Interim financial report

First nine months 2019

Contents

CONFERENCE CALL

In connection with the presentation of the interim financial report a conference call for investors and analysts will be held on Wednesday 30 October 2019 at 10am CET:

Denmark: +45 3544 5583
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USA: +1 855 269 2604

The conference call can be followed live at:
orsted.eventcdn.net/2019q3/

Presentation slides will be available prior to the conference call at:
orsted.com/en/Financial-reports-and-presentations

The interim financial report can be downloaded at:
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CEO's review — first nine months

Strong results and continued strategic progress

- Operating profit (EBITDA) increased by 19% to DKK 12.9 billion.
- EBITDA from offshore wind farms in operation increased by 23% to DKK 8.6 billion.
- Green share of heat and power generation increased from 71% to 83%.
- Agreement signed to divest our power distribution, B2C and city light businesses to SEAS-NVE.
- All turbines installed at Hornsea 1.
- Bids submitted for offshore wind projects in Massachusetts and Connecticut.
- Commenced discussions with PGE regarding their sale of a 50% stake in two Polish offshore wind projects with a capacity of up to 2.5GW.
- Decision to construct Plum Creek onshore wind farm in Nebraska.
- Elsam competition case closed in favour of Ørsted.
- Roll out of 1 million smart meters completed on time and budget.
- Update of our long-term financial targets

Financial results

Operating profit (EBITDA) for the first nine months increased by 19% and amounted to DKK 12.9 billion. This was in line with our expectations and keeps us well on track to reach our full-year guidance of DKK 16-17 billion.

Earnings from our offshore wind farms in operation increased by 23%, driven by ramp-up of generation from Borkum Riffgrund 2, Walney Extension and Hornsea 1.

The inclusion of our onshore wind business contributed positively to our year-on-year development together with continued high earnings from trading related to hedging of our energy exposures and strong underlying margins in our gas portfolio.

The positive effects were partly offset by higher project development costs in Offshore, a positive outcome of a gas sourcing arbitration case in 2018, and a temporarily negative effect from our gas at storage due to the substantial drop in gas prices during the first nine months of 2019.

Return on capital employed for the last 12 months increased from 23% in 9M 2018 to 29% in 9M 2019.

Update of long-term financial targets

Today, we have announced an update to our long-term financial targets that were presented at our Capital Markets Day on 28 November 2018. We refer to the separate company announcement.

Offshore

During the first half of the year, we experienced higher than normal outages and curtailments across our portfolio, which led to lower than expected earnings from sites in operation. Most of these operational issues persisted into Q3 2019 but have now to a large extent been resolved.

Construction of our offshore wind farms are progressing according to plan.

In early October 2019, the last of the 174 turbines was installed at Hornsea 1. The wind farm is currently undergoing a period of extensive testing and commissioning, and is expected to be commercially operational in Q4 2019. Hornsea 1 is the world's largest offshore wind farm with a capacity of 1,218MW and will supply green power to more than 1 million UK homes.

> "We have selected GE as preferred turbine supplier for our US Mid-Atlantic cluster (Ocean Wind and Skipjack). These projects will pioneer deployment of GE's Haliade -X 12MW turbine, continuing our track record as a first mover on new technology.

In August, during an unusual set of circumstances affecting the transmission grid, we experienced a rapid reduction of power at Hornsea 1. This was caused by an unexpected control system response only revealed during these unusual circumstances and has now been resolved. Hornsea 1 is progressing through the necessary compliance tests with National Grid and expects by mid-November to lift maximum export from the current 800MW to the full 1,218MW.

We have selected GE as preferred turbine supplier for our US Mid-Atlantic cluster (Ocean Wind and Skipjack). These projects will pioneer the deployment of GE's Haliade-X 12MW turbine, continuing our track record as a first mover on new technology. We have also signed contracts with Siemens Gamesa to supply turbines for our offshore wind projects in Taiwan (Greater Changhua 1&2a) and the Northeast cluster in the US (Sunrise Wind, Revolution Wind and South Fork).

We achieved first power at Formosa 1 phase 2 in September. Official inauguration of the wind farm is scheduled to take place in November 2019. Taiwan's first ever offshore wind farm is now fully up and running and supplying green power to the grid.

In August and September, we submitted bids in the auctions in Massachusetts and Connecticut, respectively. We expect outcomes of the auctions in Q4 2019.

In July, New York selected Sunrise Wind as the preferred bidder for an 880MW offshore wind farm. In October, Sunrise Wind signed a 25-year power purchase agreement with the New York State Energy Research & Development Authority (NYSERDA). The fixed all-in price is USD 110.37 per MWh.[1] Sunrise Wind is a 50-50 partnership between Ørsted and Eversource, our partner in the New England area. Subject to Ørsted's and Eversource's final investment decision, the offshore wind farm is expected to be completed by 2024.

[1]Corresponding to a levelised 2017 price of USD 79.60 per MWh.

CEO's review — first nine months continued

In Poland, we have been selected by PGE, Polska Grupa Energetyczna, to commence discussions regarding their sale of a 50% stake in two offshore wind projects in the Baltic Sea with a total capacity of up to 2.5GW. The subject of discussions will be a sale of 50% of the Baltica 3 development project with a planned capacity of approx 1GW for construction by 2026, and 50% of the Baltica 2 development project with a planned capacity of approx 1.5GW for construction by 2030.

Onshore

We secured tax equity funding commitment for our 338MW Sage Draw onshore wind farm in Texas in August. The construction is progressing according to plan and is expected to be completed by Q1 2020.

Construction of Willow Creek in South Dakota, which has a capacity of 103MW, is also progressing according to plan with expected completion in Q4 2020. It will expand our operations into the Southwest Power Pool (SPP) market.

In August, we decided to build the 230MW wind farm Plum Creek in Nebraska. Construction has commenced, and we expect the wind farm to be completed during Q4 2020.

Markets & Bioenergy

In September, we signed an agreement to divest our Danish power distribution (Radius), residential customer and city light businesses to SEAS-NVE. We expect that the transaction will be closed in the first half of 2020. With our global expansion in renewable energy, we are no longer the right owner of these businesses. We are therefore pleased to enter into the agreement with SEAS-NVE, which is Denmark's second largest cooperatively-owned energy company. The agreement ensures an attractive transaction for Ørsted's shareholders and provides a good future home for the customers and our highly skilled employees. We will use the proceeds from the divestment to continue our global investments in green energy.

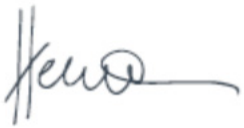
In August, Radius together with Kamstrup, reached an important milestone with the installation of smart meter number 1 million. The main phase of the installation work has been successfully completed on time and within budget. The remaining part of the project includes clean-up of meters, where access is difficult and final settlement of all contractual obligations. The project will be finalised as planned by the end of 2019.

The ramp up of the waste throughput and production on our first Renescience plant in the UK is progressing and we see small but steady improvements. We still target final commissioning at the end of the year.

Last year, the Danish Western High Court acquitted Elsam (now Ørsted) of the competition authorities' claim that Elsam abused a dominant position on the market for wholesale of physical electricity in Western Denmark in the period from 1 January 2005 to 30 June 2006. In light of this judgment, the parties have in September this year agreed on dismissing the competition authorities' similar claim for the period from the second half of 2003 and the whole of 2004. As a consequence, the cases between Elsam and the competition authorities have now reached a final conclusion in favour of Ørsted. Despite the fact that the competition authorities' claims against Elsam have now been dismissed the claimants have chosen to maintain their claims for damages and to continue with their legal action.

In October, we established a commodity trading unit in the US. The role of the US trading activities will be to manage and mitigate merchant risks derived from our onshore wind farms in the US.

As we run the business based on an end-to-end value chain thinking, we have decided that all activities and earnings that relate to Offshore and Onshore, will be reported in these segments, even if the daily activities are performed on behalf of the Group in another business unit. Earnings from trading related to hedging of our power exposures and power portfolio optimisation activities, currently presented in Markets, will thus be included in Offshore's and Onshore's earnings, respectively, going forward. In addition, all activities related to corporate power purchasing agreements (CPPAs) based on offshore wind will be placed in Offshore. This will provide Offshore with end-to-end responsibility for developing, constructing, operating and selling power from offshore wind projects. We are currently preparing these changes and will report in the new segment structure from Q4 2019.

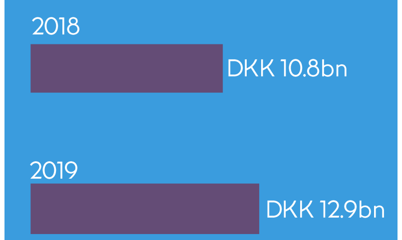


Henrik Poulsen
CEO and President

At a glance — First nine months

Ørsted

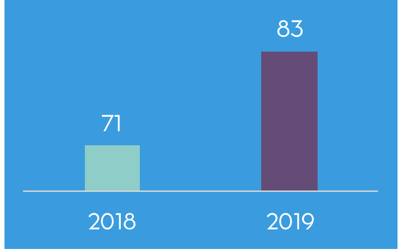
EBITDA



Key figures 9M 2019[1]

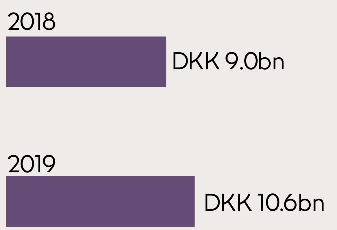
Revenue	DKK 49.2bn
Gross investments	DKK 14.5bn
Capital employed	DKK 99.5bn
ROCE[2]	29%
TRIR[2]	4.5
Number of employees	6,454

Green share of heat and power generation, %



Offshore

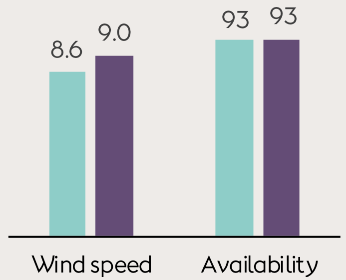
EBITDA



Key figures 9M 2019[1]

Revenue	DKK 21.7bn
Gross investments	DKK 9.7bn
Capital employed	DKK 73.1bn
ROCE[2]	35%
TRIR[2]	3.1
Number of employees	2,708

Wind speed and availability, m/s, %



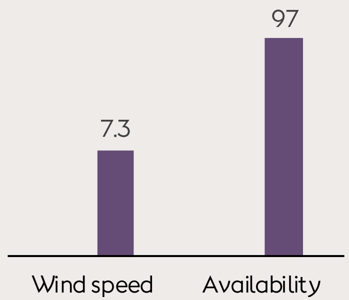
Onshore

EBITDA

Key figures 9M 2019[1]

Revenue	DKK 0.5bn
Gross investments	DKK 3.3bn
Capital employed	DKK 8.5bn
ROCE[2]	9%
TRIR[2]	4.4
Number of employees	91

Wind speed and availability, m/s, %



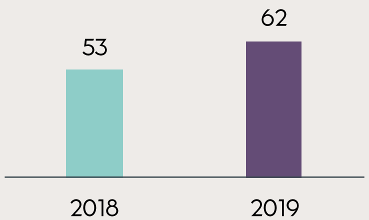
Bioenergy

EBITDA

Key figures 9M 2019[1]

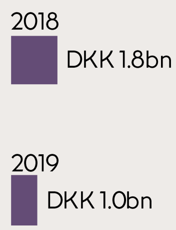
Revenue	DKK 3.9bn
Gross investments	DKK 0.7bn
Capital employed	DKK 3.2bn
Free cash flow	DKK -0.7bn
TRIR[2]	9.8
Number of employees	663

Biomass share in heat and power generation, %



Customer Solutions

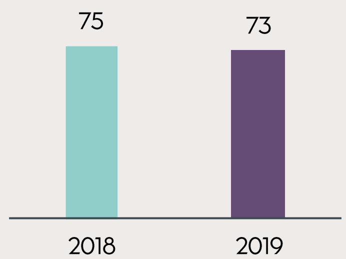
EBITDA



Key figures 9M 2019[1]

Revenue	DKK 27.9bn
Gross investments	DKK 0.8bn
Capital employed	DKK 12.8bn
ROCE[2]	13%
TRIR[2]	9.0
Number of employees	1,196

Customer satisfaction (B2C), scale (1-100)



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

Outlook 2019

EBITDA

On 25 September 2019, we increased our EBITDA (business performance) guidance from DKK 15.5-16.5 billion to DKK 16-17 billion due to the dismissal of the claims in the Elsam competition case together with strong wind speeds in August.

Our directional EBITDA guidance for each business unit is unchanged relative to the guidance in the interim report for the first half year 2019.

Gross investments

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

Outlook for 2019, DKK bn	Guidance 25 Sep. 2019	Guidance 8 Aug. 2019	Guidance 1 May 2019	Guidance 31 Jan. 2019	2018 realised
EBITDA (without new partnerships)*	16-17	15.5-16.5	15.5-16.5	15.5-16.5	15.0
Offshore (without new partnerships)*	Higher	Higher	Higher	Higher	12.7
Onshore	Significantly higher	Significantly higher	Significantly higher	Significantly higher	0.0
Bioenergy	Higher	Higher	Higher	Higher	0.4
Customer Solutions	In line	In line	Significantly lower	Significantly lower	2.0
Gross investments	21-23	21-23	21-23	21-23	24.5

Our EBITDA guidance for the Group is the prevailing guidance, whereas the directional earnings development per business unit serves as a means to support this. Higher/lower indicates the direction of the business unit's earnings relative to the results for 2018.

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

Results Q3

EBITDA

Operating profit (EBITDA) totalled DKK 4.1 billion compared with DKK 2.2 billion in Q3 2018. The increase was driven by a 35% increase in earnings from offshore wind farms in operation relative to Q3 2018. This was mainly due to ramp-up at Hornsea 1 and Borkum Riffgrund 2 and higher wind speeds.

Earnings from construction of offshore wind farms for partners increased by DKK 0.5 billion and related to Hornsea 1 in Q3 2019, whereas Borkum Riffgrund 2 contributed positively in Q3 2018. The inclusion of our onshore wind business and reversal of a provision related to the Elsam competition case also contributed positively.

The increase in operating profit was partly offset by a negative effect from our LNG and gas activities. In Q3 2018, we experienced high profits in LNG due to utilisation of location spreads and optimisation of physical assets. This was not repeated in Q3 2019.

In addition, the lower gas prices led to a decrease in the accounting value of our gas inventories and thus had a temporary negative impact on EBITDA in Markets in the quarter, whereas we saw increasing gas prices and a temporary positive impact during Q3 2018. The negative impact in Q3 2019 will partly be offset if the gas prices increase again or when we sell the gas later in 2019/2020, as we have hedged most of our gas margin.

Profit for the period from continuing operations

Profit for the period from continuing operations increased by DKK 1.0 billion to DKK 1.4 billion. The increase was mainly due to the higher EBITDA, partly offset by higher depreciation due to more assets in operation as well as the implementation of the new IFRS 16 accounting standard regarding leases (see note 1 for further information).

Cash flows from operating activities

Cash flows from operating activities totalled DKK 0.9 billion in Q3 2019 compared with DKK -0.1 billion in Q3 2018. The increase of DKK 1.0 billion was mainly due to higher EBITDA, tax equity contribution from our partner at the Lockett onshore wind farm, lower gas inventory due to the lower gas prices and lower receivables. This was partly offset by more funds tied up in work in progress.

In Q3 2019, funds tied up in work in progress increased by DKK 4.1 billion. The work was primarily related to the construction of Hornsea 1 for partners and the offshore transmission assets at Hornsea 1 and 2.

Gross investments

Gross investments amounted to DKK 7.2 billion in Q3 2019, of which 93% related to investments in Offshore and Onshore. The main investments related to Hornsea 1, Greater Changhua 1 & 2a, Borssele 1 & 2, Sage Draw and Plum Creek.

