



Ørsted

Interim financial report

First quarter 2019



Contents

Management's review

| | |
|-------------------------|----|
| CEO's review | 3 |
| At a glance | 5 |
| Outlook | 6 |
| Results Q1 | 7 |
| Business units' results | 10 |
| Performance highlights | 15 |
| Quarterly overview | 16 |

Financial statements

| | |
|--|----|
| Consolidated interim financial statement | 17 |
| Notes | 23 |

Management statement

| | |
|----------------------------|----|
| Management statement | 35 |
| Forward-looking statements | 36 |

CONFERENCE CALL

In connection with the presentation of the interim financial report a conference call for investors and analysts will be held on Wednesday 1 May 2019 at 10:00am CET:

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The conference call can be followed live at:

orsted.eventcdn.net/201905Q1/

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

orsted.com/en/Investors/Reports-and-presentations/Financial-reports-and-presentations

The interim financial report can be downloaded at:

orsted.com/en/Investors/Reports-and-presentations/Financial-reports-and-presentations

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CEO's review — first quarter

Good start to the year with operating profit in line with expectations

- Operating profit (EBITDA) totalled DKK 5.1 billion, a decrease of 7% compared to Q1 2018, but in line with expectations.
- EBITDA from offshore wind farms in operation increased by 13% to DKK 3.6 billion.
- Green share of heat and power generation increased from 68% to 80%.
- Decision to construct our first large-scale Taiwanese offshore wind project Greater Changhua 1 & 2a.
- Good progress on the construction of Hornsea 1, which will become the world's largest wind farm when completed in H2 2019.
- Bids submitted for offshore wind projects in France, the Netherlands and the US.
- First turbines installed at Lockett onshore wind farm in the US and decision to construct Sage Draw.

Financial results

Operating profit (EBITDA) for the first quarter of the year amounted to DKK 5.1 billion, driven by high availability and generally strong performance at our wind farms in operation together with good progress on the construction of Hornsea 1. Earnings from our offshore wind farms in operation amounted to DKK 3.6 billion in Q1 2019, a year-on-year increase of 13% mainly driven by ramp-up in generation from Borkum Riffgrund 2 and Walney Extension.

The 7% decrease in EBITDA was expected and was mainly due to a positive outcome of an arbitration case in Q1 2018 as well as cyclically lower earnings from our gas portfolio activities in Customer Solutions.

Return on capital employed for the last 12

months increased marginally to 28% in Q1 2019.

Following the continued ramp-up of our offshore wind capacity and the addition of our onshore wind capacity, the green share of heat and power generation increased from 68% in Q1 2018 to 80% in Q1 2019.

Offshore

The construction of Hornsea 1 is progressing according to plan, with first power being achieved in February. When fully operational it will become the world's largest offshore wind farm with a capacity of 1,218MW, almost double the capacity of Walney Extension, which is currently the world's largest offshore wind farm.

In April, we took final investment decision on our 900MW Taiwanese Greater Changhua 1 & 2a project following the achievement of an establishment permit, approval of the supply chain plan and signing of the power purchase agreement with Taipower. Construction will commence shortly, and we expect the offshore wind farm to be completed in 2022.

On 8 February, we further strengthened our strategic partnership with Eversource when they became a 50% partner in our recently acquired activities from Deepwater Wind in the New England area, where Eversource is the leading utility provider. The assets included in the transaction cover Revolution Wind (704MW), South Fork (130MW) and two undeveloped lease areas off the coast of New England, which can potentially be developed to a capacity of more than 1GW.

On 18 February, we entered into a joint venture with Total and Elicio to submit a bid in the



In April, we took final investment decision on our 900MW Taiwanese Greater Changhua 1 & 2a project.

Construction will commence shortly, and we expect the offshore wind farm to be completed in 2022.

600MW Dunkirk tender in France in March. On March 15, we submitted a bid in the Dutch zero subsidy tender for the Holland Coast South 3 & 4 offshore wind farm (up to 760MW). If we are awarded the project in the Netherlands, we have already taken final investment decision, and will, together with a partner, seek to establish a green hydrogen project based on power from our Dutch offshore wind farms. We expect an outcome from the two European auctions during the summer.

We are also awaiting the outcome of three US auctions, expectedly during Q2 2019. In Q4 2018, we bid into auctions in Rhode Island (up to 400MW) and New Jersey (1,100MW) and in February we bid into the 800MW auction in New York.

In March, the UK government confirmed their ambition to increase the offshore wind capacity from 13GW by 2020 to 30GW by 2030. We welcome the UK government's commitment to a green future and look forward to continuing our work and investments in the UK.

Onshore

Our onshore business had a strong start to the year with high yields from our operating assets and good progress on our construction projects. In February, we installed the first turbines at the Lockett onshore wind farm in Texas. The construction is progressing according to plan, and we expect to commission the wind farm in Q3 2019.

In April, we took final investment decision (FID) on the 338MW onshore wind farm Sage Draw with expected commercial operation date (COD) in Q1 2020. Tax equity commitments are on schedule for closing in Q2 2019.

Furthermore, we have entered into an agreement to acquire a subsidiary of US-based Coronal Energy. The subsidiary is a nationwide solar and storage developer with a significant pipeline of solar and storage projects expanding our capability platform and exposure to new attractive regional markets.

We continue to work on expanding our development portfolio to create a strong North American

CEO's review — first quarter continued

can platform within onshore wind, solar energy and energy storage.

Utility business

In February, we entered into a 10-year fixed price corporate power purchase agreement (cPPA) with Northumbrian Water, which will source 30% of its renewable energy demand from our Race Bank offshore wind farm. The cPPA, which reduces our merchant power price risk, is the first from an Ørsted offshore wind farm, and marks an important milestone in our route-to-market strategy.

The development of our first Renaissance plant in the UK is in its final phase, and the reconfiguration of the sorting process, where we have experienced mechanical challenges, will soon be completed. Final commissioning is still expected during summer.

For several years, we have successfully converted our heat and power plants to using sustainable wood pellets and wood chips instead of fossil fuels, and we are committed to entirely stop using coal from 2023. At our last remaining unconverted CHP, Esbjerg Power Station, we have not been able to find a common solution with the heat customers for a bioconversion project. Consequently we informed the heat customers in 2018, that we will close down operations by the end of 2022. We have also notified the relevant authorities and are awaiting their final approval.

In 2018 we announced our plans to divest our Danish power distribution, residential customer and city light businesses as we do not consider Ørsted the best long-term owner of these

businesses. We continue to expect signing of divestments towards the end of this year.

In 2018, seven bearers of the Ørsted name filed a subpoena with the Copenhagen Maritime and Commercial Court to prevent our use of the name. In March 2019, we had the last hearings in court and we are now awaiting the court's decision on 10 May. We still firmly believe that we are entitled to name our company after H.C. Ørsted.



Henrik Poulsen
CEO and President

At a glance — first quarter



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

Outlook 2019

| Outlook for 2019, DKK bn | Guidance 1 May 2019 | Guidance 31 Jan. 2019 | 2018 realised |
|--------------------------------------|------------------------|--------------------------|---------------|
| EBITDA (without new partnerships)* | 15.5-16.5 | 15.5-16.5 | 15.0 |
| Offshore (without new partnerships)* | Higher | Higher | 12.7 |
| Onshore | Significantly higher | Significantly higher | 0.0 |
| Bioenergy | Higher | Higher | 0.4 |
| Customer Solutions | Significantly lower | Significantly lower | 2.0 |
| Gross investments | 21-23 | 21-23 | 24.5 |



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 2018.

* EBITDA excluding new partnership agreements closed later than 1 January 2019 (2018)

EBITDA

Our EBITDA guidance is unchanged relative to the guidance in our annual report for 2018. EBITDA (business performance), excluding new partnership agreements, is expected to be DKK 15.5-16.5 billion

Gross investments

Our gross investments guidance is unchanged relative to the guidance in our annual report for 2018. Gross investments are expected to amount to DKK 21-23 billion.

Results Q1

Financial results

Revenue

Power generation from offshore and onshore wind increased by 31% and totalled 3.9TWh in Q1 2019, mainly due to the ramp-up of generation from Walney Extension and Borkum Riffgrund 2 as well as the addition of our Onshore business unit.

Thermal power generation amounted to 1.9TWh and heat generation amounted to 3.7TWh, down 42% and 23%, respectively, compared to Q1 2018. The decrease was mainly due to significantly warmer weather than in Q1 2018.

Offshore and onshore wind accounted for 66% of our total power generation, while the renewable energy share of our total heat and power generation accounted for 80% in Q1 2019 compared with 68% in the same period in 2018.

Revenue amounted to DKK 17.2 billion. The decrease of 13% relative to Q1 2018 was primarily due to significantly lower gas prices, lower sold gas volumes and lower heat and power generation in Bioenergy as mentioned above. In addition,

revenue from construction of offshore wind farms for partners was lower than in Q1 2018.

EBITDA

Operating profit (EBITDA) totalled DKK 5.1 billion compared with DKK 5.5 billion in Q1 2018. The 7% decrease was expected and was mainly due to a one-off compensation awarded following the completion of an arbitration relating to a gas purchase contract in Q1 2018 as well as lower earnings from our gas portfolio activities in Customer Solutions due to the drop in gas prices during the quarter. In addition, earnings from construction agreements for partners were DKK 0.2 billion lower than in Q1 2018.

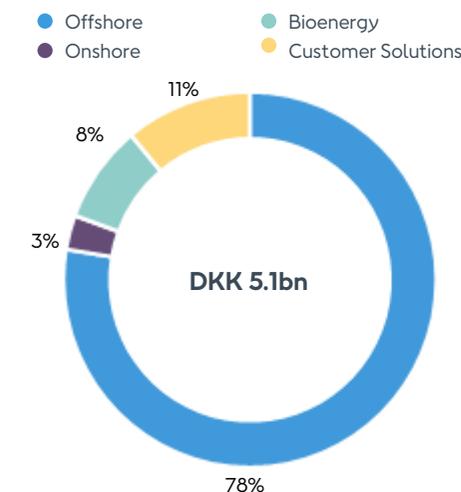
EBITDA from offshore wind farms in operation increased by 13% to DKK 3.6 billion in Q1 2019, and our new Onshore segment contributed DKK 0.2 billion to EBITDA.

EBITDA in Q1 2019 was positively affected by DKK 149 million from the implementation of the new IFRS 16 accounting standard regarding leasing, compared to a continued expensing of

Financial results, DKKm

| | Q1 2019 | Q1 2018 | % |
|---|---------|---------|-------|
| Revenue | 17,239 | 19,808 | (13%) |
| EBITDA | 5,130 | 5,519 | (7%) |
| Depreciation | (1,618) | (1,382) | 17% |
| EBIT | 3,512 | 4,137 | (15%) |
| Gain (loss) on divestment of enterprises | (17) | (10) | 70% |
| Profit (loss) from associates and joint ventures | 1 | (2) | n.a. |
| Financial items, net | 101 | (295) | n.a. |
| Profit before tax | 3,597 | 3,830 | (6%) |
| Tax on profit (loss) for the period | (958) | (798) | 20% |
| Tax rate | 27% | 21% | 6%p |
| Profit (loss) for the period, continuing operations | 2,639 | 3,032 | (13%) |
| Profit (loss) for the period, discount. operations | (43) | 8 | n.a. |
| Profit (loss) for the period | 2,596 | 3,040 | (15%) |

EBITDA, DKK billion



operational lease costs. Roughly half of the impact was in Offshore.

EBIT

EBIT decreased by DKK 0.6 billion to DKK 3.5 billion in Q1 2019, primarily as a result of the lower EBITDA.

Depreciation increased by DKK 0.2 billion to DKK 1.6 billion. The increase was driven by more wind farms in operation as well as the implementation of the new IFRS 16 accounting standard regarding leasing. In accordance with IFRS 16, our operating leases have been recognised in the balance sheet as of 1 January 2019 and are now depreciated instead of being expensed.

Please see note 1 for further information on the implementation of IFRS 16 'Leases' and the im-

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 6.0 billion in Q1 2019 against DKK 5.3 billion in the same period in 2018. In accordance with the business performance principle, EBITDA was DKK 5.1 billion and DKK 5.5 billion, respectively. The difference between the two principles was thus DKK 0.9 billion in Q1 2019 against DKK -0.2 billion in Q1 2018.

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 | Q1 2019 | Q1 2018 |
|-------------------------------|---------|---------|
| EBITDA - Business performance | 5,130 | 5,519 |
| Adjustments | 877 | (234) |
| EBITDA - IFRS | 6,007 | 5,285 |

Results Q1 continued

part on our consolidated financial statements.

The increase in depreciation was partially offset by our Danish power distribution and residential customer businesses being classified as assets held for sale by the end of 2018 and thus not depreciated in Q1 2019.

Financial income and expenses

Net financial income and expenses amounted to DKK 0.1 billion compared to a net expense of DKK 0.3 billion in the same period last year. The decrease in expenses was mainly due to positive exchange rate adjustments.

Tax and tax rate

Tax on profit for the period amounted to DKK 1.0 billion, which was DKK 0.2 billion higher than in Q1 2018. The effective tax rate was 27% and was affected by tax expenses related to the partial asset sale to Eversource.

Profit for the period from continuing operations

Profit for the period from continuing operations totalled DKK 2.6 billion, DKK 0.4 billion lower than 2018. The decrease was primarily due to the lower EBIT partly offset by the higher net financial income.

Cash flows and net debt

Cash flows from operating activities

Cash flows from operating activities totalled DKK -0.1 billion in Q1 2019 compared with DKK -0.4 billion in Q1 2018. The increase of DKK 0.3 billion was mainly due to a higher release of funds tied up in work in progress on construction agreements and a lower increase in funds tied

up in other working capital.

This was partly offset by higher paid tax in Q1 2019. In both years we chose to pay our Danish taxes for the year on account in March instead of November. Paid taxes amounted to DKK 4.8 billion in Q1 2019 compared to DKK 3.1 billion in Q1 2018.

In Q1 2019, funds tied up in work in progress decreased by DKK 1.0 billion and primarily related to the construction of Hornsea 1 for partners and the offshore transmission assets at Hornsea 1 and 2. However, this was more than offset by the receipt of milestone payments related to Hornsea 1.

