



**Orsted**

Interim financial report

First nine months 2020

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## Earnings call

In connection with the presentation of the interim financial report an earnings call for investors and analysts will be held on Wednesday 28 October 2020 at 14:00 CEST:

Denmark: +45 8233 3194

International: +44 333 300 9274

USA: +1 833 526 8398

The earnings call can be followed live at:

<https://edge.media-server.com/mmc/p/79p2v9ea>

Presentation slides will be available prior to the earnings call at:

[www.ored.com/en/investors/ir-material/financial-reports-and-presentations#0](http://www.ored.com/en/investors/ir-material/financial-reports-and-presentations#0)

The interim financial report can be downloaded at:

[www.ored.com/en/investors/ir-material/financial-reports-and-presentations#0](http://www.ored.com/en/investors/ir-material/financial-reports-and-presentations#0)

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# CEO's review

Strong financial results. Portfolio transformation completed.

## Highlights

- Operating profit (EBITDA) increased by 2% to DKK 13.1 billion.
- EBITDA from offshore and onshore wind farms in operation increased by 16% to DKK 11.6 billion.
- Divestment of the Danish power distribution, residential customer, and city light businesses completed, resulting in a gain of DKK 11.1 billion and proceeds of DKK 20.5 billion.
- Continued stable operations despite the COVID-19 pandemic.
- 2020 guidance re-iterated.
- Green share of heat and power generation increased from 83% to 89%.
- Borssele 1 & 2, our first Dutch offshore wind farm, was completed
- Willow Creek, our first onshore wind farm in South Dakota, was commissioned ahead of schedule and on budget.
- Decision made to construct onshore wind farm Western Trail in Texas.
- Acquisition of the onshore wind development project Haystack in Nebraska.
- New renewable hydrogen development project in the Netherlands.
- Our Renaissance plant in the UK was commissioned.
- Mads Nipper appointed new CEO.

## Financial results

Our operating profit (EBITDA) for the first nine months of the year amounted to DKK 13.1 billion, a 2% increase compared to the same period last year.

Earnings from our offshore and onshore wind farms in operation increased by 16%, driven by ramp-up of green power generation from Hornsea 1, Borssele 1 & 2, Lockett, Sage Draw and Plum Creek. The positive effect from new wind farms in operation was partly offset by lower earnings from trading related to hedging of our power exposures, which had very high earnings in 2019. In addition, we continued to see adverse COVID-19 impacts on especially the UK power market due to a lower demand for electricity, which has led to higher balancing tariffs (BSUoS) from National Grid and lower expected ROC prices. Furthermore, we saw hours with negative power prices in the UK from April to July.

In August, we completed the divestment of the Danish power distribution, residential customer, and city light businesses. The transaction resulted in a gain of DKK 11.1 billion and proceeds of DKK 20.5 billion, which will be deployed into our global renewable energy build-out plan.

Our operations and financial performance remains very solid despite the COVID-19 pandemic, and we maintain our full-year EBITDA guidance of DKK 16-17 billion and our 2020 gross investment expectation of DKK 28-30 billion.



**In August, we completed the divestment of our Danish power distribution (Radius), residential customer and city light businesses to SEAS-NVE. The divestment marks an important strategic milestone for Ørsted, and completes our portfolio transformation into a global renewable energy company**

## COVID-19

Our asset base has been fully operational, and we have maintained normal availability rates on our offshore and onshore wind farms. Construction of our projects has largely progressed according to plan during the pandemic, both in Europe, Asia Pacific, and the US. The most affected construction project in our portfolio remains Hornsea 2 due to delays in the offshore topside construction at a shipyard in Singapore which was closed down due to COVID-19. The shipyard is now up and running again, and we do not expect the delay to affect the commissioning date of the wind farm.

## Offshore

In September, we installed the last wind turbine at Borssele 1 & 2 on schedule and within budget. The 752MW wind farm deploys 94 8MW Siemens Gamesa wind turbines, making it the largest offshore wind farm in the Netherlands.

We are currently constructing Hornsea 2 (1,386MW) in the UK and Greater Changhua 1 & 2a (900MW) in Taiwan. Both wind farms are expected to be completed in 2022.

In October, we have submitted bids in the up to 2.5GW auction in New York. We expect to receive the outcome of the auction before year end.

Our pipeline of US offshore development projects is moving forward, but as mentioned in our first half year report, we are still waiting for BOEM to decide on the preferred wind farm layout for the build-out of offshore wind on the US East Coast.

Furthermore, we are still waiting for clarity concerning the federal permitting process for our projects. We had expected to receive the 'Notice of Intent' (NOI) from BOEM for our advanced-stage development projects at this point in time, but now foresee clarity on the

permitting timelines being pushed to late 2020 or even into 2021, which constitutes a significant delay.

Even assuming the permitting process starts moving within the first quarter next year, it appears highly likely that Revolution Wind, Ocean Wind, Skipjack and Sunrise Wind will be delayed beyond the previously expected 2023 and 2024 construction years. For all four projects we have some flexibility in the timeline, and we have been able to make good progress on some other project milestones in the meantime. However, until there is a clear timeline from BOEM we cannot re-baseline our construction schedules.

With regards to South Fork we remain comfortable about our previously communicated timeline with COD in late 2023.

Despite the permitting delays, we remain confident that we can deliver our US project portfolio with satisfactory value creation. We continue to see solid long-term growth and value creation potential in US offshore wind.

Our business platform and project pipeline within renewable hydrogen continue to evolve. Together with Yara, the world's leading fertilizer company, we have launched a joint project located in the Netherlands. The project will include a 100MW electrolyser plant, generating green hydrogen based on Ørsted's offshore wind farms. The green hydrogen will replace fossil-based hydrogen in the production of green ammonia at Yara's facility in Sluiskil with the potential to abate more than 100,000 tonnes of carbon emissions per year.

### Onshore

In September, we commissioned the 103MW onshore wind farm Willow Creek in South Dakota ahead of schedule and on budget. Willow Creek is our second project in the Southwest Power Pool (SPP) area of the US along with Plum Creek in Nebraska, thereby further diversifying the operational portfolio into a market which will play an important part of our growth in North America.

Willow Creek is the third wind farm we have commissioned since March, underpinning the momentum and resilience of our onshore business model.

In September, we took final investment decision on the Western Trail onshore wind farm in Texas. The greenfield project has a capacity of 367MW and is located in the ERCOT West power market close to Lockett. The wind farm is eligible for 100% PTC, and we expect it to be commissioned during Q3 2021.

In addition, we acquired Haystack, a 298MW onshore wind development project in Nebraska, in October. The late-stage project further expands our portfolio in the SPP area. Haystack is expected to be commissioned during Q4 2021 and is also eligible for 100% PTC.

We are currently constructing the combined solar (420MW<sub>ac</sub>) and storage (40MW<sub>ac</sub>) project Permian Energy Center in Texas as well as the 227MW<sub>ac</sub> solar PV project Muscle Shoals in Alabama. Both projects are progressing according to plan, and we expect Permian to be commissioned by mid-2021 and Muscle Shoals to be commissioned in Q3 2021, both with 30% ITC eligibility. The Muscle Shoals project, which we acquired in July, has a fully contracted 20-year utility PPA. In addition, the project further



## With the completion of Willow Creek and the addition of Western Trail and Haystack, we now have 3.0GW of combined onshore wind and solar PV in operation or under construction

diversifies the geographic footprint of our asset base by establishing a foothold in the rapidly growing Southeast solar market.

With the completion of Willow Creek and the addition of Western Trail and Haystack, we now have 3.0GW of combined onshore wind and solar PV in operation or under construction, and we remain very satisfied with the expansion of our onshore business.

### Markets & Bioenergy

In August, we completed the divestment of our Danish power distribution (Radius), residential customer, and city light businesses to SEAS-NVE (now Anel). The divestment marks an important strategic milestone for Ørsted and completes our portfolio transformation into a global renewable energy company.

In mid-October, the Renaissance plant in Northwich, UK, was successfully commissioned after passing the final performance test. With the commissioning of Renaissance, we reached an important milestone, and we will now continue to monitor the plant's performance, while exploring the broader commercial potential of the waste treatment technology.

In September, we signed an agreement to divest the vast majority of our UK B2B customer portfolio to Total Gas & Power. We keep some of our strategic long-term partners and customers to whom we deliver risk management products. We expect the transaction to close in Q1 2021.

We are still in the process of divesting our LNG activities to Glencore with whom we signed an agreement in 2019. Closing is expected during Q4 2020.

In August, we officially inaugurated Unit 6 at Asnæs Power Station in Denmark. The new power station replaces coal with sustainable biomass in the generation of district heating, power, and steam.

### New CEO appointed

On 9 September, the Board of Directors appointed Mads Nipper my successor as CEO of Ørsted. Mads is a highly accomplished leader, and with his visionary thinking and strategic skills, Ørsted's continued global expansion is in very good hands. It has been an exceptional privilege to be part of the Ørsted team over the past eight years. This will be my last report as CEO, and therefore I would like to conclude by expressing my deepest gratitude to Ørsted's shareholders, the Board of Directors, the management team, and not least Ørsted's employees for their relentless pursuit of our vision and their confidence and support during my tenure.

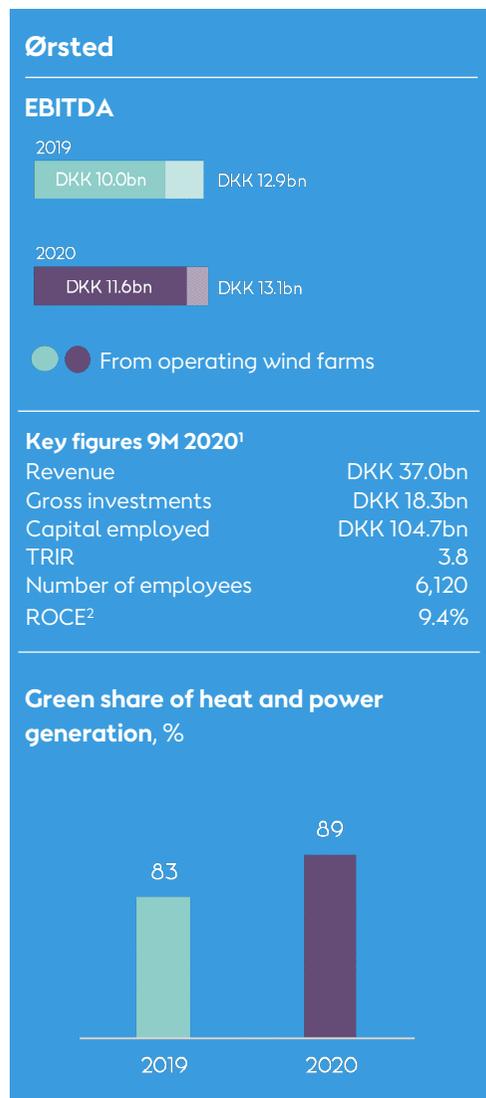


**The Board of Directors appointed Mads Nipper my successor as CEO of Ørsted. Mads is a highly accomplished leader and with his visionary thinking and strategic skills, Ørsted's continued global expansion is in very good hands**



**Henrik Poulsen**  
CEO and President

# At a glance



<sup>1</sup>Key figures (excluding capital employed) are for the continuing operations and include other activities/eliminations, <sup>2</sup>Last 12 months

# Outlook 2020

## EBITDA

Our EBITDA guidance is unchanged relative to the guidance in our interim financial report for H1 2020. EBITDA (business performance), excluding new partnership agreements, is expected to amount to DKK 16-17 billion.

## Gross investments

Our gross investments guidance is unchanged relative to the guidance in our interim financial report for H1 2020. Gross investments are expected to amount to DKK 28-30 billion.

| <b>Outlook for 2020, DKK billion</b> | Guidance<br>28 Oct 2020 | Guidance<br>12 Aug 2020 | Guidance<br>29 Apr 2020 | Guidance<br>4 Mar 2020 | 2019<br>realised |
|--------------------------------------|-------------------------|-------------------------|-------------------------|------------------------|------------------|
| EBITDA (without new partnerships)    | 16-17                   | 16-17                   | 16-17                   | 16-17                  | 17.5             |
| Offshore (without new partnerships)  | Lower                   | Lower                   | Lower                   | Lower                  | 15.2             |
| Onshore                              | Higher                  | Higher                  | Higher                  | Higher                 | 0.8              |
| Markets & Bioenergy                  | In line                 | In line                 | Lower                   | Lower                  | 1.5              |
| Gross investments                    | 28-30                   | 28-30                   | 30-32                   | 30-32                  | 23.3             |



Our EBITDA guidance for the Group is the prevailing guidance, whereas the directional earnings development per business unit serves as a means to support this. Higher/lower indicates the direction of the business unit's earnings relative to the results for 2019.



# Results Q3

## EBITDA

Operating profit (EBITDA) totalled DKK 3.4 billion compared with DKK 4.1 billion in Q3 2019. The decrease of DKK 0.8 billion was expected and was due to high construction activity at Hornsea 1 in Q3 2019. EBITDA excluding construction agreements increased by DKK 0.2 billion.

Earnings from offshore and onshore wind farms in operation amounted to DKK 3.4 billion in Q3 2020, an increase of 13% compared to the same period last year. The increase was due to the ramp-up of Hornsea 1, Borssele 1 & 2, Sage Draw and Plum Creek. This was partly offset by high earnings in Onshore in Q3 2019 due to high peak power prices in Texas in August which led to higher than expected earnings at Willow Springs, Tahoka and Lockett. In addition, we have seen adverse COVID-19-related impacts on especially the UK power market due to a lower demand for electricity in 2020. This has led to lower expected ROC recycle prices and higher balancing tariffs (BSUoS) from National Grid in Q3 2020.

Earnings from construction agreements for partners decreased by DKK 0.9 billion compared with Q3 2019 and amounted to DKK 0.2 billion in Q3 2020. The construction agreements in Q3 2020 primarily concerned the construction of Coastal Virginia Offshore Wind as well as minor updates regarding finalised construction projects. In Q3 2019, the agreements primarily concerned construction activity at Hornsea 1.

EBITDA from CHP plants decreased by DKK 0.3 billion and amounted to DKK 0.1 billion. The decrease was due to the reversal of a provision of DKK 0.3 billion following the acquittal in the Elsam case in Q3 2019.

Earnings from our gas activities increased by DKK 0.2 billion and amounted to DKK 0.2 billion. A positive effect from revaluation of our gas at storage and storage hedges (gas prices increased significantly during Q3 2020, whereas the price development was flatter during Q3 2019) was only partly offset by lower earnings due to the shutdown of the Tyra gas field from late 2019 until 2022.

## Profit for the period

Profit for the period from continuing operations totalled DKK 12.0 billion, DKK 10.6 billion higher than Q3 2019. The increase was due to gains on divestment of enterprises, primarily the divestment of our Danish power distribution (Radius), residential customer, and city light businesses to SEAS-NVE with a gain of DKK 11.1 billion. This was partly offset by the lower EBITDA and higher depreciation.

Tax on profit for the period was lower in Q3 2020 due to lower profit before tax, excluding the non-taxable divestment gains, partly offset by initial recognition of deferred taxes of DKK 0.2 billion related to tax equity at Willow Creek in September.

The effective tax rate amounted to 1% for Q3 2020, significantly impacted by the non-

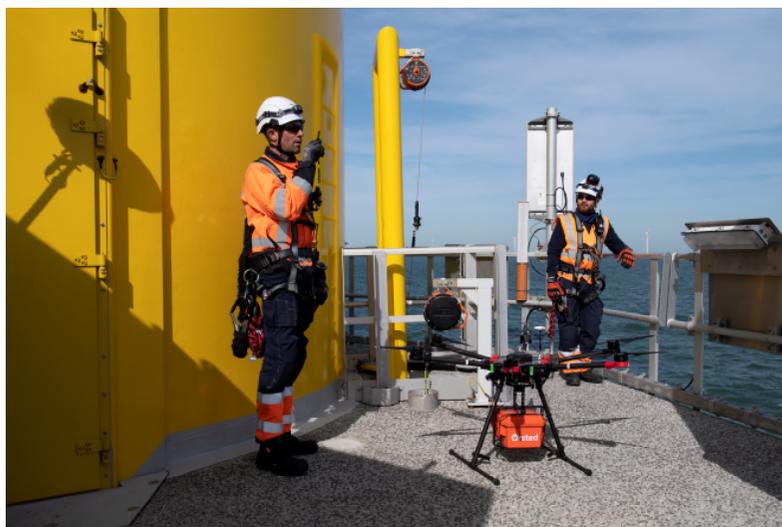
## Financial results, DKKm

|   | Q3 2020 | Q3 2019 | %      |
|---|---------|---------|--------|
| Revenue   | 10,041  | 15,481  | (35%)  |
| EBITDA  | 3,360   | 4,116   | (18%)  |
| Depreciation and amortisation                         | (2,095) | (1,681) | 25%    |
| Operating profit (loss) (EBIT)                        | 1,265   | 2,435   | (48%)  |
| Gain (loss) on divestment of enterprises              | 11,139  | (15)    | n.a.   |
| Profit (loss) from associates and joint ventures      | 2       | (5)     | n.a.   |
| Financial items, net                                  | (282)   | (47)    | n.a.   |
| Profit before tax                                     | 12,124  | 2,368   | n.a.   |
| Tax on profit (loss) for the period                   | (108)   | (925)   | (88%)  |
| Tax rate  | 1%      | 39%     | (38%p) |
| Profit (loss) for the period, continuing operations   | 12,016  | 1,443   | n.a.   |
| Profit (loss) for the period, discontinued operations | 18      | 34      | (47%)  |
| Profit (loss) for the period                          | 12,034  | 1,477   | n.a.   |

taxable gain on the divestment of our Danish power distribution (Radius), residential customer, and city light businesses.

### Cash flows from operating activities

Cash flows from operating activities totalled DKK 1.9 billion in Q3 2020. The increase compared to the same period last year of DKK 1.1 billion was mainly due to high construction activity at Hornsea 1 in Q3 2019 and tax equity contributions from our partners in the onshore wind farm Willow Creek in Q3 2020. This was partly offset by an increase in trade receivables in Q3 2020 versus a decrease during Q3 2019, mainly related to our trading and power portfolio optimisation activities and received tax equity contributions in Q3 2019 from our partner in the Lockett wind farm.



| Cash flow and net debt, DKKm                     | Q3 2020      | Q3 2019       | %            |
|--|--------------|---------------|--------------|
| Cash flows from operating activities             | 1,941        | 871           | 123%         |
| EBITDA   | 3,360        | 4,116         | (18%)        |
| Change in derivatives, other adjustments         | 222          | (464)         | n.a.         |
| Change in provisions                             | (119)        | (240)         | (50%)        |
| Reversal of gain (loss) on divestments of assets | 32           | (7)           | n.a.         |
| Other items                                      | (4)          | 13            | n.a.         |
| Interest expense, net                            | (430)        | (13)          | n.a.         |
| Paid tax   | (4)          | 0             | n.a.         |
| Change in work in progress                       | (84)         | (4,091)       | (98%)        |
| Change in tax equity partner liabilities         | 376          | 1,046         | (64%)        |
| Change in other working capital                  | (1,408)      | 511           | n.a.         |
| Gross investments                                | (9,263)      | (7,222)       | 28%          |
| Divestments                                      | 20,506       | 260           | n.a.         |
| Free cash flow                                   | 13,184       | (6,091)       | n.a.         |
| Net debt, beginning of period                    | 22,272       | 4,980         | n.a.         |
| Free cash flow from continuing operations        | (13,184)     | 6,091         | n.a.         |
| Free cash flow from discontinued operations      | (970)        | (203)         | n.a.         |
| Dividends and hybrid coupon paid                 | 110          | 118           | (7%)         |
| Addition of lease obligations                    | 92           | 443           | (79%)        |
| Interest bearing receivable re. O&G divestment   | 335          | 319           | 5%           |
| Exchange rate adjustments, etc.                  | (439)        | 334           | n.a.         |
| <b>Net debt, end of period</b>                   | <b>8,216</b> | <b>12,082</b> | <b>(32%)</b> |

# Results 9M

## Financial results

### Revenue

Power generation from offshore and onshore wind increased by 35% and totalled 14.3TWh in 9M 2020, mainly due to ramp-up of generation from Hornsea 1, Borssele 1 & 2, Lockett, Sage Draw and Plum Creek as well as higher wind speeds, mainly in Q1 2020. Furthermore, 9M 2019 saw a higher number of curtailments and various operational issues across the offshore portfolio. This was partly offset by a cable replacement campaign at Hornsea 1 at the beginning of this year as well as hours with negative prices due to a lower demand for electricity driven by the COVID-19 pandemic.

Our production-based availability in Offshore amounted to 94%, up 1 percentage point compared to the same period last year.