Financial results, DKKm	Q3 2019	Q3 2018	%
Revenue	15,481	15,018	3%
EBITDA	4,116	2,225	85%
Depreciation	(1,681)	(1,437)	17%
EBIT	2,435	788	209%
Gain (loss) on divestment of enterprises	(15)	181	n.a.
Profit (loss) from associates and joint ventures	(5)	2	n.a.
Financial items, net	(47)	(436)	(89%)
Profit (loss) before tax	2,368	535	343%
Tax on profit (loss) for the period	(925)	(117)	691%
Tax rate	39%	22%	17%p
Profit (loss) for the period, continuing operations	1,443	418	245%
Profit (loss) for the period, discont. operations	34	(13)	n.a.
Profit (loss) for the period	1,477	405	265%

Cash flow and net debt, DKKm	Q3 2019	Q3 2018	%
Cash flows from operating activities	871	(117)	n.a.
EBITDA	4,116	2,225	85%
Change in derivatives	(464)	741	n.a.
Change in provisions	(240)	(237)	1%
Reversal of gain (loss) on sale of assets	(7)	26	n.a.
Other items	13	18	(27%)
Interest expense, net	(13)	(304)	(96%)
Paid tax	-	(14)	n.a.
Change in work in progress	(4,091)	(879)	365%
Change in tax equity liabilities	1,046	0	n.a.
Change in other working capital	511	(1,693)	n.a.
Gross investments	(7,222)	(4,385)	65%
Divestments	260	380	(32%)
Free cash flow	(6,091)	(4,122)	48%
Net debt, beginning of period	4,980	4,603	8%
Free cash flow from continuing operations	6,091	4,122	48%
Free cash flow from discontinued operations	(203)	1	n.a.
Dividends and hybrid coupon paid	118	138	(14%)
Cash flow from assets held for sale	-	38	n.a.
Interest bearing receivables re. O&G divestment	319	0	n.a.
Exchange rate adjustments, etc.	777	55	n.a.
Net debt, end of period	**12,082**	**8,957**	**35%**

Results 9M

Financial results

Revenue

Power generation from offshore and onshore wind increased by 57% and totalled 10.5TWh in 9M 2019, mainly due to the ramp-up of generation from Hornsea 1, Borkum Riffgrund 2 and Walney Extension, high wind speeds in Offshore and the addition of our Onshore business unit, which we acquired in Q4 2018. These positive effects were partly offset by lower than expected generation due to curtailments and various operational issues (9M 2019 effect roughly estimated to 0.4TWh). This mainly related to Horns Rev 1 in Denmark due to a platform fire in October 2018 (all 79 wind turbines were back in operation at the end of June 2019), converter station outages at Borkum Riffgrund 2, as well as an array cable campaign at London Array. In addition, we have had higher than expected non-compensated curtailments at our German wind farms in 9M 2019. These issues have now to a large extent been resolved.

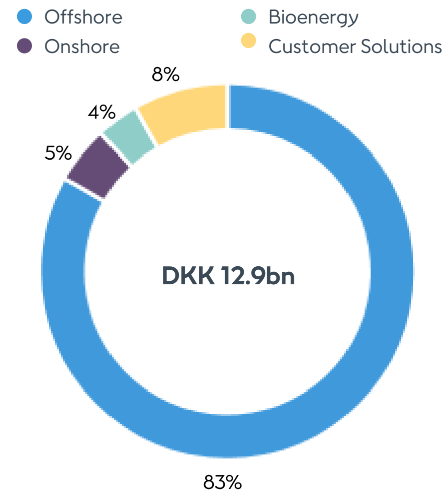
Thermal power generation amounted to 3.0TWh, and heat generation amounted to 5.4TWh, down 39% and 10%, respectively, compared to 9M 2018. The decreases were mainly due to warmer weather than in 9M 2018. Offshore and onshore wind accounted for 78% of our total power generation, while the renewable energy share of our total heat and power generation accounted for 83% in 9M 2019 compared with 71% in the same period in 2018.

Revenue amounted to DKK 49.2 billion. The decrease of 8% relative to 9M 2018 was primarily due to significantly lower gas prices, lower gas sales and lower thermal heat and power generation as mentioned above.

EBITDA

Operating profit (EBITDA) totalled DKK 12.9 billion compared with DKK 10.8 billion in 9M 2018. The increase was mainly due to a 23% increase in earnings from offshore wind farms in operation. This was due to ramp-up at Borkum Riffgrund 2, Hornsea 1 and Walney Extension. Furthermore, the higher offshore wind speeds in 9M 2019 contributed positively to the development. The positive effects from ramp-up and wind speeds were partly offset by lower than expected generation due to curtailments and various operational issues as mentioned above.

EBITDA, DKK billion



The inclusion of our onshore wind farms along with good performance related to trading of our energy exposures and reversal of a provision related to the Elsam competition case also contributed positively to the higher earnings.

The steep decline in gas prices had a temporary adverse effect on our earnings in 9M 2019 due to a decrease in the accounting value of our gas inventories, whereas we saw a significant increase in gas prices in 2018. Furthermore, we had extraordinarily high earnings in our LNG business in 9M 2018 related to utilisation of location spreads and optimisation of physical positions that were not repeated in 9M 2019, as well as the negative impact from time-lags on hedge contracts explained under Q3 2019. In addition, we had a positive outcome of an arbi-

Financial results, DKKm	9M 2019	9M 2018	%
Revenue	49,163	53,419	(8%)
EBITDA	12,871	10,823	19%
Depreciation	(4,988)	(4,281)	17%
EBIT	7,883	6,542	20%
Gain (loss) on divestment of enterprises	(50)	155	n.a.
Profit (loss) from associates and joint ventures	(1)	4	n.a.
Financial items, net	(491)	(1,235)	(60%)
Profit before tax	7,341	5,466	34%
Tax on profit (loss) for the period	(2,166)	(1,140)	90%
Tax rate	30%	21%	9%-p
Profit (loss) for the period, continuing operations	5,175	4,326	20%
Profit (loss) for the period, discont. operations	(27)	(24)	13%
Profit (loss) for the period	5,148	4,302	20%

Business performance vs IFRS

We use business performance as an alternative to the results prepared in accordance with IFRS. Business performance represents the underlying financial performance of the Group in the reporting period as results are adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. The difference between the two principles will be eliminated as the contracts expire. Apart from this, there is no difference between business performance and the IFRS results.

EBITDA in accordance with IFRS amounted to DKK 13.8 billion in 9M 2019 against DKK 7.6 billion in the same period in 2018. In accordance with the business performance principle, EBITDA was DKK 12.9 billion and DKK 10.8 billion, respectively. The difference between the two principles was thus DKK 0.9 billion in 9M 2019 against DKK -3.2 billion in 9M 2018.

In the presentation of the results according to IFRS, we have elected not to apply the provisions on hedge accounting of commodities and related currency exposures. The market value adjustments of these are continuously recognised in the income statement, which means that the IFRS results for the individual years are not comparable. IFRS results do not reflect the commercial risk hedging, according to which the business units and the Group are managed and evaluated. In the management's review, comments are made on business performance only.

Business performance vs IFRS	9M 2019	9M 2018
EBITDA - Business performance	12,871	10,823
Adjustments	889	(3,246)
EBITDA - IFRS	13,760	7,577

Results 9M continued

tration case in 2018.

Earnings from construction agreements for partners were DKK 0.3 billion higher than in 9M 2018. The construction agreements in 9M 2019 primarily concerned high construction activity at Hornsea 1 and positive effects from the ongoing divestments of offshore transmission assets at Walney Extension and Race Bank, whereas 9M 2018 mainly included high construction activity at Walney Extension and Borkum Riffgrund 2.

EBIT

EBIT increased by DKK 1.3 billion to DKK 7.9 billion in 9M 2019, primarily as a result of a higher EBITDA partly offset by higher depreciation.

The increase in depreciation was driven by more wind farms in operation as well as the implementation of the new IFRS 16 accounting standard regarding leasing. In accordance with IFRS 16, our operating leases have been recognised in the balance sheet as of 1 January 2019 and are depreciated. Please see note 1 for further information on the implementation of IFRS 16 'Leases' and the impact on our consolidated financial statements.

The increase in depreciation was partially offset by our Danish power distribution and residential customer business being classified as assets held for sale by the end of 2018 and thus not depreciated in 9M 2019.

Financial income and expenses

Net financial income and expenses amounted to DKK 0.5 billion compared to DKK 1.2 billion in the same period last year. The decrease in net expenses was mainly due to positive effects from exchange rate adjustments.

Tax and tax rate

Tax on profit for the period amounted to DKK 2.2 billion, which was DKK 1.0 billion higher than in 9M 2018. The effective tax rate was 30% and was among other things affected by the recognition of deferred taxes related to tax equity at Lockett and tax expenses related to the partial farm-down of assets in Deepwater Wind.

Profit for the period from continuing operations

Profit for the period from continuing operations totalled DKK 5.2 billion, DKK 0.8 billion higher than 9M 2018. The increase was primarily due to the higher EBIT.

Cash flows and net debt

Cash flows from operating activities

Cash flows from operating activities totalled DKK 8.3 billion in 9M 2019 compared with DKK 2.8 billion in 9M 2018. The increase of DKK 5.5 billion was mainly due to higher EBITDA and a higher release of funds tied up in work in progress on construction agreements and other working capital.

This was partly offset by higher paid tax in 9M 2019. In both years, we chose to pay our Danish taxes for the year on account in March instead of November. Paid taxes amounted to DKK 4.9 billion in 9M 2019 compared to DKK 3.1 billion in 9M 2018.

In 9M 2019, we had a net cash inflow from work in progress of DKK 1.2 billion, mainly due to the receipt of milestone payments related to Hornsea 1. This was partly offset by funds tied up in the construction of Hornsea 1 for partners and the offshore transmission assets at Hornsea 1 and 2.

Funds were released from other working capital as a result of tax equity contribution at Lockett and due to lower gas at storage and receivables as a result of the declining gas prices and lower gas sales.

Cash flow and net debt, DKKm	9M 2019	9M 2018	%
Cash flows from operating activities	8,263	2,778	197%
EBITDA	12,871	10,823	19%
Change in derivatives	(688)	1,027	n.a.
Change in provisions	(207)	(156)	33%
Reversal of gain (loss) on sale of assets	(315)	90	n.a.
Other items	96	(6)	n.a.
Interest expense, net	(787)	(944)	(17%)
Paid tax	(4,857)	(3,103)	57%
Change in work in progress	1,181	(3,049)	n.a.
Change in tax equity liabilities	827	-	n.a.
Change in other working capital	142	(1,904)	n.a.
Gross investments	(14,489)	(9,565)	51%
Divestments	2,927	1,201	144%
Free cash flow	(3,299)	(5,586)	(41%)
Net debt, beginning of period	(2,219)	(1,517)	46%
Free cash flow from continuing operations	3,299	5,586	(41%)
Free cash flow from discontinued operations	(202)	128	n.a.
Dividends and hybrid coupon paid	4,733	4,462	6%
Cash flow from assets held for sale	-	75	n.a.
Addition of lease obligations (IFRS 16)	5,223	-	n.a.
Interest bearing receivable re. O&G divestment.	327	-	n.a.
Exchange rate adjustments, etc.	921	223	273%
Net debt, end of period	**12,082**	**8,957**	**35%**

Investments and divestments

Gross investments amounted to DKK 14.5 billion against DKK 9.6 billion in 9M 2018. The main investments in 9M 2019 were:

- offshore wind farms (DKK 9.7 billion), including Hornsea 1 and Hornsea 2 in the UK, Borssele 1 & 2 in the Netherlands and Greater Changhua 1 & 2a in Taiwan
- onshore wind farms (DKK 3.3 billion), including Sage Draw, Plum Creek, Lockett, Willow Creek and Permian Solar in the US
- power stations (DKK 0.7 billion), mainly biomass conversion of Asnæs Power Sta-

Results 9M continued

tion.

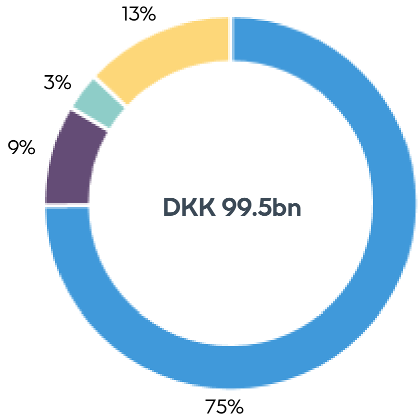
Cash flow from divestments in 9M 2019 related to the receipt of deferred proceeds from the 50% farm-down of Hornsea 1 in 2018 (DKK 1.7 billion) and to the strengthening of our strategic partnership with Eversource as they became a 50% partner in our activities in the New England area in February (DKK 1.2 billion).

Interest-bearing net debt
Interest-bearing net debt totalled DKK 12.1 billion at the end of September 2019 against net cash of DKK 2.2 billion at the end of 2018. The DKK 14.3 billion increase was mainly due to dividend payments of DKK 4.2 billion and inclusion of operational lease obligations of DKK 5.2 billion in accordance with IFRS 16 and the negative free cash flow.

Equity
Equity was DKK 87.4 billion at the end of September against DKK 85.1 billion at the end of 2018.

Capital employed
Capital employed was DKK 99.5 billion at 30 September 2019 against DKK 82.9 billion at the end of 2018 and DKK 77.7 billion at the end of September 2018. The increase in 9M 2019 was mainly due to investments, the addition of operational leases assets and the early on-account tax payment in March. Offshore's share of capital employed was 75% at the end of 9M 2019.

Capital employed, %



Financial ratios

Return on capital employed (ROCE)
Return on capital employed (ROCE, last 12 months) was 29% at the end of 9M 2019, up 6 percentage points compared to the same period last year. The increase was mainly attributable to the higher EBIT over the 12-month period, which in both periods was significantly impacted by farm-downs – Hornsea 1 in Q4 2018 and Walney Extension and Borkum Riffgrund 2 in Q4 2017.

Credit metric (FFO/adjusted net debt)
The funds from operations (FFO)/adjusted net debt credit metric was 47% at the end of September 2019 against 42% in the same period last year.

Key ratios, DKKm, %	9M 2019	9M 2018	%
ROCE[1]	29.3	23.0	6 %-p
Adjusted net debt	24,910	26,541	(6%)
FFO/adjusted net debt[1]	47.4	41.7	6%-p

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

Non-financial results

Green share of heat and power generation
The green share of heat and power generation amounted to 83% in 9M 2019, up 12 percentage points relative to the same period last year. The increase was due to the addition of generation from onshore wind farms, higher generation from offshore wind farms and lower heat and power generation based on coal and gas. The latter was due to the warmer weather and the divestment of the Dutch Enecogen power plant in Q3 2018.

Carbon emissions
Carbon emissions from our heat and power generation decreased to 71g CO2e/kWh in 9M 2019 against 153g CO2e/kWh in 9M 2018. The carbon emissions per kWh decreased for the same reasons as mentioned above.

Safety
In 9M 2019, we have had a total of 75 recordable injuries (TRIs), divided between 48 contractor injuries and 27 own employee injuries. This amounts to a total decrease of 4 injuries compared to the same period last year.

Over the last 12 months the total recordable injury rate (TRIR) decreased from 5.0 in 9M 2018 to 4.5 in 9M 2019.

Fatality
An employee of one of our contractors tragically died after a serious accident at Avedøre Power Station in May.

Offshore

Highlights Q3 2019

- Bids submitted for offshore wind projects in Massachusetts and Connecticut.
- Good progress on the construction of our offshore wind farms.
- All wind turbines installed at Hornsea 1.
- First power achieved at Formosa 1 phase 2.
- Divestment of the offshore transmission asset at Race Bank.
- Wind turbine contracts signed with Siemens Gamesa for our US Northeast cluster (Sunrise Wind, Revolution Wind and South Fork) and Greater Changhua 1 & 2a.
- GE selected as preferred wind turbine supplier for our US Mid-Atlantic cluster (Ocean Wind and Skipjack) with the deployment of GE's Haliade-X 12MW turbine.
- In Poland, we have been selected by PGE to commence discussions regarding their sale of a 50% stake in two offshore wind projects in the Baltic Sea with a total capacity of up to 2.5GW.

Financial results Q3 2019

Power generation increased by 47% relative to Q3 2018. The increase was primarily due to ramp-up of generation from Hornsea 1 and Borkum Riffgrund 2 (0.5TWh).

Wind speeds were higher than last year in Denmark, Germany and the UK and amounted to an average of 8.5m/s. This was also above a normal wind year (7.9m/s).

Revenue from offshore wind farms in operation increased by 27% due to the above-mentioned ramp-up from new offshore wind farms and the higher wind speed. Revenue from construction agreements increased by DKK 1.8 billion. The construction revenue primarily concerned Hornsea 1 in Q3 2019, and Borkum Riffgrund 2 in Q3 2018.

EBITDA from sites, O&M and PPAs amounted to DKK 2.7 billion, up DKK 0.7 billion compared to Q3 2018. Ramp-up of Hornsea 1 and Borkum Riffgrund 2 as well as higher wind speeds contributed positively to the higher earnings.