Less funds were tied up in other working capital due to higher payables and lower receivables in Q1 2019. In addition, the repayment of a VAT loan to the Danish tax authorities in Q1 2018 had a positive year-on-year effect.

Investments and divestments

Gross investments amounted to DKK 3.9 billion against DKK 2.1 billion in Q1 2018. The main investments in Q1 2019 were:

- offshore wind farms (DKK 2.8 billion), including Hornsea 1 and 2 in the UK and Borssele 1 & 2 in the Netherlands
- onshore wind farms (DKK 0.5 billion), including Lockett, Sage Draw and Tahoka in the US
- power stations (DKK 0.3 billion), mainly bio-mass conversion of Asnæs Power Station.

Cash flow from divestments in Q1 2019 related

| Cash flow and net debt, DKKm | Q1 2019 | Q1 2018 | % |
|---|--------------|--------------|-------------|
| Cash flows from operating activities | (118) | (398) | (70%) |
| EBITDA | 5,130 | 5,519 | (7%) |
| Change in derivatives | 134 | (310) | n.a. |
| Change in provisions | (6) | 225 | n.a. |
| Reversal of gain (loss) on sale of assets | (118) | 31 | n.a. |
| Other items | (2) | (53) | (96%) |
| Interest expense, net | (91) | (141) | (35%) |
| Paid tax | (4,827) | (3,084) | 57% |
| Change in work in progress | 1,001 | 112 | 794% |
| Change in tax equity liabilities | (81) | - | n.a. |
| Change in other working capital | (1,258) | (2,697) | (53%) |
| Gross investments | (3,899) | (2,071) | 88% |
| Divestments | 2,678 | 835 | 221% |
| Free cash flow | (1,339) | (1,634) | (18%) |
| Net debt, beginning of period | (2,219) | (1,517) | 46% |
| Free cash flow from continuing operations | 1,339 | 1,634 | (18%) |
| Free cash flow from discontinued operations | (2) | 125 | n.a. |
| Dividends and hybrid coupon paid | 4,237 | 3,927 | 8% |
| Addition of lease obligations (IFRS 16) | 5,224 | - | n.a. |
| Exchange rate adjustments, etc. | 532 | 162 | 234% |
| Net debt, end of period | 9,111 | 4,331 | 110% |

to the expansion of our strategic partnership with Eversource as they became a 50% partner in our recently acquired Deepwater Wind activities in the New England area in February (DKK 1.0 billion). In addition, divestments in Q1 2019 related to the receipt of deferred proceeds from the farm-down of 50% of Hornsea 1 in 2018 (DKK 1.7 billion).

Interest-bearing net debt

Interest-bearing net debt totalled DKK 9.1 billion at the end of March 2019 against net cash of DKK 2.2 billion at the end of 2018. The DKK 11.3 billion increase was mainly due to

dividend payments of DKK 4.2 billion, inclusion of operational lease obligations of DKK 5.2 billion in accordance with IFRS 16 and a negative free cash flow of DKK 1.3 billion.

Equity

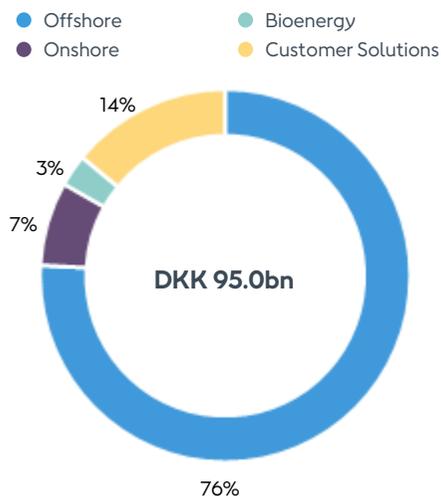
Equity was DKK 85.8 billion at the end of March against DKK 85.1 billion at the end of 2018.

Results Q1 continued

Capital employed

Capital employed was DKK 95.0 billion at 31 March 2019 against DKK 82.9 billion at the end of 2018 and DKK 75.2 billion at the end of March 2018. The increase in Q1 2019 was mainly due to investments, the addition of operational lease assets and the on account tax payment. Offshore's share of capital employed was 76% at the end of Q1 2019.

Capital employed, %



Financial ratios

Return on capital employed (ROCE)

Return on capital employed (ROCE, last 12 months) was 28% at the end of Q1 2019, marginally up compared to the same period last year. The increase was mainly attributable to the higher EBIT over the 12-month period, which in both periods was significantly impacted by farm-downs – Hornsea 1 in Q4 2018 and Walney Extension and Borkum Riffgrund 2 in Q4 2017.

Credit metric (FFO/adjusted net debt)

The funds from operations (FFO)/adjusted net debt credit metric was 46% at the end of March 2019, which was in line with 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 80% in Q1 2019, up 12 percentage points relative to the same period last year. The increase was due to the addition of generation from onshore wind farms, higher generation from offshore wind farms and lower heat and power generation based on coal and gas. The latter was due to the warmer weather and the divestment of the Dutch Enecogen power plant in Q3 2018.

Carbon emissions

Carbon emissions from our heat and power generation decreased to 82g CO₂e/kWh in Q1 2019 against 147g CO₂e/kWh in Q1 2018. The carbon emissions per kWh decreased for the same reasons as mentioned above.

Safety

In Q1 2019 we have had 22 total recordable injuries (TRIs), evenly divided between contractors and own employees. This is a decrease of 4 injuries, compared to same quarter last year or a reduction of 15%.

Over the last 12 months the total recordable injury rate (TRIR) decreased from 6.7 in Q1 2018 to 4.3 in Q1 2019.

Key ratios, DKKm, %

| | Q1 2019 | Q1 2018 | % |
|------------------------------------|---------|---------|-------|
| ROCE ¹ | 28.2% | 26.7% | 1.5%p |
| Adjusted net debt | 22,008 | 21,623 | 2% |
| FFO/adjusted net debt ¹ | 46.2% | 45.6% | 0.6%p |

¹ See page 87 in the annual report for 2018 for definitions.



Offshore

Highlights Q1 2019

- We decided to build our first large-scale Taiwanese offshore wind project Greater Changhua 1 & 2a.
- We further strengthened our strategic partnership with Eversource when they became a 50% partner in the New England development assets recently acquired from Deepwater Wind.
- Bids submitted for offshore wind projects in France, the Netherlands and the US.
- Good progress on Hornsea 1, which will be the largest offshore wind farm in the world when commissioned in H2 2019.

Financial results Q1 2019

Power generation increased by 3% (0.1 TWh) relative to Q1 2018. The increase was primarily due to ramp-up of generation from Walney Extension and Borkum Riffgrund 2 (additional 0.3 TWh) and higher availability. Walney Extension commenced generation in October 2017 and was fully commissioned in May 2018, whereas Borkum Riffgrund 2 was fully commissioned in December 2018. The positive effect from ramp-up was partly offset by curtailments and outages (-0.2 TWh), for which we were partly compensated.

Wind speeds were 0.1m/s higher than last year and amounted to an average of 10.4m/s. This was slightly above a normal wind year (10.3m/s), but with underlying differences between locations. High wind speeds in Denmark and Germany were almost fully offset by lower wind speeds in the UK. Availability was high at 96%, up 2 percentage points compared to last year.

Revenue from offshore wind farms in operation increased by 11% due to the above-mentioned ramp-up from new offshore wind farms. Revenue from construction agreements decreased by DKK 0.9 billion due to high activity on construction of the Borkum Riffgrund 2 and Walney Extension offshore wind farms for partners in Q1 2018.

EBITDA from sites, O&Ms and PPAs amounted to DKK 3.6 billion, up DKK 0.4 billion compared to Q1 2018, of which DKK 0.1 billion was related to the implementation of IFRS 16. Ramp-up of Walney Extension and Borkum Riffgrund 2 contributed positively to the higher earnings.

EBITDA from construction agreements was DKK 0.2 billion lower than the same period last year, amounting to DKK 0.9 billion in Q1 2019. The construction agreements primarily concerned Hornsea 1 in Q1 2019, and Walney Extension and Borkum Riffgrund 2 in Q1 2018.

EBITDA from other activities including project development amounted to DKK -0.5 billion. The decrease of DKK 0.2 billion compared to Q1 2018 was mainly due to project development activities in the US and Taiwan. The delayed investment decision (FID) of Greater Changhua 1 & 2a means that we have expensed more project development costs in Q1 2019, than we would have if FID, as expected, had been taken during Q1 2019.

Depreciation increased by 27% due to the commissioning of new offshore wind farms in the UK and Germany.

Financial results

Business drivers

| | | Q1 2019 | Q1 2018 | % |
|--|---------|---------|---------|-------|
| Decided (FID'ed) and installed capacity, offshore wind | GW | 9.0 | 8.9 | 1% |
| Installed capacity, offshore wind | GW | 5.6 | 4.4 | 27% |
| Generation capacity, offshore wind | GW | 3.0 | 2.7 | 11% |
| Wind speed | m/s | 10.4 | 10.3 | 1% |
| Load factor | % | 51 | 55 | (4%p) |
| Availability | % | 96 | 94 | 2%p |
| Power generation | TWh | 3.1 | 3.0 | 3% |
| Denmark | | 0.6 | 0.6 | 0% |
| United Kingdom | | 1.9 | 2.0 | (5%) |
| Germany | | 0.6 | 0.4 | 50% |
| Power price, LEBA UK | GBP/MWh | 52.6 | 53.6 | (2%) |
| British pound | DKK/GBP | 8.6 | 8.4 | 2% |

Financial performance

| | | | | |
|--|------|---------|---------|-------|
| Revenue | DKKm | 6,338 | 7,018 | (10%) |
| Sites, O&Ms and PPAs | | 4,440 | 4,005 | 11% |
| Construction agreements | | 1,990 | 2,922 | (32%) |
| Other | | (92) | 91 | n.a. |
| EBITDA | DKKm | 3,999 | 3,956 | 1% |
| Sites, O&Ms and PPAs | | 3,641 | 3,233 | 13% |
| Construction agreements and divestment gains | | 888 | 1,082 | (18%) |
| Other incl. project development | | (530) | (359) | 48% |
| Depreciation | DKKm | (1,298) | (1,019) | 27% |
| EBIT | DKKm | 2,701 | 2,937 | (8%) |
| Cash flow from operating activities | DKKm | 668 | 675 | (1%) |
| Gross investments | DKKm | (2,879) | (1,704) | 69% |
| Divestments | DKKm | 2,693 | 816 | 230% |
| Free cash flow | DKKm | 482 | (213) | n.a. |
| Capital employed | DKKm | 71,490 | 62,500 | 14% |
| ROCE ¹ | % | 34.5 | 29.8 | 4.7%p |



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

¹ EBIT (last 12 months)/average capital employed

Offshore continued

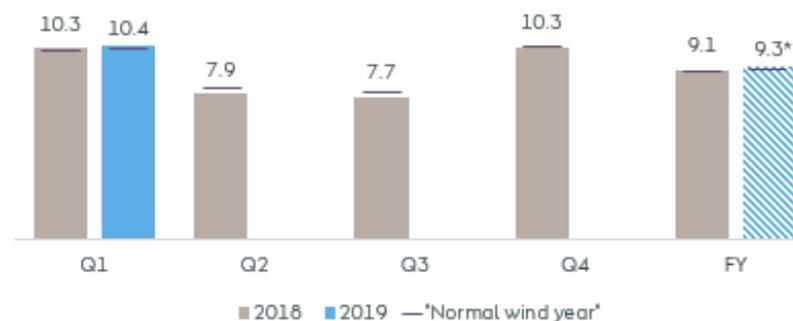
Cash flow from operating activities amounted to DKK 0.7 billion in Q1 2019, which was in line with the same period last year. A higher release of funds tied up in work in progress due to received partner milestone payments was offset by the previously mentioned early on account tax payment for 2019.

Gross investments amounted to DKK 2.9 billion in Q1 2019 and were mainly related to the construction of Hornsea 1, Hornsea 2 and Borssele 1 & 2.

Cash flow from divestments in Q1 2019 related to the previous mentioned farm-down in Deepwater Wind in February (DKK 1.0 billion), and to the receipt of deferred proceeds from the farm-down of 50% of Hornsea 1 in 2018 (DKK 1.7 billion).

ROCE (last 12 months) increased by 5 percentage points to 35% and was in both periods particularly impacted by gains from the farm-downs of 50% of Hornsea 1 in Q4 2018 and Walney Extension and Borkum Riffgrund 2 in Q4 2017.

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 2019 (if Q2, Q3 and Q4 follows the normal wind year)

Onshore

Highlights Q1 2019

- We decided to build the 338MW onshore wind farm Sage Draw in the US.
- Agreement to acquire a US-based solar and storage developer with a significant pipeline of solar and storage projects.
- In February, we installed the first turbines at the Lockett onshore wind farm.

Financial results Q1 2019

As we acquired Lincoln Clean Energy and established the Onshore business unit 1 October 2018, there are no comparison figures for Q1 2018.

Power generation amounted to 826GWh in Q1 2019, which was the first quarter with full generation from the Tahoka wind farm, that was commissioned in December 2018.

Wind speeds were on average of 7.8m/s, which was below normal wind speeds (8.3m/s). High availability of 97% across operational sites.

Revenue amounted to DKK 0.1 billion and related to our operating wind farms.

EBITDA amounted to DKK 0.2 billion in total. EBITDA from sites were DKK 0.1 billion and production tax credits (PTCs) contributed with an additional DKK 0.1 billion. Project development and other costs amounted to DKK -0.1 billion.

Cash flows from operating activities amounted to DKK -0.1 billion, which primarily comprised funds tied up in net working capital.

