course of conducting business internationally, tax and transfer pricing disputes with tax authorities may occur. Judgement is applied to assess the possible outcome of

such disputes. Each of Ørsted and Ørsted Wind apply the methods prescribed in IFRIC 23 ‘Uncertainty over Income Tax Treatments’ when making provisions for uncertain tax positions, and consider the provisions made to be adequate. However, the actual obligation depends on the result of litigations and settlements with the relevant tax authorities may therefore deviate significantly from Ørsted’s or Ørsted Wind’s own estimates.

Ørsted and Ørsted Wind are exposed to adverse changes in tax and customs legislation, rules and regulations, its application or manner of enforcement, including by way of elimination or reduction in tax or levy exemptions, in each jurisdiction in which it operates.

Ørsted and Ørsted Wind are exposed to changes in or interpretation of accounting principles and to the risk of asset impairment if interest rates or other assumptions applied in impairment tests change adversely including a decline in forecasted cash flows. Ørsted has costs relating to the decommissioning of its operating assets such as on- and offshore wind farms, power plants and infrastructure assets at the time of abandonment of each asset. In the interim report for the third quarter 2020, note 3 on page 32, Ørsted’s total decommissioning obligations are stated at **DKK 6.7 billion**.

These risks may materially and adversely affect Ørsted’s and/or Ørsted Wind’s financial condition and cause harm to Ørsted’s and/or Ørsted Wind’s reputation.

Ørsted and Ørsted Wind are exposed to cyber security risks

The Danish National Centre for Cyber Security have assessed the risk of cyber-attacks, cyber espionage and cyber-crime aimed at the energy sector to be at the top of their defined scale. Thus, Ørsted and Ørsted Wind are exposed to cyber-crime and IT-risks including breakdown in their administrative and production systems potentially affecting power production, business critical supplies of data and core business objectives for Ørsted’s and Ørsted Wind’s wind farms and power stations. Such risks can be triggered by cyber-attacks orchestrated by government supported attackers, organised crime or hacktivists as well as insider threats and accidents. Breakdowns could potentially shut down or destroy generation assets such as an offshore wind farm or a power plant. These risks may materially and adversely affect Ørsted’s or Ørsted Wind’s financial condition and cause harm to Ørsted’s or Ørsted Wind’s reputation.

Ørsted and Ørsted Wind are exposed to the risks related to not being insured against all potential losses

Ørsted and Ørsted Wind are not insured against all potential losses, being partly self-insured, including political risks and business interruption and with losses related to pollution liability and pollution clean-up obligations restricted by insurance coverage currently available on the commercial market. Such potential losses are applicable during both operations and for construction projects. Consequently, Ørsted or Ørsted Wind could be seriously harmed by accidents, operational catastrophes or external attacks, and this may materially and adversely affect Ørsted’s or Ørsted Wind’s operations or financial condition and cause harm to Ørsted’s or Ørsted Wind’s reputation.

The Group is exposed to compliance risks subject to a broad range of financial regulations

The level and type of financial regulation risks varies from business unit to business unit within the Group. The main risks across the Group are compliance with REMIT disclosure obligations, market abuse prohibitions and reporting obligations pursuant to REMIT, EMIR and MiFID, but the Group is also affected by MAR, Dodd Frank, SFTR and AML. Non-compliance with financial regulation may result in severe legal sanctions, such as imprisonment for involved employees, significant fines or damage claims. Non-compliance may also result in Ørsted, Ørsted Wind or a subsidiary becoming subject to a financial regulator’s license requirements which may involve setting up special purpose entities subject to material capital requirements and implementation of burdensome internal procedures and IT requirements. These risks may materially and adversely affect the Group’s financial conditions and cause harm to the Group’s reputation.

ØRSTED A/S

Information about Ørsted

Ørsted is a limited liability company incorporated in Denmark and operating under Danish law and centrally registered with the Danish Business Authority (*Erhvervsstyrelsen*) in Copenhagen under CVR no. 36 21 37 28. The shares of Ørsted have been listed on Nasdaq Copenhagen since 9 June 2016. The principal registered office of Ørsted is located at Kraftværksvej 53, Skærbæk, DK-7000 Fredericia, Denmark, and the telephone number of Ørsted is +45 99 55 11 11.

The share capital of Ørsted is DKK 4,203,810,800 and is divided into shares of DKK 10 each or multiples thereof. The issued share capital is fully paid-up. There are no other classes of shares besides the ordinary shares. There are no non-voting shares.

According to Article 3 of Ørsted's Articles of Association, the corporate objectives of Ørsted are to carry out business in the energy sector and activities related thereto.

Major Shareholders

As at the date of this Base Prospectus, the Kingdom of Denmark holds a 50.1 per cent. ownership interest in Ørsted. Other shareholders holding 5 per cent. or more of the ownership interest and/or voting rights in Ørsted are The Capital Group Companies, Inc. and Andel A.m.b.a ("Andel" – previously SEAS-NVE A.m.b.a.). The Kingdom of Denmark exercises its shareholder rights through the Danish Ministry of Finance. The shares owned by the Kingdom of Denmark have the same voting rights as all other shares in Ørsted. The Danish Companies Act provides the minority shareholders with certain minority protection rights, including that no resolutions shall be passed at the general meeting of shareholders that are clearly likely to confer upon certain shareholders an undue advantage over other shareholders of Ørsted.

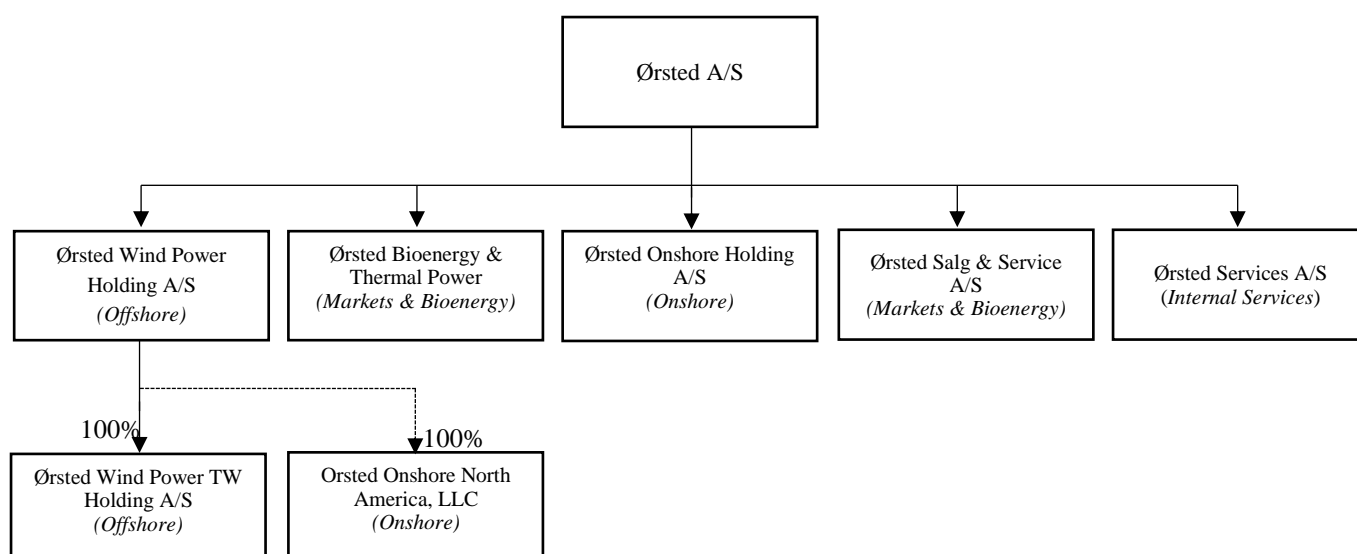
Majority ownership by the Kingdom of Denmark shall ensure that the natural gas infrastructure and oil pipeline facilities currently owned by Ørsted remain under control by the Kingdom of Denmark in accordance with a political agreement from October 2004 between the Danish Government and a broad majority of the parties in the Danish Parliament. This agreement was re-confirmed in October 2007, February 2013 and again in September 2015 (the "**Confirmation Political Agreement**"). According to the Confirmation Political Agreement the Kingdom of Denmark shall retain a majority interest in Ørsted at least until 2020, unless the parties backing the Confirmation Political Agreement agree otherwise. Any subsequent changes in the ownership interest of the Kingdom of Denmark also require agreement among the parties to the Confirmation Political Agreement.

The Confirmation Political Agreement states that the Kingdom of Denmark wishes to secure the continued state control over (i) the natural gas infrastructure facilities currently consisting of Ørsted's offshore natural gas pipeline system connecting gas producing assets in the Danish part of the North Sea to the onshore transmission grid and the Nybro gas treatment facility and (ii) the oil pipeline business consisting of the oil pipeline connecting the Gorm E platform in the North Sea to the oil terminal at Fredericia, Jutland in both cases by seeking a sale of Ørsted's gas infrastructure and oil pipeline facilities to the state-owned Energinet on commercial terms.