EBITDA from construction agreements amounted to DKK 1.2 billion in Q3 2019.

EBITDA from other activities including project development amounted to DKK -0.6 billion, slightly less negative compared to Q3 2018.

Cash flow from operating activities amounted to DKK -1.1 billion in Q3 2019, which was DKK 1.7 billion lower than same period last year. This was mainly driven by more funds tied up in work in progress due to the construction of Hornsea 1 for partners, whereas we had positive cash inflow in Q3 2018 due to received milestones payments related to Borkum Riffgrund 2.

Gross investments amounted to DKK 5.3 billion in Q3 2019 and mainly related to the construction of Hornsea 1, Greater Changhua 1 & 2a and Borssele 1 & 2.

Financial results 9M 2019

Power generation increased by 19% relative to 9M 2018. The increase was primarily due to

Financial results		Q3 2019	Q3 2018	%	9M 2019	9M 2018	%
Business drivers							
Decided (FID'ed) and installed capacity, offshore wind	GW	9.9	8.9	11%	9.9	8.9	11%
Installed capacity, offshore wind	GW	5.6	5.1	10%	5.6	5.1	10%
Generation capacity, offshore wind	GW	3.6	2.9	24%	3.6	2.9	24%
Wind speed	m/s	8.5	7.7	11%	9.0	8.6	4%
Load factor	%	37	32	5%p	39	39	0%p
Availability	%	93	92	1%p	93	93	0%p
Power generation	TWh	2.8	1.9	47%	8.0	6.7	19%
Denmark		0.5	0.4	25%	1.6	1.5	7%
United Kingdom		1.8	1.2	50%	4.9	4.1	20%
Germany		0.5	0.3	67%	1.5	1.1	36%
USA		0.0	-	n.a.	0.1	-	n.a.
Power price, LEBA UK	GBP/MWh	39.5	62.1	(36%)	44.5	56.2	(21%)
British pound	DKK/GBP	8.3	8.4	(1%)	8.5	8.4	0%
Financial performance							
Revenue	DKKm	7,880	5,304	49%	21,664	19,850	9%
Sites, O&M and PPAs		3,647	2,866	27%	11,165	9,503	17%
Construction agreements		4,184	2,407	74%	10,374	10,289	1%
Other		49	31	58%	125	58	116%
EBITDA	DKKm	3,304	1,972	68%	10,604	9,018	18%
Sites, O&M and PPAs		2,693	1,989	35%	8,615	6,989	23%
Construction agreements and divestment gains		1,188	651	82%	3,714	3,352	11%
Other incl. project development		(577)	(668)	(14%)	(1,725)	(1,323)	30%
Depreciation	DKKm	(1,342)	(1,072)	25%	(3,995)	(3,189)	25%
EBIT	DKKm	1,962	900	118%	6,609	5,829	13%
Cash flow from operating activities	DKKm	(1,128)	555	n.a.	7,078	2,242	216%
Gross investments	DKKm	(5,272)	(3,691)	43%	(9,714)	(7,853)	24%
Divestments	DKKm	239	(20)	n.a.	2,887	767	276%
Free cash flow	DKKm	(6,161)	(3,156)	95%	251	(4,844)	n.a.
Capital employed	DKKm	73,148	65,719	11%	73,148	65,719	11%
ROCE[1]	%	34.8	25.8	9.0%p	34.8	25.8	9.0%p

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

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

Offshore continued

ramp-up of generation from Hornsea 1, Borkum Riffgrund 2 and Walney Extension (1.2TWh) and higher wind speeds in 9M 2019. The positive effects were partly offset by lower than expected generation due to curtailments and various operational issues (9M 2019 effect roughly estimated to 0.4TWh). This mainly related to Horns Rev 1 in Denmark due to a platform fire in October 2018 (all 79 wind turbines were back in operation at the end of June 2019), converter station outages at Borkum Riffgrund 2 and an array cable campaign at London Array. In addition, we have had higher than expected non-compensated curtailments at our German wind farms in 9M 2019. All of these issues have now to a large extent been resolved.

Following strong winds in Q3 2019, wind speeds for the first 9 months of 2019 were higher than the same period last year and amounted to an average of 9.0m/s. This was above a normal wind year (8.8m/s).

Revenue from offshore wind farms in operation increased by 17% due to the above-mentioned ramp-up from new offshore wind farms. Revenue from construction agreements increased by DKK 0.1 billion. The construction activity primarily concerned Hornsea 1 in 9M 2019. In 9M 2018, it concerned Walney Extension and Borkum Riffgrund 2 as well as the divestment of the offshore transmission assets at Burbo Bank Extension.

EBITDA from sites, O&M and PPAs amounted to DKK 8.6 billion, up DKK 1.6 billion compared to 9M 2018. Ramp-up of Borkum Riffgrund 2, Hornsea 1 and Walney Extension as well as higher wind speeds contributed positively to the higher earnings. This was partly offset by curtailments and operational issues as described under revenue.

EBITDA from construction agreements was DKK 0.4 billion higher than in 9M 2018, amounting to DKK 3.7 billion. The construction agreements primarily concerned Hornsea 1 and positive effects from the ongoing divestments of offshore transmission assets at Walney Extension and Race Bank in 9M 2019, whereas they primarily concerned Walney Extension and Borkum Riffgrund 2 in 9M 2018.

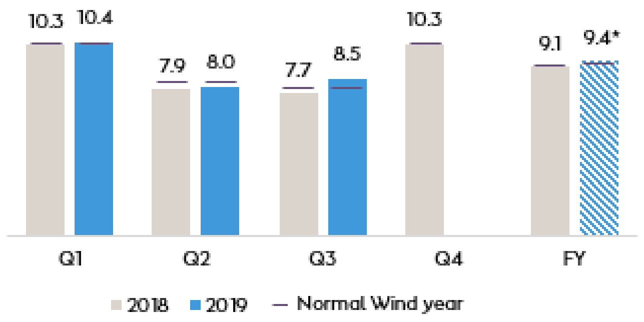
EBITDA from other activities, including project development, amounted to DKK -1.7 billion. The increased spend of DKK 0.4 billion compared to 9M 2018 was mainly due to higher project development activities in the US.

Depreciation increased by 25% due to the commissioning of new offshore wind farms in the UK and Germany.

Cash flow from operating activities amounted to DKK 7.1 billion in 9M 2019, which was DKK 4.8 billion higher than the same period last year. Lower funds tied up in work in progress due to received partner milestone payments and the higher EBITDA contributed positively, whereas higher early on-account tax payment for 2019 contributed negatively.

Gross investments amounted to DKK 9.7 billion in 9M 2019 and mainly related to the construction of Hornsea 1 and 2, Greater Changhua 1 & 2a and Borssele 1 & 2.

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



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

* Indicates m/s for full year 2019 (if Q4 follows the normal wind year)

Cash flow from divestments in 9M 2019 related to the receipt of deferred proceeds from the 50% farm-down of Hornsea 1 in 2018 (DKK 1.7 billion) and to the strengthening of our strategic partnership with Eversource as they became a 50% partner in our activities in the New England area in February (DKK 1.2 billion).

ROCE (last 12 months) increased by 9 percentage points to 35% and was in both periods particularly impacted by gains from the farm-downs of 50% of Hornsea 1 in Q4 2018 and Walney Extension and Borkum Riffgrund 2 in Q4 2017.

Onshore

Highlights Q3 2019

- We received funding from our tax equity partner for Lockett in Texas.
- We secured tax equity funding commitment for Sage Draw in Texas.
- We decided to build Plum Creek Wind in Nebraska.

Financial results Q3 2019

As we acquired Lincoln Clean Energy and established the Onshore business unit on 1 October 2018, there are no comparison figures for Q3 2018.

Power generation amounted to 0.9TWh in Q3 2019.

Wind speeds were on average 6.6 m/s, which was slightly below normal wind speeds in Texas (6.7m/s).

Revenue amounted to DKK 0.3 billion and related to our wind farms in operation.

EBITDA amounted to DKK 0.3 billion in total. EBITDA from sites were DKK 0.2 billion, and was positively affected by high peak power prices in Texas in August which led to higher than expected earnings at Willow Springs, Tahoka and Lockett. In particular Lockett benefitted from the high prices as it was completed a couple of months ahead of schedule and therefore was fully exposed to merchant prices. Production tax credits (PTCs) contributed with an additional DKK 0.1 billion. Project development and other costs amounted to DKK -0.1 billion.

Cash flows from operating activities amounted to DKK 1.2 billion, which primarily comprised tax equity contribution from our partner at the Lockett wind farm less funds tied up in net working capital.

Gross investments amounted to DKK 1.5 billion in Q3 2019 and related to the construction of Sage Draw, Plum Creek, Willow Creek and Permian Solar.

Financial results 9M 2019

Power generation amounted to 2.5TWh in 9M 2019.

Wind speeds were on average 7.3m/s, which was slightly below normal wind speeds in Texas (7.8m/s).

Revenue amounted to DKK 0.5 billion and related to our wind farms in operation.

EBITDA amounted to DKK 0.6 billion in total. EBITDA from sites was DKK 0.4 billion, and production tax credits (PTCs) contributed with an additional DKK 0.4 billion. Project development and other costs amounted to DKK -0.2 billion.

Cash flows from operating activities amounted to DKK 1.2 billion, which primarily comprised tax equity contribution from our partner at the Lockett wind farm less funds tied up in net working capital.

Gross investments amounted to DKK 3.3 billion in 9M 2019 and related to Sage Draw, Plum Creek, Lockett, Permian Solar and the acquisitions of Willow Creek and Coronal Energy's development activities.

ROCE (last 12 months) was 9%.

Financial results		Q3 2019	Q3 2018	%	9M 2019	9M 2018	%
Business drivers							
Decided (FID'ed) and installed capacity	MW	1,668	n.a.	n.a.	1,668	n.a.	n.a.
Installed capacity	MW	997	n.a.	n.a.	997	n.a.	n.a.
Wind speed	m/s	6.6	n.a.	n.a.	7.3	n.a.	n.a.
Load factor	%	39	n.a.	n.a.	44	n.a.	n.a.
Availability	%	98	n.a.	n.a.	97	n.a.	n.a.
Power generation	TWh	0.9	n.a.	n.a.	2.5	n.a.	n.a.
Net realised price	USD/MWh	22	n.a.	n.a.	18	n.a.	n.a.
US dollar	DKK/USD	6.7	n.a.	n.a.	6.6	n.a.	n.a.
Financial performance							
Revenue	DKKm	299	n.a.	n.a.	547	n.a.	n.a.
EBITDA	DKKm	312	n.a.	n.a.	631	n.a.	n.a.
Sites		249	n.a.	n.a.	413	n.a.	n.a.
Production tax credits and tax attributes		145	n.a.	n.a.	427	n.a.	n.a.
Other including project development		(82)	n.a.	n.a.	(209)	n.a.	n.a.
Depreciation	DKKm	(88)	n.a.	n.a.	(246)	n.a.	n.a.
EBIT	DKKm	224	n.a.	n.a.	385	n.a.	n.a.
Cash flow from operating activities	DKKm	1,187	n.a.	n.a.	1,177	n.a.	n.a.
Gross investments	DKKm	(1,463)	n.a.	n.a.	(3,261)	n.a.	n.a.
Divestments	DKKm	20	n.a.	n.a.	20	n.a.	n.a.
Free cash flow	DKKm	(256)	n.a.	n.a.	(2,064)	n.a.	n.a.
Capital employed	DKKm	8,550	n.a.	n.a.	8,550	n.a.	n.a.
ROCE[1]	%	8.9	n.a.	n.a.	8.9	n.a.	n.a.

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

Bioenergy

Highlights Q3 2019

- The biomass share in our heat and power generation increased to 62% compared to 53% in 9M 2018.
- Ramp-up of our first Renescience plant in the UK is progressing and we still target final commissioning at the end of the year.
- The Elsam competition case closed in favour of Ørsted.
- The bioconversion of Asnæs Power Station is progressing according to plan, and the power station will be in operation from Q4 2019.

Financial results Q3 2019

Total revenue amounted to DKK 0.6 billion in line with Q3 2018. Heat generation increased by 0.2TWh due to colder weather compared to Q3 2018, leading to an increase in heat revenue in the quarter. This was offset by lower power generation which decreased by 0.3TWh, driven by lower power prices.

EBITDA was DKK 0.4 billion higher than Q3 2018. The increase was mainly due to the reversal of a provision of DKK 0.3 billion following the acquittal in the Elsam competition case. As a result, we have reversed a provision of DKK 298 million in September in EBITDA and related interests of DKK 276 million.

Cash flow from operating activities amounted to DKK -0.4 billion, DKK 0.2 billion lower than in Q3 2018. The decrease was mainly due to lower payables due to higher fuel inventories at the beginning of the period.

Financial results 9M 2019

Revenue decreased by DKK 0.6 billion to DKK 3.9 billion in 9M 2019.

Revenue from heat sales decreased by 5%, and amounted to DKK 1.9 billion and revenue from power sales decreased by 20% to DKK 1.9 billion. Both were negatively affected by the warm weather in 9M 2019 compared to 9M 2018. In addition, revenue from power sales was adversely impacted by the divestment of our Dutch power plant in Q3 2018.

EBITDA was DKK 0.3 billion higher than 9M 2018 and amounted to DKK 0.5 billion.

EBITDA from heat generation and ancillary services was at the same level as the year before.

EBITDA from power was DKK 0.3 billion higher than in 9M 2018. The increase was mainly due to the reversal of a provision of DKK 0.3 billion following the acquittal in the Elsam competition case.

Cash flow from operating activities amounted to DKK -0.1 billion, a decrease of DKK 0.6 billion compared to 9M 2018. The decrease was mainly due to higher inventories and lower payables. The reversal of the Elsam provision was cash flow neutral.

Gross investments amounted to DKK 0.7 billion in 9M 2019. The largest investments related to the biomass conversion of Asnæs Power Station.

Financial results		Q3 2019	Q3 2018	%	9M 2019	9M 2018	%
Business drivers							
Degree days	Number	108	76	42%	1,517	1,642	(8%)
Heat generation	TWh	0.5	0.3	67%	5.4	6.0	(10%)
Power generation	TWh	0.4	0.7	(43%)	3.0	4.9	(39%)
Power price, DK	EUR/MWh	38.0	53.3	(29%)	39.3	43.3	(9%)
Green dark spread, DK	EUR/MWh	2.1	5.2	(59%)	(0.6)	2.4	n.a.
Green spark spread, DK	EUR/MWh	7.1	(2.7)	n.a.	1.3	(6.2)	n.a.
Financial results							
Revenue	DKKm	623	660	(6%)	3,861	4,427	(13%)
Heat		293	201	46%	1,919	2,011	(5%)
Power, including ancillary services		330	459	(28%)	1,942	2,416	(20%)
EBITDA	DKKm	187	(204)	n.a.	463	164	182%
Heat		96	71	35%	522	520	0%
Ancillary services		93	78	19%	285	271	5%
Power		(2)	(353)	(99%)	(344)	(627)	(45%)
Depreciation	DKKm	(155)	(163)	(5%)	(449)	(487)	(8%)
EBIT	DKKm	32	(367)	n.a.	14	(323)	n.a.
Cash flow from operating activities	DKKm	(397)	(169)	135%	(126)	509	n.a.
Gross investments	DKKm	(210)	(389)	(46%)	(656)	(948)	(31%)
Divestments	DKKm	15	400	(96%)	50	378	(87%)
Free cash flow	DKKm	(592)	(158)	275%	(732)	(61)	1100%
Capital employed	DKKm	3,227	2,575	25%	3,227	2,575	25%
ROCE[1]	%	1.6	(10.0)	11.6%p	1.6	(10.0)	11.6%p

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

Customer Solutions

Highlights Q3 2019

- We signed an agreement to divest our Danish power distribution (Radius), residential customer and city light businesses to SEAS-NVE.
- At the end of September, the customers in our power distribution company, Radius, had started using more than 1 million smart meters.
- In October, we established a commodity trading unit in the US.

Financial results Q3 2019

Revenue was down 27% and amounted to DKK 7.7 billion in Q3 2019. The decrease was driven by an average decrease in gas and UK power prices of 58% and 36%, respectively, relative to Q3 2018. In addition, lower gas volumes sold contributed to the decrease.

EBITDA totalled DKK 0.2 billion in Q3 2019, which was DKK 0.3 billion lower than in Q3 2018. The decrease was related to LNG and our gas portfolio in Markets.

