

# Ørsted

## Interim financial report

First nine months 2021



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## Earnings call

In connection with the presentation of the interim financial report an earnings call for investors and analysts will be held on Wednesday, 3 November 2021 at 14:00 CET:

Denmark: +45 78 15 01 08

International: +44 333 300 9035

USA: +1 844 625 1570

The earnings call can be followed live here:  
<https://edge.media-server.com/mmc/p/v757tb3e>

Presentation slides will be available prior to the earnings call and can be downloaded here:  
[orsted.com/financial-reports](https://orsted.com/financial-reports)

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# CEO's review

Our robust business model, active approach to risk management, and strong earnings in 'Bioenergy & Other' ensured good financial results despite low wind speeds and unusual market conditions. We are on track to meet our full-year guidance.

## Highlights

### Financials

Our operating profit (EBITDA) for the first nine months of the year amounted to DKK 16.0 billion (including new partnerships), a DKK 2.9 billion increase compared to the same period last year.

Earnings from wind and solar assets in operation amounted to DKK 10.3 billion for the first nine months of the year, a decrease of DKK 1.3 billion compared to 9M 2020 due to continued significantly lower wind speeds.

Strong performance by our largely biomass fuelled CHP plants and in our gas business.

We reiterate our EBITDA guidance of DKK 15-16 billion excluding new partnerships, and reiterate our gross investments guidance of DKK 39-41 billion.

Our green share of heat and power generation amounted to 89 %.

### Sustainability achievements

First energy company to get our 2040 scope 1-3 net-zero target approved as science based.

### Construction and operational progress

Good progress on the construction of Hornsea 2 in the UK and Greater Changhua 1 & 2a in Taiwan.

Commissioned our second solar PV asset, Muscle Shoals in Alabama, US.

### Business development

Signed an agreement with Glennmont Partners to farm-down 50 % of the 900 MW German wind project Borkum Riffgrund 3.

Signed long-term power purchase agreement (PPA) on Borkum Riffgrund 3 with REWE (100 MW).

Received notice of intent (NoI) for our Sunrise Wind Project in New York, US.

Signed memorandum of understanding (MoU) with T&T group in Vietnam to launch a strategic collaboration on offshore wind.

Signed a letter of intent (LoI) with ZE PAK to participate in the upcoming seabed lease auction in Poland.

## Financials

Our operating profit (EBITDA) totalled DKK 16.0 billion, of which the gain from the 50 % farm-down of Borssele 1 & 2 amounted to DKK 5.3 billion. Thus, EBITDA excluding new partnerships amounted to DKK 10.7 billion, a decrease of DKK 2.4 billion compared to the same period last year.

In most of the third quarter, we continued to see lower wind speeds than normal, which had an adverse impact on our operational earnings. Earnings from wind and solar assets in operation amounted to DKK 10.3 billion for the first nine months of the year. This was a decrease of DKK 1.3 billion compared to 9M 2020 despite ramp-up of generation from new operating assets and the receipt of CfDs for the last 400 MW of capacity from Hornsea 1. The total effect from lower wind speeds in 9M 2021 amounted to approx. DKK 2.5 billion compared to 9M 2020 and DKK 1.7 billion compared to a normal wind year.

Our underlying business maintained solid availability rates during the first nine months, and we continued to see exceptionally good performance by our CHP plants. Furthermore, we had high earnings from our gas business due to a positive one-off effect in connection with the renegotiation of gas purchase contracts together with strong underlying performance in a very volatile and bullish gas market where we were able to optimise purchase from our long-term gas contracts.

We are very pleased that our robust business model and active approach to risk management ensured that the highly volatile gas and power prices, especially during Q3 2021, only had a limited impact on our financial results and financial position, which remain strong. The majority of our power price exposure from wind and solar generation is locked in through subsidy contracts and long-term PPAs. We hedge the remaining exposure throughout a five-year time-horizon. However, as our CHP plants are hedged to a lower extent, we have been able to benefit from the high power prices and attractive spreads on biomass-based power generation. Our net cash outflow from margin payments on unrealised hedge positions has been limited, and our trading department has done a great job navigating us well through these unusual market conditions with a positive outcome for Ørsted.

We maintain our full-year EBITDA guidance of DKK 15-16 billion. Our EBITDA guidance does not include earnings from new partnerships during the year, which means that the gain from the Borssele 1 & 2 farm-down is excluded from our full-year guidance. Furthermore, gains from the farm-down of 50 % of Greater Changhua 1 and 50 % of Borkum Riffgrund 3, if they are closed in Q4 2021, are excluded from the guidance.

Our green share of heat and power generation amounted to 89 % in 9M 2021 in line with the same period last year. The negative effect

from lower wind speeds was offset by increased biomass-fuelled heat and power generation driven by higher heat demand (due to colder weather), higher prices and spreads, which also led to higher condensing power generation based on biomass.

### Construction and operational progress

We are constructing two of the largest off-shore wind farms in the world, Hornsea 2 and Greater Changhua 1 & 2a, which are both on track to be commissioned in 2022.

At Hornsea 2 we have now successfully installed all foundations, as well as 142 of the array cables, and 116 out of the 165 turbines. We expect to have first power later this year when the offshore transmission asset gets connected to the grid, and to commission the wind farm during H1 2022.

At Greater Changhua 1 & 2a, we have successfully installed 11 jacket foundations out of 111. We continue to make good progress in all areas of the construction, and installation of wind turbines and array cables is expected to commence in February 2022. However, Taiwan continues to be affected by COVID-19 restrictions, which could potentially affect the construction schedule and eventually lead to possible delays.

Furthermore, we signed monopile foundation contracts with Steelwind Nordenham and Bladt Industries for Gode Wind 3 and Borkum Riffgrund 3. The two suppliers will be manufacturing a total of 107 monopile foundations for the German projects, including the foundation for the offshore substation for Gode Wind 3. Subject to FID, Gode Wind 3 and Borkum Riffgrund 3 are expected to be completed by

2024 and 2025, respectively. Both projects will be powered by Siemens Gamesa's 11 MW offshore wind turbines.

In September, we commissioned our second solar PV asset, Muscle Shoals, in Alabama. The solar PV farm has a capacity of 227 MW<sub>ac</sub> and expands our geographic footprint into the rapidly growing south-east solar market. Power generation from Muscle Shoals is fully contracted under a long-term utility PPA with Tennessee Valley Authority (TVA), which entails an attractive incremental source of stable earnings.

We are currently constructing Haystack, Old 300 and Helena Energy Center in the US. Haystack is our 298 MW onshore wind project in Nebraska, adjacent to Plum Creek, and construction is expected to be completed at the end of the year. Our 430 MW<sub>ac</sub> Solar Center Old 300 and our Helena Energy Center project consisting of a 250 MW<sub>ac</sub> solar phase and a 268 MW wind phase are both located in Texas. The current 'forced labor' allegations towards a number of solar panel suppliers in China, as well as other issues related to potential increases in US tariffs on Chinese goods, has caused a slowdown of solar panel deliveries into the US, which is likely to delay the commissioning of Old 300 and the solar phase of Helena Energy Center from the previously expected H1 2022 timeline to later in the year. We are comfortable that the solar panel suppliers used by Ørsted are not tied to 'forced labor' and we have signed up for the Solar Industry Forced Labor Prevention Pledge, which is an industry led initiative that will develop a solar supply chain traceability protocol to identify the source of primary raw materials and tracking their incorporation into



## In October, we signed an agreement to farm-down 50 % of the 900 MW German wind project Borkum Riffgrund 3 to Glennmont Partners. We have signed long-term power purchase agreements on Borkum Riffgrund 3 with REWE (100 MW), Covestro (100 MW), and Amazon (250 MW).

the solar modules.

In Europe, we are constructing two onshore wind farms, Kennoxhead 1 (62 MW) in Scotland and Lisheen 3 (29 MW) in Ireland. Lisheen 3 is adjacent to the existing Lisheen 1 & 2 projects which together form the large scale 89 MW cluster. Both wind farms are expected to reach COD in 2022.

### Business development Offshore

In August, the US Bureau of Ocean Energy Management (BOEM) released its notice of intent (NoI) for our Sunrise Wind project in New York, thereby launching the formal environmental review. We are very pleased to have reached this important permitting milestone for Sunrise Wind. All projects in our US offshore portfolio (except the recently awarded Ocean Wind 2 project) have now received NoI, and our large-scale offshore portfolio, comprising the Revolution Wind, Sunrise Wind, and Ocean Wind 1 projects, remains on track to be fully commissioned by 2025.

In October, we signed an agreement to farm

down 50 % of the 900 MW German wind project Borkum Riffgrund 3 to Glennmont Partners, one of Europe's largest fund managers, exclusively investing in clean energy infrastructure and already our partner at Gode Wind 1. As part of the agreement, we will construct the wind farm under a full-scope EPC contract, perform operations and maintenance services for 20 years, and provide a route to market for the power generated. We have signed long-term power purchase agreements on Borkum Riffgrund 3 with REWE (100 MW), Covestro (100 MW), and Amazon (250 MW), and we have an advanced pipeline of additional PPAs. The divestment is subject to final investment decision (FID) which is expected by the end of 2021. Closing of the divestment is expected in Q4 2021 or Q1 2022.

In October, we submitted several joint proposals for offshore wind transmission to support New Jersey's ambitious clean energy goals, together with our strategic partner, PSEG. The Coastal Wind Link proposals will provide reliable, resilient and cost-effective

infrastructure to the state as thousands of megawatts of new, clean renewable energy come onto the grid.

In Vietnam, we signed a memorandum of understanding (MoU) with T&T Group, a leading Vietnamese cross-industry company, to launch a strategic collaboration on off-shore wind in Vietnam. With more than 3,200 km of coastline and high consistent wind speeds, Vietnam has some of the best conditions for developing offshore wind in Asia Pacific. This is a major step for Ørsted in establishing a strong foothold in Vietnam and in showcasing our aspiration to be a reliable long-term partner in this country.

In Poland, we signed a letter of intent with ZE PAK, an important player in the Polish energy sector with ambitious renewable energy targets, to participate in the upcoming auction for seabed leases in the Baltic Sea. Together with ATP, Denmark's largest institutional investor, we plan to bid for the Danish North Sea energy island which is expected to be tendered in 2023. To add to this visionary ambition for developing renewable energy at an unprecedented scale, we now bring three world-leading industrial construction experts to support our bid: Aarsleff, Bouygues, and Van Oord.

### Hydrogen

We continue to see strong momentum within renewable hydrogen worldwide, and since the publication of our H1 2021 report, we have continued to make significant progress in our renewable hydrogen pipeline.

The Green Fuels for Denmark (GFDK) project, which is uniting some of the strongest part-

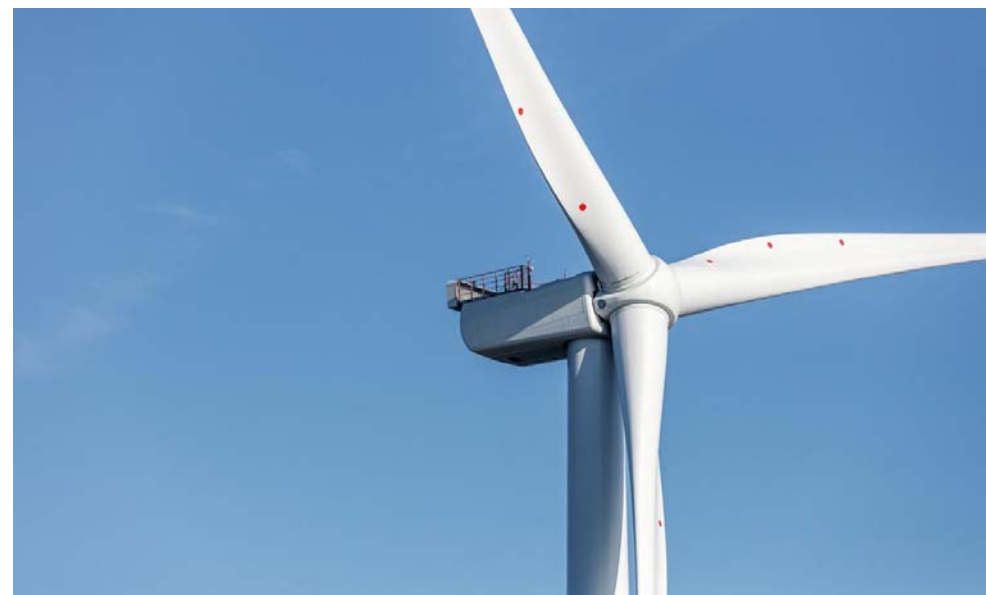
ners in the Danish transport and energy sector to fulfil Denmark's ambitious vision for a large-scale production of renewable hydrogen and green fuels, reached a significant milestone as the project was named an Important Project of Common European Interest (IPCEI) in the EU programme by the Danish authorities. Thus, GFDK will be one of only two Danish projects appointed to receive support from the Danish fund earmarked to support the development of renewable hydrogen and green fuels. Now, we await the final IPCEI approval by the EU.

Furthermore, our Lingen Green Hydrogen project with bp and the HySCALE100 project have both been shortlisted for IPCEI status by the German state and are progressing well.

In the US, we signed an MoU with Williams, one of the largest pipeline operators in the US, to evaluate potential jointly developed clean energy projects. Through the MoU, we are identifying ways to leverage Ørsted's wind, solar, and hydrogen expertise with Williams' natural gas infrastructure and processing experience to co-develop hydrogen or synthetic natural gas facilities. As part of this agreement, we are exploring a large-scale wind energy, electrolysis, and synthetic gas-via-methanation co-development in western Wyoming where Williams owns significant land area and natural gas infrastructure.

### Bioenergy & Other

In March 2020, the Copenhagen Maritime and Commercial Court ruled in favour of Elsam (now Ørsted) in the legal action



Burbo Bank, Irish Sea, UK

brought against Elsam in 2007 by 1,106 Danish plaintiffs, claiming damages for losses allegedly incurred as a consequence of a violation of the Danish competition rules in the period from 1 July 2003 to 31 December 2006. The Court ruled that the plaintiffs were bound by the outcome of the previous cases between Elsam and the Danish competition authorities concerning the same question where Elsam in the end was acquitted of the authorities' allegation that Elsam had violated the competition rules. The Court did therefore not go into any substantive assess-

ment of the claims. In September 2021, the High Court of Western Denmark overturned this ruling because it did not agree that the plaintiffs should be bound by the outcome in the cases initiated by the Danish competition authorities, and the case was therefore referred to the Copenhagen Maritime and Commercial Court for a substantive assessment. The decision by the High Court does not change our view that we have not violated any laws and does therefore not provide grounds for a provision.

### Sustainability achievements

In October, the Science-Based Target initiative (SBTi) approved our scope 1-3 net zero target for 2040. We are honoured to be the first energy company, and one of only seven companies, in the world to have our net zero target approved as science based. As part of the approval, we have committed to:

- Reduce our absolute scope 3 GHG emissions from use of sold products by 90% compared to 2018.
- Reduce our scope 1-3 GHG emissions from our entire renewable energy portfolio to 2.9 g CO<sub>2</sub>/kWh (99% vs 2018), of which no more than 1 g CO<sub>2</sub>/kWh related to scope 1-2 emissions.

In October, we signed a EUR 2.0 billion 5-year sustainability-linked syndicated revolving credit facility with two 1-year extension options. To help drive the efforts to meet our ambitious sustainability targets, the interest margin will be adjusted based on our ability to meet two of our predefined strategic sustainability targets on an annual basis.

### Employees

It is very important for us to attract, develop, and retain the best talent, and our people remain the most important assets in Ørsted. As we continue to see challenges regarding the COVID-19 pandemic around the world, many of our employees are still significantly impacted in their daily lives. I would like to take this opportunity to acknowledge and thank all our employees for the great job they have been doing throughout the entire pandemic, including how they have all adapted to the new challenges and ways of working.

Equally important, we continued to see a positive trend in our safety performance, measured by total recordable incident rate (TRIR) which decreased from 3.8 to 3.0 in 9M 2021.

On 15 September, we announced that Neil O'Donovan has been appointed as CEO of the Onshore business. We are very pleased to welcome Neil to the Executive Committee, and we strongly believe that Neil is the best person to take over the leadership of Ørsted Onshore and to accelerate Onshore's growth journey. With a strong technical foundation in engineering, a proven track record in successful project development, and a great commercial focus, Neil has been instrumental in taking Onshore to where it is today.




A handwritten signature in blue ink, appearing to read 'Mads Nipper', on a light-colored background.


**Mads Nipper**  
Group President and CEO



# At a glance

**Ørsted**

**EBITDA**

2020  
DKK 11.6  DKK 13.1 bn

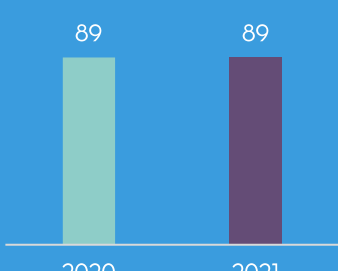
2021  
DKK 10.3 bn  DKK 16.0 bn

  From operating wind farms and solar PV

**Key figures 9M 2021**

|                     |              |
|---------------------|--------------|
| Revenue             | DKK 47.0 bn  |
| Gross investments   | DKK 27.6 bn  |
| Capital employed    | DKK 100.4 bn |
| TRIR                | 3.0          |
| Number of employees | 6,672        |
| ROCE <sup>1</sup>   | 12.9 %       |


**Green share of heat and power generation, %**






| Year | Green share of heat and power generation, % |
|------|---|
| 2020 | 89  |
| 2021 | 89  |

**Offshore**

**EBITDA**

2020  
DKK 10.5 bn  DKK 10.6 bn

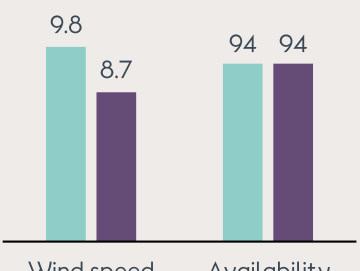
2021  
DKK 9.1 bn  DKK 12.8 bn

  From operating wind farms

**Key figures 9M 2021**

|                     |             |
|---------------------|-------------|
| Revenue             | DKK 31.4 bn |
| Gross investments   | DKK 16.4 bn |
| Capital employed    | DKK 83.6 bn |
| TRIR                | 2.9         |
| Number of employees | 3,375       |

**Wind speed and availability, m/s, %**



| Metric       | 2020 | 2021 |
|--------------|------|------|
| Wind speed   | 9.8  | 8.7  |
| Availability | 94   | 94   |

**Onshore**

**EBITDA**

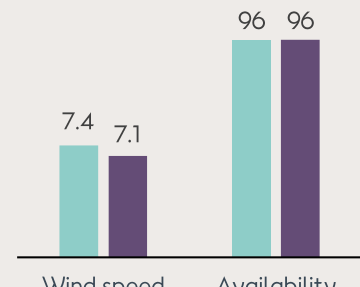
2020  
DKK 0.8 bn

2021  
DKK 0.8 bn

**Key figures 9M 2021**

|                     |             |
|---------------------|-------------|
| Revenue             | DKK 0.6 bn  |
| Gross investments   | DKK 10.9 bn |
| Capital employed    | DKK 17.3 bn |
| TRIR                | 7.2         |
| Number of employees | 237         |

**Wind speed and availability, the US, m/s, %**



| Metric       | 2020 | 2021 |
|--------------|------|------|
| Wind speed   | 7.4  | 7.1  |
| Availability | 96   | 96   |

**Bioenergy & Other**

**EBITDA**

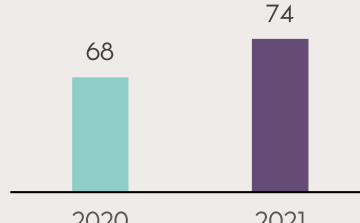
2020  
DKK 1.5 bn

2021  
DKK 2.3 bn

**Key figures 9M 2021**

|                     |              |
|---------------------|--------------|
| Revenue             | DKK 19.1 bn  |
| Gross investments   | DKK 0.2 bn   |
| Capital employed    | DKK (1.7) bn |
| TRIR                | 3.8          |
| Number of employees | 953          |

**Green share of heat and power generation, %**



| Year | Green share of heat and power generation, % |
|------|---|
| 2020 | 68  |
| 2021 | 74  |

<sup>1</sup>Last 12 months

# Outlook 2021

## EBITDA

EBITDA in 2021, excluding new partnership agreements, is expected to be DKK 15-16 billion. We still expect an outcome in the low end of the guided range, which is unchanged relative to the guidance in the H1 2021 report. This guidance is based on an assumption of normal wind speeds in the remainder of the year.

Our directional guidance for Bioenergy & Other has changed from 'Higher' to 'Significantly higher', mainly due to higher earnings from our CHP plants and gas business.

The directional guidance for Offshore is 'Significantly lower', which is unchanged relative to the guidance in the H1 2021 report.