Organisational Structure of Ørsted

Ørsted serves as a holding company, with all primary business activities conducted through its subsidiaries. The chart below illustrates the relationship of Ørsted with its principal subsidiaries (all of which are wholly owned by Ørsted):

Figure 1: Ørsted's principal subsidiaries



Business Overview

Ørsted was founded as Dansk Naturgas A/S by the Kingdom of Denmark on 27 March 1972, as a vehicle for the development of Danish energy activities. Ørsted established the Danish gas transmission grid, procured natural gas from the producers in the Danish North Sea and developed from a passive investor in oil exploration and production licenses in the Danish North Sea to become an independent offshore oil and gas explorer and producer in Denmark, Norway and the United Kingdom. In 1999 and 2000, Ørsted acquired the Southern Jutland and Western and Southern Zealand gas distribution and supply companies, comprising two out of five Danish gas distribution and supply companies.

In 2006, the acquisitions of five regional Danish energy companies (Elsam, NESA, Energi E2, part of Københavns Energi, and part of Frederiksberg Forsyning) were completed, and Ørsted's name was changed to DONG Energy A/S. The acquisitions allowed Ørsted to expand into power generation, sales and distribution activities.

In the years following the acquisitions, the growing demand for renewable energy and the need to reduce coal-fired thermal generation capacity in the Nordic area led Ørsted to revise its strategy. International coal-fired power plant projects under preparation were cancelled in 2009, capacity closures of Danish power plants were initiated and a plan to reduce CO₂ emissions was adopted.

In 2013 and 2014, a financial action plan was executed for Ørsted to establish a sufficient financial foundation to enable the implementation of Ørsted's 2020 strategic goals and to continue the transformation of the Group into a global leader within offshore wind power. The financial action plan included significant divestments of non-core assets, cost reductions and a capital injection of **DKK 13 billion** which took place in February 2014.

Ørsted's gas transmission activity was divested to Energinet.dk in 2004 as part of the unbundling of the Danish power sector. In September 2016, Ørsted divested its gas distribution network and on 29 September 2017, Ørsted divested its oil & gas exploration and production activities to INEOS UK E&P Holdings Ltd ("INEOS"). Furthermore, on 31 August 2020, Ørsted completed the divestment of its Danish power distribution, residential customer and city light businesses to Anel. These activities together with Ørsted's oil pipeline and offshore gas pipeline are accounted for as assets held for sale in Ørsted's consolidated 2019 accounts.

Today, Ørsted is an energy company with a strategic focus on upstream renewable energy production. Ørsted has leading competences in offshore wind, energy solutions and bioenergy as well as an evolving platform in onshore wind, solar energy, energy storage facilities and hydrogen.

Ørsted carries out its continued business activities in three business units, referred to as “Offshore”, “Markets & Bioenergy” and “Onshore”. The principal activities include (i) development, construction and operation and maintenance of offshore and onshore wind farms, (ii) generation of power from offshore and onshore wind farms, and power and heat from thermal generation assets and (iii) gas and power business-to-business sales activities.

At the end of September 2020, Ørsted employed 6,120 full-time equivalent employees throughout the Group.

Recent Group Developments

On 9 September 2020, Mads Nipper was appointed CEO and Group President of Ørsted. Mads Nipper is currently CEO and Group President at Grundfos. The appointment follows the decision by Henrik Poulsen, announced on 15 June 2020, to resign his position and step down as CEO of Ørsted no later than 31 January 2021. Mads Nipper will take office on 1 January 2021. Henrik Poulsen will remain in office until 31 December 2020. Henrik Poulsen will serve as special advisor to Mads Nipper until 31 January 2021.

On 31 August 2020, Ørsted divested its Danish power distribution, residential customer and city light businesses to Andel for the total proceeds of DKK 20.5 billion. Approximately, 750 employees will be transferred to Andel together with the divested business activities.

Summary of Key Operating Data

Table 1: Summary of Key Operating Data

	FY 2018⁽²⁾	FY 2019⁽²⁾	Q3 2019⁽³⁾	Q3 2020⁽³⁾
Offshore:				
Decided and installed (FID made) capacity ⁽¹⁾ , offshore wind (GW)	9.0	9.9	9.9	9.9
Installed capacity ⁽¹⁾ , offshore wind (GW)....	5.6	6.8	5.6	6.8
Generation capacity ⁽¹⁾ , offshore wind (GW)	3.0	3.6	3.6	4.1
Wind speed (m/s).....	9.1	9.2	8.5	8.2
Load factor ⁽¹⁾ (%).....	42	42	37	35
Availability ⁽¹⁾ (%).....	93	93	93	94
Power generation (TWh)	10.0	12.0	2.8	3.2
Volume of power sales (TWh).....			7.0	6.0
Onshore:				
Decided and installed (FID made) capacity, onshore wind (GW)	1.0	2.1	1.7	2.7
Installed capacity, onshore wind (GW).....	0.8	1.0	1.0	1.7
Wind speed (m/s).....	7.3	7.3	6.6	6.7
Load factor (%).....	41	45	39	36
Availability (%)	98	98	98	97
Power generation (TWh)	0.6	3.5	0.9	1.3

	FY 2018⁽²⁾	FY 2019⁽²⁾	Q3 2019⁽³⁾	Q3 2020⁽³⁾
Markets & Bioenergy:				
Degree days ⁽¹⁾ (number)	2,526	2,399	108	106
Heat generation (TWh).....	8.8	8.3	0.5	0.3
Power generation (TWh)	6.7	4.6	0.4	0.6
Volume of power sales (TWh).....	15.3	14.7	3.3	2.5
Volume of gas sales (TWh)	131.1	124.9	30.8	23.2
Environment:				
Carbon emissions (g CO ₂ e/kWh).....	131	65	62	83
Green share of heat and power generation (%).....	75	86	87	90

Note:

(1) For definitions, please see page 182 and the ESG statements in the Ørsted 2019 Annual Report.

Statement of Comprehensive Income

Table 2: Income statement (Business Performance)

	FY 2018⁽²⁾	FY 2019⁽²⁾	Q3 2019⁽³⁾	Q3 2020⁽³⁾
			<i>(DKK million)</i>	
Revenue:	76,946	67,842	15,481	10,041
Offshore.....	43,110	40,216	9,829	6,395
Onshore	80	670	299	263
Markets & Bioenergy	39,836	32,816	6,426	4,261
Other activities (including eliminations).....	(6,080)	(5,860)	(1,073)	(878)
EBITDA⁽⁴⁾:	30,029	17,484	4,116	3,360
Offshore.....	28,046	15,161	3,223	2,629
Onshore	44	786	308	308
Markets & Bioenergy	2,100	1,495	436	375
Other activities (including eliminations).....	(161)	42	149	48
EBIT:	24,654	10,052	2,435	1,265
Profit (loss) for the period continuing operations	19,486	6,100	1,443	12,016
Profit (loss) for the period discontinued operations	10	(56)	34	18
Profit (loss) for the period	19,496	6,044	1,477	12,034

Notes:

(2) Source: Audited consolidated annual financial statements of Ørsted as at and for the financial year ended 31 December 2019.

(3) Source: Unaudited interim financial report of Ørsted first nine months of 2020.

- (4) On 31 August 2020, Ørsted divested its Danish power distribution and other activities to Anel. As at 30 June 2020, these business activities accounted for 7.9 per cent. (DKK 0.7bn) of Ørsted's operating profit (EBITDA) and 9.4 per cent. (DKK 8.6bn) of the capital employed.

For the nine months ending 30 September 2020, Ørsted's employed capital in its businesses made up DKK 104.7 billion of which 88 per cent. was employed in Offshore, 9 per cent. was employed in Onshore and 3 per cent. was employed in Markets & Bioenergy.

Strategic direction and priorities

Ørsted's strategic playing field

The renewable energy value chain is made up of various components. These range from generation of green power, through storage, transmission and distribution to the consumption side. Within this energy system, Ørsted has taken the following strategic positions.

Offshore wind is Ørsted's core focus and has been since Ørsted decided to transform into a green energy company. It is a rapidly growing market in the global energy system with attractive value-creating opportunities. Ørsted has been successful in leveraging capabilities to become the leading global player in the offshore wind market, representing 29 per cent. share of the total capacity in operation or under construction in July 2020.

Onshore wind is Ørsted's second growth platform where Ørsted now has a strong regional position, with the acquisition of Lincoln Clean Energy ("LCE") in the U.S in 2018. The U.S. onshore market offers attractive value-creating opportunities and has significant long-term growth potential. The integration of LCE with Ørsted has provided technology and market diversification and enables Ørsted to serve the future energy demand through a multi-technology business platform.

To secure market access, Ørsted has strategic focus on wholesale and corporate customers, which account for the largest share of energy consumption. This position enables a route-to-market for Ørsted's green energy generation.