EBITDA from LNG was lower mainly due to extraordinarily high earnings from our LNG assets in Q3 2018 due to utilisation of location spreads and optimisation of physical assets, which was not repeated in Q3 2019. Furthermore, lower gas prices during the quarter resulted in a temporary negative effect from revaluation of storage. We have also seen temporary negative effects in Q3 2019 from oil-indexed LNG purchase agreements that are hedged with a time lag. Consequently, we see a timing difference between the date when the market value of the hedging contracts is recognised and the physical delivery date.

EBITDA from Markets was lower due to the continued low gas prices in Q3 2019, which led to a decrease in the accounting value of our gas inventories and thus a temporary negative impact in the quarter, whereas we saw increasing gas prices during Q3 2018. This negative impact will partly be offset if the gas prices increase again or when we sell the gas later in 2019/2020, as we have hedged most of our gas margin.

EBITDA from Distribution was higher mainly due to timing of activities between the years.

Cash flow from operating activities amounted to DKK 1.2 billion in Q3 2019. The increase of DKK 2.3 billion was mainly due to lower receivables and lower gas inventories as a result of the low gas prices and gas sales.

Financial results 9M 2019

Revenue decreased by 20% compared to 9M 2018 and amounted to DKK 27.9 billion. The decrease was mainly driven by an average decrease in gas and UK power prices of 37% and 21%, respectively, relative to the same period last year. In addition, lower gas volumes contributed to the lower revenue.

EBITDA amounted to DKK 1.0 billion in 9M 2019 and was thus DKK 0.8 billion lower than the year before.

EBITDA from Markets was DKK 0.5 billion lower than in 9M 2018 and amounted to DKK 0.4 bil-

Financial results		Q3 2019	Q3 2018	%	9M 2019	9M 2018	%
Business drivers							
Regulatory asset base (power)	DKKm	11,431	10,957	4%	11,431	10,957	4%
Gas sales	TWh	31.5	31.6	(0%)	90.1	108.2	(17%)
Sales		6.7	7.8	(14%)	24.0	29.4	(18%)
Markets (excl. volumes to Sales)		24.8	23.8	4%	66.1	78.8	(16%)
Power sales	TWh	9.2	6.6	39%	26.3	24.9	6%
Sales		3.7	3.5	6%	11.0	11.0	0%
Markets (excl. volumes to Sales)		5.5	3.3	67%	15.3	14.0	9%
Power distribution	TWh	1.9	1.8	6%	6.1	6.1	0%
Gas price, TTF	EUR/MWh	10.2	24.5	(58%)	13.9	22.2	(37%)
Oil price, Brent	USD/boe	61.9	75.3	(18%)	64.7	72.1	(10%)
Power Price, LEBA	GBP/MWh	39.5	62.1	(36%)	44.5	56.2	(21%)
US dollar	DKK/USD	6.7	6.4	5%	6.6	6.2	6%
British pound	DKK/GBP	8.3	8.4	(1%)	8.5	8.4	0%
Financial results							
Revenue	DKKm	7,706	10,505	(27%)	27,947	35,082	(20%)
EBITDA	DKKm	164	478	(66%)	1,041	1,814	(43%)
Distribution		365	216	69%	1,059	899	18%
Sales		(29)	(32)	(9%)	(101)	(41)	146%
Markets		18	82	(78%)	384	868	(56%)
LNG		(190)	212	n.a.	(301)	88	n.a.
Depreciation	DKKm	(42)	(192)	(78%)	(136)	(572)	(76%)
EBIT	DKKm	122	286	(57%)	905	1,242	(27%)
Cash flow from operating activities	DKKm	1,338	(593)	n.a.	274	1,534	(82%)
Gross investments	DKKm	(263)	(236)	11%	(779)	(677)	15%
Divestments	DKKm	(14)	(1)	1300%	(29)	47	n.a.
Free cash flow	DKKm	1,061	(830)	n.a.	(534)	904	n.a.
Capital employed	DKKm	12,842	10,243	25%	12,842	10,243	25%
ROCE[1]	%	12.7	11.2	1.5%p	12.7	11.2	1.5%p

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

Customer Solutions continued

lion. The decrease was due to a one-off compensation awarded following the completion of an arbitration relating to a gas purchase contract in Q1 2018. In addition, earnings were negatively affected by the substantial drop in gas prices as described above, combined with increasing gas prices during 9M 2018. This was partly offset by significantly higher earnings from trading of our energy exposures as well as stronger underlying margins in our gas portfolio in 9M 2019.

EBITDA from LNG amounted to DKK -0.3 billion, which was DKK 0.4 billion lower than last year. The decrease was due to extraordinarily high earnings from our LNG assets in Q3 2018 due to utilisation of location spreads and optimisation of physical assets, which was not repeated in Q3 2019. In addition, we experienced temporary negative effects from revaluation of storage and from oil-indexed LNG purchase agreements as mentioned under Q3 2019.

EBITDA from Distribution amounted to DKK 1.1 billion and was DKK 0.2 billion higher than last year. The increase was due to lower costs and phasing of activities.

EBITDA from Sales amounted to DKK -0.1 billion, DKK 0.1 billion lower than last year, mainly due to lower margins in our B2B business in the UK and Germany.

Cash flows from operating activities amounted to DKK 0.3 billion in 9M 2019. The decrease of DKK 1.3 billion was primarily due to the lower EBITDA, higher paid tax and negative effects from financial instruments. This was partly offset by lower receivables and gas inventories due to the low gas prices as well as less funds tied up in clearing accounts.

Gross investments totalled DKK 0.8 billion in 9M 2019, and mainly related to maintenance of the power distribution grid and the installation of new smart meters.

ROCE (last 12 months) increased by 2 percentage points to 13%.

Performance highlights

Income statement (Business performance), DKKm	9M 2019	9M 2018	Q3 2019	Q3 2018	2018
Revenue	49,163	53,419	15,481	15,018	76,946
EBITDA	12,871	10,823	4,116	2,225	30,029
Offshore	10,604	9,018	3,304	1,972	27,809
Onshore	631	-	312	-	44
Bioenergy	463	164	187	(204)	367
Customer Solutions	1,041	1,814	164	478	1,970
Other activities	132	(173)	149	(21)	(161)
Depreciation and amortisation	(4,988)	(4,281)	(1,681)	(1,437)	(5,978)
Impairment losses	0	0	0	0	603
Operating profit (loss) (EBIT)	7,883	6,542	2,435	788	24,654
Gain (loss) on divestment of enterprises	(50)	155	(15)	181	127
Net financial income and expenses	(491)	(1,235)	(47)	(436)	(1,278)
Share of profit (loss) from associates and joint ventures	(1)	4	(5)	2	1
Profit (loss) before tax	7,341	5,466	2,368	535	23,504
Tax	(2,166)	(1,140)	(925)	(117)	(4,018)
Profit (loss) for the period from continuing operations	5,175	4,326	1,443	418	19,486
Profit (loss) for the period from discontinued operations	(27)	(24)	34	(13)	10
Profit (loss) for the period	5,148	4,302	1,477	405	19,496
Balance sheet					
Assets	194,521	150,909	194,521	150,909	174,575
Equity	87,369	68,701	87,369	68,701	85,115
Shareholders in Ørsted A/S	70,977	52,029	70,977	52,029	68,488
Non-controlling interests	3,153	3,433	3,153	3,433	3,388
Hybrid capital	13,239	13,239	13,239	13,239	13,239
Interest-bearing net debt	12,082	8,957	12,082	8,957	(2,219)
Capital employed	99,451	77,658	99,451	77,658	82,896
Additions to property, plant, and equipment	15,880	9,861	8,449	2,942	14,436
Cash flow					
Cash flow from operating activities	8,263	2,778	871	(117)	10,343
Gross investments	(14,489)	(9,565)	(7,222)	(4,385)	(24,481)
Divestments	2,927	1,201	260	380	19,950
Free cash flow	(3,299)	(5,586)	(6,091)	(4,122)	5,812
Financial ratios					
Return on capital employed (ROCE)[1,5], %	29.3	23.0	29.3	23.0	32.1
FFO/adjusted net debt[2,5], %	47.4	41.7	47.4	41.7	69.0
Number of outstanding shares, end of period, '000	419,985	420,045	419,985	420,045	420,045
Share price, end of period, DKK	636.6	436.3	636.6	436.3	435.7
Market capitalisation, end of period, DKK billion	267.4	183.3	267.4	183.3	183.0
Earnings per share (EPS) (BP), DKK	11.6	9.6	3.5	1.0	45.3
Income statement (IFRS)					
Revenue	50,583	49,355	14,543	12,798	75,520
EBITDA	13,760	7,577	3,328	567	28,491
Profit (loss) for the period from continuing operations	5,862	1,794	822	(875)	18,266

Business drivers	9M 2019	9M 2018	Q3 2019	Q3 2018	2018
Offshore					
Decided (FID'ed) and installed capacity[3], offshore wind, GW	9.9	8.9	9.9	8.9	9.0
Installed capacity, offshore wind, GW	5.6	5.1	5.6	5.1	5.6
Generation capacity, offshore wind, GW	3.6	2.9	3.6	2.9	3.0
Wind speed[3], m/s	9.0	8.6	8.5	7.7	9.1
Load factor[3], %	39	39	37	32	42
Availability[3], %	93	93	93	92	93
Power generation, TWh	8.0	6.7	2.7	1.9	10.0
Onshore					
Decided (FID'ed) and installed capacity[3], onshore wind, GW	1.7	-	1.7	-	1.0
Installed capacity[3], onshore wind, GW	1.0	-	1.0	-	0.8
Wind speed[3], m/s	7.3	-	6.6	-	7.3
Load factor[3], %	44	-	39	-	41
Availability[3], %	98	-	98	-	92
Power generation[3], TWh	2.5	-	0.9	-	0.5
Bioenergy					
Degree days[3], number	1,517	1,642	108	76	2,526
Heat generation, TWh	5.4	6.0	0.5	0.3	8.8
Power generation, TWh	3.0	4.9	0.4	0.7	6.7
Customer Solutions					
Regulatory value of power distribution assets[4]	11,431	10,957	11,431	10,957	10,957
Power distribution, TWh	6.1	6.1	1.9	1.8	8.4
Power sales, TWh	26.3	24.9	9.2	6.6	35.3
Gas sales, TWh	90.1	108.2	31.5	31.5	134.1
People and environment					
Employees (FTE), end of period number	6,454	5,882	6,454	5,882	6,080
Total recordable injury rate (TRIR)[5]	4.5	5.0	4.5	5.0	4.7
Fatalities, number	1	0	0	0	0
Green share of heat and power generation, %	83	71	87	71	75
Carbon emissions, g CO_2e/kWh	76	153	62	212	131

Business performance vs. IFRS

Business performance represents the underlying financial performance of the Group in the reporting period as results are adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. Apart from this, there is no difference between business performance and IFRS results. Read more in note 2.

1) EBIT (last 12 months)/average capital employed.
2) Net debt including 50% of hybrid capital, cash and securities not available for use (with the exception of repo transactions), present value of lease obligations (in 2018), and decommissioning obligations less deferred tax.
3) See definition on page 172 and 'ESG statements' in the annual report for 2018.
4) The figures indicate values from the latest regulatory financial statements (updated in June).
5) Last 12 months.

Quarterly overview

Income statement (Business performance), DKKm	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Revenue	15,481	16,443	17,239	23,527	15,018	18,593	19,808	15,598
EBITDA	4,116	3,625	5,130	19,206	2,225	3,079	5,519	13,032
Offshore	3,304	3,301	3,999	18,791	1,972	3,090	3,956	12,591
Onshore	312	167	152	44	-	-	-	-
Bioenergy	187	(159)	435	203	(204)	(71)	439	240
Customer Solutions	164	310	567	156	478	122	1,214	179
Other activities	149	6	(23)	12	(21)	(62)	(90)	22
Depreciation and amortisation	(1,681)	(1,689)	(1,618)	(1,697)	(1,437)	(1,462)	(1,382)	(1,517)
Impairment losses	0	0	0	603	0	0	0	(545)
Operating profit (loss) (EBIT)	2,435	1,936	3,512	18,112	788	1,617	4,137	10,970
Gain (loss) on divestment of enterprises	(15)	(18)	(17)	(28)	181	(16)	(10)	(14)
Net financial income and expenses	(47)	(545)	101	(43)	(436)	(504)	(295)	(649)
Share of profit (loss) from associates and joint ventures	(5)	3	1	(3)	2	4	(2)	42
Profit (loss) before tax	2,368	1,376	3,597	18,038	535	1,101	3,830	10,349
Tax	(925)	(283)	(958)	(2,878)	(117)	(225)	(798)	(999)
Profit (loss) for the period from continuing operations	1,443	1,093	2,639	15,160	418	876	3,032	9,350
Profit (loss) for the period from discontinued operations	34	(18)	(43)	34	(13)	(19)	8	79
Profit (loss) for the period	1,477	1,075	2,596	15,194	405	857	3,040	9,429
Balance sheet								
Assets	194,521	185,949	182,783	174,575	150,909	149,149	147,739	146,521
Equity	87,369	86,446	85,843	85,115	68,701	69,744	70,823	71,837
Shareholders in Ørsted A/S	70,977	69,960	69,193	68,488	52,029	52,884	53,861	54,791
Non-controlling interests	3,153	3,247	3,411	3,388	3,433	3,621	3,723	3,807
Hybrid capital	13,239	13,239	13,239	13,239	13,239	13,239	13,239	13,239
Interest-bearing net debt	12,082	4,980	9,111	(2,219)	8,957	4,603	4,331	(1,517)
Capital employed	99,451	91,426	94,954	82,896	77,658	74,347	75,154	70,320
Additions to property, plant, equipment	8,449	3,755	3,676	4,575	2,942	3,137	3,782	7,137
Cash flow								
Cash flow from operating activities	871	7,510	(118)	7,565	(117)	3,293	(398)	3,078
Gross investments	(7,222)	(3,368)	(3,899)	(14,916)	(4,385)	(3,109)	(2,071)	(5,805)
Divestments	260	(11)	2,678	18,749	380	(14)	835	14,875
Free cash flow	(6,091)	4,131	(1,339)	11,398	(4,122)	170	(1,634)	12,148
Financial ratios								
Return on capital employed (ROCE)[1], %	29.3	29.3	28.2	32.1	23.0	23.5	26.7	25.2
FFO/adjusted net debt[2,5], %	47.4	57.5	46.2	69.0	41.7	44.3	45.6	50.3
Number of outstanding shares, end of period, '000	419,985	419,985	420,045	420,045	420,155	420,155	420,155	420,155
Share price, end of period, DKK	636.6	532.8	504.4	435.7	436.3	386.0	392.0	338.7
Market capitalisation, end of period, DKK billion	267.4	223.8	211.7	183.0	183.3	162.3	164.7	142.3
Earnings per share (EPS) (BP), DKK	3.5	1.9	6.2	35.6	1.1	1.4	7.2	21.7
Income statement (IFRS)								
Revenue	14,543	17,277	18,763	26,165	12,798	16,859	19,698	14,711
EBITDA	3,328	4,425	6,007	20,914	567	1,725	5,285	12,311
Profit (loss) for the period from continuing operations	822	1,718	3,322	16,472	(875)	(180)	2,849	8,787

Business drivers	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Offshore								
Decided (FID'ed) and installed capacity[3], offshore wind, GW	9.9	9.9	9.0	9.0	8.9	8.9	8.9	8.9
Installed capacity, offshore wind, GW	5.6	5.6	5.6	5.6	5.1	5.1	4.4	3.9
Generation capacity, offshore wind, GW	3.6	3.3	3.0	3.0	2.9	2.8	2.7	2.5
Wind speed, m/s	8.5	8.0	10.4	10.3	7.7	7.9	10.3	11.0
Load factor[3], %	37	31	51	53	32	31	55	54
Availability[3], %	93	87	96	93	92	93	94	92
Power generation, TWh	2.8	2.2	3.1	3.3	1.9	1.8	3.0	2.9
Onshore								
Decided (FID'ed) capacity[3], onshore wind, GW	1.7	1.4	1.0	1.0	-	-	-	-
Installed capacity[3], onshore wind, GW	1.0	0.8	0.8	0.8	-	-	-	-
Wind speed[3], m/s	6.6	7.7	7.8	7.3	-	-	-	-
Load factor[3], %	39	47	47	41	-	-	-	-
Availability[3], %	98	97	97	92	-	-	-	-
Power generation, TWh	0.9	0.8	0.8	0.6	-	-	-	-
Bioenergy								
Degree days[3], number	108	269	1,140	884	76	149	1,417	895
Heat generation, TWh	0.5	1.1	3.7	2.8	0.3	0.9	4.8	2.8
Power generation, TWh	0.4	0.7	1.9	1.8	0.7	0.9	3.3	2.3
Customer Solutions								
Regulatory value of power distribution assets[4]	11,431	11,431	10,957	10,957	10,957	10,957	10,623	10,623
Power distribution, TWh	1.9	1.9	2.3	2.3	1.8	1.9	2.4	2.2
Power sales, TWh	9.2	7.4	9.7	10.4	6.6	6.8	11.5	10.6
Gas sales, TWh	31.5	32.1	26.5	26.0	31.5	34.1	42.5	36.9
People and environment								
Employees (FTE) end of period, number	6,454	6,312	6,176	6,080	5,882	5,741	5,662	5,638
Total recordable injury rate (TRIR)[5]	4.5	4.1	4.3	4.7	5.0	6.2	6.7	6.4
Fatalities, number	0	1	0	0	0	0	0	0
Green share of heat and power generation, %	87	85	80	83	71	80	68	76
Carbon emissions, g CO_2e/kWh	62	71	85	87	212	123	147	106

Business performance vs. IFRS

Business performance represents the underlying financial performance of the Group in the reporting period as results are adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. Apart from this, there is no difference between business performance and IFRS results. Read more in note 2.

