



Interim financial report

First quarter 2022



Contents

Management's review

Overview

CEO's review	3
At a glance	7
Outlook	8
Results Q1	9
Business units' results	12
Performance highlights	16
Quarterly overview	17

Financial statements

Consolidated financial statements

Consolidated statements of income Q1	19
Consolidated balance sheet	20
Consolidated statement of shareholder's equity	21
Consolidated statement of cash flows	22

Notes

1. Basis of reporting	23
2. Segment information	24
3. Revenue	26
4. Other operating income and expenses	27
5. Financial income and expenses	27
6. Gross and net investments	28
7. Reserves	28
8. Tax on profit (loss) for the period	29
9. Market risks	30
10. Fair value measurement	31
11. Interest-bearing debt and FFO	32

Management's statement

Statement by the Executive Board and the Board of Directors	33
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Earnings call

In connection with the presentation of the interim financial report, an earnings call for investors and analysts will be held on Friday, 29 April 2022 at 14:00 CEST:

Denmark: +45 78 15 01 10

International: +44 333 300 9261

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The earnings call can be followed live here:

<https://edge.media-server.com/mmc/p/gk6ha8rm>

Presentation slides will be available prior to the earnings call and can be downloaded here:

<https://orsted.com/financial-reports>

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[ESG performance report_Q1 2022](#)

CEO's review

Strong operational and financial results and continued strategic progress with full year EBITDA guidance unchanged.

Highlights

Financials

Our operating profit (EBITDA) for the first quarter amounted to DKK 9.4 billion (including new partnerships), a DKK 4.6 billion increase compared to the same period last year. EBITDA excluding new partnerships amounted to DKK 7.8 billion, DKK 3.0 billion higher than in the same period last year.

We reiterate our EBITDA guidance of DKK 19-21 billion excluding new partnerships and our gross investments guidance of DKK 38-42 billion.

Our green share of heat and power generation amounted to 92 %.

Construction and operational progress

First power achieved on Greater Changhua 1 & 2a.

All foundations, array cables, and wind turbines successfully installed at Hornsea 2. However, the commissioning of the individual wind turbines has been progressing slower, and the ramp-up profile has been de-

layed compared to our internal expectations at year-end.

Haystack commissioned, our first onshore wind farm in Nebraska, US.

Business development

Signed an agreement to farm down 50 % of Hornsea 2 to a consortium comprising of AXA IM Alts and Crédit Agricole Assurances.

Completed the farm-down of 50 % of Borkum Riffgrund 3 to Glenmont Partners.

Took FID on the 130 MW offshore wind farm South Fork located outside of New York, USA.

Signed a landmark green fuels letter of intent with Maersk, where we will develop an e-methanol facility on the US Gulf Coast with the aim of fuelling Maersk's newly ordered fleet of 12 methanol-powered vessels.

Russian invasion of Ukraine

We strongly condemn Russia's invasion of Ukraine and find the situation deeply disturbing. The Russian aggression goes against everything we stand for, and we are disturbed by the human suffering going on in Ukraine at this moment. We have made financial contributions to UNICEF and Polish Humanitarian Action and continue to support Ukraine and our affected colleagues. We are taking every step possible to stop our cooperation with Russian companies, including ceasing all sourcing of biomass and coal for our power stations.

We welcome the EU's focus to stop its dependence on Russian oil and gas and speed up the green transformation of EU's energy sector. The recent developments have led to several countries accelerating their renewable energy targets and lessening their dependence on oil and gas. We welcome these steps and are ready to help drive the accelerated green build-out.

Furthermore, we will swiftly and strictly implement any sanctions impacting the gas supply from Russia. However, until any such sanctions are in place, we will continue to offtake the minimum required gas stipulated in our long-term gas purchase contract with Gazprom Export. The contract expires in 2030 and cannot be terminated at this point in time. Gas is not a core business for Ørsted, and we are in general not entering into new long-term contracts or extending our current contracts. If

we make a net profit from the Gazprom Export contract in 2022 it will be donated to humanitarian aid in Ukraine.

Financials

Operating profit (EBITDA) totalled DKK 9.4 billion, of which the gain from the 50 % farm-down of Borkum Riffgrund 3 amounted to DKK 1.6 billion. Thus, EBITDA excluding new partnerships amounted to DKK 7.8 billion, an increase of DKK 3.0 billion compared to the same period last year.

The continued very high power prices across the markets we operate in had a significant opposite impact on our financial performance in our Offshore and Bioenergy businesses, which to a large degree offset each other.

Earnings from our wind and solar assets in operation amounted to DKK 4.8 billion, which was a decrease of DKK 0.5 billion compared to the same period last year. We maintained good availability rates during the first quarter. However, later than expected commissioning of Hornsea 2 led to us being overhedged, which together with very high and volatile power prices led to a loss on ineffective hedges of DKK 1.6 billion. This was partly offset by ramp-up of generation from new assets and higher wind speeds.

We continued to see strong results from our CHP plants during the first quarter, as they benefitted from the high power prices and spreads on the part of our power generation

that was not hedged. Earnings from our gas business was higher than in Q1 2021, primarily due to a temporary positive impact from the high gas prices through a revaluation of our gas at storage and from optimising the offtake flexibility in some of our sourcing contracts in north-western Europe. In contrast, our decision to unwind gas hedges related to the Gazprom Export contract to balance our risk if gas supplies from Russia are terminated led to a net loss on the Gazprom Export sourcing contract in the quarter.

We maintain our full-year EBITDA guidance of DKK 19-21 billion excluding earnings from new partnerships during the year, i.e. excluding the gain from the 50 % farm-down of Borkum Riffgrund 3 and expectedly Hornsea 2.

Our green share of heat and power generation amounted to 92 % in Q1 2022, an increase of 5 percentage points compared to the same period last year. The development was primarily due to more wind and solar farms in operation, higher wind speeds, and warmer weather leading to lower CHP generation on coal.

Construction and operational progress

We are constructing two of the largest offshore wind farms in the world, Hornsea 2 and Greater Changhua 1 & 2a, which are both on track to be commissioned later this year.

At Hornsea 2, we have successfully installed all foundations, array cables, and wind turbines. However, the commissioning of the individual wind turbines has been progressing slower, and the ramp-up profile has been delayed compared to our internal expectations at year-end. We are now electrifying and waiting for all wind turbines to pass the final tests before

commissioning the wind farm, expectedly during summer.

In April, we achieved first power at Greater Changhua 1 & 2a. We have successfully installed 40 jacket foundations out of 111. We continue to make good progress in all areas of the construction, and we expect to commission the wind farm during H2 2022. However, we continue to see Taiwan being affected by COVID-19 restrictions, which can potentially still affect the construction schedule and eventually lead to delays.

In our onshore business, we are currently constructing the solar PV farm Old 300 and our first combined onshore wind and solar PV project Helena Energy Center in the US. The wind portion of the Helena Energy Center is expected to be commissioned during 2022, whereas the commissioning of the solar portion of Helena Energy Center is expected to be delayed into 2023, and the commissioning of Old 300 is expected to be pushed to H1 2023. Both solar PV farms are delayed due to continued challenges in the solar panel supply chain. In Europe, we are constructing three onshore wind farms, Kennoxhead 1 (62 MW) in Scotland, Ballykeel (16 MW) in Northern Ireland and Lisheen 3 (29 MW) in Ireland. Lisheen 3 is adjacent to the existing Lisheen 1 & 2 projects, which together form an 89 MW cluster. Both wind farms are expected to reach COD in 2022.

In March, we commissioned Haystack in Nebraska, US. The wind farm has a capacity of 298 MW and expands our geographic footprint into the rapidly growing green energy market in the Midwest. Power generation from Haystack is fully contracted under long-term



Willow Creek wind farm in South Dakota, US.

CPPAs, which entails an attractive incremental source of stable earnings.

Business development

Offshore

In March, we signed an agreement to farm down 50 % of Hornsea 2 to a consortium comprising of AXA IM Alts and Crédit Agricole Assurances at a transaction value of GBP 3 billion. The two partners will each own 25 % of the project. As part of the agreement, we will construct the wind farm under a full-scope EPC contract, perform operations and maintenance services for 20 years, and provide a route to market for the power generated. The transaction is subject to full commissioning of Hornsea 2 and certain regulatory approvals, including from relevant competition authorities, and is expected to close in the second half of 2022.

In February, we completed the farm-down of Borkum Riffgrund 3 to Glennmont Partners. The 900 MW wind farm is expected to be completed in 2025. As part of the agreement, we will construct the wind farm under a full-scope EPC contract, perform operations and maintenance services for 20 years, and provide a route to market for the power and green certificates generated by the wind farm.

Also in February, we took FID on South Fork located outside of New York, US. The 130 MW offshore wind farm is expected to be completed by the end of 2023, will provide clean energy to more than 70,000 households in New York, and will help advance New York's nation-leading clean energy goals. In April, we submitted seabed lease applica-

tions in the Baltic Sea in Poland together with our partner ZE PAK. Poland has passed the Offshore Wind Act, which is an ambition to diversify the country's energy mix through a large-scale buildout of renewables, aiming to install 5.9 GW offshore wind by 2030 and 11 GW by 2040. Together with our partner, we look forward to contributing to Poland's high ambitions and renewable build-out.

We have signed an agreement with Repsol to jointly identify and develop floating offshore wind projects in Spain. This marks our first entry into the Spanish offshore wind market, following the Spanish government's announcement that they aim to install up to 3 GW of floating offshore wind by 2030. Repsol and Ørsted have an ambition of jointly becoming a leading developer in Spanish offshore wind by combining their complementary strengths.

In April, we joined a floating wind joint venture off the east coast of Scotland with Simply Blue Group and Subsea 7, designed to provide the Scottish supply chain with an early capacity development opportunity before larger ScotWind projects kick off. The 100 MW project will deploy innovative and cutting-edge floating offshore wind technologies to support the cost reduction and learning journey needed for the commercial deployment of floating offshore wind. In relation to the issue with several of our cable protection systems (CPS) discovered back in Q1 2021, our initial assessment pointed to a total financial impact of around DKK 3 billion. Based on thorough investigations, analysis, and fast reactions to stabilise the cables since then, we have reassessed the expected costs of reinstating the integrity of

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In March, we signed a landmark green fuels letter of intent (LoI) with Maersk. We will develop a 675 MW Power-to-X facility that will produce approx. 300,000 tonnes of e-methanol per year, which Maersk will offtake.

the cables. We now expect the costs to amount to approx. DKK 1.3 billion.

Power-to-X

The global hydrogen and e-fuel landscape is changing rapidly. That is why we further strengthened our Hydrogen organisation and rebranded it to Ørsted P2X in Q1 2022. We continue to see strong momentum within renewable hydrogen worldwide, and since the publication of our annual report for 2021, we have continued to make significant progress in our renewable hydrogen and green fuels pipeline.

In March, we signed a landmark green fuels letter of intent (LoI) with Maersk. Under the agreement, we will develop an e-methanol facility on the US Gulf Coast with the aim of fuelling Maersk's newly ordered fleet of 12 methanol-powered vessels. We will develop a 675 MW e-methanol facility that will produce approx. 300,000 tonnes of e-methanol per year, which Maersk will offtake. The facility will be powered by approx. 1.2 GW of renewable energy from new onshore wind farms and solar PV farms. The project is targeted to be commissioned

in the second half of 2025, making it by far the most ambitious project globally for producing e-methanol at scale and a driving force in the decarbonisation journey of the maritime sector. Final investment decision could be made in late 2023.