Gross investments amounted to DKK 0.5 billion in Q1 2019 and related to the construction of Tahoka, Lockett and Sage Draw in the US.

| | | Q1 2019 | Q1 2018 | % |
|---|---------|---------|---------|---|
| Financial results | | | | |
| Business drivers | | | | |
| Decided (FID'ed) and installed capacity | MW | 997 | - | - |
| Installed capacity | MW | 813 | - | - |
| Wind speed | m/s | 7.8 | - | - |
| Load factor | % | 47 | - | - |
| Availability | % | 97 | - | - |
| Power generation | GWh | 826 | - | - |
| Net realised price | USD/MWh | 16 | - | - |
| US dollar | DKK/USD | 6.6 | - | - |
| Financial performance | | | | |
| Revenue | DKKm | 114 | - | - |
| EBITDA | DKKm | 152 | - | - |
| Sites | | 74 | - | - |
| Production tax credits and tax attributes | | 142 | - | - |
| Other including project development | | (64) | - | - |
| Depreciation | DKKm | (80) | - | - |
| EBIT | DKKm | 72 | - | - |
| Cash flow from operating activities | DKKm | (94) | - | - |
| Gross investments | DKKm | (540) | - | - |
| Divestments | DKKm | - | - | - |
| Free cash flow | DKKm | (634) | - | - |
| Capital employed | DKKm | 6,853 | - | - |
| ROCE ¹ | % | 1.9 | - | - |

¹ EBIT (last 12 months)/average capital employed

Bioenergy

Highlights Q1 2019

- Biomass share in heat and power generation increased to 67% compared to 56% in Q1 2018.
- Commissioning of our first Renescience plant is in the final phase with expected completion by the end of Q2 2019.

Financial results Q1 2019

Revenue decreased by DKK 0.6 billion to DKK 2.2 billion in Q1 2019.

Revenue from heat sales decreased by 18% and amounted to DKK 1.1 billion and revenue from power sales decreased by 26% to DKK 1.1 billion. Both were negatively affected by the warm weather in Q1 2019 compared to Q1 2018. In addition, revenue from power sales was adversely impacted by the divestment of our Dutch power plant in Q3 2018.

EBITDA was at the same level as in Q1 2018 and amounted to DKK 0.4 billion.

EBITDA from heat generation was slightly lower than in Q1 2018 and amounted to DKK 0.3 billion. The decrease was mainly due to the warmer weather during Q1 2019.

EBITDA from power generation was slightly higher than in Q1 2018 and amounted to DKK 0.1 billion. The increase was mainly driven by reversal of a provision which is no longer relevant, partly offset by the decrease in power generation and spread development.

EBITDA from ancillary services amounted to

DKK 0.1 billion and was at the same level as in Q1 2018.

Cash flow from operating activities amounted to DKK 0.1 billion, a decrease of DKK 0.5 billion compared to Q1 2018. The decrease was due to higher inventories and lower outstanding VAT due to lower generation in Q1 2019.

Gross investments amounted to DKK 0.3 billion in Q1 2019. The largest investments related to the biomass conversion of Asnæs Power Station.

Financial results

| | | Q1 2019 | Q1 2018 | % |
|-------------------------------------|---------|---------|---------|-------|
| Business drivers | | | | |
| Degree days | Number | 1,140 | 1,417 | (20%) |
| Heat generation | TWh | 3.7 | 4.8 | (23%) |
| Power generation | TWh | 1.9 | 3.3 | (42%) |
| Power price, DK | EUR/MWh | 43.0 | 36.9 | 17% |
| Green dark spread, DK | EUR/MWh | (0.7) | 2.3 | n.a. |
| Green spark spread, DK | EUR/MWh | (3.4) | (8.3) | (59%) |
| Financial results | | | | |
| Revenue | DKKkm | 2,248 | 2,885 | (22%) |
| Heat | | 1,121 | 1,372 | (18%) |
| Power, including ancillary services | | 1,127 | 1,513 | (26%) |
| EBITDA | DKKkm | 435 | 439 | (1%) |
| Heat | | 283 | 330 | (14%) |
| Ancillary services | | 101 | 103 | (2%) |
| Power | | 51 | 6 | 750% |
| Depreciation | DKKkm | (143) | (162) | (12%) |
| EBIT | DKKkm | 292 | 277 | 5% |
| Cash flow from operating activities | DKKkm | 118 | 607 | (81%) |
| Gross investments | DKKkm | (262) | (205) | 28% |
| Divestments | DKKkm | (4) | (1) | 300% |
| Free cash flow | DKKkm | (148) | 401 | n.a. |
| Capital employed | DKKkm | 2,619 | 2,471 | 6% |
| ROCE ¹ | % | (10.8) | (13.4) | 2.6%p |

¹ EBIT (last 12 months)/average capital employed

Customer Solutions

Highlights Q1 2019

- At the end of March, the customers in our power distribution company, Radius, had taken 854,000 smart meters in use, marking an approx 85% completion of the roll-out.
- We signed a 10-year fixed price corporate power purchase agreement (cPPA) with Northumbrian Water.
- We continued the separation of our power distribution, residential customer and city light businesses from the rest of the Group.

Financial results Q1 2019

Revenue was down 22% at DKK 9.8 billion in Q1 2019, driven primarily by an average decrease in gas and UK power prices of 12% and 2%, respectively, relative to Q1 2018. In addition, gas and power volumes sold were lower than in Q1 2018.

EBITDA amounted to DKK 0.6 billion in Q1 2019 and was thus DKK 0.6 billion lower than the year before.

EBITDA from Markets was DKK 0.5 billion lower than in Q1 2018 and amounted to DKK 0.3 billion. The decrease was expected and was due to a one-off compensation awarded following the completion of an arbitration relating to a gas purchase contract in Q1 2018 and lower earnings from our gas portfolio activities.

The substantial drop in gas prices during Q1 2019 resulted in fewer sold gas volumes, which instead were kept at the storages. The lower gas prices led to a decrease in the accounting value of our gas inventories and thus a temporary negative impact on EBITDA in Markets in

the quarter. This negative impact will partly be offset if the gas prices increase again or when we sell the gas later in 2019/2020, as we have hedged most of our gas margin.

The above negative effects regarding the gas portfolio activities in Markets were partly offset by high earnings related to trading of our financial energy exposures in Q1 2019.

EBITDA from LNG decreased by DKK 0.1 billion to DKK -0.1 billion as a result of lower and declining gas prices, which led to a negative time-lag effect on our purchase price of LNG compared to the sales price.

The lower depreciation was due to the fact that our Danish power distribution and residential customer businesses were classified as assets held for sale by the end of 2018 and thus not depreciated in Q1 2019.

Cash flows from operating activities amounted to DKK -0.8 billion in Q1 2019. The decrease of DKK 0.7 billion was primarily due to the lower EBITDA, higher gas volumes at storages and paid tax. This was partly offset by lower receivables as a result of the lower sales.

Gross investments totalled DKK 0.2 billion in Q1 2019, relating mainly to maintenance of the power distribution grid and the installation of new smart meters.

ROCE (last 12 months) decreased by 2 percentage points to 10%.

Financial results

| | | Q1 2019 | Q1 2018 | % |
|-------------------------------------|---------|---------|---------|---------|
| Business drivers | | | | |
| Regulatory asset base (power) | DKKm | 10,957 | 10,623 | 3% |
| Gas sales | TWh | 26.5 | 42.5 | (38%) |
| Sales | | 9.4 | 13.2 | (29%) |
| Markets (excl. volumes to Sales) | | 17.1 | 29.3 | (42%) |
| Power sales | TWh | 9.7 | 11.5 | (16%) |
| Sales | | 4.0 | 4.1 | (2%) |
| Markets (excl. volumes to Sales) | | 5.7 | 7.5 | (24%) |
| Power distribution | TWh | 2.3 | 2.4 | (4%) |
| Gas price, TTF | EUR/MWh | 18.4 | 21.0 | (12%) |
| Oil price, Brent | USD/boe | 63.2 | 66.8 | (5%) |
| Power Price, LEBA | GBP/MWh | 52.6 | 53.6 | (2%) |
| US dollar | DKK/USD | 6.6 | 6.1 | 8% |
| British pound | DKK/GBP | 8.6 | 8.4 | 2% |
| Financial results | | | | |
| Revenue | DKKm | 9,842 | 12,659 | (22%) |
| EBITDA | DKKm | 567 | 1,214 | (53%) |
| Distribution | | 411 | 432 | (5%) |
| Sales | | (31) | 5 | n.a. |
| Markets | | 261 | 794 | (67%) |
| LNG | | (74) | (17) | 335% |
| Depreciation | DKKm | (42) | (191) | (78%) |
| EBIT | DKKm | 525 | 1,023 | (49%) |
| Cash flow from operating activities | DKKm | (762) | (90) | 747% |
| Gross investments | DKKm | (205) | (155) | 32% |
| Divestments | DKKm | (11) | 13 | n.a. |
| Free cash flow | DKKm | (978) | (232) | 322% |
| Capital employed | DKKm | 13,229 | 11,970 | 11% |
| ROCE ¹⁾ | % | 10.3 | 12.7 | (2.4%p) |

¹⁾ EBIT (last 12 months)/average capital employed

Performance highlights

Income statement

(Business performance), DKKm

| | Q1 2019 | Q1 2018 | 2018 |
|---|---------|---------|---------|
| Revenue | 17,239 | 19,808 | 76,946 |
| EBITDA | 5,130 | 5,519 | 30,029 |
| Offshore | 3,999 | 3,956 | 27,809 |
| Onshore | 152 | - | 44 |
| Bioenergy | 435 | 439 | 367 |
| Customer Solutions | 567 | 1,214 | 1,970 |
| Other activities | (23) | (90) | (161) |
| Depreciation and amortisation | (1,618) | (1,382) | (5,978) |
| Impairment losses | - | - | 603 |
| Operating profit (loss) (EBIT) | 3,512 | 4,137 | 24,654 |
| Gain (loss) on divestment of enterprises | (17) | (10) | 127 |
| Net financial income and expenses | 101 | (295) | (1,278) |
| Share of profit (loss) from associates and joint ventures | 1 | (2) | 1 |
| Profit (loss) before tax | 3,597 | 3,830 | 23,504 |
| Tax | (958) | (798) | (4,018) |
| Profit (loss) for the period from continuing operations | 2,639 | 3,032 | 19,486 |
| Profit (loss) for the period from discontinued operations | (43) | 8 | 10 |
| Profit (loss) for the period | 2,596 | 3,040 | 19,496 |

Balance sheet

| | | | |
|---|---------|---------|---------|
| Assets | 182,783 | 147,739 | 174,575 |
| Equity | 85,843 | 70,823 | 85,115 |
| Shareholders in Ørsted A/S | 69,193 | 53,861 | 68,488 |
| Non-controlling interests | 3,411 | 3,723 | 3,388 |
| Hybrid capital | 13,239 | 13,239 | 13,239 |
| Interest-bearing net debt | 9,111 | 4,331 | (2,219) |
| Capital employed | 94,954 | 75,154 | 82,896 |
| Additions to property, plant, and equipment | 3,676 | 3,782 | 14,436 |

Cash flow

| | | | |
|-------------------------------------|---------|---------|----------|
| Cash flow from operating activities | (118) | (398) | 10,343 |
| Gross investments | (3,899) | (2,071) | (24,481) |
| Divestments | 2,678 | 835 | 19,950 |
| Free cash flow | (1,339) | (1,634) | 5,812 |

Financial ratios

| | | | |
|--|---------|---------|---------|
| Return on capital employed (ROCE) ¹ , % | 28.2 | 26.7 | 32.1 |
| FFO/adjusted net debt ^{2,5} , % | 46.2 | 45.6 | 69.0 |
| Number of outstanding shares, end of period, '000 | 420,045 | 420,155 | 420,045 |
| Share price, end of period, DKK | 504.4 | 392.0 | 435.7 |
| Market capitalisation, end of period, DKK billion | 211.7 | 164.7 | 183.0 |
| Earnings per share (EPS) (BP), DKK | 6.2 | 7.2 | 45.3 |

Income statement (IFRS)

| | | | |
|---|--------|--------|--------|
| Revenue | 18,763 | 19,698 | 75,520 |
| EBITDA | 6,007 | 5,285 | 28,491 |
| Profit (loss) for the period from continuing operations | 3,322 | 2,849 | 18,266 |

Business drivers

| | Q1 2019 | Q1 2018 | 2018 |
|--|---------|---------|--------|
| Offshore | | | |
| Decided (FID'ed) and installed capacity ³ , offshore wind, GW | 9.0 | 8.9 | 9.0 |
| Installed capacity, offshore wind, GW | 5.6 | 4.4 | 5.6 |
| Generation capacity, offshore wind, GW | 3.0 | 2.7 | 3.0 |
| Wind speed ³ , m/s | 10.4 | 10.3 | 9.1 |
| Load factor ³ , % | 51 | 55 | 42 |
| Availability ³ , % | 96 | 94 | 93 |
| Power generation, TWh | 3.1 | 3.0 | 10.0 |
| Onshore | | | |
| Installed capacity ³ , onshore wind, GW | 0.8 | - | 0.8 |
| Wind speed ³ , m/s | 7.8 | - | 7.3 |
| Load factor ³ , % | 47 | - | 41 |
| Availability ³ , % | 97 | - | 92 |
| Power generation ³ , TWh | 0.8 | - | 0.6 |
| Bioenergy | | | |
| Degree days ³ , number | 1,140 | 1,417 | 2,526 |
| Heat generation, TWh | 3.7 | 4.8 | 8.8 |
| Power generation, TWh | 1.9 | 3.3 | 6.7 |
| Customer Solutions | | | |
| Regulatory value of power distribution assets ⁴ | 10,957 | 10,623 | 10,957 |
| Power distribution, TWh | 2.3 | 2.4 | 8.4 |
| Power sales, TWh | 9.7 | 11.5 | 35.3 |
| Gas sales, TWh | 26.5 | 42.5 | 134.1 |
| People and environment | | | |
| Employees (FTE), end of period number | 6,176 | 5,662 | 6,080 |
| Total recordable injury rate (TRIR) ⁵ | 4.3 | 6.7 | 4.7 |
| Fatalities, number | 0 | 0 | 0 |
| Green share of heat and power generation, % | 80 | 68 | 75 |
| Carbon emissions, g/kWh | 82 | 147 | 131 |



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.

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

² 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.

³ See definition on page 172 and 'ESG statements' in the annual report for 2018.

⁴ The figures indicate values from the latest regulatory financial statements (updated in June).

⁵ Last 12 months.