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

[2] Net debt including 50% of hybrid capital, cash and securities not available for use (with the exception of repo transactions), present value of lease obligations (in 2017 and 2018), and decommissioning obligations less deferred tax.

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

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

[5] Last 12 months.

Contents

Income statement

1 January - 30 September

Note	Income statement, DKKm	9M 2019 Business performance	9M 2019 Adjustments	9M 2019 IFRS	9M 2018 Business performance	9M 2018 Adjustments	9M 2018 IFRS
4	Revenue	49,163	1,420	50,583	53,419	(4,064)	49,355
	Cost of sales	(30,524)	(531)	(31,055)	(36,777)	818	(35,959)
	Other external expenses	(4,488)	-	(4,488)	(3,991)	-	(3,991)
	Employee costs	(2,802)	-	(2,802)	(2,368)	-	(2,368)
	Share of profit (loss) in associates and joint ventures	(20)	-	(20)	(1)	-	(1)
5	Other operating income	1,750	-	1,750	725	-	725
5	Other operating expenses	(208)	-	(208)	(184)	-	(184)
	Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)	**12,871**	**889**	**13,760**	**10,823**	**(3,246)**	**7,577**
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	(4,988)	-	(4,988)	(4,281)	-	(4,281)
	Operating profit (loss) (EBIT)	**7,883**	**889**	**8,772**	**6,542**	**(3,246)**	**3,296**
	Gain (loss) on divestment of enterprises	(50)	-	(50)	155	-	155
	Share of profit (loss) in associates and joint ventures	(1)	-	(1)	4	-	4
9	Financial income	3,606	-	3,606	1,641	-	1,641
9	Financial expenses	(4,097)	-	(4,097)	(2,876)	-	(2,876)
	Profit (loss) before tax	**7,341**	**889**	**8,230**	**5,466**	**(3,246)**	**2,220**
	Tax on profit (loss) for the period	(2,166)	(202)	(2,368)	(1,140)	714	(426)
	Profit (loss) for the period from continuing operations	**5,175**	**687**	**5,862**	**4,326**	**(2,532)**	**1,794**
8	**Profit (loss) for the period from discontinued operations**	**(27)**	**-**	**(27)**	**(24)**	**-**	**(24)**
	Profit (loss) for the period	**5,148**	**687**	**5,835**	**4,302**	**(2,532)**	**1,770**
	Profit (loss) for the period is attributable to:						
	Shareholders of Ørsted A/S	4,871	687	5,558	4,048	(2,532)	1,516
	Interests and costs after tax, hybrid capital owners of Ørsted A/S	232		232	231		231
	Non-controlling interests	45		45	23		23
	Profit (loss) per share, DKK:						
	From continuing operations	11.7		13.3	9.7		3.7
	From discontinued operations	(0.1)		(0.1)	(0.1)		(0.1)
	Total profit (loss) per share	**11.6**		**13.2**	**9.6**		**3.6**

Profit (loss) per share
Diluted profit (loss) per share corresponds to profit (loss) per share, as the dilutive effect of the share incentive programme is less than 0.1% of the share capital.

Effective tax rate
The estimated average annual tax rate for ordinary business activities is 30% compared to 28% for the full year of 2018.

Accounting policies

Business performance
The business performance principle is our alternative performance measure. Under business performance, the market value adjustment of our energy hedges, where we do not apply IFRS hedge accounting, are deferred and recognised in the profit (loss) in the period in which the hedged exposure materialises. Energy hedges consist of energy contracts and hedges together with related currency hedges. According to IFRS, the market value of energy hedges, where we do not apply IFRS hedge accounting, are recognised on an ongoing basis in the profit (loss) for the period. The difference between IFRS and business performance is specified in the 'Adjustments' column. Read more about the business performance principle in note 2 'Business performance' as well as note 1.6 'Business performance' in the annual report 2018.

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

Statement of comprehensive income

1 January - 30 September

Statement of comprehensive income, DKKm	9M 2019 Business performance	9M 2019 Adjustments	9M 2019 IFRS	9M 2018 Business performance	9M 2018 Adjustments	9M 2018 IFRS
Profit (loss) for the period	**5,148**	**687**	**5,835**	**4,302**	**(2,532)**	**1,770**
Other comprehensive income:						
Cash-flow hedging:						
Value adjustments for the period	804	(52)	752	(4,068)	3,615	(453)
Value adjustments transferred to income statement	1,036	(837)	199	123	(369)	(246)
Exchange rate adjustments:						
Exchange rate adjustments relating to net investment in foreign enterprises	634	-	634	(101)	-	(101)
Value adjustment of net investment hedges	(365)	-	(365)	198	-	198
Tax:						
Tax on hedging instruments	(315)	202	(113)	821	(714)	107
Tax on exchange rate adjustments	43	-	43	(27)	-	(27)
Other:						
Share of other comprehensive income of associated companies, after tax	(25)	-	(25)	-	-	-
Other comprehensive income	**1,812**	**(687)**	**1,125**	**(3,054)**	**2,532**	**(522)**
Total comprehensive income	**6,960**	**-**	**6,960**	**1,248**	**-**	**1,248**
Comprehensive income for the period is attributable to:						
Shareholders in Ørsted A/S			6,629			999
Interest payments and costs after tax, hybrid capital owners of Ørsted A/S			232			231
Non-controlling interests			99			18
Total comprehensive income			**6,960**			**1,248**

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

Income statement

1 July - 30 September

Note	Income statement, DKKm	Q3 2019 Business performance	Q3 2019 Adjustments	Q3 2019 IFRS	Q3 2018 Business performance	Q3 2018 Adjustments	Q3 2018 IFRS
4	Revenue	15,481	(938)	14,543	15,018	(2,220)	12,798
	Cost of sales	(9,458)	150	(9,308)	(10,545)	562	(9,983)
	Other external expenses	(1,534)	-	(1,534)	(1,629)	-	(1,629)
	Employee costs	(929)	-	(929)	(800)	-	(800)
	Share of profit (loss) in associates and joint ventures	(7)	-	(7)	(4)	-	(4)
5	Other operating income	612	-	612	222	-	222
5	Other operating expenses	(49)	-	(49)	(37)	-	(37)
	Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)	**4,116**	**(788)**	**3,328**	**2,225**	**(1,658)**	**567**
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	(1,681)	-	(1,681)	(1,437)	-	(1,437)
	Operating profit (loss) (EBIT)	**2,435**	**(788)**	**1,647**	**788**	**(1,658)**	**(870)**
	Gain (loss) on divestment of enterprises	(15)	-	(15)	181	-	181
	Share of profit (loss) in associates and joint ventures	(5)	-	(5)	2	-	2
9	Financial income	1,008	-	1,008	215	-	215
9	Financial expenses	(1,055)	-	(1,055)	(651)	-	(651)
	Profit (loss) before tax	**2,368**	**(788)**	**1,580**	**535**	**(1,658)**	**(1,123)**
	Tax on profit (loss) for the period	(925)	167	(758)	(117)	365	248
	Profit (loss) for the period from continuing operations	**1,443**	**(621)**	**822**	**418**	**(1,293)**	**(875)**
8	**Profit (loss) for the period from discontinued operations**	**34**	**-**	**34**	**(13)**	**-**	**(13)**
	Profit (loss) for the period	**1,477**	**(621)**	**856**	**405**	**(1,293)**	**(888)**
	Profit (loss) for the period is attributable to:						
	Shareholders in Ørsted A/S	1,497	(621)	876	435	(1,293)	(858)
	Interests and costs after tax, hybrid capital owners of Ørsted A/S	(24)		(24)	(24)		(24)
	Non-controlling interests	4.0		4.0	(6)		(6)
	Profit (loss) per share, DKK:						
	From continuing operations	3.5		2.0	1.1		(2.0)
	From discontinued operations	0.0		0.0	(0.1)		(0.1)
	Total profit (loss) per share	**3.5**		**2.0**	**1.0**		**(2.1)**

Profit (loss) per share
Diluted profit (loss) per share corresponds to profit (loss) per share, as the dilutive effect of the share incentive programme is less than 0.1% of the share capital.

Effective tax rate
The estimated average annual tax rate for ordinary business activities is 30% compared to 28% for the full year 2018.

Accounting policies

Business performance
The business performance principle is our alternative performance measure. Under business performance, the market value adjustment of our energy hedges, where we do not apply IFRS hedge accounting, are deferred and recognised in the profit (loss) in the period in which the hedged exposure materialises. Energy hedges consist of energy contracts and hedges together with related currency hedges. According to IFRS, the market value of energy hedges, where we do not apply IFRS hedge accounting, are recognised on an ongoing basis in the profit (loss) for the period. The difference between IFRS and business performance is specified in the 'Adjustments' column. Read more about the business performance principle in note 2 'Business performance' as well as note 1.6 'Business performance' in the annual report 2018.

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

Statement of comprehensive income

1 July - 30 September

Statement of comprehensive income, DKKm	Q3 2019 Business performance	Q3 2019 Adjustments	Q3 2019 IFRS	Q3 2018 Business performance	Q3 2018 Adjustments	Q3 2018 IFRS
Profit (loss) for the period	**1,477**	**(621)**	**856**	**405**	**(1,293)**	**(888)**
Other comprehensive income:						
Cash-flow hedging:						
Value adjustments for the period	(1,687)	1,197	(490)	(1,765)	1,926	161
Value adjustments transferred to income statement	484	(409)	75	254	(268)	(14)
Exchange rate adjustments:						
Exchange rate adjustments relating to net investment in foreign enterprises	1,219	-	1,219	(227)	-	(227)
Value adjustment of net investment hedges	(658)	-	(658)	120	-	120
Tax:						
Tax on hedging instruments	251	(167)	84	316	(365)	(49)
Tax on exchange rate adjustments	(42)	-	(42)	(10)	-	(10)
Other:						
Share of other comprehensive income of associated companies, after tax	(17)	-	(17)	-	-	-
Other comprehensive income	**(450)**	**621**	**171**	**(1,312)**	**1,293**	**(19)**
Total comprehensive income	**1,027**	**-**	**1,027**	**(907)**	**-**	**(907)**
Comprehensive income for the period is attributable to:						
Shareholders in Ørsted A/S			1,009			(855)
Interest payments and costs after tax, hybrid capital owners of Ørsted A/S			(24)			(24)
Non-controlling interests			42			(28)
Total comprehensive income			**1,027**			**(907)**

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

Balance sheet

Note	Assets, DKKm	30 September 2019	31 December 2018	30 September 2018
	Intangible assets	**590**	**777**	**741**
	Land and buildings	5,293	969	1,524
	Production assets	75,985	66,310	64,947
	Fixtures and fittings, tools and equipment	652	342	355
	Property, plant and equipment under construction	18,228	16,434	15,023
	Property, plant and equipment	**100,158**	**84,055**	**81,849**
	Investments in associates and joint ventures	463	457	462
	Receivables from associates and joint ventures	-	60	63
	Other securities and equity investments	225	211	208
	Deferred tax	5,799	4,588	2,692
	Other receivables	1,960	2,670	2,025
	Other non-current assets	**8,447**	**7,986**	**5,450**
	Non-current assets	**109,195**	**92,818**	**88,040**
	Inventories	14,335	13,943	17,790
12	Derivatives	4,909	5,468	7,509
	Contract assets	1,978	1,451	547
	Trade receivables	6,327	10,741	7,457
	Other receivables	4,082	4,390	2,936
	Income tax	6,812	1,525	1,618
12	Securities	25,702	25,501	20,333
	Cash	5,371	3,515	1,976
	Current assets	**69,516**	**66,534**	**60,166**
7	**Assets classified as held for sale**	**15,810**	**15,223**	**2,703**
	Assets	**194,521**	**174,575**	**150,909**

Note	Equity and liabilities, DKKm	30 September 2019	31 December 2018	30 September 2018
	Share capital	4,204	4,204	4,204
10	Reserves	(731)	(1,827)	(2,041)
	Retained earnings	67,504	66,111	49,866
	Equity attributable to shareholders in Ørsted A/S	**70,977**	**68,488**	**52,029**
	Hybrid capital	13,239	13,239	13,239
	Non-controlling interests	3,153	3,388	3,433
	Equity	**87,369**	**85,115**	**68,701**
	Deferred tax	5,175	4,025	1,782
	Provisions	12,349	12,774	11,431
1	Lease liabilities	4,826	-	-
13	Bond and bank debt	32,643	25,095	23,505
	Contract liabilities	3,852	3,642	5,676
	Tax equity liabilities	4,872	3,728	-
	Other payables	247	409	386
	Non-current liabilities	**63,964**	**49,673**	**42,780**
	Provisions	582	680	561
1	Lease liabilities	593	-	-
13	Bond and bank debt	5,904	2,201	8,399
12	Derivatives	5,481	8,094	11,325
	Contract liabilities	904	924	1,238
	Trade payables	14,037	13,082	12,218
	Tax equity liabilities	625	445	-
	Other payables	3,245	4,793	4,787
	Income tax	6,826	4,717	272
	Current liabilities	**38,197**	**34,936**	**38,800**
	Liabilities	**102,161**	**84,609**	**81,580**
7	**Liabilities relating to assets classified as held for sale**	**4,991**	**4,851**	**628**
	Equity and liabilities	**194,521**	**174,575**	**150,909**

Assets and liabilities classified as held for sale

Assets classified as held for sale at 30 September 2019 comprised our Danish power distribution, residential customer and city light businesses as well as our oil pipe system in Denmark.