Besides existing market positions, Ørsted explores the strategic and financial potential of additional green growth opportunities. Especially green hydrogen offers significant growth opportunities. This is enabled by the large cost reductions of renewable power in recent years and increasingly ambitious hydrogen strategies and build-out targets in Europe – both at EU and member state levels.

Ørsted's strategy and capital allocation

Strategic direction and growth

Ørsted's strategic shift from black to green energy is reflected in its green share of generation. In 2007, only 8 per cent. of Ørsted's total power and heat production came from renewables. By the end of the first nine months of 2020, the green share of generation has increased to 89 per cent.

Ørsted's strategic transformation to become a green energy company has positioned Ørsted as one of the largest commercial renewable energy companies in the world, measured by the capacity of renewable energy that is installed and under construction. By the end of the first nine months of 2020, Ørsted had in aggregate 14.6 GW of renewable energy capacity installed, under construction, or where FID has been taken, with the vast majority being in offshore wind. In addition, Ørsted has been awarded or contracted projects with a capacity of 5 GW in Offshore where investment decisions are yet to be taken. Furthermore, Ørsted has a strong pipeline of projects under development.

- Acquisition of Muscle Shoals (227 MW solar PV in Alabama, US)
- Acquisition of Haystack Wind (298 MW onshore wind in Nebraska)

Markets & Bioenergy

- Closing the divestment of Ørsted's Danish power distribution, residential customer and City Light businesses to Andel on 31 August 2020
- Biomass-conversion of Asnæs Power Station in Denmark
- Renaissance passes final performance test and is commissioned

Capital allocation

Subject to continued value creation, Ørsted expects to invest around **DKK 200 billion** in the period 2019-2025 to continue its growth towards an installed renewables capacity of more than 30 GW by 2030. Ørsted's capital will be allocated to the best risk-return project opportunities in its portfolio.

Over the period 2019-2025, Ørsted expects to allocate **75-85 per cent** of its gross investments to Offshore, **15-20 per cent** to Onshore, and **0-5 per cent** to Markets & Bioenergy.

Based on the above anticipated build-out of offshore and onshore wind, Ørsted expects the current financial headroom, relative to its rating target, to be deployed within a few years.

Ørsted's markets

The market share of renewables is increasing

The renewable energy share of global power generation is increasing. Excluding hydro, it grew from less than **2 per cent** in 2000 to around **10 per cent** in 2019. This share is expected to continue to grow and to reach 27 per cent. by 2030. With renewable energy representing **24 per cent** of Europe's total power generation in 2019 (excluding hydro), Europe is leading the transformation. By 2030, renewable energy is expected to account for more than half of the European power generation (~60 per cent.).

The global installed capacity of renewables (excluding hydro, solar thermal, and geothermal) was 1,405 GW in 2019 and is forecasted to more than triple by 2030, reaching 4,392 GW according to Bloomberg New Energy Finance ("BNEF").

In 2019, China and Europe were the regions with most renewable capacity installed, each accounting for approximately 30 per cent. The global installed capacity is expected to continue to grow 11 per cent. annually, with China and Europe remaining the major regions followed by North America.

The technologies that constituted the largest share of global installed renewable capacity in 2019 were onshore wind (42 per cent.) and solar PV (47 per cent.). Both technologies will remain the primary sources, accounting for around 90 per cent. of the total renewable capacity in 2030. However, offshore wind is expected to grow the fastest towards 2030 at an annual rate of 19 per cent.

A key driver behind the growth in renewable energy is the rapidly declining costs. Onshore wind has become the most cost-competitive energy technology due to its rapidly expanding global capacity, which has contributed to economies of scale, higher learning effects and more technological innovation. At the same time, conventional non-renewable technologies, such as coal, are facing increased costs due to reduced capacity factors, as they face increasing competition from renewable technologies.

Sources for the information in this section: Bloomberg New Energy Finance (BNEF), New Energy Outlook 2019, American Wind Energy Association, Production tax credit

Solar PV

Among the new renewable technologies, Solar PV witnessed the fastest growth, as the global capacity grew by 28 per cent. from 2015 to 2019. The global capacity, excluding Middle East and Africa, reached 643 GW in 2019. This strong growth is expected to continue towards 2030, reaching 2,280 GW installed capacity at an annual growth rate of 12 per cent. Large-scale Solar PV, with a power capacity greater than 1 MW, represented 64 per cent. of the total capacity in 2019, while small-scale Solar PV, typically for residential use with a 5kW power capacity, is expected to catch up towards 2030, reaching a share of 39 per cent. of cumulative Solar PV installations.

North America reached 80 GW in 2019, increasing with 19 per cent. from the year before where installed capacity was 67 GW. It is expected to continue this growth trajectory and triple its installed capacity by 2030, reaching 244 GW.

Towards 2023, the levelized cost of electricity for Solar PV is expected to be cheapest in North America, barely overtaking onshore wind. Key drivers supporting cost reductions are scale, material savings due to less waste, and more incentives for technological innovations.

Sources for the information in this section: Bloomberg New Energy Finance (BNEF), New Energy Outlook 2019.

Energy storage

As the share of intermittent renewable sources is increasing in the global energy mix, the need for more dynamic dispatchable units to store energy and support rapid load-shifting is also growing. Battery storage solutions can balance electricity supply and demand and may also provide ancillary services.

Global energy storage, excluding Middle East and Africa, is expected to rise significantly over the next decade. In 2019, it had grown by 61 per cent. from 2015, reaching 8.2 GW, and it is expected to continue this strong growth path to reach 203 GW by 2030.

Today, most of the capacity (57 per cent.) is developed for small-scale and 43 per cent. for large-scale storage. Large-scale storage systems (more than 1 MW) primarily provide services directly to the grid, while small-scale storage systems typically provide end-customer services.

A key driver for the strong outlook is the decreasing cost of lithium-ion battery packs. Between 2010 and 2017, prices fell by 80 per cent. and going forward, BNEF forecasts further cost reductions, supported by economies of scale from increasing battery manufacturing capacity.

Sources for the information in this section: Bloomberg New Energy Finance (BNEF), New Energy Outlook 2019.

Markets & Bioenergy

Bioenergy

Global waste volumes are rapidly increasing. In 2004, the municipal solid waste (“MSW”) generated globally amounted to 680 million tonnes per year. By 2016, volume had tripled to 2.0 billion tonnes per year, and it is expected to continue growing. In 2016, only 17 per cent. of MSW was recycled, while the majority was sent to landfilling, which can potentially have significant negative effects on the environment. Regulation is attempting to boost the recycling share. The EU has set targets to increase the recycling share of MSW to 65 per cent. by 2030 and reduce landfilling to less than 10 per cent.

Offshore wind farms Country & equity share	Installed capacity Ørsted share (MW)	Commerical Operational Date	O&M Service Provider
Burbo Bank Extension <i>United Kingdom – 50%</i>	259	2017	Ørsted
Race Bank <i>United Kingdom – 50%</i>	573	2018	Ørsted
Walney Extension ⁽³⁾ <i>United Kingdom – 50%</i>	330	2018	Ørsted
Walney Extension ⁽⁴⁾ <i>United Kingdom – 50%</i>	329	2018	Ørsted
Hornsea 1 <i>United Kingdom – 50%</i>	609	2019	Ørsted
Borkum Riffgrund 1 <i>Germany – 50%</i>	312	2015	Ørsted
Borkum Riffgrund 2 <i>Germany – 50%</i>	465	2018	Ørsted
Gode Wind 1 <i>Germany – 50%</i>	345	2016	Ørsted
Gode Wind 2 <i>Germany – 50%</i>	263	2016	Ørsted
Block Island <i>United States – 100%</i>	30	2016	Long-term partnership with the OEM
Formosa I, Phase I & II <i>Taiwan – 35%</i>	45	2017 & 2019	Long-term partnership with the OEM

An overview of Ørsted’s operational wind farms and projects under constructions, including details about turbine type, partners and subsidy schemes can be accessed through the “Our business” section on Ørsted’s website <https://orsted.com/en/Our-business/Offshore-wind>.

Allocation of offshore wind capacity

The allocation of offshore wind projects typically takes place through a public procurement process, organised as an auction or a tender. In auctions, project developers compete with one or more of their own developed projects. The auction system is prevalent in countries such as the United Kingdom, the United States, and to some extent Taiwan. Bid price is often the only award criterion, however increasingly more weight is given to local content by authorities when evaluating auction bids.

In tenders, which is the allocation process applied in Denmark, the Netherlands, France and going forward also in Germany (which historically favoured the auction method), the regulatory authority carries out most development activities such as site investigations on wind, seabed and environmental conditions for preselected sites. For project developers who prequalify to bid, tender processes typically require lower up-front investments than auction processes, and the risk for project owners of not obtaining the necessary permissions is also lower. In a tender process, the project is typically awarded to the bidder offering the lowest cost, however other reward criteria such as local content requirements may apply.