Quarterly overview

| Income statement (Business performance), DKKm | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 | Business drivers | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|---|------------|------------|------------|------------|------------|------------|------------|------------|
| Revenue | 17,239 | 23,527 | 15,018 | 18,593 | 19,808 | 15,598 | 11,869 | 15,540 | Offshore | | | | | | | | |
| EBITDA | 5,130 | 19,206 | 2,225 | 3,079 | 5,519 | 13,032 | 1,757 | 4,442 | Decided (FID'ed) capacity ³ , offshore wind, GW | 9.0 | 9.0 | 8.9 | 8.9 | 8.9 | 8.9 | 8.9 | 7.5 |
| Offshore | 3,999 | 18,791 | 1,972 | 3,090 | 3,956 | 12,591 | 1,674 | 4,191 | Installed capacity, offshore wind, GW | 5.6 | 5.6 | 5.1 | 5.1 | 4.4 | 3.9 | 3.8 | 3.8 |
| Onshore | 152 | 44 | - | - | - | - | - | - | Generation capacity, offshore wind, GW | 3.0 | 3.0 | 2.9 | 2.8 | 2.7 | 2.5 | 2.3 | 2.2 |
| Bioenergy | 435 | 203 | (204) | (71) | 439 | 240 | (142) | (153) | Wind speed, m/s | 10.4 | 10.3 | 7.7 | 7.9 | 10.3 | 11.0 | 7.9 | 8.5 |
| Customer Solutions | 567 | 156 | 478 | 122 | 1,214 | 179 | 202 | 516 | Load factor ³ , % | 51 | 53 | 32 | 31 | 55 | 54 | 34 | 38 |
| Other activities | (23) | 12 | (21) | (62) | (90) | 22 | 23 | (112) | Availability ³ , % | 96 | 93 | 92 | 93 | 94 | 92 | 92 | 93 |
| Depreciation and amortisation | (1,618) | (1,697) | (1,437) | (1,462) | (1,382) | (1,517) | (1,385) | (1,541) | Power generation, TWh | 3.1 | 3.3 | 1.9 | 1.8 | 3.0 | 2.9 | 1.7 | 1.8 |
| Impairment losses | - | 603 | - | - | - | (545) | - | - | Onshore | | | | | | | | |
| Operating profit (loss) (EBIT) | 3,512 | 18,112 | 788 | 1,617 | 4,137 | 10,970 | 372 | 2,901 | Installed capacity ³ , onshore wind, GW | 0.8 | 0.8 | - | - | - | - | - | - |
| Gain (loss) on investment of enterprises | (17) | (28) | 181 | (16) | (10) | (14) | (108) | (6) | Wind speed ³ , m/s | 7.8 | 7.3 | - | - | - | - | - | - |
| Net financial income and expenses | 101 | (43) | (436) | (504) | (295) | (649) | 22 | (81) | Load factor ³ , % | 47 | 41 | - | - | - | - | - | - |
| Share of profit (loss) from associates and joint ventures | 1 | (3) | 2 | 4 | (2) | 42 | (7) | (2) | Availability ³ , % | 97 | 92 | - | - | - | - | - | - |
| Profit (loss) before tax | 3,597 | 18,038 | 535 | 1,101 | 3,830 | 10,349 | 279 | 2,812 | Power generation, TWh | 0.8 | 0.6 | - | - | - | - | - | - |
| Tax | (958) | (2,878) | (117) | (225) | (798) | (999) | (70) | (306) | Bioenergy | | | | | | | | |
| Profit (loss) for the period from continuing operations | 2,639 | 15,160 | 418 | 876 | 3,032 | 9,350 | 209 | 2,506 | Degree days ³ , number | 1,140 | 884 | 76 | 149 | 1,417 | 895 | 115 | 451 |
| Profit (loss) for the period from discontinued operations | (43) | 34 | (13) | (19) | 8 | 79 | 2,931 | 2,484 | Heat generation, TWh | 3.7 | 2.8 | 0.3 | 0.9 | 4.8 | 2.8 | 0.7 | 1.3 |
| Profit (loss) for the period | 2,596 | 15,194 | 405 | 857 | 3,040 | 9,429 | 3,140 | 4,990 | Power generation, TWh | 1.9 | 1.8 | 0.7 | 0.9 | 3.3 | 2.3 | 1.2 | 1.5 |
| Balance sheet | | | | | | | | | Customer Solutions | | | | | | | | |
| Assets | 182,783 | 174,575 | 150,909 | 149,149 | 147,739 | 146,521 | 126,190 | 133,550 | Regulatory value of power distribution assets ⁴ | 10,957 | 10,957 | 10,957 | 10,957 | 10,623 | 10,623 | 10,623 | 10,623 |
| Equity | 85,843 | 85,115 | 68,701 | 69,744 | 70,823 | 71,837 | 64,203 | 62,160 | Power distribution, TWh | 2.3 | 2.3 | 1.8 | 1.9 | 2.4 | 2.2 | 1.9 | 2.0 |
| Shareholders in Ørsted A/S | 69,193 | 68,488 | 52,029 | 52,884 | 53,861 | 54,791 | 47,050 | 43,990 | Power sales, TWh | 9.7 | 10.4 | 6.6 | 6.8 | 11.5 | 10.6 | 8.2 | 8.8 |
| Non-controlling interests | 3,411 | 3,388 | 3,433 | 3,621 | 3,723 | 3,807 | 3,905 | 4,922 | Gas sales, TWh | 26.5 | 26.0 | 31.5 | 34.1 | 42.5 | 36.9 | 29.4 | 28.3 |
| Hybrid capital | 13,239 | 13,239 | 13,239 | 13,239 | 13,239 | 13,239 | 13,239 | 13,248 | People and environment | | | | | | | | |
| Interest-bearing net debt | 9,111 | (2,219) | 8,957 | 4,603 | 4,331 | (1,517) | 10,260 | 10,332 | Employees (FTE) end of period, number | 6,176 | 6,080 | 5,882 | 5,741 | 5,662 | 5,638 | 5,641 | 5,802 |
| Capital employed | 94,954 | 82,896 | 77,658 | 74,347 | 75,154 | 70,320 | 74,462 | 72,491 | Total recordable injury rate (TRIR) ⁵ | 4.3 | 4.7 | 5.0 | 6.2 | 6.7 | 6.4 | 6.7 | 6.5 |
| Additions to property, plant, equipment | 3,676 | 4,575 | 2,942 | 3,137 | 3,782 | 7,137 | 4,795 | 5,475 | Fatalities, number | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash flow | | | | | | | | | Green share of heat and power generation | 80 | 83 | 71 | 80 | 68 | 76 | 60 | 64 |
| Cash flow from operating activities | (118) | 7,565 | (117) | 3,293 | (398) | 3,078 | (1,095) | (1,848) | Carbon emissions, g CO ₂ e/kWh | 82 | 87 | 212 | 123 | 147 | 106 | 203 | 150 |
| Gross investments | (3,899) | (14,916) | (4,385) | (3,109) | (2,071) | (5,805) | (5,150) | (4,287) | | | | | | | | | |
| Divestments | 2,678 | 18,749 | 380 | (14) | 835 | 14,875 | 1,882 | 160 | | | | | | | | | |
| Free cash flow | (1,339) | 11,398 | (4,122) | 170 | (1,634) | 12,148 | (4,363) | (5,975) | | | | | | | | | |
| Financial ratios | | | | | | | | | | | | | | | | | |
| Return on capital employed (ROCE) ¹ , % | 28.2 | 32.1 | 23.0 | 23.5 | 26.7 | 25.2 | 15.0 | 18.4 | Business performance vs. IFRS | | | | | | | | |
| FFO/adjusted net debt ^{2,5} , % | 46.2 | 69.0 | 41.7 | 44.3 | 45.6 | 50.3 | 26.5 | 32.0 | 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. | | | | | | | | |
| Number of outstanding shares, end of period, '000 | 420,045 | 420,045 | 420,155 | 420,155 | 420,155 | 420,155 | 420,155 | 420,155 | | | | | | | | | |
| Share price, end of period, DKK | 504.4 | 435.7 | 436.3 | 386.0 | 392.0 | 338.7 | 360.4 | 293.9 | | | | | | | | | |
| Market capitalisation, end of period, DKK billion | 211.7 | 183.0 | 183.3 | 162.3 | 164.7 | 142.3 | 151.5 | 123.5 | | | | | | | | | |
| Earnings per share (EPS) (BP), DKK | 6.2 | 35.6 | 1.1 | 1.4 | 7.2 | 21.7 | 7.1 | 11.2 | | | | | | | | | |
| Income statement (IFRS) | | | | | | | | | | | | | | | | | |
| Revenue | 18,763 | 26,165 | 12,798 | 16,859 | 19,698 | 14,711 | 11,647 | 15,925 | | | | | | | | | |
| EBITDA | 6,007 | 20,914 | 567 | 1,725 | 5,285 | 12,311 | 1,643 | 4,777 | | | | | | | | | |
| Profit (loss) for the period from continuing operations | 3,322 | 16,472 | (875) | (180) | 2,849 | 8,787 | 120 | 2,765 | | | | | | | | | |

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

² 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 2017 and 2018), and decommissioning obligations less deferred tax.

³ See definition on page 172 and 'ESG statement' in the annual report for 2018.

⁴ The figures indicate values from the latest regulatory financial statements (updated in June)

⁵ Last 12 months.



Contents

Consolidated financial statements

| | |
|--------------------------------------|----|
| Income statement Q1 | 18 |
| Statement of comprehensive income Q1 | 19 |
| Balance sheet | 20 |
| Statement of changes in equity Q1 | 21 |
| Statement of cash flows Q1 | 22 |

Notes

| | |
|--|----|
| 1. Basis of reporting | 23 |
| 2. Business performance | 25 |
| 3. Segment information | 26 |
| 4. Revenue | 28 |
| 5. Other operating income and expenses | 29 |
| 6. Gross and net investments | 29 |
| 7. Assets classified as held for sale | 30 |
| 8. Discontinued operations | 30 |
| 9. Financial income and expenses | 31 |
| 10. Reserves | 31 |
| 11. Market risks | 32 |
| 12. Fair value measurement | 32 |
| 13. Interest-bearing debt and FFO | 34 |

Management statement

| | |
|---|----|
| Statement by the Executive Board and the Board of Directors | 35 |
|---|----|

Income statement

1 January - 31 March

| Note | Income statement, DKKm | Q1 2019 | | | Q1 2018 | | |
|------|---|----------------------|-------------|--------------|----------------------|--------------|--------------|
| | | Business performance | Adjustments | IFRS | Business performance | Adjustments | IFRS |
| 4 | Revenue | 17,239 | 1,524 | 18,763 | 19,808 | (110) | 19,698 |
| | Cost of sales | (10,363) | (647) | (11,010) | (12,590) | (124) | (12,714) |
| | Other external expenses | (1,400) | - | (1,400) | (1,095) | - | (1,095) |
| | Employee costs | (922) | - | (922) | (762) | - | (762) |
| | Share of profit (loss) in associates and joint ventures | (2) | - | (2) | 1 | - | 1 |
| 5 | Other operating income | 673 | - | 673 | 200 | - | 200 |
| 5 | Other operating expenses | (95) | - | (95) | (43) | - | (43) |
| | Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA) | 5,130 | 877 | 6,007 | 5,519 | (234) | 5,285 |
| | Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment | (1,618) | - | (1,618) | (1,382) | - | (1,382) |
| | Operating profit (loss) (EBIT) | 3,512 | 877 | 4,389 | 4,137 | (234) | 3,903 |
| | Gain on divestment of enterprises | (17) | - | (17) | (10) | - | (10) |
| | Share of profit (loss) in associates and joint ventures | 1 | - | 1 | (2) | - | (2) |
| 9 | Financial income | 1,660 | - | 1,660 | 1,353 | - | 1,353 |
| 9 | Financial expenses | (1,559) | - | (1,559) | (1,648) | - | (1,648) |
| | Profit (loss) before tax | 3,597 | 877 | 4,474 | 3,830 | (234) | 3,596 |
| | Tax on profit (loss) for the period | (958) | (194) | (1,152) | (798) | 51 | (747) |
| | Profit (loss) for the period from continuing operations | 2,639 | 683 | 3,322 | 3,032 | (183) | 2,849 |
| 8 | Profit (loss) for the period from discontinued operations | (43) | - | (43) | 8 | - | 8 |
| | Profit (loss) for the period | 2,596 | 683 | 3,279 | 3,040 | (183) | 2,857 |
| | Profit (loss) for the period is attributable to: | | | | | | |
| | Shareholders of Ørsted A/S | 2,610 | 683 | 3,293 | 3,049 | (183) | 2,866 |
| | Interests and costs after tax, hybrid capital owners of Ørsted A/S | (35) | - | (35) | (35) | - | (35) |
| | Non-controlling interests | 21 | - | 21 | 26 | - | 26 |
| | Profit (loss) per share, DKK: | | | | | | |
| | From continuing operations | 6.3 | - | 7.9 | 7.2 | - | 6.8 |
| | From discontinued operations | (0.1) | - | (0.1) | - | - | - |
| | Total profit (loss) per share | 6.2 | - | 7.8 | 7.2 | - | 6.8 |



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.



Effective tax rate

The estimated average annual tax rate for ordinary business activities is 27% compared to 28% for the full year 2018.

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 or loss in the period in which the hedged exposure materialises. Energy hedges consist of energy contracts and hedges together with related currency hedges. 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 performances' as well as note 1.6 'Business performance' in the annual report 2018.

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.