The directional guidance for Onshore is 'Higher', which is unchanged relative to the guidance in the annual report for 2020.

## Gross investments

Gross investments in 2021 are expected to amount to DKK 39-41 billion, which is unchanged relative to the guidance in the H1 2021 report.

| Outlook 2021, DKK billion | 2020 realised <sup>1</sup> | 2020 realised, excl. RBC <sup>1,2</sup> | Guidance 3 Feb 2021 <sup>3</sup> | Guidance 29 Apr 2021 <sup>3</sup> | Guidance 12 Aug 2021 <sup>3</sup> | Guidance 3 Nov 2021 <sup>3</sup> |
|---------------------------|----------------------------|---|----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|
| EBITDA                    | 18.1                       | 17.2                                    | 15-16                            | 15-16                             | 15-16                             | 15-16                            |
| Offshore                  | 14.8                       | 14.8                                    | Lower                            | Lower                             | Significantly lower               | Significantly lower              |
| Onshore                   | 1.1                        | 1.1                                     | Higher                           | Higher                            | Higher                            | Higher                           |
| Bioenergy & Other         | 2.1                        | 1.2                                     | Lower                            | Lower                             | Higher                            | Significantly higher             |
| Gross investments         | 27.0                       |   | 32-34                            | 32-34                             | 39-41                             | 39-41                            |



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 2020 excl. RBC.

<sup>1</sup> Business performance principle. From 2021, we are reporting according to IFRS (see more on page 30).

<sup>2</sup> Excluding the Danish power distribution, residential customer, and city light businesses (RBC).

<sup>3</sup> Excluding new partnerships, relative to 2020, excluding RBC.



Borssele 1&2, North Sea, The Netherlands



# Results Q3

## EBITDA

Operating profit (EBITDA) totalled DKK 3.0 billion compared to DKK 3.4 billion in Q3 2020. The decrease of DKK 0.4 billion was mainly due to lower earnings from our operating wind assets as a result of lower wind speeds throughout our portfolio. This was partly offset by good performance at our CHP plants and our gas business.

Earnings from wind and solar assets in operation were DKK 1.0 billion lower than in the same period last year and amounted to DKK 2.4 billion. Ramp-up of generation from Plum Creek, Willow Creek, Western Trail, Muscle Shoals, and Permian Energy Center combined with the addition of the last 400 MW of Hornsea 1 receiving CfDs in April and a positive effect from ceasing to report according to the business performance principle in 2021 contributed positively to our site earnings. However, this was more than offset by significantly lower wind speeds across especially our offshore portfolio (approx. DKK 0.8 billion compared to Q3 2020), higher TNUoS tariffs following the divestment of the offshore transmission asset at Hornsea 1 in Q1 2021, and lower earnings from Horns Rev 2 due to the subsidy period ending in October 2020.

EBITDA from our CHP plants increased by DKK 0.4 billion and amounted to DKK 0.5 billion. The increase was mainly due to higher power prices and spreads, which also led to higher generation.

EBITDA from Gas Markets & Infrastructure increased by DKK 0.6 billion and amounted to DKK 0.8 billion. The increase was mainly due to the renegotiation of gas purchase contracts together with strong underlying performance in a very volatile and bullish gas market where we were able to optimise purchase from our long-term gas contracts.

## Financial income and expenses

Net financial income and expenses amounted to DKK -0.4 billion in Q3 2021 compared to DKK -0.3 billion in Q3 2020. The higher net expenses were mainly due to Q3 2020 being positively impacted by interest regarding tax and by capital adjustments on the bond portfolio which were a loss in Q3 2021 versus a gain in Q3 2020. This was partly offset by a positive effect from exchange rate adjustments.

## Tax and tax rate

Tax on profit for the period amounted to DKK 0.2 billion in Q3 2021 compared to DKK 0.1 billion in Q3 2020. The effective tax rate in Q3 2021 was 27 %.

## Profit for the period

Profit for the period totalled DKK 0.5 billion, DKK 11.5 billion lower than in Q3 2020. The decrease was mainly due to the DKK 11.1 billion gain from the divestment of our distribution, residential customer, and city light businesses in August 2020.

## Financial results, DKKm

|  | Q3 2021 | Q3 2020 | %      |
|--|---------|---------|--------|
| Revenue                                  | 14,510  | 10,041  | 45 %   |
| EBITDA                                   | 2,984   | 3,360   | (11 %) |
| Depreciation and amortisation            | (1,939) | (2,095) | (7 %)  |
| Operating profit (loss) (EBIT)           | 1,045   | 1,265   | (17 %) |
| Gain (loss) on divestment of enterprises | (22)    | 11,139  | n.a.   |
| Financial items, net                     | (351)   | (282)   | 24 %   |
| Profit before tax                        | 671     | 12,124  | (94 %) |
| Tax on profit (loss) for the period      | (184)   | (108)   | 70 %   |
| Tax rate                                 | 27%     | 1%      | 26 %p  |
| Profit (loss) for the period             | 487     | 12,034  | (96 %) |



Plum Creek, Wayne County, Nebraska, US.

### Cash flows from operating activities

Cash flows from operating activities totalled DKK 0.2 billion in Q3 2021 compared to DKK 1.9 billion in Q3 2020. The decrease of DKK 1.7 billion was mainly driven by a lower EBITDA, margin payments on hedges, and a higher spend to fill the gas storages due to the extreme increase in gas prices in Q3 2021. This was partly offset by higher tax equity contributions in Q3 2021 related to our onshore wind farm Western Trail and our solar PV farm Muscle Shoals in the US. Furthermore, the cash flows were positively impacted by lower net receivables due to the lower volumes generated.

### Investments and divestments

Gross investments amounted to DKK 8.8 billion against DKK 9.3 billion in Q3 2020. The main investments in Q3 2021 were:

- offshore wind farms (DKK 6.0 billion), including Greater Changhua 1 & 2a in Taiwan, Hornsea 2 in the UK, Ocean Wind 1, and the north-east cluster (Sunrise Wind,

Revolution Wind and South Fork) in the US.

- onshore wind and solar PV farms (DKK 2.6 billion), including the construction of Permian Energy Center, Old 300 Solar, Muscle Shoals, Haystack, and Kennox-head 1.

### Cash flow and net debt, DKKm

|  | Q3 2021       | Q3 2020      | %            |
|--|---------------|--------------|--------------|
| Cash flows from operating activities             | 246           | 1,941        | (87 %)       |
| EBITDA   | 2,984         | 3,360        | (11 %)       |
| Change in derivatives                            | 486           | 222          | 119 %        |
| Change in provisions                             | (915)         | (119)        | 669 %        |
| Reversal of gain (loss) on divestments of assets | 52            | 32           | 63 %         |
| Other items                                      | (7)           | (4)          | 75 %         |
| Interest expense, net                            | 39            | (430)        | n.a.         |
| Paid tax   | (168)         | (4)          | 4100 %       |
| Change in work in progress                       | (610)         | (84)         | 626 %        |
| Change in tax equity partner liabilities         | 2,041         | 376          | 443 %        |
| Change in other working capital                  | (3,656)       | (1,408)      | 160 %        |
| Gross investments                                | (8,757)       | (9,263)      | (5 %)        |
| Divestments                                      | 7             | 20,506       | (100 %)      |
| Free cash flow                                   | (8,504)       | 13,184       | n.a.         |
| Net debt, beginning of period                    | 12,067        | 22,272       | (46 %)       |
| Free cash flow from continuing operations        | 8,504         | (13,184)     | n.a.         |
| Free cash flow from discontinued operations      | -             | (970)        | n.a.         |
| Dividends and hybrid coupon paid                 | 115           | 110          | 5 %          |
| Addition of lease obligations                    | 164           | 92           | 78 %         |
| Interest bearing receivables re. O&G divestment  | -             | 335          | n.a.         |
| Exchange rate adjustments, etc.                  | 361           | (439)        | n.a.         |
| <b>Net debt, end of period</b>                   | <b>21,211</b> | <b>8,216</b> | <b>158 %</b> |



Installation of 1,000th offshore wind turbine at Hornsea 2, UK

# Results 9M

## Financial results

### Revenue

Power generation from wind and solar assets increased by 4 % and totalled 14.9 TWh in 9M 2021. Ramp-up of generation from Borssele 1 & 2, Sage Draw, Plum Creek, Willow Creek, Western Trail, Muscle Shoals, and Permian Energy Center was partly offset by significantly lower wind speeds across our portfolio.

Thermal power generation increased by 52 % and amounted to 4.8 TWh, driven by favourable market conditions for power generation as well as an increased demand for ancillary services. Heat generation amounted to 5.4 TWh, up 22 % compared to the same period last year, mainly due to colder weather.

Our renewable share of generation was 89 % in 9M 2021 in line with the same period last year, as the lower wind share was offset by a larger part of the thermal generation being

biomass-fuelled.

Revenue amounted to DKK 47.0 billion. The 27 % increase relative to 9M 2020 was primarily due to the significantly higher gas and power prices across all markets and the divestment of the offshore transmission asset at Hornsea 1 in 2021. This was partly offset by low wind speeds in 9M 2021 and the 2020 divestments of the LNG and Danish distribution, residential customer, and city light businesses (RBC).

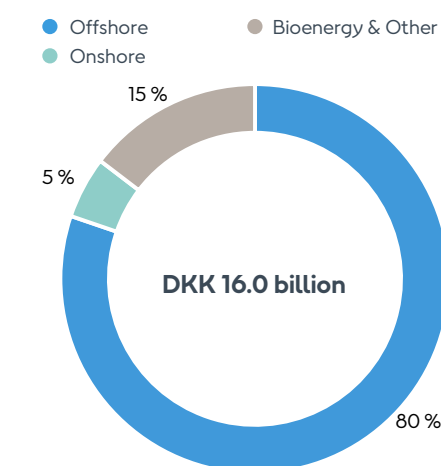
### EBITDA

Operating profit (EBITDA) totalled DKK 16.0 billion, of which the gain from the 50 % farm-down of Borssele 1 & 2 amounted to DKK 5.3 billion. Thus, EBITDA excluding new partnerships amounted to DKK 10.7 billion, a decrease of DKK 2.4 billion compared to the same period last year.

Earnings from wind and solar assets in opera-

tion amounted to DKK 10.3 billion, a decrease of DKK 1.3 billion compared to the same period last year. Ramp-up of generation from Borssele 1 & 2, Sage Draw, Plum Creek, Willow Creek, Western Trail, Muscle Shoals, and Permian Energy Center combined with the addition of CfDs for the last 400 MW of capacity from Hornsea 1 and a positive effect from ceasing to report according to the business performance principle in 2021 (approx. DKK 0.7 billion) contributed positively to our site earnings. However, this was more than offset by significantly lower wind speeds across our offshore portfolio (approx. DKK 2.5 billion compared to the same period last year), higher TNUoS tariffs following the divestment of the offshore transmission asset at Walney Exten-

### EBITDA



### Financial results, DKKm

|  | 9M 2021 | 9M 2020 | %      |
|--|---------|---------|--------|
| Revenue                                  | 47,007  | 37,042  | 27 %   |
| EBITDA                                   | 16,043  | 13,121  | 22 %   |
| - New partnerships                       | 5,296   | -       | n.a.   |
| - EBITDA excl. new partnerships          | 10,747  | 13,121  | (18 %) |
| Depreciation and amortisation            | (5,828) | (5,676) | 3 %    |
| Operating profit (loss) (EBIT)           | 10,215  | 7,445   | 37 %   |
| Gain (loss) on divestment of enterprises | (58)    | 11,122  | n.a.   |
| Financial items, net                     | (1,236) | (2,068) | (40 %) |
| Profit before tax                        | 8,916   | 16,507  | (46 %) |
| Tax on profit (loss) for the period      | (1,287) | (1,954) | (34 %) |
| Tax rate                                 | 14%     | 12%     | 2 %p   |
| Profit (loss) for the period             | 7,629   | 14,527  | (47 %) |

### Ceasing the use of business performance

With the implementation of IFRS 9 in 2018, it has become significantly easier to apply IFRS hedge accounting to our commodity hedges. We have concluded that IFRS 9 can replace our business performance principle, and therefore, we are reporting based on IFRS only from 1 January 2021.

At the end of 2020, the value of our business performance hedges deferred to a future period amounted to DKK -2.7 billion, of which DKK -1.1 billion relates to 2021. This net loss has already been recognised in the income statement under IFRS in previous years, as we have not previously applied hedge accounting for these. Consequently, for the period 2021-2025, EBITDA (according to IFRS) will be higher with a similar amount compared to what the business performance EBITDA would have been in the same period if we had continued to report based on this principle. For 9M 2021, EBITDA according to IFRS was DKK 0.8 billion higher than if we had kept reporting according to the business performance principle. The main part of the amount was related to site EBITDA in Offshore and the remaining part was related to our CHP plants and gas activities in Bioenergy & Other.

Throughout the management's review, we will use business performance as comparable numbers for 2020 for a better like-for-like comparison, while our consolidated financial statements will be reported after IFRS only. Read more in note 2 'Business Performance'.

In addition, see more info in the annual report for 2020 in the financial outlook section on page 16, and in notes 1.4 and 1.6 on pages 88 and 90, respectively.

sion in mid-2020 and Hornsea 1 in Q1 2021, lower earnings from Horns Rev 2 due to the subsidiary period ending in October 2020, and lower ROC recycle prices.

EBITDA from partnerships amounted to DKK 5.1 billion and was primarily related to the 50 % farm-down of Borssele 1 & 2, whereas earnings from existing partnerships amounted to DKK -0.2 billion, a decrease of DKK 2.0 billion compared to the same period last year which saw high earnings related to the Hornsea 1 transmission asset. The 9M 2021 results were negatively impacted by a DKK 0.8 billion warranty provision towards our partners related to cable protection system issues at some of our offshore wind farms.

The divested RBC businesses contributed DKK 0.9 billion to EBITDA in 9M 2020.

EBITDA from our CHP plants amounted to DKK 1.5 billion, an increase of DKK 0.7 billion compared to the same period last year. The increase was mainly due to higher realised power prices together with higher sales of ancillary services and higher heat and power generation.

EBITDA from our gas business also contributed with high earnings of DKK 1.1 billion in 9M 2021, an increase of DKK 1.0 billion compared to the same period last year. The positive effect was driven by the renegotiation of gas purchase contracts and strong underlying performance, especially in Q3 2021, in a very volatile and bullish gas market. 2020 was impacted by a provision for bad debt in our B2B business to cover the COVID-19-related default risk among our customers.

### EBIT

EBIT increased by DKK 2.8 billion to DKK 10.2 billion in 9M 2021, primarily as a result of the higher EBITDA, only partly offset by higher depreciation driven by more wind farms in operation.

### Financial income and expenses

Net financial income and expenses amounted to DKK -1.2 billion compared to DKK -2.1 billion in 9M 2020. The lower net expenses were mainly due to loss on interest rate swaps in connection with the termination of local project financing and related swaps in the US last year and a positive effect from exchange rate adjustments, partly offset by capital losses on the bond portfolio and higher return on tax equity due to more onshore farms in operation.

### Tax and tax rate

Tax on profit for the period amounted to DKK 1.3 billion, DKK 0.7 billion lower than in the same period last year. The effective tax rate was 14 %, and it was significantly impacted by the tax-exempt gain of DKK 5.3 billion from the 50 % farm-down of Borssele 1 & 2. Tax for 9M 2021 was further reduced by a DKK 0.9 billion change in uncertain tax positions (UTP) due to updated management assessments and the increase of the UK tax rate from 19 % to 25 % from 2023. This was partly offset by the recognition of deferred tax liabilities related to initial tax equity contributions from Permian Energy Center, Muscle Shoals, Western Trail, and our US offshore portfolio.

### Profit for the period

Profit for the period totalled DKK 7.6 billion, DKK 6.9 billion lower than in 9M 2020. The decrease was primarily due to the DKK 11.1 billion gain from the divestment of our distribution, residential customer, and city light businesses in 2020, partly offset by the gain from the 50 % farm-down of Borssele 1 & 2 and from lower net financial expenses and tax expenses.

### Taxonomy-eligible KPIs

The taxonomy-eligible share of revenue was above 65 %, whereas the shares of our EBITDA and gross investments was above 90 % and 99 % respectively, in 9M 2021. The non-eligible part of our revenue primarily concerned our long-term legacy activities related to sourcing and sale of gas (20 % of revenue in 9M 2021), Danish CHP plants, where approx. a quarter of the CHP plants' generation is based on fossil fuels, and sale of power to end-users (activity currently not covered by the taxonomy). We expect the share of taxonomy-eligible revenue to increase in the coming years.

Read more about the new reporting framework, EU Taxonomy, in the first half year 2021 report on page 5 and in note 1.5 in the ESG performance report for the first nine months 2021.

## Cash flows and net debt

### Cash flows from operating activities

Cash flows from operating activities totalled DKK 11.5 billion in 9M 2021 compared to DKK 9.7 billion in 9M 2020. The increase of DKK 1.8 billion was mainly driven by a cash inflow from work in progress in 9M 2021 versus a cash outflow in 9M 2020. Furthermore, the cash flows were positively impacted by lower net receivables due to the lower volumes generated. This was partly offset by a lower cash flow from tax equity contributions than in 9M 2020, a higher spend to fill the gas storages, higher initial margin payments for conducting business at clearing houses due to the increasing power and gas prices, and higher net margin payments on unrealised hedges.

The net margin payments (part of 'Change in derivatives') amounted to DKK -1.4 billion in 9M 2021, but had opposite effects in Offshore (DKK 5.8 billion outflow related to power hedges) and Bioenergy & Other (DKK 4.4 billion inflow, primarily related to gas hedges in our end-customer business activities). In contrast, 'Change in derivatives' was positively impacted by changes in the market value of our gas storage hedges.

In 9M 2021, we had a net cash inflow from work in progress of DKK 3.1 billion, mainly from the divestment of the Hornsea 1 offshore transmission asset (DKK 5.0 billion), partly offset by construction work on the offshore transmission asset at Hornsea 2. In 9M 2020, we had a net cash outflow of DKK 2.1 billion, mainly from supplier payments related to the construction of Hornsea 1 for partners and the offshore transmission assets at Hornsea 2, partly offset by the divestment of the offshore transmission asset at Walney Extension.

### Investments and divestments

Gross investments amounted to DKK 27.6 billion against DKK 18.3 billion in 9M 2020. The main investments in 9M 2021 were:

- offshore wind farms (DKK 16.4 billion), including Greater Changhua 1 & 2a in Taiwan, Hornsea 2 in the UK and our portfolio of US projects as well as payments related to Baltica 2 & 3 in Poland through the 50/50 joint venture with PGE.
- onshore wind and solar PV farms (DKK 10.9 billion), including the acquisition of Brookfield Renewable Ireland, and the construction of Permian Energy Center, Old 300, Muscle Shoals, Western Trail, Helena Energy Center, Haystack, and Kennoxhead 1.

Divestments amounted to DKK 10.6 billion in 9M 2021 and were mainly related to the 50 % farm-down of Borssele 1 & 2 with proceeds (NIBD impact) of DKK 9.3 billion. Furthermore, we received proceeds from the divestment of a 25 % ownership interest in Ocean Wind 1 to New Jersey's Public Service Enterprise Group (PSEG) and final settlement with Global Infrastructure Partners (GIP) regarding Hornsea 1.

