

Ørsted

Interim financial report

First nine months 2022



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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 Thursday, 3 November 2022 at 14:00 CEST:

Denmark: +45 82 33 31 94

International: +44 333 300 9266

USA: +1 646 722 4902

The earnings call can be followed live here:

<https://edge.media-server.com/mmc/p/a6p6zq4d>

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, 9M 2022

CEO's review

Full-year EBITDA guidance increased and strategic milestones achieved with new partnerships and acquisitions

Highlights

Financials

Our operating profit (EBITDA) for the first nine months of the year increased by 58 % and amounted to DKK 25.4 billion, of which DKK 10.9 billion related to the 50 % farm-downs of Hornsea 2 and Borkum Riffgrund 3.

EBITDA excluding new partnerships increased by 3.8 billion and amounted to DKK 14.4 billion. Temporary IFRS 9 effects negatively impacted EBITDA with DKK 1.5 billion.

We have increased our full-year EBITDA guidance excluding new partnerships by DKK 1 billion to DKK 21-23 billion.

Construction and operational progress

Hornsea 2, the world's largest wind farm, was fully commissioned in late August.

At Greater Changhua 1 & 2a, we continue to make good progress on construction.

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

Business development

We completed the 50 % farm-down of Hornsea 2 in September. The farm-down is one of the largest renewable energy M&A transactions ever with a valuation that underpins the attractiveness of our offshore wind assets.

We have entered into a partnership with Copenhagen Infrastructure Partners (CIP) to develop approx. 5.2 GW of offshore wind in Denmark.

We completed the acquisition of the German and French onshore wind platform Ostwind.

We closed our first-ever agreement to farm-down 50 % of a portfolio of four onshore projects to the US investor Energy Capital Partners.

We entered into a five year global partnership with WWF to unite action on climate and ocean biodiversity.

Reflections from the CEO

The world and not least Europe is in a highly unusual and volatile period with war, sanctions, political instability, extremely high inflation, threatening recession, and steeply increasing interest rates. In Europe, the energy crisis continues to significantly impact households, companies, and countries. And although gas and power prices have fallen from the peak in late August, prices remain high and volatile compared to any period before 2022. These dramatic developments have had both positive and negative impacts on our business.

In both the EU and the UK, governments are working on implementing energy price caps or similar mechanisms to protect citizens and businesses against soaring energy bills. We continue to support such initiatives, which are needed to mitigate the societal effects. At the same time, these initiatives impose a regulatory risk if they are implemented without taking the individual power generator's long-term contracts and hedges into account. We continue to be in a constructive dialogue with the relevant governments about these important initiatives, and remain confident that responsible solutions will be found.

While many dynamics in our industry are currently challenging, the fundamental outlook remains positive with strong short and long term growth. Our pipeline of exciting opportunities continues to expand, and we remain very focused on ensuring profitable growth through being highly selective in where

we invest, influencing industry frame conditions, and leveraging our scale and capabilities.

Financials

Operating profit (EBITDA) for the first nine months of the year increased by 58 % and amounted to DKK 25.4 billion, of which DKK 10.9 billion related to the 50 % farm-downs of Hornsea 2 and Borkum Riffgrund 3.

EBITDA excluding new partnerships increased by 3.7 billion and amounted to DKK 14.4 billion. During the first nine months of the year, we have had to recognise a DKK 1.5 billion negative impact on hedges related to our trading activities which are not effective from a hedge accounting point of view. This impact is temporary and will improve EBITDA in later periods.

Earnings from our wind and solar assets in operation amounted to DKK 9.7 billion, which was a decrease of DKK 0.6 billion compared to the same period last year, mainly due to negative effects from volume-ineffective hedges as a result of lower than expected wind speeds and later than expected commissioning of Hornsea 2 (approx. DKK 2.8 billion), and part of the ineffective hedges related to our trading activities (approx. DKK 1.2 billion). This was partly offset by ramp-up of generation from new assets and higher wind speeds compared to last year.

We continued to see strong results from our CHP plants in the first nine months, as the high power prices continued. Earnings from our gas business were on the same level as in the same period last year.

During the quarter, we saw an increase in the collateral related to hedges we are required to post on exchanges due to the increasing power and gas prices. By the end of September, we had posted a total of DKK 30.6 billion in collateral. To ensure sufficient liquidity to cope with potentially further collateral payments and continue our investment in the green transformation, we have taken several initiatives to improve our financial resources. In September, we issued green bonds denominated in GBP and EUR with proceeds equivalent to DKK 14.8 billion, established a new DKK 15 billion two-year syndicated RCF, and increased an existing two-year committed bilateral credit facility with an aggregate amount of DKK 9 billion. As of 30 September 2022, our liquidity reserve stood strong at DKK 88 billion.

We have increased our full-year EBITDA guidance with DKK 1 billion to DKK 21-23 billion excluding earnings from new partnerships during the year, i.e. excluding the gain from the 50 % farm-downs of Borkum Riffgrund 3 and Hornsea 2. The increase is primarily due to higher earnings in Bioenergy & Other as described in the outlook section.

We have lowered our gross investments guidance by DKK 5.0 billion to DKK 38-42 billion, mainly due to timing effects on projects, with lower spend in 2022 than originally planned.

Construction and operational progress

We fully commissioned Hornsea 2, the world's largest installed wind farm, in August. The 1.3 GW offshore wind farm comprises 165 wind turbines, located 89 km off the Yorkshire Coast, which will help power over 1.4 million UK homes with low-cost, clean and secure renewable energy.

At Greater Changhua 1 & 2a, we have successfully installed all 111 jacket foundations and 71 wind turbines. We continue to make good progress in all areas of the construction and still expect to fully commission the wind farm in 2023.

Construction of the solar PV farm Old 300 and the solar part of Helena Energy Center is progressing according to the updated plan, and we still expect to commission both in 2023.

Green share of heat and power generation amounted to 92 %, an increase of 3 percentage points compared to the same period last year. The development was primarily due to more wind and solar farms in operation, and higher wind speeds, partly offset by higher CHP generation on coal due to higher demand and scarcity of sustainable biomass.

We have entered into a short-term agreement with Equinor to offtake up to 8 TWh of gas to meet the demand from our Danish and Swedish B2B customers. The volumes will substitute the gas we currently source at European markets in the period when the Tyra field is not supplying gas to Denmark. The agreement covers the period from 1 January 2023 to 1 April 2024.



We have increased our full-year EBITDA guidance with DKK 1 billion to DKK 21-23 billion excluding earnings from new partnerships during the year. The increase is primarily due to higher earnings in Bioenergy & Other.

Business development

Since the publication of our last quarterly report, we have reached significant milestones in our ambitious green strategy.

Offshore

We completed the 50 % farm-down of Hornsea 2 to a consortium comprising AXA IM Alts, acting on behalf of clients, and Crédit Agricole Assurances. As part of the agreement, we will provide O&M and energy balancing services. The farm-down is one of the largest renewable energy M&A transactions ever and included the largest single-project renewable energy financing scheme to date, with a valuation that underpins the attractiveness of our offshore wind assets.

We entered into a partnership with Copenhagen Infrastructure Partners (CIP) to develop approx. 5.2 GW of offshore wind in Denmark across four projects. The partnership aims to

accelerate the green transformation, create value in the offshore wind industry, and create a Danish business and export stronghold within P2X.

Onshore

We completed the acquisition of the onshore renewable energy company Ostwind. The acquisition expands our European onshore portfolio into Germany and France with more than 1.5 GW of development pipeline projects.

In October, we closed our first-ever agreement to farm down a portfolio of four onshore projects to the US investor Energy Capital Partners (ECP). Under the agreement, ECP will acquire a 50 % ownership stake in the onshore wind farms Lincoln Land Wind, Plum Creek Wind, and Willow Creek Wind as well as the solar farm Muscle Shoals with a total capacity of 862 MW geographically spread over four US states. The transaction successfully recy-

cles a material amount of capital, which will support our ambition of approx. 50 GW of renewable capacity by 2030.

New organisational structure and changes to executive management

To continue to drive growth under increasingly different local market requirements, while leveraging the synergies of a global organisation, we have decided to implement a new organisational structure and changes to executive management as of 1 November 2022.

In connection with the reorganisation, Martin Neubert has decided to step down as Chief Commercial Officer and Deputy Group CEO and leave Ørsted after almost 15 years with the company. On behalf of all our colleagues and the Board of Directors, I would like to express our sincere gratitude for Martin's years of strong contributions to the company and wish him all the best in the future.

Henriette Fenger Ellekrog, our CHRO and EVP, joined the Executive Board as of 1 November 2022.

Sustainability

We entered into a five year global partnership with WWF to unite action on climate and ocean biodiversity. Ørsted and WWF will jointly identify, develop, and advocate for offshore wind deployment initiatives and approaches that not only are in balance with nature but also enhance biodiversity.

Committed to leading the way

The European energy crisis, the global climate crisis and an accelerating biodiversity crisis call for the highest level of urgency in rolling out renewable energy. And doing so in the right way - in harmony with nature and society.

We remain strongly committed to demonstrate the necessary leadership in order to shape a healthy long-term financial, environmental, and social development of our industry. This includes pushing regulatory and political barriers to accelerate and ensure a financially viable development of the renewables industry. To take tangible action to address biodiversity challenges. To come up with needed energy system innovation. To support a just transition through opportunities for young people, stable jobs and support to the communities in which we operate. And to occasionally even say no to opportunities because they do not enable a sustainable development of our business and industry.

The opportunities are endless but they come with an obligation to do things the right way.



We entered into a partnership with Copenhagen Infrastructure Partners (CIP) to develop approx. 5.2 GW of offshore wind in Denmark across four projects. The partnership aims to accelerate the green transformation, create value in the offshore wind industry, and create a Danish business and export stronghold within P2X.



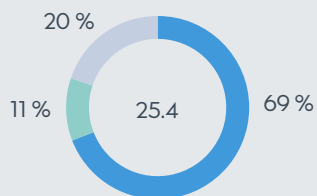
Mads Nipper
Group President & CEO

At a glance

Ørsted

Number of employees: 7,681

EBITDA, DKKbn

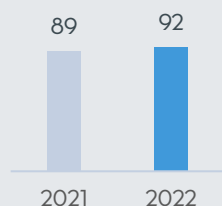


● Offshore ● Onshore ● Bioenergy & Other

Key figures 9M 2022

Revenue	DKK 96.6 bn
Gross investments	DKK 27.6 bn
Capital employed	DKK 99.5 bn
TRIR	3.3
ROCE, last 12 months	24.4 %

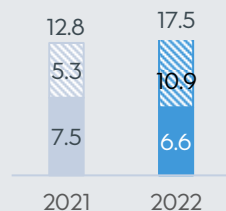
Green share of energy generation, %



Offshore

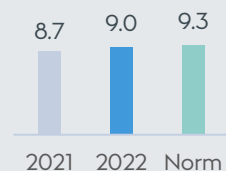
Number of employees: 3,876

EBITDA, DKKbn

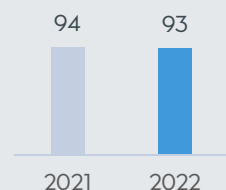


▨ New partnerships

Wind speed, m/s



Availability, %



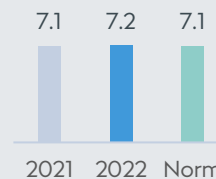
Onshore

Number of employees: 309

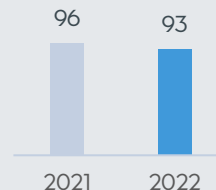
EBITDA, DKKbn



Wind speed, the US, m/s



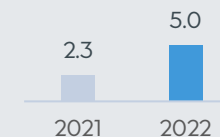
Availability, wind, the US, %



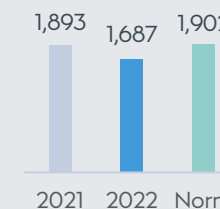
Bioenergy & Other

Number of employees: 985

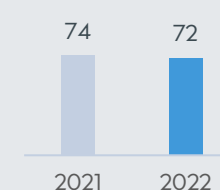
EBITDA, DKKbn



Degree days, number



Green share of energy generation, %



Outlook 2022

EBITDA

We have increased our full-year EBITDA guidance with DKK 1 billion to DKK 21-23 billion excluding earnings from new partnerships during the year, i.e. excluding the gain from the 50 % farm-downs of Borkum Riffgrund 3 and Hornsea 2. The increase is primarily due to higher earnings in Bioenergy & Other from our CHP plants due to the higher power prices in Denmark. As we only hedge the power we co-generate with heat, we expect to continue to benefit from the high power prices.

