

Ørsted Wind Power TW Holding A/S

Annual report for 2022

CVR no. 36 03 57 81

(9th Financial year)

Adopted at the annual general meeting on 8 March
2023

Jeppe Skov Andersen
chairman

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Statement by management on the annual report

The board of directors and the executive board have today discussed and approved the annual report of Ørsted Wind Power TW Holding A/S for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved at the annual general meeting.

Skærbæk, 1 February 2023

Executive board

Casper Holme Moe
Director

Board of Directors

Lars Brinch Danielsen
chairman

Per Mejnert Kristensen
deputy chairman

Richard Spencer Karlsen

Independent auditor's report

To the shareholder of Ørsted Wind Power TW Holding A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 december 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Ørsted Wind Power TW Holding A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial statements Act. We did not identify any material misstatement in Management's Review.

Independent auditor's report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 1 February 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Anders Stig Lauritsen
State Authorised Public Accountant
MNE no. mne32800

Company details

The company	<p>Ørsted Wind Power TW Holding A/S Kraftværksvej 53 Skærbæk 7000 Fredericia</p> <p>Telephone: +45 99 55 11 11</p> <p>Website: www.orsted.com</p> <p>CVR no.: 36 03 57 81</p> <p>Reporting period: 1 January - 31 December 2022 Financial year: 9th financial year</p> <p>Domicile: Fredericia</p>
Board of Directors	<p>Lars Brinch Danielsen, chairman Per Mejnert Kristensen, deputy chairman Richard Spencer Karlsen</p>
Executive board	<p>Casper Holme Moe</p>
Auditors	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup</p>
Consolidated financial statements	<p>The company is included in the consolidated financial statements of the parent company Ørsted A/S, Fredericia, CVR no. 36 21 37 28</p> <p>The Group Annual Report of Ørsted A/S, Fredericia, CVR no. 36 21 37 28 can be obtained at the following address:</p> <p>www.orsted.com/en/investors/ir-material/financial-reports-and-presentations</p>

Management's review

Business review

The purpose of the company is to hold shares in subsidiaries.

Description of significant changes in the company's business and financial conditions

The company is still financing its activities, through subsidiaries, by issuing bonds in Taiwan. No further bonds have been issued during 2022.

The company has achieved a corporate rating with Taiwan Rating. The rating is twAA and covers the company's activities in Taiwan. The rating is based on credit support provided by Ørsted A/S in the form of a general parent company guarantee, covering all the company's actual or contingent, present or future obligations and liabilities undertaken by the company in the ordinary course of its business.

The company has made share transfer of 50% for each of the following entities:

Greater Changhua NE Holdings Ltd. of TDKK 1,702

Xu Feng 1 Holdings Ltd. of TDKK 908

Xu Feng 2 Holdings Ltd. of TDKK 908

Xu Feng 3 Holdings Ltd. of TDKK 908

The total of TDKK 4,424 is presented under investments in subsidiaries.

Accounting policies

The annual report of Ørsted Wind Power TW Holding A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as selected rules applying to reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2022 is presented in TDKK.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Other external expenses

Other external expenses include expenses related to administration etc.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Profit/loss from investments in subsidiaries

Dividend from investments is recognised in the reporting year in which the dividend is declared, and gain/loss on sale of ownership interest are presented as profit/loss from investments in subsidiaries.

Dividend from participating interests is recognised in the financial year in which the dividend is declared.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Ørsted Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed Danish entities in proportion to their taxable income. Danish entities with tax losses receive joint taxation contributions from the ultimate parent company (the management company), Ørsted A/S equivalent to the tax base of the tax losses utilised (full allocation), while Danish entities that utilise tax losses in other entities pay joint taxation contributions to the Ørsted A/S equivalent to the tax base of the utilised losses.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Investments in subsidiaries

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Where the parent company has a legal or constructive obligation to cover the companies' negative balances or obligations, such obligation is recognised in liabilities.