### Interest-bearing net debt

Interest-bearing net debt totalled DKK 21.2 billion at the end of September 2021 against DKK 12.3 billion at the end of 2020. The increase was mainly due to dividend and hybrid coupon payments of DKK 5.3 billion, a negative free cash flow of DKK 5.5 billion and exchange rate adjustments.

| Cash flow and net debt, DKKm                     | 9M 2021       | 9M 2020      | %            |
|--|---------------|--------------|--------------|
| Cash flows from operating activities             | 11,480        | 9,710        | 18 %         |
| EBITDA   | 16,043        | 13,121       | 22 %         |
| Change in derivatives                            | 11            | (292)        | n.a.         |
| Change in provisions                             | (270)         | (484)        | (44 %)       |
| Reversal of gain (loss) on divestments of assets | (5,626)       | (1,256)      | 348 %        |
| Other items                                      | (53)          | (11)         | 382 %        |
| Interest expense, net                            | (597)         | (1,593)      | (63 %)       |
| Paid tax   | (1,354)       | (1,357)      | (0 %)        |
| Change in work in progress                       | 3,144         | (2,099)      | n.a.         |
| Change in tax equity partner liabilities         | 2,660         | 3,268        | (19 %)       |
| Change in other working capital                  | (2,478)       | 413          | n.a.         |
| Gross investments                                | (27,555)      | (18,328)     | 50 %         |
| Divestments                                      | 10,567        | 20,558       | (49 %)       |
| Free cash flow                                   | (5,508)       | 11,940       | n.a.         |
| Net debt, beginning of period                    | 12,343        | 17,230       | (28 %)       |
| Free cash flow from continuing operations        | 5,508         | (11,940)     | n.a.         |
| Free cash flow from discontinued operations      | -             | (926)        | n.a.         |
| Dividends and hybrid coupon paid                 | 5,369         | 5,031        | 7 %          |
| Addition of lease obligations                    | 587           | 239          | 146 %        |
| Issuance of hybrid capital, net                  | (4,356)       | -            | n.a.         |
| Interest bearing receivables re. O&G divestment  | -             | 342          | n.a.         |
| Exchange rate adjustments, etc.                  | 1,760         | (1,760)      | n.a.         |
| <b>Net debt, end of period</b>                   | <b>21,211</b> | <b>8,216</b> | <b>158 %</b> |

### Equity

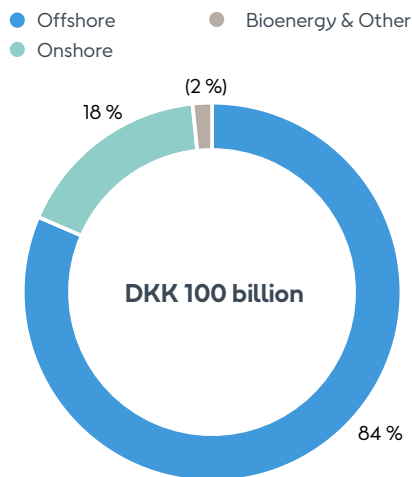
Equity was DKK 79.2 billion at the end of September 2021 against DKK 97.3 billion at the end of 2020. The reduction was driven by unrealised losses on the hedge reserve for power hedges and, to some extent, gas hedges due to the significantly increasing prices, especially during Q3 2021. At the end of September 2021, the post-tax hedging and currency translation reserves amounted to a loss of DKK 26 billion.

### Capital employed

Capital employed was DKK 100.4 billion at the end of September 2021 against DKK 109.7 billion at the end of 2020, as the before-mentioned unrealised losses on power and gas hedges more than outweighed new investments.

The value of our derivatives at the end of September 2021 amounted to DKK -35.5 billion against DKK -0.2 billion at the end of 2020. During Q3 2021 the value decreased by DKK -24.1 billion.

### Capital employed



### Financial ratios

#### Return on capital employed (ROCE)

Return on capital employed (ROCE, last 12 months) was 12.9 % at the end of 9M 2021. The increase of 3.5 percentage points compared to the same period last year was attributable to the higher EBIT over the 12-month period.

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

The funds from operations (FFO)/adjusted net debt credit metric was 42 % at the end of September 2021 against 80 % in the same period last year.

### Non-financial results

#### Green share of heat and power generation

The green share of energy generation amounted to 89 % in 9M 2021, in line with the same period last year, but with a lower net contribution from our operating offshore (-10 %-points) and onshore (+4 %-points) assets, and a higher share of biomass-fuelled heat and power generation (+7 %-points).

Power generation from our operating offshore and onshore assets only increased by 4 % as generation from new capacity was offset by lower wind speeds. In contrast, thermal-based heat and power generation increased by 35 % driven by higher heat demand (due to colder weather), higher prices, and spreads, which also led to higher condensing power generation.

#### Greenhouse gas emissions

Despite of the unchanged green share of generation, the greenhouse gas intensity from our heat and power generation and other operating activities (scope 1 and 2) decreased to 64 g CO<sub>2</sub> e/kWh in 9M 2021 against 69 g CO<sub>2</sub> e/kWh in 9M 2020. This was due to biomass being used as fuel for a larger part of the condensing power generation.

Greenhouse gas emissions from our supply chain and sales activities (scope 3) decreased by 26 % to 14.3 million tonnes in 9M 2021, driven by 32 % lower gas sales following the di-

### Key ratios, DKKm, %

|                                    | 9M 2021 | 9M 2020 | %       |
|------------------------------------|---------|---------|---------|
| ROCE <sup>1</sup>                  | 12.9    | 9.4     | 4 %p    |
| Adjusted net debt                  | 31,180  | 16,123  | 93 %    |
| FFO/adjusted net debt <sup>2</sup> | 42.3    | 79.9    | (38 %p) |

<sup>1</sup> See page 89 in the annual report for 2020 for definition.

<sup>2</sup> Restated number for 9M 2020. See note 13 for adjusted definition.

vestment of the LNG activities in 2020. This was partly offset by higher emissions related to new onshore assets being commissioned.

### Safety

In 9M 2021, we had 54 total recordable injuries (TRIs), of which 32 injuries were related to contractors' employees. This was a decrease of 8 injuries compared to the same period last year or a 13 % reduction. The number of hours worked was 17.7 million hours, an increase of 9 % compared to 9M 2020. During 9M 2021, the total recordable injury rate (TRIR) decreased from 3.8 in 9M 2020 to 3.0 in 9M 2021.

# Offshore

## Highlights

- Signed agreement with Glennmont Partners to farm down 50 % of the 900 MW German offshore wind project Borkum Riffgrund 3.
- Received notice of intent (NoI) for Sunrise Wind in New York.
- Completed installation of all foundations and array cables at our 1.3 GW offshore wind farm Hornsea 2.
- Signed memorandum of understanding with T&T Group to launch a strategic collaboration in Vietnam.
- Green Fuels for Denmark was named an Important Project of Common European Interest (IPCEI) in the EU programme by the Danish authorities.
- Signed letter of intent with ZE PAK to participate in the upcoming seabed lease auction in Poland.

## Financial results Q3 2021

Power generation decreased by 28 % relative to Q3 2020, primarily due to significantly lower wind speeds, the divestment of 50 % of Borssele 1 & 2 in May 2021, and a slightly lower availability. The lower availability was mainly due to WTC outages at Hornsea 1, partly offset by higher availability in Denmark and Germany.

Wind speeds amounted to a portfolio average of 7.6 m/s, which was lower than in Q3 2020 (8.6 m/s) and the normal wind speeds expected in the third quarter (8.3 m/s).

Revenue increased by 43 % to DKK 9.2 billion.

Revenue from offshore wind farms in operation decreased by 18 % to DKK 3.4 billion, mainly driven by the lower power generation, whereas revenue from power sales more than tripled to DKK 5.7 billion, due to the higher power prices despite lower volumes sold.

There was no significant revenue from construction agreements in Q3 2021. In Q3 2020, revenue was primarily related to the construction of Coastal Virginia, and the completion of Hornsea 1.

EBITDA decreased by DKK 1.3 billion and amounted to DKK 1.3 billion.

EBITDA from Sites, O&M, and PPAs amounted to DKK 1.8 billion in Q3 2021. The 40 % decrease was due to the earlier-mentioned lower power generation following a third quarter with very low wind compared to Q3 last year (approx. DKK 0.8 billion and approx. DKK 0.6 billion vs. a normal wind year). Furthermore, higher TNUoS tariffs following the divestment of the offshore transmission asset at Hornsea 1 in Q1 2021 and lower earnings from Horns Rev 2 due to the subsidy period ending in October 2020 contributed to the lower earnings. Power portfolio earnings decreased due to higher balancing costs and lower volumes. This was only partly offset by the addition of the last 400 MW of Hornsea 1 receiving CfDs in April together with a positive effect from ceasing to report according to the business performance principle in 2021.

We had no significant EBITDA from partnerships in Q3 2021.

## Financial results

### Business drivers

|  |         | Q3 2021 | Q3 2020 | %      | 9M 2021 | 9M 2020 | %      |
|--|---------|---------|---------|--------|---------|---------|--------|
| Decided (FID'ed) and installed capacity <sup>1</sup> | GW      | 9.8     | 9.9     | (1 %)  | 9.8     | 9.9     | (1 %)  |
| Installed capacity                                   | GW      | 7.6     | 6.8     | 11 %   | 7.6     | 6.8     | 11 %   |
| Generation capacity                                  | GW      | 4.0     | 4.1     | (3 %)  | 4.0     | 4.1     | (3 %)  |
| Wind speed <sup>2</sup>                              | m/s     | 7.6     | 8.6     | (11 %) | 8.7     | 9.8     | (11 %) |
| Load factor  | %       | 27      | 35      | (8 %p) | 35      | 42      | (7 %p) |
| Availability   | %       | 93      | 94      | (1 %p) | 94      | 94      | 0 %p   |
| Power generation                                     | TWh     | 2.3     | 3.2     | (28 %) | 9.4     | 10.3    | (9 %)  |
| Denmark  |         | 0.4     | 0.5     | (18 %) | 1.3     | 1.6     | (16 %) |
| United Kingdom                                       |         | 1.3     | 1.9     | (35 %) | 5.1     | 6.7     | (23 %) |
| Germany  |         | 0.5     | 0.5     | (3 %)  | 1.4     | 1.6     | (18 %) |
| The Netherlands                                      |         | 0.2     | 0.2     | (20 %) | 1.5     | 0.3     | 336 %  |
| Other  |         | 0.0     | 0.1     | (22 %) | 0.1     | 0.1     | (50 %) |
| Power sales  | TWh     | 4.8     | 6.3     | (24 %) | 16.2    | 20.6    | (21 %) |
| Power price, LEBA UK                                 | GBP/MWh | 164.1   | 38.1    | 330 %  | 109.6   | 34.2    | 221 %  |
| British pound  | DKK/GBP | 8.7     | 8.2     | 6 %    | 8.6     | 8.4     | 2 %    |

### Financial performance

|  |      |          |         |        |          |          |        |
|--|------|----------|---------|--------|----------|----------|--------|
| Revenue                                      | DKKm | 9,156    | 6,395   | 43 %   | 31,381   | 23,734   | 32 %   |
| Sites, O&M and PPAs                          |      | 3,415    | 4,186   | (18 %) | 12,444   | 13,536   | (8 %)  |
| Power sales                                  |      | 5,658    | 1,780   | 218 %  | 13,517   | 6,652    | 103 %  |
| Construction agreements                      |      | 4        | 200     | (98 %) | 5,139    | 3,249    | 58 %   |
| Other  |      | 79       | 229     | (66 %) | 281      | 297      | (5 %)  |
| EBITDA                                       | DKKm | 1,304    | 2,629   | (50 %) | 12,777   | 10,622   | 20 %   |
| Sites, O&M, and PPAs                         |      | 1,822    | 3,012   | (40 %) | 9,076    | 10,526   | (14 %) |
| Construction agreements and divestment gains |      | (9)      | 247     | n.a.   | 5,066    | 1,742    | 191 %  |
| Other, incl. project development             |      | (509)    | (630)   | (19 %) | (1,365)  | (1,646)  | (17 %) |
| Depreciation                                 | DKKm | (1,425)  | (1,710) | (17 %) | (4,474)  | (4,570)  | (2 %)  |
| EBIT   | DKKm | (121)    | 919     | n.a.   | 8,303    | 6,052    | 37 %   |
| Cash flow from operating activities          | DKKm | (5,644)  | 89      | n.a.   | 863      | 2,874    | (70 %) |
| Gross investments                            | DKKm | (6,041)  | (6,633) | (9 %)  | (16,401) | (13,727) | 19 %   |
| Divestments                                  | DKKm | 16       | (24)    | n.a.   | 10,685   | (1,65)   | n.a.   |
| Free cash flow                               | DKKm | (11,669) | (6,568) | 78 %   | (4,853)  | (11,018) | (56 %) |
| Capital employed                             | DKKm | 83,648   | 90,835  | (8 %)  | 83,648   | 90,835   | (8 %)  |



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

<sup>1</sup> In Q2 2021, we aligned our definition of installed capacity, hence all assets (installed or FID'ed) are reported using nameplate capacity. Previously a few wind farms were reported using 'power optimised capacity' or 'export cable limit capacity'

<sup>2</sup> 2020 numbers have been restated. See note 2.5 in our ESG Performance Report.

EBITDA from other activities, including project development, amounted to DKK -0.5 billion and was slightly lower than in the same period last year.

Cash flows from operating activities consisted of a cash outflow of DKK 5.6 billion in Q3 2021, which was DKK 5.7 billion lower than in Q3 2020. The decrease was driven by the significantly higher power prices leading to large margin payments on unrealised financial instruments. Furthermore, the lower EBITDA contributed to the negative year-on-year development in cash flows together with funds tied up in work in progress from the construction of the offshore transmission asset at Hornsea 2. These negative effects were only partly offset by lower receivables due to lower volumes generated.

Gross investments amounted to DKK 6.0 billion and mainly related to Hornsea 2, Greater Changhua 1 & 2a, Ocean Wind 1, and the north-east cluster (Sunrise Wind, Revolution Wind and South Fork) in the US.

### Financial results 9M 2021

Power generation decreased by 1.0 TWh relative to 9M 2020, as the significantly lower wind speeds, the divestment of 50 % of Borssele 1 & 2 in May, and the curtailments were only partly offset by the ramp-up of generation from Borssele 1 & 2.

Wind speeds amounted to a portfolio average of 8.7 m/s, which was both below a normal wind year (9.3 m/s) and last year (9.8 m/s), with low wind throughout the year. Availability ended at 94 %, which was in line with 9M 2020.

Revenue increased by 32 % to DKK 31.4 billion.

Revenue from construction agreements increased by DKK 1.9 billion due to the divest-

ment of the offshore transmission asset at Hornsea 1 in March 2021. In 9M 2020, revenue was primarily related to the divestment of the offshore transmission asset at Walney Extension, the construction of Coastal Virginia, and the completion of Hornsea 1.

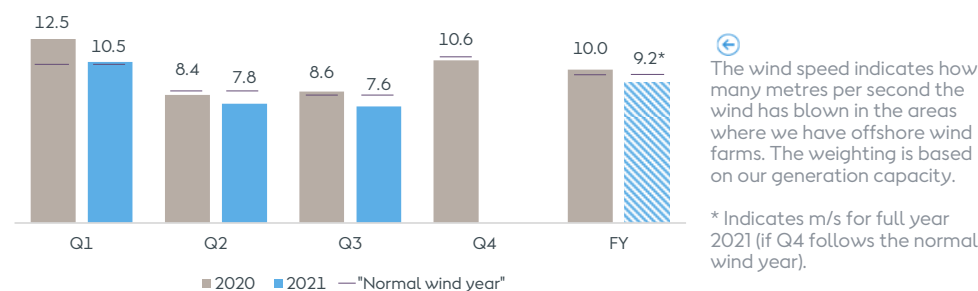
Revenue from offshore wind farms in operation amounted to DKK 12.4 billion, a DKK 1.1 billion decrease compared to the same period last year due to the earlier-mentioned lower power generation. Revenue from power sales increased by DKK 6.9 billion due to significantly higher power prices despite lower volumes sold.

EBITDA increased by 20 % relative to 9M 2020 and amounted to DKK 12.8 billion.

The increase was driven by EBITDA from partnerships, which amounted to DKK 5.1 billion and primarily related to the 50 % farm-down of Borssele 1 & 2, resulting in a gain from new partnerships of DKK 5.3 billion. This was partly offset by a DKK 0.8 billion warranty provision towards our partners related to cable protection system issues at some of our offshore wind farms in Q1 2021.

EBITDA from Sites, O&M, and PPAs amounted to DKK 9.1 billion in 9M 2021. The DKK 1.5 billion decrease was due to the earlier-mentioned impact on generation from lower wind speeds (approx. DKK 2.5 billion compared to last year and approx. DKK 1.7 billion compared to a normal wind year). Furthermore, higher TNUoS tariffs following the divestment of the offshore transmission assets at Walney Extension in mid-2020 and Hornsea 1 in Q1 2021, lower ROC recycle prices, and lower earnings from Horns Rev 2 due to the subsidy period ending in October 2020 contributed to the lower earnings. This was only partly offset by ramp-up of generation

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



2020 numbers have been restated. See note 2.5 in our ESG Performance Report.

from Borssele 1 & 2 and the addition of CfDs for the last 400 MW of generation from Hornsea 1 together with a positive effect from ceasing to report according to the business performance principle in 2021 (DKK 0.7 billion).

EBITDA from other activities, including project development, amounted to DKK -1.4 billion, DKK 0.3 billion lower than in the same period last year, and was mainly related to project development costs.

Cash flows from operating activities amounted to DKK 0.9 billion, which was DKK 2.0 billion lower than in 9M 2020. The decrease was driven by the significantly higher power prices leading to large margin payments on unrealised financial instruments (DKK 5.8 billion in 9M 2021). Furthermore, the lower EBITDA (excluding the gain from the 50 % farm-down of Borssele 1 & 2 where proceeds are included in the divestment cash flow) contributed to the negative development in cash flows. These negative effects were only partly offset by lower receivables due to lower volumes generated and less funds tied up in work in progress.

In 9M 2021, we had a net cash inflow from work in progress of DKK 3.1 billion, mainly from the divestment of the Hornsea 1 offshore transmission assets, only partly offset by construction work regarding the offshore transmission assets at Hornsea 2. In 9M 2020, we had a net cash outflow of DKK 2.1 billion, mainly from supplier payments related to the construction of Hornsea 1 for partners and the offshore transmission assets at Hornsea 2, partly offset by the divestment of the offshore transmission asset at Walney Extension.

Gross investments amounted to DKK 16.4 billion and were mainly related to Greater Changhua 1 & 2a, Hornsea 2, our US portfolio, and Baltica 2 & 3.

Divestments amounted to DKK 10.7 billion in 9M 2021 and were mainly related to the 50 % farm-down of Borssele 1 & 2 with proceeds (NIBD impact) of DKK 9.3 billion. Furthermore, we had proceeds from the divestment of a 25 % ownership interest in Ocean Wind 1 to New Jersey's Public Service Enterprise Group (PSEG) and final settlement with Global Infrastructure Partners (GIP) regarding Hornsea 1.



# Onshore

## Highlights

- Commissioned Muscle Shoals solar PV farm in Alabama in September.
- Signed an MoU with Williams in the US to co-develop hydrogen.

## Financial results Q3 2021

Power generation from our operating onshore assets increased by 61 % relative to Q3 2020. The increase was due to ramp up of generation from the onshore wind farms Willow Creek, Plum Creek and Western Trail and the solar PV farms Permian Energy Center and Muscle Shoals. In Q3 2021, the wind speed across the portfolio was 6.2 m/s, which was lower than both last year (6.7 m/s) and for a normal wind year (6.8 m/s).

Revenue was up DKK 0.1 billion relative to Q3 2020 and amounted to DKK 0.4 billion. The increase was mainly due to increased power generation as a result of the newly commissioned wind and solar PV farms mentioned above. This was partly offset by negative effects from lower wind speeds and ceasing to report according to the business performance principle in 2021.

EBITDA for Q3 2021 amounted to DKK 0.4 billion, DKK 0.1 billion higher than in the same period last year. The increase was caused by the higher generation, partly offset by higher fixed costs due to the expansion of the business, M&A costs in connection with the acquisition of Brookfield Renewable Ireland (BRI) and

higher project development costs.

Cash flows from operating activities increased by DKK 1.8 billion compared to the same period last year. The increase was mainly due to large tax equity contributions in Q3 2021 from Western Trail and Muscle Shoals, only partly offset by a tax equity contribution from Willow Creek in Q3 2020.

Gross investments amounted to DKK 2.6 billion in Q3 2021 and were related to the construction of Old 300, Haystack, Muscle Shoals, Helena Energy Center and Kennoxhead 1.

## Financial results 9M 2021

In 9M 2021, power generation from our operating onshore assets increased by 41 % compared to 9M 2020, amounting to 5.5 TWh. The increase was driven by the commissioning of our wind farms Sage Draw, Plum Creek, and Willow Creek in 2020, Western Trail in 2021, and the solar PV farms Permian Energy Center and Muscle Shoals in 2021. Wind speeds across the US portfolio amounted to 7.1 m/s, which was both lower than in the same period last year (7.4 m/s) and for a normal wind year (7.6 m/s). Availability for our wind assets ended at 96 %, in line with the same period last year. Availability for our solar assets was 95 %, adversely impacted by substation outages and testing at Permian Energy Center.

