

# **Ørsted Wind Power TW Holding A/S**

## **Interim financial report for the period 1 January to 30 September 2019**

CVR no. 36 03 57 81

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## Company details

<b>The company</b>	Ørsted Wind Power TW Holding A/S Kraftværksvej 53 Skærbæk 7000 Fredericia
	Telephone: +45 99 55 11 11
	E-mail: info@orsted.dk
	Website: www.orsted.com
	CVR no.: 36 03 57 81
	Reporting period: 1 January - 30 September 2019
	Domicile: Fredericia
<b>Date of publication of interim financial statement</b>	30 October 2019
<b>Board of Directors</b>	Thyge Boserup Rasmus Errboe Kasper Holst Skyttegaard-Nielsen
<b>Executive board</b>	Kasper Holst Skyttegaard-Nielsen
<b>Consolidated financial statements</b>	The company is included in the consolidated financial statements of the parent company Ørsted A/S, Fredericia, CVR nr. 36 21 37 28.

## Accounting policies

The interim financial report of Ørsted Wind Power TW Holding A/S for the period 1 January - 30 September 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as selected rules applying to reporting class C.

The accounting policies applied are consistent with those of last period.

The interim financial report for 2019 is presented in TDKK.

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

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the interim financial report is presented and which confirm or invalidate matters existing at the balance sheet date.

## Income statement

### Other external expenses

Other external expenses include expenses related to administration etc.

## Accounting policies

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial period. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

### Profit/loss from investments in subsidiaries

Dividend from investments is recognised in the reporting period in which the dividend is declared.

### Tax on profit/loss for the period

The company is subject to the Danish rules on compulsory joint taxation of the Ørsted Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed Danish entities in proportion to their taxable income. Danish entities with tax losses receive joint taxation contributions from the ultimate parent company (the management company), Ørsted A/S equivalent to the tax base of the tax losses utilised (full allocation), while Danish entities that utilise tax losses in other entities pay joint taxation contributions to the Ørsted A/S equivalent to the tax base of the utilised losses.

Tax for the period, which comprises the current tax charge for the period and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the period and directly in equity as regards the portion that relates to entries directly in equity.

## Balance sheet

### Investments in subsidiaries

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Cost is written down to the extent that dividend distributed exceeds the accumulated earnings after the date of takeover.

Where the parent company has a legal or constructive obligation to cover the companies' negative balances or obligations, such obligation is recognised in liabilities.

### Impairment of fixed assets

The carrying amount of investments in subsidiaries is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

## Accounting policies

Where there are indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price and the value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

### Receivables

Receivables, which include trade receivables, receivables from group entities and other receivables, are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

### Equity

#### Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the period, adjusted for tax on the taxable income for previous periods and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

## Accounting policies

### Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are measured at the exchange rate at the transaction date.

## Income statement 1 January - 30 September

	Note	1/1-30/9 2019 TDKK	1/1-30/9 2018 TDKK
Other external expenses		<u>-11</u>	<u>-11</u>
<b>Gross profit</b>		<b>-11</b>	<b>-11</b>
Financial income	3	2.832	86
Financial costs	4	<u>-265</u>	<u>-789</u>
<b>Profit/loss before tax</b>		<b>2.556</b>	<b>-714</b>
Tax on profit/loss for the period	5	<u>-561</u>	<u>156</u>
<b>Profit/loss for the period</b>		<b><u>1.995</u></b>	<b><u>-558</u></b>

## Distribution of profit

Retained earnings		<u>1.995</u>	<u>-558</u>
		<b><u>1.995</u></b>	<b><u>-558</u></b>



## Balance sheet 30 September

	Note	1/1-30/9 2019 TDKK	1/1-30/9 2018 TDKK
<b>Assets</b>			
Investments in subsidiaries	6	<u>512.254</u>	<u>276.074</u>
<b>Fixed asset investments</b>		<b><u>512.254</u></b>	<b><u>276.074</u></b>
<b>Total non-current assets</b>		<b><u>512.254</u></b>	<b><u>276.074</u></b>
Receivables from group companies	7	2.270.678	4.552
Corporation tax		<u>0</u>	<u>180</u>
<b>Receivables</b>		<b><u>2.270.678</u></b>	<b><u>4.732</u></b>
<b>Cash at bank and in hand</b>	7	<b><u>270</u></b>	<b><u>0</u></b>
<b>Total current assets</b>		<b><u>2.270.948</u></b>	<b><u>4.732</u></b>
<b>Total assets</b>		<b><u>2.783.202</u></b>	<b><u>280.806</u></b>

## Balance sheet 30 September

	<u>Note</u>	<u>1/1-30/9 2019</u> TDKK	<u>1/1-30/9 2018</u> TDKK
<b>Equity and liabilities</b>			
Share capital		2.775.603	503
Retained earnings		<u>7.184</u>	<u>280.292</u>
<b>Equity</b>	8	<b><u>2.782.787</u></b>	<b><u>280.795</u></b>
Trade payables		11	11
Corporation tax		<u>404</u>	<u>0</u>
<b>Total current liabilities</b>		<b><u>415</u></b>	<b><u>11</u></b>
<b>Total liabilities</b>		<b><u>415</u></b>	<b><u>11</u></b>
<b>Total equity and liabilities</b>		<b><u>2.783.202</u></b>	<b><u>280.806</u></b>
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## Statement of changes in equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity at 1 January 2019	503	280.289	280.792
Cash capital increase	100	2.499.900	2.500.000
Transfers, reserves	2.775.000	-2.775.000	0
Net profit/loss for the period	0	1.995	1.995
<b>Equity at 30 September 2019</b>	<b><u>2.775.603</u></b>	<b><u>7.184</u></b>	<b><u>2.782.787</u></b>

## Notes

### 1 Main activity

The purpose of the company is to hold shares in subsidiaries.