Other developments Offshore Segment

In March 2020, Ørsted and Japanese power producer TEPCO (Tokyo electricity Power Company) established a joint venture company to work jointly on offshore wind projects in Japan. By establishing a joint venture company, Ørsted officially entered the Japanese market and formalised the partnership with TEPCO with the initial aim of developing the first offshore wind project in the Chiba prefecture, Choshi city. This includes submitting a bid for the Choshi Offshore Wind Farm project, expectedly during first half of 2021.

In April 2020, Ørsted signed a 15-year cPPA with Nestlé UK, the UK subsidiary of the world's largest food and beverage company Nestlé, for an offtake of 125 GWh of green power per year from the 573 MW Race Bank offshore wind farm.

In April 2020, Ørsted submitted a subsidy free bid in the Holland Coast North tender in the Netherlands. While Ørsted was not successful in the Holland Coast North tender, offshore wind remains a key pillar in the Netherlands' future energy supply and with a firm build-out plan towards 2030 of 11GW the Netherlands continue to be an important market for Ørsted.

In May 2020, Ørsted, Mærsk, DSV Panalpina, SAS, Copenhagen Airports and DFDS (supported by COWI, BCG and the Municipality of Copenhagen) announced a partnership to develop large-scale production of - and demand for - green fuels in the Greater Copenhagen area. The intention is to develop and scale the project in three phases over the next decade: by 2023 a 10MW electrolysis producing renewable hydrogen for trucks and buses, by 2027 a 250 MW of electrolysis plus CO2 capture and chemical synthesis to produce renewable methanol for shipping and some renewable kerosene for aviation and around 2030 a 1.3 GW of electrolysis to scale the production of renewable kerosene.

In June 2020, Walney Extension Limited, a joint venture owned by Ørsted (50 per cent.), PKA (25 per cent.), and PFA (25 per cent.), signed an agreement for the divestment of its transmission assets to Diamond Transmission Partners Walney Extension. The transmission assets with value of approx. DKK 3.7bn (GBP 447m) include the onshore substation, export cables, and the offshore substation.

In August 2020, Ørsted and its nine partners in the Westküste 100 project in Heide, Schleswig Holstein, Germany, received confirmation from the German Federal Ministry of Economic Affairs and Energy (BMWi) that the consortium had been granted EUR 30 million funding as the first hydrogen project in the German Reallabor program. The nine partners in the project are Refinery Heide, EDF Germany, Holcim Germany, Open Grid Europe, Thyssenkrupp Industrial Solutions, Stadtwerke Heide, Thüga, Entwicklungsagentur Region Heide and Fachhochschule Heide. The project comprises installation of a 30MW electrolyser at Refinery Heide as well as development and engineering of the project vision to establish a large-scale e-fuel production near Heide (incl. 700 MW of electrolysis). Refinery Heide, EDF Germany and Ørsted have formed a joint venture to develop the 30 MW electrolyser part of the project towards FID, likely in H1 2021.

Risk management

Ørsted has a clear goal of hedging its merchant power price exposures from its offshore projects, including any un-subsidised projects, through corporate and wholesale long-term cPPA's as well as other financial risk mitigating structures – see the section risk Management of the Group below for further information on Ørsted's risk management policies. Over recent months, Ørsted has been testing the markets in which it operates to determine the appetite and pricing for mitigating merchant power risk.

Many corporate customers are interested in greener, cost efficient and more innovative energy solutions. To address this demand, the market for cPPA's has experienced considerable growth. Despite remaining a small share of the total downstream power market, the global market for cPPAs reached 42 GW in August 2019, up

from only 9 GW in 2015. As customers pursue more sustainable solutions, 60 per cent. of the cPPAs are sourced from wind and 39 per cent. from solar energy.²

cPPA's play an important role in developing the green transformation as it enables the green power producers and business customers to reach their sustainability goals and at the same time offer risk management tools.

Onshore

Ørsted entered into the U.S. onshore wind market through the acquisition of LCE in October 2018. LCE was a U.S.-based developer, owner and operator of onshore wind and solar PV projects and is now integrated into Ørsted as the business unit Onshore that serves as Ørsted's platform for creating a leading onshore renewables business, spanning onshore wind, solar and energy storage, providing a strategic diversification to Ørsted's portfolio. Onshore was further strengthened in May 2019, through the acquisition of the solar and storage development activities of Coronal Project Development LLC.

The main form of U.S. federal support for onshore wind is the PTC. These are tax credits for electricity generated by qualified energy resources for the first ten years of operation and are a significant component of the overall project economics of an onshore wind project in the U.S.

For Solar PV projects, U.S. federal support is in the form of an Investment Tax Credit ("ITC") which provides a direct tax credit based on a percentage of the eligible capital expenditures.

Operational portfolio

At the end of September 2020, the Ørsted's Onshore business segment had an installed capacity of 1.7 GW in total of onshore wind generation capacity from seven large-scale projects situated in the Electric Reliability Council of Texas (ERCOT) and Southwestern Power Pool (SPP) markets. Onshore has solid offtake counterparties: Amazon Windfarm Texas, a 253 MW 2017 project, has 15-year cPPAs with Amazon and Iron Mountain; Willow Springs Wind, a 250 MW 2017 project, and Tahoka Wind, a 300 MW 2018 project, have 13-year power price hedges with Bank of America Merrill Lynch for 193MW and 231MW of output, respectively, Lockett Wind, a 184 MW project commissioned in July 2019 has an offtake agreement with Allianz for 80 per cent. of its total capacity, Sage Draw, a 338 MW 2020 project has a cPPA with ExxonMobil and Plum Creek, a 230 MW 2020 project in SPP has cPPAs with Smucker Co, Avery Dennison and Vail Resort. In addition, the completion of Willow Creek Wind in September 2020 further expanded Ørsted's operational portfolio in SPP. These projects benefit from 100 per cent. PTCs.

For the first nine-months of 2020, power generation from Ørsted's onshore assets amounted to 2.7 TWh.

Table 4. Table of operating projects

Project name	ISO	Installed capacity (MW)	Commercial Operational Date	Turbines	Tax Equity	Offtake Solution
Amazon Windfarm Texas (Dermott)	ERCOT	252	2017	110 GE/2.5MW	50% GE EFS/50% BAML	cPPA with Amazon and Iron Mountain
Willow Springs Wind	ERCOT	250	2017	100 GE/2.5MW	50% BHE/ 50% BAML	Hedge with BAML
Tahoka Wind	ERCOT	300	2018	120 GE/2.5MW	100% BHE	Hedge with BAML
Lockett Wind	ERCOT	184	2019	75 GE/2.45MW	100% BHE	cPPA with Allianz
Sage Draw	ERCOT	338	2020	120 GE 2.82MW	80% BHE 20% GE EFS	cPPA with ExxonMobil

² Sources for the information in this section: Bloomberg New Energy Finance (BNEF), Corporate PPA deal tracker, New Energy Outlook 2019.

Plum Creek	SPP	230	2020	82 GE 2.8MW	80% BHE 20% GE EFS	cPPAs with Smucker Co, Avery Dennison and Vail Resort
Willow Creek	SPP	103	2020	38 GE 2.3 / 2.78MW	100% BHE	

Footnote:

SPP: Southwestern Power Pool, EFS: GE Energy Financial Services, BAML: Bank of America Merrill Lynch, BHE: Berkshire Hathaway Energy, Alternating current (AC)

Pipeline

Ørsted has a robust pipeline of onshore projects and is targeting operational capacity of at least 5GW by the end of 2025.

Ørsted has four projects under construction. Ørsted is constructing the Permian Energy Center, a 420 MW_{AC} solar PV plus 40 MW_{AC} battery energy system project in Texas with expected commercial operations date (“COD”) in second quarter 2021. In July 2020, Ørsted bought Muscle Shoals, a 227 MW_{AC} solar PV project in Alabama currently under construction with expected COD in third quarter 2021. Muscle Shoals has a long-term cPPA with Tennessee Valley Authority. In September 2020, Ørsted took the final investment decision of its largest onshore wind project to date, Western Trail Wind. It is located near the Lockett Wind project, and the 367MW project is expected to reach commercial operation in 2021. In October 2020, Ørsted acquired and took final investment decision on the Haystack Wind project, located in SPP adjacent to Onshore’s Plum Creek project in Nebraska. The 298 MW project is expected to COD in Q4 2021.

Markets & Bioenergy

In the summer of 2019, the two business areas Costumer Solutions and Bioenergy merged into one business area, Markets & Bioenergy. The reason for this reorganisation was due to both divisions decreasing in size and the efficiency benefits of operating a single management unit. No significant synergies are expected in the short term following the aggregation.

Bioenergy

Bioenergy’s core activities are producing and selling district heating, power and ancillary services. District heating is sold on long term contracts to Danish district heating distribution companies. Power is traded on the wholesale market via NordPool, the Nordic power exchange. Ancillary services are offered and sold through various Danish and Nordic market platforms managed by Energinet.