This guidance is based on an assumption of normal wind speeds in the remainder of the year. We have not included impacts from potential price caps or other impacts from political intervention such as wind fall taxes etc. in our guidance. As always, the guidance is subject to a number of uncertainties (see box).

Gross investments

We have lowered our gross investments guidance by DKK 5.0 billion to DKK 38-42 billion, mainly due to timing effects on projects, with lower spend in 2022 than originally planned.

	2021 realised	Guidance 2 Feb 2022	Guidance 29 Apr 2022	Guidance 11 Aug 2022	Guidance 3 Nov 2022
Outlook 2022, DKK billion					
EBITDA, without new partnerships	15.8	19-21	19-21	20-22	21-23
Offshore, without new partnerships	9.5	Significantly higher	Significantly higher	Significantly higher	Significantly higher
Onshore	1.3	Significantly higher	Significantly higher	Significantly higher	Significantly higher
Bioenergy & Other	4.7	Significantly lower	Lower	Significantly higher	Significantly higher
Gross investments	39.3	38-42	38-42	43-47	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, the ability to uphold hedge accounting, 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.

Results 9M

Financial results

Revenue

Power generation from offshore and onshore assets increased by 40 % and totalled 20.8 TWh in 9M 2022. The increase was due to ramp-up of generation from Hornsea 2, Western Trail, Haystack, Lincoln Land, Old 300, the wind part of Helena Energy Center, the acquisition of Ford Ridge, the full-year effects from onshore assets commissioned in 2021, and higher wind speeds, partly offset by the 50 % farm-down of Borssele 1 & 2 in May 2021.

Heat generation amounted to 4.3 TWh, 21 % lower than in the same period last year, mainly due to warmer weather. Thermal power generation decreased by 4 % and amounted to 4.6 TWh. Lower CHP generation (warmer weather) was partly offset by higher condensing power generation.

Our renewable share of generation was 92 % in 9M 2022, 3 percentage points higher than the same period last year driven by higher share of generation from offshore and onshore renewables.

Revenue amounted to DKK 96.6 billion. The increase of 105 % relative to 9M 2021 was primarily due to the significantly higher power and gas prices across all markets.

EBITDA

Operating profit (EBITDA) totalled DKK 25.4 billion, of which the gain from the 50 % farm-downs of Hornsea 2 and Borkum Riffgrund 3 amounted to DKK 9.3 billion and DKK 1.6 billion, respectively. Thus, EBITDA excluding new partnerships amounted to DKK 14.4 billion, an increase of DKK 3.7 billion compared to the same period last year.

Earnings from wind and solar assets in operation amounted to DKK 9.7 billion, a decrease of DKK 0.6 billion compared to the same period last year. The decrease was due to both volume-related overhedging (approx. DKK 2.8 billion) and other IFRS 9-related ineffective hedges in Offshore (approx. DKK 1.2 billion), partly offset by higher wind speeds than last year (approx. DKK 1.4 billion).

The negative effect from volume-related overhedging was mainly a consequence of lower-than-expected wind speeds (9.0 m/s vs 9.3 m/s in a normal wind year) and later than expected commissioning of wind turbines at Hornsea 2 resulting in Ørsted having hedged too large volumes.

The negative effect from other hedges, which are not effective from a hedge accounting perspective under IFRS 9, cannot be kept at

our equity hedge reserve, but have to be recognised in EBITDA. The early recognition of these hedges are only a matter of timing and will improve EBITDA in later periods, when the corresponding effective hedges with positive values expire (or if prices decline again).

In 'Sites, other', we had negative impact from high prices and volatility (balancing costs and outages), from expanding our portfolio (higher OPEX, BSUoS, and TNUoS tariffs), and from the farm-down of 50 % of Borssele. This was partly offset by ramp-up of generation at Hornsea 2, higher achieved prices from one-sided German CFD sites, and from value creating market trading activities.

EBITDA from partnerships amounted to DKK 13.0 billion and was mainly related to the DKK 9.3 billion and DKK 1.6 billion gains on the 50 % farm-downs of Hornsea 2 and

Financial results, DKKm	9M 2022	9M 2021	%
Revenue	96,598	47,007	105 %
EBITDA	25,361	16,043	58 %
- New partnerships	10,916	5,296	106 %
- EBITDA excl. new partnerships	14,445	10,747	34 %
Depreciation and amortisation	(6,962)	(5,828)	19 %
Operating profit (loss) (EBIT)	18,399	10,215	80 %
Gain (loss) on divestment of enterprises	299	(58)	n.a.
Financial items, net	(1,551)	(1,236)	25 %
Profit before tax	17,149	8,916	92 %
Tax on profit (loss) for the period	(1,824)	(1,287)	42 %
Tax rate	11 %	14 %	(4 %p)
Profit (loss) for the period	15,325	7,629	101 %

EBITDA excluding new partnerships, DKKbn



Borkum Riffgrund 3 (new partnerships), respectively. Earnings from existing partnerships amounted to DKK 2.1 billion. In 9M 2022, we had positive earnings from finalised projects and construction work for partners at Greater Changhua 1. In addition, we reversed DKK 0.5 billion of the DKK 0.8 billion warranty provision towards our partners we recognised in 9M 2021 related to cable protection system issues at some of our offshore wind farms. We now expect lower costs to reinstate the integrity of the cables. As mentioned in our Q1 2022 report, the 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 Onshore sites was positively impacted by ramp-up of generation and higher achieved prices across the portfolio.

EBITDA from our CHP plants amounted to DKK 4.1 billion, an increase of DKK 2.6 billion compared to the same period last year. The increase was mainly due to higher realised power prices combined with 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. This was partly offset by the recognition of ineffective hedges from power hedging related to future periods (approx. DKK 0.3 billion).

EBITDA from our gas business contributed with earnings of DKK 1.0 billion in 9M 2022, in line with the same period last year, however with offsetting effects. We saw a positive effect from optimising our north-western European gas activities, where we were able to lock in gains from the offtake flexibility in some of our

sourcing contracts and at gas storages. In contrast, our decision during the spring to unwind gas hedges related to the Gazprom Export contract to balance our risk if gas supplies from Russia were ceased led to a net loss on the Gazprom Export sourcing contract in the first half of the year. Furthermore, 9M 2021 was positively impacted by renegotiation of gas purchase contracts.

EBIT

EBIT increased by DKK 8.2 billion to DKK 18.4 billion in 9M 2022, primarily as a result of the higher EBITDA.

Financial income and expenses

Net financial income and expenses amounted to DKK -1.6 billion compared to DKK -1.2 billion in 9M 2021. The higher net expenses were mainly due to capital losses on the bond portfolio (net of related interest rate swaps) due to increasing interest rates and higher agreed returns on tax equity contributions due to more onshore assets in operation, only partly offset by positive exchange rate adjustments.

Tax and tax rate

Tax on profit for the period amounted to DKK 1.8 billion, DKK 0.5 higher than in the same period last year. The effective tax rate was 11 % and was impacted by the tax-exempt gains of DKK 10.9 billion from the 50 % farm-downs of Hornsea 2 and Borkum Riffgrund 3, the recognition of deferred taxes related to an initial tax equity contribution for the wind part of Helena Energy Center in the US, and prior year adjustments.

Profit for the period

Profit for the period totalled DKK 15.3 billion, DKK 7.7 billion higher than in 9M 2021. The increase was mainly due to the higher EBITDA, as explained above.



Wind technicians at CTV Anholt Wind, Kattegatt, Denmark



Cash flows and net debt

Cash flows from operating activities

Cash flows from operating activities totalled DKK -9.0 billion in 9M 2022 compared to DKK 11.5 billion in 9M 2021. The decrease of DKK 20.5 billion was mainly driven by higher collateral payments related to hedges.

During 9M 2022, we tied up additional DKK 24.3 billion, net, in variation margin payments on unrealised hedges (part of 'Change in derivatives') and initial margin payments at clearing houses (part of 'Change in other working capital') due to the increasing and volatile power and gas prices:

- the variation margin payments were a cash outflow of DKK 19.0 billion, of which DKK 13.4 billion related to power hedges in Offshore, and DKK 5.6 billion related to gas hedges in Bioenergy & Other
- the initial margin payments were a cash outflow of DKK 5.3 billion
- during the second quarter, we issued parent company guarantees in total of EUR 1 billion, which reduced our initial margin payments.

The negative impact from variation margin payments included in 'Change in derivatives' was partly offset by the reversal of unrealised market trading results and ineffective hedges.

In 9M 2022, we had a net cash inflow from work in progress of DKK 2.4 billion, mainly from the farm-down of 50 % of the offshore transmission asset at Hornsea 2, partly offset by construction work at Greater Changhua 1. In 9M 2021, we had a net cash inflow of DKK 3.1 billion, mainly from the divestment of the

Hornsea 1 offshore transmission asset, only partly offset by construction work regarding the offshore transmission asset at Hornsea 2.

In 9M 2022, smaller cash inflows from tax equity contributions were more than offset by tax equity reversals, whereas we had a large inflow of tax equity contributions in 9M 2021. Furthermore, higher gas and fuel storages contributed to the lower cash flow.

Investments and divestments

Gross investments amounted to DKK 27.6 billion in line with 9M 2021. The main investments in 9M 2022 were:

- offshore wind farms (DKK 18.8 billion), including Greater Changhua 1 & 2a in Taiwan, Hornsea 2 in the UK, and our portfolio of US and German projects
- onshore wind and solar PV farms (DKK 8.5 billion), including the acquisition of Ostwind and Ford Ridge as well as the construction of Sunflower Wind, Old 300, Helena Energy Center, Haystack, and Kennoxhead 1.

Divestments amounted to DKK 24.7 billion in 9M 2022 and were mainly related to the 50 % farm-downs of Hornsea 2 and Borkum Riffgrund 3 with proceeds (NIBD impact) of DKK 22.0 billion and DKK 1.9 billion, respectively, and payments from our 25 % partner in Ocean Wind 1. In 9M 2021, divestments amounted to DKK 10.6 billion and were mainly related to the 50 % farm-down of Borssele 1 & 2.

Interest-bearing net debt

Interest-bearing net debt (NIBD) totalled DKK

Cash flow and net debt, DKKm	9M 2022	9M 2021	%
Cash flows from operating activities	(8,991)	11,480	n.a.
EBITDA	25,361	16,043	58 %
Reversal of gain (loss) on divestments of assets	(10,942)	(5,626)	94 %
Change in derivatives	(10,802)	11	n.a.
Change in provisions	(1,267)	(270)	369 %
Other items	(180)	(53)	240 %
Interest expense, net	(509)	(597)	(15 %)
Paid tax	(1,235)	(1,354)	(9 %)
Change in work in progress	2,441	3,144	(22 %)
Change in tax equity partner liabilities	(604)	2,660	n.a.
Change in other working capital	(11,254)	(2,478)	354 %
Gross investments	(27,621)	(27,555)	0 %
Divestments	24,653	10,567	133 %
Free cash flow	(11,959)	(5,508)	117 %
Net debt, beginning of period	24,280	12,343	97 %
Free cash flow	11,959	5,508	117 %
Dividends and hybrid coupon paid	5,824	5,369	8 %
Addition of lease obligations, net	1,016	650	56 %
Issuance of hybrid capital, net	-	(4,356)	n.a.
Exchange rate adjustments, etc.	2,622	1,697	55 %
Net debt, end of period	45,701	21,211	115 %

45.7 billion at the end of September 2022 against DKK 24.3 billion at the end of 2021. The increase was mainly due to a negative free cash flow of DKK 12.0 billion and dividend payments of DKK 5.8 billion.

Equity

Equity was DKK 53.8 billion at the end of September 2022 against DKK 85.1 billion at the end of 2021. The reduction during 9M 2022 was driven by unrealised losses on the hedge reserve for power hedges due to the significantly increasing prices, partly offset by profits for the period. At the end of September

2022, the post-tax hedging and currency translation reserve amounted to a loss of DKK 66.3 billion. The reserve will be matched by higher future revenue from the underlying activities when the contracts fall into delivery. Approx. 15 % and 58 % of the reserve will materialise before 31 December 2022 and 2023, respectively, thus gradually increasing equity again.

Capital employed

Capital employed was DKK 99.5 billion at the end of September 2022 against DKK 109.4 billion at the end of 2021, as 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 24.4 % at the end of 9M 2022. The increase of 11.5 percentage points compared to the same period last year was attributable to a higher EBIT over the 12 month period.

Credit metric (FFO/adjusted net debt)

The funds from operations (FFO)/adjusted net debt credit metric was 35.3 % at the end of September against 42.5 % in the same period last year. The decrease was mainly due to a higher NIBD, partly offset by higher FFO over the 12-month period.