As a result of the increased Danish ambitions within Power-to-X, the partnership behind the Power-to-X flagship project 'Green Fuels for Denmark' in Copenhagen has decided to bring forward parts of the project to produce green fuels for heavy transport two years earlier than previously planned.

Onshore

In April we took FID on Sunflower Wind, a 201 MW onshore wind project located in Kansas, US. The wind farm is expected to be completed in 2023.

Employees

As we continue to see challenges regarding the COVID-19 pandemic around the world and due to the new refugee crisis sparked off by Russia's aggression in Ukraine, many of our employees are experiencing a significant impact on their daily lives. I would like to

take this opportunity to acknowledge and thank all our employees for the great job they have been doing throughout these difficult times.

To further enhance our employees' safety, we have kicked off a new safety campaign named 'Be aware, take care'. We work in challenging situations, and it is our goal that all employees and contractors get back from work every day without any injuries. We believe that all injuries can be avoided, and by becoming better at identifying, communicating, and managing risk, we aim to have world-class safety.

In February, we announced that Daniel Lerup would take over as our new CFO when Marianne Wiinholt stepped down at the annual general meeting on 8 April. We are very pleased to have welcomed Daniel to the Executive Committee. He will be important in supporting our global growth, while at the same time keeping financial discipline to help fulfil our ambition of becoming the world's leading green energy major.



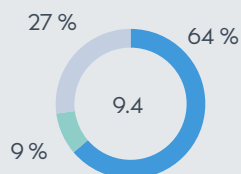
Mads Nipper
Group President and CEO

At a glance

Ørsted

Number of employees: 7,016

EBITDA, DKKbn

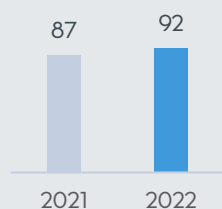


● Offshore ● Onshore ● Bioenergy & Other

Key figures Q1 2022

Revenue	DKK 33.8 bn
Gross investments	DKK 6.8 bn
Capital employed	DKK 106.7 bn
TRIR	1.3
ROCE, last 12 months	19.0 %

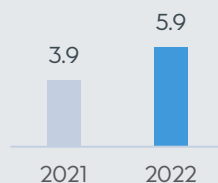
Green share of energy generation, %



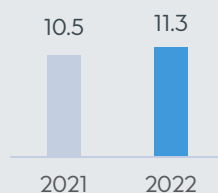
Offshore

Number of employees: 3,551

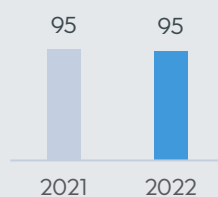
EBITDA, DKKbn



Wind speed, m/s



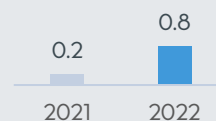
Availability, %



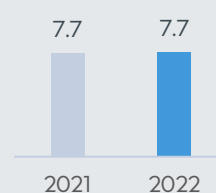
Onshore

Number of employees: 276

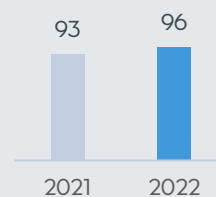
EBITDA, DKKbn



Wind speed, the US, m/s



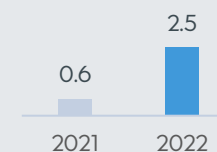
Availability, wind, the US, %



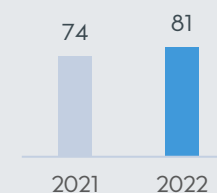
Bioenergy & Other

Number of employees: 954

EBITDA, DKKbn



Green share of energy generation, %



Outlook 2022

EBITDA

EBITDA in 2022, excluding new partnership agreements, is unchanged and still expected to be DKK 19-21 billion. This guidance is based on an assumption of normal wind speeds in the remainder of the year. As always, the guidance is subject to a number of uncertainties (see box below).

Our directional guidance for Bioenergy & Other has changed from 'significantly lower' to 'lower', mainly due to higher earnings from our CHP plants. The increase in earnings in 'Gas Markets & Infrastructure' in Q1 was, to a large extent, driven by temporary positive effects from a revaluation of our gas at storage due

to the high gas prices and is expected to partly reverse later in 2022.

The directional guidance for Offshore and Onshore is 'significantly higher', which is unchanged relative to the guidance in the annual report.

Gross investments

Gross investments in 2022 are expected to amount to DKK 38-42 billion, which is unchanged relative to the guidance in the annual report.

Outlook 2022, DKK billion	2021 realised	Guidance 2 Feb 2022	Guidance 29 Apr 2022
EBITDA, without new partnerships	15.8	19-21	19-21
Offshore, without new partnerships	9.5	Significantly higher	Significantly higher
Onshore	1.3	Significantly higher	Significantly higher
Bioenergy & Other	4.7	Significantly lower	Lower
Gross investments	39.3	38-42	38-42



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 2021.

Forward-looking statements

The interim financial report contains forward-looking statements which include projections of our short- and long-term financial performance and targets as well as our financial policies. These statements are by nature uncertain and associated with risk. Many factors may cause the actual development to differ materially from our expectations. These factors include, but are not limited to, changes in temperature, wind conditions, wake and blockage effects, precipitation levels, the development in power, coal, carbon, gas, oil, currency, inflation rates, and interest rate markets, changes in legislation, regulations, or standards, the renegotiation of contracts, changes in the competitive environment in our markets, reliability of supply, and market volatility and disruptions from geopolitical tensions. Read more about the risks in the annual report for 2021 in the chapter 'Our risks and risk management' and in note 6.



Service vessel, west coast hub, UK



Results Q1

Financial results

Revenue

Power generation from offshore and onshore assets increased by 24 % and totalled 7.7 TWh in Q1 2022. Ramp-up of generation from Hornsea 2, Sage Draw, Plum Creek, Western Trail, Haystack, Lincoln Land, Muscle Shoals, and Permian Energy Center as well as generally higher wind speeds were partly offset by the 50 % farm-down of Borssele 1 & 2 in May 2021.

Heat generation amounted to 3.2 TWh, 17 % lower than in the same period last year, mainly due to warmer weather. Thermal power generation decreased by 5 % and amounted to 2.1 TWh, primarily driven by lower CHP generation (warmer weather) partly offset by higher power condensing generation due to higher prices.

Our renewable share of generation was 92 % in Q1 2022, 5 percentage points higher than last year, driven by a higher share of genera-

tion from onshore renewables.

Revenue amounted to DKK 33.8 billion. The increase of 78 % relative to Q1 2021 was primarily due to the significantly higher gas and power prices across all markets.

EBITDA

Operating profit (EBITDA) totalled DKK 9.4 billion, of which the gain from the 50 % farm-down of Borkum Riffgrund 3 amounted to DKK 1.6 billion. Thus, EBITDA, excluding new partnerships, amounted to DKK 7.8 billion, an increase of DKK 3.0 billion compared to the same period last year.

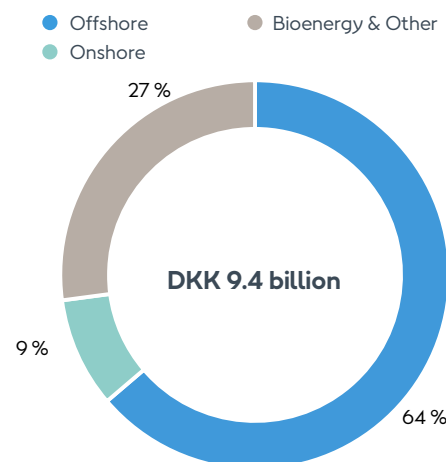
Earnings from wind and solar assets in operation amounted to DKK 4.8 billion, a decrease of DKK 0.5 billion compared to the same period last year. Ramp-up of generation from Hornsea 2 and our onshore assets contributed positively to our site earnings together with

higher wind speeds (approx. DKK 0.5 billion compared to Q1 2021 and DKK 0.3 billion compared to a normal wind year.) However, this was more than offset by ineffective hedges, primarily as a consequence of later than expected commissioning of wind turbines at Hornsea 2 combined with very high power prices (DKK 1.6 billion in total — of which approx. half related to Q1 2022 and the other half to later periods), the farm-down of 50 % of Borssele 1 & 2 in May 2021, and higher TNUoS and BSUoS tariffs.

EBITDA from partnerships amounted to DKK 2.6 billion and was mainly related to the gain on the 50 % farm-down of Borkum Riffgrund 3 (new partnerships) of DKK 1.6 billion. Earnings from existing partnerships amounted to DKK 1.0 billion, an increase of DKK 1.6 billion compared to Q1 2021. In Q1 2022, we had positive earnings from finalised projects and construction work for partners at Greater Changhua 1. In addition, Q1 2021 was negatively impacted by a DKK 0.8 billion warranty provision towards our partners related to the cable protection system issues at some of our offshore wind farms. In Q2 2022, we have reversed DKK 0.5 billion of this provision, as we now expect lower costs to reinstate the integrity of the cables. Our updated estimate for the total costs to be covered by us is DKK 1.3 billion, down from previously DKK 3.0 billion.

EBITDA from our CHP plants amounted to DKK 1.8 billion, an increase of DKK 1.1 billion compared to the same period last year. The

EBITDA



Financial results, DKKm

	Q1 2022	Q1 2021	%
Revenue	33,762	18,944	78 %
EBITDA	9,429	4,863	94 %
- New partnerships	1,610	-	n.a.
- EBITDA excl. new partnerships	7,819	4,863	61 %
Depreciation and amortisation	(2,128)	(1,930)	10 %
Operating profit (loss) (EBIT)	7,301	2,933	149 %
Gain (loss) on divestment of enterprises	108	36	200 %
Financial items, net	(848)	(419)	103 %
Profit before tax	6,561	2,547	158 %
Tax on profit (loss) for the period	(860)	(949)	(9 %)
Tax rate	13 %	37 %	(24 %p)
Profit (loss) for the period	5,701	1,598	257 %

increase was mainly due to higher realised power prices and higher sales of ancillary services. As we initially only hedge the power we co-generate with heat, we have been able to benefit from the high power prices on our condensing power generation.

EBITDA from our gas business contributed with earnings of DKK 0.7 billion in Q1 2022, an increase of DKK 0.7 billion compared to the same period last year. The increase was to a large extent driven by temporary positive effects from a revaluation of gas at storage at the end of Q1 2022 due to the high gas prices. In addition, we were able to lock in gains from optimising the offtake flexibility in some of our sourcing contracts in north-western Europe. In contrast, our decision to unwind gas hedges related to the Gazprom Export contract to balance our risk if gas supplies from Russia were terminated led to a net loss on the Gazprom Export sourcing contract in the quarter.

EBIT

EBIT increased by DKK 4.4 billion to DKK 7.3 billion in Q1 2022, primarily as a result of the higher EBITDA, only partly offset by higher depreciation driven by more assets in operation.

Financial income and expenses

Net financial income and expenses amounted to DKK -0.8 billion compared to DKK -0.4 billion in Q1 2021. The higher net expenses were mainly due to capital losses on the bond portfolio as a result of increasing interest rates and higher contractual returns to tax equity partners as a result of more onshore assets in operation.

Tax and tax rate

Tax on profit for the period amounted to DKK 0.9 billion, DKK 0.1 billion lower than in the same period last year. The effective tax rate was 13 % and was significantly impacted by the tax-exempt gain of DKK 1.6 billion from the 50 % farm-down of Borkum Riffgrund 3 and from prior-year adjustments.

