Salg & Service

Annual report 2022

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Overview

Company information

Company	Ørsted Salg & Service A/S Kraftværksvej 53 Skærbæk 7000 Fredericia Denmark Telephone: +45 99 55 11 11 Email: orsted@orsted.dk Company registration number: 27210538
Shareholder	The entire share capital is held by Ørsted A/S
Board of Directors	Daniel Lerup (Chairman) Anja Forup (Deputy Chairman) Heidi Lohse
Executive Board	Rune Sonne Bundgaard-Jørgensen
Auditor	PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab
Consolidated financial statements	The company is reflected in the group report as the parent company Ørsted A/S, Fredericia, CVR no. 36 21 37 28 The group report of Ørsted A/S, Fredericia, CVR no. 36 21 37 28 can be obtained at the following address: www.orsted.com/en/investors/ir-material/financial-reports-and-presentations
Annual general meeting	26 June 2023

Performance highlights

Financial ratios have been calculated in accordance with ‘Recommendations & Ratios’ published by the Danish Society of Financial Analysts. For definitions, see the accounting policies section.

DKKm	2022	2021	2020	2019	2018
Statement of comprehensive income					
Revenue	93,611	45,785	20,519	31,201	38,840
Operating profit (loss) before depreciation and amortisation (EBITDA)	516	79	(169)	2,004	527
Operating profit (loss) (EBIT)	419	(893)	(280)	1,618	446
Net financial income and expenses	(326)	146	(152)	(81)	(96)
Profit (loss) before tax	96	(748)	(432)	1,536	342
Profit (loss) for the year	67	(267)	(638)	694	(134)
Balance sheet					
Equity	19,212	5,903	9,348	10,067	9,380
Assets	88,296	69,215	21,007	26,345	27,953
Cash flows					
Operating activities	(7,067)	(10,682)	2,324	(359)	1,643
Investments in property, plant, and equipment	-	-	-	(9)	(5)
Other investing activities	(1)	(45)	(3)	-	(396)
Financing activities	8,120	11,474	(79)	(78)	-
Financial ratios					
EBITDA margin	1 %	0 %	(1 %)	6 %	1 %
EBIT margin (profit margin)	0 %	(2 %)	(1 %)	5 %	1 %
Net interest-bearing debt	(4,513)	3,428	(7,955)	(7,546)	(8,611)
Capital employed	(14,537)	9,455	2,137	3,623	821
Average number of employees	269	256	267	295	109

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and approved the annual report of Ørsted Salg & Service A/S for the financial year 1 January – 31 December 2022.

The financial statements of Ørsted Salg & Service A/S, have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

In our opinion, the financial statements provide a true and fair view of the company's assets, liabilities, and financial position at 31 December 2022 and of the results of the company's operations and cash flows for the financial year 1 January – 31 December 2022.

In our opinion, the management's review provides a true and fair account of the development in the company's operations and financial circumstances, of the results for the year, and of the overall financial position of the company.

We recommend that the annual report be adopted at the annual general meeting.

Gentofte, 19 June 2023

Executive Board:

Rune Sonne Bundgaard-Jørgensen
CEO

Board of Directors:

Daniel Lerup
Chairman

Anja Forup
Deputy Chairman

Heidi Lohse

Independent auditor's report

To the Shareholder of
Ørsted Salg & Service A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Ørsted Salg & Service A/S for the financial year 1 January – 31 December 2022, which comprise income statement and statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

– Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

– Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Gentofte, 19 June 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Anders Stig Lauritsen
State Authorised Public Accountant
mne32800

Daniel Kønigsfeld Sitch
State Authorised Public Accountant
mne47889

Management's review

Financial performance

Total revenue from continued operations increased by 104 % compared to 2021 and amounted to DKK 93.6 billion. The increase was driven by a 164 % increase in the average gas prices, partly offset by a 45 % decrease in sold gas volumes, increasing revenue from sale of gas with DKK 4.9 billion (35 % increase). The decrease in sold gas volumes was primarily due to ceased delivery in Denmark from Gazprom Export and expire of contracts in the UK. Revenue from sale of power increased with DKK 37.7 billion (142% increase) due to 71 % increase in average UK power prices and 40 % increase in sold power volumes. The increase in sold power volumes was mainly due to volumes from the Hornsea II windfarm commissioned in the year and general higher off take of power generation from Ørsted windfarms, including investor power purchase agreements, due to increased wind speeds compared to 2021.

EBITDA amounted to a gain of DKK 516 million compared to DKK 79 million in 2021.

To reflect end-to end value chain thinking in Ørsted, earnings from trading related to hedging of power exposures and power portfolio optimization activities are reported as Offshore earnings.

EBITDA from Offshore sales amounted to a loss of DKK 2,573 compared to a loss of DKK 1,795 in 2021. Earnings for the year was negatively impacted with DKK 1.2 billion due to ineffectiveness related to inflation-based contracts and negative effects from volume-related overhedging. Losses from ineffectiveness is reported as Other operating expenses. The continued market conditions in 2022 with high power prices and high volatility, impacted earnings negative through higher balancing and intermittency costs.

EBITDA from Gas Markets & Infrastructure contributed with earnings of DKK 3,070 million in 2022, a DKK 1,176 million increase relative to last year. The positive effect was mainly driven by optimising our north-western European gas activities, where we were able to lock in gains from the offtake flexibility in some of our sourcing contracts and at gas storages. In contrast, our decision during the spring to unwind gas hedges related to the Gazprom Export contract to balance our risk, if gas supplies from Russia were ceased, led to a net loss on the Gazprom Export sourcing contract in the first half of the year.

EBITDA from Other business activities amounted to DKK 19 million, an increase of 39 million, which was primarily due to reduced operating costs.

Cash flows from operating activities amounted to DKK -7,067 million in 2022. The negative cash flow was driven by the continuously high and volatile gas and power prices, leading to large margin payments on unrealized financial instruments, partly offset by repayment of cash collateral replaced by a guarantee provided by Ørsted A/S. Payment of income tax amounted to DKK -2,540 million.

Cash flows related dividends from subsidiaries amounted to DKK 65 million.

Cash flow from financing activities amounted to DKK 8,120 million mainly due to transactions with Ørsted internal bank and a capital injection of DKK 15,000 million.

Performance highlights		2022	2021	%
Business drivers				
Gas sales (continued operations) [1]	TWh	25.8	46.5	(45%)
Power sales (continued operations) [2]	TWh	45.7	32.7	40%
Gas price, TTF	EUR/MWh	120.5	45.7	164%
Power price, DK	EUR/MWh	213.7	87.8	143%
Power price, LEBA UK	GBP/MWh	252.0	147.5	71%
Financial results				
Revenue	DKKm	93,611	45,785	104%
EBITDA (continued operations)	DKKm	516	79	553%
Offshore		(2,573)	(1,795)	(43%)
Gas Markets & Infrastructure		3,070	1,894	62%
Other, incl. end-customers sales		19	(20)	n.a
EBITDA (discontinued operations)	DKKm	(23)	(40)	43%
Depreciation	DKKm	(97)	(972)	84%
EBIT	DKKm	419	(893)	n.a
Cash flows from operating activities	DKKm	(7,067)	(10,682)	34%
Gross investments	DKKm	(4)	(907)	(100%)
Divestments	DKKm	65	9	622%
Cash flows from financing activities	DKKm	8,120	11,474	(29%)
Free cash flow from continued operations	DKKm	1,114	106	951%
Free cash flow from discontinued operations	DKKm	(18)	(67)	73%
Capital employed	DKKm	14,537	9,455	54%

1 Gas volumes from discontinued operations 6.2 TWh (2021: 15.8 TWh).
2 Power volumes from discontinued operations 1.1 TWh (2021: 3.1 TWh)

Introduction to Ørsted Salg & Service

Route-to-market and trading
We serve as an efficient route-to-market for both Ørsted companies and third parties, by providing balancing services for renewable generation portfolios and by selling green certificates to the market. In doing so, we manage large volumes of power contracts that we optimise by leveraging the size of our combined portfolio and our origination and trading capabilities.

We spearhead market risk management for Ørsteds generation assets and contracts by trading power, green certificates and other commodities. We mitigate risks and create value through time-to-market decisions, proxy hedging and netting.

We ensure efficient operations and maximise the commercial value of our legacy gas portfolio.

We are utilizing our gas and power portfolio by part of the volumes being sold to our B2B customers in Denmark and the southern part of Sweden.

Gas pipelines and storage facilities
We handle the commercial activities relating to parts of the Ørsted Group's gas infrastructure.

We own pipelines in the Danish sector of the North Sea and have leased capacity across the European pipeline system, securing access to most gas markets in Northern Europe.

We have access to gas storage facilities in Denmark and Germany, where we have capacity on long-term or short-term. Besides higher security of supply, these storage facilities provide flexibility in our gas optimisation and trading.

Environment
As part of the Ørsted Group, we work for an increase in the use of renewable energy, while remaining dependent on traditional energy sources to ensure a stable distribution of power.

Reference is made to the Ørsted Group's 2022 annual report, which includes the Group's statutory environmental statement.

Discontinued operations
Following the decision and closure of our UK B2B business, the activity is presented as discontinued operations. Reference is made to note 12 'Discontinued operations'.

Earnings related to expected development assumed in previous report
Financial performance for 2022 was slightly below expectations primarily driven by the negative impact from ineffective hedges in our Offshore related power portfolio activities. It was only partly offset by higher than expected earnings from trading activities in our gas business. Consequently, realised EBITDA ended lower than our expected range for 2022 of 0.7-1.0 billion DKK.

Outlook 2023
For Ørsted Salg & Service A/S, a higher EBITDA is expected for 2023. EBITDA is expected to total DKK 1.5-1.8 billion in 2023.

– Negative impact from overhedging and ineffective hedges in 2022 is not expected to be repeated in 2023 and lower balancing costs, partly offset by lower expected trading results.

– In 2022, earnings in 'Gas Markets & Infrastructure' saw a positive effect from optimising our north-western European gas activities, where we were able to lock in gains from the offtake flexibility in some of our sourcing contracts and at gas storages. In 2023, we expect earnings to be fairly limited, reflecting normal margins on these activities, lower volumes, and a negative timing impact related to our Danish gas storage activities.

Events after the end of the financial year
No events have occurred after the end of the financial year which would have influenced on the evaluation of this annual report.

Strategic and operational performance 2022
The power portfolio and trading business related to hedging of power generation continued in 2022 to be challenged by high balancing cost and intermittency costs. In addition, the earnings in 2022 was driven down by the negative impact from ineffective hedges related to inflation-based contracts and negative effects from volume-related overhedging.

Our gas business had again in 2022 a strong financial performance, giving Ørsted Salg & Service a strong diversification effect, where the positive earnings in the gas business offsetting the negative impacts from the Offshore power activities.

To help secure the Danish gas supply for the 2022/2023 winter period, we took all possible measures to inject gas into Danish gas storages under our capacity contracts during the summer period. We also entered into a gas agreement with Equinor under which Equinor will supply 8 TWh of Norwegian gas to Denmark via Baltic Pipe from 1 January 2023 until April 2024, covering the period when the Tyra field is not supplying gas to Denmark. The agreement strengthens the security of supply in Denmark and will be supplementing our purchase of biogas and gas from the South Arne field. Together, these offtake agreements will more than cover the consumption of our Danish and Swedish B2B customers.

Gazprom Export suspended its deliveries under the sourcing contract from 1 June 2022. The contract with Gazprom Export has subsequently been terminated pursuant to the provisions in the contract due to long-term force majeure on the part of Gazprom Export.

In 2022, we completed the phase out of our UK B2B activities, whereafter we only have insignificant B2B activities in UK.