Statement of comprehensive income

1 January - 31 March

| Statement of comprehensive income, DKKm | Q1 2019 | | | Q1 2018 | | |
|---|----------------------|--------------|--------------|----------------------|--------------|--------------|
| | Business performance | Adjustments | IFRS | Business performance | Adjustments | IFRS |
| Profit (loss) for the period | 2,596 | 683 | 3,279 | 3,040 | (183) | 2,857 |
| Other comprehensive income: | | | | | | |
| Cash-flow hedging: | | | | | | |
| Value adjustments for the period | 1,371 | (573) | 798 | (787) | 278 | (509) |
| Value adjustments transferred to income statement | 388 | (304) | 84 | 119 | (44) | 75 |
| Exchange rate adjustments: | | | | | | |
| Exchange rate adjustments relating to net investment in foreign enterprises | 1,973 | - | 1,973 | 518 | - | 518 |
| Value adjustment of net investment hedges | (1,074) | - | (1,074) | (83) | - | (83) |
| Tax: | | | | | | |
| Tax on hedging instruments | (301) | 194 | (107) | 157 | (51) | 106 |
| Tax on exchange rate adjustments | (27) | - | (27) | (86) | - | (86) |
| Other: | | | | | | |
| Share of other comprehensive income of associated companies, after tax | (1) | - | (1) | - | - | - |
| Other comprehensive income | 2,329 | (683) | 1,646 | (162) | 183 | 21 |
| Total comprehensive income | 4,925 | - | 4,925 | 2,878 | - | 2,878 |
| Comprehensive income for the period is attributable to: | | | | | | |
| Shareholders in Ørsted A/S | | | 4,796 | | | 2,836 |
| Interest payments and costs after tax, hybrid capital owners of Ørsted A/S | | | (35) | | | (35) |
| Non-controlling interests | | | 164 | | | 77 |
| Total comprehensive income | | | 4,925 | | | 2,878 |



Statement of comprehensive income

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

Balance sheet

| Note | Assets, DKKm | 31 March 2019 | 31 December 2018 | 31 March 2018 | Note | Equity and liabilities, DKKm | 31 March 2019 | 31 December 2018 | 31 March 2018 |
|------|--|----------------|------------------|----------------|------|---|----------------|------------------|----------------|
| | Intangible assets | 791 | 777 | 605 | | Share capital | 4,204 | 4,204 | 4,204 |
| | Land and buildings | 4,954 | 969 | 1,494 | 10 | Reserves | (323) | (1,827) | (1,554) |
| | Production assets | 68,270 | 66,310 | 62,286 | | Retained earnings | 65,312 | 66,111 | 51,211 |
| | Fixtures and fittings, tools and equipment | 729 | 342 | 401 | | Equity attributable to shareholders in Ørsted A/S | 69,193 | 68,488 | 53,861 |
| | Property, plant and equipment under construction | 18,174 | 16,434 | 14,880 | | Hybrid capital | 13,239 | 13,239 | 13,239 |
| | Property, plant and equipment | 92,127 | 84,055 | 79,061 | | Non-controlling interests | 3,411 | 3,388 | 3,723 |
| | Investments in associates and joint ventures | 461 | 457 | 340 | | Equity | 85,843 | 85,115 | 70,823 |
| | Receivables from associates and joint ventures | 60 | 60 | 56 | | Deferred tax | 3,818 | 4,025 | 1,216 |
| | Other securities and equity investments | 206 | 211 | 126 | | Provisions | 13,022 | 12,774 | 11,283 |
| | Deferred tax | 4,166 | 4,588 | 2,205 | 1 | Lease liabilities | 4,623 | - | - |
| | Other receivables | 2,604 | 2,670 | 1,953 | | Bond and bank debt | 25,572 | 25,095 | 25,836 |
| | Other non-current assets | 7,497 | 7,986 | 4,680 | | Contract liabilities | 3,703 | 3,642 | 5,338 |
| | Non-current assets | 100,415 | 92,818 | 84,346 | | Tax equity liabilities | 3,784 | 3,728 | - |
| | Inventories | 15,194 | 13,943 | 15,477 | | Other payables | 225 | 409 | 362 |
| 12 | Derivatives | 5,353 | 5,468 | 3,799 | | Non-current liabilities | 54,747 | 49,673 | 44,035 |
| | Contract assets | 343 | 1,451 | 1,013 | | Provisions | 678 | 680 | 574 |
| | Trade receivables | 9,726 | 10,741 | 9,429 | 1 | Lease liabilities | 588 | - | - |
| | Other receivables | 4,709 | 4,390 | 2,323 | | Bond and bank debt | 6,277 | 2,201 | 7,207 |
| | Income tax | 6,155 | 1,525 | 1,232 | 12 | Derivatives | 7,248 | 8,094 | 3,720 |
| 12 | Securities | 21,576 | 25,501 | 23,711 | | Contract liabilities | 505 | 924 | 1,029 |
| | Cash | 3,737 | 3,515 | 3,754 | | Trade payables | 13,011 | 13,082 | 14,338 |
| | Current assets | 66,793 | 66,534 | 60,738 | | Tax equity liabilities | 453 | 445 | - |
| 7 | Assets classified as held for sale | 15,575 | 15,223 | 2,655 | | Other payables | 3,547 | 4,793 | 5,067 |
| | Assets | 182,783 | 174,575 | 147,739 | | Income tax | 5,261 | 4,717 | 309 |
| | | | | | | Current liabilities | 37,568 | 34,936 | 32,244 |
| | | | | | | Liabilities | 92,315 | 84,609 | 76,279 |
| | | | | | | Liabilities relating to assets classified as held for sale | 4,625 | 4,851 | 637 |
| | | | | | 7 | Equity and liabilities | 182,783 | 174,575 | 147,739 |



Assets and liabilities classified as held for sale
Assets classified as held for sale at 31 March 2019 comprised our Danish power distribution, residential customer and city light businesses as well as our oil pipe system in Denmark.

Statement of changes in equity

1 January - 31 March

| DKK M | 2019 | | | | | | | | 2018 | | | | | | | |
|--|---------------|--------------|-------------------|--------------------|----------------------------|----------------|---------------------------|----------------|---------------|----------------|-------------------|--------------------|----------------------------|----------------|---------------------------|----------------|
| | Share capital | Reserves* | Retained earnings | Proposed dividends | Shareholders in Ørsted A/S | Hybrid capital | Non-controlling interests | Total Group | Share capital | Reserves* | Retained earnings | Proposed dividends | Shareholders in Ørsted A/S | Hybrid capital | Non-controlling interests | Total Group |
| Equity at 1 January | 4,204 | (1,827) | 62,012 | 4,099 | 68,488 | 13,239 | 3,388 | 85,115 | 4,204 | (1,524) | 48,328 | 3,783 | 54,791 | 13,239 | 3,807 | 71,837 |
| Comprehensive income for the period: | | | | | | | | | | | | | | | | |
| Profit (loss) for the period | - | - | 3,293 | - | 3,293 | (35) | 21 | 3,279 | - | - | 2,866 | - | 2,866 | (35) | 26 | 2,857 |
| Other comprehensive income: | | | | | | | | | | | | | | | | |
| Cash flow hedging | - | 882 | - | - | 882 | - | - | 882 | - | (434) | - | - | (434) | - | - | (434) |
| Exchange rate adjustments | - | 756 | - | - | 756 | - | 143 | 899 | - | 384 | - | - | 384 | - | 51 | 435 |
| Tax on other comprehensive income | - | (134) | - | - | (134) | - | - | (134) | - | 20 | - | - | 20 | - | - | 20 |
| Share of other comprehensive income of associated companies, after tax | - | - | (1) | - | (1) | - | - | (1) | - | - | - | - | - | - | - | - |
| Total comprehensive income | - | 1,504 | 3,292 | - | 4,796 | (35) | 164 | 4,925 | - | (30) | 2,866 | - | 2,836 | (35) | 77 | 2,878 |
| Transactions with owners: | | | | | | | | | | | | | | | | |
| Tax on coupon payments, hybrid capital | - | - | - | - | - | 35 | - | 35 | - | - | - | - | - | 35 | - | 35 |
| Dividends paid | - | - | 3 | (4,099) | (4,096) | - | (141) | (4,237) | - | - | 2 | (3,783) | (3,781) | - | (144) | (3,925) |
| Share-based payment | - | - | 4 | - | 4 | - | - | 4 | - | - | 2 | - | 2 | - | - | 2 |
| Tax on share-based payment | - | - | 1 | - | 1 | - | - | 1 | - | - | - | - | - | - | - | - |
| Other changes | - | - | - | - | - | - | - | - | - | - | 13 | - | 13 | - | (17) | (4) |
| Total transactions with owners | - | - | 8 | (4,099) | (4,091) | 35 | (141) | (4,197) | - | - | 17 | (3,783) | (3,766) | 35 | (161) | (3,892) |
| Equity at 31 March | 4,204 | (323) | 65,312 | - | 69,193 | 13,239 | 3,411 | 85,843 | 4,204 | (1,554) | 51,211 | - | 53,861 | 13,239 | 3,723 | 70,823 |

* See note 10 'Reserves' for more information about reserves.

Statement of cash flows

| Note | Statement of cash flows, DKKm | Q1 2019 | Q1 2018 |
|------|--|--------------|--------------|
| | Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA), IFRS | 6,007 | 5,285 |
| 2 | Change in derivatives, business performance adjustments | (877) | 234 |
| | Change in derivatives, other adjustments | 134 | (310) |
| | Change in provisions | (6) | 225 |
| | Reversal of gain (loss) on sale of assets | (118) | 31 |
| | Other items | (2) | (53) |
| | Change in work in progress | 1,001 | 112 |
| | Change in tax equity partner liabilities | (81) | - |
| | Change in other working capital | (1,258) | (2,697) |
| | Interest received and similar items | 739 | 1,203 |
| | Interest paid and similar items | (830) | (1,344) |
| | Income tax paid | (4,827) | (3,084) |
| | Cash flows from operating activities | (118) | (398) |



Changes in work in progress

'Changes in work in progress' consist 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.

| Note | Statement of cash flows, DKKm | Q1 2019 | Q1 2018 |
|------|---|----------------|--------------|
| | Purchase of intangible assets and property, plant and equipment | (3,782) | (2,075) |
| | Sale of intangible assets and property, plant and equipment | 2,675 | 850 |
| | Acquisition of enterprises | (122) | - |
| | Divestment of enterprises | (21) | (9) |
| | Divestment of other equity investments | 6 | 5 |
| | Purchase of securities | (2,607) | (5,599) |
| | Sale/maturation of securities | 6,629 | 7,168 |
| | Change in other non-current assets | (1) | - |
| | Transactions with associates and joint ventures | - | (8) |
| | Dividends received and capital reduction | - | 1 |
| | Cash flows from investing activities | 2,777 | 333 |
| | Proceeds from raising of loans | 4,289 | 3,322 |
| | Instalments on leases | (95) | - |
| | Dividends paid to shareholders in Ørsted A/S | (4,096) | (3,783) |
| | Transactions with non-controlling interests | (143) | (160) |
| | Net proceeds from tax equity partners | (1) | - |
| | Collateral related to derivatives | (2,225) | 429 |
| | Cash flows from financing activities | (2,271) | (192) |
| | Cash flows from continuing operations | 388 | (257) |
| | Cash flows from discontinued operations | 2 | (125) |
| | Total net change in cash and cash equivalents for the period | 390 | (382) |
| | Cash and cash equivalents at the beginning of the period | 2,663 | 3,891 |
| | Total net change in cash and cash equivalents | 390 | (382) |
| | Other change in cash and cash equivalents | - | (7) |
| | Exchange rate adjustments of cash and cash equivalents | 67 | 22 |
| | Cash and cash equivalents at 31 March | 3,120 | 3,524 |



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'.

1. Basis of reporting

This section provides an overview of our accounting policies and 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 three months of 2019 comprises Ørsted A/S and its subsidiaries (the Group).

The interim financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' and further requirements in the Danish Financial Statements Act (*Årsregnskabsloven*).

The interim financial report for the first three months of 2019 follows the same accounting policies as the annual report for 2018, except for all the new, amended or revised accounting standards and interpretations endorsed by the EU applicable for the current reporting period. 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 87 of the annual report for 2018.

The interim financial report contains selected accounting policies and should therefore be read together with the annual report for 2018.

Implementation of new or changed accounting standards and interpretations

Effective from 1 January 2019, we have implemented the following new or changed accounting standards (IAS and IFRS) and interpretations:

- IFRS 16 'Leases'. See separate section below

- Annual improvements to IFRSs 2015-2017.

Besides the impact from IFRS 16, the adoption of the new and changed standards has not affected our interim financial report, and we do not expect it to impact the consolidated financial statements for 2019.

In the following section, you can read more about the impact on recognition, measurement and presentation from IFRS 16 'Leases'. The new accounting standard has an insignificant impact on profit (loss) for the year and diluted profit (loss) per share. Besides classification, equity and the consolidated statement of cash flows are not affected.

Implementation of IFRS 16

On 1 January 2019, we implemented IFRS 16 'Leases', which replaces IAS 17 and IFRIC 4.

We have implemented IFRS 16 with retrospective effect. However, we use the relief from restating comparative figures (modified retrospective method). Therefore, the comparative figures are prepared and presented in accordance with IAS 17 and IFRIC 4.

The most important changes resulting from IFRS 16 compared to IAS 17 can be summarised as follows:

- The dual model in IAS 17 with operating and finance leases has been ceased. Under IFRS 16, all leases, except for short-term leases and 'low-value' leases, shall be recognised in the balance sheet.
- Lease assets and lease obligations are recognised in the balance sheet.
- Fixed lease expenses are recognised as depreciation of lease assets (below EBITDA). Under IAS 17, fixed lease expenses

were recognised as other external expenditures (above EBITDA).

- Interest elements regarding lease obligations are recognised as financial expenses.
- Lease debt repayments are classified as cash flows from financing activities, and payments of interest are classified as cash flows from operating activities in the statement of cash flows. Under IAS 17, all lease payments were classified as cash flows from operating activities.

Change in accounting policy resulting from IFRS 16

In accordance with IFRS 16, we recognise all of our leases, except for short-term leases, in the balance sheet. This involves recognition of a lease obligation and a lease asset.

Lease obligations are initially measured at the net present value of the in-substance fixed lease payments (minimum lease payments) for the use of the lease asset. If we, at inception of the lease, expect to exercise an option to extend a lease, then we will include the lease payments in the option period in the calculation of the lease obligation. We measure the lease asset to the value of the lease obligation at initial recognition.

Our lease assets are classified together with our owned assets of similar type under property, plant and equipment. We depreciate our lease assets during the lease term. The depreciation method is on a straight-line basis for all of our lease assets, except for seabed leases where the depreciation method is aligned with the depreciation method for the related offshore wind farm. Therefore, seabed lease assets are

depreciated on either a straight-line basis or by use of the reducing-fraction method.