Profit for the period

Profit for the period totalled DKK 5.7 billion, DKK 4.1 billion higher than in Q1 2021. The increase was primarily due to the higher EBITDA explained above.

Cash flows and net debt

Cash flows from operating activities

Cash flows from operating activities totalled DKK 0.0 billion in Q1 2022 compared to DKK 8.1 billion in Q1 2021. The decrease was mainly driven by a cash outflow from 'work in progress' in Q1 2022 versus a cash inflow in Q1 2021. Furthermore, the cash flow was negatively impacted by higher initial margin payments at clearing houses due to the increasing and volatile power and gas prices as well as higher net margin payments on unrealised hedges. This was only partly offset by lower gas volumes at storage and higher payables.

The net margin payments on unrealised financial instruments related to energy (part of 'Change in derivatives') amounted to DKK -3.3 billion in Q1 2022, but had opposite effects in Offshore (DKK 4.1 billion outflow related to power hedges) and Bioenergy & Other (DKK 0.8 billion inflow, primarily related to gas hedges in our end-customer business activities). Initial margin payments to clearing houses (part of 'Change in other working capital')

Cash flow and net debt, DKKm	Q1 2022	Q1 2021	%
Cash flows from operating activities	(37)	8,087	n.a.
EBITDA	9,429	4,863	94 %
Reversal of gain (loss) on divestments of assets	(1,863)	(220)	747 %
Change in derivatives	(3,964)	(811)	389 %
Change in provisions	(765)	630	n.a.
Other items	(65)	(61)	7 %
Interest expense, net	(217)	(254)	(15 %)
Paid tax	(231)	(873)	(74 %)
Change in work in progress	(925)	4,611	n.a.
Change in tax equity partner liabilities	(496)	(247)	101 %
Change in other working capital	(940)	449	n.a.
Gross investments	(6,832)	(6,665)	3 %
Divestments	1,927	(31)	n.a.
Free cash flow	(4,942)	1,391	n.a.
Net debt, beginning of period	24,280	12,343	97 %
Free cash flow	4,942	(1,391)	n.a.
Dividends and hybrid coupon paid	281	5,082	(94 %)
Addition of lease obligations	53	229	(77 %)
Issuance of hybrid capital, net	-	(4,356)	n.a.
Exchange rate adjustments, etc.	470	1,283	(63 %)
Net debt, end of period	30,026	13,190	128 %

Taxonomy-eligible KPIs

The taxonomy-eligible share of revenue was 68 %, whereas the eligible share of EBITDA was 87 %, gross investments was 98 %, and OPEX was 79 %, in Q1 2022. The non-eligible part of our revenue primarily concerned our long-term legacy activities related to sourcing and sale of gas (22 % of revenue in Q1 2022) and non-eligible power sales (including end customer sales). We expect the share of taxonomy-eligible revenue to increase in the coming years.

Read more about our EU taxonomy-eligible KPIs in note 2.1 in the ESG Performance Report for the first quarter 2022.

were a cash outflow of DKK 1.5 billion in Q1 2022.

In Q1 2022, we had a net cash outflow from work in progress of DKK 0.9 billion, mainly from construction work at Greater Changhua 1. In Q1 2021, we had a net cash inflow of DKK 4.6 billion, mainly from the divestment of the Hornsea 1 offshore transmission assets, only partly offset by construction work regarding the offshore transmission assets at Hornsea 2.

Investments and divestments

Gross investments amounted to DKK 6.8 billion against DKK 6.7 billion in Q1 2021. The main investments in Q1 2022 were:

- offshore wind farms (DKK 5.5 billion), including Greater Changhua 1 & 2a in Taiwan, Hornsea 2 in the UK, and our portfolio of US projects
- onshore wind and solar PV farms (DKK 1.2 billion), including the construction of Old 300, Helena Energy Center, Haystack, Kennoxhead 1, and Lisheen 3.

Divestments amounted to DKK 1.9 billion in Q1 2022 and were mainly related to the 50 % farm-down of Borkum Riffgrund 3 with proceeds (NIBD impact) of DKK 1.9 billion.

Interest-bearing net debt

Interest-bearing net debt totalled DKK 30.0 billion at the end of March 2022 against DKK 24.3 billion at the end of 2021. The increase was mainly due to a negative free cash flow of DKK 4.9 billion.

Equity

Equity was DKK 76.7 billion at the end of March

2022 against DKK 85.1 billion at the end of 2021. The reduction during Q1 2022 was driven by unrealised losses on the hedge reserve for power hedges due to the significantly increasing prices. At the end of March 2022, the post-tax hedging and currency translation reserves amounted to DKK 38.7 billion.

Capital employed

Capital employed was DKK 106.7 billion at the end of March 2022 against DKK 109.4 billion at the end of 2021, as the increase in the before-mentioned unrealised losses on power hedges more than outweighed new investments.

Financial ratios

Return on capital employed (ROCE)

Return on capital employed (ROCE, last 12 months) was 19 % at the end of Q1 2022. The increase of 11.5 percentage points compared to the same period last year was attributable to the higher EBIT over the 12-month period.

Credit metric (FFO/adjusted net debt)

The funds from operations (FFO)/adjusted net debt credit metric was 25 % at the end of March against 59 % in the same period last year. The decrease was mainly due to the lower FFO as a result of variation margin payments and due to a higher NIBD.

Non-financial results

Green share of energy generation

The green share of energy generation amounted to 92 % in Q1 2022 compared to 87 % in Q1 2021. The 5 percentage point increase was primarily due to more wind and solar farms in operation, higher wind speeds, and warmer weather leading to lower CHP generation on coal.

Key ratios, DKKm, %

	Q1 2022	Q1 2021	%
ROCE	19.0	7.5	12 %p
Adjusted net debt	40,132	23,341	72 %
FFO/adjusted net debt	25.0	59.4	(34 %p)

ROCE and FFO/adjusted net debt is specified in notes 2 and 11.

Greenhouse gas emissions

Our greenhouse gas emissions from heat and power generation (scope 1 and 2) decreased by 13 % in Q1 2022 compared to Q1 2021. This was due to lower generation based on coal and natural gas at our power stations driven by a lower heat demand as a consequence of the warmer weather in Q1 2022 compared to Q1 2021.

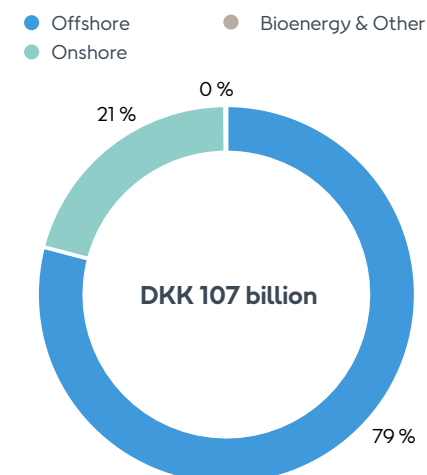
Greenhouse gas intensity from our heat and power generation and other operating activities decreased to 48 g CO₂e/kWh in Q1 2022 against 59 g CO₂e/kWh in Q1 2021. The decrease was mainly driven by the higher generation from our onshore assets and the reduction in greenhouse gas emissions described above.

Greenhouse gas emissions from our supply chain and sales activities (scope 3) decreased by 30 % to 3.7 million tonnes in Q1 2022. This was driven by 31 % lower natural gas sales as well as 31 % lower non-green power sales, partially offset by emissions related to the COD of Haystack in March 2022 (no CODs in Q1 2021).

Safety

In Q1 2022, we had a total of eight recordable injuries (TRIs), of which three injuries were related to contractors' employees. This was a decrease of seven injuries compared to the

Capital employed



same period last year or a reduction of 47 %. The number of hours worked was 6.1 million hours, an increase of 22 % compared to Q1 2021. During Q1 2022, the total recordable injury rate (TRIR) decreased from 3.0 in Q1 2021 to 1.3 in Q1 2022.

Offshore

Highlights

- We signed an agreement to farm down 50 % of Hornsea 2 and completed the 50 % farm-down of Borkum Riffgrund 3.
- We took FID on South Fork in New York, the US.
- We signed an agreement with Repsol to jointly identify and develop floating offshore wind projects in Spain.
- We submitted seabed lease applications in the Baltic Sea in Poland.
- We joined a floating wind joint venture off the east coast of Scotland in April

Financial results Q1 2022

Power generation was almost flat year on year at 4.5 TWh in Q1 2022. The farm-down of 50 % of Borssele 1 & 2 in May 2021 and higher curtailments in Germany in Q1 2022 were close to offset by higher wind speeds and ramp-up at Hornsea 2.

Wind speeds amounted to a portfolio average of 11.3 m/s, which was higher than in Q1 2021 (10.5 m/s) and the normal wind speeds expected in the first quarter (10.9 m/s). Availability ended at 95 %, in line with last year.

Revenue increased by 49 % to DKK 19.8 billion.

Revenue from offshore wind farms in operation decreased by 32 % to DKK 3.9 billion, mainly driven by losses on ineffective hedges as a consequence of later than expected commissioning of wind turbines at Hornsea 2 combined with very high power prices. The total impact in Q1 2022 from having hedged too large volumes was a loss of DKK 1.6 billion.

Revenue from power sales increased more than fivefold to DKK 14.0 billion, due to the higher power prices and the higher volumes sold.

Revenue from construction agreements decreased by 66 %, mainly due to the divestment of the offshore transmission assets at Hornsea 1 in March 2021. In Q1 2022, revenue mainly related to the construction of Greater Changhua 1 for partners.

EBITDA increased by DKK 2.0 billion and amounted to DKK 5.9 billion.

EBITDA from Sites, O&M, and PPAs amounted to DKK 3.7 billion in Q1 2022. The 24 % decrease was primarily due to the previously mentioned ineffective hedges. Furthermore, higher TNUoS tariffs following the divestment of the offshore transmission assets at Hornsea 1 in March 2021, generally higher BSUoS tariffs across our UK sites, as well as the farm-down of 50 % of Borssele 1 & 2 in May 2021 contributed to the decrease in earnings from sites. This was partly offset by ramp-up of generation from Hornsea 2 and higher wind speeds (approx. DKK 0.5 billion compared to Q1 2021 and DKK 0.3 billion compared to a normal wind year.)