During Q3 2022, we have updated the definition of our FFO/adjusted net debt. We have excluded variation margin payments in our FFO definition, to reflect the changes implemented by the rating agencies. Furthermore, we have excluded 'other interest-bearing debt' and 'other interest-bearing receivables' from our adjusted net debt, to align with the common methodology used by the rating agencies. We have restated comparison numbers for 2022 and 2021 accordingly. See note 12 for definitions.

Non-financial results

Green share of energy generation

The green share of heat and power generation amounted to 92 % in 9M 2022 compared to 89 % in 9M 2021. The 3 percentage points increase was driven by more wind and solar assets in operation and higher wind speeds, partially offset by lower biomass-based heat and power generation.

Greenhouse gas emissions

Our greenhouse gas emissions from heat and power generation (scope 1 and 2) increased by 9 % compared to 9M 2021 to 1.7 million tonnes due to increased use of coal in the thermal heat and power generation.

Greenhouse gas intensity from our heat and power generation and other operating activities decreased to 59 g CO₂e/kWh in 9M 2022 against 64 g CO₂e/kWh in 9M 2021. The decrease was mainly driven by the higher generation from our onshore and offshore assets offsetting the increased GHG emissions from thermal heat and power generation.

Greenhouse gas emissions from our supply chain and sales activities (scope 3) decreased by 37 % to 9 million tonnes in 9M 2022. This was primarily due to 42 % lower gas sales and a 34 % reduction in emissions from COD of renewable assets.

Safety

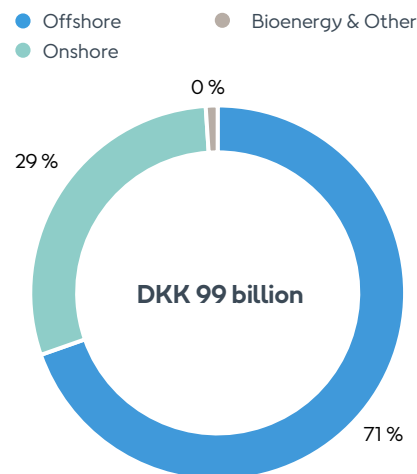
In 9M 2022, we had 64 total recordable injuries (TRIs), of which 44 injuries were related to contractors' employees. This was an increase of 10 injuries compared to the same period last year. The number of hours worked was 19.4 million hours, an increase of 10 % compared to 9M 2021. During 9M 2022, the total recordable injury rate (TRIR) increased from 3.0 in 9M 2021 to 3.3 in 9M 2022.

Key ratios, DKKm, %

	9M 2022	9M 2021	%
ROCE	24.4	12.9	12 %p
Adjusted net debt	58,047	33,248	75 %
FFO/adjusted net debt	35.3	42.5	(7 %p)

FFO/adjusted net debt restated numbers for 9M 2021. See note 12 for adjusted definition.

Capital employed



Taxonomy-eligible KPIs

The taxonomy-eligible share of revenue was 73 %, whereas the eligible share of EBITDA was 92 %, gross investments was 99 %, and OPEX was 80 %, in 9M 2022. The non-eligible part of our revenue primarily concerned our long-term legacy activities related to sourcing and sale of gas (20 % of revenue in 9M 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 9M 2022.

Results Q3

EBITDA

Operating profit (EBITDA) totalled DKK 12.3 billion compared to DKK 3.0 billion in Q3 2021. In September 2022, we divested 50 % of Hornsea 2 resulting in a farm-down gain of DKK 9.3 billion. Thus, EBITDA excluding new partnerships was in line with the same period last year at DKK 3.0 billion.

Earnings from offshore and onshore assets in operation were DKK 0.8 billion lower than the same period last year and amounted to DKK 1.7 billion. The decrease was due to both volume-related overhedging (approx. DKK 0.8 billion) and other IFRS 9-related ineffective hedges (approx. DKK 1.2 billion), partly offset by higher wind speeds than last year (approx. DKK 0.2 billion).

In 'Sites, other', we had a positive impact from ramp-up of generation at Hornsea 2, higher achieved prices from one-sided German CFD sites, and value creating market trading activities. This was partly offset by negative effects from high prices and volatility (balancing costs and outages) and from expanding our portfolio (higher OPEX, BSUoS, and TNUoS tariffs).

EBITDA from our Onshore sites was positively impacted by ramp-up of generation and higher achieved prices across the portfolio.

EBITDA from our CHP plants more than doubled relative to the same period last year and

amounted to DKK 1.7 billion. The increase was mainly due to higher achieved power prices. 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, which was higher than in the same period last year.

Earnings from our gas business were DKK 0.3 billion, a DKK 0.6 billion decrease compared to the same period last year, mainly due to the renegotiation of gas purchase contracts, which led to a positive effect in Q3 2021. However, underlying earnings increased driven by a positive effect from our gas storage activities.

Financial income and expenses

Net financial income and expenses amounted to DKK -0.2 billion in Q3 2022, slightly lower than last year.

Tax and tax rate

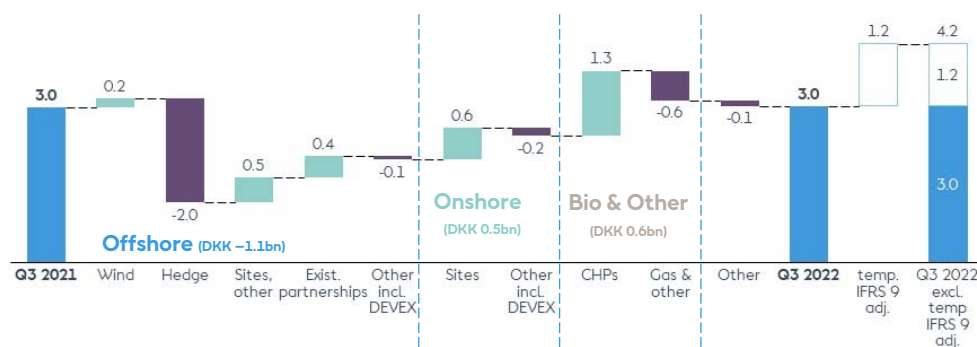
Tax on profit for the period amounted to DKK 0.3 billion in Q3 2022 compared to DKK 0.2 billion in Q3 2021. The effective tax rate in Q3 2022 was 4 % and was significantly impacted by the tax-exempt gain from the 50 % farm-down of Hornsea 2.

Profit for the period

Profit for the period totalled DKK 9.4 billion, DKK 8.9 billion higher than Q3 2021. The increase was primarily due to the gain from the 50 % farm-down of Hornsea 2.

Financial results, DKKm	Q3 2022	Q3 2021	%
Revenue	36,541	14,510	152 %
EBITDA	12,317	2,984	313 %
- New partnerships	9,346	(59)	n.a.
- EBITDA excl. new partnerships	2,971	3,043	(2 %)
Depreciation and amortisation	(2,530)	(1,939)	30 %
Operating profit (loss) (EBIT)	9,787	1,045	837 %
Gain (loss) on divestment of enterprises	124	(22)	n.a.
Financial items, net	(217)	(351)	(38 %)
Profit before tax	9,695	671	1,345 %
Tax on profit (loss) for the period	(340)	(184)	85 %
Tax rate	4 %	27 %	(23 %p)
Profit (loss) for the period	9,355	487	1,821 %

EBITDA excluding new partnerships, DKKbn



Cash flows and net debt

Cash flows from operating activities

Cash flows from operating activities totalled DKK -11.3 billion in Q3 2022 compared to DKK 0.2 billion in Q3 2021. The decrease of DKK 11.6 billion was mainly due to higher collateral payments at clearing houses.

During Q3 2022, we tied up additional DKK 18.4 billion, net, in variation margin payments on unrealised hedges (part of 'Change in derivatives') and initial margin payments at clearing houses (part of 'Change in other working capital') due to the increasing and volatile power and gas prices:

- the variation margin payments were a cash outflow of DKK 10.9 billion
- the initial margin payments were a cash outflow of DKK 7.5 billion.

The negative impact from variation margin payments included in 'Change in derivatives' was partly offset by reversal of unrealised market trading results and ineffective hedges.

We had no cash inflow in Q3 2022 related to tax equity partners, whereas we received large tax equity contributions in Q3 2021 from Western Trail and Muscle Shoals.

In Q3 2022, we had a net cash inflow from work in progress of DKK 4.8 billion, mainly due to the farm-down of 50 % of the offshore transmission asset at Hornsea 2 and milestone payments received at Greater Changhua 1. In Q3 2021, we had a net cash outflow of DKK

0.6 billion, mainly from the construction of the offshore transmission asset at Hornsea 2.

Investments and divestments

Gross investments amounted to DKK 14.4 billion against DKK 8.8 billion in Q3 2021. The main investments in Q3 2022 were:

- offshore wind farms (DKK 8.0 billion), including Greater Changhua 1 & 2a in Taiwan, Hornsea 2 in the UK, and our portfolio of US AND German projects
- onshore wind and solar PV farms (DKK 6.3 billion), including the acquisition of Ostwind and Ford Ridge as well as the construction of Old 300, Sunflower Wind, Helena Energy Center, and Haystack.

Divestments amounted to DKK 22.5 billion in Q3 2022 and were mainly related to the 50 % farm-down of Hornsea 2.

Cash flow and net debt, DKKm	Q3 2022	Q3 2021	%
Cash flows from operating activities	(11,309)	246	n.a.
EBITDA	12,317	2,984	313 %
Reversal of gain (loss) on divestments of assets	(9,058)	52	n.a.
Change in derivatives	(5,587)	486	n.a.
Change in provisions	(312)	(915)	(66 %)
Other items	(26)	(7)	271 %
Interest expense, net	(255)	39	n.a.
Paid tax	(716)	(168)	326 %
Change in work in progress	4,789	(610)	n.a.
Change in tax equity partner liabilities	(583)	2,041	n.a.
Change in other working capital	(11,878)	(3,656)	225 %
Gross investments	(14,417)	(8,757)	65 %
Divestments	22,459	7	n.a.
Free cash flow	(3,267)	(8,504)	(62 %)
Net debt, beginning of period	41,449	12,067	243 %
Free cash flow	3,267	8,504	(62 %)
Dividends and hybrid coupon paid	132	115	15 %
Addition of lease obligations, net	(121)	164	n.a.
Exchange rate adjustments, etc.	974	361	170 %
Net debt, end of period	45,701	21,211	115 %

Offshore

Highlights

- We completed the farm-down of 50 % of Hornsea 2.
- We have entered into a partnership with Copenhagen Infrastructure Partners (CIP) to develop approx. 5.2 GW of offshore wind in Denmark.

Financial results Q3 2022

Power generation increased by 42 % to 3.2 TWh in Q3 2022. The increase was due to ramp up at Hornsea 2 and higher wind speeds.

Wind speeds amounted to a portfolio average of 7.7 m/s, which was higher than in Q3 2021 (7.6 m/s), but below the normal wind speeds expected in the third quarter (8.4 m/s).

Availability ended at 91 %, slightly lower than the same period last year. This was mainly driven by lower availability at Hornsea 2 in the commissioning and start-up phase.

Revenue increased by 174 % to DKK 25.1 billion.

Revenue from offshore wind farms in operation increased by 16 % to DKK 4.0 billion, mainly driven by higher generation and higher power prices for the merchant part of the portfolio.

Revenue from power sales more than doubled to DKK 14.5 billion, due to the higher power prices and higher volumes sold.

Revenue from construction agreements increased by DKK 6.6 billion and mainly related to the divestment of 50 % of the offshore

transmission assets at Hornsea 2 and the construction of Greater Changhua 1 for partners.

EBITDA increased by DKK 8.3 billion and amounted to DKK 9.7 billion.

EBITDA from Sites, O&M, and PPAs amounted to DKK 0.5 billion in Q3 2022. Despite a positive impact from higher wind speeds than last year (DKK 0.2 billion), ramp-up of generation at Hornsea 2 and higher achieved prices mainly from one-sided German CFD sites, and value creating market trading activities, earnings decreased by DKK 1.4 billion. This was primarily due to both volume-related overhedging (approx. DKK 0.8 billion) from lower-than-expected wind speeds, and other IFRS 9-related ineffective hedges (approx. DKK 1.2 billion). Furthermore, we saw negative effects from high prices and volatility (balancing costs and outages) and from expanding our portfolio (higher OPEX, BSUoS, and TNUoS tariffs).

EBITDA from partnerships amounted to DKK 9.8 billion and mainly related to the farm-down of 50 % of Hornsea 2 with a gain of DKK 9.3 billion. Adjusted for new partnerships, EBITDA from existing partnerships amounted to DKK 0.4 billion, mainly from construction work at Greater Changhua 1 for partners.