Ørsted is the largest producer of heat and power in Denmark and in 2018 heat generated at Ørsted’s facilities amounted to approximately 54 per cent.³ of Danish district heating supplies and in 2018 the power generated at Ørsted’s facilities amounted to approximately 32 per cent.⁴ of Danish power production. Ørsted’s portfolio of plants uses a variety of fuels including biomass, coal, natural gas, gas oil and fuel oil to generate heat and power.

Table 5: Fuels used in thermal heat and power generation

Million GJ	2019	2018	2017	2016
Biomass	38	38	38	25

³ Source: calculations from Sales Development & Analysis, BIO

⁴ Source: calculations from Sales Development & Analysis, BIO

the market. It also provides similar services to external parties to increase earnings while utilising its existing resources. The Markets business also has a portfolio of legacy natural gas sourcing contracts and operates the Group's offshore natural gas pipelines in the North Sea and the oil pipeline from the North Sea to Fredericia in Denmark.

Markets main strategy

Markets provides route-to-market services for Ørsted's product portfolio as it brings Ørsted's power, gas and green certificates to market, while also managing the risk profile of Ørsted's energy commodity portfolio. Ørsted's main strategic focus for Markets is to:

- Provide an efficient route-to-market for Ørsted and third-parties by offering services such as power balancing and green certificates trading
- Manage market risk for Ørsted's energy portfolio through commodity trading and other risk management activities; and
- Optimise Ørsted's natural gas portfolio

Major projects and activities in operation

Power sales: Markets sale of power totalled 9.0 TWh for the first nine months of 2020.

Natural gas sales: As of 30 September 2020, Markets physical natural gas sales totalled 69.9 TWh, of which 20.3 TWh was sold to end customers and 49.6 TWh was sold to wholesale customers and gas hubs.

Gas sourcing: Ørsted has concluded renegotiations of the gas prices on all of its long-term gas sourcing contracts relating to the period 2011-2016.

Gas and oil infrastructure: Ørsted own and operate offshore natural gas pipelines and oil infrastructure used by oil and gas producers in the North Sea. The upstream gas and oil pipelines enable the transportation of gas to Denmark and crude oil from fields on the Danish shelf to the oil terminal in Fredericia, Denmark. It has been decided that Ørsted shall on market terms seek to divest its Oil Pipeline Business and offshore gas pipeline activities to Energinet at an appropriate time.

Moreover, Ørsted has a portfolio of longer-term capacity agreements for partly owned and leased natural gas storage facilities in Germany and Denmark.

Recent events

On 31 August 2020 Ørsted closed the divestment of its Danish power distribution, residential customer and city light business to Andel (former SEAS-NVE) for the total proceeds of **DKK 20.5 billion.**

End of 2019 Ørsted entered into an agreement with Glencore to divest its LNG business. Final closing and transfer of contract rights is expected in the fourth quarter 2020.

In September 2020, an agreement to divest the vast majority of our B2B business in the United Kingdom to Total Gas & Power was signed. and is now pending approval from the EU's competition authority expected over the winter 2020/2021. The divestment comprises 3,800 gas customers and 2,200 power customers.

Finance and Liquidity

Anticipated Future Investments

Ørsted's strategy is supported by a range of investment opportunities capitalising on core competencies within Ørsted's business units and new business opportunities within the defined strategy. Ørsted's investment

portfolio consists both of projects which have been approved by the Board of Directors and projects that are still being considered for approval.

Ørsted expects to invest around DKK 200 billion in the period 2019-2025 and the gross investments for 2020 are expected to amount to DKK 28-30 billion.

Ørsted's investment programme is primarily related to:

- substantial and continuing investments in the development, construction and maintenance of offshore wind projects in the United Kingdom, Germany, the Netherlands, Denmark, North America and Asia;
- investments in the development, construction and maintenance of onshore wind, Solar PV and energy storage projects in North America and other countries and continents where Ørsted conducts business;
- investments in bioenergy and market's activities mainly comprising conversion of remaining coal fired plants; and
- investments in new green value creating business opportunities.

Anticipated Divestments

Ørsted may make further divestments of ownership interests in wind farms being developed and constructed in addition to those previously completed if viewed by Ørsted as value creating or risk reducing.

Liquidity and cash position

Ørsted's investment policy for excess liquidity is focused on limiting Ørsted's sensitivity to volatility in financial markets. As at end September 2020, Ørsted's total available liquidity was DKK 46.2 billion, which consisted of cash and cash equivalents in the form of short-term bank deposits of DKK 5.9 billion, liquid assets in the form of securities, primarily liquid AAA-rated Danish mortgage bonds and, to a lesser extent, investment-grade corporate bonds, including hybrid bonds, of DKK 27.3 billion, less cash and securities not available for distribution (excluding repo loans) of DKK 1.3 billion and including undrawn long-term credit facilities entered into with Nordic and international banks and banks in Taiwan of DKK 14.8 billion.

Ørsted has defined a minimum liquidity reserve requirement in line with rating agency requirements, which should always be complied with. Ørsted's available liquidity as at end September 2019 was significantly above such minimum liquidity reserve requirement. This excess cash position is available to fund future capital expenditures and investments in new value creating business opportunities. In case of excess capital beyond such opportunities, this will be applied to prepay debt or returned to shareholders through increased dividends and/or share buy-backs.

Funding of the Group Investments

Ørsted's capital expenditures are generally financed through cash flow from operations, debt financing raised from Scandinavian and international banks and debt capital markets issuances, including hybrid capital. It is expected that planned investments will be funded through similar sources and to a lesser extent through reductions of ownership in core activities.

In 2017, Ørsted established its Green Bond Framework, which in April 2019 was updated to a Green Finance Framework thereby expanding the framework to also cover green bank loans and other types of debt instruments. Proceeds from securities issued by Ørsted and Ørsted Taiwan labelled as "Green Bonds" will be applied in accordance with the Green Finance Framework. The Green Finance Framework sets out, amongst other things, the type of projects and investments that are eligible for proceeds raised from Green Bonds or green financing instruments, the process for selection and allocation of proceeds to green projects and how Ørsted will manage and report on the allocation and impact of its green bonds and financing instruments.

Ørsted's Green Finance Framework is available on Ørsted's website at <https://orsted.com/en/investors/debt/green-financing>.

In addition to this, Ørsted and Ørsted Wind complies to the requirements for use of proceeds and reporting established by the Taipei Exchange in relation to the issuance of NTD denominated bonds in Taiwan.

Pursuant to the International Capital Markets Association's Green Bond Principles 2018 recommendations, Ørsted has engaged CICERO to issue a second-party opinion regarding its Green Finance Framework. The Green Finance Framework, the CICERO Opinion and associated reporting are available on Ørsted's website www.orsted.com.

It is Ørsted's policy to primarily finance the Group's activities out of the Group parent company, Ørsted. However, in relation to entering new markets, Ørsted may to some extent take up local currency debt through a subsidiary, with such debt being backed by an unconditional and irrevocable guarantee of Ørsted (such as, in the case of Ørsted Wind, the Downstream Guarantee) covering all sums expressed to be payable by Ørsted Wind under the Trust Deed, the Guaranteed Notes and any Receipts and Coupons relating to them. Furthermore, in support of the rating of Ørsted Wind, Ørsted has unconditionally and irrevocably guaranteed to any person with whom Ørsted Wind has transacted in the ordinary course of its business (for the purposes of this paragraph, a "**Beneficiary**") all actual or contingent, present or future obligations and liabilities which are due, owed or payable by Ørsted Wind to the Beneficiary.

As a condition for Ørsted providing the parent guarantees and for the purposes of ranking creditors of Ørsted Wind pari passu with the creditors of Ørsted, the shareholder of Ørsted Wind, Ørsted Wind Power Holding A/S, has approved the issuance of an unconditionally and irrevocably guarantee, guaranteeing to any owner or investor in any senior bonds issued by Ørsted under its EUR 7,000,000,000 Debt Issuance Programme and other bond documentation (for the purposes of this paragraph, a "**Beneficiary**") all actual or contingent, present or future obligations and liabilities which are due, owed or payable by Ørsted to the Beneficiary including without limitation all principal, interest, fees, other costs and expenses incurred by the Beneficiary. Furthermore, Ørsted Wind has specifically unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by Ørsted under the Trust Deed, the Guaranteed Notes and any Receipts and Coupons relating to them. Its obligations in that respect are contained in the Trust Deed. The obligations of Ørsted Wind under this guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

In connection with entering into new markets, Ørsted may deviate from its financing strategy and apply non-recourse project financing on a case-to-case basis depending on the risk relating to a project, partner preferences, structuring possibilities or other factors.

As at the end of September 2020, Ørsted's interest-bearing gross debt was DKK 35.9 billion (DKK 49.1 billion including hybrid capital issues), while interest-bearing net debt was DKK 8.2 billion, which compares to DKK 38.5 billion (DKK 51.8 billion including hybrid capital issues) and DKK 12.1 billion, respectively, as at 30 September 2019.