Statement of changes in equity

1 January - 30 September

DKKm	2019 Share capital	2019 Reserves*	2019 Retained earnings	2019 Proposed dividends	2019 Share-holders in Ørsted A/S	2019 Hybrid capital	2019 Non-con-trolling interests	2019 Total Group	2018 Share capital	2018 Reserves*	2018 Retained earnings	2018 Proposed dividends	2018 Share-holders in Ørsted A/S	2018 Hybrid capital	2018 Non-con-trolling interests	2018 Total Group
Equity at 1 January	4,204	(1,827)	62,012	4,099	68,488	13,239	3,388	85,115	4,204	(1,524)	48,328	3,783	54,791	13,239	3,807	71,837
Comprehensive income for the period:																
Profit (loss) for the period	-	-	5,558	-	5,558	232	45	5,835	-	-	1,516	-	1,516	231	23	1,770
Other comprehensive income:																
Cash-flow hedging	-	951	-	-	951	-	-	951	-	(699)	-	-	(699)	-	-	(699)
Exchange rate adjustments	-	215	-	-	215	-	54	269	-	102	-	-	102	-	(5)	97
Tax on other comprehensive income	-	(70)	-	-	(70)	-	-	(70)	-	80	-	-	80	-	-	80
Share of other comprehensive income of associated companies, after tax	-	-	(25)	-	(25)	-	-	(25)	-	-	-	-	-	-	-	-
Total comprehensive income	**-**	**1,096**	**5,533**	**-**	**6,629**	**232**	**99**	**6,960**	**-**	**(517)**	**1,516**	**-**	**999**	**231**	**18**	**1,248**
Transactions with owners:																
Coupon payments, hybrid capital	-	-	-	-	-	(327)	-	(327)	-	-	-	-	-	(326)	-	(326)
Tax on coupon payments, hybrid capital	-	-	-	-	-	95	-	95	-	-	-	-	-	95	-	95
Dividends paid	-	-	3	(4,099)	(4,096)	-	(334)	(4,430)	-	-	2	(3,783)	(3,781)	-	(378)	(4,159)
Purchases of treasury shares	-	-	(99)	-	(99)	-	-	(99)	-	-	-	-	-	-	-	-
Other changes	-	-	55	-	55	-	-	55	-	-	20	-	20	-	(14)	6
Total transactions with owners	**-**	**-**	**(41)**	**(4,099)**	**(4,140)**	**(232)**	**(334)**	**(4,706)**	**-**	**-**	**22**	**(3,783)**	**(3,761)**	**(231)**	**(392)**	**(4,384)**
Equity at 30 September	**4,204**	**(731)**	**67,504**	**-**	**70,977**	**13,239**	**3,153**	**87,369**	**4,204**	**(2,041)**	**49,866**	**-**	**52,029**	**13,239**	**3,433**	**68,701**

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

Statement of cash flows

Note	Statement of cash flows, DKKm	9M 2019	9M 2018	Q3 2019	Q3 2018
	Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA), IFRS	13,760	7,577	3,328	567
2	Change in derivatives, business performance adjustments	(889)	3,246	788	1,658
	Change in derivatives, other adjustments	(688)	1,027	(464)	741
	Change in provisions	(207)	(156)	(240)	(237)
	Reversal of gain (loss) on sale of assets	(315)	90	(7)	26
	Other items	96	(6)	13	18
	Change in work in progress	1,181	(3,049)	(4,091)	(879)
	Change in tax equity partner liabilities	827	-	1,046	-
	Change in other working capital	142	(1,904)	511	(1,693)
	Interest received and similar items	2,746	2,167	605	454
	Interest paid and similar items	(3,533)	(3,111)	(618)	(758)
	Income tax paid	(4,857)	(3,103)	-	(14)
	Cash flows from operating activities	**8,263**	**2,778**	**871**	**(117)**
	Purchase of intangible assets and property, plant and equipment	(13,620)	(9,365)	(6,738)	(4,201)
	Sale of intangible assets and property, plant and equipment	2,999	840	316	(26)
	Acquisition of enterprises	(764)	-	(493)	-
	Divestment of enterprises	(68)	376	(28)	403
	Divestment of other equity investments	(9)	(77)	(7)	(61)
	Purchase of securities	(19,437)	(20,245)	(6,655)	(8,211)
	Sale/maturation of securities	19,322	24,869	6,404	12,643
	Change in other non-current assets	(2)	7	-	7
	Transactions with associates and joint ventures	(93)	(144)	17	(126)
	Dividends received and capital reduction	21	25	15	24
	Cash flows from investing activities	**(11,651)**	**(3,714)**	**(7,169)**	**452**

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

Note	Statement of cash flows, DKKm	9M 2019	9M 2018	Q3 2019	Q3 2018
	Proceeds from raising of loans	13,471	6,158	5,632	2,159
	Instalments on loans	(2,202)	(3,743)	-	(3,637)
	Instalments on leases	(350)	-	(153)	-
	Coupon payments on hybrid capital	(327)	(326)	-	-
	Dividends paid to shareholders in Ørsted A/S	(4,096)	(3,783)	-	-
	Purchase of own shares	(99)	-	-	-
	Transactions with non-controlling interests	(399)	(366)	(195)	(160)
	Net proceeds from tax equity partners	35	-	44	-
	Collateral related to derivaties	(889)	1,042	(930)	463
	Cash flows from financing activities	**5,144**	**(1,018)**	**4,398**	**(1,175)**
	Cash flows from continuing operations	1,756	(1,954)	(1,900)	(840)
	Cash flows from discontinued operations	202	(128)	202	(1)
	Total net change in cash and cash equivalents for the period	**1,958**	**(2,082)**	**(1,698)**	**(841)**
	Cash and cash equivalents at the beginning of the period	2,663	3,891	6,311	2,628
	Total net change in cash and cash equivalents	1,958	(2,082)	(1,698)	(841)
	Other change in cash and cash equivalents	(18)	(74)	(11)	(37)
	Exchange rate adjustments of cash and cash equivalents	140	5	141	(10)
	Cash and cash equivalents at 30 September	**4,743**	**1,740**	**4,743**	**1,740**

Statement of cash flows
Our supplementary statement of gross and net investments appears from note 6 'Gross and net investments' and free cash flows (FCF) from note 3 'Segment information'.

'Cash' according to balance sheet includes 'Cash, not available for use', DKK 628 million as at 30 September 2019.

1. Basis of reporting

This section provides an overview of our accounting policies and new and amended accounting standards and interpretations.

Accounting policies

Ørsted is a listed public company headquartered in Denmark. This interim financial report for the first nine months of 2019 comprises the interim financial statements of Ørsted A/S (the parent company) and subsidiaries controlled by Ørsted A/S.

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

The interim financial report for the first nine months of 2019 follows the same accounting policies as the annual report for 2018, except for all the new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on 1 January 2019.

In the sections below, the most relevant new or amended standards and interpretations are presented.

Definitions of alternative performance measures can be found on page 87 of the annual report for 2018.

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

Implementation of new or changed accounting standards and interpretations

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

- IFRS 16 'Leases'. See separate section below
- Annual improvements to IFRSs 2015-2017.

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

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

Implementation of IFRS 16

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

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

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

- The dual model in IAS 17 with operating and finance leases has been ceased. Under IFRS 16, all leases, except for short-term leases and 'low-value' leases, shall be recognised in the balance sheet.
- Fixed lease expenses are recognised as depreciation of lease assets (below EBITDA). Under IAS 17, fixed lease expenses were recognised as other external expenses (above EBITDA).
- Interest elements regarding lease obligations are recognised as financial expenses.
- Lease debt repayments are classified as cash flows from financing activities, and payments of interest are classified as cash flows from operating activities in the statement of cash flows. Under IAS 17, all lease payments were classified as cash flows from operating activities.

Change in accounting policy resulting from IFRS 16

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

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

Our lease assets are classified alongside our owned assets of similar type under property, plant and equipment. We depreciate our lease assets during the lease term. The depreciation method is straight-line basis for all our lease assets, except for seabed leases where the depreciation method is aligned with the depreciation method for the related offshore wind farm. Therefore, seabed lease assets are depreciated by using either the straight-line method or the reducing-fraction method.

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

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

Interests of lease obligations are recognised in financial expenses.

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

1. Basis of reporting (continued)

Under IAS 17, all lease payments were classified as cash flows from operating activities.

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

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

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

Impact on our consolidated financial statements

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

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

Under IAS 17, our operating lease obligations at 31 December 2018 amounted to DKK 4,819 million (net present value). Compared to our recognised lease obligations at 1 January 2019 under IFRS 16, the operating lease obligations were DKK 405 million lower. The main difference is related to the average weighted incremental borrowing rate. Under IFRS 16, we use 3.0% which is 0.5% lower than the rate applied for calculating the net present value of our operating lease obligations at 31 December 2018 in accordance with our accounting policy for key credit metrics.

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

In summary, the adjustments made to the amounts recognised in the balance sheet at 1 January 2019 are illustrated in the table to the right.

EBITDA for the first nine months of 2019 increased by DKK 463 million due to the implementation of IFRS 16, compared to a continued expensing of operational leasing costs under the previous accounting policy. Depreciation of lease assets amounted to DKK 455 million, and interests on lease debt amounted to DKK 115 million for the first nine months of 2019 under IFRS 16. The net effect on profit (loss) for the first nine months of 2019 was DKK -107million.

Extract **Impact of adoption,** DKKm	1 January 2019 Previous accounting policy	 Effect of change in accounting policy	 New accounting policy
Assets			
Property, plant and equipment			
Land and buildings	969	4,165	5,134
Production assets	66,310	440	66,750
Fixtures and fittings, tools and equipment	342	460	802
Property, plant and equipment under construction	16,434	-	16,434
Property, plant and equipment	**84,055**	**5,065**	**89,120**
Assets	**174,575**	**5,065**	**179,640**
Equity and liabilities			
Share capital	4,204	-	4,204
Reserves	(1,827)	-	(1,827)
Retained earnings	66,111	-	66,111
Equity attributable to shareholders in Ørsted A/S	**68,488**	**-**	**68,488**
Liabilities			
Non-current liabilities			
Provisions	12,774	(25)	12,749
Lease liabilities	-	4,650	4,650
Other payables	409	(134)	275
Current liabilities			
Provisions	680	-	680
Lease liabilities	-	574	574
Equity and liabilities	**174,575**	**5,065**	**179,640**

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

Segments **Impact of adoption** **1 January 2019** DKKm	Offshore	Onshore	Bioenergy	Customer Solutions	Other activities/ eliminations	Total
Lease assets	2,613	268	120	310	1,754	5,065
Lease liabilities	2,613	268	120	335	1,888	5,224
Other liabilities	-	-	-	(25)	(134)	(159)

2. Business performance

Specification of the difference between EBITDA according to business performance and according to IFRS, DKKm	9M 2019	9M 2018	Q3 2019	Q3 2018
EBITDA - business performance	12,871	10,823	4,116	2,225
Business performance adjustments in respect of revenue for the period	1,420	(4,064)	(938)	(2,220)
Business performance adjustments in respect of cost of sales for the period	(531)	818	150	562
EBITDA - IFRS	**13,760**	**7,577**	**3,328**	**567**
Total business performance adjustments for the period comprise:				
Market value adjustments for the period of financial and physical hedging contracts relating to a future period	52	(3,615)	(1,197)	(1,926)
Reversal of deferred gains (losses) relating to hedging contracts from previous periods, where the hedged production or trade is recognised in business performance EBITDA in this period	837	369	409	268
Total adjustments	**889**	**(3,246)**	**(788)**	**(1,658)**

The table shows the difference between the income statement according to business performance and according to IFRS, which is shown in the adjustments column in the income statement.

The difference between business performance and IFRS EBITDA in 2019 is mainly due to losses on power and oil hedges, partly countered by gains on gas hedges.

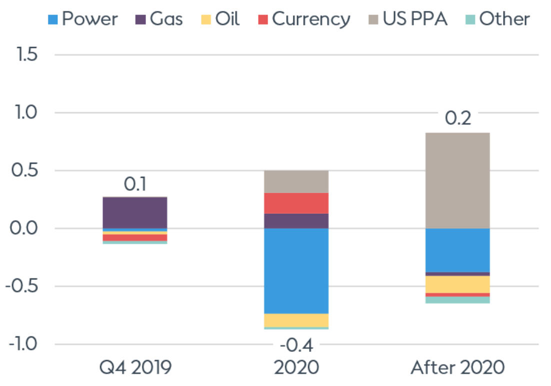
Financial impact of hedging

Our hedging of market risks is based on a number of different accounting principles, depending on the type of exposure being hedged.

In the business performance result, the value of hedging contracts concerning energy and related currencies is deferred for recognition in the period in which the hedged exposure materialises.

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

Expected value for recognition in business performance EBITDA, DKKbn



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

3. Segment information

9M 2019 **Income statement,** DKKm	Offshore	Onshore	Bioenergy	Customer Solutions	Reportable segments	Other activities/ eliminations	Business performance	Adjustments	IFRS
External revenue	16,668	547	4,306	27,330	48,851	312	49,163	1,420	50,583
Intra-group revenue	4,996	-	(445)	617	5,168	(5,168)[1]	-	-	-
Revenue	**21,664**	**547**	**3,861**	**27,947**	**54,019**	**(4,856)**	**49,163**	**1,420**	**50,583**
Cost of sales	(7,208)	-	(2,625)	(25,503)	(35,336)	4,812	(30,524)	(531)	(31,055)
Employee costs and other external expenses	(4,451)	(353)	(1,148)	(1,525)	(7,477)	187	(7,290)	-	(7,290)
Gain (loss) on disposal of non-current assets	312	9	11	(17)	315	-	315	-	315
Additional other operating income and expenses	305	428	366	139	1,238	(11)	1,227	-	1,227
Share of profit (loss) in associates and joint ventures	(18)	-	(2)	-	(20)	-	(20)	-	(20)
EBITDA	**10,604**	**631**	**463**	**1,041**	**12,739**	**132**	**12,871**	**889**	**13,760**
Depreciation and amortisation	(3,995)	(246)	(449)	(136)	(4,826)	(162)	(4,988)	-	(4,988)
Impairment losses	-	-	-	-	-	-	-	-	-
Operating profit (loss) (EBIT)	**6,609**	**385**	**14**	**905**	**7,913**	**(30)**	**7,883**	**889**	**8,772**
Key ratios									
Intangible assets, property, plant and equipment	74,621	15,062	8,223	883	98,789	1,959	100,748	-	100,748
Equity investments and non-current receivables	363	-	9	226	598	792	1,390	-	1,390
Net working capital, work in progress	8,764	-	-	-	8,764	-	8,764	-	8,764
Net working capital, tax equity	-	(4,840)	-	-	(4,840)	-	(4,840)	-	(4,840)
Net working capital, capital expenditures	(5,423)	(21)	(50)	-	(5,494)	-	(5,494)	-	(5,494)
Net working capital, other items	2,579	(73)	(3,810)	1,612	308	1,020	1,328	-	1,328
Derivatives, net	(1,810)	278	(18)	1,455	(95)	(477)	(572)	-	(572)
Assets classified as held for sale, net	-	-	-	10,851	10,851	-	10,851	-	10,851
Decommissioning obligations	(4,413)	(208)	(730)	(549)	(5,900)	-	(5,900)	-	(5,900)
Other provisions	(3,326)	(1)	(179)	(2,810)	(6,316)	(715)	(7,031)	-	(7,031)
Tax, net	1,578	(1,521)	(340)	1,173	890	(280)	610	-	610
Other receivables and other payables, net	215	(126)	122	1	212	(615)	(403)	-	(403)
Capital employed at 30 September	**73,148**	**8,550**	**3,227**	**12,842**	**97,767**	**1,684**	**99,451**	**-**	**99,451**
Of which capital employed for discontinued operations							(38)	-	(38)
Of which capital employed for continuing operations							99,489	-	99,489
Return on capital employed (ROCE) %	**34.8**	**8.9**	**1.6**	**12.7**	**-**	**-**	**29.3**	**-**	**-**
Cash flow from operating activities	7,078	1,177	(126)	274	8,403	(140)	8,263	-	8,263
Gross investments	(9,714)	(3,261)	(656)	(779)	(14,410)	(79)	(14,489)	-	(14,489)
Divestments	2,887	20	50	(29)	2,928	(1)	2,927	-	2,927
Free cash flow (FCF)	**251**	**(2,064)**	**(732)**	**(534)**	**(3,079)**	**(220)**	**(3,299)**	**-**	**(3,299)**

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

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

[1] Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 7,057 million.