Revenue was up DKK 0.1 billion relative to 9M 2020 and amounted to DKK 0.6 billion. The

## Financial results

|   |         | Q3 2021 | Q3 2020 | %      | 9M 2021  | 9M 2020 | %      |
|---|---------|---------|---------|--------|----------|---------|--------|
| <b>Business drivers</b>                   |         |         |         |        |          |         |        |
| Decided (FID'ed) and installed capacity   | GW      | 4.6     | 2.7     | 69 %   | 4.6      | 2.7     | 69 %   |
| Installed capacity                        | GW      | 3.0     | 1.7     | 83 %   | 3.0      | 1.7     | 83 %   |
| Wind speed <sup>1)</sup>                  | m/s     | 6.4     | 6.7     | (5 %)  | 7.1      | 7.4     | (4 %)  |
| Load factor, wind <sup>1)</sup>           | %       | 33      | 36      | (3 %p) | 41       | 43      | (2 %p) |
| Load factor, solar PV                     | %       | 27      | -       | n.a.   | 28       | -       | n.a.   |
| Availability, wind <sup>1)</sup>          | %       | 98      | 97      | 1 %p   | 96       | 96      | 0 %p   |
| Availability, solar PV                    | %       | 98      | -       | n.a.   | 95       | -       | n.a.   |
| Power generation                          | TWh     | 1.9     | 1.2     | 61 %   | 5.5      | 3.9     | 41 %   |
| US, wind                                  |         | 1.4     | 1.2     | 16 %   | 4.7      | 3.9     | 19 %   |
| US, solar PV                              |         | 0.3     | -       | n.a.   | 0.7      | -       | n.a.   |
| Europe                                    |         | 0.1     | -       | n.a.   | 0.1      | -       | n.a.   |
| US dollar                                 | DKK/USD | 6.3     | 6.4     | (1 %)  | 6.2      | 6.6     | (6 %)  |
| <b>Financial performance</b>              |         |         |         |        |          |         |        |
| Revenue                                   | DKKm    | 406     | 263     | 54 %   | 633      | 560     | 13 %   |
| EBITDA                                    | DKKm    | 413     | 308     | 34 %   | 819      | 807     | 1 %    |
| Sites                                     |         | 285     | 176     | 62 %   | 324      | 352     | (8 %)  |
| Production tax credits and tax attributes |         | 307     | 213     | 44 %   | 902      | 690     | 31 %   |
| Other, incl. project development          |         | (179)   | (81)    | 121 %  | (407)    | (235)   | 73 %   |
| Depreciation                              | DKKm    | (261)   | (133)   | 96 %   | (590)    | (340)   | 74 %   |
| EBIT                                      | DKKm    | 152     | 175     | (13 %) | 229      | 467     | (51 %) |
| Cash flow from operating activities       | DKKm    | 2,465   | 625     | 294 %  | 2,876    | 3,787   | (24 %) |
| Gross investments                         | DKKm    | (2,639) | (2,462) | 7 %    | (10,919) | (3,943) | 177 %  |
| Divestments                               | DKKm    | -       | -       | n.a.   | -        | 114     | n.a.   |
| Free cash flow                            | DKKm    | (174)   | (1,837) | (91 %) | (8,043)  | (42)    | n.a.   |
| Capital employed                          | DKKm    | 17,301  | 9,711   | 78 %   | 17,301   | 9,711   | 78 %   |

<sup>1)</sup> US only.

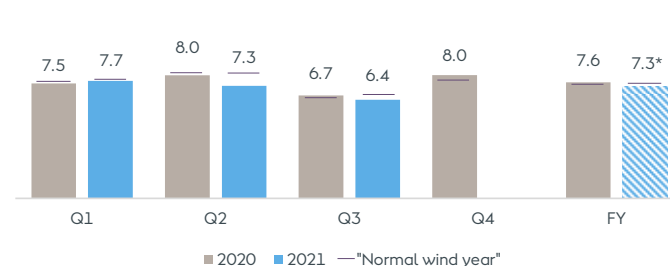
increase was due to the higher power generation. This was partly offset by lower prices for the part of the portfolio not covered by PPAs, the winter storm period in Q1 2021, lower wind speeds, and a negative effect from ceasing to report according to the business performance principle in 2021.

EBITDA for 9M 2021 was in line with the same period last year and amounted to DKK 0.8 billion. The increased power generation was offset by higher fixed costs due to the expansion of the business, M&A cost in connection with the acquisition of BRI, and higher project development costs. Additionally, 9M 2020 was positively impacted by a gain from the divestment of Oak Solar.

Cash flows from operating activities decreased by DKK 0.9 billion compared to the same period last year. The decrease was mainly due to large tax equity contributions from Sage Draw and Plum Creek in 9M 2020 as well as more funds tied up in net working capital, only partly offset by tax equity contributions from Permian Energy Center, Western Trail, and Muscle Shoals in 9M 2021.

Gross investments amounted to DKK 10.9 billion in 9M 2021 and were related to the acquisition of Brookfield Renewable Ireland (DKK 4.6 billion) as well as the construction of Permian Energy Center, Old 300, Muscle Shoals, Western Trail, Helena Energy Center, Haystack, and Kennoxhead 1.

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



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

\* Indicates m/s for full year 2021 (if Q4 follows the normal wind year).

Willow Creek, Butte County, South Dakota, US.



# Bioenergy & Other

## Financial results Q3 2021

Power generation was 74 % higher than in Q3 2020, primarily driven by higher prices and higher biomass-fuelled spreads. Heat generation increased by 25 % in Q3 2021, mainly due to a breakdown of a non-Ørsted district heating facility, leading to Ørsted providing more heat to the Greater Copenhagen area.

Revenue increased by 54 % compared to Q3 2020 and amounted to DKK 6.6 billion. The increase was driven by six times higher average gas prices and almost three times higher average power prices, which led to higher revenue in our gas and power sales businesses. Furthermore, we had higher revenue from our CHP plants due to the higher power generation and higher Danish power prices. This was partly offset by the divestment of our RBC businesses in August 2020 and the divestment of our LNG activities in December 2020.

EBITDA amounted to DKK 1.2 billion compared to DKK 0.4 billion in Q3 2020.

EBITDA from CHP plants was DKK 0.4 billion higher than in the same period last year, totaling DKK 0.5 billion in Q3 2021. The increase was mainly due to higher power prices and generation in Denmark as mentioned above combined with higher earnings from the sales of ancillary services.

EBITDA from Gas Markets & Infrastructure increased by DKK 0.6 billion relative to the same

period last year, amounting to DKK 0.8 billion in Q3 2021. The positive effect was driven by the renegotiation of gas purchase contracts in Q3 2021 together with strong underlying performance in a very volatile and bullish gas market where we were able to optimise purchase from our long-term gas contracts.

EBITDA from our distribution, residential customer, and city light businesses amounted to DKK 0.1 billion in Q3 2020. This was not repeated due to the divestment in August 2020.

Cash flows from operating activities amounted to DKK 2.9 billion in Q3 2021. The increase of DKK 2.0 billion was driven by the significantly higher gas prices leading to receipt of large margin payments on unrealised financial instruments. The higher EBITDA also contributed positively to the development. This was partly offset by a significantly higher spend to fill our gas at storage due to the increasing gas prices during Q3 2021.

## Financial results 9M 2021

Power generation was 52 % higher than in 9M 2020, driven by higher prices, higher biomass-fuelled spreads, and an increased demand for ancillary services. Heat generation increased by 22 % in 9M 2021, mainly due to colder weather in January and April.

Revenue increased by 22 % compared to 9M 2020 and amounted to DKK 19.1 billion. The increase was driven by a significant increase in gas and power prices. Furthermore, we saw

|                                     |         | Q3 2021 | Q3 2020 | %      | 9M 2021 | 9M 2020 | %      |
|-------------------------------------|---------|---------|---------|--------|---------|---------|--------|
| <b>Financial results</b>            |         |         |         |        |         |         |        |
| <b>Business drivers</b>             |         |         |         |        |         |         |        |
| Degree days                         | Number  | 81      | 106     | (24 %) | 1,893   | 1,607   | 18 %   |
| Heat generation                     | TWh     | 0.4     | 0.3     | 25 %   | 5.4     | 4.4     | 22 %   |
| Power generation                    | TWh     | 1.0     | 0.6     | 74 %   | 4.8     | 3.1     | 52 %   |
| Gas sales                           | TWh     | 13.6    | 23.2    | (41 %) | 47.6    | 69.9    | (32 %) |
| Power sales                         | TWh     | 2.2     | 2.4     | (10 %) | 6.7     | 9.0     | (27 %) |
| Gas price, TTF                      | EUR/MWh | 47.4    | 7.7     | 517 %  | 30.2    | 7.6     | 299 %  |
| Power price, DK                     | EUR/MWh | 96.3    | 34.0    | 183 %  | 68.1    | 25.2    | 170 %  |
| Green dark spread, DK               | EUR/MWh | 4.6     | (0.4)   | n.a.   | (2.7)   | (9.3)   | (71 %) |
| Green spark spread, DK              | EUR/MWh | (19.3)  | 8.6     | n.a.   | (10.2)  | 0.7     | n.a.   |
| <b>Financial performance</b>        |         |         |         |        |         |         |        |
| Revenue                             | DKKm    | 6,551   | 4,261   | 54 %   | 19,138  | 15,665  | 22 %   |
| EBITDA                              | DKKm    | 1,206   | 375     | 222 %  | 2,331   | 1,493   | 56 %   |
| CHP plants                          |         | 460     | 93      | 395 %  | 1,487   | 765     | 94 %   |
| Gas Markets & Infrastructure        |         | 808     | 201     | 302 %  | 1,059   | 22      | 4714 % |
| Distribution, B2C, and city light   |         | -       | 145     | n.a.   | -       | 926     | n.a.   |
| Other, incl. project development    |         | (62)    | (64)    | (3 %)  | (215)   | (220)   | (2 %)  |
| Depreciation                        | DKKm    | (194)   | (198)   | (3 %)  | (588)   | (598)   | (2 %)  |
| EBIT                                | DKKm    | 1,012   | 177     | 472 %  | 1,743   | 895     | 95 %   |
| Cash flow from operating activities | DKKm    | 2,881   | 882     | 227 %  | 7,174   | 3,256   | 120 %  |
| Gross investments                   | DKKm    | (72)    | (152)   | (53 %) | (161)   | (575)   | (72 %) |
| Divestments                         | DKKm    | (48)    | 20,529  | n.a.   | (251)   | 20,609  | n.a.   |
| Free cash flow                      | DKKm    | 2,761   | 21,259  | (87 %) | 6,762   | 23,290  | (71 %) |
| Capital employed                    | DKKm    | (1,700) | 3,351   | n.a.   | (1,700) | 3,351   | n.a.   |

higher revenue from our CHP plants due to higher power prices in Denmark. This was partly offset by the divestment of our RBC businesses in August 2020, the LNG activities in December 2020, and part of our B2B business on 1 March 2021.

EBITDA amounted to DKK 2.3 billion, DKK 0.8 billion above 9M 2020.

EBITDA from CHP plants was 94 % higher than in the same period last year, totalling DKK 1.5 billion in 9M 2021. The increase was mainly due to higher power prices and generation combined with higher earnings from ancillary services and a positive effect from ceasing to report according to the business performance principle in 2021.

EBITDA from Gas Markets & Infrastructure amounted to DKK 1.1 billion in 9M 2021, a DKK 1.0 billion increase relative to the same period last year. The positive effect was driven by the renegotiation of gas purchase contracts and strong underlying performance especially in Q3 2021 in a very volatile and bullish gas market. In 2020, we were negatively affected by a provision for bad debt in our B2B business to cover the COVID-19-related default risk among our customers.

EBITDA from our distribution, residential customer, and city light businesses amounted to DKK 0.9 billion in 9M 2020. This has not been repeated due to the divestment in 2020.

Cash flows from operating activities amounted to DKK 7.2 billion in 9M 2021. The increase of DKK 3.9 billion was driven by the signifi-

cantly higher gas prices leading to receipt of large margin payments on unrealised financial instruments (DKK 4.4 billion in 9M 2021). The higher EBITDA also contributed positively to the development. This was partly offset by a significantly higher spend to fill our gas at storage and a higher initial margin payments for clearing houses due to the increasing gas and power prices.

Gross investments amounted to DKK 0.2 billion in 9M 2021 and mainly related to reinvestments at our CHP plants.



Asnæs bioplant,  
Kalundborg, Denmark.



# Performance highlights

| Financials, DKKm                                     | 9M 2021  | 9M 2020  | Q3 2021 | Q3 2020 | 2020     |
|--|----------|----------|---------|---------|----------|
| <b>Income statement (BP<sup>1</sup> comparables)</b> |          |          |         |         |          |
| Revenue  | 47,007   | 37,042   | 14,510  | 10,041  | 52,601   |
| EBITDA   | 16,043   | 13,121   | 2,984   | 3,360   | 18,124   |
| Offshore   | 12,777   | 10,622   | 1,304   | 2,629   | 14,750   |
| Sites, O&M and PPAs                                  | 9,076    | 10,526   | 1,822   | 3,012   | 15,476   |
| Construction agreements and divestment gains         | 5,066    | 1,742    | (9)     | 247     | 1,593    |
| Other, incl. project development                     | (1,365)  | (1,646)  | (509)   | (630)   | (2,319)  |
| Onshore  | 819      | 807      | 413     | 308     | 1,131    |
| Bioenergy & Other                                    | 2,331    | 1,493    | 1,206   | 375     | 2,136    |
| Other activities                                     | 116      | 199      | 61      | 48      | 107      |
| Operating profit (loss) (EBIT)                       | 10,215   | 7,445    | 1,045   | 1,265   | 10,536   |
| Profit (loss) for the period                         | 7,629    | 14,527   | 487     | 12,034  | 16,716   |
| <b>Income statement (IFRS comparables)</b>           |          |          |         |         |          |
| Revenue  | 47,007   | 36,956   | 14,510  | 8,762   | 50,151   |
| EBITDA   | 16,043   | 13,496   | 2,984   | 2,455   | 16,598   |
| Depreciation and amortisation                        | (5,828)  | (5,676)  | (1,939) | (2,095) | (7,588)  |
| Operating profit (loss) (EBIT)                       | 10,215   | 7,820    | 1,045   | 360     | 9,010    |
| Gain (loss) on divestment of enterprises             | (58)     | 11,122   | (22)    | 11,139  | 10,831   |
| Net financial income and expenses                    | (1,236)  | (2,068)  | (351)   | (282)   | (2,524)  |
| Profit (loss) before tax                             | 8,916    | 16,882   | 671     | 11,219  | 17,324   |
| Tax  | (1,287)  | (2,034)  | (184)   | 92      | (1,776)  |
| Profit (loss) for the period                         | 7,629    | 14,822   | 487     | 11,329  | 15,537   |
| <b>Balance</b>                                       |          |          |         |         |          |
| Assets   | 261,892  | 194,567  | 261,892 | 194,567 | 196,719  |
| Equity   | 79,150   | 96,472   | 79,150  | 96,472  | 97,329   |
| Shareholders in Ørsted A/S                           | 58,129   | 80,450   | 58,129  | 80,450  | 81,376   |
| Non-controlling interests                            | 3,037    | 2,790    | 3,037   | 2,790   | 2,721    |
| Hybrid capital                                       | 17,984   | 13,232   | 17,984  | 13,232  | 13,232   |
| Interest-bearing net debt                            | 21,211   | 8,216    | 21,211  | 8,216   | 12,343   |
| Capital employed                                     | 100,361  | 104,688  | 100,361 | 104,688 | 109,672  |
| Additions to property, plant, and equipment          | 26,900   | 20,321   | 11,477  | 5,477   | 28,442   |
| <b>Cash flow</b>                                     |          |          |         |         |          |
| Cash flow from operating activities                  | 11,480   | 9,710    | 246     | 1,941   | 16,466   |
| Gross investments                                    | (27,555) | (18,328) | (8,757) | (9,263) | (26,967) |
| Divestments  | 10,567   | 20,558   | 7       | 20,506  | 19,039   |
| Free cash flow                                       | (5,508)  | 11,940   | (8,504) | 13,184  | 8,538    |
| <b>Financial ratios</b>                              |          |          |         |         |          |
| Return on capital employed (ROCE) <sup>2</sup> , %   | 12.9     | 9.4      | 12.9    | 9.4     | 9.7      |
| FFO/adjusted net debt <sup>3</sup> , %               | 42.3     | 79.9     | 42.3    | 79.9    | 65.0     |
| Number of outstanding shares, end of period, '000    | 420,175  | 420,066  | 420,175 | 420,066 | 420,068  |
| Share price, end of period, DKK                      | 849      | 875      | 849     | 875     | 1,244    |
| Market capitalisation, end of period, DKK billion    | 357      | 368      | 357     | 368     | 522      |
| Earnings per share (EPS) (BP <sup>1</sup> ), DKK     | 16.8     | 33.8     | 1.1     | 28.6    | 38.8     |
| Dividend yield, %                                    | -        | -        | -       | -       | 0.9      |

| Business drivers  | 9M 2021 | 9M 2020 | Q3 2021 | Q3 2020 | 2020  |
|---|---------|---------|---------|---------|-------|
| <b>Offshore</b>   |         |         |         |         |       |
| Decided (FID'ed) and installed capacity <sup>4</sup> , GW | 9.8     | 9.9     | 9.8     | 9.9     | 9.9   |
| Installed capacity, GW                                    | 7.6     | 6.8     | 7.6     | 6.8     | 7.6   |
| Generation capacity, GW                                   | 4.0     | 4.1     | 4.0     | 4.1     | 4.4   |
| Wind speed <sup>5</sup> , m/s                             | 8.7     | 9.8     | 7.6     | 8.6     | 10.0  |
| Load factor, %  | 35      | 42      | 27      | 35      | 45    |
| Availability, %   | 94      | 94      | 93      | 94      | 94    |
| Power generation, TWh                                     | 9.4     | 10.3    | 2.3     | 3.2     | 15.2  |
| Power sales, TWh  | 16.2    | 20.6    | 4.8     | 6.3     | 29.2  |
| <b>Onshore</b>  |         |         |         |         |       |
| Decided (FID'ed) and installed capacity, GW               | 4.6     | 2.7     | 4.6     | 2.7     | 3.4   |
| Installed capacity, GW                                    | 3.0     | 1.7     | 3.0     | 1.7     | 1.7   |
| Wind speed <sup>6</sup> , m/s                             | 7.1     | 7.4     | 6.4     | 6.7     | 7.6   |
| Load factor, wind <sup>6</sup> , %                        | 41      | 43      | 33      | 36      | 45    |
| Load factor, solar PV, %                                  | 28      | -       | 27      | -       | -     |
| Availability, wind <sup>6</sup> , %                       | 96      | 96      | 98      | 97      | 96    |
| Availability, solar PV, %                                 | 95      | -       | 98      | -       | -     |
| Power generation, TWh                                     | 5.5     | 3.9     | 1.9     | 1.2     | 5.7   |
| <b>Bioenergy &amp; Other</b>                              |         |         |         |         |       |
| Degree days, number                                       | 1,893   | 1,607   | 81      | 106     | 2,432 |
| Heat generation, TWh                                      | 5.4     | 4.4     | 0.4     | 0.3     | 6.7   |
| Power generation, TWh                                     | 4.8     | 3.1     | 1.0     | 0.6     | 4.4   |
| Power sales, TWh  | 6.7     | 9.0     | 2.2     | 2.4     | 11.6  |
| Gas sales, TWh  | 47.6    | 69.9    | 13.6    | 23.2    | 90.3  |
| <b>People and environment</b>                             |         |         |         |         |       |
| Employees (FTE), end of period number                     | 6,672   | 6,120   | 6,672   | 6,120   | 6,179 |
| Total recordable injury rate (TRIR) <sup>7</sup>          | 3.0     | 3.8     | 3.0     | 3.8     | 3.6   |
| Fatalities, number  | 0       | 0       | 0       | 0       | 0     |
| Green share of energy generation, %                       | 89      | 89      | 89      | 90      | 90    |
| GHG intensity, g CO <sub>2</sub> e/kWh (scope 1 & 2)      | 64      | 69      | 91      | 83      | 58    |
| GHG emissions, Mtonnes (scope 3)                          | 14.3    | 19.4    | 4.4     | 6.3     | 25.3  |

<sup>1</sup> Business performance.

<sup>2</sup> EBIT (last 12 months)/average capital employed.

<sup>3</sup> FFO last 12 months. Net debt including 50% of hybrid capital and cash and securities not available for use (with the exception of repo transactions). Numbers for 2020 and 2021 have been restated. See note 13 for adjusted definition.

<sup>4</sup> Nameplate capacity from Q2 2021.

<sup>5</sup> 2020 numbers restated. See note 2.5 in our ESG Performance Report.

<sup>6</sup> US only.

<sup>7</sup> YTD.



## Income statement

The income statement (BP<sup>1</sup> comparables) shows business performance numbers for 2020 to form a better like-for-like comparison, in line with the comparison numbers used throughout the management's review.