EBITDA from partnerships amounted to DKK 2.6 billion and was mainly related to the gain on the 50 % farm-down of Borkum Riffgrund 3 (new partnerships) of DKK 1.6 billion. Earnings from existing partnerships amounted to DKK 1.0 billion, an increase of DKK 1.6 billion compared to Q1 2021. Q1 2021 was negatively impacted by a DKK 0.8 billion warranty provision

Financial results

		Q1 2022	Q1 2021	%
Business drivers				
Decided (FID'ed) and installed capacity	GW	11.1	9.9	12 %
Installed capacity	GW	7.6	7.6	0 %
Generation capacity	GW	4.2	4.4	(5 %)
Wind speed	m/s	11.3	10.5	8 %
Load factor	%	54	50	4 %p
Availability	%	95	95	0 %p
Power generation	GWh	4,502	4,549	(1 %)
Denmark		641	546	17 %
United Kingdom		2,862	2,525	13 %
Germany		565	611	(8 %)
The Netherlands		400	835	(52 %)
Other		34	32	6 %
Power sales	GWh	9,166	6,885	33 %
Power price, LEBA UK	GBP/MWh	251	79	219 %
British pound	DKK/GBP	8.9	8.5	5 %
Financial performance				
Revenue	DKKm	19,806	13,285	49 %
Sites, O&M and PPAs		3,863	5,685	(32 %)
Power sales		13,977	2,447	471 %
Construction agreements		1,739	5,101	(66 %)
Other		227	52	337 %
EBITDA	DKKm	5,919	3,946	50 %
Sites, O&M, and PPAs		3,698	4,886	(24 %)
Construction agreements and divestment gains		2,620	(573)	n.a.
Other, incl. project development		(399)	(367)	8 %
Depreciation	DKKm	(1,521)	(1,547)	(2 %)
EBIT	DKKm	4,398	2,399	83 %
Cash flow from operating activities	DKKm	(2,206)	5,206	n.a.
Gross investments	DKKm	(5,548)	(4,567)	21 %
Divestments	DKKm	1,945	(33)	n.a.
Free cash flow	DKKm	(5,809)	606	n.a.
Capital employed	DKKm	83,827	91,883	(9 %)



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

towards our partners related to cable protection system issues at some of our offshore wind farms. In Q1 2022, we have reversed DKK 0.5 billion of this provision, as we now expect lower costs to reinstate the integrity of the cables. In addition, Q1 2022 saw a positive effect from earnings from finalised projects and construction work for partners at Greater Changhua 1.

EBITDA from other activities, including project development, amounted to DKK -0.4 billion, in line with the same period last year, and was mainly related to expensed project development costs.

Cash flows from operating activities amounted to DKK -2.2 billion, which was DKK 7.4 billion lower than in Q1 2021. The decrease was driven by a net cash outflow from 'work in progress' vs a net cash inflow in Q1 2021 (see below). In addition, the significantly higher power prices led to large margin payments on unrealised financial instruments (DKK 4.1 billion in Q1 2022). This was partly offset by lower initial margin payment to clearing houses (DKK 0.7 billion).

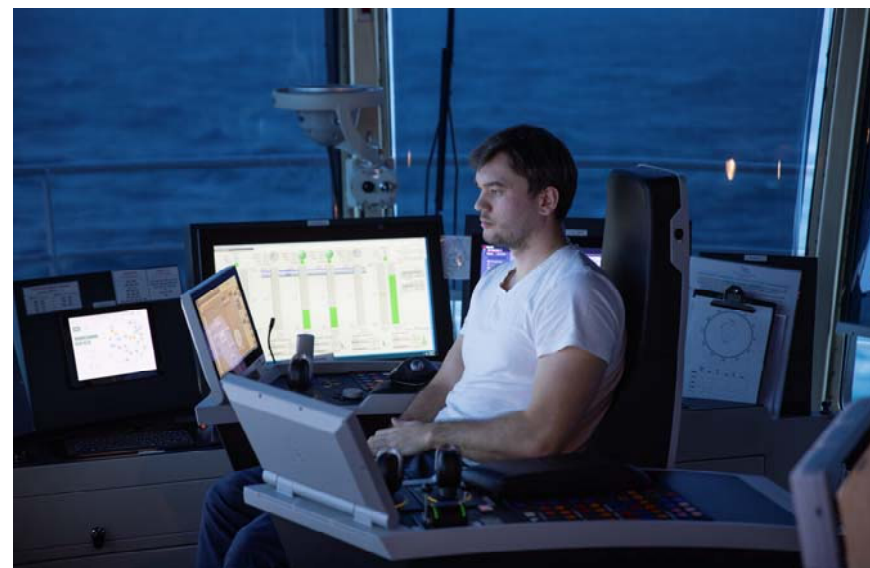
In Q1 2022, we had a net cash outflow from work in progress of DKK 0.9 billion, mainly from construction work at Greater Changhua 1. In Q1 2021, we had a net cash inflow of DKK 4.6 billion, mainly from the divestment of the Hornsea 1 offshore transmission assets, only partly offset by construction work regarding the offshore transmission assets at Hornsea 2.

Gross investments amounted to DKK 5.5 billion and were mainly related to Greater Changhua 1 & 2a, Hornsea 2, and our US portfolio.

Divestments amounted to DKK 1.9 billion in Q1 2022 and were mainly related to the 50 % farm-down of Borkum Riffgrund 3 with proceeds (NIBD impact) of DKK 1.9 billion.



Inside service operation vessel Wind of Hope



Onshore

Highlights

- We commissioned the 298 MW wind farm Haystack in Nebraska, the US.
- We took FID on Sunflower Wind, a 201 MW wind farm located in Kansas, US.
- We signed a landmark green fuels letter of intent (LoI) with Maersk, where we will develop an e-methanol facility on the US Gulf Coast.

Financial results Q1 2022

Power generation from our operating onshore assets almost doubled relative to Q1 2021 and amounted to 3.2 TWh. The increase was due to the commissioning of the Western Trail, Haystack, and Lincoln Land wind farms and the solar PV farms Permian Energy Center and Muscle Shoals. Assets from the acquisition of Brookfield Renewable Ireland in June last year contributed 0.2 TWh. In Q1 2022, the wind speeds across the portfolio were 7.7 m/s, which was in line with both last year and a normal wind year.

Revenue was up DKK 0.6 billion relative to Q1 2021 and amounted to DKK 0.7 billion. The increase was mainly due to increased power generation as a result of the newly commissioned assets mentioned above and higher prices in Europe.

EBITDA for Q1 2022 amounted to DKK 0.9 billion, DKK 0.6 billion higher than in the same period last year. The increase was caused by higher generation along with higher prices for

our European assets. In addition, the negative impact from the unprecedented winter storm in February 2021 in Texas was not repeated in Q1 2022. This was partly offset by higher fixed costs due to the expansion of the business and project development.

Cash flows from operating activities increased by DKK 0.3 billion compared to the same period last year. The increase was mainly due to the higher EBITDA.

Gross investments amounted to DKK 1.2 billion in Q1 2022 and related to the construction of Old 300 Solar, Haystack, Helena Energy Center, Kennoxhead 1, and Lisheen 3.

Financial results

		Q1 2022	Q1 2021	%
Business drivers				
Decided (FID'ed) and installed capacity	GW	4.7	4.0	18 %
Installed capacity	GW	3.6	1.7	112 %
Wind speed, US	m/s	7.7	7.7	0 %
Load factor, wind, US	%	49	45	4 %p
Load factor, solar PV	%	21	-	n.a.
Availability, wind, US	%	96	93	3 %p
Availability, solar PV	%	99	-	n.a.
Power generation	GWh	3,203	1,647	94 %
US, wind		2,675	1,599	67 %
US, solar PV		289	48	502 %
Europe		239	-	n.a.
US dollar	DKK/USD	6.6	6.2	7 %
Financial performance				
Revenue	DKKm	690	120	475 %
EBITDA	DKKm	850	228	273 %
Sites		496	44	1,027 %
Production tax credits and tax attributes		568	283	101 %
Other, incl. project development		(214)	(99)	116 %
Depreciation	DKKm	(358)	(128)	180 %
EBIT	DKKm	492	100	392 %
Cash flow from operating activities	DKKm	(188)	(446)	(58 %)
Gross investments	DKKm	(1,221)	(2,005)	(39 %)
Divestments	DKKm	-	1	n.a.
Free cash flow	DKKm	(1,409)	(2,450)	(42 %)
Capital employed	DKKm	22,110	14,210	56 %

Bioenergy & Other

Financial results Q1 2022

Heat generation decreased by 17 % in Q1 2022 due to warmer weather. Power generation decreased by 5 % due to lower CHP generation (warmer weather) partly offset by higher condensing power generation due to higher prices.

Gas and power sales decreased by 31 % and 26 %, respectively, due to the partial divestment of our UK B2B activities in March 2021 and a gradual phase-out of our remaining UK B2B activities.

Revenue increased by 106 % compared to Q1 2021 and amounted to DKK 14.5 billion. The increase was driven by significant increases in both gas and power prices, which led to higher revenue in our gas and power sales businesses despite the lower volumes. The unhedged part of power generation at our CHP plants was also positively impacted by the higher Danish power prices.

EBITDA amounted to DKK 2.5 billion compared to DKK 0.6 billion in Q1 2021.

EBITDA from 'CHP plants' was DKK 1.1 billion higher than in the same period last year, totalling DKK 1.8 billion in Q1 2022. The increase was mainly due to higher power prices in Denmark, as mentioned above, combined with higher earnings from the sale of ancillary services.

EBITDA from 'Gas Markets & Infrastructure'

increased by DKK 0.7 billion relative to the same period last year, amounting to DKK 0.7 billion in Q1 2022. The increase was to a large extent driven by temporary positive effects from revaluation of our gas at storage during Q1 2022 due to the high gas prices. In addition, we were able to lock in gains from optimising the offtake flexibility in some of our sourcing contracts in north-western Europe. In contrast, our decision to unwind gas hedges related to the Gazprom Export contract to balance our risk if gas supplies from Russia were terminated led to a net loss on the Gazprom Export sourcing contract in the quarter.

Cash flow from operating activities amounted to DKK 2.4 billion in Q1 2022. The decrease of DKK 0.6 billion was driven by the significantly higher and volatile gas prices, leading to higher margin payments tied up in clearing accounts (DKK 2.3 billion in Q1 2022) and higher fuel inventories due to increasing prices. This was only partly offset by the higher EBITDA, lower gas volumes at storage, and a positive effect from net margin payments on unrealised financial instruments (DKK 0.8 billion).

Financial results

		Q1 2022	Q1 2021	%
Business drivers				
Degree days	Number	1,141	1,325	(14 %)
Heat generation	GWh	3,243	3,890	(17 %)
Power generation	GWh	2,138	2,259	(5 %)
Gas sales	GWh	12,993	18,945	(31 %)
Power sales	GWh	1,690	2,287	(26 %)
Gas price, TTF	EUR/MWh	95.6	18.5	418 %
Power price, DK	EUR/MWh	151.1	49.1	208 %
Green dark spread, DK	EUR/MWh	18.5	(4.2)	n.a.
Green spark spread, DK	EUR/MWh	(72)	(1.7)	n.a.
Financial performance				
Revenue	DKKm	14,474	7,020	106 %
EBITDA	DKKm	2,514	622	304 %
CHP plants		1,823	676	170 %
Gas Markets & Infrastructure		725	19	n.a.
Other, incl. project development		(34)	(73)	(53 %)
Depreciation	DKKm	(189)	(200)	(6 %)
EBIT	DKKm	2,325	422	451 %
Cash flow from operating activities	DKKm	2,439	3,018	(19 %)
Gross investments	DKKm	(51)	(59)	(14 %)
Divestments	DKKm	(8)	(29)	(72 %)
Free cash flow	DKKm	2,380	2,930	(19 %)
Capital employed	DKKm	92	2,779	(97 %)