EBITDA from other activities, including project development, amounted to DKK -0.6 billion, DKK 0.1 billion more than in Q3 2021, and was mainly related to expensed project development costs.

		Q3 2022	Q3 2021	%	9M 2022	9M 2021	%
Financial results							
Business drivers							
Decided (FID'ed) and installed capacity	GW	11.1	9.8	13 %	11.1	9.8	13 %
Installed capacity	GW	8.9	7.6	17 %	8.9	7.6	17 %
Generation capacity	GW	5.3	4.0	33 %	5.3	4.0	33 %
Wind speed	m/s	7.7	7.6	1 %	9.0	8.7	4 %
Load factor	%	28	27	1 %p	38	35	3 %p
Availability	%	91	93	(2 %p)	93	94	(1 %p)
Power generation	GWh	3,246	2,286	42 %	11,072	9,356	18 %
Denmark		423	375	13 %	1,450	1,307	11 %
United Kingdom		2,212	1,271	74 %	7,358	5,123	44 %
Germany		387	399	(3 %)	1,323	1,342	(1 %)
The Netherlands		197	235	(16 %)	858	1,521	(44 %)
Other		27	6	386 %	83	63	31 %
Power sales	GWh	5,600	4,803	17 %	22,182	16,229	37 %
Power price, LEBA UK	GBP/MWh	361	164	120 %	267	110	143 %
British pound	DKK/GBP	8.7	8.7	(0 %)	8.8	8.6	2 %
Financial performance							
Revenue	DKK m	25,057	9,156	174 %	62,199	31,381	98 %
Sites, O&M and PPAs		3,963	3,415	16 %	12,582	12,444	1 %
Power sales		14,460	5,658	156 %	38,792	13,517	187 %
Construction agreements		6,629	4	n.a.	10,724	5,139	109 %
Other		5	79	(94 %)	101	281	(64 %)
EBITDA	DKK m	9,652	1,304	640 %	17,475	12,777	37 %
Sites, O&M, and PPAs		467	1,822	(74 %)	6,194	8,976	(31 %)
Construction agreements and divestment gains		9,765	(9)	n.a.	12,992	5,066	156 %
Other, incl. project development		(580)	(509)	14 %	(1,711)	(1,265)	35 %
Depreciation	DKK m	(1,820)	(1,425)	28 %	(5,012)	(4,474)	12 %
EBIT	DKK m	7,832	(121)	n.a.	12,463	8,303	50 %
Cash flow from operating activities	DKK m	(10,296)	(5,644)	82 %	(12,456)	863	n.a.
Gross investments	DKK m	(7,979)	(6,041)	32 %	(18,784)	(16,401)	15 %
Divestments	DKK m	22,296	16	n.a.	24,417	10,685	129 %
Free cash flow	DKK m	4,021	(11,669)	n.a.	(6,823)	(4,853)	41 %
Capital employed	DKK m	68,361	83,648	(18 %)	68,361	83,648	(18 %)



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

Onshore

Highlights

- We completed the acquisition of Ostwind.
- We closed our first-ever agreement to farm -down 50 % of a portfolio of four onshore projects.

Financial results Q3 2022

Power generation from our operating onshore assets increased by 43 % compared to Q3 2021 and amounted to 2.7 TWh. The increase was due to the commissioning of the Western Trail, Haystack, Ford Ridge, and Lincoln Land wind farms, the wind part of Helena Energy Center, and the solar PV and storage facility Permian Energy Center, and the ramp-up of generation at Old 300. In Q3 2022, the wind speeds across the portfolio were 6.0 m/s, which were lower than both last year (6.4 m/s) and for a normal wind year (6.3 m/s).

Availability for both wind and solar PV was lower during the quarter due to minor technical issues, mainly at Haystack and Muscle Shoals.

Revenue was up DKK 0.4 billion compared to Q3 2021 and amounted to DKK 0.8 billion. The increase was mainly due to increased power generation as a result of the newly commissioned assets mentioned above and higher achieved prices across the onshore portfolio.

In the US we benefitted from the higher power prices during the ramp-up phases of our assets under construction, where PPAs do not start

until COD. Furthermore, some of our PPAs have upside share structures that allow for capture of additional revenue in periods of high pricing compared to traditional PPAs.

EBITDA for Q3 2022 amounted to DKK 0.9 billion, DKK 0.5 billion higher than in the same period last year. The increase was due to higher generation and higher prices across the portfolio. This was partly offset by higher fixed costs due to the expansion of the business and project development.

		Q3 2022	Q3 2021	%	9M 2022	9M 2021	%
Financial results							
Business drivers							
Decided (FID'ed) and installed capacity	GW	5.1	4.7	9 %	5.1	4.7	9 %
Installed capacity	GW	4.2	3.0	36 %	4.2	3.0	36 %
Wind speed, US	m/s	6.0	6.4	(7 %)	7.2	7.1	1 %
Load factor, wind, US	%	30	33	(3 %p)	42	41	1 %p
Load factor, solar PV	%	32	27	5 %p	28	28	0 %p
Availability, wind, US	%	92	98	(6 %p)	93	96	(3 %p)
Availability, solar PV	%	96	98	(2 %p)	98	95	3 %p
Power generation	GWh	2,723	1,904	43 %	9,721	5,534	76 %
US, wind		1,946	1,441	35 %	7,678	4,661	65 %
US, solar PV		676	375	80 %	1,532	746	105 %
Europe		101	88	15 %	511	127	302 %
US dollar	DKK/USD	7.4	6.3	17 %	7.0	6.2	13 %
Financial performance							
Revenue	DKKm	836	406	106 %	2,256	633	256 %
EBITDA	DKKm	867	413	110 %	2,792	819	241 %
Sites		610	285	114 %	1,677	324	418 %
Production tax credits and tax attributes		597	307	94 %	1,844	902	104 %
Other, incl. project development		(340)	(179)	90 %	(729)	(407)	79 %
Depreciation	DKKm	(456)	(261)	75 %	(1,196)	(590)	103 %
EBIT	DKKm	411	152	170 %	1,596	229	597 %
Cash flow from operating activities	DKKm	364	2,465	(85 %)	1,470	2,876	(49 %)
Gross investments	DKKm	(6,322)	(2,639)	140 %	(8,540)	(10,919)	(22 %)
Divestments	DKKm	(1)	-	n.a.	43	-	n.a.
Free cash flow	DKKm	(5,958)	(174)	3324 %	(7,027)	(8,043)	(13 %)
Capital employed	DKKm	28,340	17,301	64 %	28,340	17,301	64 %

Bioenergy & Other

Financial results Q3 2022

Heat generation decreased by 41 % in Q3 2022 mainly due to a breakdown of a non-Ørsted district heating facility in 2021, leading to Ørsted providing more heat to the Greater Copenhagen area in Q3 2021. Power generation increased by 33 % due to higher condensing power generation.

Gas sales and power sales decreased by 58 % and 41 %, respectively, due to no volumes being delivered under the Gazprom Export sourcing contract and a gradual phase-out of our remaining UK B2B activities.

Revenue increased by 88 % compared to Q3 2021 and amounted to DKK 12.3 billion. The increase was driven by significant increases in both gas and power prices, which led to higher revenue from our gas and power sales businesses. The unhedged part of power generation at our CHP plants was also positively impacted by the higher Danish power prices.

EBITDA amounted to DKK 1.8 billion compared to DKK 1.2 billion in Q3 2021.

EBITDA from CHP plants was DKK 1.2 billion higher than in the same period last year, totaling DKK 1.7 billion in Q3 2022. The increase was mainly due to higher power prices and condensing power generation in Denmark as mentioned above.

EBITDA from Gas Markets & Infrastructure decreased by DKK 0.6 billion relative to the same period last year, amounting to DKK 0.3 billion in Q3 2022. The decrease was mainly due to the renegotiation of gas purchase contracts which led to a positive effect in Q3 2021. However, underlying earnings increased, driven by a positive effect from our gas storage activities.

Financial results		Q3 2022	Q3 2021	%	9M 2022	9M 2021	%
Business drivers							
Degree days	Number	98	81	21 %	1,687	1,893	(11 %)
Heat generation	GWh	239	402	(41 %)	4,305	5,440	(21 %)
Power generation	GWh	1,363	1,028	33 %	4,603	4,794	(4 %)
Gas sales	GWh	5,706	13,580	(58 %)	27,589	47,605	(42 %)
Power sales	GWh	1,339	2,271	(41 %)	4,495	6,725	(33 %)
Gas price, TTF	EUR/MWh	196.2	47.4	314 %	129.1	30.2	327 %
Power price, DK	EUR/MWh	347.8	96.3	261 %	226.2	68.1	232 %
Green dark spread, DK	EUR/MWh	146.6	4.6	n.a.	45.0	(2.7)	n.a.
Green spark spread, DK	EUR/MWh	(74.8)	(19.3)	287 %	(63)	(10.2)	521 %
Financial performance							
Revenue	DKKm	12,336	6,551	88 %	35,992	19,138	88 %
EBITDA	DKKm	1,849	1,206	53 %	5,010	2,331	115 %
CHP plants		1,691	460	268 %	4,133	1,487	178 %
Gas Markets & Infrastructure		253	808	(69 %)	1,044	1,059	(1 %)
Other, incl. project development		(95)	(62)	53 %	(167)	(215)	(22 %)
Depreciation	DKKm	(190)	(194)	(2 %)	(572)	(588)	(3 %)
EBIT	DKKm	1,659	1,012	64 %	4,438	1,743	155 %
Cash flow from operating activities	DKKm	(1,881)	2,881	n.a.	1,884	7,174	(74 %)
Gross investments	DKKm	(84)	(72)	17 %	(242)	(161)	50 %
Divestments	DKKm	2	(48)	n.a.	-	(251)	n.a.
Free cash flow	DKKm	(1,963)	2,761	n.a.	1,642	6,762	(76 %)
Capital employed	DKKm	(14)	(1,700)	(99 %)	(14)	(1,700)	(99 %)

Performance highlights

Financials, DKKm	9M 2022	9M 2021	Q3 2022	Q3 2021	2021
Income statement					
Revenue	96,598	47,007	36,541	14,510	77,673
EBITDA	25,361	16,043	12,317	2,984	24,296
Offshore	17,475	12,777	9,652	1,304	18,021
Sites, O&M and PPAs	6,194	8,976	467	1,822	13,059
Construction agreements and divestment gains	12,992	5,066	9,765	(9)	7,535
Other, incl. project development	(1,711)	(1,265)	(580)	(509)	(2,573)
Onshore	2,792	819	867	413	1,349
Bioenergy & Other	5,010	2,331	1,849	1,206	4,747
Other activities	84	116	(51)	61	179
Depreciation, amortisation and impairment	(6,962)	(5,828)	(2,530)	(1,939)	(8,101)
Operating profit (loss) (EBIT)	18,399	10,215	9,787	1,045	16,195
Gain (loss) on divestment of enterprises	299	(58)	124	(22)	(742)
Net financial income and expenses	(1,551)	(1,236)	(217)	(351)	(2,166)
Profit (loss) before tax	17,149	8,916	9,695	671	13,277
Tax	(1,824)	(1,287)	(340)	(184)	(2,390)
Profit (loss) for the period	15,325	7,629	9,355	487	10,887
Balance					
Assets	359,758	261,892	359,758	261,892	270,385
Equity	53,777	79,150	53,777	79,150	85,137
Shareholders in Ørsted A/S	32,413	58,129	32,413	58,129	64,072
Non-controlling interests	3,380	3,037	3,380	3,037	3,081
Hybrid capital	17,984	17,984	17,984	17,984	17,984
Interest-bearing net debt	45,701	21,211	45,701	21,211	24,280
Capital employed	99,478	100,361	99,478	100,361	109,416
Additions to property, plant, and equipment	23,750	26,900	9,899	11,477	43,941
Cash flow					
Cash flow from operating activities	(8,991)	11,480	(11,309)	246	12,148
Gross investments	(27,621)	(27,555)	(14,417)	(8,757)	(39,307)
Divestments	24,653	10,567	22,459	7	21,519
Free cash flow	(11,959)	(5,508)	(3,267)	(8,504)	(5,640)
Financial ratios					
Return on capital employed (ROCE) ¹ , %	24.4	12.9	24.4	12.9	14.8
FFO/adjusted net debt ² , %	35.3	42.5	35.3	42.5	26.3
Number of outstanding shares, end of period, '000	420,381	420,381	420,381	420,381	420,381
Share price, end of period, DKK	608	849	608	849	835
Market capitalisation, end of period, DKK billion	255	357	255	357	351
Earnings per share (EPS), DKK	35.8	16.8	22.3	1.1	24.3
Dividend yield, %	-	-	-	-	1.5