The company intends to issue bonds in Taiwan for the purpose of financing its investments, through subsidiaries, in its offshore wind projects in Taiwan.

The company has achieved a corporate rating with Taiwan Rating. The rating is twAA and covers the company's activities in Taiwan. The rating is based on credit support provided by Ørsted A/S in the form of a general parent company guarantee covering all the company's actual or contingent, present or future obligations and liabilities undertaken by the company in the ordinary course of its business.

	<u>1/1-30/9 2019</u> TDKK	<u>1/1-30/9 2018</u> TDKK
<b>2 Staff costs</b>		
Average number of employees	_____ 1	_____ 1
The executive board and board of directors have not been paid remuneration.		
<b>3 Financial income</b>		
Interest received from group companies	2.687	0
Exchange gains	_____ 145	_____ 86
	<u><b>2.832</b></u>	<u><b>86</b></u>
<b>4 Financial costs</b>		
Financial expenses, group companies	257	671
Other financial costs	8	6
Exchange loss	_____ 0	_____ 112
	<u><b>265</b></u>	<u><b>789</b></u>
<b>5 Tax on profit/loss for the period</b>		
Current tax for the period	_____ 561	_____ -156
	<u><b>561</b></u>	<u><b>-156</b></u>

## Notes

	1/1-30/9 2019 TDKK	1/1-30/9 2018 TDKK
<b>6 Investments in subsidiaries</b>		
Cost at 1 January 2019	276.074	147.307
Additions for the period	<u>236.180</u>	<u>128.767</u>
Cost at 30 September 2019	<u>512.254</u>	<u>276.074</u>
<b>Carrying amount at 30 September 2019</b>	<b><u>512.254</u></b>	<b><u>276.074</u></b>

## 7 Receivables from group companies

The company's receivables from group companies includes TDKK 2.270.676 in a cash pool scheme with the ultimate parent company, Ørsted A/S (30/9-2018: TDKK 4.552).

## 8 Equity

The share capital consists of 2.775.603 shares of a nominal value of TDKK 1.000. No shares carry any special rights.

The share capital has developed as follows:

	2019 TDKK	2018 TDKK	2017 TDKK	2016 TDKK	2015 TDKK
Share capital at 1 January 2019	503	502	501	500	500
Additions for the year	<u>2.775.100</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>
<b>Share capital</b>	<b><u>2.775.603</u></b>	<b><u>503</u></b>	<b><u>502</u></b>	<b><u>501</u></b>	<b><u>500</u></b>

## 9 Subsequent events

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

## Notes

### 10 Contingent assets, liabilities and other financial obligations

#### Liability in joint taxation

The Ørsted Group's Danish companies are jointly and severally liable for tax on the Ørsted Group's jointly taxed income, etc. Reference is made to the Annual Report for Ørsted Energy A/S, the company responsible for the administration of the joint taxation arrangement. The Ørsted Group's Danish companies are also jointly and severally liable for Danish withholding taxes on dividends, royalties and interests within the Ørsted group of jointly taxed entities. Any subsequent corrections to income and withholding taxes may result in an increase in the entities' liability.

The Ørsted Group's Danish companies are jointly and severally liable for their joint VAT registration.

#### Guarantees

In view of the parent company guarantee provided by Ørsted A/S (see note 1) and for the purposes of ranking creditors of the company pari passu with the creditors of Ørsted A/S, the company has formally decided to provide a guarantee covering all of Ørsted A/S' actual or contingent, present or future payment obligations and liabilities undertaken by Ørsted A/S in relation to any senior bonds issued by it under its Debt Issuance Programme listed on Luxembourg Stock Exchange or other bond documentation.

Furthermore, in relation to the incorporation of the company as an issuer under Ørsted A/S' Debt Issuance Programme, the company will guarantee the due payment of all sums expressed to be payable by Ørsted A/S in relation to any future bonds issued under the programme. The Company's obligation in that respect will be contained in the trust deed relating to the Debt Issuance Programme.

The company's obligations under these upstream guarantees will at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

## Notes

### 11 Related parties and ownership structure

#### Controlling interest

Ørsted Wind Power Holding A/S, Kraftværksvej 53, 7000 Fredericia (parent company)

#### Other related parties

Ørsted A/S (ultimate parent company)

The Danish State represented by the Ministry of Finance

Group companies and associates

Board of directors, executive board and senior employees

#### Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Ørsted Wind Power Holding A/S