Performance highlights

Financials, DKKm	Q1 2022	Q1 2021	2021
Income statement			
Revenue	33,762	18,944	77,673
EBITDA	9,429	4,863	24,296
Offshore	5,919	3,946	18,021
Sites, O&M and PPAs	3,698	4,886	13,059
Construction agreements and divestment gains	2,620	(573)	7,535
Other, incl. project development	(399)	(367)	(2,573)
Onshore	850	228	1,349
Bioenergy & Other	2,514	622	4,747
Other activities	146	67	179
Depreciation, amortisation and impairment	(2,128)	(1,930)	(8,101)
Operating profit (loss) (EBIT)	7,301	2,933	16,195
Gain (loss) on divestment of enterprises	108	36	(742)
Net financial income and expenses	(848)	(419)	(2,166)
Profit (loss) before tax	6,561	2,547	13,277
Tax	(860)	(949)	(2,390)
Profit (loss) for the period	5,701	1,598	10,887
Balance			
Assets	285,087	210,972	270,385
Equity	76,719	96,541	85,137
Shareholders in Ørsted A/S	55,704	75,835	64,072
Non-controlling interests	3,031	2,722	3,081
Hybrid capital	17,984	17,984	17,984
Interest-bearing net debt	30,026	13,190	24,280
Capital employed	106,745	109,731	109,416
Additions to property, plant, and equipment	5,127	6,469	43,941
Cash flow			
Cash flow from operating activities	(37)	8,087	12,148
Gross investments	(6,832)	(6,665)	(39,307)
Divestments	1,927	(31)	21,519
Free cash flow	(4,942)	1,391	(5,640)
Financial ratios			
Return on capital employed (ROCE) ¹ , %	19.0	7.5	14.8
FFO/adjusted net debt ² , %	25.0	59.4	31.3
Number of outstanding shares, end of period, '000	420,175	420,068	420,175
Share price, end of period, DKK	849	1,025	835
Market capitalisation, end of period, DKK billion	357	430	351
Earnings per share (EPS) (BPI), DKK	13.2	2.8	7.5
Dividend yield, %	-	-	1.5

Business drivers	Q1 2022	Q1 2021	2021
Offshore			
Decided (FID'ed) and installed capacity ³ , GW	11.1	9.9	10.9
Installed capacity, GW	7.6	7.6	7.6
Generation capacity, GW	4.2	4.4	4.0
Wind speed, m/s	11.3	10.5	9.1
Load factor, %	54	50	39
Availability, %	95	95	94
Power generation, GWh	4,502	4,549	13,808
Power sales, GWh	9,166	6,885	25,020
Onshore			
Decided (FID'ed) and installed capacity, GW	4.7	4.0	4.7
Installed capacity, GW	3.6	1.7	3.4
Wind speed, US, m/s	7.7	7.7	7.4
Load factor, wind, US, %	49	45	42
Load factor, solar PV, %	21	-	24
Availability, wind, US, %	96	93	96
Availability, solar PV, %	99	-	96
Power generation, GWh	3,203	1,647	8,352
Bioenergy & Other			
Degree days, number	1,141	1,325	2,820
Heat generation, GWh	3,243	3,890	7,907
Power generation, GWh	2,138	2,259	6,890
Power sales, GWh	1,690	2,287	8,797
Gas sales, GWh	12,993	18,945	61,349
People and environment			
Employees (FTE), end of period number	7,016	6,311	6,836
Total recordable injury rate (TRIR), YTD	1.3	3.0	3.0
Fatalities, number	-	-	-
Green share of energy generation, %	92	87	90
GHG emission (scope 1 & 2), Mtonnes	0.6	0.7	2.1
GHG intensity (scope 1 & 2), g CO ₂ e/kWh	48	59	58
GHG emissions (scope 3), Mtonnes	3.7	5.3	18.2


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

² FFO last 12 months. Net debt including 50 % of hybrid capital and cash and securities not available for use (with the exception of repo transactions). Numbers for Q1 2021 have been restated.

³ Nameplate capacity from Q2 2021.

Quarterly overview

Financials, DKKm	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Income statement (BP¹ comparables)								
Revenue	33,762	30,666	14,510	13,553	18,944	15,559	10,041	11,625
EBITDA	9,429	8,253	2,984	8,196	4,863	5,003	3,360	2,956
Offshore	5,919	5,244	1,304	7,527	3,946	4,128	2,629	2,361
Sites, O&M and PPAs	3,698	3,983	1,822	2,368	4,886	4,950	3,012	2,578
Construction agreements and divestment gains	2,620	2,469	(9)	5,648	(573)	(149)	247	396
Other incl. project development	(399)	(1,208)	(509)	(489)	(367)	(673)	(630)	(613)
Onshore	850	530	413	178	228	324	308	312
Bioenergy & Other	2,514	2,416	1,206	503	622	643	375	185
Other activities	146	63	61	(12)	67	(92)	48	98
Operating profit (loss) (EBIT)	7,301	5,980	1,045	6,237	2,933	3,091	1,265	1,129
Profit (loss) for the period	5,701	3,258	487	5,544	1,598	2,189	12,034	(825)
Income statement (IFRS comparables)								
Revenue	33,762	30,666	14,510	13,553	18,944	13,195	8,762	9,962
EBITDA	9,429	8,253	2,984	8,196	4,863	3,102	2,455	1,592
Depreciation, amortisation and impairment losses	(2,128)	(2,273)	(1,939)	(1,959)	(1,930)	(1,912)	(2,095)	(1,827)
Operating profit (loss) (EBIT)	7,301	5,980	1,045	6,237	2,933	1,190	360	(235)
Gain (loss) on divestment of enterprises	108	(684)	(22)	(72)	36	(291)	11,139	(3)
Net financial income and expenses	(848)	(930)	(351)	(466)	(419)	(456)	(282)	(1,010)
Profit (loss) before tax	6,561	4,361	671	5,698	2,547	442	11,219	(1,245)
Tax	(860)	(1,103)	(184)	(154)	(949)	258	92	(625)
Profit (loss) for the period	5,701	3,258	487	5,544	1,598	715	11,329	(1,886)
Balance sheet								
Assets	285,087	270,385	261,892	223,791	210,972	196,719	194,567	193,124
Equity	76,719	85,137	79,150	96,910	96,541	97,329	96,472	85,930
Shareholders in Ørsted A/S	55,704	64,072	58,129	75,842	75,835	81,376	80,450	69,789
Non-controlling interests	3,031	3,081	3,037	3,084	2,722	2,721	2,790	2,909
Hybrid capital	17,984	17,984	17,984	17,984	17,984	13,232	13,232	13,232
Interest-bearing net debt	30,026	24,280	21,211	12,067	13,190	12,343	8,216	22,272
Capital employed	106,745	109,416	100,361	108,977	109,731	109,672	104,688	108,203
Additions to property, plant, equipment	5,127	17,041	11,477	8,954	6,469	8,121	5,477	10,011
Cash flow								
Cash flow from operating activities	(37)	668	246	3,147	8,087	6,756	1,941	8,197
Gross investments	(6,832)	(11,752)	(8,757)	(12,133)	(6,665)	(8,639)	(9,263)	(3,757)
Divestments	1,927	10,952	7	10,591	(31)	(1,519)	20,506	45
Free cash flow	(4,942)	(132)	(8,504)	1,605	1,391	(3,402)	13,184	4,485
Financial ratios								
Return on capital employed (ROCE) ² , %	19.0	14.8	12.9	12.5	7.5	9.7	9.4	10.8
FFO/adjusted net debt ³ , %	25.0	31.3	42.3	62.9	59.4	65.0	35.6	43.4
Number of outstanding shares, end of period, '000	420,175	420,175	420,175	420,175	420,068	420,068	420,066	420,066
Share price, end of period, DKK	849	835	849	880	1,025	1,244	875	765
Market capitalisation, end of period, DKK billion	357	351	357	370	430	522	368	321
Earnings per share (EPS) (BP ¹), DKK	13.2	7.5	1.1	12.9	2.8	4.9	28.6	(2.7)

Business drivers

Business drivers	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Offshore								
Decided (FID'ed) and installed capacity ⁴ , GW	11.1	10.9	9.8	9.8	9.9	9.9	9.9	9.9
Installed capacity, GW	7.6	7.6	7.6	7.6	7.6	7.6	6.8	6.8
Generation capacity, GW	4.2	4.0	4.0	4.0	4.4	4.4	4.1	3.8
Wind speed, m/s	11.3	10.6	7.6	7.8	10.5	10.6	8.6	8.4
Load factor, %	54	53	27	29	50	53	35	32
Availability, %	95	95	93	93	95	94	94	95
Power generation, GWh	4,502	4,452	2,286	2,521	4,549	4,912	3,164	2,580
Power sales, GWh	9,166	8,791	4,803	4,541	6,885	8,561	6,282	5,519
Onshore								
Decided (FID'ed) and installed capacity, GW	4.7	4.7	4.7	4.7	4.0	3.4	2.7	2.1
Installed capacity, GW	3.6	3.4	3.0	2.4	1.7	1.7	1.7	1.6
Wind speed, US, m/s	7.7	7.9	6.4	7.3	7.7	8.0	6.7	8.0
Load factor, wind, US, %	49	47	33	45	45	50	36	49
Load factor, solar PV, %	21	19	27	29	-	-	-	-
Availability, wind, US, %	96	96	98	97	93	95	97	96
Availability, solar PV, %	99	99	98	90	-	-	-	-
Power generation, GWh	3,203	2,818	1,904	1,983	1,647	1,817	1,262	1,516
Bioenergy & Other								
Degree days, number	1,141	927	81	487	1,325	825	106	436
Heat generation, GWh	3,243	2,467	402	1,148	3,890	2,230	321	977
Power generation, GWh	2,138	2,096	1,028	1,507	2,259	1,291	692	811
Power sales, GWh	1,690	2,072	2,271	2,167	2,287	2,574	2,452	2,991
Gas sales, GWh	12,993	13,744	13,580	15,079	18,945	20,441	23,158	20,063
People and environment								
Employees (FTE) end of period, number	7,016	6,836	6,672	6,472	6,311	6,179	6,120	6,731
Total recordable injury rate (TRIR), YTD	1.3	3.0	3.0	3.1	3.0	3.6	3.8	3.7
Fatalities, number	-	-	-	-	-	-	-	-
Green share of energy generation, %	92	93	89	93	87	93	90	86
GHG emissions (scope 1 & 2), Mtonnes	0.6	0.5	0.5	0.4	0.7	0.4	0.4	0.5
GHG intensity (scope 1 & 2), g CO ₂ e/kWh	48	45	91	51	59	34	83	84
GHG emissions (scope 3), Mtonnes	3.7	3.9	4.4	4.6	5.3	5.9	6.3	5.5



Income statement

The income statement (BP¹ comparables) shows business performance numbers for 2020 to form a better like-for-like comparison, in line with the comparison numbers used throughout the management's review.

¹ Business performance.

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

³ FFO last 12 months. Net debt including 50 % of hybrid capital and cash and securities not available for use (with the exception of repo transactions). Numbers for 2020 and 2021 have been restated.

⁴ Nameplate capacity from Q2 2021.

Consolidated financial statements

First quarter 2022

1 January – 31 March

Consolidated statements of income

1 January – 31 March

Note	Income statement, DKKm	Q1 2022	Q1 2021
3	Revenue	33,762	18,944
	Cost of sales	(24,547)	(12,911)
	Other external expenses	(1,175)	(931)
	Employee costs	(1,166)	(1,039)
	Share of profit (loss) in associates and joint ventures	55	38
4	Other operating income	2,576	823
4	Other operating expenses	(76)	(61)
	Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA)	9,429	4,863
	Amortisation, depreciation, and impairment losses on intangible assets, and property, plant, and equipment	(2,128)	(1,930)
	Operating profit (loss) (EBIT)	7,301	2,933
	Gain (loss) on divestment of enterprises	108	36
	Share of profit (loss) in associates and joint ventures	-	(3)
5	Financial income	1,063	485
5	Financial expenses	(1,911)	(904)
	Profit (loss) before tax	6,561	2,547
8	Tax on profit (loss) for the period	(860)	(949)
	Profit (loss) for the period	5,701	1,598
	Profit (loss) for the period is attributable to:		
	Shareholders in Ørsted A/S	5,556	1,174
	Interests and costs, hybrid capital owners of Ørsted A/S	145	415
	Non-controlling interests	-	9
	Profit (loss) per share¹, DKK:	13.2	2.8

¹ 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.