# Quarterly overview

| Financials, DKKm                                     | Q3<br>2021 | Q2<br>2021 | Q1<br>2021 | Q4<br>2020 | Q3<br>2020 | Q2<br>2020 | Q1<br>2020 | Q4<br>2019 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Income statement (BP<sup>1</sup> comparables)</b> |            |            |            |            |            |            |            |            |
| Revenue  | 14,510     | 13,553     | 18,944     | 15,559     | 10,041     | 11,625     | 15,376     | 18,679     |
| EBITDA   | 2,984      | 8,196      | 4,863      | 5,003      | 3,360      | 2,956      | 6,805      | 4,613      |
| Offshore   | 1,304      | 7,527      | 3,946      | 4,128      | 2,629      | 2,361      | 5,632      | 4,048      |
| Sites, O&M and PPAs                                  | 1,822      | 2,368      | 4,886      | 4,950      | 3,012      | 2,578      | 4,936      | 4,626      |
| Construction agreements and divestment gains         | (9)        | 5,648      | (573)      | (149)      | 247        | 396        | 1,099      | 51         |
| Other incl. project development                      | (509)      | (489)      | (367)      | (673)      | (630)      | (613)      | (403)      | (629)      |
| Onshore  | 413        | 178        | 228        | 324        | 308        | 312        | 187        | 165        |
| Bioenergy & Other                                    | 1,206      | 503        | 622        | 643        | 375        | 185        | 933        | 490        |
| Other activities                                     | 61         | (12)       | 67         | (92)       | 48         | 98         | 53         | (90)       |
| Operating profit (loss) (EBIT)                       | 1,045      | 6,237      | 2,933      | 3,091      | 1,265      | 1,129      | 5,051      | 2,169      |
| Profit (loss) for the period                         | 487        | 5,544      | 1,598      | 2,189      | 12,034     | (825)      | 3,318      | 896        |
| <b>Income statement (IFRS comparables)</b>           |            |            |            |            |            |            |            |            |
| Revenue  | 14,510     | 13,553     | 18,944     | 13,195     | 8,762      | 9,962      | 18,232     | 19,815     |
| EBITDA   | 2,984      | 8,196      | 4,863      | 3,102      | 2,455      | 1,592      | 9,449      | 5,260      |
| Depreciation and amortisation                        | (1,939)    | (1,959)    | (1,930)    | (1,912)    | (2,095)    | (1,827)    | (1,754)    | (1,876)    |
| Impairment losses                                    | -          | -          | -          | -          | -          | -          | -          | (568)      |
| Operating profit (loss) (EBIT)                       | 1,045      | 6,237      | 2,933      | 1,190      | 360        | (235)      | 7,695      | 2,816      |
| Gain (loss) on divestment of enterprises             | (22)       | (72)       | 36         | (291)      | 11,139     | (3)        | (14)       | (13)       |
| Net financial income and expenses                    | (351)      | (466)      | (419)      | (456)      | (282)      | (1,010)    | (776)      | (644)      |
| Profit (loss) before tax                             | 671        | 5,698      | 2,547      | 442        | 11,219     | (1,245)    | 6,908      | 2,162      |
| Tax  | (184)      | (154)      | (949)      | 258        | 92         | (625)      | (1,501)    | (733)      |
| Profit (loss) for the period                         | 487        | 5,544      | 1,598      | 715        | 11,329     | (1,866)    | 5,379      | 1,400      |
| <b>Balance sheet</b>                                 |            |            |            |            |            |            |            |            |
| Assets   | 261,892    | 223,791    | 210,972    | 196,719    | 194,567    | 193,124    | 193,636    | 192,860    |
| Equity   | 79,150     | 96,910     | 96,541     | 97,329     | 96,472     | 85,930     | 89,015     | 89,562     |
| Shareholders in Ørsted A/S                           | 58,129     | 75,842     | 75,835     | 81,376     | 80,450     | 69,789     | 72,728     | 73,082     |
| Non-controlling interests                            | 3,037      | 3,084      | 2,722      | 2,721      | 2,790      | 2,909      | 3,055      | 3,248      |
| Hybrid capital                                       | 17,984     | 17,984     | 17,984     | 13,232     | 13,232     | 13,232     | 13,232     | 13,232     |
| Interest-bearing net debt                            | 21,211     | 12,067     | 13,190     | 12,343     | 8,216      | 22,272     | 27,084     | 17,230     |
| Capital employed                                     | 100,361    | 108,977    | 109,731    | 109,672    | 104,688    | 108,203    | 116,098    | 106,792    |
| Additions to property, plant, equipment              | 11,477     | 8,954      | 6,469      | 8,121      | 5,477      | 10,011     | 4,833      | 6,560      |
| <b>Cash flow</b>                                     |            |            |            |            |            |            |            |            |
| Cash flow from operating activities                  | 246        | 3,147      | 8,087      | 6,756      | 1,941      | 8,197      | (428)      | 4,816      |
| Gross investments                                    | (8,757)    | (12,133)   | (6,665)    | (8,639)    | (9,263)    | (3,757)    | (5,308)    | (8,816)    |
| Divestments  | 7          | 10,591     | (31)       | (1,519)    | 20,506     | 45         | 7          | 402        |
| Free cash flow                                       | (8,504)    | 1,605      | 1,391      | (3,402)    | 13,184     | 4,485      | (5,729)    | (3,598)    |
| <b>Financial ratios</b>                              |            |            |            |            |            |            |            |            |
| Return on capital employed (ROCE) <sup>2</sup> , %   | 12.9       | 12.5       | 7.5        | 9.7        | 9.4        | 10.8       | 11.0       | 10.6       |
| FFO/adjusted net debt <sup>3</sup> , %               | 42.3       | 62.9       | 59.4       | 65.0       | 35.6       | 43.4       | 37.8       | 31.0       |
| Number of outstanding shares, end of period, '000    | 420,175    | 420,175    | 420,068    | 420,068    | 420,066    | 419,985    | 419,985    | 419,985    |
| Share price, end of period, DKK                      | 849        | 880        | 1,025      | 1,244      | 875        | 765        | 666        | 689        |
| Market capitalisation, end of period, DKK billion    | 357        | 370        | 430        | 522        | 368        | 321        | 280        | 290        |
| Earnings per share (EPS) (BP <sup>1</sup> ), DKK     | 1.1        | 12.9       | 2.8        | 5.0        | 28.6       | (2.7)      | 7.9        | 1.1        |

| Business drivers  | Q3<br>2021 | Q2<br>2021 | Q1<br>2021 | Q4<br>2020 | Q3<br>2020 | Q2<br>2020 | Q1<br>2020 | Q4<br>2019 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Offshore</b>   |            |            |            |            |            |            |            |            |
| Decided (FID'ed) and installed capacity <sup>4</sup> , GW | 9.8        | 9.8        | 9.9        | 9.9        | 9.9        | 9.9        | 9.9        | 9.9        |
| Installed capacity, GW                                    | 7.6        | 7.6        | 7.6        | 7.6        | 6.8        | 6.8        | 6.8        | 6.8        |
| Generation capacity, GW                                   | 4.0        | 4.0        | 4.4        | 4.4        | 4.1        | 3.8        | 3.6        | 3.6        |
| Wind speed <sup>5</sup> , m/s                             | 7.6        | 7.8        | 10.5       | 10.6       | 8.6        | 8.4        | 12.5       | 10.0       |
| Load factor, %  | 27         | 29         | 50         | 53         | 35         | 32         | 60         | 50         |
| Availability, %   | 93         | 93         | 95         | 94         | 94         | 95         | 93         | 93         |
| Power generation, TWh                                     | 2.3        | 2.5        | 4.5        | 4.8        | 3.2        | 2.6        | 4.6        | 3.9        |
| Power sales, TWh  | 4.8        | 4.5        | 6.9        | 8.6        | 6.3        | 5.5        | 8.8        | 7.7        |
| <b>Onshore</b>  |            |            |            |            |            |            |            |            |
| Decided (FID'ed) and installed capacity, GW               | 4.6        | 4.6        | 3.9        | 3.4        | 2.7        | 2.1        | 2.1        | 2.1        |
| Installed capacity, GW                                    | 3.0        | 2.5        | 1.7        | 1.7        | 1.7        | 1.6        | 1.3        | 1.0        |
| Wind speed <sup>5</sup> , m/s                             | 6.4        | 7.3        | 7.7        | 8.0        | 6.7        | 8.0        | 7.5        | 7.3        |
| Load factor, wind <sup>6</sup> , %                        | 33         | 45         | 45         | 50         | 36         | 49         | 44         | 46         |
| Load factor, solar PV, %                                  | 27         | 29         | -          | -          | -          | -          | -          | -          |
| Availability, wind <sup>6</sup> , %                       | 98         | 97         | 93         | 95         | 97         | 96         | 95         | 98         |
| Availability, solar PV, %                                 | 98         | 90         | -          | -          | -          | -          | -          | -          |
| Power generation, TWh                                     | 1.9        | 2.0        | 1.6        | 1.8        | 1.2        | 1.6        | 1.1        | 1.0        |
| <b>Bioenergy &amp; Other</b>                              |            |            |            |            |            |            |            |            |
| Degree days, number                                       | 81         | 487        | 1,325      | 825        | 106        | 436        | 1,065      | 882        |
| Heat generation, TWh                                      | 0.4        | 1.1        | 3.9        | 2.3        | 0.3        | 1.0        | 3.1        | 3.0        |
| Power generation, TWh                                     | 1.0        | 1.5        | 2.3        | 1.3        | 0.6        | 0.9        | 1.6        | 1.6        |
| Power sales, TWh  | 2.2        | 2.2        | 2.3        | 2.6        | 2.4        | 3.0        | 3.6        | 4.1        |
| Gas sales, TWh  | 13.6       | 15.1       | 18.9       | 20.3       | 23.2       | 20.1       | 26.7       | 36.7       |
| <b>People and environment</b>                             |            |            |            |            |            |            |            |            |
| Employees (FTE) end of period, number                     | 6,672      | 6,472      | 6,311      | 6,179      | 6,120      | 6,731      | 6,608      | 6,526      |
| Total recordable injury rate (TRIR) <sup>7</sup>          | 3.0        | 3.1        | 3.0        | 3.6        | 3.8        | 3.7        | 3.6        | 4.9        |
| Fatalities, number  | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| Green share of energy generation, %                       | 89         | 93         | 87         | 93         | 90         | 86         | 90         | 90         |
| GHG intensity, g CO <sub>2</sub> e/kWh (scopes 1 & 2)     | 91         | 51         | 59         | 34         | 83         | 84         | 53         | 44         |
| GHG emissions, Mtonnes (scope 3)                          | 4.4        | 4.6        | 5.3        | 5.9        | 6.3        | 5.5        | 7.6        | 10.7       |

<sup>1</sup> Business performance.

<sup>2</sup> EBIT (last 12 months)/average capital employed.

<sup>3</sup> FFO last 12 months. Net debt including 50% of hybrid capital and cash and securities not available for use (with the exception of repo transactions). Numbers for 2020 and 2021 have been restated. See note 13 for adjusted definition.

<sup>4</sup> Nameplate capacity from Q2 2021.

<sup>5</sup> 2020 numbers restated. See note 2.5 in our ESG Performance Report.

<sup>6</sup> US only.

<sup>7</sup> YTD.



## Income statement

The income statement (BP<sup>1</sup> comparables) shows business performance numbers for 2020 to form a better like-for-like comparison, in line with the comparison numbers used throughout the management's review.

# Consolidated financial statements

First nine months 2021

1 January – 30 September

# Consolidated statements of income

1 January – 30 September

| Note | Income statement, DKKm   | 9M 2021       | 9M 2020       |
|------|--|---------------|---------------|
| 4    | Revenue  | 47,007        | 36,956        |
|      | Cost of sales  | (31,099)      | (18,300)      |
|      | Other external expenses  | (3,699)       | (4,239)       |
|      | Employee costs   | (3,125)       | (3,163)       |
|      | Share of profit (loss) in associates and joint ventures  | 55            | 30            |
| 5    | Other operating income   | 7,143         | 2,427         |
| 5    | Other operating expenses   | (239)         | (215)         |
|      | <b>Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA)</b>           | <b>16,043</b> | <b>13,496</b> |
|      | Amortisation, depreciation, and impairment losses on intangible assets, and property, plant, and equipment | (5,828)       | (5,676)       |
|      | <b>Operating profit (loss) (EBIT)</b>  | <b>10,215</b> | <b>7,820</b>  |
|      | Gain (loss) on divestment of enterprises   | (58)          | 11,122        |
|      | Share of profit (loss) in associates and joint ventures  | (5)           | 8             |
| 6    | Financial income   | 3,003         | 2,074         |
| 6    | Financial expenses   | (4,239)       | (4,142)       |
|      | <b>Profit (loss) before tax</b>  | <b>8,916</b>  | <b>16,882</b> |
| 10   | Tax on profit (loss) for the period  | (1,287)       | (2,034)       |
|      | <b>Profit (loss) for the period from continuing operations</b>   | <b>7,629</b>  | <b>14,848</b> |
|      | <b>Profit (loss) for the period from discontinued operations</b>   | <b>-</b>      | <b>(26)</b>   |
|      | <b>Profit (loss) for the period</b>  | <b>7,629</b>  | <b>14,822</b> |
|      | <b>Profit (loss) for the period is attributable to:</b>  |               |               |
|      | Shareholders in Ørsted A/S   | 7,074         | 14,509        |
|      | Interests and costs, hybrid capital owners of Ørsted A/S   | 575           | 326           |
|      | Non-controlling interests  | (20)          | (13)          |
|      | <b>Profit (loss) per share<sup>1</sup>, DKK:</b>   |               |               |
|      | From continuing operations   | 16.8          | 34.6          |
|      | From discontinued operations   | -             | (0.1)         |
|      | <b>Total profit (loss) per share</b>   | <b>16.8</b>   | <b>34.5</b>   |

<sup>1</sup> 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.



Discontinued operations related to our Oil & Gas business which was sold to INEOS in 2017. We ended the reporting on discontinued operations as of

31 December 2020. Provisions regarding tax indemnifications and payments related to the Fredericia stabilisation plant (DKK 705 million) were transferred to continuing operations at 31 December 2020.

1 January – 30 September

| Statement of comprehensive income, DKKm                                      | 9M 2021         | 9M 2020        |
|--|-----------------|----------------|
| <b>Profit (loss) for the period</b>  | <b>7,629</b>    | <b>14,822</b>  |
| <b>Other comprehensive income:</b>   |                 |                |
| <b>Cash flow hedging:</b>  |                 |                |
| Value adjustments for the period   | (36,733)        | (1,526)        |
| Value adjustments transferred to income statement                            | 2,977           | 521            |
| Value adjustments transferred to balance sheet                               | (86)            | -              |
| <b>Exchange rate adjustments:</b>  |                 |                |
| Exchange rate adjustments relating to net investments in foreign enterprises | 3,846           | (4,863)        |
| Value adjustment of net investment hedges                                    | (2,244)         | 2,337          |
| <b>Tax:</b>  |                 |                |
| Tax on hedging instruments   | 6,782           | 174            |
| Tax on exchange rate adjustments   | (19)            | 522            |
| <b>Other:</b>  |                 |                |
| Share of other comprehensive income of associated companies, after tax       | 6               | 2              |
| <b>Other comprehensive income</b>  | <b>(25,471)</b> | <b>(2,833)</b> |
| <b>Total comprehensive income</b>  | <b>(17,842)</b> | <b>11,989</b>  |
| <b>Comprehensive income for the period is attributable to:</b>               |                 |                |
| Shareholders in Ørsted A/S   | (18,517)        | 11,819         |
| Interest payments and costs, hybrid capital owners of Ørsted A/S             | 575             | 326            |
| Non-controlling interests  | 100             | (156)          |
| <b>Total comprehensive income</b>  | <b>(17,842)</b> | <b>11,989</b>  |



Value adjustments for the period in 9M 2021 are mainly due to losses on power hedges as a consequence of the increase in power prices, and to a lesser extent, losses on currency and inflation hedges.

columns are no longer included in our financial reporting.

Compared with the business performance principle, the 9M 2021 IFRS EBITDA was positively impacted by DKK 812 million from hedge values that would have been recognised as a loss under business performance. However, as this loss has already been recognised in prior periods under IFRS, 9M 2021 was not impacted.

## Accounting policies

### Cease the use of business performance as of 1 January 2021

From 1 January 2021, we only report IFRS numbers. Thus, the business performance and adjustment

See note 2 'Business performance' for more information.



# Consolidated statements of income

1 July – 30 September

| Note | Income statement, DKKm   | Q3 2021      | Q3 2020       |
|------|--|--------------|---------------|
| 4    | Revenue  | 14,510       | 8,762         |
|      | Cost of sales  | (9,345)      | (3,764)       |
|      | Other external expenses  | (1,593)      | (1,772)       |
|      | Employee costs   | (910)        | (1,048)       |
|      | Share of profit (loss) in associates and joint ventures  | (4)          | 19            |
| 5    | Other operating income   | 413          | 326           |
| 5    | Other operating expenses   | (87)         | (68)          |
|      | <b>Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA)</b>           | <b>2,984</b> | <b>2,455</b>  |
|      | Amortisation, depreciation, and impairment losses on intangible assets, and property, plant, and equipment | (1,939)      | (2,095)       |
|      | <b>Operating profit (loss) (EBIT)</b>  | <b>1,045</b> | <b>360</b>    |
|      | Gain (loss) on divestment of enterprises   | (22)         | 11,139        |
|      | Share of profit (loss) in associates and joint ventures  | (1)          | 2             |
| 6    | Financial income   | 1,033        | 717           |
| 6    | Financial expenses   | (1,384)      | (999)         |
|      | <b>Profit (loss) before tax</b>  | <b>671</b>   | <b>11,219</b> |
| 10   | Tax on profit (loss) for the period  | (184)        | 92            |
|      | <b>Profit (loss) for the period from continuing operations</b>   | <b>487</b>   | <b>11,311</b> |
|      | <b>Profit (loss) for the period from discontinued operations</b>   | <b>-</b>     | <b>18</b>     |
|      | <b>Profit (loss) for the period</b>  | <b>487</b>   | <b>11,329</b> |
|      | <b>Profit (loss) for the period is attributable to:</b>  |              |               |
|      | Shareholders in Ørsted A/S   | 490          | 11,331        |
|      | Interests and costs, hybrid capital owners of Ørsted A/S   | -            | -             |
|      | Non-controlling interests  | (3)          | (2)           |
|      | <b>Profit (loss) per share, DKK:</b>   |              |               |
|      | From continuing operations   | 1.1          | 26.9          |
|      | From discontinued operations   | -            | 0.0           |
|      | <b>Total profit (loss) per share</b>   | <b>1.1</b>   | <b>26.9</b>   |

1 July – 30 September

| Statement of comprehensive income, DKKm                                     | Q3 2021         | Q3 2020       |
|---|-----------------|---------------|
| <b>Profit (loss) for the period</b>   | <b>487</b>      | <b>11,329</b> |
| <b>Other comprehensive income:</b>  |                 |               |
| <b>Cash flow hedging:</b>   |                 |               |
| Value adjustments for the period  | (23,974)        | (445)         |
| Value adjustments transferred to income statement                           | 594             | 7             |
| Value adjustments transferred to balance sheet                              | (38)            | -             |
| <b>Exchange rate adjustments:</b>   |                 |               |
| Exchange rate adjustments relating to net investment in foreign enterprises | 489             | (603)         |
| Value adjustment of net investment hedges                                   | (267)           | 226           |
| <b>Tax:</b>   |                 |               |
| Tax on hedging instruments  | 4,936           | 77            |
| Tax on exchange rate adjustments  | 65              | 46            |
| <b>Other:</b>   |                 |               |
| Share of other comprehensive income of associated companies, after tax      | (3)             | 9             |
| <b>Other comprehensive income</b>   | <b>(18,198)</b> | <b>(683)</b>  |
| <b>Total comprehensive income</b>   | <b>(17,711)</b> | <b>10,646</b> |
| <b>Comprehensive income for the period is attributable to:</b>              |                 |               |
| Shareholders in Ørsted A/S  | (17,717)        | 10,646        |
| Interest payments and costs after tax, hybrid capital owners of Ørsted A/S  | -               | -             |
| Non-controlling interests   | 6               | -             |
| <b>Total comprehensive income</b>   | <b>(17,711)</b> | <b>10,646</b> |

# Consolidated balance sheet

| Note | Assets, DKKm                                      | 30 September<br>2021 | 31 December<br>2020 | 30 September<br>2020 |
|------|---|----------------------|---------------------|----------------------|
|      | <b>Intangible assets</b>                          | <b>1,330</b>         | <b>639</b>          | <b>581</b>           |
|      | Land and buildings                                | 6,186                | 5,574               | 5,190                |
|      | Production assets                                 | 88,993               | 86,184              | 84,078               |
|      | Fixtures and fittings, tools, and equipment       | 559                  | 507                 | 543                  |
|      | Property, plant, and equipment under construction | 52,886               | 29,345              | 26,246               |
|      | <b>Property, plant, and equipment</b>             | <b>148,624</b>       | <b>121,610</b>      | <b>116,057</b>       |
|      | Investments in associates and joint ventures      | 643                  | 555                 | 539                  |
|      | Other securities and equity investments           | 222                  | 209                 | 220                  |
| 12   | Derivatives                                       | 5,142                | 3,023               | 1,601                |
|      | Deferred tax                                      | 12,820               | 6,784               | 8,432                |
|      | Other receivables                                 | 2,543                | 1,925               | 3,311                |
|      | <b>Other non-current assets</b>                   | <b>21,370</b>        | <b>12,496</b>       | <b>14,103</b>        |
|      | <b>Non-current assets</b>                         | <b>171,324</b>       | <b>134,745</b>      | <b>130,741</b>       |
|      | Inventories                                       | 14,906               | 14,739              | 13,213               |
| 12   | Derivatives                                       | 23,018               | 3,086               | 3,821                |
|      | Contract assets                                   | 2                    | 30                  | 175                  |
|      | Trade receivables                                 | 6,271                | 6,732               | 7,044                |
|      | Other receivables                                 | 7,484                | 3,720               | 3,047                |
|      | Receivables from associates and joint ventures    | -                    | -                   | 160                  |
|      | Income tax  | 1,023                | 852                 | 1,028                |
| 12   | Securities  | 30,136               | 25,173              | 27,292               |
|      | Cash  | 6,375                | 6,178               | 5,852                |
|      | <b>Current assets</b>                             | <b>89,215</b>        | <b>60,510</b>       | <b>61,632</b>        |
|      | <b>Assets classified as held for sale</b>         | <b>1,353</b>         | <b>1,464</b>        | <b>2,194</b>         |
|      | <b>Assets</b>                                     | <b>261,892</b>       | <b>196,719</b>      | <b>194,567</b>       |