Variable lease expenses are recognised in other external expenses in the period in which the condition that triggers those payments occurs. This is especially relevant for our seabed leases as the lease payments depend on megawatt hours generated. However, we have typically agreed on minimum lease payments for the seabeds which are recognised as assets and liabilities. This accounting treatment is unchanged from IAS 17 to IFRS 16.

Some of our leases comprise service elements which do not entitle us to use an underlying asset. This is primarily relevant for lease of office premises and vessels. We still separate payments for service elements from payments for use of a lease asset under IFRS 16. Service expenses are recognised in other external expenses in the period in which the condition that triggers those payments occurs.

Interests of lease obligations are recognised in financial expenses.

Each lease payment is separated into repayment of the lease obligation and payment of interests of the lease obligation. Debt repayments are classified as cash flows from financing activities, and payments of interest are classified as cash flows from operating activities in the statement of cash flows. Under IAS 17, all lease payments were classified as cash flows from operating activities.

We do not apply the recognition exemption regarding low value leases.

1. Basis of reporting (continued)

As permitted when applying IFRS 16 for the first time, we have used the following practical expedients:

- elected not to reassess whether a contract is, or contains, a lease on 1 January 2019
- applied a single discount rate to a portfolio of leases with reasonable similar characteristics (asset type, currency and remaining lease term)
- relied on previous assessments on whether leases are onerous
- elected to account for leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases.

Impact on our consolidated financial statements

With the implementation of IFRS 16 at 1 January 2019, we recognised lease assets amounting to DKK 5,065 million and lease obligations amounting to DKK 5,224 million. The value of the lease assets was lower due to accrued lease payments and a provision for an onerous contract totalling DKK -159 million at 1 January 2019, which was offset against the value of the lease assets.

The most affected class of property, plant and equipment is land and buildings. This category mainly comprises our office premises in Gentofte and London as well as seabeds and plots of land relating to offshore and onshore wind farms, respectively. Lease assets classified as fixtures and fittings, tools and equipment includes primarily vessels used for operations in Offshore.

Under IAS 17, our operating lease obligations at 31 December 2018 amounted to DKK 4,819 million (net present value). Compared to our

recognised lease obligations at 1 January 2019 under IFRS 16, the operating lease obligations were DKK 405 million lower. The main difference is due to the fact that the average weighted incremental borrowing rate applied under IFRS 16, 3.0%, is lower than the rate of 3.5% which we applied for calculating the net present value of our operating lease obligations at 31 December 2018 in accordance with our accounting policy for key credit metrics at that time.

Upon transition to IFRS 16, 1 January 2019, we did not have any material finance leases.

In summary, the adjustments made to the amounts recognised in the balance sheet at the date of initial application (1 January 2019) are illustrated in the table to the right.

EBITDA in Q1 2019 increased by DKK 149 million due to the implementation of IFRS 16, compared to a continued expensing of operational leasing costs under the previous accounting policy. Depreciation of lease assets amounted to DKK 152 million and interests on lease debt amounted to DKK 36 million in Q1 2019 under IFRS 16. The net effect on profit (loss) in Q1 2019 was DKK -39 million.

Extract Impact of adoption, DKKm

Assets

Property, plant and equipment

| | | | |
|--|--------|-------|--------|
| Land and buildings | 969 | 4,165 | 5,134 |
| Production assets | 66,310 | 440 | 66,750 |
| Fixtures and fittings, tools and equipment | 342 | 460 | 802 |
| Property, plant and equipment under construction | 16,434 | - | 16,434 |

Property, plant and equipment

| | | | |
|---------------|----------------|--------------|----------------|
| Assets | 174,575 | 5,065 | 179,640 |
|---------------|----------------|--------------|----------------|

Equity and liabilities

| | | | |
|--|---------------|----------|---------------|
| Share capital | 4,204 | - | 4,204 |
| Reserves | (1,827) | - | (1,827) |
| Retained earnings | 66,111 | - | 66,111 |
| Equity attributable to shareholders in Ørsted A/S | 68,488 | - | 68,488 |

Liabilities

Non-current liabilities

| | | | |
|-------------------|--------|-------|--------|
| Provisions | 12,774 | (25) | 12,749 |
| Lease liabilities | - | 4,650 | 4,650 |
| Other payables | 409 | (134) | 275 |

Current liabilities

| | | | |
|-------------------------------|----------------|--------------|----------------|
| Provisions | 680 | - | 680 |
| Lease liabilities | - | 574 | 574 |
| Equity and liabilities | 174,575 | 5,065 | 179,640 |



Comparatives for the 2018 financial year are not restated as we have applied the modified retrospective method. The effects of change in accounting policy are identical for business performance profit (loss).

Segments Impact of adoption DKKm

| | Offshore | Onshore | Bioenergy | Customer Solutions | Other activities/ eliminations | Total |
|-------------------|----------|---------|-----------|--------------------|--------------------------------|-------|
| Lease assets | 2,613 | 268 | 120 | 310 | 1,754 | 5,065 |
| Lease liabilities | 2,613 | 268 | 120 | 335 | 1,888 | 5,224 |
| Other liabilities | - | - | - | (25) | (134) | (159) |

2. Business performance

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

| | Q1 2019 | Q1 2018 |
|---|--------------|--------------|
| EBITDA — business performance | 5,130 | 5,519 |
| Business performance adjustments in respect of revenue for the period | 1,524 | (110) |
| Business performance adjustments in respect of cost of sales for the period | (647) | (124) |
| EBITDA - IFRS | 6,007 | 5,285 |
| Total business performance adjustments for the period comprise: | | |
| Market value adjustments for the period of financial and physical hedging contracts relating to a future period | 573 | (278) |
| 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 | 304 | 44 |
| Total adjustments | 877 | (234) |

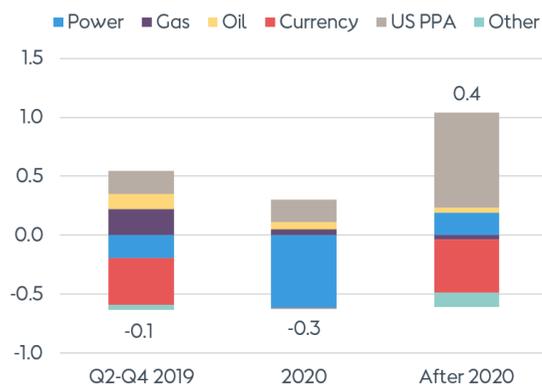
Financial impact of hedging

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.

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

Expected value for recognition in business performance EBITDA, DKKbn

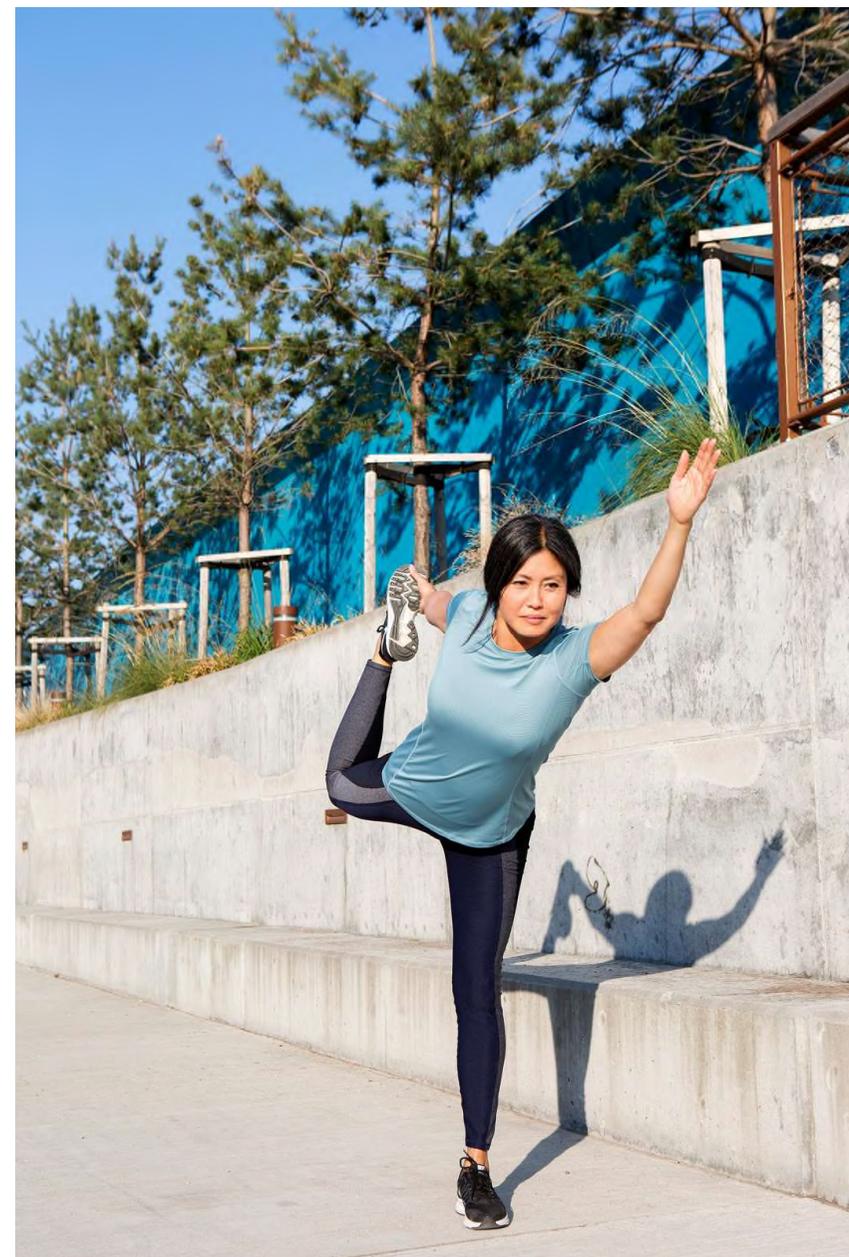


The figure shows the time of the transfer of the market value of hedging contracts in business performance EBITDA for both business performance and IFRS hedges.



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 main reason for the difference between business performance and IFRS EBITDA in 2019 are gains on power, oil and gas hedges, partly countered by losses on currency hedges related mainly to the increase in GBP/DKK rates in 2019.



3. Segment information



| Q1 2019 Income statement, DKKm | Offshore | Onshore | Bioenergy | Customer Solutions | Reportable segments | Other activities/eliminations | Business performance | Adjustments | IFRS |
|---|---------------|--------------|---------------|--------------------|---------------------|-------------------------------|----------------------|--------------|----------------|
| External revenue | 4,215 | 114 | 2,521 | 9,442 | 16,292 | 947 | 17,239 | 1,524 | 18,763 |
| Intra-group revenue | 2,123 | - | (273) | 400 | 2,250 | (2,250) ¹ | - | - | - |
| Revenue | 6,338 | 114 | 2,248 | 9,842 | 18,542 | (1,303) | 17,239 | 1,524 | 18,763 |
| Cost of sales | (1,300) | - | (1,543) | (8,762) | (11,605) | 1,242 | (10,363) | (647) | (11,010) |
| Employee costs and other external expenses | (1,392) | (104) | (337) | (539) | (2,372) | 50 | (2,322) | - | (2,322) |
| Gain (loss) on disposal of non-current assets | 134 | - | - | (16) | 118 | - | 118 | - | 118 |
| Additional other operating income and expenses | 220 | 142 | 68 | 42 | 472 | (12) | 460 | - | 460 |
| Share of profit (loss) in associates and joint ventures | (1) | - | (1) | - | (2) | - | (2) | - | (2) |
| EBITDA | 3,999 | 152 | 435 | 567 | 5,153 | (23) | 5,130 | 877 | 6,007 |
| Depreciation and amortisation | (1,298) | (80) | (143) | (42) | (1,563) | (55) | (1,618) | - | (1,618) |
| Impairment losses | - | - | - | - | - | - | - | - | - |
| Operating profit (loss) (EBIT) | 2,701 | 72 | 292 | 525 | 3,590 | (78) | 3,512 | 877 | 4,389 |
| Key ratios | | | | | | | | | |
| Intangible assets, property, plant and equipment | 69,625 | 11,768 | 8,561 | 933 | 90,887 | 2,031 | 92,918 | - | 92,918 |
| Equity investments and non-current receivables | 271 | 5 | 40 | 292 | 608 | 742 | 1,350 | - | 1,350 |
| Net working capital, work in progress | 9,012 | - | - | - | 9,012 | - | 9,012 | - | 9,012 |
| Net working capital, tax equity | - | (3,658) | - | - | (3,658) | - | (3,658) | - | (3,658) |
| Net working capital, capital expenditures | (2,965) | (13) | (116) | - | (3,094) | - | (3,094) | - | (3,094) |
| Net working capital, other items | 3,338 | 13 | (3,850) | 2,565 | 2,066 | 359 | 2,425 | - | 2,425 |
| Derivatives, net | (2,454) | 363 | 20 | 861 | (1,210) | (685) | (1,895) | - | (1,895) |
| Assets classified as held for sale, net | - | - | - | 10,950 | 10,950 | - | 10,950 | - | 10,950 |
| Decommissioning obligations | (4,190) | (265) | (718) | (539) | (5,712) | - | (5,712) | - | (5,712) |
| Other provisions | (3,115) | (133) | (969) | (2,924) | (7,141) | (848) | (7,989) | - | (7,989) |
| Tax, net | 1,996 | (1,227) | (349) | 1,089 | 1,509 | (267) | 1,242 | - | 1,242 |
| Other receivables and other payables, net | (28) | - | - | 2 | (26) | (569) | (595) | - | (595) |
| Capital employed at 31 March | 71,490 | 6,853 | 2,619 | 13,229 | 94,191 | 763 | 94,954 | - | 94,954 |
| Of which capital employed for discontinued operations | | | | | | | (195) | - | (195) |
| Of which capital employed for continuing operations | | | | | | | 95,149 | - | 95,149 |
| Return on capital employed (ROCE) % | 34.5 | 1.9 | (10.8) | 10.3 | - | - | 28.2 | - | - |
| Cash flow from operating activities | 668 | (94) | 118 | (762) | (70) | (48) | (118) | - | (118) |
| Gross investments | (2,879) | (540) | (262) | (205) | (3,886) | (13) | (3,899) | - | (3,899) |
| Divestments | 2,693 | - | (4) | (11) | 2,678 | - | 2,678 | - | 2,678 |
| Free cash flow (FCF) | 482 | (634) | (148) | (978) | (1,278) | (61) | (1,339) | - | (1,339) |



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

The column 'Other activities/eliminations' primarily covers the elimination of inter-segment transactions. Also included are income and costs, assets and liabilities, investment activity, taxes, etc., handled at group level.