3. Segment information (continued)

9M 2018 **Income statement,** DKKm	Offshore	Onshore	Bioenergy	Customer Solutions	Reportable segments	Other activities/ eliminations	Business performance	Adjustments	IFRS
External revenue	14,689	-	4,820	33,952	53,461	(42)	53,419	(4,064)	49,355
Intra-group revenue	5,161	-	(393)	1,130	5,898	(5,898) [1]	-	-	-
Revenue	**19,850**	**-**	**4,427**	**35,082**	**59,359**	**(5,940)**	**53,419**	**(4,064)**	**49,355**
Cost of sales	(7,632)	-	(3,184)	(31,722)	(42,538)	5,761	(36,777)	818	(35,959)
Employee costs and other external expenses	(3,704)	-	(1,097)	(1,567)	(6,368)	9	(6,359)	-	(6,359)
Gain (loss) on disposal of non-current assets	(77)	-	-	(13)	(90)	-	(90)	-	(90)
Additional other operating income and expenses	584	-	16	34	634	(3)	631	-	631
Share of profit (loss) in associates and joint ventures	(3)	-	2	-	(1)	-	(1)	-	(1)
EBITDA	**9,018**	**-**	**164**	**1,814**	**10,996**	**(173)**	**10,823**	**(3,246)**	**7,577**
Depreciation and amortisation	(3,189)	-	(487)	(572)	(4,248)	(33)	(4,281)	-	(4,281)
Impairment losses	-	-	-	-	-	-	-	-	-
Operating profit (loss) (EBIT)	**5,829**	**-**	**(323)**	**1,242**	**6,748**	**(206)**	**6,542**	**(3,246)**	**3,296**
Key ratios									
Intangible assets, property, plant and equipment	62,376	-	7,977	11,929	82,282	308	82,590	-	82,590
Equity investments and non-current receivables	242	-	44	329	615	814	1,429	-	1,429
Net working capital, work in progress	10,140	-	-	-	10,140	-	10,140	-	10,140
Net working capital, capital expenditures	(3,407)	-	(197)	-	(3,604)	-	(3,604)	-	(3,604)
Net working capital, other items	1,455	-	(3,397)	870	(1,072)	161	(911)	-	(911)
Derivatives, net	(1,856)	-	(176)	(1,724)	(3,756)	(57)	(3,813)	-	(3,813)
Assets classified as held for sale, net	-	-	-	2,075	2,075	-	2,075	-	2,075
Decommissioning obligations	(4,109)	-	(722)	(574)	(5,405)	-	(5,405)	-	(5,405)
Other provisions	(1,905)	-	(833)	(3,005)	(5,743)	(844)	(6,587)	-	(6,587)
Tax, net	2,754	-	(138)	342	2,958	(702)	2,256	-	2,256
Other receivables and other payables, net	29	-	17	1	47	(559)	(512)	-	(512)
Capital employed at 30 September	**65,719**	**-**	**2,575**	**10,243**	**78,537**	**(879)**	**77,658**	**-**	**77,658**
Of which capital employed for discontinued operations							(156)	-	(156)
Of which capital employed for continuing operations							77,814	-	77,814
Return on capital employed (ROCE) %	**25.8**	**-**	**(10.0)**	**11.2**	**-**	**-**	**23.0**	**-**	**-**
Cash flow from operating activities	2,242	-	509	1,534	4,285	(1,507)	2,778	-	2,778
Gross investments	(7,853)	-	(948)	(677)	(9,478)	(87)	(9,565)	-	(9,565)
Divestments	767	-	378	47	1,192	9	1,201	-	1,201
Free cash flow (FCF)	**(4,844)**	**-**	**(61)**	**904**	**(4,001)**	**(1,585)**	**(5,586)**	**-**	**(5,586)**

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

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

[1] Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 7,556 million.

3. Segment information (continued)

Q3 2019, Income statement and FCF, DKKm	Offshore	Onshore	Bioenergy	Customer Solutions	Reporting segments	Other activities/ eliminations	Business performance	Adjustments	IFRS
External revenue	6,553	299	715	7,535	15,102	379	15,481	(938)	14,543
Intra-group revenue	1,327	-	(92)	171	1,406	(1,406) [1]	-	-	-
Revenue	**7,880**	**299**	**623**	**7,706**	**16,508**	**(1,027)**	**15,481**	**(938)**	**14,543**
Cost of sales	(3,109)	2	(330)	(7,143)	(10,580)	1,122	(9,458)	150	(9,308)
Employee costs and other external expenses	(1,480)	(144)	(399)	(495)	(2,518)	55	(2,463)	-	(2,463)
Gain (loss) on disposal of non-current assets	-	9	(1)	(1)	7	-	7	-	7
Additional other operating income and expenses	20	146	294	97	557	(1)	556	-	556
Share of profit (loss) in associates and joint ventures	(7)	-	-	-	(7)	-	(7)	-	(7)
EBITDA	**3,304**	**312**	**187**	**164**	**3,967**	**149**	**4,116**	**(788)**	**3,328**
Depreciation and amortisation	(1,342)	(88)	(155)	(42)	(1,627)	(54)	(1,681)	-	(1,681)
Impairment losses	-	-	-	-	-	-	-	-	-
Operating profit (loss) (EBIT)	**1,962**	**224**	**32**	**122**	**2,340**	**95**	**2,435**	**(788)**	**1,647**
Cash flow from operating activities	(1,128)	1,187	(397)	1,338	1,000	(129)	871	-	871
Gross investments	(5,272)	(1,463)	(210)	(263)	(7,208)	(14)	(7,222)	-	(7,222)
Divestments	239	20	15	(14)	260	-	260	-	260
Free cash flow (FCF)	**(6,161)**	**(256)**	**(592)**	**1,061**	**(5,948)**	**(143)**	**(6,091)**	**-**	**(6,091)**

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

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

[1] Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 2,026 million.

Q3 2018, Income statement and FCF, DKKm	Offshore	Onshore	Bioenergy	Customer Solutions	Reporting segments	Other activities/ eliminations	Business performance	Adjustments	IFRS
External revenue	3,925	-	862	10,134	14,921	97	15,018	(2,220)	12,798
Intra-group revenue	1,379	-	(202)	371	1,548	(1,548) [1]	-	-	-
Revenue	**5,304**	**-**	**660**	**10,505**	**16,469**	**(1,451)**	**15,018**	**(2,220)**	**12,798**
Cost of sales	(2,087)	-	(432)	(9,434)	(11,953)	1,408	(10,545)	562	(9,983)
Employee costs and other external expenses	(1,422)	-	(433)	(597)	(2,452)	23	(2,429)	-	(2,429)
Gain (loss) on disposal of non-current assets	(27)	-	-	-	(27)	-	(27)	-	(27)
Additional other operating income and expenses	209	-	-	4	213	(1)	212	-	212
Share of profit (loss) in associates and joint ventures	(5)	-	1	-	(4)	-	(4)	-	(4)
EBITDA	**1,972**	**-**	**(204)**	**478**	**2,246**	**(21)**	**2,225**	**(1,658)**	**567**
Depreciation and amortisation	(1,072)	-	(163)	(192)	(1,427)	(10)	(1,437)	-	(1,437)
Impairment losses	-	-	-	-	-	-	-	-	-
Operating profit (loss) (EBIT)	**900**	**-**	**(367)**	**286**	**819**	**(31)**	**788**	**(1,658)**	**(870)**
Cash flow from operating activities	555	-	(169)	(593)	(207)	90	(117)	-	(117)
Gross investments	(3,691)	-	(389)	(236)	(4,316)	(69)	(4,385)	-	(4,385)
Divestments	(20)	-	400	(1)	379	1	380	-	380
Free cash flow (FCF)	**(3,156)**	**-**	**(158)**	**(830)**	**(4,144)**	**22**	**(4,122)**	**-**	**(4,122)**

[1] Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 2,135 million.

4. Revenue

Revenue, DKKm	Offshore	Onshore	Bioenergy	Customer Solutions	Other activities/ eliminations	9M 2019 total	Offshore	Onshore	Bioenergy	Customer Solutions	Other activities/ eliminations	9M 2018 total
Sale of gas	-	-	20	11,134	(234)	10,920	-	-	34	18,191	(683)	17,542
Generation and sale of power	3,340	317	1,629	13,992	(4,484)[1]	14,794	3,625	-	2,098	14,192	(5,096)	14,819
Revenue from construction of offshore wind farms	10,374	-	-	-	-	10,374	10,289	-	-	-	-	10,289
Generation and sale of heat and steam	-	-	1,919	-	-	1,919	-	-	2,011	-	-	2,011
Distribution and transmission	-	-	-	1,860	(23)	1,837	-	-	-	1,942	(22)	1,920
Other revenue	1,382	-	109	361	(8)	1,844	1,064	-	179	371	58	1,672
Total revenue from customers, IFRS	**15,096**	**317**	**3,677**	**27,347**	**(4,749)**	**41,688**	**14,978**	**-**	**4,322**	**34,696**	**(5,743)**	**48,253**
Government grants	6,503	22	328	-	(23)	6,830	5,124	-	382	-	-	5,506
Economic hedging	(289)	11	334	222	(169)	109	(2,866)	-	(332)	957	302	(1,939)
Other revenue	-	208	(122)	2,037	(167)	1,956	-	-	165	(2,779)	149	(2,465)
Total revenue, IFRS	**21,310**	**558**	**4,217**	**29,606**	**(5,108)**	**50,583**	**17,236**	**-**	**4,537**	**32,874**	**(5,292)**	**49,355**
Adjustments	354	(11)	(356)	(1,659)	252	(1,420)	2,614	-	(110)	2,208	(648)	4,064
Total revenue, business performance	**21,664**	**547**	**3,861**	**27,947**	**(4,856)**	**49,163**	**19,850**	**-**	**4,427**	**35,082**	**(5,940)**	**53,419**
Timing of revenue recognition from customers, IFRS												
At a point in time	(29)	317	1,640	17,828	(116)	19,640	1,024	-	2,185	21,504	(342)	24,371
Over time	15,125	-	2,037	9,519	(4,633)	22,048	13,954	-	2,137	13,192	(5,401)	23,882
Total revenue from customers, IFRS	**15,096**	**317**	**3,677**	**27,347**	**(4,749)**	**41,688**	**14,978**	**-**	**4,322**	**34,696**	**(5,743)**	**48,253**

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

'At a point in time' mainly comprises:

- sale of gas or power in the market, e.g. North Pool, TTF, NBP
- divestment of transmission assets for offshore wind farms in the UK.

'Over time' mainly comprises:

- construction agreements for offshore wind farms and transmission assets
- long-term contracts with customers to deliver gas, power or heat.

Revenue decreased by 8% relative to 9M 2018 and amounted to DKK 49,163 million in 9M 2019. The decrease was mainly due to significantly lower gas and power prices in UK. In addition, lower gas sales and heat and power generation in Bioenergy contributed negatively. The decrease was partly offset by higher revenue from offshore and onshore wind farms in operation due to ramp-up at Hornsea 1, Walney Extension and Borkum Riffgrund 2 as well as the inclusion of Onshore.

[1] The elimination column includes elimination of the internal sale of ROCs between Offshore (included as government grants) and Customer Solutions. The ROCs were recognised as inventory in Customer Solutions before being sold to external customers, this creates a mismatch in timing of the internal purchase and the external sale of the ROCs in Customer Solutions. Therefore, the amount to be eliminated can exceed the amount of ROCs recognised in Offshore for the period.

4. Revenue (continued)

Revenue, DKKm	Offshore	Onshore	Bioenergy	Customer Solutions	Other activities/ eliminations	Q3 2019 total	Offshore	Onshore	Bioenergy	Customer Solutions	Other activities/ eliminations	Q3 2018 total
Sale of gas	-	-	1	3,116	(66)	3,051	-	-	12	5,940	(159)	5,793
Generation and sale of power	1,010	126	284	3,825	(968)[1]	4,277	1,262	-	461	3,659	(1,246)	4,136
Revenue from construction of offshore wind farms	4,184	-	-	-	-	4,184	2,407	-	-	-	-	2,407
Generation and sale of heat and steam	-	-	293	-	-	293	-	-	201	-	-	201
Distribution and transmission	-	-	-	553	(6)	547	-	-	-	604	(19)	585
Other revenue	430	9	36	101	40	616	356	-	38	140	10	544
Total revenue from customers, IFRS	**5,624**	**135**	**614**	**7,595**	**(1,000)**	**12,968**	**4,025**	**-**	**712**	**10,343**	**(1,414)**	**13,666**
Government grants	2,202	8	29	-	(9)	2,230	1,431	-	37	-	-	1,468
Economic hedging	(404)	9	(63)	(261)	66	(653)	(1,223)	-	16	344	136	(727)
Other revenue	-	156	(3)	(21)	(134)	(2)	-	-	(46)	(1,655)	92	(1,609)
Total revenue, IFRS	**7,422**	**308**	**577**	**7,313**	**(1,077)**	**14,543**	**4,233**	**-**	**719**	**9,032**	**(1,186)**	**12,798**
Adjustments	458	(9)	46	393	50	938	1,071		(59)	1,473	(265)	2,220
Total revenue, business performance	**7,880**	**299**	**623**	**7,706**	**(1,027)**	**15,481**	**5,304**	**-**	**660**	**10,505**	**(1,451)**	**15,018**
Timing of revenue recognition from customers, IFRS												
At a point in time	(29)	135	270	5,183	(32)	5,527	-	-	465	6,436	(80)	6,821
Over time	5,653	-	344	2,412	(968)	7,441	4,025	-	247	3,907	(1,334)	6,845
Total revenue from customers, IFRS	**5,624**	**135**	**614**	**7,595**	**(1,000)**	**12,968**	**4,025**	**-**	**712**	**10,343**	**(1,414)**	**13,666**

[1] The elimination column includes elimination of the internal sale of ROCs between Offshore (included as government grants) and Customer Solutions. The ROCs were recognised as inventory in Customer Solutions before being sold to external customers, this creates a mismatch in timing of the internal purchase and the external sale of the ROCs in Customer Solutions. Therefore, the amount to be eliminated can exceed the amount of ROCs recognised in Offshore for the period.

5. Other operating income and expenses

Other operating income, DKKm	9M 2019	9M 2018	Q3 2019	Q3 2018
Gain on divestment of assets	372	2	10	-
Compensations	364	344	19	145
US tax credits and tax equity income	427	-	145	-
Miscellaneous operating income	587	379	438	77
Total other operating income	**1,750**	**725**	**612**	**222**

Other operating expenses, DKKm	9M 2019	9M 2018	Q3 2019	Q3 2018
Loss on divestment of assets	57	92	3	27
Miscellaneous operating expenses	151	92	46	10
Total other operating expenses	**208**	**184**	**49**	**37**

Gain on divestment of assets is mainly related to the Walney Extension offshore transmission assets.

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

US tax credits and tax equity income originate from our US onshore wind farms in operation and correspond to the tax credits and other tax attributes provided to Ørsted and tax equity partners for generated power.

Miscellaneous operating income is primarily related to the reversed provision regarding the Elsam competition case.

6. Gross and net investments

Gross and net investments, DKKm	9M 2019	9M 2018	Q3 2019	Q3 2018
Cash flow from investing activities	(11,651)	(3,714)	(7,169)	452
Dividends received and capital reduction, reversed	(21)	(25)	(15)	(24)
Purchase and sale of securities, reversed	115	(4,624)	251	(4,432)
Loans to associates and joint ventures, reversed	(1)	14	(1)	(4)
Sale of non-current assets, reversed	(2,931)	(1,216)	(288)	(377)
Total gross investments	**(14,489)**	**(9,565)**	**(7,222)**	**(4,385)**
Transactions with non-controlling interests in connection with divestments	(4)	(15)	(28)	3
Sale of non-current assets	2,931	1,216	288	377
Total cash flows from divestments	**2,927**	**1,201**	**260**	**380**
Total net investments	**(11,562)**	**(8,364)**	**(6,962)**	**(4,005)**

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

7. Assets classified as held for sale

Assets classified as held for sale, DKKm	30 September 2019	31 December 2018	30 September 2018
Intangible assets	213	80	18
Property, plant and equipment	12,943	13,951	2,123
Inventories	-	16	16
Trade receivables	524	701	127
Other receivables	2,078	430	370
Income tax	52	45	49
Total assets classified as held for sale	**15,810**	**15,223**	**2,703**
Deferred tax	894	823	99
Provisions	382	372	368
Contract liabilities	2,755	2,737	-
Trade payables	140	92	94
Other payables	698	826	62
Income tax	122	1	5
Total liabilities relating to assets classified as held for sale	**4,991**	**4,851**	**628**
Net assets classified as held for sale	**10,819**	**10,372**	**2,075**

The table shows assets and liabilities which have been put up for sale and, therefore, are not expected to contribute to our future earnings.

At 30 September 2019 and 31 December 2018, assets classified as held for sale comprised our Danish power distribution, residential customer and city light businesses as well as our oil pipe system in Denmark.

At 30 September 2018, assets classified as held for sale comprised our oil pipe system.

8. Discontinued operations

Discontinued operations

Discontinued operations comprise assets and liabilities related to the divested upstream oil and gas business to INEOS on 29 September 2017.

Financial results

Loss for the period amounted to DKK -27 million and primarily concerned adjustments related to currency and the fair value of a receivable.

Cash flows for the period concerned the receipt of a selling price receivable of USD 50 million. The receivable was interest-bearing and therefore had no impact on our interest-bearing net debt. The receivable was partly offset by a payment related to the Fredericia stabilisation plant and insurance fees.

Capital employed

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

In addition, we have interest-bearing receivables of USD 50 million (not part of capital employed), which we expect to receive in 2020.