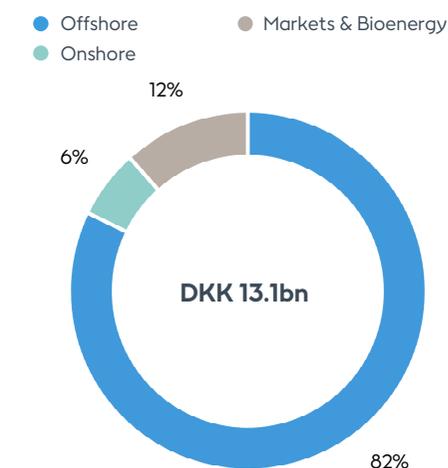
Thermal power generation amounted to 3.1TWh, a slight increase compared to last year, mainly from a higher volume of delivery of ancillary services. Heat generation amounted to 4.4TWh, down 17% compared to the same period last year due to a warm first quarter of 2020. Offshore and onshore wind accounted for 82% of our total power generation, while the renewable energy share of our total heat and power generation accounted for 89% in 9M 2020 compared with 83% in 9M 2019.

Revenue amounted to DKK 37.0 billion. The decrease of 25% relative to 9M 2019 was primarily due to limited construction works on wind farms for partners, significantly lower gas and power prices, lower sales of gas, and lower thermal heat generation, partly offset by the increase in wind-based power generation.

### Financial results, DKKm

|   | 9M 2020 | 9M 2019 | %      |
|---|---------|---------|--------|
| Revenue   | 37,042  | 49,163  | (25%)  |
| EBITDA  | 13,121  | 12,871  | 2%     |
| Depreciation and amortisation                         | (5,676) | (4,988) | 14%    |
| Operating profit (loss) (EBIT)                        | 7,445   | 7,883   | (6%)   |
| Gain (loss) on divestment of enterprises              | 11,122  | (50)    | n.a.   |
| Profit (loss) from associates and joint ventures      | 8       | (1)     | n.a.   |
| Financial items, net                                  | (2,068) | (491)   | n.a.   |
| Profit before tax                                     | 16,507  | 7,341   | 125%   |
| Tax on profit (loss) for the period                   | (1,954) | (2,166) | (10%)  |
| Tax rate  | 12%     | 30%     | (18%p) |
| Profit (loss) for the period, continuing operations   | 14,553  | 5,175   | 181%   |
| Profit (loss) for the period, discontinued operations | (26)    | (27)    | (4%)   |
| Profit (loss) for the period                          | 14,527  | 5,148   | 182%   |

### EBITDA, DKK billion



### EBITDA

Operating profit (EBITDA) totalled DKK 13.1 billion compared with DKK 12.9 billion in 9M 2019. The increase was driven by a 16% increase in earnings from offshore and onshore wind farms in operation, which was due to ramp-up of Hornsea 1, Borssele 1 & 2, Lockett, Sage Draw and Plum Creek, partly offset by lower earnings from trading related to hedging of our power exposures, which achieved very high results in 9M 2019.

Earnings from construction agreements for partners totalled DKK 1.7 billion compared with DKK 3.7 billion in 9M 2019. The earnings in 9M 2020 primarily concerned the updated assumptions regarding the divestment of the transmission asset for Hornsea 1, the construc-

### Business performance vs IFRS

We use business performance as an alternative to the results prepared in accordance with IFRS. Business performance represents the underlying financial performance of the Group in the reporting period as results are adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. The difference between the two principles will be eliminated as the contracts expire. Apart from this, there is no difference between business performance and the IFRS results.

EBITDA in accordance with IFRS amounted to DKK 13.5 billion in 9M 2020 against DKK 13.8 billion in the same period in 2019. In accordance with the business performance principle, EBITDA was DKK 13.1 billion and DKK 12.9 billion, respectively. The difference between the two principles was thus DKK 0.4 billion in 9M 2020 against DKK 0.9 billion in 9M 2019.

In the presentation of the results according to IFRS, we have elected not to apply the provisions on hedge accounting of commodities and related currency exposures. The market value adjustments of these are continuously recognised in the income statement, which means that the IFRS results for the individual years are not comparable. IFRS results do not reflect the commercial risk hedging, according to which the business units and the Group are managed and evaluated. In the management's review, comments are made on business performance only.

| Business performance vs IFRS  | 9M 2020 | 9M 2019 |
|-------------------------------|---------|---------|
| EBITDA - Business performance | 13,121  | 12,871  |
| Adjustments                   | 375     | 889     |
| EBITDA - IFRS                 | 13,496  | 13,760  |

tion of Coastal Virginia Offshore Wind as well as minor updates regarding finalised construction projects. Earnings from construction activity at Hornsea 1 and Borkum Riffgrund 2 were included in 9M 2019.

EBITDA from CHP plants amounted to DKK 0.8 billion, in line with the same period last year. Higher sales of ancillary services and lower fixed costs was offset by reversal of a provision of DKK 0.3 billion following the acquittal in the Elsam case in Q3 2019.

EBITDA from Gas Markets & Infrastructure increased by DKK 0.3 billion and amounted to DKK 0 billion. The increase was mainly due to a positive effect from revaluating our gas at storage and a positive impact from storage hedges. This was partly offset by lower earnings due to the shutdown of the Tyra gas field from late 2019 until 2022 as well as a provision for bad debt in our B2B business to cover the extraordinary COVID-19-related default risks among our customers.

#### EBIT

EBIT decreased by DKK 0.4 billion to DKK 7.4 billion in 9M 2020, primarily as a result of higher depreciation driven by more wind farms in operation.

#### Gain (loss) on divestment of enterprises

Gain on divestment of enterprises primarily concerned the divestment of our Danish power distribution (Radius), residential customer, and city light businesses to SEAS-NVE. The transaction resulted in a gain of DKK 11.1 billion.

#### Financial income and expenses

Net financial income and expenses amounted to an expense of DKK 2.1 billion compared with

DKK 0.5 billion in the same period last year. The increase was mainly due to a loss on interest rate swaps in June in connection with early termination of local project financing and swaps in the US, less positive effects from exchange rate adjustments due to a weakening of GBP and capital losses on the bond portfolio due to the increasing interest rates.

#### Tax and tax rate

Tax on profit for the period amounted to DKK 2.0 billion, DKK 0.2 billion lower than the same period last year. The decrease was mainly due to the lower EBIT and higher net financial expenses, partly offset by initial recognition of deferred taxes of DKK 1.1 billion related to tax equity at Sage Draw in April, Plum Creek in June, and Willow Creek in September.

The effective tax rate was 12%, and it was significantly impacted by the non-taxable gain on the divestment of our Danish power distribution (Radius), residential customer, and city light businesses mentioned above.

#### Profit for the period

Profit for the period from continuing operations totalled DKK 14.6 billion, DKK 9.4 billion higher than 9M 2019. The increase was primarily due to the divestment of our Danish power distribution (Radius), residential customer, and city light businesses.

#### Cash flows and net debt

##### Cash flows from operating activities

Cash flows from operating activities totalled DKK 9.7 billion in 9M 2020 compared with DKK 8.3 billion in 9M 2019. The increase of DKK 1.4 billion was mainly due to lower paid taxes in Denmark, tax equity contributions from our partners in the onshore wind farms Sage Draw,

#### Cash flow and net debt, DKKm

|  | 9M 2020      | 9M 2019       | %            |
|--|--------------|---------------|--------------|
| Cash flows from operating activities             | 9,710        | 8,263         | 18%          |
| EBITDA   | 13,121       | 12,871        | 2%           |
| Change in derivatives, other adjustments         | (292)        | (688)         | (58%)        |
| Change in provisions                             | (484)        | (207)         | 134%         |
| Reversal of gain (loss) on divestments of assets | (1,256)      | (315)         | n.a.         |
| Other items                                      | (11)         | 96            | n.a.         |
| Interest expense, net                            | (1,593)      | (787)         | 102%         |
| Paid tax   | (1,357)      | (4,857)       | (72%)        |
| Change in work in progress                       | (2,099)      | 1,181         | n.a.         |
| Change in tax equity partner liabilities         | 3,268        | 827           | n.a.         |
| Change in other working capital                  | 413          | 142           | 191%         |
| Gross investments                                | (18,328)     | (14,489)      | 26%          |
| Divestments                                      | 20,558       | 2,927         | n.a.         |
| Free cash flow                                   | 11,940       | (3,299)       | n.a.         |
| Net debt, beginning of period                    | 17,230       | (2,219)       | n.a.         |
| Free cash flow from continuing operations        | (11,940)     | 3,299         | n.a.         |
| Free cash flow from discontinued operations      | (926)        | (202)         | n.a.         |
| Dividends and hybrid coupon paid                 | 5,031        | 4,733         | 6%           |
| Addition of lease obligations                    | 239          | 5,728         | (96%)        |
| Interest bearing receivable re. O&G divestment   | 342          | 327           | 5%           |
| Exchange rate adjustments, etc.                  | (1,760)      | 416           | n.a.         |
| <b>Net debt, end of period</b>                   | <b>8,216</b> | <b>12,082</b> | <b>(32%)</b> |

Plum Creek and Willow Creek, and the divestment of the offshore transmission asset at Walney Extension in June. This was partly offset by 9M 2019 being positively affected by received milestone payments related to the construction of Hornsea 1.

In 9M 2020, we had a net cash outflow from work in progress of DKK 2.1 billion. This was mainly due to supplier payments related to the construction of Hornsea 1 for partners, and construction of the offshore transmission asset at Hornsea 2, only partly offset by the

divestment of the offshore transmission asset at Walney Extension in June.

#### Investments and divestments

Gross investments amounted to DKK 18.3 billion against DKK 14.5 billion in 9M 2019. The main investments in 9M 2020 were in:

- offshore wind farms (DKK 13.7 billion), including Borssele 1 & 2 in the Netherlands, Hornsea 2 in the UK, Greater Changhua 1 & 2a in Taiwan, and Ocean Wind in the US.
- onshore wind and solar farms (DKK 3.9

billion), including Permian Energy Center, Muscle Shoals, Western Trail, Sage Draw, Plum Creek and Willow Creek in the US.

- Markets & Bioenergy (DKK 0.6 billion), mainly related to maintenance of the power distribution grid.

Cash flow from divestments in 9M 2020 related mainly to the divestment of our Danish power distribution (Radius), residential customer, and city light businesses. The transaction resulted in proceeds of DKK 20.5 billion. Furthermore, we received minor proceeds regarding the divestment of our 10MW Oak Solar farm in New Jersey and our Inbicon production facilities. This was partly offset by compensations paid under our partnership agreements.

Cash flow from divestments in 9M 2019 related to the receipt of deferred proceeds from the farm-down of 50% of Hornsea 1 in 2018 (DKK 1.7 billion) and to the strengthening of our strategic partnership with Eversource, as they became a 50% partner in our activities in the New England area in February 2019 (DKK 1.2 billion).

### Interest-bearing net debt

Interest-bearing net debt totalled DKK 8.2 billion at the end of September 2020 against DKK 17.2 billion at the end of 2019. The DKK 9.0 billion decrease was mainly due to a positive free cash flow of DKK 13.2 billion from continuing operations and positive cash flow from discontinued operations where we have received deferred proceeds of USD 150 million from INEOS regarding the Oil & Gas divestment in 2017. These positive cash flow effects were only partly offset by dividend and hybrid coupon payments of DKK 5.0 billion.

### Equity

Equity was DKK 96.5 billion at the end of September 2020 against DKK 89.6 billion at the end of 2019.

### Capital employed

Capital employed was DKK 104.7 billion at 30 September 2020 against DKK 106.8 billion at the end of 2019. The decrease was mainly due to the previously mentioned divestments.

### Financial ratios

#### Return on capital employed (ROCE)

Return on capital employed (ROCE, last 12 months) was 9.4% at the end of 9M 2020. The decrease compared to the same period last year was attributable to the lower EBIT over the 12-month period, which in 9M 2019 was significantly impacted by the farm-down of Hornsea 1 in Q4 2018.

#### Credit metric (FFO/adjusted net debt)

The funds from operations (FFO)/adjusted net debt credit metric was 36% at the end of September 2020 against 47% in the same period last year.

### Non-financial results

#### Green share of heat and power generation

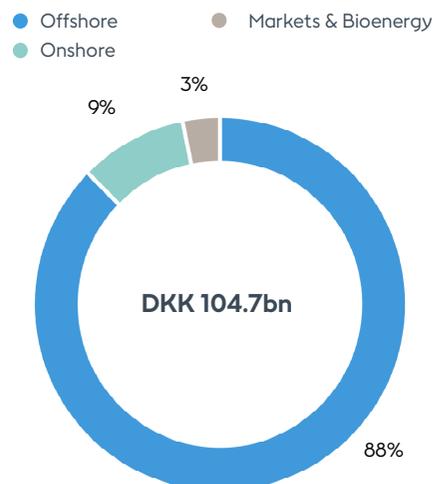
The green share of heat and power generation amounted to 89% in 9M 2020, up 6 percentage points relative to the same period last year. The increase mainly came from higher generation from offshore and onshore wind farms due to additional capacity and higher wind speeds. This was partly offset by power generation associated with the delivery of ancillary services.

### Key ratios, DKKm, %

|                                    | 9M 2020 | 9M 2019 | %      |
|------------------------------------|---------|---------|--------|
| ROCE <sup>1</sup>                  | 9.4     | 29.3    | (21%p) |
| Adjusted net debt                  | 21,869  | 24,910  | (12%)  |
| FFO/adjusted net debt <sup>1</sup> | 35.6    | 47.4    | (12%p) |

<sup>1</sup> See page 79 in the annual report for 2019 for definitions.

### Capital employed, %



### Safety

In 9M 2020, we have had 62 total recordable injuries (TRIs), of which 47 injuries were related to our contractors' employees. This was a decrease of 14 injuries compared to 9M 2019, equalling a 18% reduction. The number of hours worked was 16.3 million hours, 1% more than in 9M 2019. Consequently, the total recordable injury rate (TRIR) over the last 9 months decreased from 4.7 in 9M 2019 to 3.8 in 9M 2020.

### Greenhouse gas emissions

The greenhouse gas intensity from our heat and power generation and other operating activities (scope 1 and 2) decreased to 69g CO<sub>2</sub>e/kWh in 9M 2020 against 76g CO<sub>2</sub>e/kWh in 9M 2019. The emissions per kWh decreased for the same reasons as mentioned above.

Greenhouse gas emissions from our supply chain and sales activities (scope 3) decreased by 19% to 19.4 million tonnes in 9M 2020, driven by a 21% decrease in gas sales.

# Offshore

## Highlights Q3 2020

- Borssele 1 & 2, our first Dutch offshore wind farm, was completed.
- New renewable hydrogen development project in the Netherlands.
- Bids submitted in the 2.5GW auction in New York

## Financial results Q3 2020

Power generation increased by 14% relative to Q3 2019, primarily due to ramp-up of generation from Hornsea 1 and Borssele 1 & 2. Furthermore, we had higher availability, mainly due to a cable remediation campaign at London Array and converter station outages at Borkum Riffgrund 2 in Q3 2019. This was partly offset by continued adverse COVID-19 impacts on especially the UK power market due to a lower demand for electricity. This led to hours with negative prices in July, lower expected ROC recycle prices, and higher balancing tariffs (BSUoS) from National Grid in Q3 2020.

Wind speeds amounted to a portfolio average of 8.2m/s which were slightly lower than Q3 2019, but above normal wind speeds in the third quarter (8.0m/s). Availability ended at 94%, which was 1 percentage-point higher than Q3 2019 due to the various outages and curtailments last year.

Revenue decreased by 35% to DKK 6.4 billion.

Revenue from offshore wind farms in operation increased by 15% to DKK 4.2 billion driven by higher power generation. Revenue from power sales decreased by DKK 0.2 billion due to low-

er power prices.

Revenue from construction agreements decreased by DKK 4.0 billion due to high activity in Q3 2019 related to the construction of the offshore wind farm Hornsea 1 for partners. In Q3 2020, revenue from construction agreements primarily related to the construction of Coastal Virginia Offshore Wind.

EBITDA decreased DKK 0.6 billion relative to Q3 2019 amounting to DKK 2.6 billion.

EBITDA from Sites, O&M, and PPAs amounted to DKK 3.0 billion in Q3 2020. The 15% increase was due to the ramp-up of Hornsea 1 and Borssele 1 & 2. This was partly offset by the above-mentioned adverse COVID-19-related effects.

EBITDA from partnerships decreased by DKK 0.9 billion amounting to DKK 0.2 billion. In Q3 2020, earnings from construction agreements were primarily related to the construction of Coastal Virginia Offshore Wind and minor updates regarding finalised construction projects. In Q3 2019, earnings from construction agreements primarily concerned Hornsea 1.

EBITDA from other activities, including project development, amounted to DKK -0.6 billion and was in line with Q3 2019.

Depreciation increased by 27% and amounted to DKK 1.5 billion. The increase was mainly due to more wind farms in operation.

## Financial results

|  |         | Q3 2020 | Q3 2019 | %     | 9M 2020  | 9M2019  | %     |
|--|---------|---------|---------|-------|----------|---------|-------|
| <b>Business drivers</b>                                |         |         |         |       |          |         |       |
| Decided (FID'ed) and installed capacity, offshore wind | GW      | 9.9     | 9.9     | 0%    | 9.9      | 9.9     | 0%    |
| Installed capacity, offshore wind                      | GW      | 6.8     | 5.6     | 22%   | 6.8      | 5.6     | 22%   |
| Generation capacity, offshore wind                     | GW      | 4.1     | 3.6     | 15%   | 4.1      | 3.6     | 15%   |
| Wind speed   | m/s     | 8.2     | 8.5     | (3%)  | 9.5      | 9.0     | 5%    |
| Load factor  | %       | 35      | 37      | (2%p) | 42       | 39      | 3%p   |
| Availability   | %       | 94      | 93      | 1%p   | 94       | 93      | 1%p   |
| Power generation                                       | TWh     | 3.2     | 2.8     | 14%   | 10.3     | 8.0     | 29%   |
| Denmark  |         | 0.5     | 0.5     | (11%) | 1.6      | 1.6     | 0%    |
| United Kingdom   |         | 2.0     | 1.8     | 9%    | 6.7      | 4.9     | 37%   |
| Germany  |         | 0.4     | 0.5     | (10%) | 1.6      | 1.5     | 7%    |
| Other  |         | 0.3     | 0.0     | n.a.  | 0.4      | 0.1     | n.a.  |
| Power sales (net of internally sourced generation)     | TWh     | 6.3     | 7.0     | (14%) | 20.6     | 19.9    | 3%    |
| Power price, LEBA UK                                   | GBP/MWh | 38.1    | 39.5    | (3%)  | 32.4     | 44.5    | (27%) |
| British pound  | DKK/GBP | 8.2     | 8.3     | (1%)  | 8.4      | 8.5     | 0%    |
| <b>Financial performance</b>                           |         |         |         |       |          |         |       |
| Revenue  | DKKkm   | 6,395   | 9,829   | (35%) | 23,734   | 29,303  | (19%) |
| Sites, O&M and PPAs                                    |         | 4,186   | 3,647   | 15%   | 13,536   | 11,165  | 21%   |
| Power sales  |         | 1,780   | 1,951   | (9%)  | 6,652    | 7,640   | (13%) |
| Construction agreements                                |         | 200     | 4,184   | (95%) | 3,249    | 10,374  | (69%) |
| Other  |         | 229     | 47      | 387%  | 297      | 124     | 140%  |
| EBITDA   | DKKkm   | 2,629   | 3,223   | (18%) | 10,622   | 11,113  | (4%)  |
| Sites, O&M and PPAs                                    |         | 3,012   | 2,612   | 15%   | 10,526   | 9,124   | 15%   |
| Construction agreements and divestment gains           |         | 247     | 1,188   | (79%) | 1,742    | 3,714   | (53%) |
| Other incl. project development                        |         | (630)   | (577)   | 9%    | (1,646)  | (1,725) | (5%)  |
| Depreciation   | DKKkm   | (1,710) | (1,342) | 27%   | (4,570)  | (3,995) | 14%   |
| EBIT   | DKKkm   | 919     | 1,881   | (51%) | 6,052    | 7,118   | (15%) |
| Cash flow from operating activities                    | DKKkm   | 89      | (335)   | n.a.  | 2,874    | 5,738   | (50%) |
| Gross investments                                      | DKKkm   | (6,633) | (5,272) | 26%   | (13,727) | (9,714) | 41%   |
| Divestments  | DKKkm   | (24)    | 239     | n.a.  | (165)    | 2,887   | n.a.  |
| Free cash flow   | DKKkm   | (6,568) | (5,368) | 22%   | (11,018) | (1,089) | 912%  |
| Capital employed                                       | DKKkm   | 90,835  | 74,513  | 22%   | 90,835   | 74,513  | 22%   |



O&M: Operation and maintenance agreements  
PPAs: Power purchase agreements

Cash flow from operating activities amounted to DKK 0.1 billion, which was DKK 0.4 billion higher than in Q3 2019. The increase was mainly due to high construction activity at Hornsea 1 in Q3 2019, partly offset by an increase in trade receivables related to our trading and power portfolio optimisation activities and lower EBITDA.

In Q3 2020, we had a net cash outflow from work in progress of DKK 0.1 billion, mainly from the construction of Coastal Virginia Offshore Wind and construction of the offshore transmission asset at Hornsea 2.

Gross investments amounted to DKK 6.6 billion and mainly related to Borssele 1 & 2, Hornsea 2, Greater Changhua 1 & 2a, and Ocean Wind.