Credit Ratings

Ørsted is rated by Moody's, S&P, Fitch and Taiwan Ratings. As at the date of this Base Prospectus:

Ørsted manages credit exposures in such a way as to facilitate business activities without subjecting itself to unreasonable credit exposure in respect of any individual counterparties. The methodology for calculating credit risk takes into account the risk of non-payment of outstanding receivables from already delivered contracts and a financial element covering current and future replacement costs arising from changes in the market value for contracts not based on floating prices. Future replacements costs are estimated based on an “add-on factor” derived from the historical price volatility of the underlying contract asset type.

Ørsted manages its counterparty credit risk through its Group Credit Risk Policy which, among other things, defines how credit lines are set along with calculation principles for the actual credit exposure. This Policy also establishes roles and responsibilities within Ørsted’s organisation and is designed to ensure that all major credit exposures are monitored at the group-wide level. Ørsted manages credit lines on the basis of its assessment of the counterparty’s creditworthiness. Where counterparties have been rated externally by, among others, Fitch, Moody’s or S&P, these ratings play a significant role in determining the internal rating for such counterparties. Ørsted uses standardised contractual frameworks and credit support provisions (for example, International Swaps and Derivatives Association, Inc. and the European Federation of Energy Traders) for trading in energy and financial markets.

For the management of Ørsted’s credit risk, its trading and financial counterparties are reported on a daily basis, and all significant credit risk exposures are reported on a regular basis to the Executive Risk Committee and the Board of Directors.

Insurable risks

Ørsted’s insurance programme and type of insurance coverage is based on analysis and mapping of risks related to Ørsted’s activities, including factors such as diversification of risks between the business areas, the geographical spread of assets, the likelihood and frequency of events and the likely impact of such events.

A part of the property insurance cover relates to Ørsted’s membership in the mutual insurance company, Oil Insurance Ltd. Through this membership, Ørsted is insured up to a limit of **USD 400 million** with a deductible amount of **USD 10 million** for each occurrence resulting in damage to assets. In addition to the cover afforded by Oil Insurance Ltd., Ørsted is covered through separate policies designed to ensure adequate insurance coverage for all operational and construction assets. This additional coverage comprises of specific insurance policies established through Lloyd’s of London and other markets.

Ørsted is not insured for business interruption. Ørsted’s risk relating to business interruption is diversified between the various business areas, the geographical spread of assets as well as the introduction of partnerships. Furthermore, the frequency and likelihood for worst-case scenario business interruption losses are considered low.

With a view to optimising the insurance portfolio and managing the property insurance with Oil Insurance Ltd., among others, a subsidiary, Ørsted Insurance A/S, has been established. Ørsted Insurance A/S is reinsured by many reinsurers including Oil Insurance Ltd.

Oil Insurance Ltd. is a mutual insurance company rated A (stable) by S&P and A2 (stable) by Moody’s. In addition to the reinsurance protection, the captive is also protected by a stop loss insurance to limit the potential exposure to the captive in case of frequency losses and claims on the property onshore insurance. Ørsted Insurance A/S is subject to supervision by the Danish Financial Supervisory Authority.

Legal Proceedings

Elsam

Ørsted is engaged in competition disputes relating to Danish wholesale power prices which could have a significant effect on the Group's financial position or profitability.

Ørsted has been party to actions with the competition authorities relating to their claim that the former Elsam A/S ("Elsam"), now part of the Group, infringed competition law by charging excessive prices in the Danish wholesale power market in the period 1 July 2003 to 31 December 2006. These cases have now been closed as follows:

- For the period 1 July 2003 to 31 December 2004 the parties have - following the ruling described in the next paragraph - settled the case in favour of Elsam agreeing that investigation made by the competition authorities has not proved that Elsam's behaviour in this period constituted an infringement of competition law.
- For the period 1 January 2005 to 30 June 2006 the High Court of Western Denmark has ruled – in May 2018 - in favour of Elsam finding that the investigation made by the competition authorities has not proved that Elsam's behaviour in this period constituted an infringement of competition law.
- For the period 1 July 2006 to 31 December 2006 the Competition Appeals Tribunal has abrogated - in March 2008 - a similar finding of excessive pricing from the Danish Competition Council and referred it back to the Council. This decision was based on the finding that the Danish Competition Council had not proved that Elsam's behaviour in this period constituted an infringement of competition law. Based on the public statements from the Council it does not seem likely that they will initiate a new investigation.

In connection with the competition authorities' original claim that Elsam infringed competition law, a number of power consumers filed a claim with the Maritime and Commercial Court for compensation against Ørsted or instead of filing a claim entered into agreements with Ørsted to suspend the statutory limitation of their alleged claims. The biggest claim filed so far is by a group of power consumers claiming compensation which at the moment is calculated as an amount of up to DKK 4,405 million with the addition of interest from the date of the individual payments of allegedly excessive prices until settlement of the claim. i.e. in the period from 1 July 2003 and until a final non-appealable decision has been made by the courts and the amount has been finally paid. The plaintiffs' claim for interest can therefore exceed any damages which may be awarded to the plaintiffs including the aggregate primary claim of DKK 4,405 million. In a ruling by the Maritime and Commercial Court from March 2020 Elsam was acquitted from the claim, but the plaintiffs have appealed the ruling.

Material Contracts

The following is a summary of material contracts, other than contracts in the ordinary course of business, into which Ørsted or any of its subsidiaries have entered, which contain obligations or entitlements that are material to Ørsted as at the date of this Base Prospectus. In the course of its ordinary business, Ørsted enters into contracts which have obligations or entitlements that are material to the Group. Amongst these contracts entered into in the ordinary course of its business is, for example, agreements entered into as part of the offshore wind partnerships (share purchase agreements, shareholders' agreements, construction agreements, O&M agreements and Power Purchase Agreements), heat agreements entered into in connection with the conversion of our CHP plants to biomass and long term gas purchase contracts. Certain of such contracts, including agreements entered into in relation to our offshore wind farm partnerships, contain provisions relating to change-of-control events, pre-emption rights, transfer restrictions or buy-back arrangements related to specific

Officer. Prior to joining Ørsted, Martin Neubert held various positions with Bain Capital, Ernst & Young and Arthur Andersen.

Anders Lindberg has been a member of Ørsted’s Group Executive Management since February 2018 and is responsible for the Offshore EPC and QHSE organization. Anders Lindberg holds an engineering degree and an executive MBA. Prior to joining Ørsted in 2015, Anders Lindberg served as President for three different global business units of Bombardier Transportation and before that held various functions in ABB Traction AB.

Declan Flanagan has been a member of Ørsted’s Group Executive Management since December 2019 and is responsible for Ørsted’s Onshore business unit. Declan Flanagan holds a Bachelor of Science in Environmental Science from National University of Ireland, Galway and an MBA from Kellogg School of Management, Northwestern University, US. Prior to joining Ørsted in 2018, Declan Flanagan founded Lincoln Clean Energy in 2009 and was the CEO hereof. Before founding Lincoln Clean Energy, Declan Flanagan was CEO of E.On Climate and Renewables North America and Airtricity North America.

Statement on Conflicts of Interest

No actual or potential conflicts of interest exist with respect to the duties of any member of the Board of Directors or Executive Committee towards Ørsted and their private interests and/or duties to other persons.

Corporate Governance

As a listed company, Ørsted assess the Recommendations for Corporate Governance prepared by the Danish Committee on Corporate Governance. Ørsted has consequently elected to comply with these recommendations. The Board of Directors of Ørsted review the corporate governance recommendations annually based on best practice.

Board Practices

Audit & Risk Committee

After Ørsted’s annual general meeting, the Board of Directors of Ørsted appoints members to the Audit & Risk Committee.

The Audit & Risk Committee assists the Board of Directors of Ørsted in overseeing the financial reporting process, financial and business-related risks, internal controls and compliance with statutory and other requirements from public authorities. Moreover, the Audit & Risk Committee decides the framework for the work of Ørsted’s external and internal auditors, evaluates the auditor’s independence and qualifications as well as monitoring Ørsted’s whistle-blower scheme.

As at the date of this Base Prospectus, the Audit & Risk Committee members are Dieter Wemmer (Chairman), Peter Korsholm, and Jørgen Kildahl.