Risk management

The activities, financial position, results, and future growth of the Ørsted Salg & Service A/S are affected by a number of non-financial and financial commercial risks. Therefore, we regularly review our risk profile and the associated risk policies to ensure the appropriate balancing of risk exposure and activities at all times.

Formalised risk management is divided into:

- management of general commercial risks,
- management of financial risks and
- management of insurable risks.

Commercial risks are defined as events that may, with a certain probability, adversely impact the realisation of the Ørsted Salg & Service A/S financial results or strategy. The management of commercial risks is anchored in the individual segments in the Ørsted Salg & Service A/S and consolidated at corporate level. Once annually, the Ørsted Salg & Service A/S identifies and prioritises its risks in a risk matrix based on materiality and probability. For further details of risk management, reference is made to note 28.

In addition to these risks, we are involved in litigation and arbitration proceedings, the outcome of which may impact our financial position. Reference is made to note 29 'Contingent liabilities and other liabilities'.

Management

The member of the Executive Board is:

Rune Sonne Bundgaard-Jørgensen
CEO

The members of the Board of Directors are:

Daniel Lerup
Chairman of the Board of Directors.

Anja Forup
Deputy Chairman of the Board of Directors.

Heidi Lohse
Member of the Board of Directors since 28 March 2023.

For further details regarding remuneration, see note 5 'Employee costs' and note 6 'Share-based payment'.

Retention and development of skills

Our business is generally highly complex, requiring special skills. Coupled with the growing demand for talent, this increases the challenge of attracting and retaining employees. Much emphasis is placed on making us an attractive workplace, and various initiatives have been put in motion for this purpose. These include management development, skills development, performance systems, talent development, and collaboration with educational institutions.

Liquidity and financing risks

Our liquidity and financing risks are managed centrally by the Ørsted Group in accordance with the defined principles and delegated authorities laid down by the Board of Directors of Ørsted A/S, in such a way as to ensure that we have an adequate capital base and adequate cash resources at all times. One of the most important financial management tasks in the Ørsted Group is to secure sufficient and flexible financial resources in relation to the Ørsted Group's day-to-day operations and investment programme. For this purpose, internal management objectives have been established determining required level of financial resources, taking into account primarily factors such as the investment programme, cash flows from operating activities, and the debt maturity profile. It is the Ørsted Group's financing policy to concentrate loans in the parent company in order to optimise the loan portfolio on a consolidated basis.

Insurable risks

The Ørsted Group has an extensive facility and liability insurance programme, while the scope of consequential loss insurance is very limited. Also, separate insurance is taken out for certain large construction projects. The facilities insurance largely relates to the membership of the reinsurance company 'Oil Insurance Ltd.' Through this, assets up to USD 450 million are insured, with an excess of USD 10 million per insurance event. With a view to achieving adequate cover for a number of large assets, this cover has been supplemented by a number of supplementary insurance policies through the commercial insurance market. As part of the optimisation of its insurance portfolio, the Ørsted Group has established a captive, Ørsted Insurance A/S, that is authorised to carry on insurance business and is subject to supervision by the Danish Financial Supervisory Authority. Ørsted Insurance A/S is primarily used to provide insurance cover for facilities and certain construction projects.

Environmental, social, and governance statement (ESG)

In pursuance to Section 99a (7) of the Danish Financial Statements Act, the Company has omitted information on corporate social resonsibility. We are part of the Ørsted Group, and reference is consequently made to the Ørsted Group's 2022 annual report, which includes the Group's statutory ESG report.

Further details on ESG can be found at https://orsted.com/sustainability2022

Policies for the underrepresented gender

Target figures and gender representation at management level

As from 1 January 2023, the rules on gender targets in section 99b in the Danish Financial Statements Act was expanded so that companies in scope should put in place gender targets for other managerial levels (defined as the executive board and people managers reporting to the executive board) and prepare a policy to increase gender diversity, such policy only to cover the specific legal entity.

The board of directors are constituted by three members which are represented by two woman and one man. Due to equal representation of men and women on the Board of Directors in accordance with the rules of the Danish Companies Act, no targets for the share of the underrepresented gender have been set for Ørsted Salg & Services A/S.

Ørsted Salg & Services A/S has an equal gender balance, as defined as 40:60 by the Danish Business Authority, in other managerial levels, hence no targets are set here.

Ørsted as a global company has committed to meeting specific gender ambitions as 40:60 percent gender representation across Ørsted by 2030.

Description of policy

A Danish diversity and inclusion policy has been prepared and approved by the board of directors in November 2022. The policy is aligned to the Danish appendix to Ørsted's global diversity and inclusion policy and has applied as of 1 January 2023 to all employees employed in Ørsted Salg & Services A/S.
The policy aims to put into words our commitment to diversity and inclusion, including our aspirations, our approach, and our actions. Ørsted is committed to ensuring an inclusive workplace where you are respected for who you are, valued for the unique perspectives you bring to the workplace, and rewarded fairly for what you achieve, while maintaining a sustainable work life.

Our gender ambitions are high. They require that we attract, recruit, develop, sponsor, engage, and include women and everyone else at every level and step of the way.

Translation of policies into action

To embed diversity, equity, and inclusion at the core of our approach and global growth, we continuously work to improve our organisation's gender balance, and expand our diversity efforts and initiatives beyond gender and our own workforce.

While gender is one dimension of diversity, for which we have set specific gender balance targets, we fully recognise that diversity is much wider than this and includes any identity dimensions that may differentiate our employees – for example ethnicity, race, nationality, disability, and sexual orientation, to name a few – and we take an intersectional approach to biases and barriers for all employees to feel valued.

Our ambition is i) embedded in our business strategy and all of our talent decisions, ii) central to our sustainability agenda and regulatory requirements, iii) global in approach and tailored to local needs, iv) defined broadly around visible and invisible diversity, and v) informed by data so we act on evidence and track progress.

We are maturing our organisation's understanding of diversity, equity and inclusion. More than 1,850 employees in Ørsted attended live trainings and over 600 completed our dedicated e-learnings on inclusion. Diversity, equity and Inclusion is now part of the onboarding program for every employee, and this year we focused on upskilling our top management and HR community as essential drivers for further progress.

Embracing inclusion requires that we invest resources in listening in order to understand how our current and future employees define inclusion in the workplace. We have made diversity, equity, and inclusion a part of the questions asked in our annual employee engagement survey, People Matter. We are committed to acting on the results, to ensuring employees feel respected for who they are, appreciated for their contributions, and that they have equal access to opportunities for career advancement.

Through our newly-launched sponsorship program, our 45 most senior leaders in Ørsted sponsor at least one woman with the aim for her to progress to a more senior leadership position.

We continue to support and mature our global Ørsted IN inclusion networks with 15 chapters across the world. Our networks include Gender IN, LGBTQ+ IN, Race and Ethnicity IN, Disability IN and Veterans IN. We provide development opportunities, allocate funding and establishing clear communication lines for feedback to ensure alignment with the Diversity, Equity and Inclusion team. These networks create a place for our employees to come together and support an inclusive culture.

Diversity and inclusion must be a natural element of any recruitment, hiring, or selection activity in Ørsted. We strive to make this visible in our job ads, in our selection criteria, position short listings, and employer branding activities. We seek to de-bias our job descriptions, screening, and decision-making processes.

We are auditing several processes to create a fairer and more equitable working environment. Based on employee inputs, we reviewed and enhanced our 'Global bullying, discrimination, and harassment policy' and process in 2022.

Statement of policy for data ethics

In pursuance of Section 99d of the Danish Financial Statements Act, the Company has omitted information on data ethics.
Reference is made to the Data Ethics statement 2022 for Ørsted A/S:
https://orsted.com/en/who-we-are/our-organisation/corporate-governance/data-ethics-report

Financial statements

1 January – 31 December 2022

Statement of comprehensive income

1 January – 31 December

Note	DKKm	2022	2021
2	Revenue	93,611	45,785
3	Cost of sales	(91,053)	(44,981)
4	Other external expenses	(573)	(485)
5, 6	Employee costs	(272)	(238)
7	Other operating expenses	(1,197)	(2)
	Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)	**516**	**79**
13, 14	Depreciation, amortisation and impairment losses on intangible assets and property, plant and equipment	(97)	(120)
15	Impairment on investments in subsidiaries	-	(852)
	Operating profit (loss) (EBIT)	**419**	**(893)**
	Gain (loss) on divestment of enterprises	2	(1)
9	Financial income	2,567	1,505
10	Financial expenses	(2,893)	(1,359)
	Profit (loss) before tax	**96**	**(748)**
11	Tax on profit (loss) for the year	(11)	512
	Profit (loss) for the year from continuing operations	**85**	**(236)**
12	**Profit (loss) for the year from discontinued operations**	**(18)**	**(31)**
	Profit (loss) for the year	**67**	**(267)**
	Other comprehensive income[1]:		
	Value adjustments of cash flow hedging	(5,276)	(4,154)
	Cash flow hedging transferred to revenue	4,223	81
	Cash flow hedging transferred to other operating expenses	(1,197)	-
	Tax on comprehensive income	494	898
	Total comprehensive income	**(1,689)**	**(3,442)**
	Profit (loss) for the year is attributable to:		
	Shareholder in Ørsted Salg & Service A/S	67	(267)
	Profit (loss) for the year	**67**	**(267)**
	Total comprehensive income for the year is attributable to:		
	Shareholder in Ørsted Salg & Service A/S	(1,689)	(3,442)
	Total comprehensive income	**(1,689)**	**(3,442)**

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

Balance sheet

31 December

Note	Assets DKKm	2022	2021
	Rights	4	4
	Completed development projects	20	35
	Development projects in progress	78	75
13	**Intangible assets**	**102**	**114**
	Land and buildings	2	2
	Production assets	356	392
14	**Property, plant and equipment**	**358**	**394**
15	Investments in subsidiaries	200	262
18	Derivatives	2,016	328
17	Deferred tax	3,442	4,226
	Other receivables	3	1
	Other non-current assets	**5,661**	**4,817**
	Non-current assets	**6,121**	**5,325**
16	Inventories	5,450	5,088
18	Derivatives	48,179	39,044
20	Trade receivables	7,733	5,639
	Receivables from group enterprises	11,752	5,337
	Income tax	1,758	-
21	Other receivables	3,755	8,100
23	Securities	380	414
23	Cash	3,169	268
	Current assets	**82,176**	**63,890**
	Assets	**88,296**	**69,215**

Note	Equity and liabilities DKKm	2022	2021
	Share capital	2,610	1,110
	Development costs reserve	79	110
	Hedging reserve	(4,931)	(3,175)
	Retained earnings	21,454	7,858
24	**Equity**	**19,212**	**5,903**
25	Provisions	1,179	1,529
	Lease liabilities	-	19
18	Derivatives	10,523	3,275
26	Contract liabilities	4	4
	Other payables	1	-
	Non-current liabilities	**11,707**	**4,827**
25	Provisions	3	170
	Lease liabilities	19	75
19	Derivatives	39,358	40,863
26	Contract liabilities	121	383
	Trade payables	7,223	5,807
	Payables to group enterprises	10,370	8,991
21	Other payables	283	147
22	Income tax	-	2,049
	Current liabilities	**57,377**	**58,485**
	Liabilities	**69,084**	**63,312**
	Equity and liabilities	**88,296**	**69,215**