### Financial results 9M 2020

Power generation increased by 29% relative to 9M 2019, primarily due to ramp-up of generation from Hornsea 1 and Borssele 1 & 2 as well as higher wind speeds, mainly in Q1 2020. Furthermore, 9M 2019 saw a higher number of outages and curtailments across the portfolio than normal. This was partly offset by a cable replacement campaign at Hornsea 1 at the beginning of this year as well as hours with negative prices from April to July due to a lower demand for electricity driven by the COVID-19 pandemic.

Wind speeds amounted to 9.5m/s for the portfolio, which was above a normal wind year, mainly due to very strong winds in Q1 2020. Availability was 94%, which was above 9M 2019 due to the various curtailments and outages across the portfolio last year.

Revenue decreased by 19% to DKK 23.7 billion.

Revenue from offshore wind farms in operation increased by 21% to DKK 13.5 billion driven by higher generation. Despite an increase in volumes sold, revenue from power sales decreased by DKK 1.0 billion due to lower power prices.

Revenue from construction agreements decreased by DKK 7.1 billion, primarily due to high activity in 9M 2019 related to the construction of the offshore wind farm Hornsea 1 for partners. In 9M 2020, revenue from construction agreements primarily related to the divestment of the offshore transmission assets at Walney Extension, construction of Coastal Virginia Offshore Wind, and the finalisation of Hornsea 1.

EBITDA decreased by 4% relative to 9M 2019 amounting to DKK 10.6 billion.

EBITDA from Sites, O&M, and PPAs amounted to DKK 10.5 billion in 9M 2020. The 15% increase was due to Hornsea 1 and Borssele 1 & 2 ramp-up and higher wind speeds, partly offset by the above-mentioned COVID-19 effects and by lower earnings from trading related to hedging of our power exposures, which achieved very high results in 9M 2019.

EBITDA from partnerships decreased by DKK 2.0 billion amounting to DKK 1.7 billion. In 9M 2020, our earnings from construction agreements mainly related to the lowered assumptions regarding the preferred bidder's expected return requirement on the Hornsea 1 transmission asset, the construction of Coastal Virginia Offshore Wind, and minor updates regarding finalised construction projects which positively impacted EBITDA. In 9M 2019, earnings from construction agree-

### Wind speed, (m/s) for our offshore wind farms



The wind speed indicates how many metres per second the wind has blown in the areas where we have offshore wind farms. The weighting is based on our generation capacity.

\* Indicates m/s for full year 2020 (if Q4 follows the normal wind year)

ments primarily concerned Hornsea 1 and Borkum Riffgrund 2.

EBITDA from other activities, including project development, amounted to DKK -1.6 billion, slightly lower than the same period last year.

Depreciation increased by 14% and amounted to DKK 4.6 billion, mainly due to completion of Hornsea 1 and Borssele 1 & 2.

Cash flow from operating activities amounted to DKK 2.9 billion, which was DKK 2.9 billion below 9M 2019. This was mainly due to funds tied up in work in progress in 9M 2020 versus a release in 9M 2019 and an increase in trade receivables in 9M 2020 versus a decrease during 9M 2019, mainly related to our trading and power portfolio optimisation activities. This was partly offset by less paid tax in 9M 2020.

In 9M 2020, we had a net cash outflow from work in progress of DKK 2.1 billion. This was mainly due to supplier payments related to

the construction of Hornsea 1 for partners, and construction of the offshore transmission asset at Hornsea 2, partly offset by the divestment of the offshore transmission asset at Walney Extension.

Gross investments amounted to DKK 13.7 billion and mainly related to Borssele 1 & 2, Hornsea 2, Greater Changhua 1 & 2a, and Ocean Wind.

Cash flow from divestments in 9M 2020 related to compensations paid under the partnership agreements for Walney Extension. In 9M 2019, cash flow from divestments related to the receipt of deferred proceeds from the 50% farm-down of Hornsea 1 in 2018 (DKK 1.7 billion) and to the strengthening of our strategic partnership with Eversource, as they became a 50% partner in our activities in the New England area in February (DKK 1.2 billion).

# Onshore

## Highlights Q3 2020

- Willow Creek, our first onshore wind farm in South Dakota, was commissioned ahead of schedule and on budget.
- Decision made to construct onshore wind farm Western Trail in Texas.
- Acquisition of the onshore wind development project Haystack in Nebraska.

## Financial results Q3 2020

In Q3 2020, we increased our onshore power generation by 47% relative to Q3 2019. The increase was driven by new onshore wind farms in operation as we have commissioned Sage Draw, Plum Creek and Willow Creek in 2020. Wind speeds across the portfolio amounted to 6.7m/s, which was slightly higher than the same period last year and a normal Q3 (6.6m/s).

Revenue from onshore wind farms in operation amounted to DKK 0.3 billion, a 12% decrease relative to the same period last year due to lower prices for the part of the portfolio not covered by PPAs.

EBITDA amounted to DKK 0.3 billion which was in line with the same period last year. Earnings from ramp-up of new wind farms were offset by very high peak power prices in Texas in August 2019, which led to unusually high earnings at Willow Springs, Tahoka and Lockett in Q3 2019.

Cash flow from operating activities amounted

to DKK 0.6 billion which primarily comprised tax equity contribution from our partner at the onshore wind farm Willow Creek. The decrease compared to the same period last year was due to higher received tax equity contribution in Q3 2019 from our partner at the onshore wind farm Lockett.

Gross investments amounted to DKK 2.5 billion in Q3 2020 and related to the acquisition of the Muscle Shoals solar PV project and to the construction of Western Trail, Permian Energy Center, and Willow Creek.

## Financial results 9M 2020

Power generation increased by 56% relative to 9M 2019. The increase was due to new wind farms in operation (Sage Draw, Lockett, Plum Creek and Willow Creek). Wind speeds amounted to a portfolio average of 7.4m/s, slightly below a normal wind year (7.5m/s); however, above the average wind speed in 9M 2019.

Revenue from wind farms in operation increased by 2% due to higher generation, partly offset by lower prices for the part of the portfolio not covered by PPAs.

EBITDA increased by 30% amounting to DKK 0.8 billion.

Cash flow from operating activities amounted to DKK 3.8 billion which primarily comprised tax equity contributions from our partners at the onshore wind farms Sage Draw, Plum Creek and Willow Creek.

## Financial results

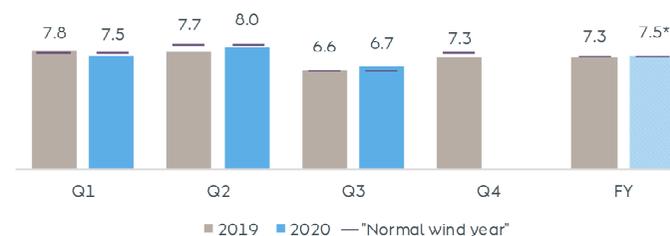
### Business drivers

|   |         | Q3 2020 | Q3 2019 | %     | 9M 2020 | 9M 2019 | %     |
|---|---------|---------|---------|-------|---------|---------|-------|
| Decided (FID'ed) and installed capacity | MW      | 2,682   | 1,668   | 77%   | 2,682   | 1,668   | 77%   |
| Installed capacity                      | MW      | 1,668   | 997     | 67%   | 1,668   | 997     | 67%   |
| Wind speed                              | m/s     | 6.7     | 6.6     | 2%    | 7.4     | 7.3     | 1%    |
| Load factor                             | %       | 36      | 39      | (3%p) | 43      | 44      | (1%p) |
| Availability                            | %       | 97      | 98      | (1%p) | 96      | 97      | (1%p) |
| Power generation                        | TWh     | 1.2     | 0.9     | 47%   | 3.9     | 2.5     | 56%   |
| Net realised price                      | USD/MWh | 15.9    | 22.3    | (28%) | 14.4    | 18.2    | (21%) |
| US dollar                               | DKK/USD | 6.4     | 6.7     | (5%)  | 6.6     | 6.6     | 0%    |

### Financial performance

|   |       |         |         |       |         |         |       |
|---|-------|---------|---------|-------|---------|---------|-------|
| Revenue                                   | DKKkm | 263     | 299     | (12%) | 560     | 547     | 2%    |
| EBITDA                                    | DKKkm | 308     | 308     | 0%    | 807     | 621     | 30%   |
| Sites                                     |       | 176     | 245     | (28%) | 352     | 410     | (14%) |
| Production tax credits and tax attributes |       | 213     | 145     | 47%   | 690     | 427     | 62%   |
| Other incl. project development           |       | (81)    | (82)    | (1%)  | (235)   | (216)   | 9%    |
| Depreciation                              | DKKkm | (133)   | (88)    | 51%   | (340)   | (246)   | 38%   |
| EBIT                                      | DKKkm | 175     | 220     | (20%) | 467     | 375     | 25%   |
| Cash flow from operating activities       | DKKkm | 625     | 1,183   | (47%) | 3,787   | 1,167   | n.a.  |
| Gross investments                         | DKKkm | (2,462) | (1,463) | 68%   | (3,943) | (3,261) | 21%   |
| Divestments                               | DKKkm | -       | 20      | n.a.  | 114     | 20      | n.a.  |
| Free cash flow                            | DKKkm | (1,837) | (260)   | n.a.  | (42)    | (2,074) | (98%) |
| Capital employed                          | DKKkm | 9,711   | 8,552   | 14%   | 9,711   | 8,552   | 14%   |

## Wind speed, (m/s) for our onshore wind farms



The wind speed indicates how many metres per second the wind has blown in the areas where we have onshore wind farms. The weighting is based on our generation capacity.

\* Indicates m/s for full year 2020 (if Q4 follows the normal wind year)

# Markets & Bioenergy

## Highlights Q3 2020

- Divestment of the Danish power distribution, residential customer and city light businesses completed, resulting in a gain of DKK 11.1 billion and proceeds of DKK 20.5 billion.
- Our Renescence plant in the UK was commissioned.
- In September, we signed an agreement to divest the vast majority of our B2B business in the UK to Total Gas & Power.
- In August, we inaugurated Unit 6 at the Asnæs Power Station in Denmark.

## Financial results Q3 2020

Revenue decreased by 34% compared to Q3 2019 and amounted to DKK 4.3 billion. The decrease was mainly driven by a significant drop in sales of gas and power volumes relative to the same period last year as well as lower gas and power prices.

Power generation was 0.6TWh, a 45% increase relative to Q3 2019, driven by generation associated with delivery of ancillary services.

EBITDA amounted to DKK 0.4 billion, in line with the same period last year.

EBITDA from CHP plants decreased by DKK 0.3 billion and amounted to DKK 0.1 billion. The decrease was mainly due to the reversal of a provision of DKK 0.3 billion following the acquittal in the Elsam case in Q3 2019. The lower power prices achieved were offset by a higher

volume of ancillary services sold and lower fixed costs due to timing.

EBITDA from Gas Markets & Infrastructure amounted to DKK 0.2 billion in Q3 2020, a DKK 0.2 billion increase relative to the same period last year. A less net negative effect from revaluating our gas at storage and storage hedges (gas prices increased significantly during Q3 2020, whereas the price development was flatter during Q3 2019) was partly offset by lower earnings due to the shutdown of the Tyra gas field from late 2019 until 2022.

EBITDA from LNG amounted to DKK 0 billion. Following the agreement to divest our LNG activities, we have made provisions to offset the negative earnings.

EBITDA from Distribution, B2C, and city light amounted to DKK 0.1 billion in Q3 2020. As a result of the divestment in August 2020, earnings in Q3 2020 only includes 2 months of operations.

Cash flow from operating activities amounted to DKK 0.9 billion in Q3 2020. The increase of DKK 0.7 billion was mainly due to lower trade receivables due to lower revenue, partly offset by lower trade payables.

Cash flow from divestments in Q3 2020 related to the divestment of our Danish power distribution (Radius), residential customer, and city light businesses. The transaction resulted in proceeds of DKK 20.5 billion.

| Financial results                   |         | Q3 2020 | Q3 2019 | %     | 9M 2020 | 9M 2019 | %     |
|-------------------------------------|---------|---------|---------|-------|---------|---------|-------|
| <b>Business drivers</b>             |         |         |         |       |         |         |       |
| Degree days                         | Number  | 106     | 108     | (2%)  | 1,607   | 1,517   | 6%    |
| Heat generation                     | TWh     | 0.3     | 0.5     | (37%) | 4.4     | 5.4     | (17%) |
| Power generation                    | TWh     | 0.6     | 0.4     | 45%   | 3.1     | 3.0     | 5%    |
| Gas sales                           | TWh     | 23.2    | 30.8    | (25%) | 69.9    | 88.3    | (21%) |
| Power sales                         | TWh     | 2.4     | 3.3     | (27%) | 9.0     | 10.6    | (15%) |
| Gas price, TTF                      | EUR/MWh | 7.7     | 10.2    | (25%) | 7.6     | 13.9    | (45%) |
| Power price, DK                     | EUR/MWh | 34.0    | 38.0    | (10%) | 25.2    | 39.3    | (36%) |
| Power price, LEBA UK                | GBP/MWh | 38.1    | 39.5    | (3%)  | 32.4    | 44.5    | (27%) |
| Green dark spread, DK               | EUR/MWh | (0.4)   | (4.6)   | (90%) | (9.3)   | (2.9)   | 221%  |
| Green spark spread, DK              | EUR/MWh | 8.6     | 7.1     | 22%   | 0.7     | 1.3     | (44%) |
| <b>Financial performance</b>        |         |         |         |       |         |         |       |
| Revenue                             | DKKm    | 4,261   | 6,426   | (34%) | 15,665  | 23,247  | (33%) |
| EBITDA                              | DKKm    | 375     | 436     | (14%) | 1,493   | 1,005   | 49%   |
| CHP plants                          |         | 93      | 370     | (75%) | 765     | 798     | (4%)  |
| Gas Markets & Infrastructure        |         | 201     | 50      | n.a.  | 22      | (230)   | n.a.  |
| LNG                                 |         | 0       | (155)   | n.a.  | 0       | (266)   | n.a.  |
| Distribution, B2C and city light    |         | 145     | 352     | (59%) | 926     | 1,023   | (9%)  |
| Other, incl. project development    |         | (64)    | (181)   | (65%) | (220)   | (320)   | (31%) |
| Depreciation                        | DKKm    | (198)   | (197)   | 1%    | (598)   | (585)   | 2%    |
| EBIT                                | DKKm    | 177     | 239     | (26%) | 895     | 420     | 113%  |
| Cash flow from operating activities | DKKm    | 882     | 152     | n.a.  | 3,256   | 1,498   | 117%  |
| Gross investments                   | DKKm    | (152)   | (473)   | (68%) | (575)   | (1,435) | (60%) |
| Divestments                         | DKKm    | 20,529  | 1       | n.a.  | 20,609  | 21      | n.a.  |
| Free cash flow                      | DKKm    | 21,259  | (320)   | n.a.  | 23,290  | 84      | n.a.  |
| Capital employed                    | DKKm    | 3,351   | 14,702  | (77%) | 3,351   | 14,702  | (77%) |

## Financial results 9M 2020

Revenue decreased by 33% compared to 9M 2019 amounting to DKK 15.7 billion. The decrease was mainly driven by a significant drop in average gas and power prices relative to the same period last year as well as lower gas and power volumes sold.

Thermal power generation amounted to 3.1TWh, a slight increase compared to last year due to higher volume of delivery of ancillary services, partly offset by lower prices. Heat generation amounted to 4.4TWh, down 17% compared to the same period last year due to a warm first quarter in 2020.

EBITDA amounted to DKK 1.5 billion compared to DKK 1.0 billion in 9M 2019.

EBITDA from CHP plants was in line with 9M 2019 and amounted to DKK 0.8 billion. Higher earnings from sale of ancillary services was offset by the decrease in heat generation and lower power spreads as well as the reversal of a provision of DKK 0.3 billion following the acquittal in the Elsam case in Q3 2019.

EBITDA from Gas Markets & Infrastructure increased by DKK 0.3 billion and amounted to DKK 0 billion. The increase was mainly due to a positive effect from revaluating our gas at storage and a positive impact from storage hedges. This was partly offset by lower earnings due to the shutdown of the Tyra gas field from late 2019 until 2022 as well as a provision for bad debt in our B2B business to cover the extraordinary COVID-19-related default risk among our customers.

EBITDA from Distribution, B2C, and city light decreased by DKK 0.1 billion to DKK 0.9 billion due to the divestment of these businesses in

August 2020.

Cash flow from operating activities amounted to DKK 3.3 billion in 9M 2020. The increase of DKK 1.8 billion was mainly due to lower paid taxes (receipt of on account taxes in 9M 2020 versus payment of taxes on account in 9M 2019) and lower trade receivables due to lower revenue. This was partly offset by changes in the value of derivatives and change in the value of gas at storage.

Cash flow from divestments in 9M 2020 related to the aforementioned divestment of our Danish power distribution (Radius), residential customer, and city light businesses in Q3 2020 with proceeds of DKK 20.5 billion.

Gross investments amounted to DKK 0.6 billion in 9M 2020 and were mainly related to maintenance of the power distribution grid and concluding works related to the bioconversion of Asnæs Power Station up until inauguration in August.

## Reporting

We run our business on an end-to-end value chain thinking. All activities and earnings that relate to Offshore and Onshore are reported in these segments, even if the daily activities are performed on behalf of the group in Markets & Bioenergy. Therefore, earnings from trading related to hedging of our power exposures and power portfolio optimisation activities in relation to Offshore and Onshore are presented in these business units.

In 9M 2020, EBITDA of DKK 117 million and DKK -25 million were transferred to Offshore and Onshore, respectively (DKK 511 million and DKK -10 million respectively in 9M 2019). In Q3 2020, EBITDA of DKK -35m and DKK -19 million were transferred to Offshore and Onshore, respectively (DKK -81 million and DKK -4 million respectively in Q3 2019).

# Performance highlights

## Income statement

### (Business performance), DKKm

|   | 9M 2020  | 9M 2019  | Q3 2020 | Q3 2019 | 2019     |
|---|----------|----------|---------|---------|----------|
| Revenue   | 37,042   | 49,163   | 10,041  | 15,481  | 67,842   |
| EBITDA  | 13,121   | 12,871   | 3,360   | 4,116   | 17,484   |
| Offshore  | 10,622   | 11,113   | 2,629   | 3,223   | 15,161   |
| - Sites, O&M and PPAs                                   | 10,526   | 9,124    | 3,012   | 2,612   | 13,750   |
| - Construction agreements and other                     | 96       | 1,989    | (383)   | 611     | 1,411    |
| Onshore   | 807      | 621      | 308     | 308     | 786      |
| Markets & Bioenergy                                     | 1,493    | 1,005    | 375     | 436     | 1,495    |
| Other activities  | 199      | 132      | 48      | 149     | 42       |
| Depreciation and amortisation                           | (5,676)  | (4,988)  | (2,095) | (1,681) | (6,864)  |
| Impairment losses                                       | -        | -        | -       | -       | (568)    |
| Operating profit (loss) (EBIT)                          | 7,445    | 7,883    | 1,265   | 2,435   | 10,052   |
| Gain (loss) on divestment of enterprises                | 11,122   | (50)     | 11,139  | (15)    | (63)     |
| Net financial income and expenses                       | (2,068)  | (491)    | (282)   | (47)    | (1,135)  |
| Profit (loss) before tax                                | 16,507   | 7,341    | 12,124  | 2,368   | 8,856    |
| Tax   | (1,954)  | (2,166)  | (108)   | (925)   | (2,756)  |
| Profit (loss) for the period from continuing operations | 14,553   | 5,175    | 12,016  | 1,443   | 6,100    |
| Profit (loss) for the period                            | 14,527   | 5,148    | 12,034  | 1,477   | 6,044    |
| <b>Balance sheet</b>                                    |          |          |         |         |          |
| Assets  | 194,567  | 194,521  | 194,567 | 194,521 | 192,860  |
| Equity  | 96,472   | 87,369   | 96,472  | 87,369  | 89,562   |
| Shareholders in Ørsted A/S                              | 80,450   | 70,977   | 80,450  | 70,977  | 73,082   |
| Non-controlling interests                               | 2,790    | 3,153    | 2,790   | 3,153   | 3,248    |
| Hybrid capital  | 13,232   | 13,239   | 13,232  | 13,239  | 13,232   |
| Interest-bearing net debt                               | 8,216    | 12,082   | 8,216   | 12,082  | 17,230   |
| Capital employed  | 104,688  | 99,451   | 104,688 | 99,451  | 106,792  |
| Additions to property, plant, and equipment             | 20,321   | 15,880   | 5,477   | 8,449   | 22,440   |
| <b>Cash flow</b>  |          |          |         |         |          |
| Cash flow from operating activities                     | 9,710    | 8,263    | 1,941   | 871     | 13,079   |
| Gross investments                                       | (18,328) | (14,489) | (9,263) | (7,222) | (23,305) |
| Divestments   | 20,558   | 2,927    | 20,506  | 260     | 3,329    |
| Free cash flow  | 11,940   | (3,299)  | 13,184  | (6,091) | (6,897)  |
| <b>Financial ratios</b>                                 |          |          |         |         |          |
| Return on capital employed (ROCE) <sup>1,4</sup> , %    | 9.4      | 29.3     | 9.4     | 29.3    | 10.6     |
| FFO/adjusted net debt <sup>2,4</sup> , %                | 35.6     | 47.4     | 35.6    | 47.4    | 31.0     |
| Number of outstanding shares, end of period, '000       | 420,066  | 419,985  | 420,066 | 419,985 | 419,985  |
| Share price, end of period, DKK                         | 875      | 637      | 875     | 637     | 689      |
| Market capitalisation, end of period, DKK billion       | 368      | 267      | 368     | 267     | 290      |
| Earnings per share (EPS) (BP), DKK                      | 33.8     | 11.6     | 28.6    | 3.5     | 12.7     |
| Dividend yield, %                                       |          |          |         |         | 1.5      |
| <b>Income statement (IFRS)</b>                          |          |          |         |         |          |
| Revenue   | 36,956   | 50,583   | 8,762   | 14,543  | 70,398   |
| EBITDA  | 13,496   | 13,760   | 2,455   | 3,328   | 19,020   |
| Profit (loss) for the period from continuing operations | 14,848   | 5,862    | 11,311  | 822     | 7,291    |