Business drivers	9M 2022	9M 2021	Q3 2022	Q3 2021	2021
Offshore					
Decided (FID'ed) and installed capacity, GW	11.1	9.8	11.1	9.8	10.9
Installed capacity, GW	8.9	7.6	8.9	7.6	7.6
Generation capacity, GW	5.3	4.0	5.3	4.0	4.0
Wind speed, m/s	9.0	8.7	7.7	7.6	9.1
Load factor, %	38	35	28	27	39
Availability, %	93	94	91	93	94
Power generation, GWh	11,072	9,356	3,246	2,286	13,808
Power sales, GWh	22,182	16,229	5,600	4,803	25,020
Onshore					
Decided (FID'ed) and installed capacity, GW	5.1	4.7	5.1	4.7	4.7
Installed capacity, GW	4.2	3.0	4.2	3.0	3.4
Wind speed, US, m/s	7.2	7.1	6.0	6.4	7.4
Load factor, wind, US, %	42	41	30	33	42
Load factor, solar PV, %	28	28	32	27	24
Availability, wind, US, %	93	96	92	98	96
Availability, solar PV, %	98	95	96	98	96
Power generation, GWh	9,721	5,534	2,723	1,904	8,352
Bioenergy & Other					
Degree days, number	1,687	1,893	98	81	2,820
Heat generation, GWh	4,305	5,440	239	402	7,907
Power generation, GWh	4,603	4,794	1,363	1,028	6,890
Power sales, GWh	4,495	6,725	1,339	2,271	8,797
Gas sales, GWh	27,589	47,605	5,706	13,580	61,349
People and environment					
Employees (FTE), end of period number	7,681	6,672	7,681	6,672	6,836
Total recordable injury rate (TRIR), YTD	3.3	3.0	3.3	3.0	3.0
Fatalities, number	-	-	-	-	-
Green share of energy generation, %	92	89	89	89	90
GHG emission (scope 1 & 2), Mtonnes	1.7	1.6	0.7	0.5	2.1
GHG intensity (scope 1 & 2), g CO ₂ e/kWh	59	64	88	91	58
GHG emissions (scope 3), Mtonnes	9.0	14.3	2.7	4.4	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 2021 have been restated. See note 12 for adjusted definition.

Quarterly overview

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Financials, DKKm								
Income statement (BP¹ comparables)								
Revenue	36,541	26,295	33,762	30,666	14,510	13,553	18,944	15,559
EBITDA	12,317	3,615	9,429	8,253	2,984	8,196	4,863	5,003
Offshore	9,652	1,904	5,919	5,244	1,304	7,527	3,946	4,128
Sites, O&M and PPAs	467	2,031	3,698	3,983	1,822	2,368	4,886	4,950
Construction agreements and divestment gains	9,765	601	2,620	2,469	(9)	5,648	(573)	(149)
Other incl. project development	(580)	(728)	(399)	(1,208)	(509)	(489)	(367)	(673)
Onshore	867	1,075	850	530	413	178	228	324
Bioenergy & Other	1,849	647	2,514	2,416	1,206	503	622	643
Other activities	(51)	(11)	146	63	61	(12)	67	(92)
Operating profit (loss) (EBIT)	9,787	1,311	7,301	5,980	1,045	6,237	2,933	3,091
Profit (loss) for the period	9,355	269	5,701	3,258	487	5,544	1,598	2,189
Income statement (IFRS comparables)								
Revenue	36,541	26,295	33,762	30,666	14,510	13,553	18,944	13,195
EBITDA	12,317	3,615	9,429	8,253	2,984	8,196	4,863	3,102
Depreciation, amortisation and impairment losses	(2,530)	(2,304)	(2,128)	(2,273)	(1,939)	(1,959)	(1,930)	(1,912)
Operating profit (loss) (EBIT)	9,787	1,311	7,301	5,980	1,045	6,237	2,933	1,190
Gain (loss) on divestment of enterprises	124	67	108	(684)	(22)	(72)	36	(291)
Net financial income and expenses	(217)	(486)	(848)	(930)	(351)	(466)	(419)	(456)
Profit (loss) before tax	9,695	893	6,561	4,361	671	5,698	2,547	442
Tax	(340)	(624)	(860)	(1,103)	(184)	(154)	(949)	258
Profit (loss) for the period	9,355	269	5,701	3,258	487	5,544	1,598	715
Balance sheet								
Assets	359,758	320,722	285,087	270,385	261,892	223,791	210,972	196,719
Equity	53,777	61,276	76,719	85,137	79,150	96,910	96,541	97,329
Shareholders in Ørsted A/S	32,413	40,091	55,704	64,072	58,129	75,842	75,835	81,376
Non-controlling interests	3,380	3,201	3,031	3,081	3,037	3,084	2,722	2,721
Hybrid capital	17,984	17,984	17,984	17,984	17,984	17,984	17,984	13,232
Interest-bearing net debt	45,701	41,449	30,026	24,280	21,211	12,067	13,190	12,343
Capital employed	99,478	102,725	106,745	109,416	100,361	108,977	109,731	109,672
Additions to property, plant, equipment	9,899	8,724	5,127	17,041	11,477	8,954	6,469	8,121
Cash flow								
Cash flow from operating activities	(11,309)	2,355	(37)	668	246	3,147	8,087	6,756
Gross investments	(14,417)	(6,372)	(6,832)	(11,752)	(8,757)	(12,133)	(6,665)	(8,639)
Divestments	22,459	267	1,927	10,952	7	10,591	(31)	(1,519)
Free cash flow	(3,267)	(3,750)	(4,942)	(132)	(8,504)	1,605	1,391	(3,402)
Financial ratios								
Return on capital employed (ROCE) ² , %	24.4	14.8	19.0	14.8	12.9	12.5	7.5	9.7
FFO/adjusted net debt ³ , %	35.3	39.0	37.5	26.3	42.5	56.9	51.7	65.0
Number of outstanding shares, end of period, '000	420,381	420,381	420,381	420,381	420,381	420,381	420,381	420,381
Share price, end of period, DKK	608	742	849	835	849	880	1,025	1,244
Market capitalisation, end of period, DKK billion	255	312	357	351	357	370	430	522
Earnings per share (EPS), DKK	22.3	0.3	13.2	7.5	1.1	12.9	2.8	1.5

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Business drivers								
Offshore								
Decided (FID'ed) and installed capacity ⁴ , GW	11.1	11.1	11.1	10.9	9.8	9.8	9.9	9.9
Installed capacity, GW	8.9	7.6	7.6	7.6	7.6	7.6	7.6	7.6
Generation capacity, GW	5.3	4.8	4.2	4.0	4.0	4.0	4.4	4.4
Wind speed, m/s	7.7	8.4	11.3	10.6	7.6	7.8	10.5	10.6
Load factor, %	28	35	54	53	27	29	50	53
Availability, %	91	94	95	95	93	93	95	94
Power generation, GWh	3,246	3,324	4,502	4,452	2,286	2,521	4,549	4,912
Power sales, GWh	5,600	7,416	9,166	8,791	4,803	4,541	6,885	8,561
Onshore								
Decided (FID'ed) and installed capacity, GW	5.1	4.9	4.7	4.7	4.7	4.7	4.0	3.4
Installed capacity, GW	4.2	4.0	3.6	3.4	3.0	2.5	1.7	1.7
Wind speed, US, m/s	6.0	7.7	7.7	7.9	6.4	7.3	7.7	8.0
Load factor, wind, US, %	30	50	49	47	33	45	45	50
Load factor, solar PV, %	32	31	21	19	27	29	-	-
Availability, wind, US, %	92	92	96	96	98	97	93	95
Availability, solar PV, %	96	99	99	99	98	90	-	-
Power generation, GWh	2,723	3,795	3,203	2,818	1,904	1,983	1,647	1,817
Bioenergy & Other								
Degree days, number	98	448	1,141	927	81	487	1,325	825
Heat generation, GWh	239	823	3,243	2,467	402	1,148	3,890	2,230
Power generation, GWh	1,363	1,102	2,138	2,096	1,028	1,507	2,259	1,291
Power sales, GWh	1,339	1,466	1,690	2,072	2,271	2,167	2,287	2,574
Gas sales, GWh	5,706	8,891	12,993	13,744	13,580	15,079	18,945	20,441
People and environment								
Employees (FTE) end of period, number	7,681	7,292	7,016	6,836	6,672	6,472	6,311	6,179
Total recordable injury rate (TRIR), YTD	3.3	2.8	1.3	3.0	3.0	3.1	3.0	3.6
Fatalities, number	-	-	-	-	-	-	-	-
Green share of energy generation, %	89	93	92	93	89	93	87	93
GHG emissions (scope 1 & 2), Mtonnes	0.7	0.4	0.6	0.5	0.5	0.4	0.7	0.4
GHG intensity (scope 1 & 2), g CO ₂ e/kWh	88	49	48	45	91	51	59	34
GHG emissions (scope 3), Mtonnes	2.7	2.6	3.7	3.9	4.4	4.6	5.3	5.9



Income statement

The income statement (BP¹ comparables) shows business performance numbers for Q4 2020 to form a better like-for-like comparison

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. See note 12 for adjusted definition.

⁴ Nameplate capacity from Q2 2021.

Consolidated financial statements

First nine months 2022

1 January – 30 September

Consolidated statements of income

1 January – 30 September

Note	Income statement, DKKm	9M 2022	9M 2021
3	Revenue	96,598	47,007
	Cost of sales	(72,339)	(31,099)
	Other external expenses	(4,625)	(3,699)
	Employee costs	(3,801)	(3,125)
	Share of profit (loss) in associates and joint ventures	44	55
4	Other operating income	13,192	7,143
4	Other operating expenses	(3,708)	(239)
	Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA)	25,361	16,043
	Amortisation, depreciation, and impairment losses on intangible assets, and property, plant, and equipment	(6,962)	(5,828)
	Operating profit (loss) (EBIT)	18,399	10,215
	Gain (loss) on divestment of enterprises	299	(58)
	Share of profit (loss) in associates and joint ventures	2	(5)
5	Financial income	7,776	3,003
5	Financial expenses	(9,327)	(4,239)
	Profit (loss) before tax	17,149	8,916
9	Tax on profit (loss) for the period	(1,824)	(1,287)
	Profit (loss) for the period	15,325	7,629
	Profit (loss) for the period is attributable to:		
	Shareholders in Ørsted A/S	15,037	7,074
	Interests and costs, hybrid capital owners of Ørsted A/S	277	575
	Non-controlling interests	11	(20)
	Profit (loss) per share¹, DKK	35.8	16.8

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 – 30 September

Statement of comprehensive income, DKKm	9M 2022	9M 2021
Profit (loss) for the period	15,325	7,629
Other comprehensive income:		
Cash flow hedging:		
Value adjustments for the period	(71,736)	(36,733)
Value adjustments transferred to income statement	22,854	2,977
Value adjustments transferred to balance sheet	(118)	(86)
Exchange rate adjustments:		
Exchange rate adjustments relating to net investments in foreign enterprises	1,622	3,846
Value adjustment of net investment hedges	(1,970)	(2,244)
Value adjustments and hedges transferred to income statement	676	-
Tax:		
Tax on hedging instruments	6,523	6,782
Tax on exchange rate adjustments	666	(19)
Other:		
Share of other comprehensive income of associated companies, after tax	31	6
Other comprehensive income	(41,452)	(25,471)
Total comprehensive income	(26,127)	(17,842)
Comprehensive income for the period is attributable to:		
Shareholders in Ørsted A/S	(26,431)	(18,517)
Interest payments and costs, hybrid capital owners of Ørsted A/S	277	575
Non-controlling interests	27	100
Total comprehensive income	(26,127)	(17,842)



Value adjustments for the period in the first nine 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 gas and inflation hedges.

