



**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:  
[edge.media-server.com/mmc/p/79p2v9ea](https://edge.media-server.com/mmc/p/79p2v9ea)

Presentation slides will be available prior to the earnings call at:  
[orsted.com/en/investors/ir-material/financial-reports-and-presentations#0](https://orsted.com/en/investors/ir-material/financial-reports-and-presentations#0)

The interim financial report can be downloaded at:  
[orsted.com/en/investors/ir-material/financial-reports-and-presentations#0](https://orsted.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.

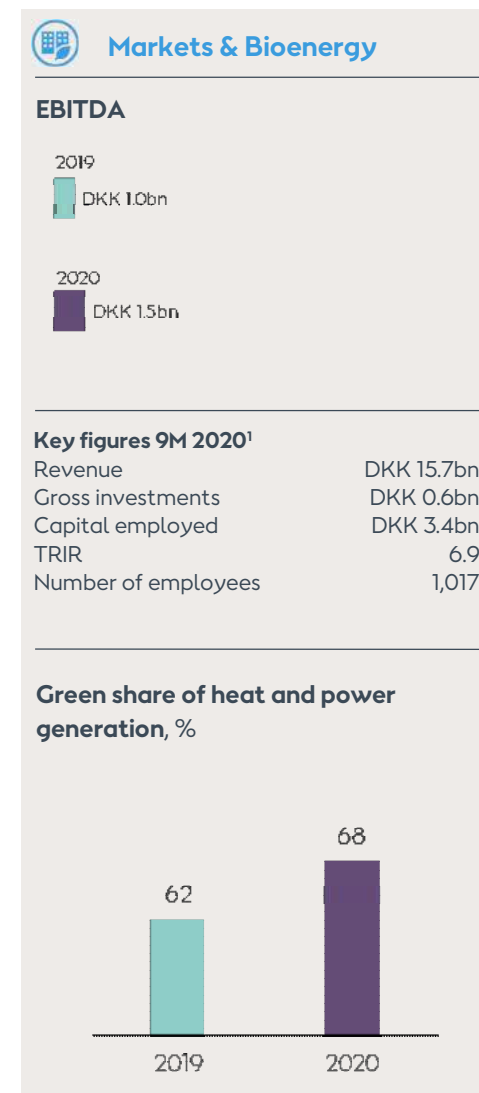
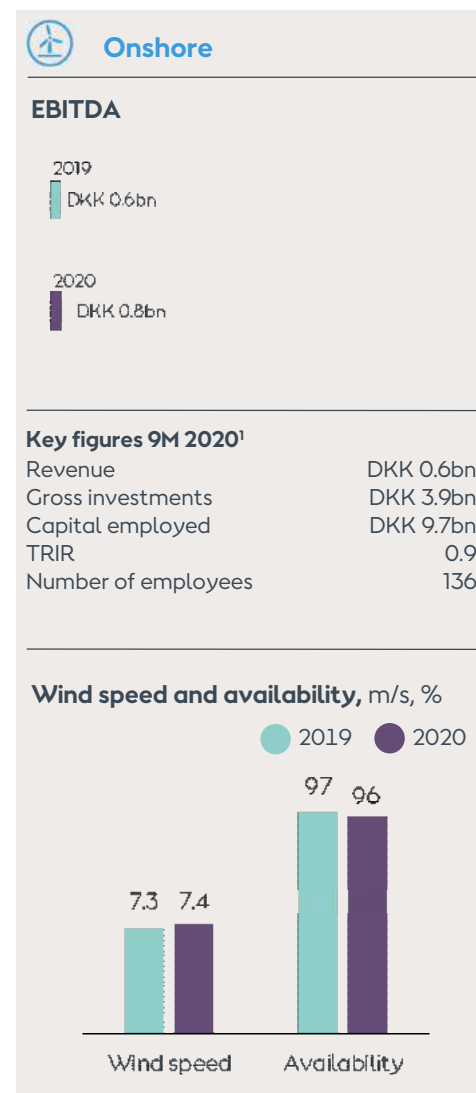
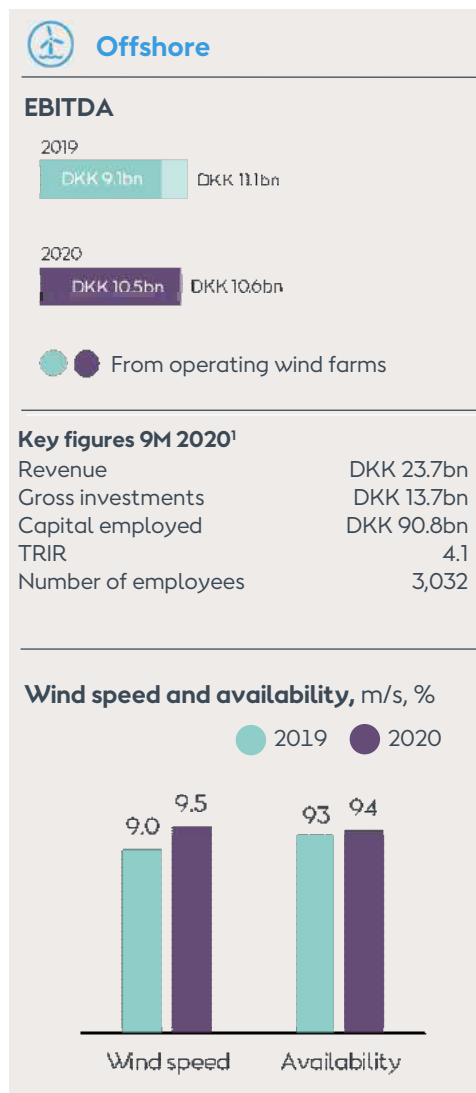
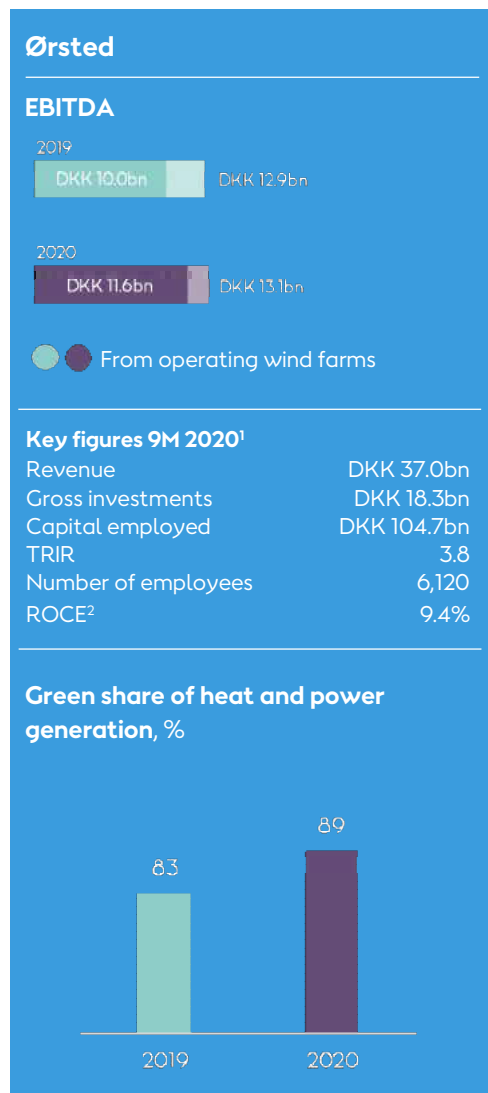