Statement of shareholder's equity

1 January – 31 December

DKKm	2022 Share capital	2022 Hedging Reserve	2022 Develop-ment cost reserve	2022 Retained earnings	2022 Total	2021 Share capital	2021 Hedging Reserve	2021 Develop-ment cost reserve	2021 Retained earnings	2021 Total
Equity at 1 January	1,110	(3,175)	110	7,858	5,903	1,110	-	89	8,149	9,348
Comprehensive income for the year:										
Profit (loss) for the year	-	-	(31)	98	67	-	-	21	(288)	(267)
Impact from cash flow hedging	-	(2,250)	-	-	(2,250)	-	(4,073)	-	-	(4,073)
Tax on cash flow hedging	-	494	-	-	494	-	898	-	-	898
Total comprehensive income	**-**	**(1,756)**	**(31)**	**98**	**(1,689)**	**-**	**(3,175)**	**21**	**(288)**	**(3,442)**
Transactions with owners:										
Capital injection	1,500	-	-	13,500	15,000	-	-	-	-	-
Demerger of assets and liabilities	-	-	-	(3)	(3)	-	-	-	(4)	(4)
Share-based payment	-	-	-	1	1	-	-	-	1	1
Total changes in equity	**1,500**	**(1,756)**	**(31)**	**13,498**	**14,998**	**-**	**(3,175)**	**21**	**(291)**	**(3,445)**
Equity at 31 December	**2,610**	**(4,931)**	**79**	**21,454**	**19,212**	**1,110**	**(3,175)**	**110**	**7,858**	**5,903**

Statement of cash flows

1 January – 31 December

Note	DKKm	2022	2021
	Operating profit (loss) before depreciation and amortisation (EBITDA)	**516**	**79**
	Other items[1]	(7,958)	(323)
27	Change in working capital	3,094	(9,787)
	Cash flows from operations (operating activities)	**(4,348)**	**(10,031)**
	Interest income and similar items	2,291	798
	Interest expenses and similar items	(2,470)	(849)
	Income tax paid	(2,540)	(600)
	Cash flows from operating activities	**(7,067)**	**(10,682)**
13	Acquisition of intangible assets	(3)	(35)
	Sale of enterprises	-	9
15	Investments in subsidiaries	-	(827)
	Other investments	-	(45)
	Received dividends	65	-
	Cash flows from investing activities	**62**	**(898)**
	Financial transactions with the Ørsted Group's internal bank	(10,005)	11,783
	Capital transactions principal shareholders	15,000	-
	Loan proceeds from Ørsted Group	5,008	(232)
	Deposit of restricted cash	(1,805)	-
	Instalments on leases	(75)	(73)
	Paid dividend	(3)	(4)
	Cash flows from financing activities	**8,120**	**11,474**
	Cash flows from continuing operations	**1,114**	**106**
12	**Cash flows from discontinuing operations**	**(18)**	**(67)**
	Total net change in cash and cash equivalents	**1,096**	**39**
	Cash and cash equivalents at 1 January	28	(11)
	Net increase/(decrease) in cash	1,096	39
23	**Cash and cash equivalents at 31 December**	**1,124**	**28**

1 'Other items' primarilly comprise changes in value adjustments of derivative financial instruments DKK -7.3 billion, changes in provisions DKK -488 million and other changes DKK -144 million.

Accounting policies

The statement of cash flows shows cash flows for the year from operating, investing, and financing activities, the year's changes in cash and cash equivalents, and cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and divestments of enterprises is disclosed separately under cash flows from investing activities. Cash flows relating to acquired enterprises are recognised in the statement of cash flows from the date of acquisition, and cash flows relating to divested enterprises are recognised up to the date of divestment.

Cash flows from operating activities are determined using the indirect method as operating profit adjusted for non-cash operating items, changes in working capital, interest received and paid, dividends received, and income tax paid.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of enterprises and activities; purchase and sale of intangible assets, property, plant and equipment and other non-current assets; and purchase and sale of securities that are not recognised as cash and cash equivalents.

Finance leases are accounted for as non-cash transactions.

Cash flows from financing activities comprise changes in the size or composition of share capital and costs associated with such changes as well as the raising of loans, repayment of interest-bearing debt, purchases and sales of treasury shares, and payment of dividends to owners.

Cash flows relating to assets held under finance leases are recognised as payment of interest and repayment of debt.

Cash and cash equivalents comprise cash as well as securities that form part of the ongoing cash management, are readily convertible to cash, and are subject to an insignificant risk of changes in value.

Cash flows in currencies other than the functional currency are translated at the average exchange rates for the month in question, unless these differ significantly from the rates at the transaction date.

Notes

1. Basis of reporting

Note		Key accounting estimates and judgements	Estimate/ judgement	Extent of accounting estimates and judgements
25 & 29	Provisions and Contingent assets and liabilities	Assumptions for decommissioning obligations	Estimate	●●
		Estimate of onerous contracts	Estimate	●●
		Estimate of litigation outcomes	Estimate	●●
28	Market risk policy	Valuation of long-term power purchase agreements	Estimate	●●
		Effectiveness of hedge reserve	Judgement	●●

Extent of accounting estimates and judgements relates to objectivity and business practice.

● Very objective/market-conforming
●● Objective/partially conforming
●●● Partially subjective/partially distinctive
●●●● Subjective/distinctive for Ørsted

Accounting policies

Ørsted Salg & Service A/S is a public limited liability company based in Denmark.

The financial statements for the period 1 January – 31 December 2022 comprise the parent company Ørsted Salg & Service A/S.

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statements Act (Årsregnskabsloven). We provide a more detailed description of the accounting policies applied in the specific notes.

The financial statements are presented in million Danish kroner (DKK), unless otherwise stated.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Measurement basis

The financial statements have been prepared on historical cost basis except for derivatives, financial instruments, and carbon emission allowances in trading portfolio that are measured at market value.
The accounting policies have been applied consistently to the financial year and for the comparative figures.

Key accounting estimates and judgements

The use of reasonable estimates and judgements is an essential part of the preparation of the financial statements.

Given the uncertainties inherent in our business activities, we make a number of estimates regarding judgements. The estimates and judgements are based on assumptions concerning future developments which affect our application of accounting policies and reported amounts of our assets, liabilities, sales, costs, cash flows, and related disclosures. Actual amounts may differ from the amounts estimated and estimates made as more detailed information becomes available.

We regularly reassess these estimates and judgements, based among other things on historical experience, the current situation in the financial markets, and a number of other relevant factors, e.g. the expected effects of Brexit.

Accounting estimates, judgements and assumptions which may entail a risk of material adjustments in subsequent years are listed in the table on page 19.

In addition, we make judgements when we apply the accounting policies.

Reference is made to the specific notes for further information on the key accounting estimates and judgements as well as the assumptions applied.

Foreign currency translation

Transactions in currencies other than the functional currency, of DKK are accounted for as transactions in foreign currencies and translated on initial recognition at the exchange rate at the transaction date. Exchange differences arising between the exchange rate at the transaction date and at the date of payment are recognised in profit (loss) for the year as financial income or expenses.

Receivables, payables, and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rate at the balance sheet date and the date at which the receivable or payable arose is recognised in profit (loss) for the year as financial income or expenses.

Balance sheet items are translated at the exchange rates at the balance sheet date. All exchange differences are recognised in profit (loss) for the year.

Implementation of new standards and interpretations

We regularly assess the impact of new IFRS standards and interpretations. We implement new IFRS standards and interpretations from their mandatory effective dates at the latest.

We have not implemented any standards (IAS and IFRS) or interpretations in 2022.

New standards and interpretations

IASB has issued a number of new or amended standards and interpretations which have not yet entered into force, and which have consequently not been incorporated into the consolidated financial statements for 2022. None of these amended standards and interpretations are expected to have any significant impact on our financial statements.

2. Revenue

DKKm	Offshore	Gas Markets and Infra-structure	Other , incl. end-cus-tomers sales	2022 Total	Offshore	Gas Markets and Infra-structure	Other, incl. end-cus-tomers sales	2021 Total
Sale of gas	254	16,812	1,989	19,055	-	12,811	1,303	14,114
Sale of power	60,189	90	4,006	64,285	28,380	(3,701)	1,906	26,585
Other revenue	2	233	-	235	186	-	-	186
Sale of renewable energy certificates	6,150	-	-	6,150	5,218	-	-	5,218
Total revenue from customers	**66,593**	**17,136**	**5,995**	**89,725**	**33,604**	**9,290**	**3,209**	**46,103**
Trading activities, net	964	2,922	-	3,886	(614)	296	-	(318)
Total revenue	**67,558**	**20,058**	**5,995**	**93,611**	**32,990**	**9,586**	**3,209**	**45,785**
Timing of revenue recognition from customers								
At a point in time	64,748	12,476	-	77,224	30,744	4,877	-	35,621
Over time	1,846	4,660	5,995	12,501	2,860	4,413	3,209	10,482
Total revenue from customers	**66,593**	**17,136**	**5,995**	**89,725**	**33,604**	**9,290**	**3,209**	**46,103**

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

'At a point in time' mainly comprises:
– sale of gas or power in the market, e.g. North Pool, NBP

'Over time' mainly comprises:
– delivery of gas and power to end-customers
– long-term contracts with customers to deliver gas or power

Total revenue from sale of goods in 2022 amounted to DKK 93,301 million (2021: 45,404) and total revenue from sale of services 2022 DKK 310 million (2021: 381).

Accounting policies

Revenue
Revenue is measured based on the consideration specified in a contract with a customer (transaction price) and excludes amounts collected on behalf of third parties, i.e. VAT. We recognise revenue when we transfer control over a product or service to a customer.

We adjust the transaction price for the time value of money if the payments exceed twelve months.

Sales agreements are divided into individually identifiable performance obligations. If a sales agreement includes several performance obligations, the sales agreement's transaction price is allocated to each performance obligation's stand-alone selling price.

Sale of gas
Timing of satisfaction of delivery obligations and significant estimates
Revenue is recognised when control of the gas is transferred to the buyer. Transfer of control occurs either when the gas is injected into the distribution system or physically delivered to the customer.

Significant terms of payment and associated estimates and assessments
Sales contracts for a fixed amount of gas at a variable price, or where we are exclusive suppliers to the customer at a variable price, are considered one performance obligation with multiple deliveries to be satisfied over time. For such contracts, we recognise revenue in the amount up to which we have a right to invoice.

In most cases, the consideration for the gas is due when the gas is injected into the distribution system or delivered to the customer. The delivery of gas is invoiced on a monthly basis, and the payment is due within 10-30 days.

Continued

Sale of power
Types of goods and services
Revenue from sale of power includes the sale of power produced at own wind farms and power stations, the sale of power sourced from other producers, and the sale of ancillary services.

Timing of satisfaction of delivery obligations and significant estimates
Revenue is recognised when control of the goods is transferred to the buyer. Transfer of control occurs when the actual power is delivered to the customer, which for power generated by us occurs when it is produced.

Significant terms of payment and associated estimates and assessments
Sales contracts for a fixed amount of power at a variable price, or where we are exclusive suppliers to the customer at a variable price, are considered one performance obligation with multiple deliveries to be satisfied over time. For such contracts and for long-term agreements on selling power at a fixed price, we recognise revenue in the amount up to which we have a right to invoice.

In most cases, the consideration for the power is due when the actual power is delivered to the customer. The delivery of power is invoiced on a monthly basis, and the payment is due within 10-30 days.

Other revenue
Types of goods and services
Other revenue primarily includes consultancy services.

Timing of satisfaction of delivery obligations and significant estimates
Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-priced contracts, revenue is recognised based on the actual service rendered at the end of the reporting period as a proportion of the total services to be rendered because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total labour hours expected.

Significant terms of payment and associated estimates and assessments
Fixed-price contracts are invoiced on a monthly basis, and consideration is payable when invoiced. Variable fee services are generally due after the services are rendered.

Trading activities net
Income from trading activities comprises net realised and unrealised fair value changes, realised gains and losses arising from trading within energy commodity derivatives and inventory held for trading. The energy commodity derivatives make up Ørsted Salg & Service A/S trading portfolio which includes futures, options, swaps, transport, capacities and certain forward sales and forward purchases commodity contracts that are either financially or physically settled. As the physically settled contracts are managed on a portfolio basis, a practice of net settlement is present, and the contracts are considered in scope of IFRS 9 and treated as derivatives. Net changes in fair value of commodity derivatives and net changes in fair value of inventory held for trading represents unrealised changes in the fair value of commodity derivatives and net changes in fair value of inventory held for trading at the balance sheet date.