Consolidated statements of income (continued)

1 July – 30 September

Note	Income statement, DKKm	Q3 2022	Q3 2021
3	Revenue	36,541	14,510
	Cost of sales	(28,503)	(9,345)
	Other external expenses	(1,777)	(1,593)
	Employee costs	(1,367)	(910)
	Share of profit (loss) in associates and joint ventures	(12)	(4)
4	Other operating income	9,759	413
4	Other operating expenses	(2,324)	(87)
	Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA)	12,317	2,984
	Amortisation, depreciation, and impairment losses on intangible assets, and property, plant, and equipment	(2,530)	(1,939)
	Operating profit (loss) (EBIT)	9,787	1,045
	Gain (loss) on divestment of enterprises	124	(22)
	Share of profit (loss) in associates and joint ventures	1	(1)
5	Financial income	4,685	1,033
5	Financial expenses	(4,902)	(1,384)
	Profit (loss) before tax	9,695	671
9	Tax on profit (loss) for the period	(340)	(184)
	Profit (loss) for the period	9,355	487
	Profit (loss) for the period is attributable to:		
	Shareholders in Ørsted A/S	9,349	490
	Interests and costs, hybrid capital owners of Ørsted A/S	(16)	-
	Non-controlling interests	22	(3)
	Profit (loss) per share, DKK	22.3	1.1

1 July – 30 September

Statement of comprehensive income, DKKm	Q3 2022	Q3 2021
Profit (loss) for the period	9,355	487
Other comprehensive income:		
Cash flow hedging:		
Value adjustments for the period	(33,176)	(23,974)
Value adjustments transferred to income statement	15,248	594
Value adjustments transferred to balance sheet	(49)	(38)
Exchange rate adjustments:		
Exchange rate adjustments relating to net investments in foreign enterprises	797	489
Value adjustment of net investment hedges	(1,254)	(267)
Value adjustments and hedges transferred to income statement	676	-
Tax:		
Tax on hedging instruments	477	4,936
Tax on exchange rate adjustments	268	65
Other:		
Share of other comprehensive income of associated companies, after tax	(6)	(3)
Other comprehensive income	(17,019)	(18,198)
Total comprehensive income	(7,664)	(17,711)
Comprehensive income for the period is attributable to:		
Shareholders in Ørsted A/S	(7,688)	(17,717)
Interest payments and costs after tax, hybrid capital owners of Ørsted A/S	(16)	-
Non-controlling interests	40	6
Total comprehensive income	(7,664)	(17,711)

Consolidated balance sheet

Note	Assets, DKKm	30 September 2022	31 December 2021	30 September 2021
	Intangible assets	3,510	1,543	1,330
	Land and buildings	8,009	8,066	6,186
	Production assets	114,468	95,618	88,993
	Fixtures and fittings, tools, and equipment	1,575	604	559
	Property, plant, and equipment under construction	52,098	57,108	52,886
	Property, plant, and equipment	176,150	161,396	148,624
	Investments in associates and joint ventures	1,044	572	643
	Other securities and equity investments	217	221	222
11	Derivatives	13,069	2,716	5,142
	Deferred tax	21,719	13,281	12,820
	Other receivables	3,290	2,492	2,543
	Other non-current assets	39,339	19,282	21,370
	Non-current assets	218,999	182,221	171,324
	Inventories	17,132	15,998	14,906
11	Derivatives	51,441	14,078	23,018
	Contract assets	1,344	2	2
	Trade receivables	11,091	9,565	6,271
	Other receivables	29,479	14,815	7,484
	Receivables from associates and joint ventures	174	-	-
9	Income tax	620	1,200	1,023
11	Securities	18,803	21,228	30,136
	Cash	9,418	9,943	6,375
	Current assets	139,502	86,829	89,215
	Assets classified as held for sale	1,257	1,335	1,353
	Assets	359,758	270,385	261,892



Assets and liabilities classified as held for sale

At 30 September 2022 and at 30 September 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	30 September 2022	31 December 2021	30 September 2021
	Share capital	4,204	4,204	4,204
8	Reserves	(66,277)	(24,778)	(27,553)
	Retained earnings	94,486	79,391	81,478
	Proposed dividends	-	5,255	-
	Equity attributable to shareholders in Ørsted A/S	32,413	64,072	58,129
	Hybrid capital	17,984	17,984	17,984
	Non-controlling interests	3,380	3,081	3,037
	Equity	53,777	85,137	79,150
	Deferred tax	8,432	5,616	3,588
	Provisions	13,938	15,124	13,789
	Lease liabilities	7,903	6,812	4,892
12	Bond and bank debt	62,198	31,502	30,327
11	Derivatives	40,138	17,464	19,202
	Contract liabilities	3,117	3,230	3,289
	Tax equity liabilities	15,719	13,358	10,044
	Other payables	5,412	4,682	1,276
	Non-current liabilities	156,857	97,788	86,407
	Provisions	828	764	533
	Lease liabilities	589	720	698
12	Bond and bank debt	2,117	19,493	23,139
11	Derivatives	107,695	32,325	44,487
	Contract liabilities	1,371	2,440	486
	Trade payables	20,222	20,231	15,182
	Tax equity liabilities	1,847	1,206	1,434
	Other payables	8,858	4,768	4,832
9	Income tax	5,076	5,021	4,869
	Current liabilities	148,603	86,968	95,660
	Liabilities	305,460	184,756	182,067
	Liabilities relating to assets classified as held for sale	521	492	675
	Equity and liabilities	359,758	270,385	261,892

Consolidated statement of shareholders' equity

DKKm	2022								2021							
	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	-	-	15,037	-	15,037	277	11	15,325	-	-	7,074	-	7,074	575	(20)	7,629
Other comprehensive income:																
Cash flow hedging	-	(49,000)	-	-	(49,000)	-	-	(49,000)	-	(33,842)	-	-	(33,842)	-	-	(33,842)
Exchange rate adjustments	-	312	-	-	312	-	16	328	-	1,482	-	-	1,482	-	120	1,602
Tax on other comprehensive income	-	7,189	-	-	7,189	-	-	7,189	-	6,763	-	-	6,763	-	-	6,763
Share of other comprehensive income of associated companies, after tax	-	-	31	-	31	-	-	31	-	-	6	-	6	-	-	6
Total comprehensive income	-	(41,499)	15,068	-	(26,431)	277	27	(26,127)	-	(25,597)	7,080	-	(18,517)	575	100	(17,842)
Coupon payments, hybrid capital	-	-	-	-	-	(314)	-	(314)	-	-	-	-	-	(268)	-	(268)
Tax, hybrid capital	-	-	-	-	-	37	-	37	-	-	-	-	-	89	-	89
Additions, hybrid capital	-	-	-	-	-	-	-	-	-	-	-	-	-	7,327	-	7,327
Disposals, hybrid capital	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,971)	-	(2,971)
Dividends paid	-	-	3	(5,255)	(5,252)	-	(275)	(5,527)	-	-	4	(4,834)	(4,830)	-	(298)	(5,128)
Additions, non-controlling interests	-	-	-	-	-	-	547	547	-	-	83	-	83	-	514	597
Other changes	-	-	24	-	24	-	-	24	-	-	17	-	17	-	-	17
Equity at 30 September	4,204	(66,277)	94,486	-	32,413	17,984	3,380	53,777	4,204	(27,553)	81,478	-	58,129	17,984	3,037	79,150

* See note 8 '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 gas and inflation hedges.

Consolidated statement of cash flows

Note	Statement of cash flows, DKKm	9M 2022	9M 2021	Q3 2022	Q3 2021
	Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA)	25,361	16,043	12,317	2,984
	Reversal of gain (loss) on divestment of assets	(10,942)	(5,626)	(9,058)	52
	Change in derivatives	(10,802)	11	(5,587)	486
	Change in provisions	(1,267)	(270)	(312)	(915)
	Other items	(180)	(53)	(26)	(7)
	Change in inventories	(1,573)	313	1,406	(4,830)
	Change in contract assets and liabilities	(2,962)	(404)	330	46
	Change in trade receivables	(1,371)	870	(2,304)	(198)
	Change in other receivables	(6,136)	(2,475)	(9,420)	(1,702)
	Change in trade payables	2,576	1,373	2,037	1,535
	Change in tax equity liabilities	(604)	2,660	(583)	2,041
	Change in other payables	653	989	862	883
	Interest received and similar items	6,171	2,339	3,228	1,406
	Interest paid and similar items	(6,680)	(2,936)	(3,483)	(1,367)
	Income tax paid	(1,235)	(1,354)	(716)	(168)
	Cash flows from operating activities	(8,991)	11,480	(11,309)	246
	Purchase of intangible assets and property, plant, and equipment	(23,162)	(22,866)	(10,052)	(8,737)
	Sale of intangible assets and property, plant, and equipment	23,920	10,126	22,033	(51)
6	Acquisition of enterprises	(3,399)	(2,370)	(3,373)	(11)
	Divestment of enterprises	163	(189)	138	(44)
	Purchase of other equity investments	9	(14)	5	1
	Purchase of securities	(1,839)	(7,510)	(820)	(445)
	Sale/maturation of securities	2,394	2,210	927	564
	Change in other non-current assets	2	55	20	30
	Transactions with associates and joint ventures	(76)	(29)	(22)	(3)
	Dividends received and capital reduction	16	28	(6)	-
	Cash flows from investing activities	(1,972)	(20,559)	8,850	(8,696)

Note	Statement of cash flows, DKKm	9M 2022	9M 2021	Q3 2022	Q3 2021
	Proceeds from raising of loans	34,438	15,723	14,075	8,858
	Instalments on loans	(22,793)	(1,309)	(8,897)	20
	Instalments on leases	(402)	(340)	(106)	(156)
	Coupon payments on hybrid capital	(314)	(268)	-	-
	Repurchase of hybrid capital	-	(2,971)	-	-
	Proceeds from issuance of hybrid capital	-	7,327	-	-
	Dividends paid to shareholders in Ørsted A/S	(5,252)	(4,830)	-	-
	Transactions with non-controlling interests	227	292	112	(38)
	Net proceeds from tax equity partners	(207)	(137)	(70)	(162)
	Collateral posted in relation to trading of derivatives	(41,100)	(14,752)	(19,873)	(5,629)
	Collateral released in relation to trading of derivatives	45,039	11,116	19,615	4,170
	Cash flows from financing activities	9,636	9,851	4,856	7,063
	Total net change in cash and cash equivalents for the period	(1,327)	772	2,397	(1,387)
	Cash and cash equivalents at the beginning of the period	8,614	5,210	4,976	7,551
	Total net change in cash and cash equivalents	(1,327)	772	2,397	(1,387)
	Exchange rate adjustments of cash and cash equivalents	(11)	226	(97)	44
	Cash and cash equivalents at 30 September	7,276	6,208	7,276	6,208



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 30 September 2022 includes 'Cash, not available for use' amounting to DKK 2,139 million and 'Bank overdrafts that are part of the ongoing cash management' amounting to DKK 3 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 nine 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 nine 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.

Key accounting estimates and judgements

Recognition of deferred tax assets




At 30 September 2022, we have recognised DKK 15.4 billion (tax value) of the total net deferred tax asset of DKK 18.7 billion (tax value). The large net deferred tax asset reflects the tax related to the unrealised losses incurred on the hedges due to high power prices. The difference of DKK 3.3 billion has reduced equity.

Our key judgements and estimates relate to our analysis of the probability of available tax profits in the foreseeable future in which the deferred tax assets can be offset. When assessing the foreseeable future, we have taken into consideration the long lifetimes of our offshore and onshore renewable assets and related secured long-term profits on operation and maintenance agreements, investor power purchase agreements, and on power portfolio and gas contracts.



Technician at hydrogen test facility, Avedøre, Denmark.

2. Segment information




						
9M 2022	Offshore	Onshore	Bioenergy & Other	Reportable segments	Other activities/ eliminations	Total
Income statement, DKKm						
External revenue	55,405	2,256	38,942	96,603	(5)	96,598
Intra-group revenue	6,794	-	(2,950)	3,844	(3,844) ¹	-
Revenue	62,199	2,256	35,992	100,447	(3,849)	96,598
Cost of sales	(47,328)	(77)	(28,756)	(76,161)	3,822	(72,339)
Employee costs and other external expenses	(5,543)	(1,250)	(1,743)	(8,536)	110	(8,426)
Gain (loss) on disposal of non-current assets	10,894	43	5	10,942	-	10,942
Additional other operating income and expenses	(2,787)	1,819	(491)	(1,459)	1	(1,458)
Share of profit (loss) in associates and joint ventures	40	1	3	44	-	44
EBITDA	17,475	2,792	5,010	25,277	84	25,361
Depreciation and amortisation	(5,012)	(1,196)	(572)	(6,780)	(182)	(6,962)
Operating profit (loss) (EBIT)	12,463	1,596	4,438	18,497	(98)	18,399
Key ratios						
Intangible assets and property, plant, and equipment	109,845	60,435	8,018	178,298	1,362	179,660
Assets classified as held for sale, net	-	-	747	747	-	747
Equity investments and non-current receivables	621	359	127	1,107	193	1,300
Net working capital, capital expenditures	(5,754)	(573)	(41)	(6,368)	-	(6,368)
Net working capital, work in progress	3,211	40	-	3,251	-	3,251
Net working capital, tax equity	-	(16,007)	-	(16,007)	-	(16,007)
Net working capital, other items	16,266	(89)	5,675	21,852	547	22,399
Derivatives, net	(64,356)	(9,065)	(12,526)	(85,947)	2,624	(83,323)
Decommissioning obligations	(5,637)	(1,739)	(1,420)	(8,796)	-	(8,796)
Other provisions	(1,933)	(41)	(1,708)	(3,682)	(2,288)	(5,970)
Tax, net	11,312	(4,706)	1,111	7,717	1,114	8,831
Other receivables and other payables, net	4,786	(274)	3	4,515	(761)	3,754
Capital employed at 30 September	68,361	28,340	(14)	96,687	2,791	99,478
Return on capital employed (ROCE), %	-	-	-	-	-	24.4
Cash flow from operating activities	(12,456)	1,470	1,884	(9,102)	111	(8,991)
Gross investments	(18,784)	(8,540)	(242)	(27,566)	(55)	(27,621)
Divestments	24,417	43	-	24,460	193	24,653
Free cash flow (FCF)	(6,823)	(7,027)	1,642	(12,208)	249	(11,959)



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.