1 January – 31 March

Statement of comprehensive income, DKKm	Q1 2022	Q1 2021
Profit (loss) for the period	5,701	1,598
Other comprehensive income:		
Cash flow hedging:		
Value adjustments for the period	(22,961)	(5,856)
Value adjustments transferred to income statement	5,692	2,018
Value adjustments transferred to balance sheet	(32)	(44)
Exchange rate adjustments:		
Exchange rate adjustments relating to net investments in foreign enterprises	(52)	3,774
Value adjustment of net investment hedges	(41)	(2,136)
Tax:		
Tax on hedging instruments	3,342	624
Tax on exchange rate adjustments	112	(145)
Other:		
Share of other comprehensive income of associated companies, after tax	9	9
Other comprehensive income	(13,931)	(1,756)
Total comprehensive income	(8,230)	(158)
Comprehensive income for the period is attributable to:		
Shareholders in Ørsted A/S	(8,373)	(717)
Interest payments and costs, hybrid capital owners of Ørsted A/S	145	415
Non-controlling interests	(2)	144
Total comprehensive income	(8,230)	(158)



Value adjustments for the period in the first three months of 2022 are mainly due to losses on power hedges as a consequence of the increase in power prices and, to a lesser extent, losses on currency, gas, and inflation hedges.

Consolidated balance sheet

Note	Assets, DKKm	31 March 2022	31 December 2021	31 March 2021
	Intangible assets	1,828	1,543	787
	Land and buildings	7,963	8,066	5,930
	Production assets	100,998	95,618	86,730
	Fixtures and fittings, tools, and equipment	636	604	528
	Property, plant, and equipment under construction	55,302	57,108	37,033
	Property, plant, and equipment	164,899	161,396	130,221
	Investments in associates and joint ventures	662	572	611
	Other securities and equity investments	224	221	212
10	Derivatives	3,636	2,716	3,026
	Deferred tax	14,730	13,281	7,031
	Other receivables	2,670	2,492	2,049
	Other non-current assets	21,922	19,282	12,929
	Non-current assets	188,649	182,221	143,937
	Inventories	16,430	15,998	11,579
10	Derivatives	26,082	14,078	3,312
	Contract assets	2	2	2
	Trade receivables	8,724	9,565	5,936
	Other receivables	17,335	14,815	4,876
	Income tax	1,336	1,200	1,815
10	Securities	20,416	21,228	30,154
	Cash	4,865	9,943	7,830
	Current assets	95,190	86,829	65,504
	Assets classified as held for sale	1,248	1,335	1,531
	Assets	285,087	270,385	210,972



Assets and liabilities classified as held for sale

At 31 March 2022 and at 31 March 2021, assets and related liabilities held for sale comprised our oil pipe system in Denmark, which is an activity in Bioenergy & Other.

Note	Equity and liabilities, DKKm	31 March 2022	31 December 2021	31 March 2021
	Share capital	4,204	4,204	4,204
7	Reserves	(38,716)	(24,778)	(3,856)
	Retained earnings	84,961	79,391	75,487
	Proposed dividends	5,255	5,255	-
	Equity attributable to shareholders in Ørsted A/S	55,704	64,072	75,835
	Hybrid capital	17,984	17,984	17,984
	Non-controlling interests	3,031	3,081	2,722
	Equity	76,719	85,137	96,541
	Deferred tax	3,661	5,616	2,217
	Provisions	14,835	15,124	13,662
	Lease liabilities	6,706	6,812	4,798
11	Bond and bank debt	36,305	31,502	35,421
10	Derivatives	21,125	17,464	5,416
	Contract liabilities	3,190	3,230	3,355
	Tax equity liabilities	13,376	13,358	7,060
	Other payables	4,463	4,682	743
	Non-current liabilities	103,661	97,788	72,672
	Provisions	731	764	1,291
	Lease liabilities	740	720	633
11	Bond and bank debt	14,077	19,493	10,064
10	Derivatives	54,795	32,325	5,190
	Contract liabilities	1,460	2,440	505
	Trade payables	19,517	20,231	10,328
	Tax equity liabilities	1,197	1,206	1,250
	Other payables	5,660	4,768	4,803
	Income tax	5,951	5,021	6,804
	Current liabilities	104,128	86,968	40,868
	Liabilities	207,789	184,756	113,540
	Liabilities relating to assets classified as held for sale	579	492	891
	Equity and liabilities	285,087	270,385	210,972

Consolidated statement of shareholders equity

	2022								2021							
DKKmn	Share capital	Reserves*	Retained earnings	Proposed dividends	Shareholders in Ørsted A/S	Hybrid capital	Non-controlling interests	Total Group	Share capital	Reserves*	Retained earnings	Proposed dividends	Shareholders in Ørsted A/S	Hybrid capital	Non-controlling interests	Total Group
Equity at 1 January	4,204	(24,778)	79,391	5,255	64,072	17,984	3,081	85,137	4,204	(1,956)	74,294	4,834	81,376	13,232	2,721	97,329
Comprehensive income for the period:																
Profit (loss) for the period	-	-	5,556	-	5,556	145	-	5,701	-	-	1,174	-	1,174	415	9	1,598
Other comprehensive income:																
Cash-flow hedging	-	(17,301)	-	-	(17,301)	-	-	(17,301)	-	(3,882)	-	-	(3,882)	-	-	(3,882)
Exchange rate adjustments	-	(91)	-	-	(91)	-	(2)	(93)	-	1,503	-	-	1,503	-	135	1,638
Tax on other comprehensive income	-	3,454	-	-	3,454	-	-	3,454	-	479	-	-	479	-	-	479
Share of other comprehensive income of associated companies, after tax	-	-	9	-	9	-	-	9	-	-	9	-	9	-	-	9
Total comprehensive income	-	(13,938)	5,565	-	(8,373)	145	(2)	(8,230)	-	(1,900)	1,183	-	(717)	415	144	(158)
Coupon payments, hybrid capital	-	-	-	-	-	(150)	-	(150)	-	-	-	-	-	(106)	-	(106)
Tax, hybrid capital	-	-	-	-	-	5	-	5	-	-	-	-	-	87	-	87
Additions, hybrid capital	-	-	-	-	-	-	-	-	-	-	-	-	-	7,327	-	7,327
Disposals, hybrid capital	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,971)	-	(2,971)
Dividends paid	-	-	-	-	-	-	(131)	(131)	-	-	4	(4,834)	(4,830)	-	(145)	(4,975)
Additions, non-controlling interests	-	-	-	-	-	-	83	83	-	-	-	-	-	-	-	-
Other changes	-	-	5	-	5	-	-	5	-	-	6	-	6	-	2	8
Equity at 31 March	4,204	(38,716)	84,961	5,255	55,704	17,984	3,031	76,719	4,204	(3,856)	75,487	-	75,835	17,984	2,722	96,541

* See note 7 'Reserves' for more information about reserves.



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

Consolidated statement of cash flows

Note	Statement of cash flows, DKKm	Q1 2022	Q1 2021
	Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA)	9,429	4,863
	Reversal of gain (loss) on divestment of assets	(1,863)	(220)
	Change in derivatives	(3,964)	(811)
	Change in provisions	(765)	630
	Other items	(65)	(61)
	Change in inventories	(498)	3,716
	Change in contract assets and liabilities	(976)	(268)
	Change in trade receivables	725	954
	Change in other receivables	(2,361)	(327)
	Change in trade payables	1,093	763
	Change in tax equity liabilities	(496)	(247)
	Change in other payables	152	222
	Interest received and similar items	1,250	323
	Interest paid and similar items	(1,467)	(577)
	Income tax paid	(231)	(873)
	Cash flows from operating activities	(37)	8,087
	Purchase of intangible assets, and property, plant, and equipment	(6,801)	(6,648)
	Sale of intangible assets, and property, plant, and equipment	1,862	(25)
7	Acquisition of enterprises	-	(11)
	Divestment of enterprises	(19)	(31)
	Purchase of other equity investments	1	(4)
	Purchase of securities	(813)	(6,040)
	Sale/maturation of securities	992	983
	Change in other non-current assets	(2)	23
	Transactions with associates and joint ventures	(30)	-
	Cash flows from investing activities	(4,810)	(11,753)

Note	Statement of cash flows, DKKm	Q1 2022	Q1 2021
	Proceeds from raising of loans	6,559	7,817
	Instalments on loans	(5,895)	384
	Instalments on leases	(173)	(73)
	Coupon payments on hybrid capital	(150)	(106)
	Repurchase of hybrid capital	-	(2,971)
	Proceeds from issuance of hybrid capital	-	7,327
	Dividends paid to shareholders in Ørsted A/S	-	(4,830)
	Transactions with non-controlling interests	(43)	(141)
	Net proceeds from tax equity partners	(51)	120
	Collateral posted in relation to trading of derivatives	(11,140)	(4,859)
	Collateral released in relation to trading of derivatives	11,659	3,090
	Cash flows from financing activities	766	5,758
	Total net change in cash and cash equivalents for the period	(4,081)	2,092
	Cash and cash equivalents at the beginning of the period	8,614	5,210
	Total net change in cash and cash equivalents	(4,081)	2,092
	Exchange rate adjustments of cash and cash equivalents	15	176
	Cash and cash equivalents at 31 March	4,548	7,478



Statement of cash flows

Our supplementary statement of gross and net investments appears from note 6 'Gross and net investments' and free cash flow (FCF) from note 2 'Segment information'.

'Cash' according to the balance sheet as at 31 March 2022 includes 'Cash, not available for use' amounting to DKK 316 million and 'Bank overdrafts that are part of the ongoing cash management' amounting to DKK 1 million.

1. Basis of reporting

This section provides a description of the accounting policies applied in our consolidated financial statements as well as the impact of new and amended accounting standards and interpretations, if any.

Accounting policies

Ørsted is a listed public company, headquartered in Denmark.

This interim financial report for the first three months of 2022 comprises the interim financial statements of Ørsted A/S (the parent company) and any subsidiaries controlled by Ørsted A/S.

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

The interim financial report for the first three months of 2022 follows the same accounting policies as the annual report for 2021.

Definitions of alternative performance measures can be found on page 84 of the annual report for 2021.

This interim financial report contains selected accounting policies and should therefore be read in conjunction with the annual report for 2021.




Implementation of new or changed accounting standards and interpretations

IASB has issued amended standards which apply for the first time in 2022. None of these amended standards and interpretations are expected to have any significant impact on our financial statements.



Service technicians at Hornsea 2 off the Yorkshire coast, the UK.