¹Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 2,870 million.

3. Segment information (continued)

| |  |  |  |  | Reportable segments | Other activities/eliminations | Business performance | Adjustments | IFRS |
|---|---|---|---|---|---------------------|-------------------------------|----------------------|--------------|----------------|
| Q1 2018 | | | | | | | | | |
| Income statement, DKKm | | | | | | | | | |
| External revenue | 4,861 | - | 2,948 | 12,140 | 19,949 | (141) | 19,808 | (110) | 19,698 |
| Intra-group revenue | 2,157 | - | (63) | 519 | 2,613 | (2,613) ¹ | - | - | - |
| Revenue | 7,018 | - | 2,885 | 12,659 | 22,562 | (2,754) | 19,808 | (110) | 19,698 |
| Cost of sales | (2,116) | - | (2,108) | (10,986) | (15,210) | 2,620 | (12,590) | (124) | (12,714) |
| Employee costs and other external expenses | (1,077) | - | (354) | (467) | (1,898) | 41 | (1,857) | - | (1,857) |
| Gain (loss) on disposal of non-current assets | (31) | - | - | - | (31) | - | (31) | - | (31) |
| Additional other operating income and expenses | 161 | - | 16 | 8 | 185 | 3 | 188 | - | 188 |
| Share of profit (loss) in associates and joint ventures | 1 | - | - | - | 1 | - | 1 | - | 1 |
| EBITDA | 3,956 | - | 439 | 1,214 | 5,609 | (90) | 5,519 | (234) | 5,285 |
| Depreciation and amortisation | (1,019) | - | (162) | (191) | (1,372) | (10) | (1,382) | - | (1,382) |
| Impairment losses | - | - | - | - | - | - | - | - | - |
| Operating profit (loss) (EBIT) | 2,937 | - | 277 | 1,023 | 4,237 | (100) | 4,137 | (234) | 3,903 |
| Key ratios | | | | | | | | | |
| Intangible assets, property, plant and equipment | 60,076 | - | 7,532 | 11,728 | 79,336 | 330 | 79,666 | - | 79,666 |
| Equity investments and non-current receivables | 116 | - | 41 | 335 | 492 | 687 | 1,179 | - | 1,179 |
| Net working capital, work in progress | 7,472 | - | - | - | 7,472 | - | 7,472 | - | 7,472 |
| Net working capital, capital expenditures | (4,581) | - | (198) | - | (4,779) | - | (4,779) | - | (4,779) |
| Net working capital, other items | 1,915 | - | (3,187) | 1,239 | (33) | 157 | 124 | - | 124 |
| Derivatives, net | 152 | - | (101) | 144 | 195 | (116) | 79 | - | 79 |
| Assets classified as held for sale, net | - | - | - | 2,018 | 2,018 | - | 2,018 | - | 2,018 |
| Decommissioning obligations | (3,800) | - | (724) | (474) | (4,998) | - | (4,998) | - | (4,998) |
| Other provisions | (2,036) | - | (741) | (3,189) | (5,966) | (894) | (6,860) | - | (6,860) |
| Tax, net | 3,179 | - | (151) | 167 | 3,195 | (1,282) | 1,913 | - | 1,913 |
| Other receivables and other payables, net | 7 | - | - | 2 | 9 | (669) | (660) | - | (660) |
| Capital employed at 30 September | 62,500 | - | 2,471 | 11,970 | 76,941 | (1,787) | 75,154 | - | 75,154 |
| Of which capital employed for discontinued operations | | | | | | | (86) | - | (86) |
| Of which capital employed for continuing operations | | | | | | | 75,240 | - | 75,240 |
| Return on capital employed (ROCE) % | 29.8 | - | (13.4) | 12.7 | - | - | 26.7 | - | - |
| Cash flow from operating activities | 675 | - | 607 | (90) | 1,192 | (1,590) | (398) | - | (398) |
| Gross investments | (1,704) | - | (205) | (155) | (2,064) | (7) | (2,071) | - | (2,071) |
| Divestments | 816 | - | (1) | 13 | 828 | 7 | 835 | - | 835 |
| Free cash flow (FCF) | (213) | - | 401 | (232) | (44) | (1,590) | (1,634) | - | (1,634) |



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

The column 'Other activities/eliminations' primarily covers the elimination of inter-segment transactions. Also included are income and costs, assets and liabilities, investment activity, taxes, etc., handled at group level.

¹Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 3,154 million.

4. Revenue

| |  |  |  |  | Other activities/ eliminations | Q1 2019 total |  |  |  |  | Other activities/ eliminations | Q1 2018 total |
|---|---|---|---|---|-----------------------------------|------------------|---|---|---|---|-----------------------------------|------------------|
| Revenue, DKKm | Offshore | Onshore | Bioenergy | Customer Solutions | Other activities/ eliminations | Q1 2019 total | Offshore | Onshore | Bioenergy | Customer Solutions | Other activities/ eliminations | Q1 2018 total |
| Sale of gas | - | - | 11 | 4,389 | (326) | 4,074 | - | - | 11 | 6,864 | (393) | 6,482 |
| Generation and sale of power | 1,399 | 88 | 973 | 4,522 | (1,109) ¹ | 5,873 | 1,534 | - | 1,220 | 4,637 | (2,211) | 5,180 |
| Revenue from construction of offshore wind farms | 1,981 | - | - | - | - | 1,981 | 2,922 | - | - | - | - | 2,922 |
| Generation and sale of heat and steam | - | - | 1,121 | - | - | 1,121 | - | - | 1,372 | - | - | 1,372 |
| Distribution and transmission | - | - | - | 711 | (9) | 702 | - | - | - | 756 | (3) | 753 |
| Other revenue | 493 | (3) | 44 | 121 | (12) | 643 | 386 | - | 137 | 108 | 8 | 639 |
| Total revenue from customers, IFRS | 3,873 | 85 | 2,149 | 9,743 | (1,456) | 14,394 | 4,842 | - | 2,740 | 12,365 | (2,599) | 17,348 |
| Government grants | 2,483 | 11 | 211 | - | (14) | 2,691 | 2,208 | - | 255 | - | - | 2,463 |
| Economic hedging | (618) | (3) | 359 | 310 | (313) | (265) | (482) | - | (46) | (49) | 20 | (557) |
| Other revenue | - | 18 | (129) | 1,857 | 197 | 1,943 | - | - | 103 | 361 | (20) | 444 |
| Total revenue, IFRS | 5,738 | 111 | 2,590 | 11,910 | (1,586) | 18,763 | 6,568 | - | 3,052 | 12,677 | (2,599) | 19,698 |
| Adjustments | 600 | 3 | (342) | (2,068) | 283 | (1,524) | 450 | - | (167) | (18) | (155) | 110 |
| Total revenue, business performance | 6,338 | 114 | 2,248 | 9,842 | (1,303) | 17,239 | 7,018 | - | 2,885 | 12,659 | (2,754) | 19,808 |
| Timing of revenue recognition from customers, IFRS | | | | | | | | | | | | |
| At a point in time | - | 85 | 997 | 6,518 | (163) | 7,437 | - | - | 1,327 | 6,521 | (197) | 7,651 |
| Over time | 3,873 | - | 1,152 | 3,225 | (1,293) | 6,957 | 4,842 | - | 1,413 | 5,844 | (2,402) | 9,697 |
| Total revenue from customers, IFRS | 3,873 | 85 | 2,149 | 9,743 | (1,456) | 14,394 | 4,842 | - | 2,740 | 12,365 | (2,599) | 17,348 |



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, 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, power or heat.

Revenue decreased by 13% relative to Q1 2018 and amounted to DKK 17,239 million in Q1 2019. The decrease was mainly due to significantly lower gas prices and lower heat and power generation in Bioenergy.

In addition, revenue from construction of offshore wind farms for partners was lower in Q1 2019 compared to Q1 2018. This was only partly offset by higher revenue from offshore wind farms in operation.



¹The elimination column includes elimination of the internal sale of ROCs between Offshore (included as government grants) and Customer Solutions.

The ROCs were recognised as inventory in Customer Solutions before being sold to external customers, which creates a mismatch in timing of the internal purchase and the external sale of the ROCs in Customer Solutions. Therefore, the amount to be eliminated can exceed the amount of ROCs recognised in Offshore for the period.

5. Other operating income and expenses

| Other operating income, DKKm | Q1 2019 | Q1 2018 |
|--------------------------------------|------------|------------|
| Gain on divestment of assets | 136 | - |
| Compensations | 292 | 177 |
| US tax credits and tax equity income | 142 | - |
| Miscellaneous operating income | 103 | 23 |
| Total other operating income | 673 | 200 |

| Other operating expenses, DKKm | Q1 2019 | Q1 2018 |
|---------------------------------------|-----------|-----------|
| Loss on divestment of assets | 18 | 31 |
| Miscellaneous operating expenses | 77 | 12 |
| Total other operating expenses | 95 | 43 |

Compensations were mainly received from transmission system operators (TSOs).

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 tax equity partners for generated power.

6. Gross and net investments

| Gross and net investments, DKKm | Q1 2019 | Q1 2018 |
|--|----------------|----------------|
| Cash flow from investing activities | 2,777 | 333 |
| Dividends received and capital reduction, reversed | - | (1) |
| Purchase and sale of securities, reversed | (4,022) | (1,569) |
| Loans to associates and joint ventures, reversed | - | 8 |
| Sale of non-current assets, reversed | (2,654) | (842) |
| Total gross investments | (3,899) | (2,071) |
| Transactions with non-controlling interests in connection with divestments | 24 | (7) |
| Sale of non-current assets | 2,654 | 842 |
| Total cash flows from divestments | 2,678 | 835 |
| Total net investments | (1,221) | (1,236) |



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



7. Assets classified as held for sale

| Assets classified as held for sale, DKKm | 31 March 2019 | 31 December 2018 | 31 March 2018 |
|---|---------------|------------------|---------------|
| Intangible assets | 210 | 80 | 19 |
| Property, plant and equipment | 14,263 | 13,951 | 2,119 |
| Inventories | 16 | 16 | 16 |
| Trade receivables | 653 | 701 | 83 |
| Other receivables | 379 | 430 | 371 |
| Income tax | 54 | 45 | 47 |
| Total assets classified as held for sale | 15,575 | 15,223 | 2,655 |
| Deferred tax | 846 | 823 | 99 |
| Provisions | 375 | 372 | 361 |
| Contract liabilities | 2,596 | 2,737 | - |
| Trade payables | 126 | 92 | 113 |
| Other payables | 618 | 826 | 62 |
| Income tax | 64 | 1 | 2 |
| Total liabilities relating to assets classified as held for sale | 4,625 | 4,851 | 637 |
| Net assets classified as held for sale | 10,950 | 10,372 | 2,018 |



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 31 March 2019 and 31 December 2018, assets classified as held for sale comprised our Danish power distribution, residential customer and city light businesses as well as our oil pipe system in Denmark. We have progressed with the separation work, and the assets held for sale have been updated accordingly.

At 31 March 2018, assets classified as held for sale comprised our oil pipe system.

8. Discontinued operations

Discontinued operations

Discontinued operations comprise our oil and gas business, which we sold to INEOS on 29 September 2017.

Financial results

Profit (loss) for the period amounted to DKK -43 million and primarily concerned adjustments related to currency and the fair value of a receivable.

Capital employed

Our capital employed in discontinued operations mainly consisted of provisions relating to the sale (tax indemnifications and payments related to the Fredericia stabilisation plant) as well as a conditional payment (receivable selling price) which does not carry interest.

In addition, we have interest-bearing receivables of USD 100 million (not part of capital employed), which will be received in the 2019-2020 period.

Performance highlights, DKKm

| | Q1 2019 | Q1 2018 |
|--|---------|---------|
| EBIT | - | - |
| Profit (loss) from discontinued operations | (43) | 8 |
| Cash flows from discontinued operations | 2 | (125) |

Capital employed, discontinued operations DKKm

| | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
| Equity investments and non-current receivables | 652 | 687 |
| Net working capital, other items | - | (7) |
| Derivatives, net | (98) | 69 |
| Other provisions | (797) | (852) |
| Tax, net | 30 | (6) |
| Other receivables and other payables, net | 18 | 23 |
| Total | (195) | (86) |

9. Financial income and expenses

| Net financial income and expenses, DKKm | Q1 2019 | Q1 2018 |
|--|------------|--------------|
| Interest expenses, net | (252) | (241) |
| Interest element of provisions, etc. | (106) | (96) |
| Interest expenses, leasing | (36) | - |
| Tax equity partner's contractual return | (69) | - |
| Value adjustments of derivatives, net | (98) | (28) |
| Exchange rate adjustments, net | 578 | 151 |
| Value adjustments of securities, net | 144 | (78) |
| Other financial income and expenses | (60) | (3) |
| Net financial income and expenses | 101 | (295) |



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 change in net financial income and expenses in 2019 compared with 2018 is mainly driven by large foreign exchange rate gains due to the strengthening of GBP/DKK rates and gains on value adjustment of securities due to the drop in interest rates. This was partly countered by tax equity partners' contractual returns, which is a new item related to our US activities.