¹Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 5,997 million, which primarily relates to our Shared Functions services as well as our B2B business activities.

2. Segment information (continued)

						
9M 2021	Offshore	Onshore	Bioenergy & Other	Reportable segments	Other activities/ eliminations	Total
Income statement, DKKm						
External revenue	26,541	656	19,777	46,974	33	47,007
Intra-group revenue	4,840	(23)	(639)	4,178	(4,178) ¹	-
Revenue	31,381	633	19,138	51,152	(4,145)	47,007
Cost of sales	(19,974)	(16)	(15,248)	(35,238)	4,139	(31,099)
Employee costs and other external expenses	(4,656)	(721)	(1,571)	(6,948)	124	(6,824)
Gain (loss) on disposal of non-current assets	5,626	-	-	5,626	-	5,626
Additional other operating income and expenses	346	923	11	1,280	(2)	1,278
Share of profit (loss) in associates and joint ventures	54	-	1	55	-	55
EBITDA	12,777	819	2,331	15,927	116	16,043
Depreciation and amortisation	(4,474)	(590)	(588)	(5,652)	(176)	(5,828)
Operating profit (loss) (EBIT)	8,303	229	1,743	10,275	(60)	10,215
Key ratios						
Intangible assets and property, plant, and equipment	103,451	37,088	8,051	148,590	1,364	149,954
Assets classified as held for sale, net	-	-	694	694	-	694
Equity investments and non-current receivables	525	34	151	710	172	882
Net working capital, capital expenditures	(7,009)	(661)	(20)	(7,690)	-	(7,690)
Net working capital, work in progress	7,062	-	-	7,062	-	7,062
Net working capital, tax equity	-	(10,744)	-	(10,744)	-	(10,744)
Net working capital, other items	4,657	(54)	516	5,119	72	5,191
Derivatives, net	(21,045)	(4,413)	(11,211)	(36,669)	1,140	(35,529)
Decommissioning obligations	(5,802)	(1,167)	(1,294)	(8,263)	-	(8,263)
Other provisions	(3,903)	(64)	(1,276)	(5,243)	(816)	(6,059)
Tax, net	5,458	(2,690)	2,686	5,454	(68)	5,386
Other receivables and other payables, net	254	(28)	3	229	(752)	(523)
Capital employed at 30 September	83,648	17,301	(1,700)	99,249	1,112	100,361
Return on capital employed (ROCE), %	-	-	-	-	-	12.9
Cash flow from operating activities	863	2,876	7,174	10,913	567	11,480
Gross investments	(16,401)	(10,919)	(161)	(27,481)	(74)	(27,555)
Divestments	10,685	-	(251)	10,434	133	10,567
Free cash flow (FCF)	(4,853)	(8,043)	6,762	(6,134)	626	(5,508)



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.

¹Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 6,092 million, which primarily relates to our Shared Functions services as well as our B2B business activities.

2. Segment information (continued)









Q3 2022, income statement and FCF, DKKm	Offshore	Onshore	Bioenergy & Other	Reporting segments	Other activities/ eliminations	Total
External revenue	22,070	836	13,654	36,560	(19)	36,541
Intra-group revenue	2,987	-	(1,318)	1,669	(1,669) ¹	-
Revenue	25,057	836	12,336	38,229	(1,688)	36,541
Cost of sales	(20,784)	(56)	(9,335)	(30,175)	1,672	(28,503)
Employee costs and other external expenses	(1,983)	(483)	(640)	(3,106)	(38)	(3,144)
Gain (loss) on disposal of non-current assets	9,058	-	-	9,058	-	9,058
Additional other operating income and expenses	(1,683)	570	(513)	(1,626)	3	(1,623)
Share of profit (loss) in associates and joint ventures	(13)	-	1	(12)	-	(12)
EBITDA	9,652	867	1,849	12,368	(51)	12,317
Depreciation and amortisation	(1,820)	(456)	(190)	(2,466)	(64)	(2,530)
Operating profit (loss) (EBIT)	7,832	411	1,659	9,902	(115)	9,787
Cash flow from operating activities	(10,296)	364	(1,881)	(11,813)	504	(11,309)
Gross investments	(7,979)	(6,322)	(84)	(14,385)	(32)	(14,417)
Divestments	22,296	(1)	2	22,297	162	22,459
Free cash flow (FCF)	4,021	(5,959)	(1,963)	(3,901)	634	(3,267)
Q3 2021, income statement and FCF, DKKm						
External revenue	7,257	429	6,785	14,471	39	14,510
Intra-group revenue	1,899	(23)	(234)	1,642	(1,642) ¹	-
Revenue	9,156	406	6,551	16,113	(1,603)	14,510
Cost of sales	(6,173)	(7)	(4,810)	(10,990)	1,645	(9,345)
Employee costs and other external expenses	(1,678)	(299)	(545)	(2,522)	19	(2,503)
Gain (loss) on disposal of non-current assets	(52)	-	-	(52)	-	(52)
Additional other operating income and expenses	55	313	10	378	-	378
Share of profit (loss) in associates and joint ventures	(4)	-	-	(4)	-	(4)
EBITDA	1,304	413	1,206	2,923	61	2,984
Depreciation and amortisation	(1,425)	(261)	(194)	(1,880)	(59)	(1,939)
Operating profit (loss) (EBIT)	(121)	152	1,012	1,043	2	1,045
Cash flow from operating activities	(5,644)	2,465	2,881	(298)	544	246
Gross investments	(6,041)	(2,639)	(72)	(8,752)	(5)	(8,757)
Divestments	16	-	(48)	(32)	39	7
Free cash flow (FCF)	(11,669)	(174)	2,761	(9,082)	578	(8,504)



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.

¹Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 2,390 million (Q3 2021: DKK 2,268 million), which primarily relates to our Shared Functions services as well as our B2B business activities.

3. Revenue

				Other activities/ eliminations	9M 2022 total				Other activities/ eliminations	9M 2021 total
Revenue, DKKm	Offshore	Onshore	Bioenergy & Other			Offshore	Onshore	Bioenergy & Other		
Sale of gas	-	-	17,157	-	17,157	-	-	9,227	-	9,227
Generation of power	9,296	1,829	9,694	-	20,819	4,952	665	3,525	-	9,142
Sale of power	37,685	-	5,700	(3,768)	39,617	13,457	-	3,287	(4,220)	12,524
Revenue from construction of offshore wind farms and transmission assets	10,724	-	-	-	10,724	5,139	-	-	-	5,139
Generation and sale of heat and steam	-	-	1,739	-	1,739	-	-	1,881	-	1,881
Distribution and transmission	-	-	186	(4)	182	-	-	297	(1)	296
Other revenue	1,633	23	449	(23)	2,082	1,870	-	153	(3)	2,020
Total revenue from customers	59,338	1,852	34,925	(3,795)	92,320	25,418	665	18,370	(4,224)	40,229
Government grants	2,352	393	385	-	3,130	5,903	77	461	-	6,441
Miscellaneous revenue	509	11	682	(54)	1,148	60	(109)	307	79	337
Total revenue	62,199	2,256	35,992	(3,849)	96,598	31,381	633	19,138	(4,145)	47,007
Timing of revenue recognition from customers										
At a point in time	46,487	1,852	23,243	(3,795)	67,787	20,052	665	7,172	(4,224)	23,665
Over time	12,851	-	11,682	-	24,533	5,366	-	11,198	-	16,564
Total revenue from customers	59,338	1,852	34,925	(3,795)	92,320	25,418	665	18,370	(4,224)	40,229







Revenue was DKK 96,598 million. The increase of 106 % relative to the first nine months of 2021 was primarily due to the significantly higher power and gas prices across all markets and more assets in operation.

Revenue from construction agreements was 10,724 million. The increase of DKK 5.6 billion

was mainly related to the divestment of 50 % of the offshore transmission assets at Hornsea 2 in September and the construction of Greater Changhua 1 for partners.

Income from government grants decreased relatively to the first nine months of 2021 due to significantly higher power prices, which led to a lower subsidy per MWh produced.

3. Revenue (continued)

				Other activities/ eliminations	Q3 2022 total				Other activities/ eliminations	Q3 2021 total
Revenue, DKKm	Offshore	Onshore	Bioenergy & Other			Offshore	Onshore	Bioenergy & Other		
Sale of gas	-	-	4,820	-	4,820	-	-	3,803	(4)	3,799
Generation of power	4,337	783	4,390	-	9,510	1,576	316	1,219	-	3,111
Sale of power	14,453	-	2,475	(1,567)	15,361	5,917	-	766	(1,822)	4,861
Revenue from construction of offshore wind farms and transmission assets	6,629	-	-	-	6,629	4	-	-	-	4
Generation and sale of heat and steam	-	-	29	-	29	-	-	272	-	272
Distribution and transmission	-	-	65	(2)	63	-	-	140	-	140
Other revenue	492	4	289	(10)	775	677	-	42	20	739
Total revenue from customers	25,911	787	12,068	(1,579)	37,187	8,174	316	6,242	(1,806)	12,926
Government grants	(177)	64	84	-	(29)	1,242	72	68	-	1,382
Miscellaneous revenue	(677)	(15)	184	(109)	(617)	(260)	18	241	203	202
Total revenue	25,057	836	12,336	(1,688)	36,541	9,156	406	6,551	(1,603)	14,510
Timing of revenue recognition from customers										
At a point in time	21,532	787	9,549	(1,579)	30,289	6,929	316	3,012	(1,806)	8,451
Over time	4,379	-	2,519	-	6,898	1,245	-	3,230	-	4,475
Total revenue from customers	25,911	787	12,068	(1,579)	37,187	8,174	316	6,242	(1,806)	12,926

4. Other operating income and expenses

Other operating income, DKKm	9M 2022	9M 2021	Q3 2022	Q3 2021
Gain on divestment of assets	11,009	5,754	9,069	-
US tax credits and tax attributes	1,844	902	597	307
Other compensation	128	296	31	67
Miscellaneous operating income	211	191	62	39
Total other operating income	13,192	7,143	9,759	413

Other operating expenses, DKKm	9M 2022	9M 2021	Q3 2022	Q3 2021
Ineffective hedges, etc.	3,451	-	2,191	-
Loss on divestment of assets	67	128	11	52
Miscellaneous operating expenses	190	111	122	35
Total other operating expenses	3,708	239	2,324	87

'Gain on divestment of assets' in 9M 2022 primarily related to the 50 % farm-down of Hornsea 2 in September and the 50 % farm-down of Borkum Riffgrund 3 in February, resulting in a gain of DKK 9.3 billion and DKK 1.6 billion, respectively.

In 9M 2021, 'Gain on divestment of assets' primarily concerned the 50 % farm-down of Borssele in May and adjustments to finalised offshore projects.

The increase in 'US tax credits and tax equity income' was mainly due to the commissioning of new onshore wind farms in 2021, which have had full impact in 2022, and the commissioning of new onshore wind and solar farms in 9M 2022.

'Ineffective hedges' in 9M 2022 included volume-ineffective hedges as a consequence of lower-than-expected offshore generation, resulting in having hedged too large volumes. Furthermore, it included price-ineffective hedges mainly related to proxy hedges, which we cannot document as being 'effective' from a hedge accounting perspective and therefore have recognised in the income statement.