3. Cost of sales

DKKm	2022	2021
Gas	(18,448)	(11,505)
Power	(72,160)	(32,529)
Distribution and transmission costs	(217)	(777)
Other cost of sales	(228)	(170)
Cost of sales	**(91,053)**	**(44,981)**

Accounting policies

Cost of sales
Cost of sales for fuel and energy comprises the purchases of fuel in the form of gas and power and transportation costs in connection with the purchase as well as costs related to carbon emission allowances. Costs are recognised in profit for the year as incurred.

4. Other external expenses

Other external expenses comprise expenses for maintenance of production equipment, rent, external assistance, research and development and office supplies, etc.

5. Employee costs

DKKm	2022	2021
Wages, salaries, and remuneration	(252)	(213)
Share-based payment	(1)	(1)
Pensions	(18	(17)
Other social security costs	(1)	(2)
Other employee costs	-	(5)
Employee costs before transfer to assets	**(272)**	**(238)**
Transfer to assets	-	-
Total employee costs	**(272)**	**(238)**
Number of full-time employees		
Average for the financial year	269	256

Remuneration for the Board of Directors and the Executive Board	Board of Directors		Executive Board	
DKKm	2022	2021	2022	2021
Salary	-	-	(0.6)	(2.3)
Bonus	-	-	(0.1)	(0.2)
Share-based payments	-	-	(0.1)	(0.1)
Salary in notice period and severance payment	-	-	(1.2)	-
Pension, incl. social security and benefits	-	-	(0.1)	(0.1)
Total	**-**	**-**	**(2.1)**	**(2.7)**

The total remuneration stated in the note only includes remuneration attributable to Ørsted Salg & Service A/S. The Executive Board is made up of one person, which is also Key Management Person (KMP). A bonus plan has been established for the Executive Board. The contract of service of the Executive Board includes a termination package under which the Executive Board will be entitled to the equivalent of 24 months' salary if their contract of service is terminated by the company. The board of directors has not been paid remuneration.

Accounting policies

Employee costs comprise wages, salaries, remuneration, pensions, social security costs and other employee-related costs.

Number of employees
Employee data is recognised based on records from the Group's ordinary registration systems. The number of employees is determined as the number of employees at the end of each month converted to full-time equivalents (FTEs). Employees who have been made redundant are recognised until the expiry of their notice period, regardless of whether they have been released from all or some of their duties during their notice period.

6. Share-based payment

Share programme

The Executive Board and a limited number of other members of senior management participate in our share programme established in 2016. Today, approximately eight senior executives participate in the programme. As a condition for the award of performance share units (PSUs), the participant must own a number of shares in Ørsted A/S corresponding to a part of the individual participant's annual base salary. The ownership requirement is between 15-75 % of the fixed salary.

If the participants fulfil the shareholding requirement at the time of granting, they will be granted a number of PSUs each year, representing a value of 15-20 %, of the annual fixed salary on the date of granting.

The granted PSUs have a vesting period of three years, after which each PSU entitles the holder, without payment, to receive a number of shares corresponding to 0-200 % of the number of PSUs granted. The vesting is conditional upon continued employment. Assuming no share price development since the grant, the value would correspond to 0-30 % or 0-40 % of the fixed salary on the date of grant.

The final number of shares for each participant will be determined on the basis of the total shareholder return delivered by Ørsted, benchmarked against ten comparable European energy companies.

The highest rate (200 %) will be triggered if Ørsted's results, measured as the total return to shareholders, outperform those of the comparable companies. For each lower ranking, the number of shares granted will fall by 20 percentage points (% points). If, for example, Ørsted ranks third, the participants will be entitled to 160 % of the target.

If Ørsted ranks 11 in the comparison, no shares will be granted to the participants. The right to shares is conditional upon continued employment.

Accounting policies

The share programme is classified as an equity-based programme, as the programme is settled in shares. The market value of the PSUs and the estimated number of PSUs granted are measured at the time of granting and recognised in the income statement under employee costs over the vesting period and in the balance sheet under equity over the vesting period.

The valuation of the PSUs and the estimated number of PSUs granted are carried out as a probability simulation based on the expected performance of Ørsted's total shareholder return relative to ten comparable European energy companies. The expectations are factored into the market value and are not adjusted subsequently.

7. Other operating expenses

DKKm	2022	2021
Ineffective hedges, etc[1]	(1,197)	-
Miscellaneous operating expenses	-	(2)
Total	**(1,197)**	**(2)**

1 In 2021, ineffective hedges, etc, was DKK 195 million, presented as revenue.

Ineffective hedges includes volume-ineffective hedges as a consequence of lower-than-expected offshore generation, resulting in us having hedged too large volumes. Furthermore, it includes other hedges, which we cannot document as being effective from a hedge accounting perspective and therefore have recognised in the income statement.

8. Auditor's fees

DKKm	2022	2021
Statutory audit	(2)	(1)
Total fees to PwC	**(2)**	**(1)**

PwC is Ørsted's auditor appointed by the general meeting. PwC audits the consolidated financial statements of Ørsted and the subsidiaries' financial statements in all the countries where we are represented.

9. Financial income

DKKm	2022	2021
Interest income	3	2
Interest income from group enterprises	15	228
Foreign exchange gains	2,484	1,275
Other financial income	65	-
Financial income	**2,567**	**1,505**
Revenue for the year includes exchange rate and fair value adjustments of:	15	(27)

10. Financial expenses

DKKm	2022	2021
Interest expenses	(161)	(18)
Interest expenses to group enterprises	(141)	(16)
Interest element of provisions	(37)	(43)
Foreign exchange losses	(2,554)	(1,277)
Other financial expenses	-	(5)
Financial expenses	**(2,893)**	**(1,359)**

Accounting policies

Financial income and financial expenses comprise interest, capital gains and losses, and impairment losses relating to securities, payables, and transactions denominated in foreign currencies, amortisation of financial assets and liabilities, including lease commitments under finance leases, as well as surcharges and refunds under the on-account tax scheme, etc.

Financial income and financial expenses also include realised and unrealised gains and losses relating to derivative financial instruments that have not been entered into to hedge revenue or production costs. Interest is recognised in accordance with the accrual basis of accounting.

Borrowing costs relating to general borrowing or loans directly attributable to the acquisition, construction, or development of qualifying assets form part of the cost of such assets.

11. Tax on profit (loss) for the year

DKKm	2022	2021
Tax for the year can be specified as follows:		
Tax on profit (loss) for the year	(11)	512
Current tax on other comprehensive income	494	898
Tax for the year	**483**	**1,410**
Tax on profit (loss) for the year can be broken down as follows:		
Current tax	777	(3,498)
Deferred tax	(783)	3,524
Uncertain tax position	-	500
Adjustments to current tax in respect of prior years	(5)	(136)
Adjustments to deferred tax in respect of prior years	-	122
Tax on profit (loss) for the year	**(11)**	**512**
Tax on profit (loss) for the year can be explained as follows:		
Calculated 22.0% tax on profit (loss) before tax	(21)	148
Tax effect of:		
Non-deductible expenses	(14)	(122)
Movement in uncertain tax positions	-	500
Non-taxable income	29	-
Adjustments to tax in respect of prior years	(5)	(14)
Tax on profit (loss) for the year	**(11)**	**512**
Effective tax rate	**12 %**	**76%**

Accounting policies

The Ørsted Group is subject to the Danish rules on compulsory joint taxation and has also opted for international joint taxation with the Group's foreign subsidiaries. The Group's subsidiaries are included in the joint taxation from the date they are included in the consolidation in the consolidated financial statements and up to the date at which they are no longer included in the consolidation.

The parent company, Ørsted A/S, is the administration company in relation to the joint taxation and thus settles all payments of income tax with the tax authorities.

The current Danish income tax is allocated among the jointly taxed Danish subsidiaries in proportion to their taxable income. In this connection, Danish subsidiaries with tax losses receive a joint taxation contribution from the parent company corresponding to the tax value of the unutilised losses (full allocation), while companies that use tax losses in other Danish companies pay a joint taxation contribution to the parent company corresponding to the tax value of the utilised losses.

Being made up of the year's current income tax, the year's joint taxation contributions and changes in deferred tax, including – as a consequence of changed tax rates – tax for the year is recognised in the income statement with the part attributable to the profit (loss) for the year and directly in equity with the part attributable to entries directly in equity.

The Group is included in a Danish on-account tax scheme. Tax refunds and tax surcharges are allocated between the jointly taxed Danish companies in accordance with the allocation of the Danish income tax and recognised as financial income and financial expenses, respectively.

12. Discontinued operations

Profit from discontinued operations

DKKm	2022	2021
Revenue	3,900	5,664
Cost of sales	(3,900)	(5,664)
Other external expenses	(23)	(40)
Employee costs	-	-
Other operating expenses	-	-
Operating profit (loss) (EBITDA)	**(23)**	**(40)**
Gain (loss) on divestment of enterprises	-	-
Financial expenses	-	-
Profit (loss) before tax	**(23)**	**(40)**
Tax on profit (loss) for the year	5	9
Profit from discontinued operations	**(18)**	**(31)**

Tax for the year, discontinued operations

DKKm	2022	2021
Current tax	5	9
Deferred tax	-	-
Total tax	**5**	**9**

Cash flows for the year, discontinued operations

DKKm	2022	2021
Cash flows from operating activities	(18)	67
Cash flows from investing activities	-	-
Total cash flows	(18)	67

Following the decision and closure of our UK B2B business, the activity is presented as discontinued operations.

During 2022 the phaseout of the UK B2B activities was finalised, whereafter there is only insignificant B2B activities in UK. The activity was completely closed down in April 2023.

Financial performance

EBIT from UK B2B business amounts to DKK -18 million compared to DKK -31 million in 2021 due to reduced operating costs.

Total cash flows from UK B2B business in 2022 amounted to DKK -18 million from operating activities.

13. Intangible assets

DKKm	Rights	Completed development projects	Development projects in progress	Total
Cost at 1 January 2022	68	411	75	554
Additions	-	-	3	3
Cost at 31 December 2022	**68**	**411**	**78**	**557**
Amortisation and impairment losses at 1 January 2022	(64)	(376)	-	(440)
Amortisation and impairment losses	-	(15)	-	(15)
Amortisation and impairment losses at 31 December 2022	**(64)**	**(391)**	**-**	**(455)**
Carrying amount at 31 December 2022	**4**	**20**	**78**	**102**
Cost at 1 January 2021	68	411	46	525
Additions	-	-	35	35
Disposals	-	(6)	-	(6)
Reclassified assets	-	6	(6)	-
Cost at 31 December 2021	**68**	**411**	**75**	**554**
Amortisation and impairment losses at 1 January 2021	(64)	(343)	-	(407)
Amortisation and impairment losses	-	(39)	-	(39)
Disposals	-	6	-	6
Amortisation and impairment losses at 31 December 2021	**(64)**	**(376)**	**-**	**(440)**
Carrying amount at 31 December 2021	**4**	**35**	**75**	**114**
Amortised over	5 - 20 years	3 - 5 years	-	-

Impairment testing

The carrying amounts of development projects in progess, rights and completed development projects are assessed annually to determine whether there is any indication of impairment. If any such indication exists, an impairment test is carried out.

There were no indications of impairment in 2022.

Rights

Rights consist predominantly of customer-related rights and a connection right relating to gas transportation. At 31 December 2022, the carrying amount of rights was calculated to DKK 4 million (2021: DKK 4 million). There were no indications of impairment of rights in 2022.