Selected Financial Information

The following tables set out selected financial information concerning Ørsted’s assets and liabilities, financial position and profits and losses as at the dates and for the periods specified therein:

Table 6: Consolidated Income Statement (Business Performance)

	FY2018 ⁽¹⁾	FY 2019 ⁽¹⁾	Q3 2019 ⁽²⁾	Q3 2020 ⁽²⁾
			<i>(DKK million)</i>	
Revenue	76,946	67,842	15,481	10,041
EBITDA	30,029	17,484	4,116	3,360

	FY2018 ⁽¹⁾	FY 2019 ⁽¹⁾	Q3 2019 ⁽²⁾	Q3 2020 ⁽²⁾
	<i>(DKK million)</i>			
Operating profit (EBIT).....	24,654	10,052	2,435	1,265
Profit before tax.....	23,504	8,856	2,368	12,124
Profit (loss) for the period continuing operations.....	19,486	6,100	1,443	12,016
Profit (loss) for the period discontinued operations.....	10	(56)	34	18
Profit (loss) for the period.....	19,496	6,044	1,477	12,034

Note:

(1) Source: Audited consolidated annual financial statements of Ørsted as at and for the financial year ended 31 December 2019.

(2) Source: Unaudited Interim financial report of Ørsted first nine months 2020.

Table 7: Consolidated Income Statement IFRS

	FY2018 ⁽¹⁾	FY 2019 ⁽¹⁾	Q3 2019 ⁽²⁾	Q3 2020 ⁽²⁾
	<i>(DKK million)</i>			
Revenue.....	75,520	70,398	14,543	8,762
EBITDA.....	28,491	19,020	3,328	2,455
Operating profit (EBIT).....	23,116	11,588	1,647	360
Profit before tax.....	21,966	10,392	1,580	11,219
Profit (loss) for the period continuing operations.....	18,266	7,291	822	11,311
Profit (loss) for the period discontinued operations.....	10	(56)	34	18
Profit (loss) for the period.....	18,276	7,235	856	10,329

Notes:

(1) Source: Audited consolidated annual financial statements of Ørsted as at and for the financial year ended 31 December 2019.

(2) Source: Unaudited Interim financial report of Ørsted first nine months 2020.

Table 8: Consolidated Balance Sheet as at 30 September 2019

	FY2018 ⁽¹⁾	FY 2019 ⁽¹⁾	Q3 2019 ⁽²⁾	Q3 2020 ⁽²⁾
	<i>(DKK million)</i>			
<i>Assets</i>				
Intangible assets.....	777	672	590	581
Property, plant and equipment	84,055	106,013	100,158	116,057
Other non-current assets.....	7,986	9,274	8,447	12,502
Non-current assets.....	92,818	115,959	109,195	129,140

	FY2018⁽¹⁾	FY 2019⁽¹⁾	Q3 2019⁽²⁾	Q3 2020⁽²⁾
<i>Assets</i>				
			<i>(DKK million)</i>	
Current assets.....	66,534	59,949	69,516	63,233
Asset classified as held for sale	15,223	16,952	15,810	2,194
Assets.....	174,575	192,860	194,521	194,567

Notes:

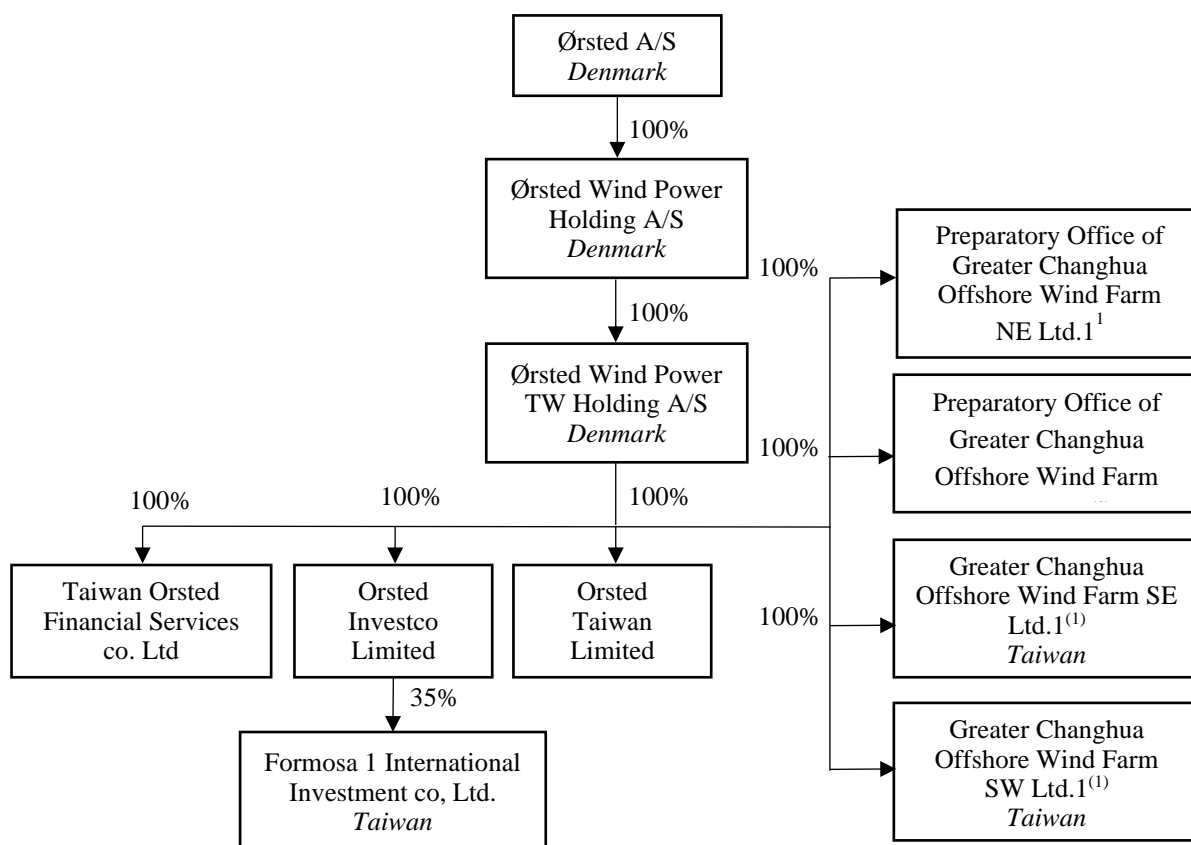
- (1) Source: Audited consolidated annual financial statements of Ørsted as at and for the financial year ended 31 December 2019.
- (2) Source: Unaudited Interim financial report of Ørsted first nine months 2020.

	FY2018⁽¹⁾	FY 2019⁽¹⁾	Q3 2019⁽²⁾	Q3 2020⁽²⁾
<i>Equity and Liabilities</i>				
			<i>(DKK million)</i>	
Equity attributable to the equity holders of Ørsted A/S	68,488	73,082	70,977	80,450
Equity	85,115	89,562	87,369	96,472
Non-current liabilities.....	49,673	64,995	63,964	65,329
Current liabilities	34,936	29,471	38,197	30,197
Liabilities associated with assets classified as held for sale	4,851	8,832	4,991	2,569
Liabilities.....	84,609	94,466	102,161	95,526
Equity and liabilities	174,575	192,860	194,521	194,567

Notes:

- (1) Source: Audited consolidated annual financial statements of Ørsted as at and for the financial year ended 31 December 2019.
- (2) Source: Unaudited Interim financial report of Ørsted first nine months 2020.

Figure 1: Ørsted Wind’s principal subsidiaries



Note:

- (1) Project holding companies may be inserted between Ørsted Wind and the Changhua project companies.

Business Overview

Ørsted Wind was incorporated on 4 July 2014 as a holding company for the Ørsted Group’s offshore wind power activities in Taiwan which includes the commercial development of the Group’s offshore wind power activities in the Association of Southeast Asian Nations (“ASEAN”) region.

The current commercial activities in the region comprises the construction of the 100 per cent. owned 900 MW Changhua 1 and 2a offshore wind projects in Taiwan. The FID on these projects were taken by Ørsted on 30 April 2019 following the Taiwanese Ministry of Economic Affairs approval of Ørsted’s local supply chain plan and the entering into of a cPPA with Taiwan Power Company at the feed-in-tariff level announced on 30 January 2019.

Ørsted has also been awarded the 920 MW Changhua 2b and 4 projects in Taiwan, which are planned to be constructed in 2023-2025 pending FID, which is planned for 2023. It is Ørsted Wind’s expectation to participate with its remaining approximately 600 MW Greater Changhua 3 project in future auction rounds for new offshore wind projects in Taiwan.

A process is currently ongoing to divest up to 50 per cent of the 600 MW Changhua 1 project to long-term investors. Furthermore, Ørsted Wind may also decide to onboard joint venture partners into its other Changhua projects at a later stage.

Furthermore, Ørsted has a 35 per cent. owner stake in the Formosa 1 project for which the 8 MW first phase of the project commenced operation in April 2017 and phase two comprising 120 MW commenced operation in December 2019. The Formosa 1 project is owned together with JERA, a joint venture between Tepco FP and Chubu Electric Power Company, (32.5 per cent.), Macquarie Capital (25 per cent.) and Swancor Renewable Energy (7.5 per cent.).