#### Assets and liabilities classified as held for sale

Assets classified as held for sale at 30 September 2021 comprised our oil pipe system in Denmark.

| Note | Equity and liabilities, DKKm                                      | 30 September<br>2021 | 31 December<br>2020 | 30 September<br>2020 |
|------|---|----------------------|---------------------|----------------------|
|      | Share capital   | 4,204                | 4,204               | 4,204                |
| 9    | Reserves  | (27,553)             | (1,956)             | (2,279)              |
|      | Retained earnings   | 81,478               | 74,294              | 78,525               |
|      | Proposed dividends  | -                    | 4,834               | -                    |
|      | <b>Equity attributable to shareholders in Ørsted A/S</b>          | <b>58,129</b>        | <b>81,376</b>       | <b>80,450</b>        |
|      | Hybrid capital  | 17,984               | 13,232              | 13,232               |
|      | Non-controlling interests   | 3,037                | 2,721               | 2,790                |
|      | <b>Equity</b>   | <b>79,150</b>        | <b>97,329</b>       | <b>96,472</b>        |
|      | Deferred tax  | 3,588                | 2,187               | 3,766                |
|      | Provisions  | 13,789               | 12,475              | 12,518               |
|      | Lease liabilities   | 4,892                | 4,455               | 4,119                |
| 13   | Bond and bank debt  | 30,327               | 34,374              | 33,053               |
| 12   | Derivatives   | 19,202               | 1,456               | 940                  |
|      | Contract liabilities  | 3,289                | 3,650               | 3,706                |
|      | Tax equity liabilities  | 10,044               | 6,780               | 7,669                |
|      | Other payables  | 1,276                | 374                 | 498                  |
|      | <b>Non-current liabilities</b>                                    | <b>86,407</b>        | <b>65,751</b>       | <b>66,269</b>        |
|      | Provisions  | 533                  | 1,388               | 731                  |
|      | Lease liabilities   | 698                  | 599                 | 641                  |
| 13   | Bond and bank debt  | 23,139               | 2,392               | 2,827                |
| 12   | Derivatives   | 44,487               | 4,862               | 3,008                |
|      | Contract liabilities  | 486                  | 480                 | 461                  |
|      | Trade payables  | 15,182               | 9,742               | 9,803                |
|      | Tax equity liabilities  | 1,434                | 1,187               | 599                  |
|      | Other payables  | 4,832                | 6,082               | 5,053                |
|      | Income tax  | 4,869                | 6,220               | 6,134                |
|      | <b>Current liabilities</b>  | <b>95,660</b>        | <b>32,952</b>       | <b>29,257</b>        |
|      | <b>Liabilities</b>  | <b>182,067</b>       | <b>98,703</b>       | <b>95,526</b>        |
|      | <b>Liabilities relating to assets classified as held for sale</b> | <b>675</b>           | <b>687</b>          | <b>2,569</b>         |
|      | <b>Equity and liabilities</b>                                     | <b>261,892</b>       | <b>196,719</b>      | <b>194,567</b>       |

# Consolidated statement of shareholders equity

| DKKm   | 2021          |                 |                   |                    |                            |                |                           |                 | 2020          |                |                   |                    |                            |                |                           |               |
|--|---------------|-----------------|-------------------|--------------------|----------------------------|----------------|---------------------------|-----------------|---------------|----------------|-------------------|--------------------|----------------------------|----------------|---------------------------|---------------|
|  | 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         | (1,956)         | 74,294            | 4,834              | 81,376                     | 13,232         | 2,721                     | 97,329          | 4,204         | 413            | 64,051            | 4,414              | 73,082                     | 13,232         | 3,248                     | 89,562        |
| <b>Comprehensive income for the period:</b>                            |               |                 |                   |                    |                            |                |                           |                 |               |                |                   |                    |                            |                |                           |               |
| Profit (loss) for the period   | -             | -               | 7,074             | -                  | 7,074                      | 575            | (20)                      | 7,629           | -             | -              | 14,509            | -                  | 14,509                     | 326            | (13)                      | 14,822        |
| <b>Other comprehensive income:</b>                                     |               |                 |                   |                    |                            |                |                           |                 |               |                |                   |                    |                            |                |                           |               |
| Cash-flow hedging  | -             | (33,842)        | -                 | -                  | (33,842)                   | -              | -                         | (33,842)        | -             | (1,005)        | -                 | -                  | (1,005)                    | -              | -                         | (1,005)       |
| Exchange rate adjustments  | -             | 1,482           | -                 | -                  | 1,482                      | -              | 120                       | 1,602           | -             | (2,383)        | -                 | -                  | (2,383)                    | -              | (143)                     | (2,526)       |
| Tax on other comprehensive income                                      | -             | 6,763           | -                 | -                  | 6,763                      | -              | -                         | 6,763           | -             | 696            | -                 | -                  | 696                        | -              | -                         | 696           |
| Share of other comprehensive income of associated companies, after tax | -             | -               | 6                 | -                  | 6                          | -              | -                         | 6               | -             | -              | 2                 | -                  | 2                          | -              | -                         | 2             |
| <b>Total comprehensive income</b>                                      | <b>-</b>      | <b>(25,597)</b> | <b>7,080</b>      | <b>-</b>           | <b>(18,517)</b>            | <b>575</b>     | <b>100</b>                | <b>(17,842)</b> | <b>-</b>      | <b>(2,692)</b> | <b>14,511</b>     | <b>-</b>           | <b>11,819</b>              | <b>326</b>     | <b>(156)</b>              | <b>11,989</b> |
| Coupon payments, hybrid capital  | -             | -               | -                 | -                  | -                          | (268)          | -                         | (268)           | -             | -              | -                 | -                  | -                          | (326)          | -                         | (326)         |
| Tax, hybrid capital  | -             | -               | -                 | -                  | -                          | 89             | -                         | 89              | -             | -              | -                 | -                  | -                          | -              | -                         | -             |
| Additions, hybrid capital  | -             | -               | -                 | -                  | -                          | 7,327          | -                         | 7,327           | -             | -              | -                 | -                  | -                          | -              | -                         | -             |
| Disposals, hybrid capital  | -             | -               | -                 | -                  | -                          | (2,971)        | -                         | (2,971)         | -             | -              | -                 | -                  | -                          | -              | -                         | -             |
| Dividends paid   | -             | -               | 4                 | (4,834)            | (4,830)                    | -              | (298)                     | (5,128)         | -             | -              | 4                 | (4,414)            | (4,410)                    | -              | (302)                     | (4,712)       |
| Purchases of treasury shares   | -             | -               | -                 | -                  | -                          | -              | -                         | -               | -             | -              | (58)              | -                  | (58)                       | -              | -                         | (58)          |
| Additions, non-controlling interests                                   | -             | -               | 83                | -                  | 83                         | -              | 514                       | 597             | -             | -              | -                 | -                  | -                          | -              | -                         | -             |
| Other changes  | -             | -               | 17                | -                  | 17                         | -              | -                         | 17              | -             | -              | 17                | -                  | 17                         | -              | -                         | 17            |
| <b>Equity at 30 September</b>  | <b>4,204</b>  | <b>(27,553)</b> | <b>81,478</b>     | <b>-</b>           | <b>58,129</b>              | <b>17,984</b>  | <b>3,037</b>              | <b>79,150</b>   | <b>4,204</b>  | <b>(2,279)</b> | <b>78,525</b>     | <b>-</b>           | <b>80,450</b>              | <b>13,232</b>  | <b>2,790</b>              | <b>96,472</b> |

\* See note 9 'Reserves' for more information about reserves.



In February 2021, we issued two new hybrid capital bonds with a nominal amount of EUR 500 million and GBP 425 million with a fixed annual coupon of 1.50 % (until 2031) and 2.50 % (until 2033), respectively. Both maturing in 3021.

In addition, we redeemed EUR 350 million of our 3013 hybrid capital bond in February 2021.

'Cash-flow hedging' is impacted by large losses on hedges, mainly power hedges, due to the increase in power prices and, to a lesser extent, by losses on currency, gas, and inflation hedges.

# Consolidated statement of cash flows

| Note | Statement of cash flows, DKKm   | 9M 2021         | 9M 2020        | Q3 2021        | Q3 2020        |
|------|---|-----------------|----------------|----------------|----------------|
|      | Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA), IFRS | 16,043          | 13,496         | 2,984          | 2,455          |
| 2    | Change in derivatives, business performance adjustments   | -               | (375)          | -              | 905            |
|      | Change in derivatives, other adjustments  | 11              | (292)          | 486            | 222            |
|      | Change in provisions  | (270)           | (484)          | (915)          | (119)          |
|      | Reversal of gain (loss) on divestment of assets   | (5,626)         | (1,256)        | 52             | 32             |
|      | Other items   | (53)            | (11)           | (7)            | (4)            |
|      | Change in work in progress  | 3,144           | (2,099)        | (610)          | (84)           |
|      | Change in tax equity partner liabilities  | 2,660           | 3,268          | 2,041          | 376            |
|      | Change in other working capital   | (2,478)         | 413            | (3,656)        | (1,408)        |
|      | Interest received and similar items   | 2,339           | 2,848          | 1,406          | 522            |
|      | Interest paid and similar items   | (2,936)         | (4,441)        | (1,367)        | (952)          |
|      | Income tax paid   | (1,354)         | (1,357)        | (168)          | (4)            |
|      | <b>Cash flows from operating activities</b>   | <b>11,480</b>   | <b>9,710</b>   | <b>246</b>     | <b>1,941</b>   |
|      | Purchase of intangible assets, and property, plant, and equipment                               | (22,866)        | (18,312)       | (8,737)        | (9,304)        |
|      | Sale of intangible assets, and property, plant, and equipment                                   | 10,126          | 71             | (51)           | (9)            |
| 7    | Acquisition of enterprises  | (2,370)         | -              | (11)           | (1)            |
|      | Divestment of enterprises   | (189)           | 20,488         | (44)           | 20,510         |
|      | Purchase of other equity investments  | (14)            | (11)           | 1              | -              |
|      | Purchase of securities  | (7,510)         | (19,606)       | (445)          | (15,473)       |
|      | Sale/maturation of securities   | 2,210           | 8,808          | 564            | 558            |
|      | Change in other non-current assets  | 55              | 18             | 30             | 18             |
|      | Transactions with associates and joint ventures   | (29)            | (181)          | (3)            | (134)          |
|      | Dividends received and capital reduction  | 28              | 7              | -              | 7              |
|      | <b>Cash flows from investing activities</b>   | <b>(20,559)</b> | <b>(8,718)</b> | <b>(8,696)</b> | <b>(3,828)</b> |

| Note | Statement of cash flows, DKKm                                       | 9M 2021      | 9M 2020        | Q3 2021        | Q3 2020      |
|------|---|--------------|----------------|----------------|--------------|
|      | Proceeds from raising of loans                                      | 15,723       | 2,827          | 8,858          | 2,499        |
|      | Instalments on loans  | (1,309)      | (2,192)        | 20             | (1,215)      |
|      | Instalments on leases   | (340)        | (353)          | (156)          | (127)        |
|      | Coupon payments on hybrid capital                                   | (268)        | (326)          | -              | -            |
|      | Repurchase of hybrid capital  | (2,971)      | -              | -              | -            |
|      | Proceeds from issuance of hybrid capital                            | 7,327        | -              | -              | -            |
|      | Dividends paid to shareholders in Ørsted A/S                        | (4,830)      | (4,410)        | -              | -            |
|      | Purchase of own shares  | -            | (58)           | -              | -            |
|      | Transactions with non-controlling interests                         | 292          | (343)          | (38)           | (115)        |
|      | Net proceeds from tax equity partners                               | (137)        | (114)          | (162)          | (117)        |
|      | Change in collateral related to derivatives                         | (3,636)      | 1,872          | (1,459)        | (504)        |
|      | <b>Cash flows from financing activities</b>                         | <b>9,851</b> | <b>(3,097)</b> | <b>7,063</b>   | <b>421</b>   |
|      | Cash flows from continuing operations                               | 772          | (2,105)        | (1,387)        | (1,466)      |
|      | Cash flows from discontinued operations                             | -            | 926            | -              | 970          |
|      | <b>Total net change in cash and cash equivalents for the period</b> | <b>772</b>   | <b>(1,179)</b> | <b>(1,387)</b> | <b>(496)</b> |
|      | Cash and cash equivalents at the beginning of the period            | 5,210        | 6,459          | 7,551          | 5,879        |
|      | Total net change in cash and cash equivalents                       | 772          | (1,179)        | (1,387)        | (496)        |
|      | Exchange rate adjustments of cash and cash equivalents              | 226          | 33             | 44             | (70)         |
|      | <b>Cash and cash equivalents at 30 September</b>                    | <b>6,208</b> | <b>5,313</b>   | <b>6,208</b>   | <b>5,313</b> |



## Change in work in progress

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



## Statement of cash flows

Our supplementary statement of gross and net investments appears from note 8 'Gross and net investments' and free cash flow (FCF) from note 3 'Segment information'.

'Cash' according to the balance sheet as at 30 September 2021 includes 'Cash, not available for use', amounting to DKK 166 million, and 'Bank overdrafts that are part of the ongoing cash management' amounting to DKK 1 million.

# 1. Basis of reporting

This section provides an overall description of our accounting policies as well as an overview of the impact of new and amended accounting standards and interpretations, if any.

## Accounting policies

Ørsted is a listed public company, headquartered in Denmark.

This interim financial report for the first nine months of 2021 comprises the interim financial statements of Ørsted A/S (the parent company) and any subsidiaries controlled by Ørsted A/S.

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

The interim financial report for the first nine months of 2021 follows the same accounting policies as the annual report for 2020, except for any new, amended, or revised accounting standards and interpretations (IFRSs) endorsed by the EU, effective for the accounting period beginning on 1 January 2021.

Any new or amended standards and interpretations that may impact Ørsted are presented in the section below.

Definitions of alternative performance measures can be found on page 89 of the annual report for 2020.

This interim financial report contains selected accounting policies and should therefore be read in conjunction with the annual report for 2020.

## Cease the use of business performance as of 1 January 2021

From 1 January 2021, we only report IFRS numbers. Thus, the business performance and adjustment columns are no longer included in our financial reporting. This will simplify our reporting and avoid potential conflicts with future reporting requirements for alternative performance measures.

See note 2 'Business performance' for more information.

## Implementation of new or changed accounting standards and interpretations

IASB has issued amended standards which have not yet entered into force, and which have consequently not been incorporated into the consolidated financial statements for 2021. None of these amended standards and interpretations are expected to have any significant impact on our financial statements.

## Key accounting estimates and judgements

On 9 June 2021, we acquired all of the membership interests in the onshore

renewable platform Brookfield Renewable Ireland, effectively gaining control of the company.

We made a number of estimates and judgements when we recognised the assets and liabilities as a result of the acquisition. The accounting estimates and judgements, which may entail a risk of material adjustments in subsequent years, are listed below. Except for the below mentioned accounting estimate for purchase price allocations in business combinations, the assessment of the key accounting estimates and judgements are the same as in the annual report for 2020.

## Purchase price allocations in business combinations

When we apply the acquisition method for business combinations, by nature this involves judgement in assessing the fair value of identifiable assets and liabilities. Fair value calculations are based on a number of estimates regarding WACC and expected future cash flows from financial budgets and forecasts which include a number of assumptions and estimates. These assumptions include future market conditions, market prices of power, estimated discount rates, estimated useful lives of the projects, etc. The market prices applied are based on available forward prices for a period of up to five years and our best estimate of long-term prices for the remainder of the period.

## 2. Business performance

| DKKm  | 9M 2020              |             |               |
|---|----------------------|-------------|---------------|
|   | Business performance | Adjustments | IFRS          |
| Revenue   | 37,042               | (86)        | 36,956        |
| Cost of sales   | (18,761)             | 461         | (18,300)      |
| Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA) | 13,121               | 375         | 13,496        |
| EBIT  | 7,445                | 375         | 7,820         |
| Tax on profit (loss) for the period   | (1,954)              | (80)        | (2,034)       |
| <b>Profit for the year</b>  | <b>14,527</b>        | <b>295</b>  | <b>14,822</b> |

With the implementation of IFRS 9 in 2018, it has become significantly easier to apply IFRS hedge accounting to our commodity hedges. We have concluded that IFRS 9 can replace our business performance principle, and we have therefore reported based only on IFRS from 1 January 2021.

Among other things, IFRS 9 has made it easier to apply hedge accounting by the removal of the 80-125 % effectiveness requirement, as compliance can be difficult in connection with proxy hedging. For example, we use proxy hedging to hedge our power exposure 4-5 years into the future with gas hedges due to illiquidity in the market for power hedges with this time horizon.

Since we did not apply IFRS hedge accounting in 2020, the IFRS 2021 numbers are not fully comparable to the IFRS 2020 numbers. Therefore, we use EBITDA according to the business performance principle in 2020 as comparable for EBITDA in the 'Management's review' for 2021.

At the end of 2020, the value of our business performance hedges deferred to a future period was DKK -2.7 billion, of which DKK -1.1 billion relate to 2021. This net loss was recognised in the income statement under IFRS in previous years, as we have not previously applied hedge accounting.

Consequently, for the period 2021-2025, EBITDA (according to IFRS) will be higher by a similar amount compared to what the business performance EBITDA would have been if we had continued to report based on this principle.

For 9M 2021, EBITDA according to IFRS was DKK 812 million higher than if we had kept reporting according to the business performance principle. This amount primarily related to site EBITDA in Offshore and the remaining part related to our CHP plants and gas activities in Bioenergy & Other.



Offshore technicians at Walney, the Irish Sea, the UK.