**The Board of Directors appointed Mads Nipper my successor as CEO of Ørsted. Mads is a highly accomplished leader and with his visionary thinking and strategic skills, Ørsted's continued global expansion is in very good hands**



**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.

	Guidance 28 Oct 2020	Guidance 12 Aug 2020	Guidance 29 Apr 2020	Guidance 4 Mar 2020	2019 realised
<b>Outlook for 2020, DKK billion</b>					
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.

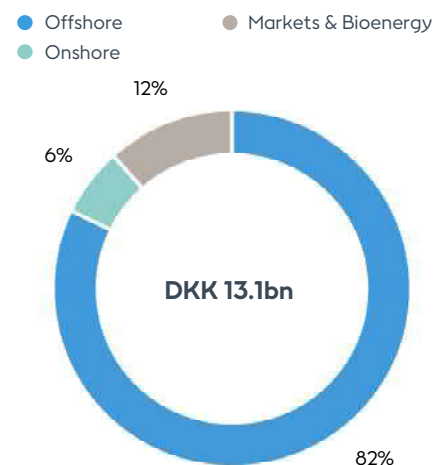
Thermal power generation amounted to 3.1TWh, a slight increase compared to last year, mainly from a higher volume of delivery of ancillary services. Heat generation amounted to 4.4TWh, down 17% compared to the same period last year due to a warm first quarter of 2020. Offshore and onshore wind accounted 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