Accounting policies

Impairment of fixed assets

The carrying amount of investments in subsidiaries is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made if the recoverable amount is lower than the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables, which include trade receivables, receivables from group entities and other receivables, are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Accounting policies

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Bond loans are measured at amortised cost, which corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing. Transaction costs incurred in connection with issue of bond loans are capitalized and amortized over the duration of the bond loans.

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

Income statement 1 January - 31 December

	Note	2022 TDKK	2021 TDKK
Revenue		0	0
Other external expenses		-135	-1.212
Gross profit		-135	-1.212
Staff costs	1	0	0
Profit/loss before net financials		-135	-1.212
Income from investments in subsidiaries	2	595.007	3.268.118
Financial income	3	1.047.799	692.255
Financial costs	4	-805.524	-937.963
Profit/loss before tax		837.147	3.021.198
Tax on profit/loss for the year	5	-156.731	45.766
Profit/loss for the year		680.416	3.066.964

Distribution of profit

Retained earnings		680.416	3.066.964
		680.416	3.066.964

Balance sheet 31 December

	Note	2022 TDKK	2021 TDKK
Assets			
Investments in subsidiaries	6	6.923.019	5.390.192
Receivables from subsidiaries		9.236.230	0
Fixed asset investments		16.159.249	5.390.192
Total non-current assets		16.159.249	5.390.192
Receivables from group companies	7	7.579.688	12.691.419
Other receivables		0	2.417
Deferred tax asset	8	6.445	948
Corporation tax		0	53.826
Receivables		7.586.133	12.748.610
Cash at bank and in hand		151.589	26.556
Total current assets		7.737.722	12.775.166
Total assets		23.896.971	18.165.358

Balance sheet 31 December

	Note	2022 TDKK	2021 TDKK
Equity and liabilities			
Share capital		7.275.603	7.275.603
Retained earnings		3.829.817	3.149.401
Equity	9	11.105.420	10.425.004
Bonds		6.107.075	6.363.232
Payables to group companies		72.545	75.602
Other payables		1.094.665	1.213.416
Total non-current liabilities	10	7.274.285	7.652.250
Trade payables		0	14
Payables to group companies		5.374.315	244
Corporation tax		83.252	0
Other payables		59.699	87.846
Total current liabilities		5.517.266	88.104
Total liabilities		12.791.551	7.740.354
Total equity and liabilities		23.896.971	18.165.358
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January 2022	7.275.603	3.149.401	10.425.004
Net profit/loss for the year	0	680.416	680.416
Equity at 31 December 2022	7.275.603	3.829.817	11.105.420

Notes

	2022 TDKK	2021 TDKK
1 Staff costs		
Average number of employees	<u>1</u>	<u>1</u>
The executive board and board of directors have not been paid remuneration.		
2 Income from investments in subsidiaries		
Gain and loss on disposal of enterprises	134.547	3.268.118
Dividends	<u>460.460</u>	<u>0</u>
	<u>595.007</u>	<u>3.268.118</u>
3 Financial income		
Interest received from group companies	280.687	101.211
Other financial income	23	29
Exchange gains	<u>767.089</u>	<u>591.015</u>
	<u>1.047.799</u>	<u>692.255</u>
4 Financial costs		
Financial expenses, group companies	63.520	16.178
Other financial costs	105.372	68.565
Exchange loss	<u>636.632</u>	<u>853.220</u>
	<u>805.524</u>	<u>937.963</u>

Notes

	2022 TDKK	2021 TDKK
5 Tax on profit/loss for the year		
Current tax for the year	130.905	-45.270
Deferred tax for the year	-381	-496
Adjustment of tax concerning previous years	31.323	452
Adjustment of deferred tax concerning previous years	-5.116	-452
	156.731	-45.766
6 Investments in subsidiaries		
Cost at 1 January 2022	5.424.327	11.041.665
Additions for the year	1.537.252	18.378
Disposals for the year	-4.425	-5.635.716
Cost at 31 December 2022	6.957.154	5.424.327
Revaluations at 1 January 2022	-34.135	-34.135
Revaluations at 31 December 2022	-34.135	-34.135
Carrying amount at 31 December 2022	6.923.019	5.390.192
7 Receivables from group companies		

The company's receivables from group companies includes TDKK 1,552,227 in a cash pool scheme with the ultimate parent company, Ørsted A/S (2021: TDKK 6,174,552).