Ørsted Taiwan Limited serves as Ørsted Wind's service company for the development activities in ASEAN and the construction activities in Taiwan. As such, Ørsted Taiwan Limited provides Engineering, Procurement and Construction contractor and operations and management services to Ørsted Wind's Changhua projects, which means, amongst other, that project procurement activities and Ørsted's engineering services is handled, delivered and rendered to the projects through Ørsted Taiwan Limited.

As at the end of September 2020, Ørsted Taiwan Limited employed 120 full-time employees.

For further information on Ørsted Wind's activities in Taiwan - see the subsection "*Segments, Offshore*" under Ørsted A/S in the base prospectus.

Recent Developments

In July 2020, Ørsted and TSMC, the world's largest semiconductor foundry based in Taiwan, signed the world's largest-ever renewables cPPA where TSMC will offtake the full production from the 920 MW Greater Changhua 2b & 4 Offshore Wind Farms for 20 years.

Ørsted Wind's strategic playing field

The Ørsted Group's strategy for developing, constructing and owning offshore wind assets in Taiwan and developing offshore wind activities in the ASEAN region in general is carried out through Ørsted Wind and its subsidiaries – see the subsection "*Strategic direction and priorities*" under Ørsted A/S in the base prospectus.

Finance and Liquidity

Funding of Ørsted Wind investments

Ørsted Wind's expected capital investments in Taiwan currently comprise the four Changhua projects and the Formosa 1 project, where the total estimated capital need for the Changhua 1 and 2a projects alone is expected to amount to NTD 165 billion. In the event that a partner is brought into a project, Ørsted Wind's part of the capital investments would be reduced.

The capital investments planned for the Ørsted Wind group is intended to be covered by capital provided by the Group and by raising NTD financing in Taiwan. The NTD financing is mainly expected to be in the form of green bonds issued in the Taiwanese capital market which will be covered by the Guarantee. Capital provided to Ørsted Wind from the Group is expected to mainly be provided as share capital.

Ørsted Wind through its whole-owned subsidiary Taiwan Ørsted Financial Services Co. Ltd., has entered into a NTD 25 billion green revolving credit facility with a syndicate of mainly domestic Taiwanese banks. The facility expires in June 2024. The facility is applied for financing construction costs relating to Ørsted Wind's Taiwanese projects, with an intended long-term refinancing in the NTD green bond market, and also serves NTD liquidity reserve purposes.

It is expected that up to 50 per cent. of Ørsted Wind's capital investment in Taiwan will be covered by local NTD debt.

Ørsted Wind will provide capital to its Taiwanese projects and subsidiaries through the injection of share capital and shareholder loans.

Guarantees

The Guarantor has unconditionally and irrevocably guaranteed to any person with whom Ørsted Wind has transacted in the ordinary course of its business (for the purposes of this paragraph, a “**Beneficiary**”) all actual or contingent, present or future obligations and liabilities which are due, owed or payable by Ørsted Wind to the Beneficiary. Furthermore, the Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by Ørsted Wind under the Trust Deed, the Guaranteed Notes and any Receipts and Coupons relating to them. Its obligations in that respect (the “**Guarantee**”) are contained in the Trust Deed. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

As a condition for Ørsted providing the parent guarantee and for the purposes of ranking creditors of Ørsted Wind pari passu with the creditors of Ørsted, the shareholder of Ørsted Wind, Ørsted Wind Power Holding A/S, has approved the issuance of an unconditional and irrevocable guarantee, guaranteeing to any owner or investor in any senior bonds issued by Ørsted under its EUR 7,000,000,000 Debt Issuance Programme and other bond documentation (for the purposes of this paragraph, a “**Beneficiary**”) all actual or contingent, present or future obligations and liabilities which are due, owed or payable by Ørsted to the Beneficiary including without limitation all principal, interest, fees, other costs and expenses incurred by the Beneficiary. Furthermore, Ørsted Wind has specifically unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by Ørsted under the Trust Deed, the Notes and any Receipts and Coupons relating to them. Its obligations in that respect are contained in the Trust Deed. The obligations of Ørsted Wind under this guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4 (Negative Pledge) of the Terms and Conditions relating to Notes (other than NTD Notes), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Liquidity and cash position

As a subsidiary of the Group, Ørsted Wind is covered by the liquidity reserve requirements and policies defined and established by the Ørsted Group – see the subsection “Finance and Liquidity, Liquidity and cash position” under Ørsted A/S in the base prospectus.

As at 30 September 2020, Ørsted Wind had cash receivables against Ørsted in an amount of DKK 3,032.9 million (EUR 407.5 million). Through its subsidiary, Taiwan Orsted Financial Services Co. Ltd., Ørsted Wind also has access to Taiwanese Dollars liquidity reserves through the 5-year NTD 25 billion Green Revolving Loan Facility. As of end October 2020, NTD 20.0 billion remains undrawn and available. Cash positions with Ørsted Wind will generally be deposited with Ørsted through the Group’s cash pool arrangement with banks. NTD cash positions in Ørsted Wind’s Taiwanese subsidiaries will be deposited with banks in Taiwan.

Credit Ratings

As at the date of this prospectus, Taiwan Rating Corp. has assigned Ørsted Wind a long-term issuer credit rating of twAA (stable outlook). Taiwan Rating Corp. is a subsidiary of S&P¹⁴.

¹⁴ Taiwan Rating defines twAA for issuer’s as follows: An obligor rated “twAA” differs from the highest rated obligors (twAAA) only to a small degree and has very strong capacity to meet its financial commitments relative to other Taiwanese obligors. The issuer credit rating is a forward-looking opinion about the overall capacity of a debt issuer, guarantor, or other provider of credit-enhancement (“obligor”) to meet its financial obligations relative to other obligors in the Taiwanese domestic financial markets.

Kasper Holst Skyttegaard-Nielsen makes up the executive management of Ørsted Wind and is a registered manager of the Issuer with the Danish Business Authority.

Besides the executive management, Ørsted Wind has no direct employees.

Statement on Conflicts of Interest

No actual or potential conflicts of interest exist with respect to the duties of any member of the Board of Directors or Executive Management towards Ørsted Wind and their private interests and/or duties to other persons.

Corporate Governance

As a subsidiary of the Ørsted Group, Ørsted Wind is subject to and covered by the corporate governance practices and policies of the Ørsted Group – see the subsection “Management, Corporate governance” under Ørsted A/S in the base prospectus.

Selected Financial Information

The following tables set out selected financial information concerning Ørsted Wind’s assets and liabilities, financial position and profits and losses as at the dates and for the periods specified therein:

Table 1: Ørsted Wind – Parent Company Income Statement (Danish GAAP)

Income	FY 2018 ⁽¹⁾	FY 2019 ⁽¹⁾	Q3 2019 ⁽²⁾	Q3 2020 ⁽²⁾
			(DKK million)	
EBIT	(0)	(0)	0	-1
Profit/loss before tax.....	(1)	(30)	3	64
Profit/loss for the year/period	(1)	(31)	2	50

Notes:

(1) Source: Audited annual report of Ørsted Wind for the financial year ended 31 December 2019.

(2) Source: Unaudited Interim financial report of Ørsted Wind first nine months 2020.

Table 2: Ørsted Wind - Parent Company Balance Sheet (Danish GAAP)

Assets	FY 2018 ⁽¹⁾	FY 2019 ⁽¹⁾	Q3 2019 ⁽²⁾	Q3 2020 ⁽²⁾
			(DKK million)	
Investments in subsidiaries	276	1,587	512	11,042
Other non-current assets	0	0	0	0

Assets	FY 2018⁽¹⁾	FY 2019⁽¹⁾	Q3 2019⁽²⁾	Q3 2020⁽²⁾
			(DKK million)	
Receivables from group enterprises.....	5	8,310	2,271	3,033
Assets.....	281	9,902	2,783	14,078
Equity and Liabilities	FY 2018⁽¹⁾	FY 2019⁽¹⁾	Q3 2019⁽²⁾	Q3 2020⁽²⁾
			(DKK million)	
Share capital	1	7,276	2,776	7,277
Equity	281	7,250	2,783	7,333
Bonds issued.....	0	2,644	0	2,607
Payables to group enterprises	0	0	0	4,095
Equity and liabilities	281	9,901	2,783	14,078

Notes:

(1) Source: Audited annual report of Ørsted Wind for the financial year ended 31 December 2019.

(2) Source: Unaudited Interim financial report of Ørsted Wind first nine months 2020.

Auditors of Ørsted Wind

The auditors of Ørsted Wind for 2019 and 2018 were PwC (authorised by the Danish Commerce and Companies Agency and regulated by the Danish Auditors Act and otherwise by the laws of the Kingdom of Denmark). PwC have audited the parent company financial statements of Ørsted Wind as at and for the financial years ended 31 December 2019 and 31 December 2018 in accordance with the Danish Financial Statements Act and additional requirements under Danish audit regulation. PwC has issued an unqualified auditors' report without emphasis of matter on such parent company financial statements. PwC has no financial interest in Ørsted.