## Business drivers

|  | 9M 2020 | 9M 2019 | Q3 2020 | Q3 2019 | 2019  |
|--|---------|---------|---------|---------|-------|
| <b>Offshore</b>  |         |         |         |         |       |
| Decided (FID'ed) and installed capacity <sup>3</sup> , offshore wind, GW | 9.9     | 9.9     | 9.9     | 9.9     | 9.9   |
| Installed capacity, offshore wind, GW                                    | 6.8     | 5.6     | 6.8     | 5.6     | 6.8   |
| Generation capacity, offshore wind, GW                                   | 4.1     | 3.6     | 4.1     | 3.6     | 3.6   |
| Wind speed <sup>3</sup> , m/s  | 9.5     | 9.0     | 8.2     | 8.5     | 9.2   |
| Load factor <sup>3</sup> , %   | 42      | 39      | 35      | 37      | 42    |
| Availability <sup>3</sup> , %  | 94      | 93      | 94      | 93      | 93    |
| Power generation, TWh  | 10.3    | 8.0     | 3.2     | 2.8     | 12.0  |
| Power sales, TWh   | 20.6    | 19.9    | 6.3     | 7.0     | 27.6  |
| <b>Onshore</b>   |         |         |         |         |       |
| Decided (FID'ed) and installed capacity <sup>3</sup> , GW                | 2.7     | 1.7     | 2.7     | 1.7     | 2.1   |
| Installed capacity <sup>3</sup> , GW                                     | 1.7     | 1.0     | 1.7     | 1.0     | 1.0   |
| Wind speed <sup>3</sup> , m/s  | 7.4     | 7.3     | 6.7     | 6.6     | 7.3   |
| Load factor <sup>3</sup> , %   | 43      | 44      | 36      | 39      | 45    |
| Availability <sup>3</sup> , %  | 96      | 97      | 97      | 98      | 98    |
| Power generation <sup>3</sup> , TWh                                      | 3.9     | 2.5     | 1.2     | 0.9     | 3.5   |
| <b>Markets &amp; Bioenergy</b>   |         |         |         |         |       |
| Degree days <sup>3</sup> , number  | 1,607   | 1,517   | 106     | 108     | 2,399 |
| Heat generation, TWh   | 4.4     | 5.4     | 0.3     | 0.5     | 8.3   |
| Power generation, TWh  | 3.1     | 3.0     | 0.6     | 0.4     | 4.6   |
| Power sales, TWh   | 9.0     | 10.6    | 2.4     | 3.3     | 14.7  |
| Gas sales, TWh   | 69.9    | 88.3    | 23.2    | 30.8    | 125.0 |
| <b>People and environment</b>  |         |         |         |         |       |
| Employees (FTE), end of period number                                    | 6,120   | 6,454   | 6,120   | 6,454   | 6,526 |
| Total recordable injury rate (TRIR) <sup>5</sup>                         | 3.8     | 4.7     | 3.8     | 4.7     | 4.9   |
| Fatalities, number   | 0       | 1       | 0       | 0       | 1     |
| Green share of heat and power generation, %                              | 89      | 83      | 90      | 87      | 86    |
| Greenhouse gas intensity, g CO <sub>2</sub> e/kWh                        | 69      | 76      | 83      | 62      | 65    |



## Business performance vs. IFRS

Business performance represents the underlying financial performance of the Group in the reporting period as results are adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. Apart from this, there is no difference between business performance and IFRS results. Read more in note 2.

<sup>1</sup> EBIT (last 12 months)/average capital employed.

<sup>2</sup> Net debt including 50% of hybrid capital, cash and securities not available for use (with the exception of repo transactions), present value of lease obligations (in 2018), and decommissioning obligations less deferred tax.

<sup>3</sup> See definition on page 164 and 'ESG statement' in the annual report for 2019.

<sup>4</sup> Last 12 months.

<sup>5</sup> YTD.

# Quarterly overview

| Income statement<br>(Business performance), DKKm   | Q3<br>2020 | Q2<br>2020 | Q1<br>2020 | Q4<br>2019 | Q3<br>2019 | Q2<br>2019 | Q1<br>2019 | Q4<br>2018 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|
| Revenue  | 10,041     | 11,625     | 15,376     | 18,679     | 15,481     | 16,443     | 17,239     | 23,527     |
| EBITDA   | 3,360      | 2,956      | 6,805      | 4,613      | 4,116      | 3,625      | 5,130      | 19,206     |
| Offshore   | 2,629      | 2,361      | 5,632      | 4,048      | 3,223      | 3,572      | 4,318      | 18,847     |
| - Sites, O&M and PPAs                              | 3,012      | 2,578      | 4,936      | 4,626      | 2,612      | 2,552      | 3,960      | 4,109      |
| - Construction agreements and other                | (383)      | (217)      | 696        | (578)      | 611        | 1,020      | 358        | 14,738     |
| Onshore  | 308        | 312        | 187        | 165        | 308        | 162        | 151        | 44         |
| Markets & Bioenergy                                | 375        | 185        | 933        | 490        | 436        | (115)      | 684        | 303        |
| Other activities                                   | 48         | 98         | 53         | (90)       | 149        | 6          | (23)       | 12         |
| Depreciation and amortisation                      | (2,095)    | (1,827)    | (1,754)    | (1,876)    | (1,681)    | (1,689)    | (1,618)    | (1,697)    |
| Impairment losses                                  | -          | -          | -          | (568)      | -          | -          | -          | 603        |
| Operating profit (loss) (EBIT)                     | 1,265      | 1,129      | 5,051      | 2,169      | 2,435      | 1,936      | 3,512      | 18,112     |
| Gain (loss) on divestment of enterprises           | 11,139     | (3)        | (14)       | (13)       | (15)       | (18)       | (17)       | (28)       |
| Net financial income and expenses                  | (282)      | (1,010)    | (776)      | (644)      | (47)       | (545)      | 101        | (43)       |
| Profit (loss) before tax                           | 12,124     | 119        | 4,264      | 1,515      | 2,368      | 1,376      | 3,597      | 18,038     |
| Tax  | (108)      | (928)      | (918)      | (590)      | (925)      | (283)      | (2,878)    | (2,878)    |
| Profit (loss) for the period from cont. op.        | 12,016     | (809)      | 3,346      | 925        | 1,443      | 1,093      | 2,639      | 15,160     |
| Profit (loss) for the period                       | 12,034     | (825)      | 3,318      | 896        | 1,477      | 1,075      | 2,596      | 15,194     |
| <b>Balance sheet</b>                               |            |            |            |            |            |            |            |            |
| Assets   | 194,567    | 193,124    | 193,636    | 192,860    | 194,521    | 185,949    | 182,783    | 174,575    |
| Equity   | 96,472     | 85,930     | 89,015     | 89,562     | 87,369     | 86,446     | 85,843     | 85,115     |
| Shareholders in Ørsted A/S                         | 80,450     | 69,789     | 72,728     | 73,082     | 70,977     | 69,960     | 69,193     | 68,488     |
| Non-controlling interests                          | 2,790      | 2,909      | 3,055      | 3,248      | 3,153      | 3,247      | 3,411      | 3,388      |
| Hybrid capital                                     | 13,232     | 13,232     | 13,232     | 13,232     | 13,239     | 13,239     | 13,239     | 13,239     |
| Interest-bearing net debt                          | 8,216      | 22,272     | 27,084     | 17,230     | 12,082     | 4,980      | 9,111      | (2,219)    |
| Capital employed                                   | 104,688    | 108,203    | 116,098    | 106,792    | 99,451     | 91,426     | 94,954     | 82,896     |
| Additions to property, plant, equipment            | 5,477      | 10,011     | 4,833      | 6,560      | 8,449      | 3,755      | 3,676      | 4,575      |
| <b>Cash flow</b>                                   |            |            |            |            |            |            |            |            |
| Cash flow from operating activities                | 1,941      | 8,197      | (428)      | 4,816      | 871        | 7,510      | (118)      | 7,565      |
| Gross investments                                  | (9,263)    | (3,757)    | (5,308)    | (8,816)    | (7,222)    | (3,368)    | (3,899)    | (14,916)   |
| Divestments  | 20,506     | 45         | 7          | 402        | 260        | (11)       | 2,678      | 18,749     |
| Free cash flow                                     | 13,184     | 4,485      | (5,729)    | (3,598)    | (6,091)    | 4,131      | (1,339)    | 11,398     |
| <b>Financial ratios</b>                            |            |            |            |            |            |            |            |            |
| Return on capital employed (ROCE) <sup>1</sup> , % | 9.4        | 10.8       | 11.0       | 10.6       | 29.3       | 29.3       | 28.2       | 32.1       |
| FFO/adjusted net debt <sup>2</sup> , %             | 35.6       | 23.1       | 21.3       | 31.0       | 47.4       | 57.5       | 46.2       | 69.0       |
| Number of outstanding shares, end of period, '000  | 420,066    | 420,066    | 419,985    | 419,985    | 419,985    | 419,985    | 420,045    | 420,045    |
| Share price, end of period, DKK                    | 875        | 765        | 666        | 689        | 637        | 533        | 504        | 436        |
| Market capitalisation, end of period, DKK billion  | 368        | 321        | 280        | 290        | 267        | 224        | 212        | 183        |
| Earnings per share (EPS) (BP), DKK                 | 28.6       | (2.7)      | 8.0        | 1.1        | 3.5        | 1.9        | 6.2        | 35.6       |
| <b>Income statement (IFRS)</b>                     |            |            |            |            |            |            |            |            |
| Revenue  | 8,762      | 9,962      | 18,232     | 19,815     | 14,543     | 17,277     | 18,763     | 26,165     |
| EBITDA   | 2,455      | 1,592      | 9,449      | 5,260      | 3,328      | 4,425      | 6,007      | 20,914     |
| Profit (loss) for the period from cont. op.        | 11,311     | (1,870)    | 5,407      | 1,429      | 822        | 1,718      | 3,322      | 16,472     |

| Business drivers   | Q3<br>2020 | Q2<br>2020 | Q1<br>2020 | Q4<br>2019 | Q3<br>2019 | Q2<br>2019 | Q1<br>2019 | Q4<br>2018 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Offshore</b>  |            |            |            |            |            |            |            |            |
| Decided (FID'ed) and installed capacity <sup>3</sup> , offshore wind, GW | 9.9        | 9.9        | 9.9        | 9.9        | 9.9        | 9.9        | 9.0        | 9.0        |
| Installed capacity, offshore wind, GW                                    | 6.8        | 6.8        | 6.8        | 6.8        | 5.6        | 5.6        | 5.6        | 5.6        |
| Generation capacity, offshore wind, GW                                   | 4.1        | 3.8        | 3.6        | 3.6        | 3.6        | 3.3        | 3.0        | 3.0        |
| Wind speed <sup>3</sup> , m/s  | 8.2        | 8.0        | 12.1       | 10.0       | 8.5        | 8.0        | 10.4       | 10.3       |
| Load factor <sup>3</sup> , %   | 35         | 32         | 60         | 50         | 37         | 31         | 51         | 53         |
| Availability <sup>3</sup> , %  | 94         | 95         | 93         | 93         | 93         | 87         | 96         | 93         |
| Power generation, TWh  | 3.2        | 2.6        | 4.6        | 3.9        | 2.8        | 2.2        | 3.1        | 3.3        |
| Power sales, TWh   | 6.3        | 5.5        | 8.8        | 7.7        | 7.0        | 5.7        | 7.2        | 7.7        |
| <b>Onshore</b>   |            |            |            |            |            |            |            |            |
| Decided (FID'ed) and installed capacity <sup>3</sup> , GW                | 2.7        | 2.1        | 2.1        | 2.1        | 1.7        | 1.4        | 1.0        | 1.0        |
| Installed capacity <sup>3</sup> , GW                                     | 1.7        | 1.6        | 1.3        | 1.0        | 1.0        | 0.8        | 0.8        | 0.8        |
| Wind speed <sup>3</sup> , m/s  | 6.7        | 8.0        | 7.5        | 7.3        | 6.6        | 7.7        | 7.8        | 7.3        |
| Load factor <sup>3</sup> , %   | 36         | 49         | 44         | 46         | 39         | 47         | 47         | 41         |
| Availability <sup>3</sup> , %  | 97         | 96         | 95         | 98         | 98         | 97         | 97         | 98         |
| Power generation, TWh  | 1.2        | 1.6        | 1.1        | 1.0        | 0.9        | 0.8        | 0.8        | 0.6        |
| <b>Markets &amp; Bioenergy</b>   |            |            |            |            |            |            |            |            |
| Degree days <sup>3</sup> , number  | 106        | 436        | 1,065      | 882        | 108        | 269        | 1,140      | 884        |
| Heat generation, TWh   | 0.3        | 1.0        | 3.1        | 3.0        | 0.5        | 1.1        | 3.7        | 2.8        |
| Power generation, TWh  | 0.6        | 0.9        | 1.6        | 1.6        | 0.4        | 0.7        | 1.9        | 1.8        |
| Power sales, TWh   | 2.4        | 3.0        | 3.6        | 4.1        | 3.3        | 3.3        | 4.0        | 4.2        |
| Gas sales, TWh   | 23.2       | 20.1       | 26.7       | 36.6       | 30.8       | 31.7       | 25.8       | 25.5       |
| <b>People and environment</b>  |            |            |            |            |            |            |            |            |
| Employees (FTE) end of period, number                                    | 6,120      | 6,731      | 6,608      | 6,526      | 6,454      | 6,312      | 6,176      | 6,080      |
| Total recordable injury rate (TRIR) <sup>5</sup>                         | 3.8        | 3.7        | 3.6        | 4.9        | 4.7        | 4.0        | 4.4        | 3.9        |
| Fatalities, number   | 0          | 0          | 0          | 0          | 0          | 1          | 0          | 0          |
| Green share of heat and power generation, %                              | 90         | 86         | 90         | 90         | 87         | 85         | 80         | 83         |
| Greenhouse gas intensity, g CO <sub>2</sub> e/kWh                        | 83         | 84         | 53         | 44         | 62         | 71         | 85         | 87         |

<sup>1</sup> EBIT (last 12 months)/average capital employed.

<sup>2</sup> Net debt including 50% of hybrid capital, cash and securities not available for use (with the exception of repo transactions), present value of lease obligations (in 2018), and decommissioning obligations less deferred tax.

<sup>3</sup> See definition on page 164 and 'ESG statement' in the annual report for 2019.

<sup>4</sup> Last 12 months.

<sup>5</sup> YTD.



## Business performance vs. IFRS

Business performance represents the underlying financial performance of the Group in the reporting period as results are adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. Apart from this, there is no difference between business performance and IFRS results. Read more in note 2.

# Consolidated financial statements

First nine months 2020

1 January – 30 September

# Income statement

1 January – 30 September

| Note | Income statement, DKKm  | 9M 2020              |             |               | 9M 2019              |             |               |
|------|---|----------------------|-------------|---------------|----------------------|-------------|---------------|
|      |   | Business performance | Adjustments | IFRS          | Business performance | Adjustments | IFRS          |
| 4    | Revenue   | 37,042               | (86)        | 36,956        | 49,163               | 1,420       | 50,583        |
|      | Cost of sales   | (18,761)             | 461         | (18,300)      | (30,524)             | (531)       | (31,055)      |
|      | Other external expenses   | (4,239)              | -           | (4,239)       | (4,488)              | -           | (4,488)       |
|      | Employee costs  | (3,163)              | -           | (3,163)       | (2,802)              | -           | (2,802)       |
|      | Share of profit (loss) in associates and joint ventures   | 30                   | -           | 30            | (20)                 | -           | (20)          |
| 5    | Other operating income  | 2,427                | -           | 2,427         | 1,750                | -           | 1,750         |
| 5    | Other operating expenses  | (215)                | -           | (215)         | (208)                | -           | (208)         |
|      | <b>Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA)</b>          | <b>13,121</b>        | <b>375</b>  | <b>13,496</b> | <b>12,871</b>        | <b>889</b>  | <b>13,760</b> |
|      | Amortisation, depreciation and impairment losses on intangible assets, and property, plant, and equipment | (5,676)              | -           | (5,676)       | (4,988)              | -           | (4,988)       |
|      | <b>Operating profit (loss) (EBIT)</b>   | <b>7,445</b>         | <b>375</b>  | <b>7,820</b>  | <b>7,883</b>         | <b>889</b>  | <b>8,772</b>  |
|      | Gain (loss) on divestment of enterprises  | 11,122               | -           | 11,122        | (50)                 | -           | (50)          |
|      | Share of profit (loss) in associates and joint ventures   | 8                    | -           | 8             | (1)                  | -           | (1)           |
| 6    | Financial income  | 2,074                | -           | 2,074         | 3,606                | -           | 3,606         |
| 6    | Financial expenses  | (4,142)              | -           | (4,142)       | (4,097)              | -           | (4,097)       |
|      | <b>Profit (loss) before tax</b>   | <b>16,507</b>        | <b>375</b>  | <b>16,882</b> | <b>7,341</b>         | <b>889</b>  | <b>8,230</b>  |
| 11   | Tax on profit (loss) for the period   | (1,954)              | (80)        | (2,034)       | (2,166)              | (202)       | (2,368)       |
|      | <b>Profit (loss) for the period from continuing operations</b>  | <b>14,553</b>        | <b>295</b>  | <b>14,848</b> | <b>5,175</b>         | <b>687</b>  | <b>5,862</b>  |
| 10   | <b>Profit (loss) for the period from discontinued operations</b>  | <b>(26)</b>          | <b>-</b>    | <b>(26)</b>   | <b>(27)</b>          | <b>-</b>    | <b>(27)</b>   |
|      | <b>Profit (loss) for the period</b>   | <b>14,527</b>        | <b>295</b>  | <b>14,822</b> | <b>5,148</b>         | <b>687</b>  | <b>5,835</b>  |
|      | <b>Profit (loss) for the period is attributable to:</b>   |                      |             |               |                      |             |               |
|      | Shareholders in Ørsted A/S  | 14,214               | 295         | 14,509        | 4,871                | 687         | 5,558         |
|      | Interests and costs, hybrid capital owners of Ørsted A/S  | 326                  | -           | 326           | 232                  | -           | 232           |
|      | Non-controlling interests   | (13)                 | -           | (13)          | 45                   | -           | 45            |
|      | <b>Profit (loss) per share, DKK:</b>  |                      |             |               |                      |             |               |
|      | From continuing operations  | 33.9                 | -           | 34.6          | 11.7                 | -           | 13.3          |
|      | From discontinued operations  | (0.1)                | -           | (0.1)         | (0.1)                | -           | (0.1)         |
|      | <b>Total profit (loss) per share</b>  | <b>33.8</b>          | <b>-</b>    | <b>34.5</b>   | <b>11.6</b>          | <b>-</b>    | <b>13.2</b>   |

## Accounting policies

### Business performance

The business performance principle is our alternative performance measure. Under business performance, the market value adjustment of our energy hedges, where we do not apply IFRS hedge accounting, are deferred and recognised in the profit (loss) in the period in which the hedged exposure materialises. Energy hedges comprise hedging of energy and associated currency risks as well as fixed-price physical gas and power contracts. According to IFRS, the market value of energy hedges, where we do not apply IFRS hedge accounting, are recognised on an ongoing basis in the profit (loss) for the period. The difference between IFRS and business performance is specified in the 'Adjustments' column. Read more about the business performance principle in note 2 'Business performance' as well as note 1.5 'Business performance' in the annual report 2019.



### Profit (loss) per share

Diluted profit (loss) per share corresponds to profit (loss) per share, as the dilutive effect of the share incentive programme is less than 0.1% of the share capital.