2. Segment information




						
2022	Offshore	Onshore	Bioenergy & Other	Reportable segments	Other activities/eliminations	Total
Income statement, DKKm						
External revenue	17,345	690	15,718	33,753	9	33,762
Intra-group revenue	2,461	-	(1,244)	1,217	(1,217) ¹	-
Revenue	19,806	690	14,474	34,970	(1,208)	33,762
Cost of sales	(14,292)	(10)	(11,451)	(25,753)	1,206	(24,547)
Employee costs and other external expenses	(1,563)	(400)	(526)	(2,489)	148	(2,341)
Gain (loss) on disposal of non-current assets	1,863	-	-	1,863	-	1,863
Additional other operating income and expenses	51	569	17	637	-	637
Share of profit (loss) in associates and joint ventures	54	1	-	55	-	55
EBITDA	5,919	850	2,514	9,283	146	9,429
Depreciation and amortisation	(1,521)	(358)	(189)	(2,068)	(60)	(2,128)
Impairment losses	-	-	-	-	-	-
Operating profit (loss) (EBIT)	4,398	492	2,325	7,215	86	7,301
Key ratios						
Intangible assets, and property, plant, and equipment	110,396	46,525	8,419	165,340	1,387	166,727
Assets classified as held for sale, net	-	-	684	684	-	684
Equity investments and non-current receivables	548	46	130	724	199	923
Net working capital, capital expenditures	(6,641)	(432)	(28)	(7,101)	-	(7,101)
Net working capital, work in progress	6,821	-	-	6,821	-	6,821
Net working capital, tax equity	-	(13,262)	-	(13,262)	-	(13,262)
Net working capital, other items	10,212	369	908	11,489	476	11,965
Derivatives, net	(33,570)	(5,911)	(7,744)	(47,225)	1,023	(46,202)
Decommissioning obligations	(6,247)	(1,387)	(1,405)	(9,039)	-	(9,039)
Other provisions	(2,550)	(11)	(1,778)	(4,339)	(2,188)	(6,527)
Tax, net	8,859	(3,812)	903	5,950	504	6,454
Other receivables and other payables, net	(4,001)	(15)	3	(4,013)	(685)	(4,698)
Capital employed at 31 March	83,827	22,110	92	106,029	716	106,745
Return on capital employed (ROCE), %	-	-	-	-	-	19.0
Cash flow from operating activities	(2,206)	(188)	2,439	45	(82)	(37)
Gross investments	(5,548)	(1,221)	(51)	(6,820)	(12)	(6,832)
Divestments	1,945	-	(8)	1,937	(10)	1,927
Free cash flow (FCF)	(5,809)	(1,409)	2,380	(4,838)	(104)	(4,942)



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

¹ Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 1,968 million, which primarily relates to our Shared Functions services as well as our B2B business activities.

2. Segment information (continued)







						
2021	Offshore	Onshore	Bioenergy & Other	Reportable segments	Other activities/eliminations	Total
Income statement, DKKm						
External revenue	11,719	134	7,283	19,136	(192)	18,944
Intra-group revenue	1,566	(14)	(263)	1,289	(1,289) ¹	-
Revenue	13,285	120	7,020	20,425	(1,481)	18,944
Cost of sales	(8,495)	(5)	(5,882)	(14,382)	1,471	(12,911)
Employee costs and other external expenses	(1,360)	(173)	(514)	(2,047)	77	(1,970)
Gain (loss) on disposal of non-current assets	220	-	-	220	-	220
Additional other operating income and expenses	258	286	(2)	542	-	542
Share of profit (loss) in associates and joint ventures	38	-	-	38	-	38
EBITDA	3,946	228	622	4,796	67	4,863
Depreciation and amortisation	(1,547)	(128)	(200)	(1,875)	(55)	(1,930)
Impairment losses	-	-	-	-	-	-
Operating profit (loss) (EBIT)	2,399	100	422	2,921	12	2,933
Key ratios						
Intangible assets, and property, plant, and equipment	94,613	26,710	8,239	129,562	1,446	131,008
Assets classified as held for sale, net	-	-	657	657	-	657
Equity investments and non-current receivables	507	1	176	684	154	838
Net working capital, capital expenditures	(3,010)	(672)	(9)	(3,691)	-	(3,691)
Net working capital, work in progress	5,648	-	-	5,648	-	5,648
Net working capital, tax equity	-	(7,403)	-	(7,403)	-	(7,403)
Net working capital, other items	4,801	204	(2,956)	2,049	(127)	1,922
Derivatives, net	(3,712)	(1,539)	(710)	(5,961)	1,693	(4,268)
Decommissioning obligations	(5,301)	(818)	(1,273)	(7,392)	-	(7,392)
Other provisions	(4,622)	(119)	(2,052)	(6,793)	(768)	(7,561)
Tax, net	1,999	(2,154)	702	547	(722)	(175)
Other receivables and other payables, net	960	-	5	965	(817)	148
Capital employed at 31 March	91,883	14,210	2,779	108,872	859	109,731
Return on capital employed (ROCE), %	-	-	-	-	-	7.5
Cash flow from operating activities	5,206	(446)	3,018	7,778	309	8,087
Gross investments	(4,567)	(2,005)	(59)	(6,631)	(34)	(6,665)
Divestments	(33)	1	(29)	(61)	30	(31)
Free cash flow (FCF)	606	(2,450)	2,930	1,086	305	1,391



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

¹ Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 1,932 million, which primarily relates to our Shared Functions services as well as our B2B business activities.

3. Revenue

				Other activities/ eliminations	2022 total				Other activities/ eliminations	2021 total
Revenue, DKKm	Offshore	Onshore	Bioenergy & Other			Offshore	Onshore	Bioenergy & Other		
Sale of gas	-	-	7,333	31	7,364	-	-	2,968	(93)	2,875
Generation of power	2,050	553	2,956	-	5,559	2,169	245	1,134	-	3,548
Sale of power	12,950	-	1,747	(1,235)	13,462	2,354	-	1,417	(1,349)	2,422
Revenue from construction of offshore wind farms and transmission assets	1,739	-	-	-	1,739	5,101	-	-	-	5,101
Generation and sale of heat and steam	-	-	1,206	-	1,206	-	-	1,193	-	1,193
Distribution and transmission	-	-	67	(2)	65	-	-	81	(1)	80
Other revenue	721	12	75	(2)	806	570	-	37	(7)	600
Total revenue from customers	17,460	565	13,384	(1,208)	30,201	10,194	245	6,830	(1,450)	15,819
Government grants	1,319	161	203	-	1,683	2,998	2	227	-	3,227
Miscellaneous revenue	1,027	(36)	887	-	1,878	93	(127)	(37)	(31)	(102)
Total revenue, IFRS	19,806	690	14,474	(1,208)	33,762	13,285	120	7,020	(1,481)	18,944
Timing of revenue recognition from customers										
At a point in time	14,817	565	7,684	(1,208)	21,858	9,789	245	2,067	(1,450)	10,651
Over time	2,643	-	5,700	-	8,343	405	-	4,763	-	5,168
Total revenue from customers	17,460	565	13,384	(1,208)	30,201	10,194	245	6,830	(1,450)	15,819

Revenue amounted to DKK 33,762 million. The increase of 78 % relative to the first three months of 2021 was primarily due to the significantly higher gas and power prices across all markets and more assets in operation.

Revenue from construction agreements decreased by 66 %, mainly due to the divestment of the offshore transmission asset at Hornsea 1 in March 2021. In Q1 2022, revenue mainly related to the construction of Greater Changhua 1 for partners.

4. Other operating income and expenses

Other operating income, DKKm	Q1 2022	Q1 2021
Gain on divestment of assets	1,892	255
Other compensation	50	163
US tax credits and tax attributes	568	283
Miscellaneous operating income	66	122
Total other operating income	2,576	823

Other operating expenses, DKKm	Q1 2022	Q1 2021
Loss on divestment of assets	29	35
Miscellaneous operating expenses	47	26
Total other operating expenses	76	61

Gain on divestment of assets primarily relates to the 50 % farm-down of Borkum Riffgrund 3 in February, resulting in a gain from new partnerships of DKK 1.6 billion.

In Q1 2021, gain on divestment of assets primarily concerned adjustments to finalised offshore projects.

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

The increase in 'US tax credits and tax equity income' was mainly due to commissioning of new onshore wind farms in 2021 which have had full impact in 2022 as well as commissioning of new onshore wind and solar farms in 2022.

5. Financial income and expenses

Net financial income and expenses, DKKm	Q1 2022	Q1 2021
Interest expenses, net	(204)	(270)
Interest expenses, leasing	(45)	(50)
Interest element of provisions, etc.	(103)	(100)
Tax equity partner's contractual return	(237)	(148)
Value adjustments of derivatives, net	396	91
Exchange rate adjustments, net	(22)	231
Value adjustments of securities, net	(628)	(263)
Other financial income and expenses	(5)	90
Net financial income and expenses	(848)	(419)



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

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

'Value adjustments of derivatives, net' and 'Value adjustments of securities, net' are both impacted by the increase in interest rates in the first three months of 2022.

6. Gross and net investments

Gross and net investments, DKKm	Q1 2022	Q1 2021
Cash flows from investing activities	(4,810)	(11,753)
Purchase and sale of securities, reversed	(179)	5,057
Sale of non-current assets, reversed	(1,843)	31
Gross investments	(6,832)	(6,665)
Transactions with non-controlling interests in connection with divestments	84	-
Sale of non-current assets	1,843	(31)
Divestments	1,927	(31)
Net investments	(4,905)	(6,696)



Technicians at our West coast hub, Barrow-in-Furness, the UK.

7. Reserves

Reserves 2022, DKKm	Foreign currency translation reserve	Hedging reserve	Total reserves
Reserves at 1 January	1,475	(26,253)	(24,778)
Exchange rate adjustments	(50)	-	(50)
Value adjustments of hedging reserve	-	(23,002)	(23,002)
Value adjustments transferred to:			
Revenue	-	5,736	5,736
Financial income and expenses	-	(44)	(44)
Property, plant, and equipment	-	(32)	(32)
Tax:			
Tax on hedging and currency adjustments	103	3,351	3,454
Movement in comprehensive income for the period	53	(13,991)	(13,938)
Total reserves at 31 March	1,528	(40,244)	(38,716)



'Value adjustments of hedging reserve' in the first three months of 2022 are mainly a result of losses on power hedges due to the increase in power prices and, to a lesser extent, losses on currency, gas, and inflation hedges.

Reserves 2021, DKKm	Foreign currency translation reserve	Hedging reserve	Total reserves
Reserves at 1 January	(3,829)	1,873	(1,956)
Exchange rate adjustments	3,639	-	3,639
Value adjustments of hedging reserve	-	(7,992)	(7,992)
Value adjustments transferred to:			
Revenue	-	2,016	2,016
Financial income and expenses	-	2	2
Profit (loss) from discontinued operations	-	(44)	(44)
Tax:			
Tax on hedging and currency adjustments	(615)	1,094	479
Movement in comprehensive income for the period	3,024	(4,924)	(1,900)
Total reserves at 31 March	(805)	(3,051)	(3,856)

8. Tax on profit (loss) for the period

	Q1 2022			Q1 2021		
	Profit (loss) before tax	Tax	Tax in %	Profit (loss) before tax	Tax	Tax in %
Tax for the period, DKK						
New tax equity, deferred tax liability		(163)	n.a.		(410)	n.a.
Gain (loss) on divestment of enterprises	1,463	-	n.a.	-	-	n.a.
Other adjustments		357	n.a.		(16)	n.a.
Remaining Ørsted business	5,098	(1,054)	21%	2,547	(523)	21%
Effective tax for the period	6,561	(860)	13%	2,547	(949)	37%



Effective tax rate

The effective tax rate for the first three months of 2022 was calculated on the basis of the profit (loss) before tax.

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

Tax on profit (loss) for the period

Tax on profit (loss) was DKK 860 million in the first three months of 2022 compared to DKK 949 million in the first three months of 2021. The effective tax rate for the first three months of 2022 was 13 %.