Development projects

Completed development projects related to IT software. At 31 December 2022, the carrying amount of development projects was calculated to DKK 20 million (2021: DKK 35 million).

Development projects in progress are related to development of IT software.

Accounting policies

Rights
Rights comprise acquired customer rights, IT software licences, etc., and are measured at cost less accumulated amortisation and impairment losses.

Development projects
Development projects comprise development of IT systems, etc.

Development projects that are clearly defined and identifiable, and for which technical feasibility, adequate resources, a potential future market, or an application in the company can be demonstrated, and which the company intends to manufacture, market, or use, are recognised in intangible assets if the cost can be determined reliably, and if there is reasonable certainty that the future earnings or the net selling price will cover production costs, selling costs, administrative expenses, and development costs. Other development costs are recognised in the income statement as incurred.

Recognised development costs are measured at cost less accumulated depreciation and impairment losses. Cost comprises salaries, amortisation, and other costs attributable to the company's development activities as well as borrowing costs relating to specific and general borrowing directly attributable to development projects.

On completion, development projects are amortised on a straight-line basis over their assessed future useful lives from the date the asset is available for use. The amortisation period is usually five years. The basis of amortisation is reduced by any impairment losses.

Amortisation and impairment losses relating to intangible assets are recognised in the statement of comprehensive income.

Impairment of non-current assets
Intangible assets with an indefinite useful life are tested for impairment annually, initially before the end of the year of acquisition. Development projects in progress are also tested annually for impairment.

An impairment loss is recognised whenever the carrying amount of an asset or cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement under production costs and administrative expenses, respectively.

Impairment losses are reversed to the extent that the assumptions or estimates that led to the impairment have changed. Impairment losses are only reversed to the extent that the asset's new carrying amount does not exceed the value of the asset after depreciation or amortisation, had no impairment losses been charged.

14. Property, plant and equipment

DKKm	Land and buildings	Production assets	Fixtures and fittings, tools and equipment	Property, plant, and equipment under construction	Total
Cost at 1 January 2022	11	8,290	4	-	8,305
Adjustment of decommissioning obligations	-	45	-	-	45
Additions	-	1	-	-	1
Cost at 31 December 2022	**11**	**8,336**	**4**	**-**	**8,351**
Depreciation and impairment losses at 1 January 2022	(9)	(7,898)	(4)	-	(7,911)
Depreciation and impairment losses	-	(82)	-	-	(82)
Depreciation and impairment losses at 31 December 2022	**(9)**	**(7,980)**	**(4)**	**-**	**(7,993)**
Carrying amount at 31 December 2022	**2**	**356**	**-**	**-**	**358**
Cost at 1 January 2021	11	8,296	4	2	8,313
Adjustment of decommissioning obligations	-	(6)	-	-	(6)
Disposals	-	-	-	(2)	(2)
Cost at 31 December 2021	**11**	**8,290**	**4**	**-**	**8,305**
Depreciation and impairment losses at 1 January 2021	(9)	(7,817)	(4)	-	(7,830)
Depreciation and impairment losses	-	(81)	-	-	(81)
Depreciation and impairment losses at 31 December 2021	**(9)**	**(7,898)**	**(4)**	**-**	**(7,911)**
Carrying amount at 31 December 2021	**2**	**392**	**-**	**-**	**394**
Depreciated over	20 years	20 - 40 years	3 - 10 years	-	-

Impairment testing of property, plant and equipment
The carrying amounts of property, plant and equipment are assessed annually to determine whether there is any indication of impairment. If any such indication exists, an impairment test is carried out.

There were no indications of impairment of property, plant and equipment in 2022.

Accounting policies

Property, plant and equipment comprise land and buildings, production assets and other tools and equipment. Property, plant and equipment which are not leases are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date the asset is available for use. The cost of self-constructed assets comprises direct and indirect expenses for materials, components, sub-suppliers, and wages. Finance costs that can be attributed to a preparation or production period are recognised in the income statement as finance costs. Specific and general borrowing costs attributable to a construction period are recognised in the cost of the asset constructed.

Cost is increased by the present value of the estimated costs for dismantling and removing the asset and restoring the site to the extent that they are recognised as a provision. The cost of an assembled asset can be divided into separate components that are each depreciated separately if the useful lives of the individual components differ.

In the case of assets held under lease agreements, cost is determined as the lower of the fair value of the assets and the present value of future minimum lease payments. The present value is determined using the interest rate implicit in the lease as the discount rate or an approximated value.

Subsequent costs, for example in connection with replacement of parts of an item of property, plant and equipment, are recognised in the carrying amount of the asset in question when it is probable that future economic benefits will flow to the company from the expenses incurred. Replaced parts are derecognised from the balance sheet, and their carrying amounts are taken to the income statement. All other general repair and maintenance expenses are recognised in the income statement as incurred.

Development and construction costs relating to property, plant and equipment are recognised, until entry into service, in the balance sheet under property, plant and equipment under construction. Following entry into service, these assets are transferred to the relevant items in property, plant and equipment.

In the case of gas activities, cost is depreciated using the unit-of-production method, taking into account the expected earnings profile, so that the depreciation pattern reflects the expected earnings patterns.

In the case of other property, plant and equipment, cost is basically depreciated on a straight-line basis over the estimated future useful lives.

Depreciation periods for property, plant and equipment:

Depreciation periods for PP&E	Years
Buildings used for own purposes[1]	20
Production assets: gas treatment plant[2]	20-40
Production assets: marine pipelines[2]	20-40
Fixtures and fittings, tools and equipment	3-10
Assets under construction[3]	-

1 Land is not depreciated.
2 The depreciation profile takes into account that the use of the assets changes substantially over the lives of the assets.
3 Depreciation does not commence until the date of entry into service, at which date the assets are transferred to production assets.

The basis of depreciation is determined on the basis of the asset's residual value less any impairment losses. The residual value is determined at the acquisition date and reassessed annually. Depreciation ceases if the residual value exceeds the carrying amount.

If the depreciation period or the residual value changes, the effect on depreciation is recognised prospectively as a change in accounting estimates.

Depreciation and impairment losses are recognised in the statement of comprehensive income to the extent that depreciation is not recognised in the cost of self-constructed assets.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as 'Other operating income' or 'Other operating expenses'.

15. Investments in subsidiaries

DKKm	2022	2021
Cost at 1 January	1,928	1,176
Adjustment, opening	-	(75)
Additions	-	827
Adjustments to liquidated companies	(63)	-
Cost at 31 December	**1,865**	**1,928**
Value adjustments at 1 January	(1,666)	(889)
Adjustment, opening	-	75
Adjustments to liquidated companies	1	-
Impairment losses	-	(852)
Value adjustments at 31 December	**(1,665)**	**(1,666)**
Carrying amount at 31 December	**200**	**262**

Ørsted Salg & Service A/S subsidiaries Company name	Registered office	Currency	Share capital in million	Ownership interest
Ørsted Salg & Service A/S	Fredericia, Denmark	DKK	2,610	100%
Ørsted Markets GmbH	Hamburg, Germany	EUR	9.6	100%
Ørsted Sales GmbH	Hamburg, Germany	EUR	1.0	100%
Ørsted AB	Gothenburg, Sweden	SEK	5.0	100%
Danish Offshore Gas Systems A/S	Fredericia, Denmark	DKK	1.0	100%
Ørsted Pipelines A/S	Fredericia, Denmark	DKK	50.5	100%
Nordic Impact Bridge ApS	Copenhagen, Denmark	DKK	0.1	7.31%
Ørsted S&D (UK) Limited	London, UK	GBP	48.0	100%
Ørsted Salg & Service NL, branch of Ørsted Salg & Service A/S Denmark	's-Gravenhage, the Netherlands	EUR	-	100%
Ørsted Commercial Commodities A/S	Fredericia, Denmark	DKK	4.0	100%

We have tested investments in subsidiaries for impairment by comparing the expected future income in the individual subsidiary with their carrying amounts.

In 2022, Orsted Energy Solutions (UK) Limited is liquidated and dividends of DKK 64 million is received.

In 2021, both impairment losses and additions are related to Orsted S&D (UK) Limited.

Accounting policies

Investments in subsidiaries are measured at cost. Cost is written down to the recoverable amount whenever it exceeds the recoverable amount.

16. Inventories

DKKm	2022	2021
Gas	4,556	3,812
Green certificates	843	887
Carbon emission allowances (purchased)	49	388
Other inventories	1	1
Inventories at 31 December	**5,450**	**5,088**

The carrying amount of inventories recognised at fair value was DKK 3,492 million (2021: DKK 3,161 million).

Accounting policies

Inventories consist of gas in storage facilities and in gas pipelines, acquired carbon emission allowances, and green certificates.

Gas storage in non-Danish facilities are managed on a fair value basis, and therefore the gas in these storage facilities is recognised at fair value less sales costs. Changes in the fair value less costs to sell are recognised in cost of sales in the period of the change.

Gas in Danish storage facilities are recognised at cost and determined as a weighted average of the previous month´s purchase price, including transportation costs.

Purchased carbon emission allowances are measured at fair value with value adjustments recognised in the income statement.

Other inventories are measured at the lower of cost using the first-in, first-out (FIFO) principle or net realisable value. The net realisable value of inventories is determined as the expected selling price less any costs of completion and costs incurred to execute the sale and is determined taking into account marketability, obsolescence, and development of expected selling price.

17. Deferred tax

DKKm	2022	2021
Deferred tax at 1 January	(4,226)	(580)
Exchange rate adjustment	-	-
Deferred tax for the year recognised in profit (loss)	783	(3,524)
Deferred tax discontinued operations	-	-
Adjustments in respect of prior years	-	(122)
Deferred tax at 31 December	**(3,442)**	**(4,226)**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (assets)	(3,442)	(4,226)
Deferred tax (liability)	-	-
Deferred tax at 31 December, net	**(3,442)**	**(4,226)**
Deferred tax concerns:		
Non-current assets	73	112
Non-current liabilities	(314)	(398)
Current assets	2	(398)
Current liabilities	(3,202)	(3,940)
Deferred tax at 31 December	**(3,442)**	**(4,226)**

Deferred tax assets are expected to be utilised for offsetting against the settlement of deferred tax liabilities in companies included in joint taxation in the Ørsted Group.

Change in temporary differences during the year DKKm	Balance sheet at 1 January	Recognised in profit (loss) for the year	Balance sheet at 31 December
2022			
Intangible assets	8	(3)	5
Property, plant, and equipment	55	(7)	48
Current assets	49	(48)	1
Decommissioning obligations	(120)	(14)	(134)
Other non-current liabilities	(278)	120	(158)
Current liabilities and derivatives	(3,940)	736	(3,204)
Tax loss carry forward	-	-	-
Total	**(4,226)**	**784**	**(3,442)**
2021			
Intangible assets	15	(7)	8
Property, plant, and equipment	57	(2)	55
Current assets	2	47	49
Decommissioning obligations	(117)	(3)	(120)
Other non-current liabilities	(324)	46	(278)
Current liabilities and derivatives	(213)	(3,727)	(3,940)
Tax loss carry forward	-	-	-
Total	**(580)**	**(3,646)**	**(4,226)**

Accounting policies

Deferred tax assets are reviewed annually and recognised only to the extent that it is probable that they will be utilised.

Deferred tax is measured using the balance sheet liability method in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. However, deferred tax on temporary differences in respect of office properties, and other items – apart from business combinations – is not recognised where temporary differences have arisen at the acquisition date without having any effect on profit (loss) or taxable income. When the tax base can be determined applying different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised as other non-current assets at the value at which they are expected to be utilised either by elimination against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax assets and deferred tax liabilities are offset if the company has a legally enforceable right to set off current tax assets and current tax liabilities or intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Adjustment of deferred tax is made relating to eliminations made of unrealised intragroup profits and losses. Deferred tax is measured in accordance with the tax rules and tax rates in the respective countries that will apply under the legislation enacted at the balance sheet date when the deferred tax is expected to crystallise in the form of current tax.

Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

18. Derivatives

Financial instruments by category DKKm	2022 Carrying amount	2022 Fair value	2021 Carrying amount	2021 Fair value
Assets				
Derivative financial instruments held for trading	46,675	46,675	30,818	30,818
Securities	380	380	414	414
Financial assets measured at fair value via the income statement	**47,055**	**47,055**	**31,232**	**31,232**
Derivative financial instruments held for hedging	3,520	3,520	8,554	8,554
Derivatives (assets) used ad hedging instruments	**3,520**	**3,520**	**8,554**	**8,554**
Trade receivables	7,733	7,733	5,639	5,639
Other receivables, cash, and cash equivalents	18,507	18,507	13,702	13,702
Loans and receivables	**26,240**	**26,240**	**19,341**	**19,341**
Equity and liabilities				
Derivative financial instruments held for trading	40,103	40,103	31,295	31,295
Financial liabilities measured at fair value via the income statement	**40,103**	**40,103**	**31,295**	**31,295**
Derivatives finacial instruments held for hedging	9,778	9,778	12,843	12,843
Derivatives (liabilities) used as hedging instruments	**9,778**	**9,778**	**12,843**	**12,843**
Bank loans	-	-	-	-
Other payables	17,969	17,969	15,044	15,044
Financial liabilities measured at amortised cost	**17,969**	**17,969**	**15,044**	**15,044**

In 2022, we recognised volume ineffectiveness related to power, gas and oil hedges, primarily related to exposure in 2023 and 2024. In total, these amounted to DKK -1,197 million (2021: DKK -269 million).

Categories of financial instruments
Financial instruments are used for various purposes. The purpose determines the category, and whether the value adjustment of the instrument should be recognised in the profit (loss) for the year or as part of the hedging reserve in equity.

The fair value of financial instruments measured at amortised cost is identical to the carrying amount.

Fair value measurement
All assets and liabilities measured at fair value are measured on a recurring basis.

Quoted prices comprise derivative financial instruments that are traded in active markets. It is customary to settle these trades on a daily basis.

Observable inputs comprise derivative financial instruments where valuation models with observable inputs are used to measure fair value. For commodity derivatives we can directly apply the observable commodity price adjusted for the credit risk on the counterparty.

Significant non-observable inputs
Market values based on non-observable input comprise primarily long-term contracts on the purchase or sale of power. Since there are no active markets for the long-term prices of power, the market

Energy price cash flow hedge accounting 2022 DKKm	Contractual principal amount	Maturity analysis 2023	2024	After 2024	Market value Asset	Liability	Recognised in compre-hensive income	Expected transfers to EBITDA/CAPEX 2023	2024	After 2024
EBITDA impact										
Power swaps, futures and options	5,285	1,897	1,820	1,568	2,467	7,981	(4,585)	(2,401)	(1,414)	(770)
Gas swaps and futures	865	196	259	411	349	991	(1,556)	(508)	(733)	(315)
Oil futures	15	9	6	-	-	-	(10)	(10)	-	-
Carbon emmision allowances	46	46	-	-	-	-	(70)	(70)	-	-
Currency, forwards	5,452	5,076	111	265	704	806	(102)	(83)	(4)	(15)
Total					**3,520**	**9,778**	**(6,323)**	**(3,072)**	**(2,151)**	**(1,100)**

Energy price cash flow hedge accounting 2021 DKKm	Contractual principal amount	Maturity analysis 2022	2023	After 2023	Market value Asset	Liability	Recognised in compre-hensive income	Expected transfers to EBITDA/CAPEX 2022	2023	After 2023
EBITDA impact										
Power swaps, futures and options	3,576	831	826	1,919	5,259	9,876	(5,556)	(3,228)	(1,558)	(770)
Gas swaps and futures	3.710	3.701	-	9	2,647	2,353	1,442	(18)	(192)	1,652
Oil futures	19	-	7	12	52	29	30	2	3	25
Currency, forwards	1,411	1,488	3	(80)	596	585	11	9	1	1
Total					**8,554**	**12,843**	**(4,073)**	**(3,235)**	**(1,746)**	**908**

values have been determined through an estimate of the future prices based on an extrapolation of the forward curve adjusted for inflation.

Estimating non-observable power prices
Since our corporate power puchase agreements (CPPAs) are normally settled on the actual production, and the power prices available in the market are based on a constant production (flat profile), we take into account that our expected production is not constant, and thus our CPPAs will not be settled against a flat profile price (intermittency adjustment). For the majority of our markets, the flat profile power price can be observed for a maximum of four to six years in the market, after which an active market no longer exists.

Valuation principles and material 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 Group Treasury & Risk Management function, which reports to the Group CFO. The developments in market values are monitored on a continuing basis and reported to the Executive Committee.

Economic hedging of fair values DKKm	2022 Receivables	2022 Payables	2022 Hedging instruments	2022 Net position	2021 Receivables	2021 Payables	2021 Hedging instruments	2021 Net position
EUR	38,804	(16,674)	-	22,130	27,035	(15,552)	-	11,483
USD	171	(814)	-	(643)	236	(696)	-	(460)
GBP	29,789	(37,203)	-	(7,414)	28,378	(34,484)	-	(6,106)
Other	-	(21)	-	(21)	2	(24)	-	(22)
Total	**68,764**	**(54,712)**	**-**	**14,052**	**55,651**	**(50,756)**	**-**	**4,895**

Contracts accounted for at fair value through profit or loss (EBITDA) DKKm	2022 Nominal amount	2022 Fair value	2021 Nominal amount	2021 Fair value
Oil swaps	507	(803)	1,672	(755)
Gas swaps	3,093	2,339	3,264	(3,675)
Gas options	748	-	-	-
Power swaps	5,145	2,630	5,084	(1,151)
Power options	661	2,414	5,587	5,156
Coal forwards	-	(8)	85	7
Carbon emission allowances	50	-	186	(58)
Currency forwards	-	-	-	-
Total		**6,572**		**(476)**

Fair value hierarchy of financial instruments DKKm	2022 Quoted prices	2022 Observable inputs	2022 Non-observable inputs	2022 Total	2021 Quoted prices	2021 Observable inputs	2021 Non-observable inputs	2021 Total
Commodity derivatives	14,539	27,270	8,084	49,893	9,551	24,003	5,166	38,720
Currency derivatives	-	302	-	302	-	652	-	652
Total derivatives	**14,539**	**27,572**	**8,084**	**50,195**	**9,551**	**24,655**	**5,166**	**39,372**
Securities	-	380	-	380	-	414	-	414
Inventories	3,492	-	-	3,492	3,161	-	-	3,161
Total assets measured at fair value	**18,031**	**27,952**	**8,084**	**54,067**	**12,712**	**25,069**	**5,166**	**42,947**
Commodity derivatives	12,829	28,482	8,170	49,481	12,744	26,188	4,546	43,478
Currency derivatives	-	400	-	400	-	660	-	660
Total liabilities measured at fair value	**12,829**	**28,882**	**8,170**	**49,881**	**12,744**	**26,848**	**4,546**	**44,138**

Derivatives valued on the basis of non-observable inputs DKKm	2022	2021
Market value at 1 January	**620**	**179**
Transferred to quoted prices and observable inputs due to market data having become available	-	(163)
Gains and losses recognised in profit (loss) for the year as revenue	1,531	2,222
Sales and redemptions	(2,849)	29
New trades	612	(1,647)
Market value at 31 December	**(86)**	**620**
Net assets can be specified as follows:		
Assets	8,084	5,166
Liabilities	(8,170)	(4,546)

The main non-observable input is German power prices in the period 2025-2034. The average power price for the period is estimated at DKK 800 per MWh, based on an inflation-adjusted extrapolation of the observable price. An increase or decrease in the German power prices of 25% would impact the fair value by +/- DKK 2,053 million.

Accounting policies

Derivative financial instruments are used to hedge currency and risks related to the price of oil, gas, and power.

Derivative financial instruments are recognised from the trading date as receivables (positive fair values) and other payables (negative fair values), respectively, and are measured in the balance sheet at fair value. Transaction costs are added to the fair value on initial recognition, unless the financial asset or financial liability is measured at fair value with recognition of fair value adjustments in profit (loss) for the year. Positive and negative values are only offset if the company is entitled to and intends to settle several financial instruments net (in cash).

The fair value of derivative financial instruments is determined on the basis of current market data and assumptions as well as recognised valuation methods.

Value adjustments of derivative financial instruments that act as economic hedges of the company's primary activities, but do not satisfy the criteria for hedge accounting, are recognised as revenue. Likewise, value adjustments of financial contracts offered to customers with a view to price hedging are recognised as revenue. Value adjustments of financial contracts that are not used as economic hedges of the company's principal activities or are part of the company's trading portfolio, are recognised as financial income and expenses.

Under IFRS, contracts that involve physical delivery may, in certain circumstances, be accounted for as derivative financial instruments. The classification is determined based on an evaluation of the purpose of the contract compared with the companys's other activities. Contracts entered into in the course of the company's trading activities or as part of certain hedging activities are classified and accounted for as derivative financial instruments, even though they are settled on physical delivery.

Netting of financial assets DKKm	Recognised financial assets, gross	Financial liabilities, offset	Financial assets presented in the balance sheet	Related amounts not netted in the balance sheet: Liabilities with offsetting rights	Related amounts not netted in the balance sheet: Security received	Related amounts not netted in the balance sheet: Net amount
31 December 2022						
Derivative financial instruments	39,398	(21,641)	17,757	(5,266)	(3,322)	9,169
Trade receivables	121,693	(114,438)	7,255	-	-	7,255
31 December 2021						
Derivative financial instruments	79,779	(58,307)	21,472	(5,412)	(3,430)	12,630
Trade receivables	43,203	(38,009)	5,194	-	-	5,194

Netting of financial liabilities DKKm	Recognised financial liabilities, gross	Financial assets, offset	Financial liabilities presented in the balance sheet	Related amounts not netted in the balance sheet: Assets with offsetting rights	Related amounts not netted in the balance sheet: Security provided in the form of bonds	Related amounts not netted in the balance sheet: Net amount
31 December 2022						
Derivative financial instruments	55,861	(21,641)	34,220	(5,266)	(380)	28,574
Trade payables	121,661	(114,438)	7,223	-	-	7,223
31 December 2021						
Derivative financial instruments	96,789	(58,307)	38,482	(5,412)	(414)	32,656
Trade payables	43,816	(38,009)	5,807	-	-	5,807

Netting of financial assets and liabilities

The netting agreements with the individual counterparties are often limited to offsetting within specific products. In addition, the settlement of liabilities and the realisation of assets do often not take place simultaneously.

We only offset positive and negative values if we are entitled to and intend to settle several financial instruments net.

Consequently, only some of the company's netting agreements meet the provisions in IFRS on offsetting.

The table to the left show financial assets and liabilities that are subject to netting agreements and related security.

Net derivative assets valued on the basis of non-observable inputs are specified in the table on page 37.