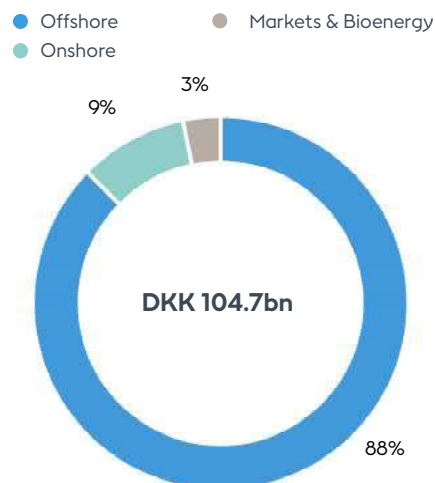
The green share of heat and power generation amounted to 89% in 9M 2020, up 6 percentage points relative to the same period last year. The increase mainly came from higher generation from offshore and onshore wind farms due to additional capacity and higher wind speeds. This was partly offset by power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

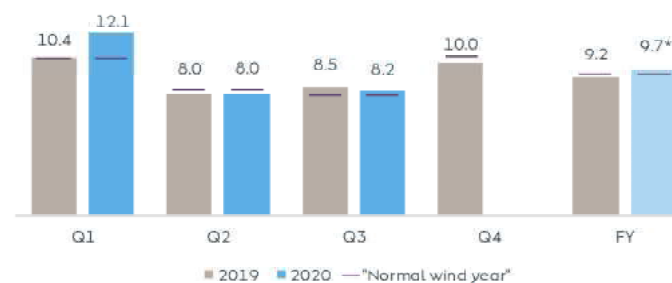
Revenue from construction agreements decreased by DKK 7.1 billion, primarily due to high activity in 9M 2019 related to the construction of the offshore wind farm Hornsea 1 for partners. In 9M 2020, revenue from construction agreements primarily related to the divestment of the offshore transmission 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.

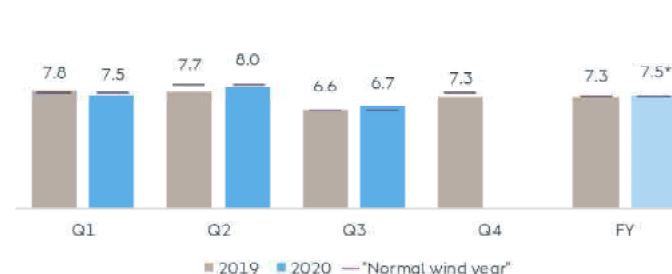
Revenue from wind farms in operation increased by 2% due to higher generation, partly offset by lower prices for the part of the portfolio not covered by PPAs.

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.

		Q3 2020	Q3 2019	%	9M 2020	9M 2019	%
<b>Business drivers</b>							
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%
<b>Financial performance</b>							
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 Renaissance 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 (Business performance), DKKm	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 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 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 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 investment 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 2020	31 December 2019	30 September 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 2020	31 December 2019	30 September 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>-</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>-</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			Offshore	Onshore	Markets & Bioenergy		
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

Gross and net investments, DKKm	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

Selling price, DKKm	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>

Gain (loss) on divestment of enterprises, DKKm	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

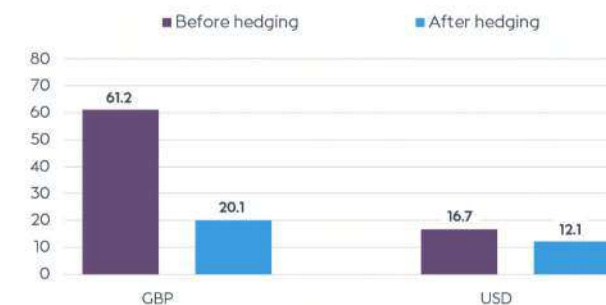
We manage market risks to protect Ørsted against market price volatility and ensure stable and robust financial ratios that support our growth strategy and protect the value of our assets.

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

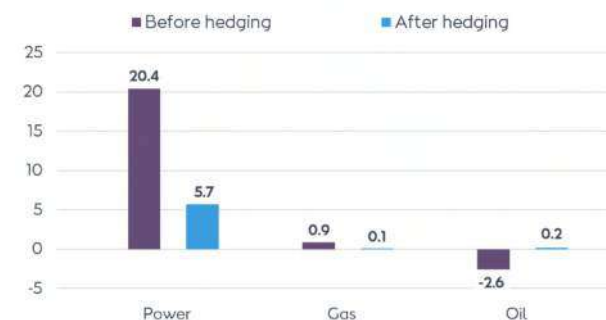


For USD, we manage our risk as a natural time spread between front-end capital expenditures and long-end revenue between 1 October 2020 - 31 December 2036.

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 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 DKKm	30 September 2020	31 December 2019	30 September 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
Other receivables	824	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> DKKm	30 September 2020	31 December 2019	30 September 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 DKKm	30 September 2020	31 December 2019	30 September 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)/ adjusted interest-bearing net debt	30 September 2020	31 December 2019	30 September 2019
<b>Funds from operations (FFO)/ 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