The effective tax rate was affected by the farm-down of Borkum Riffgrund 3 and the continued recognition of deferred tax liabilities in the US related to tax equity partnerships for offshore wind farms in our north-east cluster and for Ocean Wind 1. The deferred tax liabilities for the offshore wind farms will increase until COD.

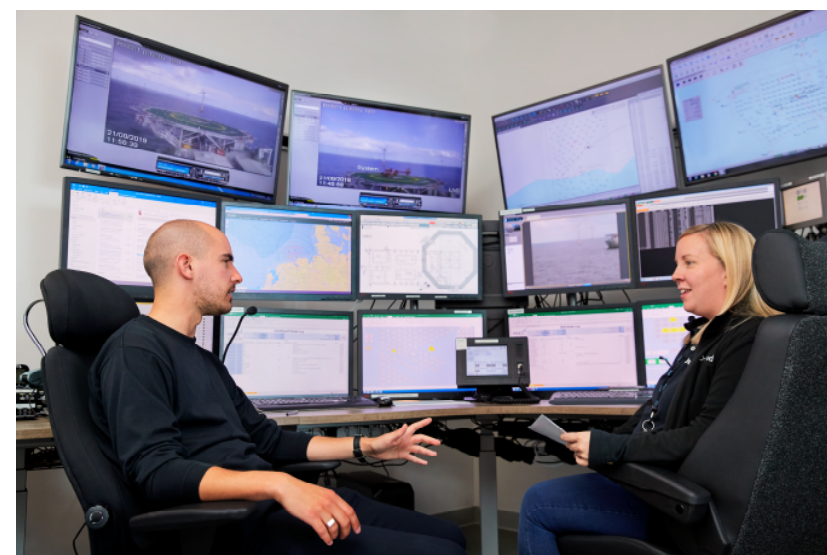
Accounting policies

Effective tax rate

The estimated average annual tax rate is separated into four categories: 1) ordinary business activities, 2) gain (loss) on divestments, 3) impacts from tax equity partnerships in the US, and 4) other adjustments which are not related to current years profit (loss).

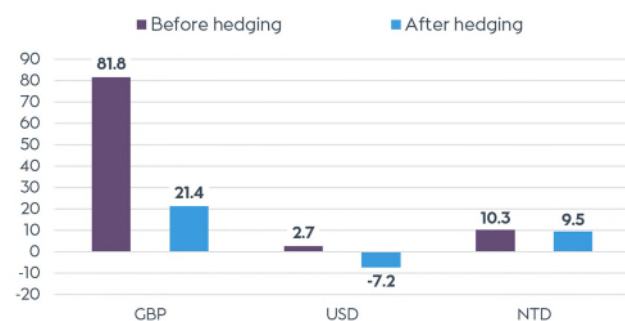


Willow Creek,
Butte County,
South Dakota,
the US.



9. Market risks

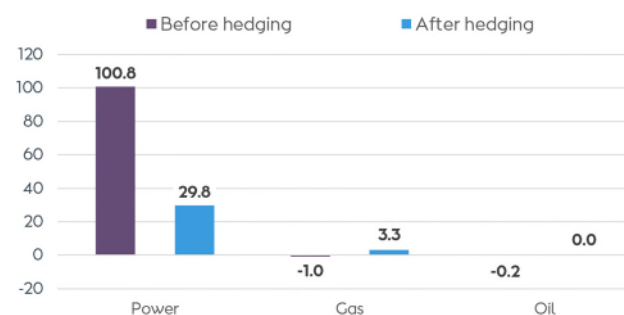
Currency exposure 1 April 2022 - 31 March 2027, DKKbn



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

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

Energy exposure 1 April 2022 - 31 March 2027, DKKbn



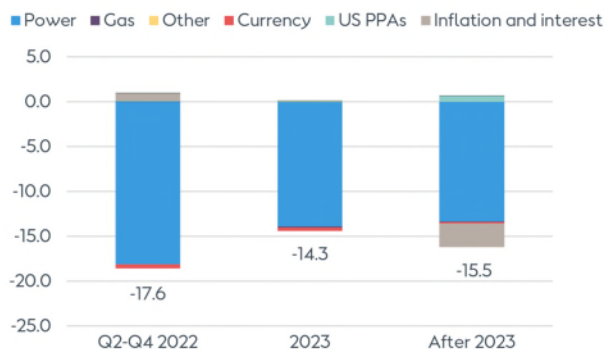
Our power exposure before and after hedging have increased significantly in Q1 2022 due to the increase in power prices.

Our energy exposures have been reduced significantly due to hedging.

Gas purchase contract with Gazprom Export

We have a long-term take-or-pay gas purchase contract with Gazprom Export, where the price is fixed a few months in advance of the delivery of gas. This price exposure is normally hedged by locking in the sales price of gas when the purchase price is known. In Q1 2022, we have adjusted our hedging strategy on an ongoing basis to mitigate the financial risks in a scenario where we would not receive the expected gas volumes. Consequently, our gas exposure after hedging has increased.

Expected value for recognition in EBITDA, DKKbn



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

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

Market risk management

Our most significant market risks relate to:

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

We manage market risks to protect Ørsted against market price volatility and to ensure stable and robust financial ratios that support

our growth strategy and protect the value of our assets.

Minimum hedging levels are determined by the Board of Directors. In the first two years, we are almost fully hedged. The degree of hedging declines in subsequent years. For more details on our market risks, please see notes 6.1-6.4 in the annual report for 2021.

10. Fair value measurement

Fair value hierarchy DKKm	Assets			Liabilities
	Inventories	Securities	Derivatives	Derivatives
2022				
Quoted prices	1,000	-	11,169	15,010
Observable input	-	20,416	16,957	46,913
Non-observable input	-	-	1,592	13,997
Total 31 March 2022	1,000	20,416	29,718	75,920
2021				
Quoted prices	315	-	1,120	1,733
Observable input	-	30,154	5,102	8,365
Non-observable input	-	-	116	508
Total 31 March 2021	315	30,154	6,338	10,606

Overview of significant non-observable inputs and sensitivities	Power price per MWh (DKK)			Sensitivity (DKKm)	
	Weight average	Monthly minimum	Monthly maximum	+25 %	-25 %
Intermittency adjusted power price					
Germany (2025-2034)	633	527	782	(1,999)	1,999
Ireland (2023-2042)	735	563	1,937	(199)	199
US ERCOT (2022-2030)	173	119	905	(3,300)	3,343
US SPP (2022-2030)	175	144	532	(496)	515
US MISO (2022-2027)	311	240	520	(438)	463

Valuation principles and key assumptions

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

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

Significant non-observable inputs

Market values based on non-observable input comprise primarily long-term contracts on the



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.

Derivatives valued on the basis of non-observable inputs, DKKm

	2022	2021
Market value at 1 January	(7,448)	(82)
Value adjustments through profit or loss	(188)	(165)
Value adjustments through other comprehensive income	(4,915)	(119)
Sales/redemptions	283	2
Purchases/issues	(181)	(15)
Transferred from quoted prices and observable input	44	-
Transferred to observable input	-	(13)
Market value at 31 March before deferred gain (loss)	(12,405)	(392)



The table shows the significant unobservable inputs used in the fair value measurements categorised as level 3, together with a sensitivity analysis as at 31 March 2022. If intermittency-adjusted power prices in Germany as of 31 March 2022 increased by 25 %, the market value would decrease by DKK 1,999 million.

Non-observable input per commodity price input, DKKm

	2022	2021
US power prices	(7,360)	-
German power prices	(3,898)	(348)
Other power prices	(810)	(49)
Gas prices	(337)	5
Total	(12,405)	(392)

purchase or sale of power and gas. Since there are no active markets for the long-term power and gas prices, the market values have been determined through an estimate of the future prices.

Estimating non-observable power prices

Since our CPPAs are normally settled on the actual production, and the power prices avail-

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

11. Interest-bearing debt and FFO

Interest-bearing debt and interest-bearing assets DKKm	31 March 2022	31 December 2021	31 March 2021
Interest-bearing debt:			
Bank debt	15,870	16,318	9,558
Bond debt	34,512	34,677	35,927
Total bond and bank debt	50,382	50,995	45,485
Tax equity liability	1,311	1,296	907
Lease liability	7,446	7,532	5,431
Other interest-bearing debt	1,411	535	804
Total interest-bearing debt	60,550	60,358	52,627
Interest-bearing assets:			
Securities	20,416	21,228	30,154
Cash	4,865	9,943	7,830
Other receivables	4,496	4,150	711
Receivables in connection with divestments	747	757	742
Total interest-bearing assets	30,524	36,078	39,437
Total net interest-bearing debt	30,026	24,280	13,190



Interest-bearing net debt totalled DKK 30,026 million at 31 March 2022, which was an increase of DKK 5,746 million relative to 31 December 2021. The main changes in the composition of our net debt compared to 31 December 2021 was a decrease in cash of DKK 5,078 million.

Market value of bond and bank debt

At 31 March, the market values of bond and bank debts were DKK 37.5 billion and DKK 16.0 billion, respectively.

Funds from operations (FFO) LTM ¹ DKKm	31 March 2022	31 December 2021	31 March 2021
EBITDA	28,862	24,296	16,182
Change in provisions and other adjustments	(1,820)	(422)	(265)
Change in derivatives	(5,203)	(2,050)	795
Reversal of gain (loss) on divestment of assets	(9,563)	(7,920)	192
Income tax paid	(737)	(1,380)	(724)
Interest and similar items, received/paid	(430)	(467)	(1,554)
Reversal of interest expenses transferred to assets	(851)	(782)	(481)
50 % of coupon payments on hybrid capital	(237)	(215)	(297)
Dividends received and capital reductions	29	29	18
Funds from operations (FFO)	10,050	11,089	13,866

¹ Last 12 months.

Adjusted interest-bearing net debt DKKm	31 March 2022	31 December 2021	31 March 2021
Total interest-bearing net debt	30,026	24,280	13,190
50 % of hybrid capital	8,992	8,992	8,992
Cash and securities not available for distribution, excluding repo loans	1,114	2,130	1,159
Total adjusted interest-bearing net debt	40,132	35,402	23,341



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

Funds from operations (FFO)/ adjusted interest-bearing net debt	31 March 2022	31 December 2021	31 March 2021
Funds from operations (FFO)/ adjusted interest-bearing net debt	25.0 %	31.3 %	59.4 %



We aim to have a long-term FFO/adjusted NIBD at above 25 % in line with the rating agencies.

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and approved the interim financial report of Ørsted A/S for the period 1 January - 31 March 2022.

The interim financial report which has not been audited or reviewed by the company's independent auditors has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional requirements in the Danish Financial Statements Act. The accounting policies remain unchanged from the annual report for 2021.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities, and financial position at 31 March 2022 and of the results of the Group's operations and cash flows for the period 1 January - 31 March 2022.

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 2021.

Skærbæk, 29 April 2022

Executive Board:

Mads Nipper

Group President and CEO

Daniel Lerup

CFO

Martin Neubert

CCO and Deputy Group CEO

Board of Directors:

Thomas Thune Andersen

Chairman

Lene Skole

Deputy Chairman

Lynda Armstrong

Jørgen Kildahl

Julia Elizabeth King

Peter Korsholm

Henrik Poulsen

Dieter Wemmer

Benny Gøbel*

**Leticia Francisca Torres
Mandiola***

**Alice Florence Marion
Vallienne***

Anne Cathrine Collet Yde*

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Front page image

Service operation vessel (SOV), Winds of hope,
Hornsea 2, March 2022

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