The Energy Island in the North Sea
Teaser for potential investors

October 2022
Investment highlights

The Energy Island in the North Sea

3 GW by 2033
10 GW by ~2040

Active partnership
An active partnership with the flexibility to bid on projects in the North Sea and optimize business opportunities.

Early entry
Early entry into Europe’s new “green power plant” with opportunities to shape design and business decisions.

First mover
Ability to leverage first-mover advantage for future islands gaining invaluable know-how into one of the first of many islands.

Long-term investment
Large, green investment with an investment horizon longer than most infrastructure investments.

Strong project fundamentals
Strong national and international support and attractive location for offshore wind.

Secured cash flow
Availability-based secured cash flow from Danish TSO provides investors high predictability and low risk.

Flexible concept
Technological flexibility helps future-proof the island as later platform additions can be tailored to tomorrow’s technological solutions.
Energy islands – the future of large-scale offshore wind power

The political vision for the two Danish energy islands

The energy islands will help "lead the way for Denmark to become a global leader within renewable energy and support an ambitious, green transition of conventional industries."

- The decision to establish two energy islands was reached under the climate agreement of 22 June 2020.
- In February 2021, the same parties agreed that the energy island in the North Sea would be built as an artificial island.
- The agreement was entered into by the Danish Government and a clear majority of political parties.
- Additionally, it was agreed that the Danish State would be a majority owner of the island and tender out the minority partnership stake.
Energy islands – hubs for large-scale power distribution

**What is an energy island?**

- An energy island serves as a hub for connecting and distributing power from the surrounding offshore wind farms (OWF).
- An energy island can thus pool the power from multiple OWF and transmit this directly to several countries. This represents a change from the previous philosophy of building isolated OWF with a power connection to one country only.

**Where will Denmark’s first artificial energy island be located?**

- The energy island in the North Sea will be an artificial island planned to be built approximately 80 km off the coast of Thorsminde, a town on the coast of western Jutland.
- The energy island in the North Sea is expected to have an initial capacity to serve **3 GW** of offshore wind and later reach full capacity at **10 GW**.
- The energy island in the North Sea will be one of the **first** of several hubs in the North Sea, as investments in offshore wind energy in the North Sea is expected to increase significantly in the coming years.

Sources: Climate Agreement of 22 June 2020
Strong project fundamentals and ideal location

The case for building an energy island in the North Sea

- Denmark believes that the artificial energy island will be a game-changing concept that will represent a new method to harvest the enormous offshore wind potential in the North Sea.
- Sites close to shore are limited, pushing offshore wind projects further out at sea and driving cabling costs higher. However, connecting OWF to a central hub can minimize the use of individual connections and thus reduce costs.
- Concentrating offshore wind around an island hub enables connection and interconnection capacity at scale.
- Creating a hub enables wind farms to be placed further out at sea, thereby decreasing the “not in my back yard” effect and nuisance for the general public.
- OWF offer higher speed of wind at a greater consistency relative to onshore wind farms, making offshore wind turbines more effective and reliable energy producers than their onshore counterparts.
- The scale of production means some electricity can be used for Power-to-X (PtX), e.g. fueling ships and planes with green energy, and for other fuel/energy consumers.

Sources: Global Wind Atlas

Ideal seabed, depth and proximity to a high-caliber service port

- Preliminary analyses show that the island will be placed in an area with seabed dominated by sand, gravel and coarse sand providing a good seabed for OWF. In addition, the area’s complex geology is being further investigated (multiple reports published).
- The area is also characterized by relatively shallow waters, which should lower construction costs.
- Proximity to the port of Esbjerg, one of the leading ports within the construction and operation of offshore wind projects.

The North Sea offers great wind conditions

- The North Sea offers some of the greatest wind conditions in the world for offshore wind energy.
- Generally, the North Sea is dominated by areas with wind speeds above 10 m/s.
- In the proposed area in the North Sea, the mean wind speed is approximately 10.5 m/s.
- The combination of consistently high wind speeds, shallow waters and easy-to-work-with seabed makes the North Sea and the proposed area for the energy island a highly attractive proposition.
Pioneering the North Sea as Europe’s green power plant

**The energy island in the North Sea will serve both Danish and European interests and consumers**

- The North Sea will become **Europe’s new green power plant** for replacing fossil fuels and providing security of energy supply.
- The Danish island will be one of the **first** hubs of the North Sea’s future energy system.
- The island’s connected OWF will initially produce the annual electricity demand of 3m households, which will increase up to 10m households when the island reaches full capacity, thereby ensuring a great surplus capacity for **exports or hydrogen conversion**.