# 3. Segment information



| 9M 2021<br>Income statement, DKKm                       | Offshore       | Onshore        | Bioenergy<br>& Other | Reportable<br>segments | Other<br>activities/<br>eliminations | Total          |
|---|----------------|----------------|----------------------|------------------------|--------------------------------------|----------------|
| External revenue  | 26,541         | 656            | 19,777               | 46,974                 | 33                                   | 47,007         |
| Intra-group revenue                                     | 4,840          | (23)           | (639)                | 4,178                  | (4,178) <sup>1</sup>                 | -              |
| <b>Revenue</b>  | <b>31,381</b>  | <b>633</b>     | <b>19,138</b>        | <b>51,152</b>          | <b>(4,145)</b>                       | <b>47,007</b>  |
| Cost of sales   | (19,974)       | (16)           | (15,248)             | (35,238)               | 4,139                                | (31,099)       |
| Employee costs and other external expenses              | (4,656)        | (721)          | (1,571)              | (6,948)                | 124                                  | (6,824)        |
| Gain (loss) on disposal of non-current assets           | 5,626          | -              | -                    | 5,626                  | -                                    | 5,626          |
| Additional other operating income and expenses          | 346            | 923            | 11                   | 1,280                  | (2)                                  | 1,278          |
| Share of profit (loss) in associates and joint ventures | 54             | -              | 1                    | 55                     | -                                    | 55             |
| <b>EBITDA</b>   | <b>12,777</b>  | <b>819</b>     | <b>2,331</b>         | <b>15,927</b>          | <b>116</b>                           | <b>16,043</b>  |
| Depreciation and amortisation                           | (4,474)        | (590)          | (588)                | (5,652)                | (176)                                | (5,828)        |
| Impairment losses                                       | -              | -              | -                    | -                      | -                                    | -              |
| <b>Operating profit (loss) (EBIT)</b>                   | <b>8,303</b>   | <b>229</b>     | <b>1,743</b>         | <b>10,275</b>          | <b>(60)</b>                          | <b>10,215</b>  |
| <b>Key ratios</b>                                       |                |                |                      |                        |                                      |                |
| Intangible assets, and property, plant, and equipment   | 103,451        | 37,088         | 8,051                | 148,590                | 1,364                                | 149,954        |
| Equity investments and non-current receivables          | 525            | 34             | 151                  | 710                    | 172                                  | 882            |
| Net working capital, work in progress                   | 7,062          | -              | -                    | 7,062                  | -                                    | 7,062          |
| Net working capital, tax equity                         | -              | (10,744)       | -                    | (10,744)               | -                                    | (10,744)       |
| Net working capital, capital expenditures               | (7,009)        | (661)          | (20)                 | (7,690)                | -                                    | (7,690)        |
| Net working capital, other items                        | 4,657          | (54)           | 516                  | 5,119                  | 72                                   | 5,191          |
| Derivatives, net  | (21,045)       | (4,413)        | (11,211)             | (36,669)               | 1,140                                | (35,529)       |
| Assets classified as held for sale, net                 | -              | -              | 694                  | 694                    | -                                    | 694            |
| Decommissioning obligations                             | (5,802)        | (1,167)        | (1,294)              | (8,263)                | -                                    | (8,263)        |
| Other provisions  | (3,903)        | (64)           | (1,276)              | (5,243)                | (816)                                | (6,059)        |
| Tax, net  | 5,458          | (2,690)        | 2,686                | 5,454                  | (68)                                 | 5,386          |
| Other receivables and other payables, net               | 254            | (28)           | 3                    | 229                    | (752)                                | (523)          |
| <b>Capital employed at 30 September</b>                 | <b>83,648</b>  | <b>17,301</b>  | <b>(1,700)</b>       | <b>99,249</b>          | <b>1,112</b>                         | <b>100,361</b> |
| <b>Return on capital employed (ROCE), %</b>             | <b>-</b>       | <b>-</b>       | <b>-</b>             | <b>-</b>               | <b>-</b>                             | <b>12.9</b>    |
| Cash flow from operating activities                     | 863            | 2,876          | 7,174                | 10,913                 | 567                                  | 11,480         |
| Gross investments                                       | (16,401)       | (10,919)       | (161)                | (27,481)               | (74)                                 | (27,555)       |
| Divestments   | 10,685         | -              | (251)                | 10,434                 | 133                                  | 10,567         |
| <b>Free cash flow (FCF)</b>                             | <b>(4,853)</b> | <b>(8,043)</b> | <b>6,762</b>         | <b>(6,134)</b>         | <b>626</b>                           | <b>(5,508)</b> |



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

<sup>1</sup>Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 6,092 million, which primarily relates to our Shared Functions services as well as our B2B business activities.

# 3. Segment information (continued)



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



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

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

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



# 3. Segment information (continued)









| Q3 2021, Income statement and FCF, DKKm                 | Offshore        | Onshore        | Bioenergy & Other | Reporting segments | Other activities/ eliminations | Business performance | Adjustments    | IFRS           |
|---|-----------------|----------------|-------------------|--------------------|--------------------------------|----------------------|----------------|----------------|
| External revenue  | 7,257           | 429            | 6,785             | 14,471             | 39                             |                      |                | 14,510         |
| Intra-group revenue                                     | 1,899           | (23)           | (234)             | 1,642              | (1,642) <sup>1</sup>           |                      |                | -              |
| <b>Revenue</b>  | <b>9,156</b>    | <b>406</b>     | <b>6,551</b>      | <b>16,113</b>      | <b>(1,603)</b>                 |                      |                | <b>14,510</b>  |
| Cost of sales   | (6,173)         | (7)            | (4,810)           | (10,990)           | 1,645                          |                      |                | (9,345)        |
| Employee costs and other external expenses              | (1,678)         | (299)          | (545)             | (2,522)            | 19                             |                      |                | (2,503)        |
| Gain (loss) on disposal of non-current assets           | (52)            | -              | -                 | (52)               | -                              |                      |                | (52)           |
| Additional other operating income and expenses          | 55              | 313            | 10                | 378                | -                              |                      |                | 378            |
| Share of profit (loss) in associates and joint ventures | (4)             | -              | -                 | (4)                | -                              |                      |                | (4)            |
| <b>EBITDA</b>   | <b>1,304</b>    | <b>413</b>     | <b>1,206</b>      | <b>2,923</b>       | <b>61</b>                      |                      |                | <b>2,984</b>   |
| Depreciation and amortisation                           | (1,425)         | (261)          | (194)             | (1,880)            | (59)                           |                      |                | (1,939)        |
| Impairment losses                                       | -               | -              | -                 | -                  | -                              |                      |                | -              |
| <b>Operating profit (loss) (EBIT)</b>                   | <b>(121)</b>    | <b>152</b>     | <b>1,012</b>      | <b>1,043</b>       | <b>2</b>                       |                      |                | <b>1,045</b>   |
| Cash flow from operating activities                     | (5,644)         | 2,465          | 2,881             | (298)              | 544                            |                      |                | 246            |
| Gross investments                                       | (6,041)         | (2,639)        | (72)              | (8,752)            | (5)                            |                      |                | (8,757)        |
| Divestments   | 16              | -              | (48)              | (32)               | 39                             |                      |                | 7              |
| <b>Free cash flow (FCF)</b>                             | <b>(11,669)</b> | <b>(174)</b>   | <b>2,761</b>      | <b>(9,082)</b>     | <b>578</b>                     |                      |                | <b>(8,504)</b> |
| <b>Q3 2020, Income statement and FCF, DKKm</b>          |                 |                |                   |                    |                                |                      |                |                |
| External revenue  | 5,372           | 263            | 4,288             | 9,923              | 118                            | 10,041               | (1,279)        | 8,762          |
| Intra-group revenue                                     | 1,023           | -              | (27)              | 996                | (996) <sup>1</sup>             | -                    | -              | -              |
| <b>Revenue</b>  | <b>6,395</b>    | <b>263</b>     | <b>4,261</b>      | <b>10,919</b>      | <b>(878)</b>                   | <b>10,041</b>        | <b>(1,279)</b> | <b>8,762</b>   |
| Cost of sales   | (1,947)         | (18)           | (3,144)           | (5,109)            | 971                            | (4,138)              | 374            | (3,764)        |
| Employee costs and other external expenses              | (1,915)         | (149)          | (724)             | (2,788)            | (32)                           | (2,820)              | -              | (2,820)        |
| Gain (loss) on disposal of non-current assets           | (18)            | -              | -                 | (18)               | (14)                           | (32)                 | -              | (32)           |
| Additional other operating income and expenses          | 95              | 212            | (18)              | 289                | 1                              | 290                  | -              | 290            |
| Share of profit (loss) in associates and joint ventures | 19              | -              | -                 | 19                 | -                              | 19                   | -              | 19             |
| <b>EBITDA</b>   | <b>2,629</b>    | <b>308</b>     | <b>375</b>        | <b>3,312</b>       | <b>48</b>                      | <b>3,360</b>         | <b>(905)</b>   | <b>2,455</b>   |
| Depreciation and amortisation                           | (1,710)         | (133)          | (198)             | (2,041)            | (54)                           | (2,095)              | -              | (2,095)        |
| Impairment losses                                       | -               | -              | -                 | -                  | -                              | -                    | -              | -              |
| <b>Operating profit (loss) (EBIT)</b>                   | <b>919</b>      | <b>175</b>     | <b>177</b>        | <b>1,271</b>       | <b>(6)</b>                     | <b>1,265</b>         | <b>(905)</b>   | <b>360</b>     |
| Cash flow from operating activities                     | 89              | 625            | 882               | 1,596              | 345                            | 1,941                | -              | 1,941          |
| Gross investments                                       | (6,633)         | (2,462)        | (152)             | (9,247)            | (16)                           | (9,263)              | -              | (9,263)        |
| Divestments   | (24)            | -              | 20,529            | 20,505             | 1                              | 20,506               | -              | 20,506         |
| <b>Free cash flow (FCF)</b>                             | <b>(6,568)</b>  | <b>(1,837)</b> | <b>21,259</b>     | <b>12,854</b>      | <b>330</b>                     | <b>13,184</b>        | <b>-</b>       | <b>13,184</b>  |

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

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

<sup>1</sup>Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 2,268 million (Q3 2020: DKK 1,673 million), which primarily relates to our Shared Functions services as well as our B2B businesses. For Q3 2020, it also relates to our B2C, and power distribution business activities as well.

# 4. Revenue

|   |  |  |  | Other activities/eliminations | 9M 2021 total |  |  |  | Other activities/eliminations | 9M 2020 total |
|---|---|---|---|-------------------------------|---------------|---|---|---|-------------------------------|---------------|
| Revenue, DKKm   | Offshore  | Onshore   | Bioenergy & Other   |                               |               | Offshore  | Onshore   | Bioenergy & Other   |                               |               |
| Sale of gas   | -   | -   | 9,227   | -                             | 9,227         | -   | -   | 5,613   | 4                             | 5,617         |
| Generation of power                                       | 4,952   | 665   | 3,525   | -                             | 9,142         | 3,123   | 362   | 1,261   | -                             | 4,746         |
| Sale of power   | 13,457  | -   | 3,287   | (4,220)                       | 12,524        | 6,428   | -   | 4,392   | (3,025)                       | 7,795         |
| Revenue from construction of offshore wind farms          | 5,139   | -   | -   | -                             | 5,139         | 3,249   | -   | -   | -                             | 3,249         |
| Generation and sale of heat and steam                     | -   | -   | 1,881   | -                             | 1,881         | -   | -   | 1,899   | -                             | 1,899         |
| Distribution and transmission                             | -   | -   | 297   | (1)                           | 296           | -   | -   | 1,463   | (3)                           | 1,460         |
| Other revenue   | 1,870   | -   | 153   | (3)                           | 2,020         | 1,728   | 4   | 544   | 66                            | 2,342         |
| <b>Total revenue from customers, IFRS</b>                 | <b>25,418</b>   | <b>665</b>  | <b>18,370</b>   | <b>(4,224)</b>                | <b>40,229</b> | <b>14,528</b>   | <b>366</b>  | <b>15,172</b>   | <b>(2,958)</b>                | <b>27,108</b> |
| Government grants   | 5,903   | 77  | 461   | -                             | 6,441         | 8,575   | 22  | 251   | -                             | 8,848         |
| Economic hedging  | -   | -   | -   | -                             | -             | 1,792   | 184   | (486)   | 405                           | 1,895         |
| Miscellaneous revenue                                     | 60  | (109)   | 307   | 79                            | 337           | 24  | (59)  | (982)   | 122                           | (895)         |
| <b>Total revenue, IFRS</b>                                | <b>31,381</b>   | <b>633</b>  | <b>19,138</b>   | <b>(4,145)</b>                | <b>47,007</b> | <b>24,919</b>   | <b>513</b>  | <b>13,955</b>   | <b>(2,431)</b>                | <b>36,956</b> |
| Adjustments   |   |   |   |                               |               | (1,185)   | 47  | 1,710   | (486)                         | 86            |
| <b>Total revenue, business performance</b>                |   |   |   |                               |               | <b>23,734</b>   | <b>560</b>  | <b>15,665</b>   | <b>(2,917)</b>                | <b>37,042</b> |
| <b>Timing of revenue recognition from customers, IFRS</b> |   |   |   |                               |               |   |   |   |                               |               |
| At a point in time  | 20,052  | 665   | 7,172   | (4,224)                       | 23,665        | 8,055   | 366   | 2,323   | (2,958)                       | 7,786         |
| Over time   | 5,366   | -   | 11,198  | -                             | 16,564        | 6,473   | -   | 12,849  | -                             | 19,322        |
| <b>Total revenue from customers, IFRS</b>                 | <b>25,418</b>   | <b>665</b>  | <b>18,370</b>   | <b>(4,224)</b>                | <b>40,229</b> | <b>14,528</b>   | <b>366</b>  | <b>15,172</b>   | <b>(2,958)</b>                | <b>27,108</b> |







Revenue amounted to DKK 47,007 million. The increase of 27 % relative to 9M 2020 was primarily due to the significantly higher gas and power prices across all markets and the divestment of the offshore transmission asset at Hornsea 1 in 2021. This was partly offset by

lower wind speeds in 9M 2021, the 2020 divestments of the LNG business, the Danish distribution, residential customer, and city light businesses (RBC), and the divestment of the offshore transmission asset at Walney Extension in 2020.



On 1 January 2021, we implemented hedge accounting on our commodity and related currency hedges. Accordingly, our hedges are presented in the same line item as the hedged exposure. For example, when we hedge generation of power, any gain (loss) related to the hedges is presented in the line item 'Generation of power'.

## 4. Revenue (continued)

|   |  |  |  | Other activities/eliminations | Q3 2021 total |  |  |  | Other activities/eliminations | Q3 2020 total |
|---|---|---|---|-------------------------------|---------------|---|---|---|-------------------------------|---------------|
| Revenue, DKKm   | Offshore  | Onshore   | Bioenergy & Other   |                               |               | Offshore  | Onshore   | Bioenergy & Other   |                               |               |
| Sale of gas   | -   | -   | 3,803   | (4)                           | 3,799         | -   | -   | 1,698   | (1)                           | 1,697         |
| Generation of power                                       | 1,576   | 316   | 1,219   | -                             | 3,111         | 1,100   | 140   | 421   | -                             | 1,661         |
| Sale of power   | 5,917   | -   | 766   | (1,822)                       | 4,861         | 1,744   | -   | 1,333   | (955)                         | 2,122         |
| Revenue from construction of offshore wind farms          | 4   | -   | -   | -                             | 4             | 200   | -   | -   | -                             | 200           |
| Generation and sale of heat and steam                     | -   | -   | 272   | -                             | 272           | -   | -   | 297   | -                             | 297           |
| Distribution and transmission                             | -   | -   | 140   | -                             | 140           | -   | -   | 335   | (1)                           | 334           |
| Other revenue   | 677   | -   | 42  | 20                            | 739           | 797   | (22)  | 91  | 105                           | 971           |
| <b>Total revenue from customers, IFRS</b>                 | <b>8,174</b>  | <b>316</b>  | <b>6,242</b>  | <b>(1,806)</b>                | <b>12,926</b> | <b>3,841</b>  | <b>118</b>  | <b>4,175</b>  | <b>(852)</b>                  | <b>7,282</b>  |
| Government grants   | 1,242   | 72  | 68  | -                             | 1,382         | 2,454   | 5   | 47  | -                             | 2,506         |
| Economic hedging  | -   | -   | -   | -                             | -             | (515)   | 152   | (206)   | 189                           | (380)         |
| Miscellaneous revenue                                     | (260)   | 18  | 241   | 203                           | 202           | 36  | (35)  | (653)   | 6                             | (646)         |
| <b>Total revenue, IFRS</b>                                | <b>9,156</b>  | <b>406</b>  | <b>6,551</b>  | <b>(1,603)</b>                | <b>14,510</b> | <b>5,816</b>  | <b>240</b>  | <b>3,363</b>  | <b>(657)</b>                  | <b>8,762</b>  |
| Adjustments   |   |   |   |                               |               | 579   | 23  | 898   | (221)                         | 1,279         |
| <b>Total revenue, business performance</b>                |   |   |   |                               |               | <b>6,395</b>  | <b>263</b>  | <b>4,261</b>  | <b>(878)</b>                  | <b>10,041</b> |
| <b>Timing of revenue recognition from customers, IFRS</b> |   |   |   |                               |               |   |   |   |                               |               |
| At a point in time  | 6,929   | 316   | 3,012   | (1,806)                       | 8,451         | 2,479   | 118   | 688   | (852)                         | 2,433         |
| Over time   | 1,245   | -   | 3,230   | -                             | 4,475         | 1,362   | -   | 3,487   | -                             | 4,849         |
| <b>Total revenue from customers, IFRS</b>                 | <b>8,174</b>  | <b>316</b>  | <b>6,242</b>  | <b>(1,806)</b>                | <b>12,926</b> | <b>3,841</b>  | <b>118</b>  | <b>4,175</b>  | <b>(852)</b>                  | <b>7,282</b>  |

## 5. Other operating income and expenses

| Other operating income, DKKm         | 9M 2021      | 9M 2020      | Q3 2021    | Q3 2020    |
|--------------------------------------|--------------|--------------|------------|------------|
| Gain on divestment of assets         | 5,754        | 1,342        | -          | 10         |
| Other compensation                   | 296          | 195          | 67         | 68         |
| US tax credits and tax equity income | 902          | 690          | 307        | 213        |
| Miscellaneous operating income       | 191          | 200          | 39         | 35         |
| <b>Total other operating income</b>  | <b>7,143</b> | <b>2,427</b> | <b>413</b> | <b>326</b> |

| Other operating expenses, DKKm        | 9M 2021    | 9M 2020    | Q3 2021   | Q3 2020   |
|---------------------------------------|------------|------------|-----------|-----------|
| Loss on divestment of assets          | 128        | 86         | 52        | 42        |
| Miscellaneous operating expenses      | 111        | 129        | 35        | 26        |
| <b>Total other operating expenses</b> | <b>239</b> | <b>215</b> | <b>87</b> | <b>68</b> |

Gain on divestment of assets primarily relates to the 50 % farm-down of Borssele 1 & 2 in May, resulting in a gain from new partnerships of DKK 5.3 billion. Remaining gains were related to earnings from finalised construction projects.

In 9M 2020, gain on divestment of assets was mainly related to the Hornsea 1 offshore transmission asset where we lowered our assumption regarding the preferred bidder's expected return requirement.

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

The increase in 'US tax credits and tax equity income' was mainly due to commissioning of new onshore wind farms in 2020 which have had full impact in 2021 as well as commissioning of new onshore wind and solar farms in 2021.

## 6. Financial income and expenses

| Net financial income and expenses, DKKm                            | 9M 2021        | 9M 2020        | Q3 2021      | Q3 2020      |
|--|----------------|----------------|--------------|--------------|
| Interest expenses, net   | (684)          | (986)          | (275)        | (100)        |
| Interest expenses, leasing   | (159)          | (137)          | (58)         | (40)         |
| Interest element of provisions, etc.                               | (313)          | (336)          | (112)        | (115)        |
| Tax equity partner's contractual return                            | (490)          | (346)          | (181)        | (137)        |
| Capital losses on early repayment of loans and interest rate swaps | -              | (373)          | -            | (4)          |
| Value adjustments of derivatives, net                              | 132            | (110)          | 15           | (38)         |
| Exchange rate adjustments, net                                     | 627            | 209            | 337          | 14           |
| Value adjustments of securities, net                               | (518)          | (69)           | (140)        | 62           |
| Other financial income and expenses                                | 169            | 80             | 63           | 76           |
| <b>Net financial income and expenses</b>                           | <b>(1,236)</b> | <b>(2,068)</b> | <b>(351)</b> | <b>(282)</b> |



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

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

# 7. Acquisition of enterprises

| Cash flows used for acquisitions, DKKm               | BRI          | Other     | 9M 2021      | 9M 2020 | Q3 2021   | Q3 2020  |
|--|--------------|-----------|--------------|---------|-----------|----------|
| <b>Fair value at time of acquisition:</b>            |              |           |              |         |           |          |
| Other intangible assets than goodwill                | 452          | -         | 452          | -       | -         | -        |
| Property, plant, and equipment                       | 5,182        | -         | 5,182        | -       | -         | -        |
| Joint ventures                                       | 33           | -         | 33           | -       | -         | -        |
| Trade receivables                                    | 236          | -         | 236          | -       | -         | -        |
| Other receivables                                    | 163          | -         | 163          | -       | -         | -        |
| Cash   | 146          | -         | 146          | -       | -         | -        |
| Interest-bearing debt                                | (2,273)      | -         | (2,273)      | -       | -         | -        |
| Provisions   | (47)         | -         | (47)         | -       | -         | -        |
| Derivatives  | (456)        | -         | (456)        | -       | -         | -        |
| Deferred tax   | (634)        | -         | (634)        | -       | -         | -        |
| Other liabilities                                    | (312)        | -         | (312)        | -       | -         | -        |
| <b>Net assets acquired</b>                           | <b>2,490</b> | -         | <b>2,490</b> | -       | -         | -        |
| Goodwill   | -            | -         | -            | -       | -         | -        |
| <b>Purchase price</b>                                | <b>2,490</b> | -         | <b>2,490</b> | -       | -         | -        |
| Cash, available and acquired                         | (142)        | -         | (142)        | -       | -         | -        |
| Contingent consideration                             | 11           | 11        | 22           | -       | 11        | 1        |
| <b>Cash flow used for acquisition of enterprises</b> | <b>2,359</b> | <b>11</b> | <b>2,370</b> | -       | <b>11</b> | <b>1</b> |
| Purchase price                                       | 2,490        | -         | 2,490        | -       | -         | -        |
| Adjustments for cash                                 | (146)        | -         | (146)        | -       | -         | -        |
| Adjustments for interest-bearing debt                | 2,273        | -         | 2,273        | -       | -         | -        |
| <b>Enterprise value</b>                              | <b>4,617</b> | -         | <b>4,617</b> | -       | -         | -        |

On 9 June 2021, we acquired all of the membership interests in Brookfield Renewable Ireland (BRI), Brookfield Renewable's onshore wind business in Ireland and the UK, at an enterprise value of DKK 4,617 million. With the acquisition of BRI, Ørsted enters the European onshore market. BRI's management team continues to run the business, which will be incorporated into our Onshore business unit over time.