# Statement of comprehensive income

1 January – 30 September

|  | 9M 2020              |              |                | 9M 2019              |              |              |
|--|----------------------|--------------|----------------|----------------------|--------------|--------------|
|  | Business performance | Adjustments  | IFRS           | Business performance | Adjustments  | IFRS         |
| <b>Statement of comprehensive income, DKKm</b>                               |                      |              |                |                      |              |              |
| <b>Profit (loss) for the period</b>  | <b>14,527</b>        | <b>295</b>   | <b>14,822</b>  | <b>5,148</b>         | <b>687</b>   | <b>5,835</b> |
| <b>Other comprehensive income:</b>   |                      |              |                |                      |              |              |
| <b>Cash flow hedging:</b>  |                      |              |                |                      |              |              |
| Value adjustments for the period   | (411)                | (1,115)      | (1,526)        | 804                  | (52)         | 752          |
| Value adjustments transferred to income statement                            | (219)                | 740          | 521            | 1,036                | (837)        | 199          |
| <b>Exchange rate adjustments:</b>  |                      |              |                |                      |              |              |
| Exchange rate adjustments relating to net investments in foreign enterprises | (4,863)              | -            | (4,863)        | 634                  | -            | 634          |
| Value adjustment of net investment hedges                                    | 2,337                | -            | 2,337          | (365)                | -            | (365)        |
| <b>Tax:</b>  |                      |              |                |                      |              |              |
| Tax on hedging instruments   | 94                   | 80           | 174            | (315)                | 202          | (113)        |
| Tax on exchange rate adjustments   | 522                  | -            | 522            | 43                   | -            | 43           |
| <b>Other:</b>  |                      |              |                |                      |              |              |
| Share of other comprehensive income of associated companies, after tax       | 2                    | -            | 2              | (25)                 | -            | (25)         |
| <b>Other comprehensive income</b>  | <b>(2,538)</b>       | <b>(295)</b> | <b>(2,833)</b> | <b>1,812</b>         | <b>(687)</b> | <b>1,125</b> |
| <b>Total comprehensive income</b>  | <b>11,989</b>        | <b>-</b>     | <b>11,989</b>  | <b>6,960</b>         | <b>-</b>     | <b>6,960</b> |
| <b>Comprehensive income for the period is attributable to:</b>               |                      |              |                |                      |              |              |
| Shareholders in Ørsted A/S   |                      |              | 11,819         |                      |              | 6,629        |
| Interest payments and costs, hybrid capital owners of Ørsted A/S             |                      |              | 326            |                      |              | 232          |
| Non-controlling interests  |                      |              | (156)          |                      |              | 99           |
| <b>Total comprehensive income</b>  |                      |              | <b>11,989</b>  |                      |              | <b>6,960</b> |



**Statement of comprehensive income**  
All items in 'Other comprehensive income' may be recycled to the income statement.

# Income statement

1 July – 30 September

| Note | Income statement, DKKm  | Q3 2020              |              |               | Q3 2019              |              |              |
|------|---|----------------------|--------------|---------------|----------------------|--------------|--------------|
|      |   | Business performance | Adjustments  | IFRS          | Business performance | Adjustments  | IFRS         |
| 4    | Revenue   | 10,041               | (1,279)      | 8,762         | 15,481               | (938)        | 14,543       |
|      | Cost of sales   | (4,138)              | 374          | (3,764)       | (9,458)              | 150          | (9,308)      |
|      | Other external expenses   | (1,772)              | -            | (1,772)       | (1,534)              | -            | (1,534)      |
|      | Employee costs  | (1,048)              | -            | (1,048)       | (929)                | -            | (929)        |
|      | Share of profit (loss) in associates and joint ventures   | 19                   | -            | 19            | (7)                  | -            | (7)          |
| 5    | Other operating income  | 326                  | -            | 326           | 612                  | -            | 612          |
| 5    | Other operating expenses  | (68)                 | -            | (68)          | (49)                 | -            | (49)         |
|      | <b>Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)</b>           | <b>3,360</b>         | <b>(905)</b> | <b>2,455</b>  | <b>4,116</b>         | <b>(788)</b> | <b>3,328</b> |
|      | Amortisation, depreciation and impairment losses on intangible assets, and property, plant, and equipment | (2,095)              | -            | (2,095)       | (1,681)              | -            | (1,681)      |
|      | <b>Operating profit (loss) (EBIT)</b>   | <b>1,265</b>         | <b>(905)</b> | <b>360</b>    | <b>2,435</b>         | <b>(788)</b> | <b>1,647</b> |
|      | Gain (loss) on divestment of enterprises  | 11,139               | -            | 11,139        | (15)                 | -            | (15)         |
|      | Share of profit (loss) in associates and joint ventures   | 2                    | -            | 2             | (5)                  | -            | (5)          |
| 6    | Financial income  | 717                  | -            | 717           | 1,008                | -            | 1,008        |
| 6    | Financial expenses  | (999)                | -            | (999)         | (1,055)              | -            | (1,055)      |
|      | <b>Profit (loss) before tax</b>   | <b>12,124</b>        | <b>(905)</b> | <b>11,219</b> | <b>2,368</b>         | <b>(788)</b> | <b>1,580</b> |
| 11   | Tax on profit (loss) for the period   | (108)                | 200          | 92            | (925)                | 167          | (758)        |
|      | <b>Profit (loss) for the period from continuing operations</b>  | <b>12,016</b>        | <b>(705)</b> | <b>11,311</b> | <b>1,443</b>         | <b>(621)</b> | <b>822</b>   |
| 10   | <b>Profit (loss) for the period from discontinued operations</b>  | <b>18</b>            | <b>-</b>     | <b>18</b>     | <b>34</b>            | <b>-</b>     | <b>34</b>    |
|      | <b>Profit (loss) for the period</b>   | <b>12,034</b>        | <b>(705)</b> | <b>11,329</b> | <b>1,477</b>         | <b>(621)</b> | <b>856</b>   |
|      | <b>Profit (loss) for the period is attributable to:</b>   |                      |              |               |                      |              |              |
|      | Shareholders in Ørsted A/S  | 12,036               | (705)        | 11,331        | 1,497                | (621)        | 876          |
|      | Interests and costs, hybrid capital owners of Ørsted A/S  | -                    | -            | -             | (24)                 | -            | (24)         |
|      | Non-controlling interests   | (2)                  | -            | (2)           | 4                    | -            | 4            |
|      | <b>Profit (loss) per share, DKK:</b>  |                      |              |               |                      |              |              |
|      | From continuing operations  | 28.6                 | -            | 26.9          | 3.5                  | -            | 2.0          |
|      | From discontinued operations  | 0.0                  | -            | 0.0           | 0.0                  | -            | 0.0          |
|      | <b>Total profit (loss) per share</b>  | <b>28.6</b>          | <b>-</b>     | <b>26.9</b>   | <b>3.5</b>           | <b>-</b>     | <b>2.0</b>   |

## Accounting policies

### Business performance

The business performance principle is our alternative performance measure. Under business performance, the market value adjustment of our energy hedges, where we do not apply IFRS hedge accounting, are deferred and recognised in the profit (loss) in the period in which the hedged exposure materialises. Energy hedges comprise hedging of energy and associated currency risks as well as fixed-price physical gas and power contracts. According to IFRS, the market value of energy hedges, where we do not apply IFRS hedge accounting, are recognised on an ongoing basis in the profit (loss) for the period. The difference between IFRS and business performance is specified in the 'Adjustments' column. Read more about the business performance principle in note 2 'Business performance' as well as note 1.5 'Business performance' in the annual report 2019.



### Profit (loss) per share

Diluted profit (loss) per share corresponds to profit (loss) per share, as the dilutive effect of the share incentive programme is less than 0.1% of the share capital.

# Statement of comprehensive income

1 July – 30 September

|   | Q3 2020              |              |               | Q3 2019              |              |              |
|---|----------------------|--------------|---------------|----------------------|--------------|--------------|
|   | Business performance | Adjustments  | IFRS          | Business performance | Adjustments  | IFRS         |
| <b>Statement of comprehensive income, DKKm</b>                              |                      |              |               |                      |              |              |
| <b>Profit (loss) for the period</b>   | <b>12,034</b>        | <b>(705)</b> | <b>11,329</b> | <b>1,477</b>         | <b>(621)</b> | <b>856</b>   |
| <b>Other comprehensive income:</b>  |                      |              |               |                      |              |              |
| <b>Cash-flow hedging:</b>   |                      |              |               |                      |              |              |
| Value adjustments for the period  | (1,255)              | 810          | (445)         | (1,687)              | 1,197        | (490)        |
| Value adjustments transferred to income statement                           | (88)                 | 95           | 7             | 484                  | (409)        | 75           |
| <b>Exchange rate adjustments:</b>   |                      |              |               |                      |              |              |
| Exchange rate adjustments relating to net investment in foreign enterprises | (603)                | -            | (603)         | 1,219                | -            | 1,219        |
| Value adjustment of net investment hedges                                   | 226                  | -            | 226           | (658)                | -            | (658)        |
| <b>Tax:</b>   |                      |              |               |                      |              |              |
| Tax on hedging instruments  | 277                  | (200)        | 77            | 251                  | (167)        | 84           |
| Tax on exchange rate adjustments  | 46                   | -            | 46            | (42)                 | -            | (42)         |
| <b>Other:</b>   |                      |              |               |                      |              |              |
| Share of other comprehensive income of associated companies, after tax      | 9                    | -            | 9             | (17)                 | -            | (17)         |
| <b>Other comprehensive income</b>   | <b>(1,388)</b>       | <b>705</b>   | <b>(683)</b>  | <b>(450)</b>         | <b>621</b>   | <b>171</b>   |
| <b>Total comprehensive income</b>   | <b>10,646</b>        | <b>-</b>     | <b>10,646</b> | <b>1,027</b>         | <b>-</b>     | <b>1,027</b> |
| <b>Comprehensive income for the period is attributable to:</b>              |                      |              |               |                      |              |              |
| Shareholders in Ørsted A/S  |                      |              | 10,646        |                      |              | 1,009        |
| Interest payments and costs after tax, hybrid capital owners of Ørsted A/S  |                      |              | -             |                      |              | (24)         |
| Non-controlling interests   |                      |              | -             |                      |              | 42           |
| <b>Total comprehensive income</b>   |                      |              | <b>10,646</b> |                      |              | <b>1,027</b> |



**Statement of comprehensive income**  
All items in 'Other comprehensive income' may be recycled to the income statement.

# Balance sheet

| Note | Assets, DKKm                                      | 30 September<br>2020 | 31 December<br>2019 | 30 September<br>2019 |
|------|---|----------------------|---------------------|----------------------|
|      | <b>Intangible assets</b>                          | <b>581</b>           | <b>672</b>          | <b>590</b>           |
|      | Land and buildings                                | 5,190                | 5,177               | 5,293                |
|      | Production assets                                 | 84,078               | 76,682              | 75,985               |
|      | Fixtures and fittings, tools, and equipment       | 543                  | 652                 | 652                  |
|      | Property, plant, and equipment under construction | 26,246               | 23,502              | 18,228               |
|      | <b>Property, plant, and equipment</b>             | <b>116,057</b>       | <b>106,013</b>      | <b>100,158</b>       |
|      | Investments in associates and joint ventures      | 539                  | 497                 | 463                  |
|      | Other securities and equity investments           | 220                  | 217                 | 225                  |
|      | Deferred tax                                      | 8,432                | 6,847               | 5,799                |
|      | Other receivables                                 | 3,311                | 1,713               | 1,960                |
|      | <b>Other non-current assets</b>                   | <b>12,502</b>        | <b>9,274</b>        | <b>8,447</b>         |
|      | <b>Non-current assets</b>                         | <b>129,140</b>       | <b>115,959</b>      | <b>109,195</b>       |
|      | Inventories                                       | 13,213               | 14,031              | 14,335               |
| 14   | Derivatives                                       | 5,422                | 7,740               | 4,909                |
|      | Contract assets                                   | 175                  | 739                 | 1,978                |
|      | Trade receivables                                 | 7,044                | 8,140               | 6,327                |
|      | Other receivables                                 | 3,047                | 5,253               | 4,082                |
|      | Receivables from associates and joint ventures    | 160                  | -                   | -                    |
|      | Income tax  | 1,028                | 346                 | 6,812                |
| 14   | Securities  | 27,292               | 16,552              | 25,702               |
|      | Cash  | 5,852                | 7,148               | 5,371                |
|      | <b>Current assets</b>                             | <b>63,233</b>        | <b>59,949</b>       | <b>69,516</b>        |
| 9    | <b>Assets classified as held for sale</b>         | <b>2,194</b>         | <b>16,952</b>       | <b>15,810</b>        |
|      | <b>Assets</b>                                     | <b>194,567</b>       | <b>192,860</b>      | <b>194,521</b>       |



## Assets and liabilities classified as held for sale

Assets classified as held for sale at 30 September 2020 comprised our oil pipe system in Denmark and our LNG business.

| Note | Equity and liabilities, DKKm                                      | 30 September<br>2020 | 31 December<br>2019 | 30 September<br>2019 |
|------|---|----------------------|---------------------|----------------------|
|      | Share capital   | 4,204                | 4,204               | 4,204                |
| 12   | Reserves  | (2,279)              | 413                 | (731)                |
|      | Retained earnings   | 78,525               | 64,051              | 67,504               |
|      | Proposed dividends  | -                    | 4,414               | -                    |
|      | <b>Equity attributable to shareholders in Ørsted A/S</b>          | <b>80,450</b>        | <b>73,082</b>       | <b>70,977</b>        |
|      | Hybrid capital  | 13,232               | 13,232              | 13,239               |
|      | Non-controlling interests   | 2,790                | 3,248               | 3,153                |
|      | <b>Equity</b>   | <b>96,472</b>        | <b>89,562</b>       | <b>87,369</b>        |
|      | Deferred tax  | 3,766                | 3,371               | 5,175                |
|      | Provisions  | 12,518               | 12,063              | 12,349               |
|      | Lease liabilities   | 4,119                | 4,728               | 4,826                |
| 15   | Bond and bank debt  | 33,053               | 36,039              | 32,643               |
|      | Contract liabilities  | 3,706                | 3,762               | 3,852                |
|      | Tax equity liabilities  | 7,669                | 4,563               | 4,872                |
|      | Other payables  | 498                  | 469                 | 247                  |
|      | <b>Non-current liabilities</b>                                    | <b>65,329</b>        | <b>64,995</b>       | <b>63,964</b>        |
|      | Provisions  | 731                  | 538                 | 582                  |
|      | Lease liabilities   | 641                  | 604                 | 593                  |
| 15   | Bond and bank debt  | 2,827                | 801                 | 5,904                |
| 14   | Derivatives   | 3,948                | 6,958               | 5,481                |
|      | Contract liabilities  | 461                  | 784                 | 904                  |
|      | Trade payables  | 9,803                | 10,832              | 14,037               |
|      | Tax equity liabilities  | 599                  | 632                 | 625                  |
|      | Other payables  | 5,053                | 4,247               | 3,245                |
|      | Income tax  | 6,134                | 4,075               | 6,826                |
|      | <b>Current liabilities</b>  | <b>30,197</b>        | <b>29,471</b>       | <b>38,197</b>        |
|      | <b>Liabilities</b>  | <b>95,526</b>        | <b>94,466</b>       | <b>102,161</b>       |
| 9    | <b>Liabilities relating to assets classified as held for sale</b> | <b>2,569</b>         | <b>8,832</b>        | <b>4,991</b>         |
|      | <b>Equity and liabilities</b>                                     | <b>194,567</b>       | <b>192,860</b>      | <b>194,521</b>       |

# Statement of changes in equity

| DKKm   | 2020          |                |                   |                    |                             |                |                           |               | 2019          |              |                   |                    |                             |                |                           |               |
|--|---------------|----------------|-------------------|--------------------|-----------------------------|----------------|---------------------------|---------------|---------------|--------------|-------------------|--------------------|-----------------------------|----------------|---------------------------|---------------|
|  | Share capital | Reserves*      | Retained earnings | Proposed dividends | Share-holders in Ørsted A/S | Hybrid capital | Non-controlling interests | Total Group   | Share capital | Reserves*    | Retained earnings | Proposed dividends | Share-holders in Ørsted A/S | Hybrid capital | Non-controlling interests | Total Group   |
| Equity at 1 January  | 4,204         | 413            | 64,051            | 4,414              | 73,082                      | 13,232         | 3,248                     | 89,562        | 4,204         | (1,827)      | 62,012            | 4,099              | 68,488                      | 13,239         | 3,388                     | 85,115        |
| <b>Comprehensive income for the period:</b>                            |               |                |                   |                    |                             |                |                           |               |               |              |                   |                    |                             |                |                           |               |
| Profit (loss) for the period   | -             | -              | 14,509            | -                  | 14,509                      | 326            | (13)                      | 14,822        | -             | -            | 5,558             | -                  | 5,558                       | 232            | 45                        | 5,835         |
| <b>Other comprehensive income:</b>                                     |               |                |                   |                    |                             |                |                           |               |               |              |                   |                    |                             |                |                           |               |
| Cash-flow hedging  | -             | (1,005)        | -                 | -                  | (1,005)                     | -              | -                         | (1,005)       | -             | 951          | -                 | -                  | 951                         | -              | -                         | 951           |
| Exchange rate adjustments  | -             | (2,383)        | -                 | -                  | (2,383)                     | -              | (143)                     | (2,526)       | -             | 215          | -                 | -                  | 215                         | -              | 54                        | 269           |
| Tax on other comprehensive income                                      | -             | 696            | -                 | -                  | 696                         | -              | -                         | 696           | -             | (70)         | -                 | -                  | (70)                        | -              | -                         | (70)          |
| Share of other comprehensive income of associated companies, after tax | -             | -              | 2                 | -                  | 2                           | -              | -                         | 2             | -             | -            | (25)              | -                  | (25)                        | -              | -                         | (25)          |
| <b>Total comprehensive income</b>                                      | -             | <b>(2,692)</b> | <b>14,511</b>     | -                  | <b>11,819</b>               | <b>326</b>     | <b>(156)</b>              | <b>11,989</b> | -             | <b>1,096</b> | <b>5,533</b>      | -                  | <b>6,629</b>                | <b>232</b>     | <b>99</b>                 | <b>6,960</b>  |
| Coupon payments, hybrid capital  | -             | -              | -                 | -                  | -                           | (326)          | -                         | (326)         | -             | -            | -                 | -                  | -                           | (327)          | -                         | (327)         |
| Tax, hybrid capital  | -             | -              | -                 | -                  | -                           | -              | -                         | -             | -             | -            | -                 | -                  | -                           | 95             | -                         | 95            |
| Dividends paid   | -             | -              | 4                 | (4,414)            | (4,410)                     | -              | (302)                     | (4,712)       | -             | -            | 3                 | (4,099)            | (4,096)                     | -              | (334)                     | (4,430)       |
| Purchases of treasury shares   | -             | -              | (58)              | -                  | (58)                        | -              | -                         | (58)          | -             | -            | (99)              | -                  | (99)                        | -              | -                         | (99)          |
| Other changes  | -             | -              | 17                | -                  | 17                          | -              | -                         | 17            | -             | -            | 55                | -                  | 55                          | -              | -                         | 55            |
| <b>Equity at 30 September</b>  | <b>4,204</b>  | <b>(2,279)</b> | <b>78,525</b>     | -                  | <b>80,450</b>               | <b>13,232</b>  | <b>2,790</b>              | <b>96,472</b> | <b>4,204</b>  | <b>(731)</b> | <b>67,504</b>     | -                  | <b>70,977</b>               | <b>13,239</b>  | <b>3,153</b>              | <b>87,369</b> |

\* See note 12 'Reserves' for more information about reserves.