**Large renewable capacity will contribute to EU’s energy transition**

- Belgium, Denmark, Germany and the Netherlands have agreed to jointly develop an offshore renewable energy system connecting all four countries and possibly other future partners.
- Excess electricity can be stored or transformed into new energy forms, e.g. PtX for green fueling of ships.
- The island kicks off the plans for the North Sea to deliver 50% of the required capacity for the EU to become carbon neutral.

**The Esbjerg Declaration** commits the above four countries to the North Sea plan.

- Agreement between Belgium, Denmark, Germany and the Netherlands for the North Sea to become EU’s “green power plant”.
- Combined targets of 65 GW offshore wind by 2030, and 150 GW by 2050.
- The declaration explicitly mentions energy hubs as a major component in reaching the set targets.

Sources: Danish Ministry of the State, European Commission, The Esbjerg Declaration, Financial Times, and Finans
<table>
<thead>
<tr>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Introduction</strong></td>
</tr>
<tr>
<td><strong>Technicals and economics</strong></td>
</tr>
<tr>
<td><strong>An attractive partnership</strong></td>
</tr>
<tr>
<td><strong>Next steps</strong></td>
</tr>
</tbody>
</table>
A flexible and scalable technical concept

A technical concept for today and tomorrow

- The island will be constructed as a “flexible island,” which provides technological flexibility and helps future-proof it as later platform additions can be tailored to tomorrow's technological solutions.

- A flexible island means that transmission capacity for the full 10 GW will be installed on the island. Conversion modules for HVDC will be placed on platforms nearby for the first 3-4 GW of offshore wind with the remaining HVDC conversion modules expected to be placed on platforms closer to the more distant OWF.

- Additionally, the island has to include infrastructure for logistics such as a helipad and a service port, while also being able to house Energinet’s (ENDK) personnel on the island for longer durations.

Sources: Sweco

Successful integration with Energinet

- The Danish TSO, ENDK, plays a vital role in the project, as it will own most of the infrastructure placed on and around the island.

- Therefore, it is expected that the design process of the island will be conducted in close coordination with ENDK as they need space for their infrastructure, access to their equipment, and the ability to move/change equipment and connect it.

Examples of expected key requirements

- **First power**
  - Timely delivery of first power in 2033 as expected and avoidance of costly delays.

- **Lifetime**
  - The artificial island is expected to have a lifetime of +80 years to sufficiently support ~2 generations of OWF.

- **Capacity**
  - The energy island is required to be able to support an initial capacity of 3 GW on the island itself and a total connection of 10 GW from OWF.

- **Unobstructed access for Energinet**
  - To enable ENDK to sufficiently setup and operate their infrastructure, it is required for the TSO to have unobstructed access to its equipment.

- **Access for offshore wind owners**
  - ENDK is required to give OWF access to go through the perimeter to connect to the point of connection. The same applies to interconnectors.

- **Weight**
  - The energy island is required to support the minimum weight required to carry ENDK’s equipment and ensure efficient operations for all parties.

... Plus compliance with EU taxonomy for sustainable activities
The winning bidder receives stable income as lessor for the TSO

The winning bidder, together with the Danish State, acts as lessor in the proposed business model.

- The energy island is primarily leased to ENDK based on servicing min. 3-4 GW. Additionally, an innovation area* can be included which could also generate rent for the island company.
- OWF are either connected directly to the island or, if located far away from the island, connected by an ENDK-owned HVDC-platform. Thus, timely delivery of the energy island is req. to avoid delays of OWF and transmission networks (CAPEX EUR ~25-30bn).
- Depending on the design, technical solution and scope of the island, the island’s CAPEX will likely be in the range of EUR ~1-2bn.

*) Including an innovation area may not affect timely delivery of the area to ENDK and the expected minimum requirements for successful integration with ENDK.

Lessor receives rent and payments for related activities

Winning bidder’s income

- Rent from long-term (min. 35-40 years) contract with TSO covering the lease of land
- Rent from 3rd party’s lease of land, e.g. datacenter or PtX (potential) + Payments from 3rd party’s use of service zone (potential)
- Payment from Danish State’s purchase of shares

Other parties’ income

- OWF pays the TSO a fee for connecting to the transmission network.
Attractive, long-term cash flow profile

**Illustrative cash flow profile:** Positive annual cash flows kick in after ~6 years of CAPEX

*Availability-based* rent provides a **stable, secured** and **inflation-adjusted** long-term income for a duration of min. 1 OWF life-cycle (~35-40Y), with an option for ENDK to extend* for at least an additional OWF life-cycle.