Since the acquisition date, BRI has contributed with a revenue of DKK 84 million and a loss after tax of DKK 101 million. If the acquisition had been made on 1 January 2021, the first nine months revenue would have been DKK 497 million, and loss after tax would have been DKK 122 million.

As part of the acquisition process, we have incurred costs of DKK 49 million which have

been expensed in our income statement in the Onshore segment.

The fair values of the assets and liabilities acquired are not considered final until 12 months after acquisition date.

We made no acquisitions in 9M 2020.

## 8. Gross and net investments

| Gross and net investments, DKKm  | 9M 2021         | 9M 2020         | Q3 2021        | Q3 2020        |
|--|-----------------|-----------------|----------------|----------------|
| Cash flow from investing activities  | (20,559)        | (8,718)         | (8,696)        | (3,828)        |
| Dividends received and capital reductions reversed                         | (28)            | (7)             | -              | (7)            |
| Purchase and sale of securities, reversed                                  | 5,300           | 10,798          | (119)          | 14,915         |
| Loans to associates and joint ventures, reversed                           | -               | 158             | -              | 158            |
| Sale of non-current assets, reversed                                       | (9,998)         | (20,559)        | 59             | (20,501)       |
| Interest-bearing debt in acquired enterprises                              | (2,274)         | -               | (1)            | -              |
| Restricted cash in acquired enterprises                                    | 4               | -               | -              | -              |
| <b>Gross investments</b>   | <b>(27,555)</b> | <b>(18,328)</b> | <b>(8,757)</b> | <b>(9,263)</b> |
| Transactions with non-controlling interests in connection with divestments | 569             | (1)             | 66             | 5              |
| Sale of non-current assets   | 9,998           | 20,559          | (59)           | 20,501         |
| <b>Divestments</b>   | <b>10,567</b>   | <b>20,558</b>   | <b>7</b>       | <b>20,506</b>  |
| <b>Net investments</b>   | <b>(16,988)</b> | <b>2,230</b>    | <b>(8,750)</b> | <b>11,243</b>  |



Service and operation vessel Edda Mistral at Hornsea 1 off the Yorkshire coast, the UK.

## 9. Reserves

| Reserves 2021, DKKm                                    | Foreign currency translation reserve | Hedging reserve | Total reserves  |
|--|--------------------------------------|-----------------|-----------------|
| Reserves at 1 January 2021                             | (3,829)                              | 1,873           | (1,956)         |
| Exchange rate adjustments                              | 3,726                                | -               | 3,726           |
| Value adjustments of hedging reserve                   | -                                    | (38,977)        | (38,977)        |
| <b>Value adjustments transferred to:</b>               |                                      |                 |                 |
| Revenue  | -                                    | 2,942           | 2,942           |
| Financial income and expenses                          | -                                    | 35              | 35              |
| Property, plant, and equipment                         | -                                    | (86)            | (86)            |
| <b>Tax:</b>  |                                      |                 |                 |
| Tax on hedging and currency adjustments                | (513)                                | 7,276           | 6,763           |
| <b>Movement in comprehensive income for the period</b> | <b>3,213</b>                         | <b>(28,810)</b> | <b>(25,597)</b> |
| <b>Total reserves at 30 September</b>                  | <b>(616)</b>                         | <b>(26,937)</b> | <b>(27,553)</b> |



'Value adjustments of hedging reserve' in 9M 2021 are mainly a result of losses on power hedges due to the increase in power prices, and to a lesser extent, losses on currency, gas, and inflation hedges.

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

# 10. Tax on profit (loss) for the period

|  | 9M 2021                  |                |            | 9M 2020                  |                |            |
|--|--------------------------|----------------|------------|--------------------------|----------------|------------|
|  | Profit (loss) before tax | Tax            | Tax in %   | Profit (loss) before tax | Tax            | Tax in %   |
| <b>Tax for the period, DKK</b>                   |                          |                |            |                          |                |            |
| Deferred tax liability, tax equity contributions |                          | (1,168)        | n.a.       |                          | (1,053)        | n.a.       |
| Gain (loss) on divestment of enterprises         | 5,355                    | -              | n.a.       | 11,122                   | -              | n.a.       |
| Other adjustments                                |                          | 576            | n.a.       |                          | 95             | n.a.       |
| Remaining Ørsted business                        | 3,561                    | (695)          | 20%        | 5,760                    | (1,076)        | 19%        |
| <b>Effective tax for the period</b>              | <b>8,916</b>             | <b>(1,287)</b> | <b>14%</b> | <b>16,882</b>            | <b>(2,034)</b> | <b>12%</b> |

|  | Q3 2021                  |              |            | Q3 2020                  |           |            |
|--|--------------------------|--------------|------------|--------------------------|-----------|------------|
|  | Profit (loss) before tax | Tax          | Tax in %   | Profit (loss) before tax | Tax       | Tax in %   |
| <b>Tax for the period, DKK</b>                   |                          |              |            |                          |           |            |
| Deferred tax liability, tax equity contributions |                          | (308)        | n.a.       |                          | (168)     | n.a.       |
| Gain (loss) on divestment of enterprises         | -                        | -            | n.a.       | 11,122                   | -         | n.a.       |
| Other adjustments                                |                          | 208          | n.a.       |                          | 118       | n.a.       |
| Remaining Ørsted business                        | 671                      | (84)         | 13%        | 97                       | 142       | -146%      |
| <b>Effective tax for the period</b>              | <b>671</b>               | <b>(184)</b> | <b>27%</b> | <b>11,219</b>            | <b>92</b> | <b>-1%</b> |



## Effective tax rate

The estimated average annual tax rate for the 'Remaining Ørsted business' and 'Other adjustments' is 8 % compared to 22 % for the full-year of 2020. The estimated average tax rate is impacted by movements in uncertain tax positions.

'Other adjustments' include changes in tax rates, movements in uncertain tax positions, tax concerning previous years, and non-recognised tax losses.

The effective tax for 9M 2020 is calculated on the basis of the profit (loss) before tax from continuing operations.

## Tax on profit (loss) for the period

Tax on profit (loss) was DKK 1,287 million in 9M 2021 compared to DKK 2,034 million in 9M 2020. The effective tax rate for the first nine months of 2021 was 14 %.

The effective tax rate was affected by the farm-down of Borssele and recognition of deferred tax liabilities in the US related to tax equity partnerships for offshore wind farms in our north-east cluster, for Ocean Wind 1, and for the onshore assets Permian Energy Center, Western Trail Wind, and Muscle Shoals. The deferred tax liabilities for the offshore wind farms will increase until COD.

Also, the effective tax rate was affected by an updated management assessment on uncertain tax positions and the enacted increase of the UK tax rate from 19 % to 25 %.

## Tax controversies

On 28 April 2021, Ørsted received a draft administrative decision from the Danish Tax Agency in relation to the development of the offshore wind farm Race Bank. In line with its administrative decision from 1 December 2020 regarding the Walney Extension and Hornsea 1 offshore wind farms where the Danish Tax Agency claimed DKK 5.1 billion in additional taxes, the Danish Tax Agency

claims that Ørsted Wind Power A/S has not acted at arm's length terms when charging fees for technical development services provided to the Race Bank project company. If the draft decision is finalised, it entails an additional Danish tax payment of DKK 2.5 billion plus interest for the income year 2015. As part of the process, Ørsted is given time and the opportunity to make submissions before the Danish Tax Agency makes a final decision in the matter.

In response to the tax risks connected to cross-border activities, including the current controversy regarding the pricing of technical

development service fees, we have made tax-related provisions in accordance with IAS 12 and IAS 37 as well as relevant interpretation, such as IFRIC 23. The provisions have been calculated on the basis of differences in tax rates and statistical risks of suffering economic or legal double taxation.

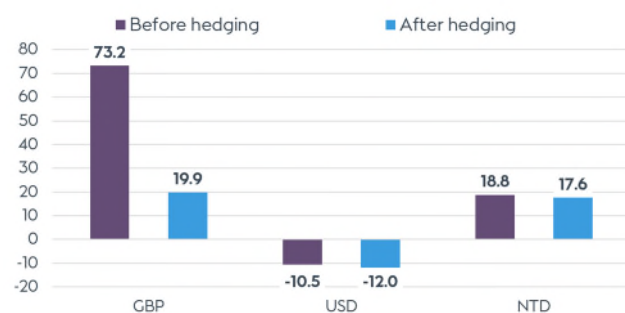
## Accounting policies

### Effective tax rate

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

# 11. Market risks

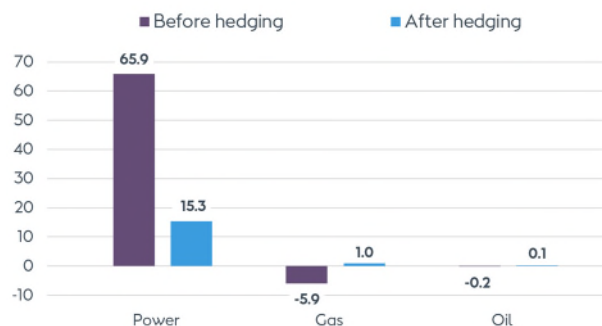
Currency exposure 1 October 2021 - 30 September 2026  
DKKbn



For USD and NTD, we manage our risk to a natural time spread between front-end capital expenditures and long-term revenue. In the five-year horizon, we are therefore seeing that our hedges increase our net exposure to USD, but in the longer horizon, our hedges reduce the USD risk.

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

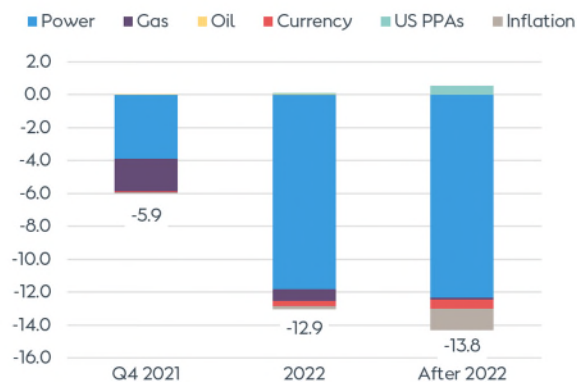
Energy exposure 1 October 2021 - 30 September 2026  
DKKbn



Our power exposure before and after hedging have increased significantly due to the increase in power prices.

Our energy exposures are reduced significantly due to hedging.

Expected value for recognition in EBITDA, DKKbn



The table shows the time of the transfer of the market value of hedging contracts to EBITDA.

Due to the increase in power prices, we have seen large losses on power hedges. The losses will be countered by higher sales prices on our future power production.

## Market risk management

Our most significant market risks relate to:

- energy prices
- foreign exchange rates
- interest and inflation.

We manage market risks to protect Ørsted against market price volatility and to ensure stable and robust financial ratios that support our growth strategy as well as protect the

value of our assets. In the short- to medium-term horizon, we primarily hedge future prices using derivatives to reduce cash flow fluctuations after tax. Minimum hedging levels are determined by the Board of Directors. In the first two years, we are almost fully hedged. The degree of hedging declines in subsequent years. For more details on our market risks, please see note 7.1 'Market risks' in the annual report for 2020.



# 12. Fair value measurement

| Fair value hierarchy<br>DKKm   | Assets       |               |               | Liabilities   |
|--------------------------------|--------------|---------------|---------------|---------------|
|                                | Inventories  | Securities    | Derivatives   | Derivatives   |
| <b>2021</b>                    |              |               |               |               |
| Quoted prices                  | 2,901        | -             | 25,688        | 32,776        |
| Observable input               | -            | 30,136        | 2,022         | 26,365        |
| Non-observable input           | -            | -             | 450           | 4,548         |
| <b>Total 30 September 2021</b> | <b>2,901</b> | <b>30,136</b> | <b>28,160</b> | <b>63,689</b> |
| <b>2020</b>                    |              |               |               |               |
| Quoted prices                  | 635          | -             | 3,365         | 2,630         |
| Observable input               | -            | 27,292        | 1,803         | 1,282         |
| Non-observable input           | -            | -             | 254           | 36            |
| <b>Total 30 September 2020</b> | <b>635</b>   | <b>27,292</b> | <b>5,422</b>  | <b>3,948</b>  |

## 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 and benchmark services to increase data quality.

Market values are determined by the Risk Management function which reports to the

CFO. The market value developments are monitored on a continuous basis and reported to the Executive Committee.

'Quoted prices' comprise gas and derivatives that are traded in active markets. Where derivatives are traded in an active market, we generally have daily settlements, which is why the market value is zero.

'Observable input' comprises securities and derivatives, for which valuation models with

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

|  | 2021           | 2020       |
|--|----------------|------------|
| Market value at 1 January                            | (82)           | 236        |
| Value adjustments through profit or loss             | (449)          | 147        |
| Value adjustments through other comprehensive income | (2,751)        | -          |
| Sales/redemptions                                    | 59             | (233)      |
| Purchases/issues                                     | (878)          | 68         |
| Transferred to observable input                      | 3              | -          |
| <b>Market value at 30 September</b>                  | <b>(4,098)</b> | <b>218</b> |

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

|                     | 2021           | 2020       |
|---------------------|----------------|------------|
| German power prices | (2,297)        | -          |
| Irish power prices  | (682)          | -          |
| Other power prices  | (835)          | 43         |
| Gas prices          | (284)          | 175        |
| <b>Total</b>        | <b>(4,098)</b> | <b>218</b> |



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



The main non-observable input is German power prices in the period 2025-2034. The average power price for the period is estimated at EUR 75.11 per MWh, based on an inflation-adjusted extrapolation of the observable price. An increase or decrease in the German power prices of 10 % would impact the fair value by +/- DKK 790 million.

observable inputs are used to measure fair value. The majority of our securities are quoted Danish mortgage or government bonds. Since these are not always traded on a daily basis, we are valuing these based on market interest rates for similar bonds. 'Non-observable input' primarily comprises long-term contracts on the purchase or sale of power and gas. The fair values are based on assumptions, including the long-term prices of power and gas as well as risk premiums in respect of liquidity and

market risks. Since there are no active markets for long-term prices, the fair value has been determined through an estimate of future prices.

Normally, the energy price can be observed for a maximum of five years in the power market, after which an active market no longer exists. Beyond the five-year horizon, the energy price is thus projected on the basis of the observable forward prices for years one to five.

# 13. Interest-bearing debt and FFO

| Interest-bearing debt and interest-bearing assets<br>DKKm | 30 September<br>2021 | 31 December<br>2020 | 30 September<br>2020 |
|---|----------------------|---------------------|----------------------|
| <b>Interest-bearing debt:</b>                             |                      |                     |                      |
| Bank debt   | 17,422               | 1,942               | 4,426                |
| Bond debt   | 36,044               | 34,824              | 31,454               |
| <b>Total bond and bank debt</b>                           | <b>53,466</b>        | <b>36,766</b>       | <b>35,880</b>        |
| Tax equity liability                                      | 734                  | 721                 | 508                  |
| Lease liability   | 5,590                | 5,054               | 4,760                |
| Other interest-bearing debt                               | 626                  | 1,906               | 1,195                |
| <b>Total interest-bearing debt</b>                        | <b>60,416</b>        | <b>44,447</b>       | <b>42,343</b>        |
| <b>Interest-bearing assets:</b>                           |                      |                     |                      |
| Securities  | 30,136               | 25,173              | 27,292               |
| Cash  | 6,375                | 6,178               | 5,852                |
| Receivables from associates and joint ventures            | -                    | -                   | 160                  |
| Other receivables   | 2,694                | 753                 | 823                  |
| <b>Total interest-bearing assets</b>                      | <b>39,205</b>        | <b>32,104</b>       | <b>34,127</b>        |
| <b>Total interest-bearing net debt</b>                    | <b>21,211</b>        | <b>12,343</b>       | <b>8,216</b>         |



Interest-bearing net debt totalled DKK 21,211 million at 30 September 2021, which was an increase of DKK 8,868 million relative to 31 December 2020. The main changes in the composition of our net debt compared to 31 December 2020 was an increase in bank debt of DKK 15,480 million, which was partly countered by an increase in securities of DKK 4,963 million. The increase in bank debt is mainly related to an increase in short-term repo loans.

## Adjusted definition of FFO and adjusted interest-bearing net debt (NIBD)

We have adjusted our definition of FFO and adjusted NIBD to better align with the rating agencies.

Generally, we are now adjusting FFO for the cash flow effects instead of the profit and loss effects. Further, adjusted NIBD no longer includes the decommissioning obligation.

## Market value of bond and bank debt

At 30 September, the market values of bond and bank debts were DKK 41.6 billion and DKK 17.4 billion, respectively.

| Funds from operations (FFO) LTM <sup>1</sup><br>DKKm | 30 September<br>2021 | 31 December<br>2020 | 30 September<br>2020 |
|--|----------------------|---------------------|----------------------|
| <b>EBITDA<sup>2</sup></b>                            | <b>21,047</b>        | <b>18,124</b>       | <b>17,734</b>        |
| Change in provisions and other adjustments           | 72                   | (403)               | (214)                |
| Reversal of gain (loss) on divestment of assets      | (5,175)              | (805)               | (840)                |
| Income tax paid                                      | (1,115)              | (1,118)             | (1,300)              |
| Interest and similar items, received/paid            | (834)                | (1,829)             | (1,855)              |
| Reversal of interest expenses transferred to assets  | (616)                | (449)               | (372)                |
| 50 % of coupon payments on hybrid capital            | (215)                | (245)               | (278)                |
| Dividends received and capital reductions            | 39                   | 18                  | 7                    |
| <b>Funds from operations (FFO)</b>                   | <b>13,203</b>        | <b>13,293</b>       | <b>12,882</b>        |

<sup>1</sup> Last 12 months.

<sup>2</sup> EBITDA according to business performance up until the end of 2020.

| Adjusted interest-bearing net debt<br>DKKm                               | 30 September<br>2021 | 31 December<br>2020 | 30 September<br>2020 |
|--|----------------------|---------------------|----------------------|
| <b>Total interest-bearing net debt</b>                                   | <b>21,211</b>        | <b>12,343</b>       | <b>8,216</b>         |
| 50 % of hybrid capital   | 8,992                | 6,616               | 6,616                |
| Cash and securities not available for distribution, excluding repo loans | 977                  | 1,485               | 1,291                |
| <b>Total adjusted interest-bearing net debt</b>                          | <b>31,180</b>        | <b>20,444</b>       | <b>16,123</b>        |

| Funds from operations (FFO)/<br>adjusted interest-bearing net debt         | 30 September<br>2021 | 31 December<br>2020 | 30 September<br>2020 |
|--|----------------------|---------------------|----------------------|
| <b>Funds from operations (FFO)/<br/>adjusted interest-bearing net debt</b> | <b>42.3 %</b>        | <b>65.0 %</b>       | <b>79.9 %</b>        |



Comparative figures are restated in accordance with the new definition of FFO and adjusted interest-bearing net debt (NIBD).



The table shows which items are included in the adjusted interest-bearing debt.



We have adjusted our target FFO/adjusted NIBD from above 30 % to above 25 % to be in line with the rating agencies.

# Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and approved the interim financial report of Ørsted A/S for the period 1 January - 30 September 2021.

The interim financial report which has not been audited or reviewed by the company's independent auditors has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional requirements in the Danish Financial Statements Act. The accounting policies remain unchanged from the annual report for 2020.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities, and financial position at 30 September 2021 and of the results of the Group's operations and cash flows for the period 1 January - 30 September 2021.

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 2020.

Skærbæk, 3 November 2021

## Executive Board:

**Mads Nipper**

Group President and CEO

**Marianne Wiinholt**

CFO

**Martin Neubert**

CCO and Deputy Group CEO

## Board of Directors:

**Thomas Thune Andersen**

Chairman

**Lene Skole**

Deputy Chairman

**Lynda Armstrong**

**Jørgen Kildahl**

**Julia Elizabeth King**

**Peter Korsholm**

**Henrik Poulsen**

**Dieter Wemmer**

**Benny Gøbel\***

**Ole Henriksen\***

**Daniel Tas Sandermann\***

\*Employee representative

# Forward-looking statements

## Forward-looking statements

This report contains certain forward-looking statements, including, but not limited to, the statements and expectations contained in the 'Outlook' section of this report (p. 8).

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

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

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

Although we believe that the estimates and projections reflected in the forward-looking

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

Read more about the risks in note 7 'Risk management' in this report, in the annual report for 2020, and in the section 'Risk and risk management' in the Management's review in the annual report for 2020 available at <http://www.ored.com>.

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



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**Front page image**

Cooper and Leah, offshore technicians,  
Barrow in Furness, UK

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