19. Maturity analysis of financial liabilities

Maturity analysis of financial liabilities 2022 DKKm	Carrying amount	Payment obligation	2023	2024	2025-2026	After 2026
Payables to group enterprises	10,370	10,408	10,408	-	-	-
Trade payables	7,223	7,223	7,223	-	-	-
Fair value of derivative financial instruments	49,881	52,525	29,338	13,942	4,791	4,454
Other payables	283	283	283	-	-	-
31 December	**67,757**	**70,439**	**47,252**	**13,942**	**4,791**	**4,454**

Maturity analysis of financial liabilities 2021 DKKm	Carrying amount	Payment obligation	2022	2023	2024-2025	After 2025
Payables to group enterprises	8,991	8,991	8,991	-	-	-
Trade payables	5,807	5,807	5,807	-	-	-
Fair value of derivative financial instruments	44,138	44,038	32,077	7,271	2,307	2,383
Other payables	147	147	147	-	-	-
31 December	**59,083**	**58,983**	**47,022**	**7,271**	**2,307**	**2,383**

20. Trade receivables

Trade receivables that are overdue, but not individually impaired

DKKm	2022	2021
Days past due:		
Up to 30 days	543	186
30-90 days	182	25
More than 90 days	400	9
Trade receivables, write-downs	(13)	(14)
Trade receivables overdue at 31 December	**1,112**	**206**

Expected credit losses on trade receivables are assessed on the basis of due date and historical experience. For receivables with a

Accounting policies

Deferred income
Deferred income comprises payments received in respect of income in subsequent years, measured at cost. Deferred income includes the value of unrecognised amounts in respect of gas delivered under contract, which is recognised at realisable value.
The value of gas free of charge delivered under contract is spread proportionally over the remaining contract period with a view to accounting for purchased goods on an accruals basis.

21. Other receivables and other payables

Other receivables

DKKm	2022	2021
Collateral provided	2,985	6,485
Margin calls	327	1,168
Deposits	431	412
Other	11	35
Total Other receivables	**3,755**	**8,100**

Collateral provided are margin account depositis, which have been pledged as collateral for trading in financial instruments.

Margin calls are receivables from banks regarding market development in financial instruments used for trading.

Other payables

DKKm	2022	2021
VAT and other indirect taxes	108	81
Other payables	175	66
Other current liabilities at 31 December	**283**	**147**

Accounting policies

Receivables
We keep our receivables until contractual cash flows are collected, and they are therefore measured at amortised cost.

Write-downs are carried out from initial recognition of our receivables. Write-down is calculated as the difference between the carrying amount of the receivable and the net present value of expected future cash flows from the receivable. The discount rate used is the effective interest rate for the individual receivable or the individual portfolio.

We apply the simplified approach to the write-down of trade receivables, which permits calculating the write-downs as the full loss during the entire term of the receivable.

Other receivables include positive fair values of derivative financial instruments, etc.

Financial liabilities
Trade payables, payable income tax, and other payables are measured at net realisable value. Other payables include negative fair values of derivative financial instruments, etc.

Financial liabilities whose values have been effectively hedged are adjusted to fair value to the extent of the hedged risk. The value adjustment is recognised in the income statement as financial income or financial expenses.

22. Income tax receivable and payable

DKKm	2022	2021
Income tax receivable (asset)	(1,757)	-
Income tax payable (liability)	-	2,049
Income tax at 31 December, net	(1,757)	2,049
Income tax payable at 1 January	2,049	316
Adjustments to current tax in respect of prior years	5	136
Payments in respect of prior years	(2,535)	(437)
Current tax for the year	(1,272)	2,099
Current tax discontinued operations	(5)	(9)
Payments in respect of the year	-	(56)
Income tax payable/receivable at 31 December	**(1,758)**	**2,049**

Accounting policies

Current tax liabilities and current tax receivables are recognised in the balance sheet as tax calculated on the year's taxable income adjusted for tax on previous years' taxable income and tax paid on account.

Financial liabilities
Trade payables, payable income tax, and other payables are measured at net realisable value. Other payables include negative fair values of derivative financial instruments, etc.

Financial liabilities whose values have been effectively hedged are adjusted to fair value to the extent of the hedged risk. The value adjustment is recognised in the income statement as financial income or financial expenses.

23. Cash, cash equivalents, and securities

DKKm	2022	2021
Cash and cash equivalents at 31 December include:		
Cash, available	1,124	28
Cash and cash equivalents at 31 December	**1,124**	**28**

DKKm	2022	2021
Cash at 31 December can be broken down into the following balance sheet items:		
Cash, available	1,124	28
Cash, not available for use	2,045	240
Cash at 31 December	**3,169**	**268**
Securities at 31 December can be broken down into the following balance sheet items:		
Securities, not available for use	380	414
Securities at 31 December	**380**	**414**

Cash, cash equivalents, and securities
Securities not available for use comprise securities pledged as collateral for:

– trading in financial instruments: DKK 380 million at 31 December 2022 (2021: DKK 414 million)

Cash not available for use comprises:

– payables for the purchase of gas that has not yet been settled placed on a restricted account: DKK 1,049 million (2021: DKK 0 million)

– collateral for other transactions: DKK 996 million (2021: DKK 240 million)

24. Equity

Share capiral

The company's annual report forms part of the consolidated financial statements of Ørsted A/S, Fredericia, which owns the entire share capital.

Ørsted Salg & Service A/S´s capital is DKK 2,610,000,000 (2021: 1,110 million) divided into shares of DKK 1,000. The share capital was increased in 2022 due to the capital injection of DKK 1,500,000,000 and share premium DKK 13,500,000,000 received from Ørsted A/S to secure sufficient liquidity.

All shares rank equally. There are no restrictions on voting rights.

Dividend

The Board of Directors recommends dividend of DKK 0 million to be paid for the financial year 2022 (2021: DKK 0 million).

Capital management

Ørsted Salg & Service A/S's liquidity and financing risks are managed centrally by Ørsted A/S in accordance with principles and delegated authorities laid down by the Board of Directors of Ørsted A/S in order to ensure that Ørsted Salg & Service A/S has an adequate capital base and adequate cash resources at all times. One of the most important financial management tasks in the Ørsted Group is to secure sufficient and flexible financial resources in relation to the day-to-day operations and the Ørsted Group's investment programme. For this purpose, internal management objectives have been set for the required level of financial resources, primarily considering factors such as the investment programme, cash flows from operating activities, and the debt maturity profile.

It is the Ørsted Group's financing policy to concentrate loans in the parent company in order to optimise the loan portfolio on a consolidated basis.

Accounting policies

Dividends

Proposed dividends are recognised as a liability at the date of their adoption at the annual general meeting (declaration date). Up to the declaration date, proposed dividends are disclosed as a separate item in equity.

25. Provisions

Provisions DKKm	2022 Decommissioning obligations	2022 Onerous contracts	2022 Other liabilities	2022 Total	2021 Decommissioning obligations	2021 Onerous contracts	2021 Other liabilities	2021 Total
Provisions at 1 January	543	618	538	1,699	530	794	1,122	2,446
Provisions used during the year	-	(182)	-	(182)	-	(200)	-	(200)
Provisions reversed during the year	-	(300)	(117)	(417)	-	-	(932)	(932)
Provisions made during the year	-	-	1	1	-	-	348	348
Interest element of obligations	19	18	-	37	19	24	-	43
Change in other abandonment factors	45	-	-	45	(6)	-	-	(6)
Total provisions	**607**	**154**	**421**	**1,182**	**543**	**618**	**538**	**1,699**
Falling due as follows								
0-1 year	-	-	3	3	-	164	6	170
1-5 years	-	154	418	572	-	454	532	986
After 5 years	607	-	-	607	543	-	-	543

Decommissioning obligations
Decommissioning obligations relates to expected future costs for restoration and decommissioning of gas infrastructure assets.

Onerous contracts
Onerous contracts comprise a contract for gas storage capacity in Germany of DKK 154 million (2021: DKK 594 million)

Other provisions
Other provisions comprise primarily other contractual obligations.
The estimated obligations have been discounted to present value using either the structural risk-free interest rate or the incremental borrowing rate. The structural risk-free rate is used for decommissioning liabilities and onerous contracts. It is calculated as the sum of real return (Gross Domestic Product growth rate), inflation, and inflation premium for other risks.

Key accounting estimates
In the course of Ørsted Salg & Service A/S operations, a number of commercial contracts have been entered into with fixed terms of contract that may result in the contracts becoming onerous depending on market developments, etc., and the obligations incurred by the Ørsted Salg & Service A/S as a result of these contracts may also be subject to uncertainty. The judgements concerning these complex contracts and their future effects are subject to significant uncertainties.

Decommissioning obligations comprise estimated expenses related to decommissioning and disposal of production assets. Estimates of the obligations are based on expectations of the future cost level, timing of decommissioning and the structural risk-free interest rate. The expectation for calculating the provision may depend on future events which are uncertain by nature.

Continued

Accounting policies

Provisions are recognised when the following criteria are fulfilled:

- We have a legal or constructive obligation as a result of an earlier event.
- The settlement of the obligation is expected to result in an outflow of resources.
- The obligation can be measured reliably.

For onerous contracts, a provision is made when the expected income to be derived from a contract is lower than the unavoidable cost of meeting our obligations under the contract.

Provisions concerning carbon emissions are recognised when our actual emissions exceed our holding of carbon emission allowances.

Decommissioning obligations are measured at the present value of the future liability in respect of decommissioning as expected at the balance sheet date. The present value of the provision is recognised as part of the cost of property, plant and equipment and depreciated together with the associated asset. The addition of interest on provisions is recognised in the income statement under financial expenses.

26. Contract liabilities

Contract balances

DKKm	2022	2021
Contract liabilities		
Non-current contract liabilities	4	4
Current contract liabilities	121	383
Total contract liabilities	**125**	**387**

Contract liabilities primarily relate to prepayments of gas and power contracts.

Accounting policies

We recognise a contract liability when the invoicing on account and expected losses exceed the transaction price of the goods or services transferred to our customer.

27. Change in working capital

DKKm	2022	2021
Change in inventories	(362)	(2,873)
Change in contract assets and liabilities	(262)	204
Change in trade receivables	(2,495)	(7,062)
Change in current receivables from group	(137)	-
Change in other receivables	4,373	(7,543)
Change in trade payables	1,868	7,482
Change in other payables, etc.	109	5
Change in working capital	**3,376**	**(9,787)**

28. Financial risks and risk management

Financial risks

Ørsted Salg & Service A/S is exposed to several different financial risks, including fluctuations in commodity prices, exchange rates, credit risks, and interest rates. The management of these risks is an important focus area in the company.

Risk management is aimed at identifying the various risk areas and determining a strategy for managing them. A special Risk Committee has been appointed who is responsible for monitoring the Ørsted Group's risk management and risk control relating to market and credit risks. A centralised group risk management function has been set up in Ørsted to support the Risk Committee.

Various strategies have been put in place to manage the risks and align the risk profile. The risk profile is managed through the conclusion of financial and physical contracts for commodities, interest, and currencies over the next five years.

The operating profit may fluctuate considerably from year to year because of price developments.

Managing short-term market risks

Our focus is on actively managing the market risks for the first five years. We primarily hedge future prices using derivatives to reduce cash flow fluctuations after tax.

Minimum hedging levels are currently determined by the Ørsted group Board of Directors. In the first year, price risks are almost fully hedged. The degree of hedging declines in subsequent years due to:

- reduced certainty about long-term production volumes
- increasing hedging costs in the medium to long term, both spread costs and costs of collateral
- adverse impacts from collateral, potentially tying up large amounts of capital if hedging contracts become unfavourable.

Market trading

When the Ørsted Group's desired hedging level has been determined, the exposures are transferred to the market trading function, which is part of Ørsted Salg & Service A/S. Market Trading is responsible for executing the physical and financial transactions in the market. It is not always possible to hedge the transferred price risks in full. Therefore, Ørsted Salg & Service A/S has some remaining exposure resulting from these activities.

The market trading function also balances the physical volumes in the market and, to a lesser extent, engages in active position taking to ensure an ongoing market presence and thus gain more detailed market insights. Furthermore, Ørsted Salg & Service A/S has assumed the role of market maker in the Danish power market, which entails further market risks.

Market risk policy

Our most significant market risks relate to:
- energy and commodity prices
- production variability
- foreign exchange rates
- interest rates and inflation.