10. Reserves

| Reserves 2019, DKKm | Foreign currency translation reserve | Hedging reserve | Total reserves |
|--|--------------------------------------|-----------------|----------------|
| Reserves at 1 January 2019 | (1,906) | 79 | (1,827) |
| Exchange rate adjustments | 1,830 | - | 1,830 |
| Value adjustments of hedging | - | (276) | (276) |
| Value adjustments transferred to: | | | |
| Revenue | - | 67 | 67 |
| Financial income and expenses | - | 17 | 17 |
| Tax: | | | |
| Tax on hedging and currency adjustments | (263) | 129 | (134) |
| Movement in comprehensive income for the period | 1,567 | (63) | 1,504 |
| Total reserves at 31 March | (339) | 16 | (323) |

| Reserves 2018, DKKm | Foreign currency translation reserve | Hedging reserve | Total reserves |
|--|--------------------------------------|-----------------|----------------|
| Reserves at 1 January 2018 | (1,825) | 301 | (1,524) |
| Exchange rate adjustments | 467 | - | 467 |
| Value adjustments of hedging | - | (592) | (592) |
| Value adjustments transferred to: | | | |
| Revenue | - | 45 | 45 |
| Financial income and expenses | - | 30 | 30 |
| Tax: | | | |
| Tax on hedging and currency adjustments | (86) | 106 | 20 |
| Movement in comprehensive income for the period | 381 | (411) | (30) |
| Total reserves at 31 March | (1,444) | (110) | (1,554) |

11. Market risks

Market risks

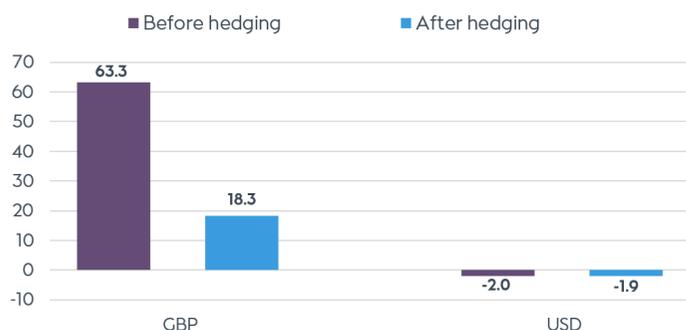
The management of market risks is to ensure stable and robust financial ratios that support our growth strategy.

We hedge prices for up to five years to reduce cash flow fluctuations. Prices are not hedged in the medium to long term, and our

long-term market risks are therefore determined by our strategic decisions on investments in new assets, the conclusion of long-term contracts as well as any divestment of assets.

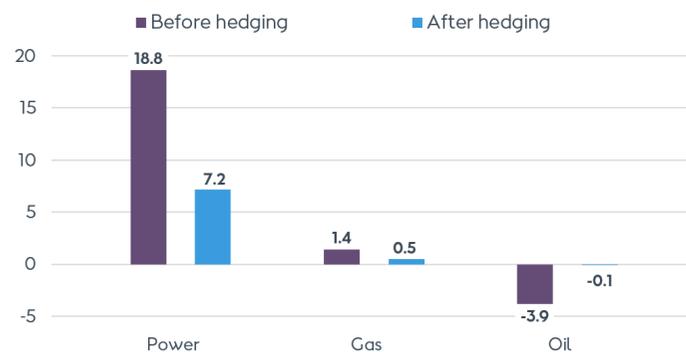
Our energy and currency exposures for the next five years are shown below.

Currency exposure 1 April 2019 - 31 March 2024, DKKbn



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

Energy exposure 1 April 2019 - 31 March 2024, DKKbn



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

12. Fair value measurement

| Fair value hierarchy DKKbn | Assets | | | Liabilities | |
|-------------------------------|---------------|--------------|-------------------|--------------|----------------|
| | Securities | Derivatives | Other receivables | Derivatives | Other payables |
| 2019 | | | | | |
| Quoted prices | - | 11 | - | 11 | - |
| Observable input | 21,576 | 4,003 | - | 6,409 | - |
| Non-observable input | - | 1,339 | - | 828 | 545 |
| Total 31 March 2019 | 21,576 | 5,353 | - | 7,248 | 545 |
| 2018 | | | | | |
| Quoted prices | - | - | - | 3 | - |
| Observable input | 23,711 | 3,026 | - | 3,571 | - |
| Non-observable input | - | 773 | 105 | 146 | - |
| Total 31 March 2018 | 23,711 | 3,799 | 105 | 3,720 | - |

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 the data quality. Market values are determined by the Treasury & Risk Management function which reports to the CFO. The development in market values is monitored on a continuing basis and reported to Group Executive Management.

Deferred revenue from US power purchase agreements

The deferred revenue from US PPAs consists of losses not recognised at initial recognition since the market value is based on non-observable inputs. The PPAs freeze the power price of the expected power generation for a

period from 13 to 15 years. These contracts are accounted for at fair value. Due to the long duration of these PPAs, power prices are not observable for a large part of the duration, whereby the estimated fair value is categorised as based on non-observable input.

The deferred revenue is recognised in profit or loss in the future period to which the market value relates. In Q1 2019, we have recognised an income of DKK 18 million (2018: DKK 0 million) related to the deferred fair value of PPAs not recognised in profit or loss at initial recognition. The total amount of deferred revenue as of 31 March 2019 amounts to DKK 1,187 million (2018: DKK 0 million).

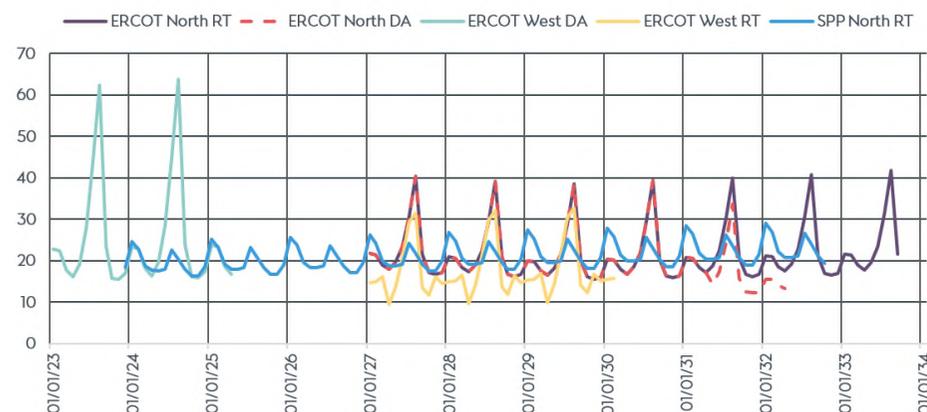
12. Fair value measurement

Significant non-observable inputs

Market values based on non-observable input comprise primarily long-term contracts on the purchase/sale of especially power and to a less extent gas, coal, USD and EUR. Since there are no active markets for the long-term prices of power and gas, the market values have been determined through an estimate of the future prices. Normally, the price can be observed for a maximum of four to six years in the power market, after which an active market no longer exists. When market prices are no longer available, the price is projected by extending the observable forward curve, only adjusted for the expected development in inflation.

Part of the purchase price of Deepwater Wind is a contingent consideration of USD 82 million as of 31 March 2019 that we will pay upon Deepwater Wind successfully closing a specific PPA. The maximum payable consideration is USD 82 million, which we have also estimated to be the fair value, due to our strong expectation of successfully signing the agreement.

Non-observable inputs, US power prices



The graph shows the US power prices in the period where prices are not observable, and which we have used as basis for calculating market values as of 31 March 2019.

Derivatives valued on the basis of non-observable input DKKm

| | 2019 |
|---|----------------|
| Market value at 1 January | (2,458) |
| Value adjustments through profit or loss | 150 |
| Value adjustments through other comprehensive income | 1,081 |
| Sales/redemptions | (111) |
| Purchase/issues | 24 |
| Market value at 31 March before deferred gain/loss | (1,314) |
| Deferred loss at initial recognition | 1,825 |
| Market value at 31 March | 511 |

| | 2018 |
|---------------------------------|------------|
| Market value at 1 January | (157) |
| Net changes in market value | 784 |
| Market value at 31 March | 627 |

Non-observable inputs per commodity price input, DKKm

| | 2019 | 2018 |
|--------------------|------------|------------|
| US power prices | 344 | - |
| Other power prices | 19 | 475 |
| Gas prices | 148 | 152 |
| Total | 511 | 627 |

The table shows the market value related to the non-observable input for the stated period and sensitivity per power price index. The sensitivity illustrates the impact on the market value as of 31 March 2019 if the non-observable price increases/decreases by 10%. The most critical non-observable input is US power prices in the period 2023-2033. If power prices as of 31 March 2019 increased/decreased by 10%, the market value would decrease/increase by DKK 312 million. The sensitivity analysis is presented on the different US power price areas in the table below.



Sensitivity of non-observable inputs, DKKm

| Non-observable inputs | Market value | Sensitivity | |
|----------------------------------|--------------|--------------|------------|
| | | +10% | -10% |
| ERCOT North real time, 2027-2033 | 48 | (148) | 148 |
| ERCOT North day ahead, 2027-2032 | (61) | (64) | 64 |
| ERCOT West day ahead, 2023-2025 | (59) | (31) | 31 |
| ERCOT West real time, 2027-2030 | (13) | (14) | 14 |
| SPP North real time, 2024-2032 | (179) | (55) | 55 |
| Total | (264) | (312) | 312 |



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.



US power prices are the most significant non-observable input. The non-observable US power prices used as basis for the market values as of 31 March 2019 are illustrated in the graph to the left.

13. Interest-bearing debt and FFO

| Interest-bearing debt and interest-bearing assets DKK m | 31 March 2019 | 31 December 2018 | 31 March 2018 |
|--|------------------|---------------------|------------------|
| Interest-bearing debt comprises: | | | |
| Bank debt | 7,697 | 3,582 | 5,353 |
| Bond debt | 24,152 | 23,714 | 27,690 |
| Total bond and bank debt | 31,849 | 27,296 | 33,043 |
| Lease liability | 5,211 | - | - |
| Tax equity liability | 579 | 454 | - |
| Other interest-bearing debt | 55 | 570 | 429 |
| Total interest-bearing debt | 37,694 | 28,320 | 33,472 |
| Interest-bearing assets comprises: | | | |
| Securities | 21,576 | 25,501 | 23,711 |
| Cash | 3,737 | 3,515 | 3,754 |
| Receivables from associates and joint ventures | 60 | 60 | 56 |
| Other receivables | 2,521 | 779 | 661 |
| Receivables in connection with divestments | 689 | 684 | 959 |
| Total interest-bearing assets | 28,583 | 30,539 | 29,141 |
| Total interest-bearing net debt | 9,111 | (2,219) | 4,331 |



Interest-bearing net debt totalled DKK 9,111 million as of 31 March 2019, which was an increase of DKK 11,330 million relative to 31 December 2018. The increase was driven by a decrease in interest-bearing assets totalling DKK 1,956 million, of which DKK 3,703 million were related to securities and cash. In addition, interest-bearing debt increased by DKK 9,374 million, which related to short-term repo loans and inclusion of lease liabilities in accordance with IFRS 16. Other receivables mainly relate to cash collateral received for derivatives with a positive fair value.

The difference between the lease liability shown here of DKK 5,211 million and the amount presented in note 1 is due to payments and interests.

Market value of bond and bank debt

The market value of bond and bank debt amounted to DKK 29,614 million and DKK 7,747 million, respectively, at 31 March 2019.

| Funds from operations (FFO) LTM ¹ DKK m | 31 March 2019 | 31 December 2018 | 31 March 2018 |
|--|------------------|---------------------|------------------|
| EBITDA - business performance | 29,640 | 30,029 | 24,750 |
| Interest expenses, net | (926) | (877) | (761) |
| Reversal of interest expenses transferred to assets | (458) | (506) | (703) |
| Interest element of decommissioning obligations | (202) | (192) | (188) |
| 50% of coupon payments on hybrid capital | (272) | (272) | (320) |
| Calculated interest paid on operating lease obligations | (108) | (196) | (67) |
| Adjusted interest expenses, net | (1,966) | (2,043) | (2,039) |
| Reversal of gain (loss) on divestment of assets | (15,144) | (14,995) | (10,766) |
| Reversal of recognised operating lease payment in profit (loss) for the year | 552 | 778 | 873 |
| Total current tax | (2,920) | (3,068) | (2,967) |
| Funds from operations (FFO) | 10,162 | 10,701 | 9,851 |

¹ Last 12 months

| Adjusted interest-bearing net debt DKK m | 31 March 2019 | 31 December 2018 | 31 March 2018 |
|--|------------------|---------------------|------------------|
| Total interest-bearing net debt | 9,111 | (2,219) | 4,331 |
| 50% of hybrid capital | 6,619 | 6,619 | 6,619 |
| Cash and securities not available for distribution, excluding repo loans | 1,571 | 1,583 | 628 |
| Present value of operating lease payments | - | 4,819 | 5,886 |
| Decommissioning obligations | 5,712 | 5,471 | 4,998 |
| Deferred tax on decommissioning obligations | (1,005) | (757) | (839) |
| Total adjusted interest-bearing net debt | 22,008 | 15,516 | 21,623 |

| Funds from operations (FFO)/ adjusted interest-bearing net debt | 31 March 2019 | 31 December 2018 | 31 March 2018 |
|--|------------------|---------------------|------------------|
| Funds from operations (FFO)/ adjusted interest-bearing net debt | 46.2% | 69.0% | 45.6% |



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

We implemented IFRS 16 'Leases' at 1 January 2019. This has impacted FFO as the in-substance fixed lease payments are recognised as depreciation of lease assets. Lease interests for 2019 are now included in 'Interest, expenses, net'.



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

Due to the implementation of IFRS 16 'Leases' at 1 January 2019, the lease liability is included in 'Total interest-bearing net debt' at 31 March 2019.

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 - 31 March 2019.

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 (*Årsregnskabsloven*). Apart from the implementation of IFRS 16, the accounting policies remain unchanged from the annual report for 2018.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2019 and of the results of the

Group's operations and cash flows for the period 1 January - 31 March 2019.

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 2018.

Skærbæk, 1 May 2019

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

Hanne Sten Andersen*

Poul Dreyer*

Benny Gøbel*

*Employee representative

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. 6).

Statements herein, other than statements of historical fact, regarding our future results of 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 fact 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 and precipitation, regulatory risks, operation of offshore wind farms, cost of electricity for offshore wind power, changes in the competitive environment in our markets, security of supply and cable break-downs or other disruptions. As a result, you should not rely on these forward-looking statements. Please also refer to the overview of risk factors in 'Risk and risk management' on pp 66-69 of the Annual Report 2018 available at 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.