# Statement of cash flows

| Note | Statement of cash flows, DKKm   | 9M 2020        | 9M 2019         | Q3 2020        | Q3 2019        |
|------|---|----------------|-----------------|----------------|----------------|
|      | Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA), IFRS | 13,496         | 13,760          | 2,455          | 3,328          |
| 2    | Change in derivatives, business performance adjustments   | (375)          | (889)           | 905            | 788            |
|      | Change in derivatives, other adjustments  | (292)          | (688)           | 222            | (464)          |
|      | Change in provisions  | (484)          | (207)           | (119)          | (240)          |
|      | Reversal of gain (loss) on divestment of assets   | (1,256)        | (315)           | 32             | (7)            |
|      | Other items   | (11)           | 96              | (4)            | 13             |
|      | Change in work in progress  | (2,099)        | 1,181           | (84)           | (4,091)        |
|      | Change in tax equity partner liabilities  | 3,268          | 827             | 376            | 1,046          |
|      | Change in other working capital   | 413            | 142             | (1,408)        | 511            |
|      | Interest received and similar items   | 2,848          | 2,746           | 522            | 605            |
|      | Interest paid and similar items   | (4,441)        | (3,533)         | (952)          | (618)          |
|      | Income tax paid   | (1,357)        | (4,857)         | (4)            | -              |
|      | <b>Cash flows from operating activities</b>   | <b>9,710</b>   | <b>8,263</b>    | <b>1,941</b>   | <b>871</b>     |
|      | Purchase of intangible assets, and property, plant, and equipment                               | (18,312)       | (13,620)        | (9,304)        | (6,738)        |
|      | Sale of intangible assets, and property, plant, and equipment                                   | 71             | 2,999           | (9)            | 316            |
|      | Acquisition of enterprises  | -              | (764)           | (1)            | (493)          |
|      | Divestment of enterprises   | 20,488         | (68)            | 20,510         | (28)           |
|      | Divestment of other equity investments  | (11)           | (9)             | -              | (7)            |
|      | Purchase of securities  | (19,606)       | (19,437)        | (15,473)       | (6,655)        |
|      | Sale/maturation of securities   | 8,808          | 19,322          | 558            | 6,404          |
|      | Change in other non-current assets  | 18             | (2)             | 18             | -              |
|      | Transactions with associates and joint ventures   | (181)          | (93)            | (134)          | 17             |
|      | Dividends received and capital reduction  | 7              | 21              | 7              | 15             |
|      | <b>Cash flows from investing activities</b>   | <b>(8,718)</b> | <b>(11,651)</b> | <b>(3,828)</b> | <b>(7,169)</b> |

| Note | Statement of cash flows, DKKm                                       | 9M 2020        | 9M 2019      | Q3 2020      | Q3 2019        |
|------|---|----------------|--------------|--------------|----------------|
|      | Proceeds from raising of loans                                      | 2,827          | 13,471       | 2,499        | 5,632          |
|      | Instalments on loans  | (2,192)        | (2,202)      | (1,215)      | -              |
|      | Instalments on leases   | (353)          | (350)        | (127)        | (153)          |
|      | Coupon payments on hybrid capital                                   | (326)          | (327)        | -            | -              |
|      | Dividends paid to shareholders in Ørsted A/S                        | (4,410)        | (4,096)      | -            | -              |
|      | Purchase of own shares  | (58)           | (99)         | -            | -              |
|      | Transactions with non-controlling interests                         | (343)          | (399)        | (115)        | (195)          |
|      | Net proceeds from tax equity partners                               | (114)          | 35           | (117)        | 44             |
|      | Collateral related to derivatives                                   | 1,872          | (889)        | (504)        | (930)          |
|      | <b>Cash flows from financing activities</b>                         | <b>(3,097)</b> | <b>5,144</b> | <b>421</b>   | <b>4,398</b>   |
|      | Cash flows from continuing operations                               | (2,105)        | 1,756        | (1,466)      | (1,900)        |
|      | Cash flows from discontinued operations                             | 926            | 202          | 970          | 202            |
|      | <b>Total net change in cash and cash equivalents for the period</b> | <b>(1,179)</b> | <b>1,958</b> | <b>(496)</b> | <b>(1,698)</b> |
|      | Cash and cash equivalents at the beginning of the period            | 6,459          | 2,663        | 5,879        | 6,311          |
|      | Total net change in cash and cash equivalents                       | (1,179)        | 1,958        | (496)        | (1,698)        |
|      | Other change in cash and cash equivalents                           | 84             | (18)         | 4            | (11)           |
|      | Exchange rate adjustments of cash and cash equivalents              | (51)           | 140          | (74)         | 141            |
|      | <b>Cash and cash equivalents at 30 September</b>                    | <b>5,313</b>   | <b>4,743</b> | <b>5,313</b> | <b>4,743</b>   |



## Change in work in progress

'Change in work in progress' consists of elements in contract assets, contract liabilities, and construction management agreements related to construction of offshore wind farms and construction of offshore transmission assets as well as the related trade payables.



## Statement of cash flows

Our supplementary statement of gross and net investments appears from note 6 'Gross and net investments' and free cash flows (FCF) from note 3 'Segment information'. 'Cash' according to the balance sheet includes 'Cash, not available for use', amounting to DKK 539 million as at 30 September 2020.

# 1. Basis of reporting

This section provides an overall description of our accounting policies as well as an overview of our implementation of new and amended accounting standards and interpretations.

## Accounting policies

Ørsted is a listed public company, headquartered in Denmark.

This interim financial report for the first nine months of 2020 comprises the interim financial statements of Ørsted A/S (the parent company) and subsidiaries controlled by Ørsted A/S.

The interim financial report has been prepared in accordance with the International Financial Reporting Standards (IFRS) and IAS 34 'Interim Financial Reporting' as adopted by the EU, and further requirements in the Danish Financial Statements Act for the presentation of quarterly interim reports by listed companies.

The interim financial report for the first nine months of 2020 follows the same accounting policies as the annual report for 2019, except for any new, amended, or revised accounting standards and interpretations (IFRSs) endorsed by the EU, effective for the accounting period beginning on 1 January 2020.

In the sections below, the most relevant new or amended standards and interpretations are presented.

Definitions of alternative performance measures can be found on page 79 of the annual report for 2019.

This interim financial report contains selected accounting policies and should therefore be read in conjunction with the annual report for 2019.

## Implementation of new or changed accounting standards and interpretations

Effective from 1 January 2020, we have implemented the following new or changed accounting standards (IAS and IFRS) and interpretations:

- Amendments to IFRS 3: Business Combinations.
- Amendments to IFRS 9 and IFRS 7: Interest Rate Benchmark Reform.

The adoption of the new and changed accounting standards has not impacted our interim financial report and is not expected to impact the consolidated financial statements for 2020.



## 2. Business performance

### Specification of the difference between EBITDA according to business performance and according to IFRS, DKKm

|  | 9M 2020       | 9M 2019       | Q3 2020      | Q3 2019      |
|--|---------------|---------------|--------------|--------------|
| EBITDA - business performance  | 13,121        | 12,871        | 3,360        | 4,116        |
| Business performance adjustments in respect of revenue for the period  | (86)          | 1,420         | (1,279)      | (938)        |
| Business performance adjustments in respect of cost of sales for the period  | 461           | (531)         | 374          | 150          |
| <b>EBITDA - IFRS</b>   | <b>13,496</b> | <b>13,760</b> | <b>2,455</b> | <b>3,328</b> |
| <b>Total business performance adjustments for the period comprise:</b>   |               |               |              |              |
| Market value adjustments for the period of financial and physical hedging contracts relating to a future period  | 1,115         | 52            | (810)        | (1,197)      |
| Reversal of deferred gains (losses) relating to hedging contracts from previous periods where the hedged production or trade is recognised in business performance EBITDA in this period | (740)         | 837           | (95)         | 409          |
| <b>Total adjustments</b>   | <b>375</b>    | <b>889</b>    | <b>(905)</b> | <b>(788)</b> |



The table shows the difference between the income statement according to business performance and according to IFRS, which is shown in the adjustments column in the income statement.

The difference between business performance and IFRS EBITDA in 2020 is mainly due to gains on currency hedges, partly countered by the reversal of gains on gas hedges recognised in IFRS in prior years.

### Financial impact of hedging

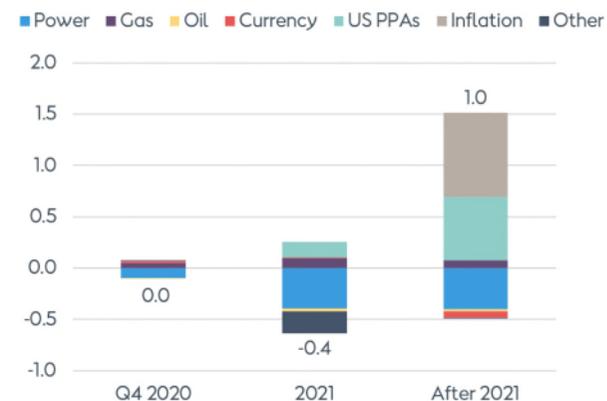
Our hedging of market risks is based on a number of different accounting principles, depending on the type of exposure being hedged.

In the business performance result, the value of hedging contracts concerning energy and related currencies is deferred for recognition in the period in which the hedged exposure materialises.

Exposures from the proceeds from partial sales of new offshore wind farms and power purchase agreements in Onshore, among other things, are hedged as cash-flow hedging in accordance with the IFRS principles and are transferred to both IFRS and business performance EBITDA in the period in which the hedged exposures materialise.



### Expected value for recognition in business performance EBITDA, DKKbn



The figure shows the time of the transfer of the market value of hedging contracts in business performance EBITDA for both business performance and IFRS hedges.

# 3. Segment information

|   |  Offshore |  Onshore |  Markets & Bioenergy | Reportable segments | Other activities/ eliminations | Business performance | Adjustments | IFRS           |
|---|--|---|--|---------------------|--------------------------------|----------------------|-------------|----------------|
| <b>9M 2020</b>  |  |   |  |                     |                                |                      |             |                |
| <b>Income statement, DKKm</b>                           |  |   |  |                     |                                |                      |             |                |
| External revenue  | 20,438   | 565   | 15,915   | 36,918              | 124                            | 37,042               | (86)        | 36,956         |
| Intra-group revenue                                     | 3,296  | (5)   | (250)  | 3,041               | (3,041) <sup>1</sup>           | -                    | -           | -              |
| <b>Revenue</b>  | <b>23,734</b>  | <b>560</b>  | <b>15,665</b>  | <b>39,959</b>       | <b>(2,917)</b>                 | <b>37,042</b>        | <b>(86)</b> | <b>36,956</b>  |
| Cost of sales   | (9,800)  | (13)  | (11,850)   | (21,663)            | 2,902                          | (18,761)             | 461         | (18,300)       |
| Employee costs and other external expenses              | (4,807)  | (464)   | (2,359)  | (7,630)             | 228                            | (7,402)              | -           | (7,402)        |
| Gain (loss) on disposal of non-current assets           | 1,199  | 34  | 37   | 1,270               | (14)                           | 1,256                | -           | 1,256          |
| Additional other operating income and expenses          | 266  | 690   | -  | 956                 | -                              | 956                  | -           | 956            |
| Share of profit (loss) in associates and joint ventures | 30   | -   | -  | 30                  | -                              | 30                   | -           | 30             |
| <b>EBITDA</b>   | <b>10,622</b>  | <b>807</b>  | <b>1,493</b>   | <b>12,922</b>       | <b>199</b>                     | <b>13,121</b>        | <b>375</b>  | <b>13,496</b>  |
| Depreciation and amortisation                           | (4,570)  | (340)   | (598)  | (5,508)             | (168)                          | (5,676)              | -           | (5,676)        |
| Impairment losses                                       | -  | -   | -  | -                   | -                              | -                    | -           | -              |
| <b>Operating profit (loss) (EBIT)</b>                   | <b>6,052</b>   | <b>467</b>  | <b>895</b>   | <b>7,414</b>        | <b>31</b>                      | <b>7,445</b>         | <b>375</b>  | <b>7,820</b>   |
| <b>Key ratios</b>                                       |  |   |  |                     |                                |                      |             |                |
| Intangible assets and property, plant, and equipment    | 86,402   | 20,477  | 8,304  | 115,183             | 1,455                          | 116,638              | -           | 116,638        |
| Equity investments and non-current receivables          | 1,837  | -   | 200  | 2,037               | 151                            | 2,188                | -           | 2,188          |
| Net working capital, work in progress                   | 10,121   | -   | -  | 10,121              | -                              | 10,121               | -           | 10,121         |
| Net working capital, tax equity                         | -  | (7,761)   | -  | (7,761)             | -                              | (7,761)              | -           | (7,761)        |
| Net working capital, capital expenditures               | (5,080)  | (106)   | (31)   | (5,217)             | -                              | (5,217)              | -           | (5,217)        |
| Net working capital, other items                        | 5,804  | 14  | (3,352)  | 2,466               | 135                            | 2,601                | -           | 2,601          |
| Derivatives, net  | 8  | (356)   | 1,351  | 1,003               | 471                            | 1,474                | -           | 1,474          |
| Assets classified as held for sale, net                 | -  | -   | (359)  | (359)               | -                              | (359)                | -           | (359)          |
| Decommissioning obligations                             | (4,878)  | (461)   | (1,320)  | (6,659)             | -                              | (6,659)              | -           | (6,659)        |
| Other provisions  | (3,788)  | -   | (2,053)  | (5,841)             | (749)                          | (6,590)              | -           | (6,590)        |
| Tax, net  | 826  | (1,991)   | 600  | (565)               | 125                            | (440)                | -           | (440)          |
| Other receivables and other payables, net               | (417)  | (105)   | 11   | (511)               | (797)                          | (1,308)              | -           | (1,308)        |
| <b>Capital employed at 30 September</b>                 | <b>90,835</b>  | <b>9,711</b>  | <b>3,351</b>   | <b>103,897</b>      | <b>791</b>                     | <b>104,688</b>       | -           | <b>104,688</b> |
| Of which, capital employed for discontinued operations  |  |   |  |                     |                                | (651)                | -           | (651)          |
| Of which, capital employed for continuing operations    |  |   |  |                     |                                | 105,339              | -           | 105,339        |
| <b>Return on capital employed (ROCE) %</b>              | <b>-</b>   | <b>-</b>  | <b>-</b>   | <b>-</b>            | <b>-</b>                       | <b>9.4</b>           | <b>-</b>    | <b>-</b>       |
| Cash flow from operating activities                     | 2,874  | 3,787   | 3,256  | 9,917               | (207)                          | 9,710                | -           | 9,710          |
| Gross investments                                       | (13,727)   | (3,943)   | (575)  | (18,245)            | (83)                           | (18,328)             | -           | (18,328)       |
| Divestments   | (165)  | 114   | 20,609   | 20,558              | -                              | 20,558               | -           | 20,558         |
| <b>Free cash flow (FCF)</b>                             | <b>(11,018)</b>  | <b>(42)</b>   | <b>23,290</b>  | <b>12,230</b>       | <b>(290)</b>                   | <b>11,940</b>        | -           | <b>11,940</b>  |



Profit (loss) and cash flows are shown only for continuing operations.

The column 'Other activities/ eliminations' primarily covers the elimination of inter-segment transactions. It also includes income and costs, assets and liabilities, investment activity, taxes, etc., handled at Group level.

<sup>1</sup>Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 5,113 million, which primarily relates to our Shared Functions services as well as our B2B, B2C, and power distribution businesses.

# 3. Segment information

|   |  Offshore |  Onshore |  Markets & Bioenergy | Reportable segments | Other activities/ eliminations | Business performance | Adjustments  | IFRS           |
|---|--|---|--|---------------------|--------------------------------|----------------------|--------------|----------------|
| <b>9M 2019</b>  |  |   |  |                     |                                |                      |              |                |
| <b>Income statement, DKKm</b>                           |  |   |  |                     |                                |                      |              |                |
| External revenue  | 24,685   | 547   | 23,619   | 48,851              | 312                            | 49,163               | 1,420        | 50,583         |
| Intra-group revenue                                     | 4,618  | -   | (372)  | 4,246               | (4,246) <sup>1</sup>           | -                    | -            | -              |
| <b>Revenue</b>  | <b>29,303</b>  | <b>547</b>  | <b>23,247</b>  | <b>53,097</b>       | <b>(3,934)</b>                 | <b>49,163</b>        | <b>1,420</b> | <b>50,583</b>  |
| Cost of sales   | (14,204)   | -   | (20,211)   | (34,415)            | 3,891                          | (30,524)             | (531)        | (31,055)       |
| Employee costs and other external expenses              | (4,585)  | (363)   | (2,528)  | (7,476)             | 186                            | (7,290)              | -            | (7,290)        |
| Gain (loss) on disposal of non-current assets           | 312  | 9   | (6)  | 315                 | -                              | 315                  | -            | 315            |
| Additional other operating income and expenses          | 305  | 428   | 505  | 1,238               | (11)                           | 1,227                | -            | 1,227          |
| Share of profit (loss) in associates and joint ventures | (18)   | -   | (2)  | (20)                | -                              | (20)                 | -            | (20)           |
| <b>EBITDA</b>   | <b>11,113</b>  | <b>621</b>  | <b>1,005</b>   | <b>12,739</b>       | <b>132</b>                     | <b>12,871</b>        | <b>889</b>   | <b>13,760</b>  |
| Depreciation and amortisation                           | (3,995)  | (246)   | (585)  | (4,826)             | (162)                          | (4,988)              | -            | (4,988)        |
| Impairment losses                                       | -  | -   | -  | -                   | -                              | -                    | -            | -              |
| <b>Operating profit (loss) (EBIT)</b>                   | <b>7,118</b>   | <b>375</b>  | <b>420</b>   | <b>7,913</b>        | <b>(30)</b>                    | <b>7,883</b>         | <b>889</b>   | <b>8,772</b>   |
| <b>Key ratios</b>                                       |  |   |  |                     |                                |                      |              |                |
| Intangible assets and property, plant and equipment     | 74,621   | 15,062  | 9,106  | 98,789              | 1,959                          | 100,748              | -            | 100,748        |
| Equity investments and non-current receivables          | 363  | -   | 235  | 598                 | 792                            | 1,390                | -            | 1,390          |
| Net working capital, work in progress                   | 8,764  | -   | -  | 8,764               | -                              | 8,764                | -            | 8,764          |
| Net working capital, tax equity                         | -  | (4,840)   | -  | (4,840)             | -                              | (4,840)              | -            | (4,840)        |
| Net working capital, capital expenditures               | (5,423)  | (21)  | (50)   | (5,494)             | -                              | (5,494)              | -            | (5,494)        |
| Net working capital, other items                        | 3,803  | (73)  | (3,422)  | 308                 | 1,020                          | 1,328                | -            | 1,328          |
| Derivatives, net  | (1,567)  | 278   | 1,194  | (95)                | (477)                          | (572)                | -            | (572)          |
| Assets classified as held for sale, net                 | -  | -   | 10,851   | 10,851              | -                              | 10,851               | -            | 10,851         |
| Decommissioning obligations                             | (4,413)  | (208)   | (1,279)  | (5,900)             | -                              | (5,900)              | -            | (5,900)        |
| Other provisions  | (3,336)  | (1)   | (2,979)  | (6,316)             | (715)                          | (7,031)              | -            | (7,031)        |
| Tax, net  | 1,486  | (1,519)   | 923  | 890                 | (280)                          | 610                  | -            | 610            |
| Other receivables and other payables, net               | 215  | (126)   | 123  | 212                 | (615)                          | (403)                | -            | (403)          |
| <b>Capital employed at 30 September</b>                 | <b>74,513</b>  | <b>8,552</b>  | <b>14,702</b>  | <b>97,767</b>       | <b>1,684</b>                   | <b>99,451</b>        | -            | <b>99,451</b>  |
| Of which, capital employed for discontinued operations  |  |   |  |                     |                                | (38)                 | -            | (38)           |
| Of which, capital employed for continuing operations    |  |   |  |                     |                                | 99,489               | -            | 99,489         |
| <b>Return on capital employed (ROCE) %</b>              | <b>-</b>   | <b>-</b>  | <b>-</b>   | <b>-</b>            | <b>-</b>                       | <b>29.3</b>          | <b>-</b>     | <b>-</b>       |
| Cash flow from operating activities                     | 5,738  | 1,167   | 1,498  | 8,403               | (140)                          | 8,263                | -            | 8,263          |
| Gross investments                                       | (9,714)  | (3,261)   | (1,435)  | (14,410)            | (79)                           | (14,489)             | -            | (14,489)       |
| Divestments   | 2,887  | 20  | 21   | 2,928               | (1)                            | 2,927                | -            | 2,927          |
| <b>Free cash flow (FCF)</b>                             | <b>(1,089)</b>   | <b>(2,074)</b>  | <b>84</b>  | <b>(3,079)</b>      | <b>(220)</b>                   | <b>(3,299)</b>       | -            | <b>(3,299)</b> |



Profit (loss) and cash flows are shown only for continuing operations.

The column 'Other activities/ eliminations' primarily covers the elimination of inter-segment transactions. It also includes income and costs, assets and liabilities, investment activity, taxes, etc., handled at Group level.

<sup>1</sup>Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 6,135 million, which primarily relates to our Shared Functions services as well as our B2B, B2C, and power distribution businesses.

