

Ørsted Wind Power TW Holding A/S

**Interim financial report for the period
1 January to 30 September 2020**

CVR no. 36 03 57 81

Table of contents

	Page
Company details	
Company details	1
Financial statements	
Accounting policies	2
Income statement 1 January - 30 September	6
Balance sheet 30 September	7
Statement of changes in equity	9
Notes to the interim financial report	10

Company details

The company	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 2020
	Domicile: Fredericia
Date of publication of interim financial statement	28 October 2020
Board of Directors	Olivia Katherine Magee Breese Daniel Lerup Kasper Holst Skyttegaard-Nielsen
Executive board	Kasper Holst Skyttegaard-Nielsen
Consolidated financial statements	The company is included in the consolidated financial statements of the parent company Ørsted A/S, Fredericia, CVR no. 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 2020 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 year.

The interim financial report for the period 1 January - 30 September 2020 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 installments 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 annual 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 year. Net financials include interest income and expenses, financial expenses relating to realised and unrealised capital/exchange, gains and losses on securities, foreign currency transactions, 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 year in which the dividend is declared.

Tax on profit/loss for the year

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 present value and the value in use less expected costs to sell. The net present value 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 year, adjusted for tax on the taxable income for previous years 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 is 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.

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.

Accounting policies

Liabilities

Bond loans are measured at amortised cost, which corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing. Transaction costs incurred in connection with issue of bond loans are capitalized and amortized over the duration of the bond loans.

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 instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under '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 translated at the exchange rate at the transaction date.

Income statement 1 January - 30 September

	Note	1/1-30/9 2020 TDKK	1/1-30/9 2019 TDKK
Other external expenses		<u>-624</u>	<u>-11</u>
Gross profit		-624	-11
Staff costs	2	<u>0</u>	<u>0</u>
Profit/loss before net financials		-624	-11
Financial income	3	110.228	2.832
Financial costs	4	<u>-46.024</u>	<u>-265</u>
Profit/loss before tax		63.579	2.556
Tax on profit/loss for the period	5	<u>-13.987</u>	<u>-561</u>
Profit/loss for the period		<u>49.592</u>	<u>1.995</u>

Distribution of profit

Retained earnings		<u>49.592</u>	<u>1.995</u>
		<u>49.592</u>	<u>1.995</u>

Balance sheet 30 September

	<u>Note</u>	<u>30/9 2020</u> TDKK	<u>30/9 2019</u> TDKK
Assets			
Investments in subsidiaries	6	<u>11.041.554</u>	<u>512.254</u>
Fixed asset investments		<u>11.041.554</u>	<u>512.254</u>
Total non-current assets		<u>11.041.554</u>	<u>512.254</u>
Receivables from group companies	7	<u>3.032.914</u>	<u>2.270.678</u>
Receivables		<u>3.032.914</u>	<u>2.270.678</u>
Cash at bank and in hand	7	<u>3.987</u>	<u>270</u>
Total current assets		<u>3.036.901</u>	<u>2.270.948</u>
Total assets		<u>14.078.455</u>	<u>2.783.202</u>

Balance sheet 30 September

	<u>Note</u>	<u>30/9 2020</u> TDKK	<u>30/9 2019</u> TDKK
Equity and liabilities			
Share capital		7.275.603	2.775.603
Retained earnings		<u>57.872</u>	<u>7.184</u>
Equity	8	<u>7.333.475</u>	<u>2.782.787</u>
Bonds	9	2.606.948	0
Loans from subsidiaries		<u>4.094.977</u>	<u>0</u>
Total non-current liabilities		<u>6.701.925</u>	<u>0</u>
Trade payables		0	11
Corporation tax		13.557	404
Other payables		<u>29.498</u>	<u>0</u>
Total current liabilities		<u>43.055</u>	<u>415</u>
Total liabilities		<u>6.744.980</u>	<u>415</u>
Total equity and liabilities		<u>14.078.455</u>	<u>2.783.202</u>
Main activity	1		
Subsequent events	10		
Contingent assets, liabilities and other financial obligations	11		
Related parties and ownership structure	12		

Statement of changes in equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity at 1 January 2020	2.775.603	8.280	2.783.883
Cash capital increase	4.500.000	0	4.500.000
Net profit/loss for the period	<u>0</u>	<u>49.592</u>	<u>49.592</u>
Equity at 30 September 2020	<u>7.275.603</u>	<u>57.872</u>	<u>7.333.475</u>

Notes

1 Main activity

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

The company have issued bonds in Taiwan for the purpose of financing its investments through subsidiaries, in its offshore wind projects in Taiwan.

The company have 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 2020</u> TDKK	<u>1/1-30/9 2019</u> TDKK
2 Staff costs		
Average number of employees	_____1	_____1
The executive board and board of directors have not been paid remuneration.		
3 Financial income		
Interest received from group companies	4.640	2.687
Exchange gains	<u>105.588</u>	<u>145</u>
	<u>110.228</u>	<u>2.832</u>
4 Financial costs		
Financial expenses, group companies	2.981	257
Other financial costs	10	8
Interests bond loans	26.226	0
Exchange loss	<u>16.807</u>	<u>0</u>
	<u>46.024</u>	<u>265</u>

Notes

	1/1-30/9 2020 TDKK	1/1-30/9 2019 TDKK
5 Tax on profit/loss for the period		
Current tax for the period	<u>13.987</u>	<u>561</u>
	<u>13.987</u>	<u>561</u>
6 Investments in subsidiaries	30/9 2020 TDKK	30/9 2019 TDKK
Cost at 1 January 2020	512.254	276.074
Additions for the year	<u>10.529.300</u>	<u>236.180</u>
Cost at 30 September 2020	<u>11.041.554</u>	<u>512.254</u>
Carrying amount at 30 September 2020	<u>11.041.554</u>	<u>512.254</u>

7 Receivables from group companies

The company's receivables from group companies includes TDKK 3.032.914 in a cash pool scheme with the ultimate parent company, Ørsted A/S (30/9 2019: TDKK 2.270.676).

8 Equity

The share capital consists of 7.275.603 shares of a nominal value of TDKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK	2016 TDKK
Share capital at 1 January 2020	2.775.603	503	502	501	500
Additions for the year	<u>4.500.000</u>	<u>2.775.100</u>	<u>1</u>	<u>1</u>	<u>1</u>
Share capital	<u>7.275.603</u>	<u>2.775.603</u>	<u>503</u>	<u>502</u>	<u>501</u>

Notes

9 Bonds

The company has issued bonds of TWD 4 billion (TDKK 884.621) which mature 19 November 2026 and for TWD 8 billion (TDKK 1.769.244) which mature 19 November 2034.

Fee in connection with the issue of the bonds are capitalized and will be amortised over the duration of the bonds.

10 Subsequent events

The consequence of COVID-19, where many governments have decided to “close down countries” will have a significant impact on the world economy. Management has assessed the consequence of COVID-19 as a non-adjusting event but has decided to disclose assessment of impact.

On 30 January 2020, the International Health Regulations Emergency Committee of the World Health Organization declared the outbreak of coronavirus a “Public Health Emergency of International Concern”. This event, in management’s opinion, do not provide evidence of conditions that have direct impact on company’s business operations, assets and liabilities.

11 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 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 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.

Notes

11 Contingent assets, liabilities and other financial obligations (continued)

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.

12 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