**Cash outflows**
1. **CAPEX** to construct island (funded by winning consortium)
2. **OPEX** for O&M (paid by island OpCo)

**Cash inflows**
1. Sale of 50.1% of island to Danish State, payable after construction is completed
2. Long-term rent from TSO’s lease of land of which private co-owner receives 49.9%
3. Other potential income

- **a** Payments from TSO for additional services
- **b** Rent from 3rd party’s lease of land
- **c** Payments from 3rd party’s use of the service port

* The rental agreement is irrevocable for the expected useful life of the island for the island company and for 1 OWF life-cycle for ENDK (at which point the parties can renegotiate the rental contract).
Bids are evaluated on price and quality

The expected price criterion

- The owner of the energy island is expected to receive an availability-based lease income from ENDK, regardless of the number of wind farms connected to the island.
- The rent is set in the terms of the bid for the tender and will be the key price input for the tender evaluation.
- When the island is constructed, the island is expected to be paid-in-kind to the energy island operating company in return for 50.1% of the offered price of the island in cash and 49.9% of the shares in the company.
- The purchase price of 50.1% of the company is expected to be set to 50.1% of the net present value of the company’s future cashflows.

Examples of expected qualitative criteria

Organization and risk management

- Process management tools, methods and capabilities to organize and control the construction process.
- Risk management methods and capabilities for handling the distinctive risks of the project and avoiding delays.
- Leveraging a bidder’s competencies to create value in the proposed organization, including how the risk management of the bidder’s organization allows it to minimize delay risk and how its organizational structure supports an effective construction process.
- Focuses on managerial and organizational robustness as well as mitigating initiatives to avoid delays.

Execution

- Demonstration of a realistic and robust time and execution plan which minimizes the risk of delays.
- Focuses on a bidder’s time and risk management tools and capabilities to avoid and minimize delays, in addition to timely delivery to ensure first power in 2033.
The island and partnership offer opportunities for innovation

**Besides the significant innovation associated with the energy island itself, several innovation options are possible**

The bidder is **free** to add additional land area to the island to support/house innovative activities. However, said area and any income therefrom will not be evaluated as part of the tender.

The energy island company is **free** to perform innovative activities on any surplus area/space in connection with the island and its perimeter (e.g. datacenters or energy storage).

The energy island company is **free** to bid on any future tenders and concessions in the North Sea on equal terms with other market participants.

**Key terms and conditions for innovative activities**

- All innovative activities and uses of land must ultimately be decided and conducted within the purview of the jointly-owned, public-private energy island company.
- As a consequence, it will not be possible to enter into binding contracts pertaining to innovative activities as part of a tender offer.
- Any innovative activity will have to go through the same full regulatory approval processes as any other commercial activity before the energy island company can engage in said activity.
- Access to the island will likely be subject to security screening measures due to the island’s likely partial status as critical infrastructure.

**Options to add land, exploit surplus land, and leverage first-mover experience in submitting future bids on market terms**

- **Add land** (as part of bid)
- **Optimize use of surplus area(s)**
- **Company can bid on future projects**
- **Indv. tenders**
Contents

Introduction

Technicalities and economics

An attractive partnership

Next steps
An active partnership of equals

**Partnership structure**

- The partnership will be structured as a jointly owned limited partnership company (in Danish “P/S”).
- The privately held company ("Energy Island P/S") will as of the commencing of the island be owned 50.1% by the Danish State and 49.9% by the private party(-ies).
- Energy Island P/S owns and manages the energy island.
- Construction of the island is carried out by the private consortium in a separate development company (DevCo) that will handle CAPEX.
- The Danish State will purchase 50.1% of the island at its commencing at a price expected to be set to 50,1% of the company’s NPV.