# 3. Segment information

|   |  Offshore |  Onshore |  Markets & Bioenergy | Reporting segments | Other activities/ eliminations | Business performance | Adjustments    | IFRS           |
|---|--|---|--|--------------------|--------------------------------|----------------------|----------------|----------------|
| <b>Q3 2020, Income statement and FCF, DKKm</b>          |  |   |  |                    |                                |                      |                |                |
| External revenue  | 5,372  | 263   | 4,288  | 9,923              | 118                            | 10,041               | (1,279)        | 8,762          |
| Intra-group revenue                                     | 1,023  | -   | (27)   | 996                | (996) <sup>1</sup>             | -                    | -              | -              |
| <b>Revenue</b>  | <b>6,395</b>   | <b>263</b>  | <b>4,261</b>   | <b>10,919</b>      | <b>(878)</b>                   | <b>10,041</b>        | <b>(1,279)</b> | <b>8,762</b>   |
| Cost of sales   | (1,947)  | (18)  | (3,144)  | (5,109)            | 971                            | (4,138)              | 374            | (3,764)        |
| Employee costs and other external expenses              | (1,915)  | (149)   | (724)  | (2,788)            | (32)                           | (2,820)              | -              | (2,820)        |
| Gain (loss) on disposal of non-current assets           | (18)   | -   | -  | (18)               | (14)                           | (32)                 | -              | (32)           |
| Additional other operating income and expenses          | 95   | 212   | (18)   | 289                | 1                              | 290                  | -              | 290            |
| Share of profit (loss) in associates and joint ventures | 19   | -   | -  | 19                 | -                              | 19                   | -              | 19             |
| <b>EBITDA</b>   | <b>2,629</b>   | <b>308</b>  | <b>375</b>   | <b>3,312</b>       | <b>48</b>                      | <b>3,360</b>         | <b>(905)</b>   | <b>2,455</b>   |
| Depreciation and amortisation                           | (1,710)  | (133)   | (198)  | (2,041)            | (54)                           | (2,095)              | -              | (2,095)        |
| Impairment losses                                       | -  | -   | -  | -                  | -                              | -                    | -              | -              |
| <b>Operating profit (loss) (EBIT)</b>                   | <b>919</b>   | <b>175</b>  | <b>177</b>   | <b>1,271</b>       | <b>(6)</b>                     | <b>1,265</b>         | <b>(905)</b>   | <b>360</b>     |
| Cash flow from operating activities                     | 89   | 625   | 882  | 1,596              | 345                            | 1,941                | -              | 1,941          |
| Gross investments                                       | (6,633)  | (2,462)   | (152)  | (9,247)            | (16)                           | (9,263)              | -              | (9,263)        |
| Divestments   | (24)   | -   | 20,529   | 20,505             | 1                              | 20,506               | -              | 20,506         |
| <b>Free cash flow (FCF)</b>                             | <b>(6,568)</b>   | <b>(1,837)</b>  | <b>21,259</b>  | <b>12,854</b>      | <b>330</b>                     | <b>13,184</b>        | -              | <b>13,184</b>  |
| <b>Q3 2019, Income statement and FCF, DKKm</b>          |  |   |  |                    |                                |                      |                |                |
| External revenue  | 8,239  | 299   | 6,564  | 15,102             | 379                            | 15,481               | (938)          | 14,543         |
| Intra-group revenue                                     | 1,590  | -   | (138)  | 1,452              | (1,452) <sup>1</sup>           | -                    | -              | -              |
| <b>Revenue</b>  | <b>9,829</b>   | <b>299</b>  | <b>6,426</b>   | <b>16,554</b>      | <b>(1,073)</b>                 | <b>15,481</b>        | <b>(938)</b>   | <b>14,543</b>  |
| Cost of sales   | (5,082)  | 2   | (5,546)  | (10,626)           | 1,168                          | (9,458)              | 150            | (9,308)        |
| Employee costs and other external expenses              | (1,537)  | (148)   | (833)  | (2,518)            | 55                             | (2,463)              | -              | (2,463)        |
| Gain (loss) on disposal of non-current assets           | -  | 9   | (2)  | 7                  | -                              | 7                    | -              | 7              |
| Additional other operating income and expenses          | 20   | 146   | 391  | 557                | (1)                            | 556                  | -              | 556            |
| Share of profit (loss) in associates and joint ventures | (7)  | -   | -  | (7)                | -                              | (7)                  | -              | (7)            |
| <b>EBITDA</b>   | <b>3,223</b>   | <b>308</b>  | <b>436</b>   | <b>3,967</b>       | <b>149</b>                     | <b>4,116</b>         | <b>(788)</b>   | <b>3,328</b>   |
| Depreciation and amortisation                           | (1,342)  | (88)  | (197)  | (1,627)            | (54)                           | (1,681)              | -              | (1,681)        |
| Impairment losses                                       | -  | -   | -  | -                  | -                              | -                    | -              | -              |
| <b>Operating profit (loss) (EBIT)</b>                   | <b>1,881</b>   | <b>220</b>  | <b>239</b>   | <b>2,340</b>       | <b>95</b>                      | <b>2,435</b>         | <b>(788)</b>   | <b>1,647</b>   |
| Cash flow from operating activities                     | (335)  | 1,183   | 152  | 1,000              | (129)                          | 871                  | -              | 871            |
| Gross investments                                       | (5,272)  | (1,463)   | (473)  | (7,208)            | (14)                           | (7,222)              | -              | (7,222)        |
| Divestments   | 239  | 20  | 1  | 260                | -                              | 260                  | -              | 260            |
| <b>Free cash flow (FCF)</b>                             | <b>(5,368)</b>   | <b>(260)</b>  | <b>(320)</b>   | <b>(5,948)</b>     | <b>(143)</b>                   | <b>(6,091)</b>       | -              | <b>(6,091)</b> |



Profit (loss) and cash flows are shown only for continuing operations.

The column 'Other activities/ eliminations' primarily covers the elimination of inter-segment transactions. It also includes income and costs, assets and liabilities, investment activity, taxes, etc., handled at Group level.

<sup>1</sup>Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 1,673 million (Q3 2019: DKK 2,072 million), which primarily relates to our Shared Functions services as well as our B2B, B2C, and power distribution businesses.

# 4. Revenue

|  |  |  |  | Other activities/eliminations | 9M 2020 total |  |  |  | Other activities/eliminations | 9M 2019 total |
|--|---|---|---|-------------------------------|---------------|---|---|---|-------------------------------|---------------|
| Revenue, DKKm                                    | Offshore  | Onshore   | Markets & Bioenergy   | Other activities/eliminations | 9M 2020 total | Offshore  | Onshore   | Markets & Bioenergy   | Other activities/eliminations | 9M 2019 total |
| Sale of gas                                      | -   | -   | 5,613   | 4                             | 5,617         | -   | -   | 10,930  | (10)                          | 10,920        |
| Generation of power                              | 3,123   | 362   | 1,261   | -                             | 4,746         | 3,340   | 394   | 1,629   | -                             | 5,363         |
| Sale of power                                    | 6,428   | -   | 4,392   | (3,025)                       | 7,795         | 7,122   | -   | 6,132   | (3,746)                       | 9,508         |
| Revenue from construction of offshore wind farms | 3,249   | -   | -   | -                             | 3,249         | 10,423  | -   | -   | -                             | 10,423        |
| Generation and sale of heat and steam            | -   | -   | 1,899   | -                             | 1,899         | -   | -   | 1,919   | -                             | 1,919         |
| Distribution and transmission                    | -   | -   | 1,463   | (3)                           | 1,460         | -   | -   | 1,839   | (2)                           | 1,837         |
| Other revenue                                    | 1,728   | 4   | 544   | 66                            | 2,342         | 1,331   | (77)  | 466   | (2)                           | 1,718         |
| <b>Total revenue from customers, IFRS</b>        | <b>14,528</b>   | <b>366</b>  | <b>15,172</b>   | <b>(2,958)</b>                | <b>27,108</b> | <b>22,216</b>   | <b>317</b>  | <b>22,915</b>   | <b>(3,760)</b>                | <b>41,688</b> |
| Government grants                                | 8,575   | 22  | 251   | -                             | 8,848         | 6,503   | 22  | 328   | (23)                          | 6,830         |
| Economic hedging                                 | 1,792   | 184   | (486)   | 405                           | 1,895         | (241)   | 11  | 571   | (232)                         | 109           |
| Other revenue                                    | 24  | (59)  | (982)   | 122                           | (895)         | 472   | 208   | 1,448   | (172)                         | 1,956         |
| <b>Total revenue, IFRS</b>                       | <b>24,919</b>   | <b>513</b>  | <b>13,955</b>   | <b>(2,431)</b>                | <b>36,956</b> | <b>28,950</b>   | <b>558</b>  | <b>25,262</b>   | <b>(4,187)</b>                | <b>50,583</b> |
| Adjustments                                      | (1,185)   | 47  | 1,710   | (486)                         | 86            | 353   | (11)  | (2,015)   | 253                           | (1,420)       |
| <b>Total revenue, business performance</b>       | <b>23,734</b>   | <b>560</b>  | <b>15,665</b>   | <b>(2,917)</b>                | <b>37,042</b> | <b>29,303</b>   | <b>547</b>  | <b>23,247</b>   | <b>(3,934)</b>                | <b>49,163</b> |

## Timing of revenue recognition from customers, IFRS

|   |               |            |               |                |               |               |            |               |                |               |
|---|---------------|------------|---------------|----------------|---------------|---------------|------------|---------------|----------------|---------------|
| At a point in time                        | 8,055         | 366        | 2,323         | (2,958)        | 7,786         | 7,697         | 317        | 8,647         | (3,760)        | 12,901        |
| Over time                                 | 6,473         | -          | 12,849        | -              | 19,322        | 14,519        | -          | 14,268        | -              | 28,787        |
| <b>Total revenue from customers, IFRS</b> | <b>14,528</b> | <b>366</b> | <b>15,172</b> | <b>(2,958)</b> | <b>27,108</b> | <b>22,216</b> | <b>317</b> | <b>22,915</b> | <b>(3,760)</b> | <b>41,688</b> |



The timing of transfer of goods or services to customers is categorised as follows:

'At a point in time' mainly comprises:

- sale of gas or power in the market, e.g. North Pool, TTF, and NBP
- transmission assets for offshore wind farms.

'Over time' mainly comprises:

- construction agreements for offshore wind farms and transmission assets
- long-term contracts with customers to deliver gas, heat, or power.

Revenue decreased by 25% relative to 9M 2019 and amounted to DKK 37,042 million in 9M 2020. The decrease was mainly due to significantly lower gas and power prices, lower gas volumes sold, limited construction work on wind farms for partners, and a

decrease in thermal heat generation. This was only partly offset by the divestment of the Walney Extension transmission asset and the increase in government grants, mainly due to ramp-up of generation from Hornsea 1 and Borssele 1 & 2 and higher generation across the portfolio.

## 4. Revenue

|   |  |  |  | Other activities/eliminations | Q3 2020 total |  |  |  | Other activities/eliminations | Q3 2019 total |
|---|---|---|---|-------------------------------|---------------|---|---|---|-------------------------------|---------------|
| Revenue, DKKm   | Offshore  | Onshore   | Markets & Bioenergy   |                               |               | Offshore  | Onshore   | Markets & Bioenergy   |                               |               |
| Sale of gas   | -   | -   | 1,698   | (1)                           | 1,697         | -   | -   | 3,057   | (6)                           | 3,051         |
| Generation of power                                       | 1,100   | 140   | 421   | -                             | 1,661         | 1,010   | 203   | 284   | -                             | 1,497         |
| Sale of power   | 1,744   | -   | 1,333   | (955)                         | 2,122         | 1,928   | -   | 1,983   | (1,054)                       | 2,857         |
| Revenue from construction of offshore wind farms          | 200   | -   | -   | -                             | 200           | 4,233   | -   | -   | -                             | 4,233         |
| Generation and sale of heat and steam                     | -   | -   | 297   | -                             | 297           | -   | -   | 293   | -                             | 293           |
| Distribution and transmission                             | -   | -   | 335   | (1)                           | 334           | -   | -   | 547   | -                             | 547           |
| Other revenue   | 797   | (22)  | 91  | 105                           | 971           | 381   | (68)  | 134   | 43                            | 490           |
| <b>Total revenue from customers, IFRS</b>                 | <b>3,841</b>  | <b>118</b>  | <b>4,175</b>  | <b>(852)</b>                  | <b>7,282</b>  | <b>7,552</b>  | <b>135</b>  | <b>6,298</b>  | <b>(1,017)</b>                | <b>12,968</b> |
| Government grants   | 2,454   | 5   | 47  | -                             | 2,506         | 2,202   | 8   | 29  | (9)                           | 2,230         |
| Economic hedging  | (515)   | 152   | (206)   | 189                           | (380)         | (465)   | 9   | (233)   | 36                            | (653)         |
| Other revenue   | 36  | (35)  | (653)   | 6                             | (646)         | 83  | 156   | (107)   | (134)                         | (2)           |
| <b>Total revenue, IFRS</b>                                | <b>5,816</b>  | <b>240</b>  | <b>3,363</b>  | <b>(657)</b>                  | <b>8,762</b>  | <b>9,372</b>  | <b>308</b>  | <b>5,987</b>  | <b>(1,124)</b>                | <b>14,543</b> |
| Adjustments   | 579   | 23  | 898   | (221)                         | 1,279         | 457   | (9)   | 439   | 51                            | 938           |
| <b>Total revenue, business performance</b>                | <b>6,395</b>  | <b>263</b>  | <b>4,261</b>  | <b>(878)</b>                  | <b>10,041</b> | <b>9,829</b>  | <b>299</b>  | <b>6,426</b>  | <b>(1,073)</b>                | <b>15,481</b> |
| <b>Timing of revenue recognition from customers, IFRS</b> |   |   |   |                               |               |   |   |   |                               |               |
| At a point in time  | 2,479   | 118   | 688   | (852)                         | 2,433         | 2,715   | 135   | 833   | (1,017)                       | 2,666         |
| Over time   | 1,362   | -   | 3,487   | -                             | 4,849         | 4,837   | -   | 5,465   | -                             | 10,302        |
| <b>Total revenue from customers, IFRS</b>                 | <b>3,841</b>  | <b>118</b>  | <b>4,175</b>  | <b>(852)</b>                  | <b>7,282</b>  | <b>7,552</b>  | <b>135</b>  | <b>6,298</b>  | <b>(1,017)</b>                | <b>12,968</b> |

## 5. Other operating income and expenses

| Other operating income, DKKm         | 9M 2020      | 9M 2019      | Q3 2020    | Q3 2019    |
|--------------------------------------|--------------|--------------|------------|------------|
| Gain on divestment of assets         | 1,342        | 372          | 10         | 10         |
| Other compensation                   | 195          | 364          | 68         | 19         |
| US tax credits and tax equity income | 690          | 427          | 213        | 145        |
| Miscellaneous operating income       | 200          | 587          | 35         | 438        |
| <b>Total other operating income</b>  | <b>2,427</b> | <b>1,750</b> | <b>326</b> | <b>612</b> |

| Other operating expenses, DKKm        | 9M 2020    | 9M 2019    | Q3 2020   | Q3 2019   |
|---------------------------------------|------------|------------|-----------|-----------|
| Loss on divestment of assets          | 86         | 57         | 42        | 3         |
| Miscellaneous operating expenses      | 129        | 151        | 26        | 46        |
| <b>Total other operating expenses</b> | <b>215</b> | <b>208</b> | <b>68</b> | <b>49</b> |

Gain on divestment of assets is mainly related to the Hornsea 1 offshore transmission asset where we lowered our assumption regarding the preferred bidder's expected return requirement in Q1 2020.

Other compensation is primarily related to compensations regarding outages and curtailments, mainly from TenneT, the German grid operator.

US tax credits and tax equity income originate from our US onshore wind farms in operation and correspond to the tax credits and other tax attributes provided to Ørsted and our tax equity partners for generated power. The increase was mainly due to the commissioning of three onshore wind farms in 2020 with a tax equity partner.

## 6. Financial income and expenses

| Net financial income and expenses, DKKm                            | 9M 2020        | 9M 2019      | Q3 2020      | Q3 2019     |
|--|----------------|--------------|--------------|-------------|
| Interest expenses, net   | (986)          | (471)        | (100)        | 57          |
| Interest expenses, leasing   | (137)          | (115)        | (40)         | (39)        |
| Interest element of provisions, etc.                               | (336)          | (319)        | (115)        | (107)       |
| Tax equity partner's contractual return                            | (346)          | (226)        | (137)        | (87)        |
| Capital losses on early repayment of loans and interest rate swaps | (373)          | -            | (4)          | -           |
| Value adjustments of derivatives, net                              | (110)          | (272)        | (38)         | (82)        |
| Exchange rate adjustments, net                                     | 209            | 707          | 14           | 171         |
| Value adjustments of securities, net                               | (69)           | 241          | 62           | 19          |
| Other financial income and expenses                                | 80             | (36)         | 76           | 21          |
| <b>Net financial income and expenses</b>                           | <b>(2,068)</b> | <b>(491)</b> | <b>(282)</b> | <b>(47)</b> |



The table shows net financial income and expenses corresponding to our internal control.

Exchange rate adjustments and hedging contracts entered into to hedge currency risks are presented net under the item 'Exchange rate adjustments, net'.

The increase in net financial income and expenses in 2020 compared with 2019 is mainly due to:

- higher net interest expenses, mainly related to interest regarding tax and lower interest income from securities
- capital losses on early repayment of loans and interest rate swaps
- a lower gain on exchange rate adjustments in 2020
- a loss on value adjustment of securities in 2020 due to an increase in interest rates.

## 7. Gross and net investments

| <b>Gross and net investments, DKKm</b>                                     | 9M 2020         | 9M 2019         | Q3 2020        | Q3 2019        |
|--|-----------------|-----------------|----------------|----------------|
| Cash flow from investing activities  | (8,718)         | (11,651)        | (3,828)        | (7,169)        |
| Dividends received and capital reductions reversed                         | (7)             | (21)            | (7)            | (15)           |
| Purchase and sale of securities, reversed                                  | 10,798          | 115             | 14,915         | 251            |
| Loans to associates and joint ventures, reversed                           | 158             | (1)             | 158            | (1)            |
| Sale of non-current assets, reversed                                       | (20,559)        | (2,931)         | (20,501)       | (288)          |
| <b>Total gross investments</b>   | <b>(18,328)</b> | <b>(14,489)</b> | <b>(9,263)</b> | <b>(7,222)</b> |
| Transactions with non-controlling interests in connection with divestments | (1)             | (4)             | 5              | (28)           |
| Sale of non-current assets   | 20,559          | 2,931           | 20,501         | 288            |
| <b>Total cash flows from divestments</b>                                   | <b>20,558</b>   | <b>2,927</b>    | <b>20,506</b>  | <b>260</b>     |
| <b>Total net investments</b>   | <b>2,230</b>    | <b>(11,562)</b> | <b>11,243</b>  | <b>(6,962)</b> |



The table shows gross and net investments based on cash flows from investing activities.



## 8. Divestment of enterprises

| <b>Selling price, DKKm</b>   | 9M 2020       | 9M 2019     |
|--|---------------|-------------|
| Payment  | 21,300        | -           |
| Reduction for payable tax and other receivables/payables transferred | (408)         | -           |
| Working capital adjustment   | (347)         | -           |
| <b>Selling price on divestment of enterprises</b>                    | <b>20,545</b> | <b>-</b>    |
| Transaction costs  | (57)          | (49)        |
| Of which, selling price receivable                                   | -             | -           |
| <b>Cash selling price of divestment of enterprises</b>               | <b>20,488</b> | <b>(49)</b> |
| Payments related to provisions of divestments in previous years      | -             | (19)        |
| <b>Total cash flows from divestment of enterprises</b>               | <b>20,488</b> | <b>(68)</b> |

| <b>Gain (loss) on divestment of enterprises, DKKm</b> | 9M 2020       | 9M 2019     |
|---|---------------|-------------|
| Selling price on divestment of enterprises            | 20,545        | -           |
| Net assets sold                                       | (9,017)       | -           |
| Provisions as a result of the transaction             | (349)         | -           |
| Transaction costs                                     | (57)          | (49)        |
| <b>Gain (loss) on divestment of enterprises</b>       | <b>11,122</b> | <b>(49)</b> |

Gain on divestment of enterprises amounted to DKK 11,122 million in 9M 2020.

The gain in 2020 relates to the completed divestment of our Danish power distribution (Radius), residential customer, and city light businesses to SEAS-NVE (now Andel). Transferred cash and cash equivalents totalled DKK 1,513 million.

## 9. Assets classified as held for sale

| Assets classified as held for sale, DKKm                                | 30 September 2020 | 31 December 2019 | 30 September 2019 |
|---|-------------------|------------------|-------------------|
| Intangible assets   | -                 | 226              | 213               |
| Property, plant, and equipment  | 283               | 13,243           | 12,943            |
| Deferred tax  | -                 | 589              | -                 |
| Inventories   | -                 | 43               | -                 |
| Trade receivables   | 29                | 736              | 524               |
| Other receivables   | 1,847             | 2,113            | 2,078             |
| Income tax  | 35                | 2                | 52                |
| <b>Total assets classified as held for sale</b>                         | <b>2,194</b>      | <b>16,952</b>    | <b>15,810</b>     |
| Deferred tax  | 173               | 1,315            | 894               |
| Provisions  | 2,297             | 2,662            | 382               |
| Contract liabilities  | -                 | 3,107            | 2,755             |
| Trade payables  | 15                | 333              | 140               |
| Other payables  | 82                | 970              | 698               |
| Income tax  | 2                 | 445              | 122               |
| <b>Total liabilities relating to assets classified as held for sale</b> | <b>2,569</b>      | <b>8,832</b>     | <b>4,991</b>      |
| <b>Net assets classified as held for sale</b>                           | <b>(375)</b>      | <b>8,120</b>     | <b>10,819</b>     |



The table shows assets and liabilities which have been put up for sale and, therefore, are not expected to contribute to our future earnings.

At 30 September 2020, assets and related liabilities held for sale comprised our oil pipe system in Denmark, and our LNG business. All activities are part of Markets & Bioenergy.

In August, we completed the divestment of our Danish power distribution (Radius), residential customer, and city light businesses to SEAS-NVE (now Andel).

We expect to complete the divestment of our LNG business to Glencore in Q4 2020.

At 31 December 2019, assets and related liabilities held for sale comprised our Danish power distribution, residential customer and city light businesses, our oil pipe system in Denmark as well as our LNG business.

At 30 September 2019, assets and related liabilities held for sale comprised our Danish power distribution, residential customer, and city light businesses as well as our oil pipe system in Denmark.

## 10. Discontinued operations

### Discontinued operations

Discontinued operations comprise assets and liabilities related to our divested Oil & Gas business, which was sold to INEOS on 29 September 2017.

### Financial results

Loss for the period amounted to DKK -26 million and primarily concerned adjustments related to currency.

Cash flows for the period mainly comprised receipt of the last selling price receivables (DKK 1,001 million).

### Capital employed

Capital employed in discontinued operations mainly consisted of provisions relating to the divestment of the Oil & Gas business (tax indemnifications and payments related to the Fredericia stabilisation plant).