Receivables of TDKK 9,236,230 is a long term loan which is due in 2040, 2042 and 2043.

Notes

	2022 TDKK	2021 TDKK
8 Provision for deferred tax		
Provision for deferred tax at 1 January 2022	948	0
Deferred tax recognised in income statement	381	496
Adjustment previous years	5.116	452
Provision for deferred tax at 31 December 2022	6.445	948
Provisions for deferred tax on:		
Borrowing costs	-1.424	-948
Tax loss carry-forward	-5.021	0
Transferred to deferred tax asset	6.445	948
Deferred tax asset		
Calculated tax asset	6.445	948
Carrying amount	6.445	948

9 Equity

The share capital consists of 7.275.603 shares of a nominal value of TDKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2022 TDKK	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK
Share capital at 1 January 2022	7.275.603	7.275.603	7.275.603	503	502
Additions for the year	0	0	0	7.275.100	1
Share capital	7.275.603	7.275.603	7.275.603	7.275.603	503

Notes

10 Long term debt

	Debt at 1 January 2022	Debt at 31 December 2022	Instalment next year	Debt outstanding after 5 years
	TDKK	TDKK	TDKK	TDKK
Bonds	6.363.232	6.107.075	0	4.267.075
Payables to group companies	75.602	72.545	0	0
Other payables	1.213.416	1.094.665	0	601.105
	<u>7.652.250</u>	<u>7.274.285</u>	<u>0</u>	<u>4.868.180</u>

Other payables comprise expenses in connection with divestment of subsidiary.

Bonds of TWD 4 billion which mature 19 November 2026 (issued 2019)

Bonds of TWD 4 billion which mature 13 November 2027 (issued 2020)

Bonds of TWD 3 billion which mature 13 November 2030 (issued 2020)

Bonds of TWD 8 billion which mature 19 November 2034 (issued 2019)

Bonds of TWD 8 billion which mature 13 November 2040 (issued 2020).

Fee in connection with the issue of the bonds are capitalized and will be amortised over the duration of the bonds.

Notes

11 Contingent assets, liabilities and other financial obligations

Liability in joint taxation

The Ørsted Group's Danish companies are jointly and severally liable for tax on the Ørsted Group's jointly taxed income. Reference is made to the Annual Report for Ørsted A/S, the company responsible for the administration of the joint taxation arrangement. The Ørsted Group's Danish companies are also jointly and severally liable for Danish withholding taxes on dividends, royalties and interests within the Ørsted group of jointly taxed entities. Any subsequent corrections to income and withholding taxes may result in an increase in the entities' liability.

The Ørsted Group's Danish companies are jointly and severally liable for their joint VAT registration.

Guarantees

In view of the parent company guarantee provided by Ørsted A/S (see Management's review) and for the purposes of ranking creditors of the company pari passu with the creditors of Ørsted A/S, the company has formally decided to provide a guarantee covering all of Ørsted A/S' actual or contingent, present or future payment obligations and liabilities undertaken by Ørsted A/S in relation to any senior bonds issued by it under its Debt Issuance Programme listed on Luxembourg Stock Exchange or other bond documentation.

Furthermore, in relation to the incorporation of the company as an issuer under Ørsted A/S Debt Issuance Programme from 4 November 2019, the company will guarantee the due payment of all sums expressed to be payable by Ørsted A/S in relation to any future bonds issued under the programme and any successive program incorporating the company as issuer. The company's obligation in that respect will be contained in the trust deeds relating to the relevant Debt Issuance Programme.

The company's obligations under these upstream guarantees will at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Notes

12 Related parties and ownership structure

Controlling interest

Ørsted Wind Power Holding A/S, Kraftværksvej 53, 7000 Fredericia (parent company)

Other related parties

Ørsted A/S (ultimate parent company)

The Danish State represented by the Ministry of Finance

Group companies and associates

Board of directors, executive board and senior employees

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Ørsted Wind Power Holding A/S