**Illustative partnership structure**

**Construction phase**
- Owner(s)
  - Private consortium
  - Danish State

**Operating phase**
- Owner(s)
  - Private party(-ies)
  - Energy Island P/S

**Governance**

- Energy Island P/S will be managed and operated on a commercial and arms-length basis with a professional management team and independence from political intervention, which have proven successful in other firms partly owned by the Danish State.
- The composition of the board will expectedly reflect ownership shares, and some minority rights in terms of access to information and veto rights in terms of significant strategic decisions will likely be included in the shareholder’s agreement.
- A guiding principle for the island and its conduct will be to ensure compliance with the latest ESG agenda and a clear commitment to sustainability.
Strong, capable and committed public partner

Denmark has a solid track-record of co-owning strong companies

- The state of Denmark is an experienced business partner with ownership stakes in several important organizations in Denmark, e.g. DSB (Danish train operator), PostNord (postal services), Ørsted, Copenhagen Airport, Danske Spil, and SAS (airline).
- Additionally, Denmark is one of the safest countries in which to invest and finance with a solid credit rating (AAA by Fitch, Moody’s and S&P), its currency pegged to the Euro, a stable political system and strong enforcement of laws and regulations.
- Lastly, Denmark's environmental commitments are aligned with the objectives of the energy island as Denmark aims to phase out fossil fuels to become climate neutral by 2050.

Cases of partnering with the Danish State

- Ørsted A/S is a listed company owned 50.1% by the Danish State and a globally leading developer of offshore wind. Since its IPO in 2016, Ørsted has delivered stable net profits and a strong stock performance (not accounting for exogenous shocks).
- Københavns Lufthavne A/S operates Copenhagen and Roskilde airports and is 39.2% owned by the Danish State. The company trades notably above comparable airport operators, such as operators of Zürich, Frankfurt and Vienna airports, respectively.
- Danske Spil A/S is the leading Danish gaming provider owned 80% by the Danish State.
- Danske Spil entertained roughly one-third of Denmark’s population in 2021, leading to a record high result of DKK 1.5bn since the Danish gaming market liberalization in 2011.

Denmark has a strong business environment and incentives for partnering with private parties

- The state of Denmark predominantly owns companies that perform essential tasks for the population but where co-ownership with private parties can help deliver a “commercial view that has often led to more efficient operations, lower prices and better quality in conformity with consumer demand”.
- In 2022, Denmark overtook Switzerland as the “World’s most competitive nation” in a ranking published by IMD Business School primarily due to the robustness of the Danish economy through the Covid-19 pandemic.
- Additionally, Denmark is considered one of the best places for doing business globally due to its one-stop-shop for business registration, great workforce, strong economy and lack of corruption.

Sources: Capital IQ, Danish Ministry of Finance, Ørsted A/S, Corporate Knights, Bloomberg, TMF Group, Danske Spil A/S, Statistics Denmark, Ministry of Foreign Affairs of Denmark
ENERGINET – a strong and stable tenant

A stable and reliable tenant

► ENDK is an independent public enterprise 100% owned by the Danish State. It owns, operates and develops all of the transmission systems for electricity and gas in Denmark.

► The regulatory framework under which ENDK operates is stable and predictable, as it has not changed since 2005, when ENDK was created. The company is regulated through the ‘Act on Energinet,’ which stipulates that the overall electricity and gas infrastructure that ENDK is responsible for shall remain public property.

► ENDK has an AA-/stable/A-1+ credit rating from Standard and Poor’s, most recently confirmed in December 2015.

A well-known economic framework

► ENDK is not required to generate a profit. The regulation of allowed return is based on cost-cover principles that permit ENDK to recognize necessary costs of efficient operations plus a return on equity roughly equal to inflation.

► Thus, ENDK is required to adhere to a break-even principle. Consequently, Danish energy consumers are charged a fee that covers necessary costs related to ENDK’s operations and development of Denmark’s energy system.

► Over time, ENDK’s annual financial result equals zero when disregarding ENDK’s (low) return on capital.

Business areas

ENDK operates and develops electricity and gas networks as well as gas storage in Denmark and establishes international (inter)connections.

ENDK has the daily and long-term operator responsibility for the Danish electricity and gas system.

ENDK develops energy markets and market rules in Denmark, the Nordic countries and the EU.