### Performance highlights, DKKm

|  | 9M 2020 | 9M 2019 | Q3 2020 | Q3 2019 |
|--|---------|---------|---------|---------|
| EBIT                                       | -       | (7)     | -       | -       |
| Profit (loss) from discontinued operations | (26)    | (27)    | 18      | 34      |
| Cash flows from discontinued operations    | 926     | 202     | 970     | 202     |

### Capital employed, discontinued operations DKKm

|   | 30 September 2020 | 30 September 2019 |
|---|-------------------|-------------------|
| Non-current receivables                   | -                 | 676               |
| Derivatives, net                          | 3                 | (74)              |
| Other provisions                          | (677)             | (663)             |
| Tax, net                                  | 22                | 23                |
| Other receivables and other payables, net | 1                 | -                 |
| <b>Total net assets</b>                   | <b>(651)</b>      | <b>(38)</b>       |

# 11. Tax on profit (loss) for the year

|  | Business performance     |                |            |                          |                |            |
|--|--------------------------|----------------|------------|--------------------------|----------------|------------|
|  | 9M 2020                  |                |            | 9M 2019                  |                |            |
|  | Profit (loss) before tax | Tax            | Tax in %   | Profit (loss) before tax | Tax            | Tax in %   |
| <b>Tax for the period, DKK</b>                       |                          |                |            |                          |                |            |
| Deferred tax liability, new tax equity contributions |                          | (1,053)        | n.a.       |                          | (242)          | n.a.       |
| Gain (loss) on divestment of enterprises             | 11,122                   | -              | 0%         | -                        | -              | n.a.       |
| Other items, including prior year adjustments        |                          | 95             | n.a.       |                          | (147)          | n.a.       |
| Ordinary business activities                         | 5,385                    | (996)          | 18%        | 7,341                    | (1,777)        | 24%        |
| <b>Effective tax for the year</b>                    | <b>16,507</b>            | <b>(1,954)</b> | <b>12%</b> | <b>7,341</b>             | <b>(2,166)</b> | <b>30%</b> |



### Effective tax rate

The estimated average annual tax rate for ordinary business activities is 18% compared to 30% for the full-year of 2019.

The effective tax for the period is calculated on the basis of the profit (loss) before tax from continuing operations.

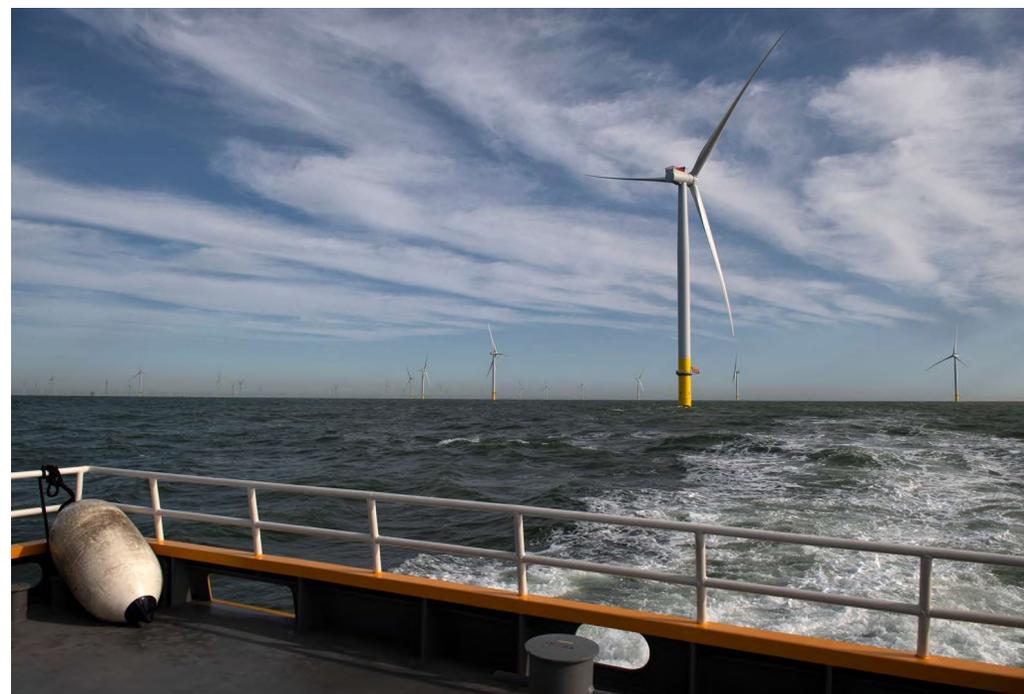
Tax on business performance profit (loss) was DKK 1,954 million in the first nine month of 2020 compared to DKK 2,166 in the first nine month of 2019. The effective tax rate for the first nine month of 2020 was 12%.

The effective tax rate was affected by recognition of a tax liability in connection with the tax equity partnerships related to the onshore wind farms Sage Draw Wind, Plum Creek Wind and Willow Creek Wind. We received tax equity contributions from our tax equity partners in April, June, and September, respectively. Also, the effective tax rate was affected by the non-taxable gain deriving from the divestment of our Danish power distribution (Radius), residential customer, and city light businesses.

### Accounting policies

#### Effective tax rate

The estimated average annual tax rate is separated based on regions and into two different categories: a) ordinary business activities and b) gain (loss) on divestments and impacts from tax equity contributions.



## 12. Reserves

|  | Foreign currency translation reserve | Hedging reserve | Total reserves |
|--|--------------------------------------|-----------------|----------------|
| <b>Reserves 2020, DKKm</b>                             |                                      |                 |                |
| Reserves at 1 January 2020                             | 168                                  | 245             | 413            |
| Exchange rate adjustments                              | (4,720)                              | -               | (4,720)        |
| Value adjustments of hedging                           | -                                    | 811             | 811            |
| <b>Value adjustments transferred to:</b>               |                                      |                 |                |
| Revenue  | -                                    | 41              | 41             |
| Financial income and expenses                          | -                                    | 480             | 480            |
| <b>Tax:</b>  |                                      |                 |                |
| Tax on hedging and currency adjustments                | 1,036                                | (340)           | 696            |
| <b>Movement in comprehensive income for the period</b> | <b>(3,684)</b>                       | <b>992</b>      | <b>(2,692)</b> |
| <b>Total reserves at 30 September</b>                  | <b>(3,516)</b>                       | <b>1,237</b>    | <b>(2,279)</b> |

|  | Foreign currency translation reserve | Hedging reserve | Total reserves |
|--|--------------------------------------|-----------------|----------------|
| <b>Reserves 2019, DKKm</b>                             |                                      |                 |                |
| Reserves at 1 January 2019                             | (1,906)                              | 79              | (1,827)        |
| Exchange rate adjustments                              | 580                                  | -               | 580            |
| Value adjustments of hedging                           | -                                    | 387             | 387            |
| <b>Value adjustments transferred to:</b>               |                                      |                 |                |
| Revenue  | -                                    | 118             | 118            |
| Financial income and expenses                          | -                                    | 81              | 81             |
| <b>Tax:</b>  |                                      |                 |                |
| Tax on hedging and currency adjustments                | (39)                                 | (31)            | (70)           |
| <b>Movement in comprehensive income for the period</b> | <b>541</b>                           | <b>555</b>      | <b>1,096</b>   |
| <b>Total reserves at 30 September</b>                  | <b>(1,365)</b>                       | <b>634</b>      | <b>(731)</b>   |

## 13. Market risks

### Market risks

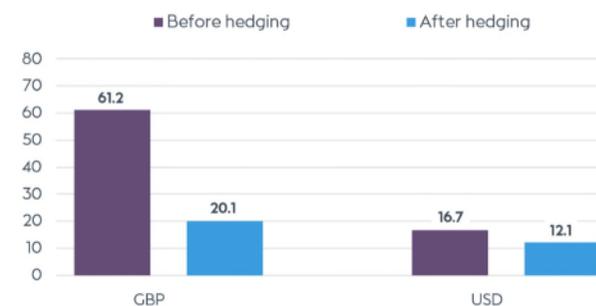
We manage market risks to protect Ørsted against market price volatility and ensure stable and robust financial ratios that support our growth strategy and protect the value of our assets.

In general, we hedge price exposures for up to five years to reduce cash-flow fluctuations.

Prices are not hedged in the long term, and therefore our long-term market risks are determined by our strategic decisions on investments in new assets, the conclusion of long-term contracts as well as any divestment of assets.

Our energy and currency exposures for the near term is shown below.

### Currency exposure, GBP, 1 October 2020 - 30 September 2025, USD, 1 October 2020 - 31 December 2036, DKKbn

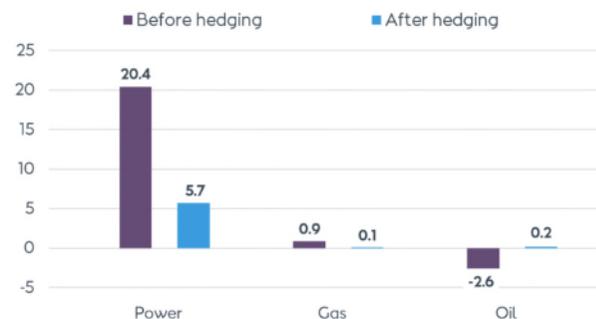


For USD, we manage our risk as a natural time spread between front-end capital expenditures and long-end revenue between 1 October 2020 - 31 December 2036.

NTD is not a material risk for the coming five years.

We do not deem EUR to constitute a risk, as we expect Denmark to maintain its fixed exchange-rate policy.

### Energy exposure 1 October 2020 - 30 September 2025, DKKbn



The graph shows our energy exposure for the next five years.

Our energy exposures are significantly reduced due to hedging.

# 14. Fair value measurement

| Fair value hierarchy<br>DKKm   | Assets      |               |              | Liabilities  |                |
|--------------------------------|-------------|---------------|--------------|--------------|----------------|
|                                | Inventories | Securities    | Derivatives  | Derivatives  | Other payables |
| <b>2020</b>                    |             |               |              |              |                |
| Quoted prices                  | 635         | -             | 3,365        | 2,630        | -              |
| Observable input               | -           | 27,292        | 1,803        | 1,282        | -              |
| Non-observable input           | -           | -             | 254          | 36           | -              |
| <b>Total 30 September 2020</b> | <b>635</b>  | <b>27,292</b> | <b>5,422</b> | <b>3,948</b> | <b>-</b>       |
| <b>2019</b>                    |             |               |              |              |                |
| Quoted prices                  | -           | -             | -            | 6            | -              |
| Observable input               | -           | 25,702        | 3,972        | 5,133        | -              |
| Non-observable input           | -           | -             | 937          | 342          | -              |
| <b>Total 30 September 2019</b> | <b>-</b>    | <b>25,702</b> | <b>4,909</b> | <b>5,481</b> | <b>-</b>       |



The table shows assets and liabilities measured at fair value, split between inputs.

## Valuation principles and key assumptions

In order to minimise the use of subjective estimates or modifications of parameters and calculation models, it is our policy to determine fair values based on the external information that most accurately reflects the market values. We use pricing services and benchmark services to increase data quality.

Market values are determined by the Treasury & Risk Management function which reports to the CFO. The market value developments are monitored on a continuous basis and reported to Group Executive Management.

## Accounting policy

Quoted prices comprise gas and derivatives that are traded in active markets. Where derivatives are traded in an active market, we generally have daily settlements, for which reason the market value is zero. Observable input comprises securities and derivatives, for which valuation models with observable inputs are used to measure fair value. The majority of our securities are quoted Danish mortgage or government bonds. Since these are not always traded on a daily basis, we are valuing these based on market interest rates for similar bonds. Non-observable input derivatives comprise primarily long-term contracts on the purchase or sale of power and gas. The fair values are based on assumptions concerning the long-term prices of power and gas as well as risk premiums in respect of liquidity and market risks. Since there are no active markets for long-term prices, the fair value has been determined through an estimate of future prices. Normally, the energy price can be observed for a maximum of five years in the power market, after which an active market no longer exists. Beyond the five-year horizon, the energy price is thus projected on the basis of the observable forward prices for year one to five. All assets and liabilities measured at fair value are measured on a recurring basis.

## Derivatives valued on the basis of non-observable input, DKKm

|   | 2020       | 2019           |
|---|------------|----------------|
| Market value at 1 January                                     | 236        | (2,458)        |
| Value adjustments through profit or loss                      | 147        | 148            |
| Value adjustments through other comprehensive income          | -          | 777            |
| Sales/redemptions   | (233)      | 57             |
| Purchases/issues  | 68         | 5              |
| Transferred to observable input                               | -          | 166            |
| <b>Market value at 30 September before deferred gain/loss</b> | <b>218</b> | <b>(1,305)</b> |
| Deferred loss at initial recognition on 1 January             | -          | 1,900          |
| <b>Market value at 30 September</b>                           | <b>218</b> | <b>595</b>     |



The table shows the movements during the year in the total market value (assets and liabilities) of derivatives valued on the basis of non-observable inputs.

## Non-observable inputs per commodity price input, DKKm

|                    | 2020       | 2019       |
|--------------------|------------|------------|
| US power prices    | -          | 268        |
| Other power prices | 43         | 194        |
| Gas prices         | 175        | 133        |
| <b>Total</b>       | <b>218</b> | <b>595</b> |



After a change in the valuation methodology as of 31 December 2019, US power prices are no longer valued based on significant non-observable inputs.

# 15. Interest-bearing debt and FFO

| Interest-bearing debt and interest-bearing assets<br>DKKm | 30 September<br>2020 | 31 December<br>2019 | 30 September<br>2019 |
|---|----------------------|---------------------|----------------------|
| <b>Interest-bearing debt:</b>                             |                      |                     |                      |
| Bank debt   | 4,426                | 3,466               | 9,206                |
| Bond debt   | 31,454               | 33,373              | 29,341               |
| <b>Total bond and bank debt</b>                           | <b>35,880</b>        | <b>36,839</b>       | <b>38,547</b>        |
| Tax equity liability                                      | 508                  | 608                 | 658                  |
| Lease liability   | 4,760                | 5,332               | 5,419                |
| Other interest-bearing debt                               | 1,195                | 649                 | 280                  |
| <b>Total interest-bearing debt</b>                        | <b>42,343</b>        | <b>43,428</b>       | <b>44,904</b>        |
| <b>Interest-bearing assets:</b>                           |                      |                     |                      |
| Securities  | 27,292               | 16,552              | 25,702               |
| Cash  | 5,852                | 7,148               | 5,371                |
| Receivables from associates and joint ventures            | 160                  | -                   | -                    |
| Other receivables   | 823                  | 1,781               | 1,394                |
| Receivables in connection with divestments                | -                    | 717                 | 355                  |
| <b>Total interest-bearing assets</b>                      | <b>34,127</b>        | <b>26,198</b>       | <b>32,822</b>        |
| <b>Total interest-bearing net debt</b>                    | <b>8,216</b>         | <b>17,230</b>       | <b>12,082</b>        |



Interest-bearing net debt totalled DKK 8,216 million as of 30 September 2020, which was a decrease of DKK 9,014 million relative to 31 December 2019. The decrease was driven by an increase in interest-bearing assets of DKK 7,929 million. In addition, interest-bearing debt decreased by DKK 1,085 million, which mainly related to a decrease in bond debt due to the drop in GBP/DKK exchange rates, reducing the amount to be repaid in DKK.

## Market value of bond and bank debt

The market values of bond and bank debts amounted to DKK 38.6 billion and DKK 4.6 billion, respectively, at 30 September 2020.

| Funds from operations (FFO) LTM <sup>1</sup><br>DKKm                         | 30 September<br>2020 | 31 December<br>2019 | 30 September<br>2019 |
|--|----------------------|---------------------|----------------------|
| <b>EBITDA - business performance</b>   | <b>17,734</b>        | <b>17,484</b>       | <b>32,077</b>        |
| Interest expenses, net   | (1,828)              | (1,312)             | (512)                |
| Interest expenses, leasing   | (193)                | (171)               | (115)                |
| Reversal of interest expenses transferred to assets                          | (372)                | (344)               | (420)                |
| Interest element of decommissioning obligations                              | (229)                | (212)               | (210)                |
| 50% of coupon payments on hybrid capital                                     | (278)                | (279)               | (272)                |
| Calculated interest paid on operating lease obligations                      | -                    | -                   | 125                  |
| <b>Adjusted interest expenses, net</b>                                       | <b>(2,900)</b>       | <b>(2,318)</b>      | <b>(1,404)</b>       |
| Reversal of gain (loss) on divestment of assets                              | (840)                | 101                 | (15,400)             |
| Reversal of recognised operating lease payment in profit (loss) for the year | -                    | -                   | 155                  |
| Total current tax  | (6,210)              | (5,799)             | (3,625)              |
| <b>Funds from operations (FFO)</b>   | <b>7,784</b>         | <b>9,468</b>        | <b>11,803</b>        |

<sup>1</sup> Last 12 months

| Adjusted interest-bearing net debt<br>DKKm                               | 30 September<br>2020 | 31 December<br>2019 | 30 September<br>2019 |
|--|----------------------|---------------------|----------------------|
| <b>Total interest-bearing net debt</b>                                   | <b>8,216</b>         | <b>17,230</b>       | <b>12,082</b>        |
| 50% of hybrid capital  | 6,616                | 6,616               | 6,620                |
| Cash and securities not available for distribution, excluding repo loans | 1,290                | 1,437               | 1,048                |
| Decommissioning obligations  | 6,659                | 6,158               | 5,900                |
| Deferred tax on decommissioning obligations                              | (912)                | (866)               | (740)                |
| <b>Total adjusted interest-bearing net debt</b>                          | <b>21,869</b>        | <b>30,575</b>       | <b>24,910</b>        |

| Funds from operations (FFO)/<br>adjusted interest-bearing net debt         | 30 September<br>2020 | 31 December<br>2019 | 30 September<br>2019 |
|--|----------------------|---------------------|----------------------|
| <b>Funds from operations (FFO)/<br/>adjusted interest-bearing net debt</b> | <b>35.6%</b>         | <b>31.0%</b>        | <b>47.4%</b>         |



The table shows which items are included in funds from operations (FFO). FFO is calculated for the continuing operations.



The table shows which items are included in the adjusted interest-bearing debt as well as FFO relative to adjusted interest-bearing debt.

# Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and approved the interim financial report of Ørsted A/S for the period 1 January - 30 September 2020.

The interim financial report, which has not been audited or reviewed by the company's independent auditors, has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional requirements in the Danish Financial Statements Act. The accounting policies remain unchanged from the annual report for 2019.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities, and financial position at 30 September 2020 and of the results of the Group's operations and cash flows for the period 1 January - 30 September 2020.

Furthermore, in our opinion, the management's review gives a fair presentation of the development in the Group's operations and financial circumstances, of the results for the period, and of the overall financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group.

Over and above the disclosures in the interim financial report, no changes in the Group's most significant risks and uncertainties have occurred relative to the disclosures in the annual report for 2019.

Skærbæk, 28 October 2020

## Executive Board

**Henrik Poulsen**  
President and CEO

**Marianne Wiinholt**  
CFO

## Board of Directors

**Thomas Thune Andersen**  
Chairman

**Lene Skole**  
Deputy Chairman

**Lynda Armstrong**

**Jørgen Kildahl**

**Peter Korsholm**

**Dieter Wemmer**

**Benny Gøbel\***

**Ole Henriksen\***

**Daniel Tas Sandermann\***

\*Employee representative

# Forward-looking statements

## Forward-looking statements

This report contains certain forward-looking statements, including but not limited to, the statements and expectations contained in the 'Outlook' section of this report (p. 7).

Statements herein, other than statements of historical facts, regarding our future results related to operations, financial condition, cash flows, business strategy, plans and future objectives are forward-looking statements.

Words such as 'targets', 'believe', 'expect', 'aim', 'intend', 'plan', 'seek', 'will', 'may', 'should', 'anticipate', 'continue', 'predict' or variations of these words as well as other statements regarding matters that are not historical facts or regarding future events or prospects, constitute forward-looking statements.

We have based these forward-looking statements on our current views with respect to future events and financial performance. These views involve a number of risks and uncertainties which could cause actual results to differ materially from those predicted in the forward-looking statements and from our past performance.

Although, we believe that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ due to a variety of factors. These factors include, but are not limited to, market risks, development and construction of assets, changes in temperature, wind conditions, wake and blockage effects, precipitation levels, the development in power, coal, carbon, gas, oil, currency, and interest rate markets, changes in legislation, regulations or standards, the renegotiation of contracts, changes in the competitive environment in our markets, security of supply, cable break-downs, or other disruptions.

Read more about the risks in the chapter 'Risk and risk management' and in note 7 of the annual report 2019 available at [www.orsted.com](http://www.orsted.com).

Unless required by law, we are under no duty and undertake no obligation to update or revise any forward-looking statement after the distribution of this report, whether as a result of new information, future events, or otherwise.



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#### **Images**

All images are from our newly completed offshore wind farm Borssele 1 & 2 outside Vliessingen, the Netherlands. This Ørsted project is the first offshore wind farm in the country, providing renewable energy to 1,000,000 Dutch households

#### **Publication**

28 October 2020