Key accounting estimate

Valuation of long-term power purchase agreements
When we measure our power purchase agreements at fair value, we use estimates of non-observable prices such as:

- production forecasts – intermittency (expected profiled production versus constant (flat) production)
- forecasted long-term power prices and exchange rates
- forecasted inflation expectations

The development in market values is monitored on a continuing basis and reported to the Group Executive Team.

Hedge accounting
Hedge effectiveness is measured using forecasted production as well as estimates regarding energy prices, intermittency, interest, currency and inflation. For periods where we are close to fully hedged, volume overhedging is possible if the forecasted production does not materialize which will lead to recognition of ineffectiveness.

Key accounting judgement

Valuation of long-term power purchase agreements
We measure our power purchase agreements at fair value, but they cannot always be measured on quoted prices in active markets due to the long duration of the contracts. We use elements of judgements determining models to measure the fair value and we aim to limit the use of subjective estimates and base the fair values on external information including external pricing and benchmark services.

Effectiveness of hedge relationship
Judgements are used to consider whether forecasted transactions are highly probable exposures as hedged item in a hedge relationship, eg. expected production from wind farms, and judgment is applied in whether the hedge instruments applied in the hedge relationships identified are effective.

The overall objective of our risk management is to:
- increase the predictability of the short-term earnings and FFO/NIBD by securing the price of energy and currency
- protect the long-term real value of 'shareholders' investment in Ørsted by matching fixed nominal cash flows from our assets with fixed nominal debt.

New energy hedging framework
In light of recent high and volatile energy prices, we no longer deem our previous approach for hedging renewable power price exposure fit-for-purpose. Going forward, we will apply a new approach better suited to the characteristics of our portfolio. The new framework provides a better balance between ensuring short-term financial stability and avoiding adverse impact from the hedges, such as the risk of being overhedged and large collateral postings due to negative market values. With the new approach, we have decided to reduce the hedge level and horizon for renewable power price exposures to a range of 0 % – 70 % in the current year plus the next year. In addition, we will utilise opportunities beyond this period to maximixe value and support commercial initiatives. Under our previous hedging framework, we hedged the next five years with a staircase model with minimum hedge levels of 90 % in the coming year, gradually being reduced each year. A transition period is required to go from the previous risk mandate set-up and into the new.

Managing long-term market risks
Beyond the period where we actively hedge, our market risk picture is determined by our portfolio of assets and long-term contracts. We actively manage the long-term market risk through the investment decisions we take and contracts we enter into. Our power exposure is partly mitigated through long-term corporate power purchase agreements (CPPAs), and we use debt to manage our long-term currency, interest rate, and inflation risks.

Commodity price risks
Our price risk arise from the purchase and sale of power and gas. The price risks associated with the purchase and sale of gas result from differences in the indexing of sales and purchase prices. Our largest gas purchase contracts include the option of renegotiating the contract price if it no longer reflects market conditions.

The price risks associated with power purchases and sales are given by the difference between the purchase and sales prices. The price risks primarily relate to timing differences between purchases, sales, and the related hedges, and is therefore considered to be limited.

Currency risks
Currency risks arise primarily from:

- Purchase and sale of power and gas.
- Energy trading, which is typically priced in currencies other than DKK.

Currency exposure is hedged using forward exchange contracts, swaps, and options.

Interest rate risks
Interest rate risks primarily relate to loan portfolio, cash, and financial hedging. These risks are managed in relation to the Ørsted Salg & Service A/S's net financing requirement and capital structure.

Interest rate risk is measured on a net basis, and both debt and any placing of excess cash are included. Interest rate risk is adjusted through the interest terms attaching to the Group's loans.

Credit risks
Credit risks arise primarily from transacting in power and gas – both wholesale, physical, and financial transactions, including placing surplus cash.

We conclude contracts with customers and suppliers on the physical delivery of energy products and hedging contracts with other energy companies, specialised trading houses and international banks. Physical contracts with a term of more than one year are normal, and gas purchase contracts can have terms of more than five years. All such contracts involve a risk of loss in the event of a counterparty failing to perform its obligations. Such risks are quantified and managed as credit risks and are a significant focus area in Ørsted Salg & Service A/S.

Credit risk is managed based on internal credit limits for counterparties and structured monitoring of the actual exposure. Credit limits are established based on an assessment of the counterparty's credit rating. If the counterparty has an external credit rating, for example from Moody's or Standard & Poor's, this is an important factor in determining the counterparty's credit rating.

Credit risks are coordinated in relation to all business activities, so that Ørsted Salg & Service A/S does not assume inappropriately large exposures to individual counterparties. With a view to reducing its credit exposure, the company endeavours, as far as possible, to clear transactions via a clearing centre, such as Nord Pool, and uses formalised framework agreements, such as ISDA and EFET agreements and master netting agreements. To this should be added the limited use of security, such as bank guarantees.

As part of its risk management, the Group monitors its credit exposure in relation to all trading counterparties daily as well as monthly or quarterly in the case of other counterparties. Historically, losses due to default by counterparties have been small.

Financing and capital resources
One of the main financial management responsibilities is to secure sufficient, flexible financial resources for the day-to-day operations and for the implementation of Ørsted Salg & Service's strategy, considering the Ørsted Group's rating. To this end, internal management objectives have been established for the required level of financial resources, taking into account factors such as investment programme, operating cash flow, and debt maturity profile.

Sensitivity analysis

The sensitivity analysis in the tabel shows the effect of market value changes assuming a relative price change at 31 December. The illustrated effect on profit (loss) comprises financial instruments that remained open at the balance sheet date and have an effect on profits in the financial year in question. Besides derivative financial instruments on commodities and currency, financial instruments in this context include receivables and payables in foreign currencies.

It should be noted that the illustrated sensitivities only comprise Ørsted Salg & Service A/S's financial instruments and therefore exclude the effect from contracts concluded under which physical delivery of the underlying assets is made, as these are not recognised as financial instruments in accordance with IFRS 9. Thus, the sensitivity only comprises the derivative financial instruments and not the physical contracts they hedge.

Estimated effect on profit (loss)

The illustrated effect on profit (loss) is the effect from financial instruments that remained open at the balance sheet date and have an effect on profit (loss) in the financial year in question. Besides derivative financial instruments on commodities and currencies, financial instruments in this context include receivables and payables in foreign currencies. It should be noted that the shown sensitivities only comprise the company's financial instruments and consequently are not representative of the company's total risk profile in relation to commodity prices and exchange rates. Furthermore, the sensitivities only reflect the effect of changes at the balance sheet date and not for an entire accounting period.

Estimated effect on equity

The illustrated effect on equity on page 47 is the effect from financial instruments that remained open at the balance sheet date and affect equity at the balance sheet date, excluding instruments that affect the income statement. Here, financial instruments include derivative financial instruments on commodities and currency, which are accounted for as hedges of cash flows.

Credit quality of counterparties DKKm	2022	2021
AA	6	-
A	221	4
BBB [1]	7,245	647
B	2	-
Other[2]	11,532	8,602
Total credit exposure	**19,007**	**9,253**

[1] In 2022 DKK 5,990 million (2021: 0 DKK) is related to Ørsted A/S and the Inhouse Clearing Bank.
[2] DKK 5,761 million (2021: DKK 5,337 million) is related to group companies which are not individually rated.

Sensitivity Analysis		Estimated effect on profit (loss) 31 December		Estimated effect on equity 31 December	
Risks DKKm	Price change	2022	2021	2022	2021
Oil	+25%	43	21	4	3
	-25%	(42)	(21)	(4)	(3)
Gas	+25%	(944)	(1,230)	(218)	(469)
	-25%	964	1,206	218	469
Power	+25%	(2,329)	(1,634)	(2,864)	(2,111)
	-25%	2,427	1,737	2,864	2,111
Carbon emission allowances	+25%	(25)	(128)	-	-
	-25%	25	128	-	-
USD	+10%	(103)	33	-	(1)
	-10%	103	(33)	-	1
GBP	+10%	(1,030)	(98)	(71)	(337)
	-10%	1,030	98	71	337
SEK	+10%	(1)	40	-	-
	-10%	1	(40)	-	-
EUR	+1%	248	115	(8)	-
	-1%	(248)	(115)	8	-

29. Contingent liabilities and other liabilities

At year-end, Ørsted Salg & Services A/S had the following contingent and other liabilities:

Indemnities

The company is taxed jointly with other companies in the Ørsted Group. The companies have unlimited as well as joint and several liability together with the other taxed companies for Danish income taxes and withholding taxes on dividends, interest, and royalties within the jointly taxed companies.

Ørsted A/S is the management company. Reference is made to the Ørsted Group's annual report 2022.

Liability to pay compensation (absolute liability)

According to legislation, Ørsted Salg & Service A/S is liable in tort for any damage caused by the companies' gas activities even where there is no proof of negligence (absolute liability). The usual insurance has been taken out to cover any such claims.

Litigation

The company is party to a number of litigation proceedings and legal disputes that are not estimated to have any material effect on the financial position, neither individually nor collectively.

The outcome of litigation proceedings and legal disputes is based on the expeceted legal assessment, which is updated quarterly. The expectations may depend on future events which are uncertain by nature.

30. Related-party transactions

	Ørsted A/S		Subsidiaries		Group enterprises		Joint ventures and associates	
DKKm	2022	2021	2022	2021	2022	2021	2022	2021
Sale of goods and services	12	8	4,391	6,664	16,806	5,092	-	-
Purchase of goods and services	-	-	(3)	(121)	(31,100)	(16,615)	(220)	(165)
Interest, net	(126)	(9)	-	-	-	-	-	-
Dividends	-	-	65	-	-	-	-	-
Receivables	6,209	223	2,800	4,355	32,643	28,088	-	-
Payables	334	(4,857)	2,697	(6,512)	10,479	(9,052)	18	(17)

Related parties with a controlling interest is Ørsted A/S and the Danish state, represented by the Danish Ministry of Finance, which has a majority holding in the parent company Ørsted A/S.

Related parties with significant influence include the companies' boards of directors, executive boards, executive employees, and members of their families. Related parties also comprise companies in which the persons referred to above have significant influence and group enterprises and associates in the Ørsted Group.

As part of its ordinary operations, Ørsted Salg & Service A/S sells to and buys its products from related parties on market terms.

The company was involved in the following transactions with related parties in the financial year under review.

Ørsted Salg & Service A/S uses the exception set out in IAS 24.25 concerning entities in which the state is a related party, and transactions with state enterprises are therefore not disclosed.

Specific transactions

The company has had transactions with group enterprises as part of its responsibility for the trading function for the Ørsted Group's companies in relation to commodity instruments, etc. Furthermore, balances with group enterprises have been established as part of the normal financing of the Group's activities.

Remuneration of the Board of Directors and the Executive Board is disclosed in note 5 'Employee costs' and note 6 'Share-based payment'.

31. Calculation of financial ratios

Unless otherwise stated, financial ratios have been calculated in accordance with 'Recommendations & Financial Ratios' published by the Danish Society of Financial Analysts.

Financial ratios have been calculated as follows:

EBITDA margin	$\frac{\text{Earnings before interest, tax, depreciation, and amortisation}}{\text{Revenue}}$
EBIT margin (profit margin)	$\frac{\text{Earnings before interest and tax}}{\text{Revenue}}$
Net interest-bearing debt	Interest-bearing liabilities - interest-bearing assets[1]
Capital employed	Equity plus/minus gains/losses relating to hedging instruments on equity + net interest-bearing debt[2]

1 Bank overdrafts that are included in the statement of cash flows as cash and cash equivalents are included as negative interest-bearing assets.
2 The definition deviates from 'Recommendations & Financial Ratios 2015' published by the Danish Society of Financial Analysts.

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