Financial snapshot (DKKm)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Net profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>3,279</td>
<td>610</td>
</tr>
<tr>
<td>2021</td>
<td>3,930</td>
<td>435</td>
</tr>
</tbody>
</table>

Capital structure (2021)

- Short-term debt: 4,302
- Long-term debt: 5,079
- Equity: 34,268
- Provisions: 11,058
Finding the right, responsible partner(s)

General expectations

- Due to the long-term and expectedly close partnership, identifying the right private partner is of paramount importance.
- Considering the scope, size and complexity of the project, it is expected that interested parties will have to form consortia to muster the required financial, commercial, technical and organizational resources in order to bid for the tender.
- The energy island will likely to some degree be classified as ‘critical infrastructure’. Hence, the investment will be subject to the new Danish investment screening law, which seeks to prevent foreign investments from posing a threat to national security or public order, particularly with regards to state-owned or -directed investors.

The right consortium will contribute...

- Financing
- Managerial excellence
- Technical expertise
- Strategic vision
- Business acumen
- Innovation

... and an ability to scale the energy island concept globally

Expected steps and mechanisms that over the lifetime of the project will ensure responsible partners and investors

<table>
<thead>
<tr>
<th>Tender phase</th>
<th>Award of construction contract</th>
<th>Construction phase</th>
<th>Establishing common ownership</th>
<th>Operation phase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prequalification</strong></td>
<td>Investment screening and merger control (pot.)</td>
<td>Clauses – construction contract</td>
<td>Investment screening</td>
<td>Criteria for buyer(s)</td>
</tr>
<tr>
<td>Demands to technical and financial capabilities. With 3-4 consortia progressing (expectedly).</td>
<td>Screening of tender winner for threats against national security and public order cf. danish law on investment screening as well as (potential) merger control.</td>
<td>Change of control and change of partners require prior acceptance from the state.</td>
<td>Screening of the investment in the commonly owned company cf. danish law on investment screening.</td>
<td>Co-owners and later buyers of the private shares of the company may not run afoul of certain criteria concerning areas such as corruption, terror financing, money laundering etc.</td>
</tr>
<tr>
<td>Competitive dialogue</td>
<td>Evaluation</td>
<td>Possibly new investment screening</td>
<td>Clauses – ownership</td>
<td>Change of control and change of partners require prior acceptance from the state.</td>
</tr>
<tr>
<td>Through a discussion of dialogue topics, the tender material will be refined.</td>
<td>Evaluation of final tender based on evaluation criteria.</td>
<td>Change of control/partners can initiate new investment screening.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Tender phase

- Competitive dialogue

Award of construction contract

- Investment screening and merger control (pot.)

Construction phase

- Clauses – construction contract

Establishing common ownership

- Investment screening

Operation phase

- Clauses – ownership

Criteria for buyer(s)

Co-owners and later buyers of the private shares of the company may not run afoul of certain criteria concerning areas such as corruption, terror financing, money laundering etc.
Contents

- Introduction
- Technicals and economics
- An attractive partnership
- Next steps
Introduction to preliminary site investigations and permits

- ENDK is conducting the preliminary site investigations. These investigations are the first steps towards the realization of the energy island and include geophysical (e.g. sonar studies where the seabed is screened) and geotechnical studies (e.g. drillings into the seabed) as well as environmental studies (e.g. fish, birds and benthic animals) and metocean investigations.

- The area for the preliminary geotechnical site investigations for the artificial island spans a 2.5 x 2.5 km project site.

- It is generally expected that the DEA will support that site investigation permits can be obtained within a timeframe to be specified in the contract, provided that the private party has correctly and sufficiently completed applications in time.

Environmental Impact Assessments (EIAs)

The overall environmental assessment process for the energy island consists of several elements:

- Preparation of a strategic environmental assessment (SEA) of the plan for the energy island. Due by ~2024.

- The preparation of an EIA of the onshore facility. Permit exp. ~2025.

- When the respective tender winners for the construction of the island and the OWF have been designated, the winners must carry out EIAs of the specific designs / projects for the island and the OWF.

* Non-exhaustive list of investigations. Complete list can be found at DEA’s website.
Next steps towards expected final bid in 2025

A competitive dialogue is coming up soon...

- In the spring of 2023, a competitive dialogue will be initiated by the publication of the entire draft tender material, where interested consortia will have to prepare for the prequalification.
- Following the prequalification, prequalified consortia will submit 1st dialogue bids based upon the draft tender material.
- Based on the dialogue bids, meetings between the contracting entity and the tenderers are conducted, which will lead to exp. publication in late 2024 of the final tender material reflecting these dialogues.
- Hereafter, final bids can be submitted based upon the final tender material until the expected deadline in the spring of 2025.
- Award of tender is then expected to be in the autumn of 2025.