Performance highlights, DKKm	9M 2019	9M 2018	Q3 2019	Q3 2018
EBIT	(7)	-	-	-
Profit (loss) from discontinued operations	(27)	(24)	34	(13)
Cash flows from discontinued operations	202	(128)	202	(1)

Capital employed, discontinued operations DKKm	30 September 2019	31 December 2018
Non-current receivables	676	746
Derivatives, net	(74)	(106)
Other provisions	(663)	(820)
Tax, net	23	29
Other receivables and other payables, net	-	8
Total	**(38)**	**(143)**

9. Financial income and expenses

Net financial income and expenses, DKKm	9M 2019	9M 2018	Q3 2019	Q3 2018
Interest expenses, net	(471)	(836)	57	(318)
Interest element of provisions, etc.	(319)	(294)	(107)	(103)
Interest expenses, leasing	(115)	-	(39)	-
Tax equity partner's contractual return	(226)	-	(87)	-
Value adjustments of derivatives, net	(272)	7	(82)	72
Exchange rate adjustments, net	707	(11)	171	(62)
Value adjustments of securities, net	241	(125)	19	(49)
Other financial income and expenses	(36)	24	21	24
Net financial income and expenses	**(491)**	**(1,235)**	**(47)**	**(436)**

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

The item 'Exchange rate adjustments, net' covers net exchange rate adjustments and hedging contracts used to hedge currency risks.

The reduction in net financial income and expenses in 2019 compared with 2018 is mainly due to:

- the reversal of previously recognized interest expenses regarding the provision related to the Elsam competition case (DKK 276 million); part of 'Interest expenses, net'
- large foreign exchange rate gains due to fluctuations in GBP/DKK rates in 2019 and
- gains on value adjustments of securities due to the drop in interest rates.

The reduction was partly countered by tax equity partners' contractual returns, which is a new item related to our US activities and interest on leasing following the implementation of IFRS 16.

10. Reserves

Reserves 2019, DKKm	Foreign currency translation reserve	Hedging reserve	Total reserves
Reserves at 1 January 2019	(1,906)	79	(1,827)
Exchange rate adjustments	580	-	580
Value adjustments of hedging	-	387	387
Value adjustments transferred to:			
Revenue	-	118	118
Financial income and expenses	-	81	81
Tax:			
Tax on hedging and currency adjustments	(39)	(31)	(70)
Movement in comprehensive income for the period	**541**	**555**	**1,096**
Total reserves at 30 September	**(1,365)**	**634**	**(731)**

Reserves 2018, DKKm	Foreign currency translation reserve	Hedging reserve	Total reserves
Reserves at 1 January 2018	(1,825)	301	(1,524)
Exchange rate adjustments	(96)	-	(96)
Value adjustments of hedging	-	(255)	(255)
Value adjustments transferred to:			
Revenue	-	(319)	(319)
Financial income and expenses	-	73	73
Tax:			
Tax on hedging and currency adjustments	17	63	80
Movement in comprehensive income for the period	**(79)**	**(438)**	**(517)**
Total reserves at 30 September	**(1,904)**	**(137)**	**(2,041)**

11. Market risks

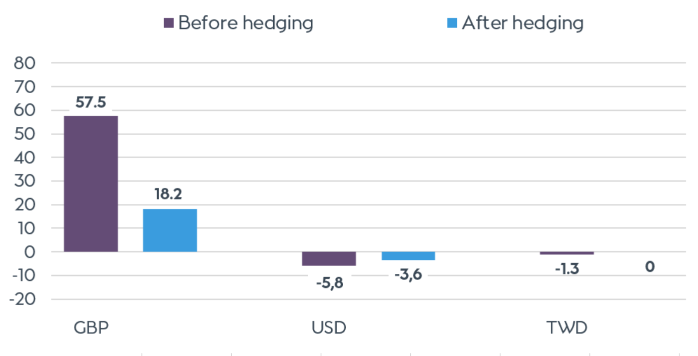
Market risks

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

We hedge outright price exposures for up to five years to reduce cash flow fluctuations. Prices are not hedged in the medium to long term, and our long-term market risks are therefore determined by our strategic decisions on investments in new assets, the conclusion of long-term contracts as well as any divestment of assets.

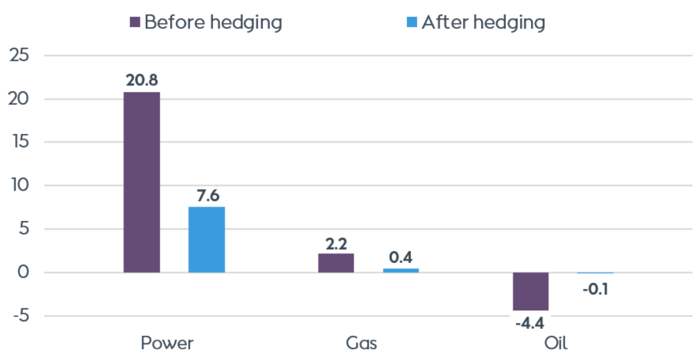
Our energy and currency exposures for the next five years are shown below.

Currency exposure 1 October 2019 - 30 September 2024, DKKbn



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

Energy exposure 1 October 2019 - 30 September 2024, DKKbn



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

12. Fair value measurement

Fair value hierarchy DKKm	Assets			Liabilities
	Securities	Derivatives	Other receivables	Derivatives
2019				
Quoted prices	-	-	-	6
Observable input	25,702	3,972	-	5,133
Non-observable input	-	937	-	342
Total 30 September 2019	**25,702**	**4,909**	**-**	**5,481**
2018				
Quoted prices	-	-	-	-
Observable input	20,333	7,054	-	11,046
Non-observable input	-	455	107	279
Total 30 September 2018	**20,333**	**7,509**	**107**	**11,325**

Valuation principles and key assumptions

In order to minimise the use of subjective estimates or modifications of parameters and calculation models, it is our policy to determine fair values based on the external information that most accurately reflects the market values. We use pricing services and benchmark services to increase the data quality.

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

Deferred revenue from US power purchase agreements

The deferred revenue from US power purchase agreements (PPAs) consists of losses not recognised at initial recognition since the market value is based on non-observable inputs. The PPAs freeze the power price of the expected power generation for a period from 13 to 15 years. These contracts are accounted for at fair value. Due to the long duration of these PPAs, power prices are not observable for a large part of the duration, and the estimated fair value is therefore categorised as based on non-observable input.

The deferred revenue is recognised in profit or loss in the future period to which the market value relates. In 2019, we have recognised an income of DKK 208 million (2018: DKK 0 million) related to the deferred fair value of PPAs not recognised in profit or loss at initial recognition. The total amount of deferred revenue as of 30 September 2019 amounts to DKK 1,027 million (2018: DKK 0 million).

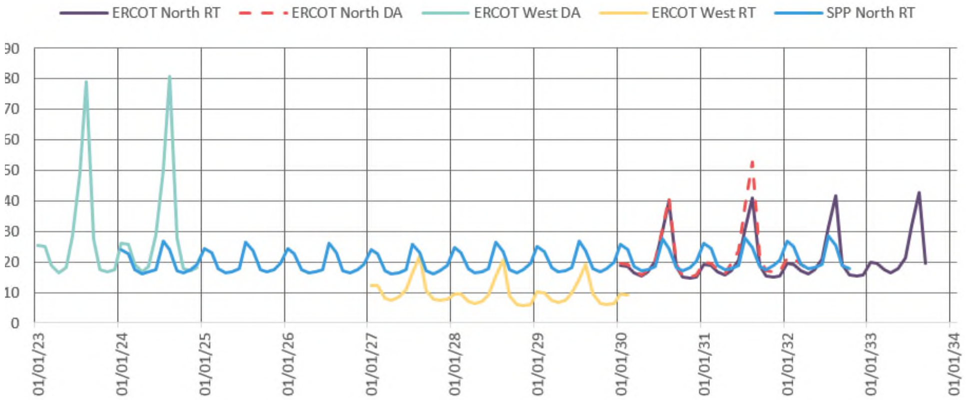
12. Fair value measurement (continued)

Significant non-observable inputs

Market values based on non-observable input comprise primarily long-term contracts on the purchase/sale of especially power and to a less extent gas and coal. Since there are no active markets for the long-term prices of power and gas, the market values have been based on an estimate of the future prices.

Normally, the price can be observed for a maximum of four to six years in the power market, after which an active market no longer exists. When market prices are no longer available, the price is projected by extending the observable forward curve, only adjusted for the expected development in inflation.

Non-observable inputs, US power prices



The graph shows the projected US power prices in the period when prices are not observable, and which we have used as basis for calculating market values as of 30 September 2019.

The table below shows the market value related to the non-observable input for the stated period and sensitivity per power price index. The sensitivity illustrates the impact on the market value as of 30 September 2019 if the non-observable price increases/decreases by 10%. The most critical non-observable input is US power prices in the period 2023-2033. If power prices as of 30 September 2019 increased/decreased by 10%, the market value would decrease/increase by DKK 205 million. The sensitivity analysis is presented on the different US power price areas in the table below.

Derivatives valued on the basis of non-observable input
DKKm

	2019
Market value at 1 January	(2,458)
Value adjustments through profit or loss	148
Value adjustments through other comprehensive income	777
Sales/redemptions	57
Purchase/issues	5
Transferred to observable input	166
Market value at 30 September before deferred gain/loss	**(1,305)**
Deferred loss at initial recognition	1,900
Market value at 30 September	**595**

	2018
Market value at 1 January	(157)
Net changes in market value	333
Market value at 30 September	**176**

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

Non-observable inputs per commodity price input, DKKm	2019	2018
US power prices	268	-
Other power prices	194	120
Gas prices	133	56
Total	**595**	**176**

US power prices are the most significant non-observable input. The non-observable US power prices used as basis for the market values as of 30 September 2019 are illustrated in the graph to the left.

Sensitivity of non-observable inputs, DKKm

		Sensitivity	
Non-observable inputs	Market value	+10%	-10%
ERCOT North real time, 2030-2033	60	(76)	76
ERCOT North day ahead, 2030-2032	(24)	(22)	22
ERCOT West day ahead, 2023-2024	(90)	(32)	32
ERCOT West real time, 2027-2030	(9)	(15)	15
SPP North real time, 2024-2032	(183)	(60)	60
Total	**(246)**	**(205)**	**205**

13. Interest-bearing debt and FFO

Interest-bearing debt and interest-bearing assets DKKm	30 September 2019	31 December 2018	30 September 2018
Interest-bearing debt			
Bank debt	9,206	3,582	8,135
Bond debt	29,341	23,714	23,770
Total bond and bank debt	**38,547**	**27,296**	**31,905**
Liabilities classified as held for sale	33	-	-
Lease liability	5,419	-	-
Tax equity liability	658	454	-
Other interest-bearing debt	247	570	1,171
Total interest-bearing debt	**44,904**	**28,320**	**33,076**
Interest-bearing assets			
Securities	25,702	25,501	20,333
Cash	5,371	3,515	1,975
Receivables from associates and joint ventures	-	60	63
Other receivables	1,394	779	750
Receivables in connection with divestments	355	684	998
Total interest-bearing assets	**32,822**	**30,539**	**24,119**
Total interest-bearing net debt	**12,082**	**(2,219)**	**8,957**

Market value of bond and bank debt

The market value of bond and bank debt amounted to DKK 36.4 billion and DKK 9.3 billion, respectively, at 30 September 2019.

Changes in bond and bank debt

In May 2019, Ørsted issued three green bonds at a total nominal amount of GBP 900 million. The bonds were issued under the existing debt issuance programme (EMTN programme):

- GBP 350 million with maturity in 2027 at a fixed interest rate of 2.125%
- GBP 300 million with maturity in 2033 at a fixed interest rate of 2.5%
- GBP 250 million with maturity in 2034. The bond was issued with an interest rate of 0.375% plus yearly inflation (UK Consumer Price Index).

Interest-bearing net debt totalled DKK 12,082 million as of 30 September 2019, which was an increase of DKK 14,301 million relative to 31 December 2018. The increase was driven by an increase in interest-bearing debt of DKK 16,584 million which mainly related to issuing of new bonds and inclusion of lease liabilities in accordance with IFRS 16. In addition, interest-bearing assets increased by DKK 2,283 million which was mainly related to an increase in cash.

Reconciliation to note 1

Due to payments and interests, the lease liability of DKK 5,419 million shown in the above table differs from the amount presented in note 1.

Furthermore, in May 2019 the outstanding amount of EUR 280 million of our 6.5% 2019 bond was repaid at maturity. In addition we have entered into a committed 5-year green credit facility in Taiwan of TWD 25 billion equal to DKK 5.3 billion to finance our activities in the country.

Funds from operations (FFO) LTM[1] DKKm	30 September 2019	31 December 2018	30 September 2018
EBITDA - business performance	**32,077**	**30,029**	**23,855**
Interest expenses, net	(627)	(877)	(1,206)
Reversal of interest expenses transferred to assets	(420)	(506)	(439)
Interest element of decommissioning obligations	(210)	(192)	(197)
50% of coupon payments on hybrid capital	(272)	(272)	(230)
Calculated interest paid on operating lease obligations	125	(196)	(267)
Adjusted interest expenses, net	**(1,404)**	**(2,043)**	**(2,339)**
Reversal of gain (loss) on divestment of assets	(15,400)	(14,995)	(9,378)
Reversal of recognised operating lease payment in profit (loss) for the year	155	778	796
Total current tax	(3,625)	(3,068)	(1,868)
Funds from operations (FFO)	**11,803**	**10,701**	**11,066**

[1] Last 12 months

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

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

Adjusted interest-bearing net debt DKKm	30 September 2019	31 December 2018	30 September 2018
Total interest-bearing net debt	**12,082**	**(2,219)**	**8,957**
50% of hybrid capital	6,620	6,619	6,619
Cash and securities not available for distribution, excluding repo loans	1,048	1,583	1,041
Present value of operating lease payments	-	4,819	5,428
Decommissioning obligations	5,900	5,471	5,404
Deferred tax on decommissioning obligations	(740)	(757)	(908)
Total adjusted interest-bearing net debt	**24,910**	**15,516**	**26,541**

Funds from operations (FFO)/ adjusted interest-bearing net debt	30 September 2019	31 December 2018	30 September 2018
Funds from operations (FFO)/ adjusted interest-bearing net debt	**47.4%**	**69.0%**	**41.7%**

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

Due to the implementation of IFRS 16 'Leases' at 1 January 2019, the lease liability is included in 'Total interest-bearing net debt' at 30 September 2019.

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and approved the interim financial report of Ørsted A/S for the period 1 January - 30 September 2019.

The interim financial report, which has not been audited or reviewed by the company's independent auditors, has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional requirements in the Danish Financial Statements Act (*Årsregnskabsloven*). Apart from the implementation of IFRS 16, the accounting policies remain unchanged from the annual report for 2018.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities, and financial position at 30 September 2019 and of the results of the Group's operations and cash flows for the period 1 January - 30 September 2019.

Furthermore, in our opinion, the management's review gives a fair presentation of the development in the Group's operations and financial circumstances, of the results for the period, and of the overall financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group.

Over and above the disclosures in the interim financial report, no changes in the Group's most significant risks and uncertainties have occurred relative to the disclosures in the annual report for 2018.

Skærbæk, 29 October 2019

Executive Board

Henrik Poulsen
President and CEO

Marianne Wiinholt
CFO

Board of Directors

Thomas Thune Andersen
Chairman

Lene Skole
Deputy Chairman

Lynda Armstrong

Jørgen Kildahl

Peter Korsholm

Dieter Wemmer

Hanne Sten Andersen*

Poul Dreyer*

Benny Gøbel*

*Employee representative

Forward-looking statements

This report contains certain forward-looking statements, including but not limited to, the statements and expectations contained in the 'Outlook' section of this report (p. 6).
Statements herein, other than statements of historical fact, regarding our future results of operations, financial condition, cash flows, business strategy, plans and future objectives are forward-looking statements. Words such as 'targets', 'believe', 'expect', 'aim', 'intend', 'plan', 'seek', 'will', 'may', 'should' 'anticipate', 'continue', 'predict' or variations of these words, as well as other statements regarding matters that are not historical fact or regarding future events or prospects, constitute forward-looking statements.

We have based these forward-looking statements on our current views with respect to future events and financial performance. These views involve a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the forward-looking statements and from our past performance. Although, we believe that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect and actual results may materially differ due to a variety of factors. These factors include, but are not limited to market risks, development and construction of assets, changes in temperature, wind conditions and precipitation, regulatory risks, operation of offshore wind farms, cost of electricity for offshore wind power, changes in the competitive environment in our markets, security of supply and cable break-downs or other disruptions. As a result, you should not rely on these forward-looking statements. Please also refer to the overview of risk factors in 'Risk and risk management' on pp 66-69 of the Annual Report 2018 available at www.orsted.com.

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