... requiring actions to be taken soon by interested private parties

- The competitive dialogue is beginning soon with prequalification in the late spring of 2023. Thus, interested parties should prepare now for the upcoming tender process.
- Interested parties are encouraged to seek out potential consortium partners in order to be ready in time for the tender.
- Prequalification criteria may include req. to technical capabilities and expertise, financial robustness, as well as the size/ability to finance the construction of the energy island.

#### Activity

<table>
<thead>
<tr>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tender material</td>
<td></td>
<td>Expected publication of final material</td>
</tr>
<tr>
<td>Competitive dialogue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prequalification</td>
<td>Prequalification</td>
<td></td>
</tr>
<tr>
<td>1st dialogue bid</td>
<td>1st dialogue bid</td>
<td></td>
</tr>
<tr>
<td>2nd dialogue bid</td>
<td>2nd dialogue bid</td>
<td>Final bid deadline</td>
</tr>
<tr>
<td>Final bid (BAFO)</td>
<td></td>
<td>Award of tender, Autumn 2025</td>
</tr>
<tr>
<td>Tender awarded</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ATTENTION: Potential investors/consortia must be aware that information in this teaser is based upon the current expectations and might change before initiating the competitive dialogue. It is solely the published tender material that will form the basis of the competitive dialogue.
The process from tender to first power

Indicative timeline for the energy island in the North Sea

<table>
<thead>
<tr>
<th>Activity</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>2030</th>
<th>2031</th>
<th>2032</th>
<th>2033</th>
<th>2034</th>
<th>2035</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tendering process and award</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Detailed design (EIA by private partner)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction of artificial island</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tender for transmission networks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production, installation and testing of transmission networks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tender for OWF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design phase for OWF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Connecting the OWFs to the island</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winner of tender announced</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioning of island</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First power</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Timeline is being optimized with initiatives to e.g. align the timeline of OWF with the timeline of the transmission networks. As such, the energy island developer will likely be involved in optimizing opportunities and risk mitigation measures for the three major tender processes.

Dependency on Energinet

- It is expected that the tendering, design and construction/production of the energy island, of the OWF and of ENDK’s transmission network equipment will run in parallel.
- A number of significant interdependencies are thus to be expected, which will necessitate some collaboration and information sharing regarding key design and technical choices that will have to be aligned to achieve a successful integration between the three tenders.
For further information...

**Torben Hartz**  
EY Infrastructure and Real Estate  
Partner  
torben.hartz@dk.ey.com | +45 2529 3485

**Michael Bruhn**  
EY Renewables  
Partner  
michael.bruhn@dk.ey.com | +45 2529 3135

**Lars Harald Hartzen**  
Infrastructure Advisory  
Manager  
lars.h.hartzen@dk.ey.com | +45 2529 3510

Visit ens.dk/en/our-responsibilities/wind-power/energy-islands/energy-island-north-sea
Disclaimer

Neither this teaser nor any of its content is to form the basis of, or be relied upon, in connection with any agreement that may at any time be entered into by you or any other person. All information, data and opinions contained in this teaser have been provided by the Danish Energy Agency or public sources and have not been independently verified. Neither EY, nor the Danish Energy Agency nor the directors, shareholders, managers, partners, employees or agents of any of them make any representation or warranty, express or implied (and any warranty expressed or implied by statute is hereby excluded) as to the accuracy, reasonableness or completeness of the information contained in this teaser or any other document or information supplied, or which may be supplied at any time or any opinions or projections expressed herein or therein, nor is any such party under any obligation to update the teaser or correct any inaccuracies or omissions in it which may exist or become apparent or to provide you with access to any additional information or data. In particular, due to the legal restrictions on tender processes, information on certain matters has not been included in the teaser. Such information may be made available at a later stage. Further, key assumptions and central aspects of the teaser are subject to change, e.g. due to pending political approval. As such, neither EY or the Danish Energy Agency can be held responsible for any changes in assumptions or aspects of the teaser.

No responsibility or liability is accepted for any loss or damage howsoever arising that you may suffer as a result of this teaser, or any other information provided in the course of your evaluation of the tender and any and all responsibility and liability is expressly disclaimed by EY and the Danish Energy Agency or any of their respective directors, partners, officers, affiliates, employees, advisers or agents.

EY refers to the global organization, and may refer to one or more of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2022 EY Godkendt Revisionspartnerselskab. CVR-nr. 30700228
All Rights Reserved.
ey.com/dk