5. Financial income and expenses

Net financial income and expenses, DKKm	9M 2022	9M 2021	Q3 2022	Q3 2021
Interest expenses, net	(1,339)	(684)	(657)	(275)
Interest expenses, leasing	(196)	(159)	(81)	(58)
Interest element of provisions, etc.	(364)	(313)	(125)	(112)
Tax equity partner's contractual return	(814)	(490)	(251)	(181)
Value adjustments of derivatives, net	1,675	132	559	15
Exchange rate adjustments, net	1,303	627	924	337
Value adjustments of securities, net	(1,823)	(518)	(574)	(140)
Other financial income and expenses	7	169	(12)	63
Net financial income and expenses	(1,551)	(1,236)	(217)	(351)



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

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

The increase in 'Interest expenses, net' is mainly driven by increased interest expenses on our issued bonds and bank loans due to new loans, higher interest expenses on our inflation indexed bond as a consequence of increased inflation rates, and higher bank fees, among others related to new credit facilities.

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

6. Acquisition of enterprises

Cash flows used for acquisitions, DKKm	Ostwind	Other	9M 2022	9M 2021	Q3 2022	Q3 2021
Fair value at time of acquisition:						
Other intangible assets than goodwill	167	-	167	452	167	-
Property, plant, and equipment	2,342	-	2,342	5,182	2,342	-
Joint ventures	313	26	339	33	313	-
Contract assets and liabilities, net	(76)	-	(76)	-	(76)	-
Trade receivables	135	-	135	236	135	-
Other receivables	73	-	73	163	73	-
Receivables from associates and joint ventures	174	-	174	-	174	-
Cash	432	-	432	146	432	-
Interest-bearing debt, excl. leases	(437)	-	(437)	(2,273)	(437)	-
Provisions	(10)	-	(10)	(47)	(10)	-
Derivatives	-	-	-	(456)	-	-
Deferred tax	(525)	-	(525)	(634)	(525)	-
Other liabilities	(241)	-	(241)	(312)	(241)	-
Net assets acquired	2,347	26	2,373	2,490	2,347	-
Goodwill	1,718	-	1,718	-	1,718	-
Purchase price	4,065	26	4,091	2,490	4,065	-
Cash, available and acquired	(432)	-	(432)	(142)	(432)	-
Contingent consideration	-	-	-	22	-	11
Accrued purchase price	(260)	-	(260)	-	(260)	-
Cash flow used for acquisition of enterprises	3,373	26	3,399	2,370	3,373	11
Purchase price	4,065	26	4,091	2,490	4,065	-
Adjustments for cash	(432)	-	(432)	(146)	(432)	-
Adjustments for interest-bearing debt	437	-	437	2,273	437	-
Adjustments for other debt and NWC items	(65)	-	(65)	-	(65)	-
Adjustments for cash, debt and NWC items in JVs	1,118	-	1,118	-	1,118	-
Enterprise value	5,123	26	5,149	4,617	5,123	-

recent entry into the Spanish onshore market, Ørsted's onshore renewables platform now covers the US market and four of the largest growth markets in Europe at scale.

The total purchase price is DKK 4,065 million, including an accrued purchase price of DKK 260 million. Of the purchase price allocation, DKK 2,342 million is allocated to 'Property, plant, and equipment', consisting of operating wind and solar projects and projects under construction or in advanced development. DKK 1,718 million is allocated to goodwill related to greenfield wind and solar development.

Since the acquisition date, the contributed revenue and result after tax from Ostwind has been immaterial.

If the acquisition had been made on 1 January 2021, the first nine months' revenue would have been DKK 239 million, and loss after tax would have been DKK 185 million. As part of the acquisition process, we have incurred costs of DKK 30 million, which have been expensed in our income statement in the Onshore segment.

The fair values of the assets and liabilities are not considered final until 12 months after the acquisition date.

On 19 September 2022, we acquired Ostwind, a German and French onshore wind platform, and obtained all of the voting equity interests in OSTWIND Erneuerbare Energien GmbH, OSTWINDpark Rotmainquelle GmbH & Co. KG,

OSTWIND International S.A.S., and OSTWIND Engineering S.A.S.

The acquisition of Ostwind constitutes Ørsted's entry into the sizeable and growing

German and French onshore markets and substantially expands Ørsted's onshore footprint in Europe. Together with the acquisition of Brookfield Renewable's Ireland and UK onshore wind platform in 2021 and the

7. Gross and net investments

Gross and net investments, DKKm	9M 2022	9M 2021	Q3 2022	Q3 2021
Cash flow from investing activities	(1,972)	(20,559)	8,850	(8,696)
Dividends received and capital reductions reversed	(16)	(28)	6	-
Purchase and sale of securities, reversed	(555)	5,300	(107)	(119)
Sale of non-current assets, reversed	(24,107)	(9,998)	(22,195)	59
Interest-bearing debt in acquired enterprises and asset groups	(972)	(2,274)	(972)	(1)
Restricted cash in acquired enterprises	1	4	1	-
Gross investments	(27,621)	(27,555)	(14,417)	(8,757)
Transactions with non-controlling interests in connection with divestments	546	569	264	66
Sale of non-current assets	24,107	9,998	22,195	(59)
Divestments	24,653	10,567	22,459	7
Net investments	(2,968)	(16,988)	8,042	(8,750)

8. 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	1,606	-	1,606
Value adjustments of hedging reserve	-	(73,706)	(73,706)
Value adjustments transferred to:			
Revenue	-	10,970	10,970
Other operating income	574	8,875	9,449
Other operating expenses	-	3,797	3,797
Financial income and expenses	-	(686)	(686)
Property, plant, and equipment	-	(118)	(118)
Tax:			
Tax on hedging and currency adjustments	233	6,956	7,189
Movement in comprehensive income for the period	2,413	(43,912)	(41,499)
Total reserves including tax at 30 September	3,888	(70,165)	(66,277)
Total reserves excluding tax at 30 September	4,132	(84,292)	(80,160)



'Value adjustments of hedging reserve' in the first nine 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 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	3,726	-	3,726
Value adjustments of hedging reserve	-	(38,977)	(38,977)
Value adjustments transferred to:			
Revenue	-	2,942	2,942
Financial income and expenses	-	35	35
Profit (loss) from discontinued operations	-	(86)	(86)
Tax:			
Tax on hedging and currency adjustments	(513)	7,276	6,763
Movement in comprehensive income for the period	3,213	(28,810)	(25,597)
Total reserves including tax at 30 September	(616)	(26,937)	(27,553)
Total reserves excluding tax at 30 September	(1,068)	(33,860)	(34,928)

9. Tax on profit (loss) for the period

	9M 2022			9M 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		(902)	n.a.		(1,168)	n.a.
Gain (loss) on divestment of enterprises	11,103	-	n.a.	5,355	-	n.a.
Other adjustments		444	n.a.		517	n.a.
Remaining Ørsted business	6,046	(1,366)	23 %	3,561	(636)	18 %
Effective tax for the period	17,149	(1,824)	11 %	8,916	(1,287)	14 %



Effective tax rate

The effective tax rate for the first nine 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 1,824 million in 9M 2022 compared to DKK 1,287 million in 9M 2021. The effective tax rate for the first nine months of 2022 was 11 %.

The effective tax rate was affected by the 50 % farm-downs of Hornsea 2 and Borkum Riffgrund 3, the recognition of a deferred tax liability in the US related to tax equity contributions for the onshore wind part of Helena Energy Center, 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 different 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 the current year's profit (loss).



Wind technicians at Plum Creek, Wayne County, Nebraska, the US.



10. Market risks

Market risk management

Our most significant market risks relate to:

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

The overall objective of our risk management is to:

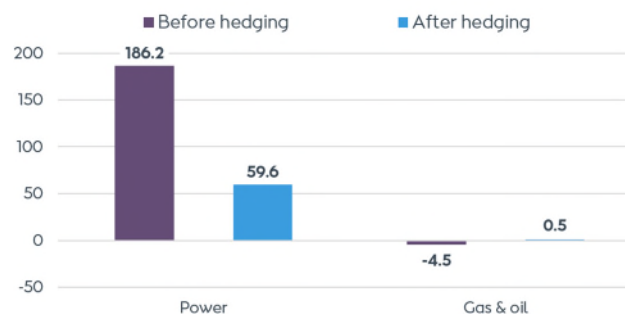
- increase the predictability of the short-term earnings and cash flow by securing the price of energy and currency

- protect the long-term real value of shareholders' investments in Ørsted by matching fixed nominal cash flows from our assets with fixed nominal debt.

We are currently reviewing our hedging framework.

For more details on our market risks, please see notes 6.1-6.4 in the annual report for 2021.

Energy exposure 1 October 2022 - 30 September 2021 DKKbn

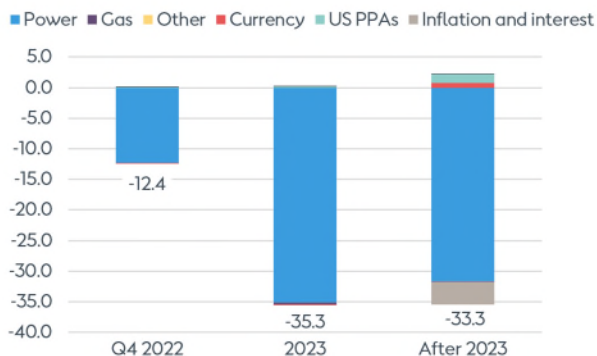


Our power exposure before and after hedging has increased significantly in 9M 2022 due to the increase in power prices.

The exposures are based on market prices as of 30 September 2022.

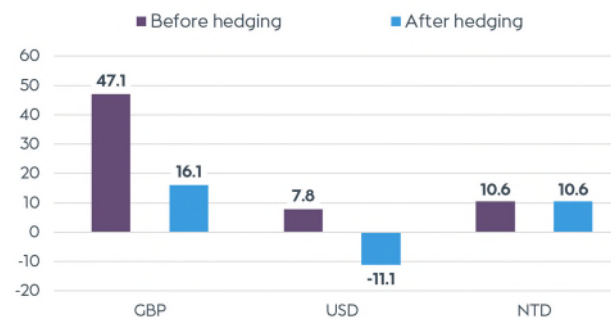
Our energy exposures have been reduced significantly due to hedging.

EBITDA impact from hedges, DKKbn



Due to significant increases in energy prices and inflation rates, we have incurred a substantial loss on unrealised hedges and power purchase agreements (PPAs), which is reflected in the hedging reserve in note 8. At 30 September 2022, the pre-tax loss of the hedging reserve was DKK 84.3 billion, of which DKK 82.6 billion will be transferred to EBITDA over the coming periods, as shown in the table. The losses will be countered by higher sales prices on our future power production.

Currency exposure 1 October 2022 - 30 September 2021 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.

11. Fair value measurement

Fair value hierarchy DKKm	Assets			Liabilities
	Inventories	Securities	Derivatives	Derivatives
2022				
Quoted prices	5,675	-	24,260	29,782
Observable input	-	18,803	38,792	93,505
Non-observable input	-	-	1,458	24,546
Total 30 September 2022	5,675	18,803	64,510	147,833
2021				
Quoted prices	2,901	-	25,688	32,776
Observable input	-	30,136	2,022	26,365
Non-observable input	-	-	450	4,548
Total 30 September 2021	2,901	30,136	28,160	63,689

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)	882	443	1,611	(2,364)	2,364
Ireland (2023-2042)	1,165	792	4,359	(520)	520
US ERCOT (2022-2030)	230	131	810	(3,575)	3,614
US SPP (2022-2030)	227	173	523	(566)	595
US MISO (2022-2033)	421	330	913	(717)	744

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

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 input, DKKm

	2022	2021
Market value at 1 January	(7,448)	(82)
Value adjustments through profit or loss	(1,464)	(449)
Value adjustments through other comprehensive income	(11,037)	(2,751)
Sales/redemptions	1,430	59
Purchases/issues	(3,445)	(878)
Transferred from quoted prices and observable input	(1,228)	-
Transferred to observable input	104	3
Market value at 30 September before deferred gain (loss)	(23,088)	(4,098)



The table shows the significant unobservable inputs used in the fair value measurements categorised as 'non-observable input', together with a sensitivity analysis as at 30 September 2022.

If intermittency-adjusted power prices in Germany as of 30 September 2022 increased by 25 %, the market value would decrease by DKK 2,364 million.

Non-observable input per commodity price input, DKKm

	2022	2021
US power prices	(8,247)	-
German power prices	(9,679)	(2,398)
UK power prices	(3,408)	(211)
Irish power prices	(997)	(682)
Other power prices	(1,732)	(523)
Gas prices	975	(284)
Total	(23,088)	(4,098)

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.

12. Interest-bearing debt and FFO

Interest-bearing debt and interest-bearing assets DKKm	30 September 2022	31 December 2021	30 September 2021
Interest-bearing debt:			
Bank debt	9,415	16,318	17,422
Bond debt	54,900	34,677	36,044
Total bond and bank debt	64,315	50,995	53,466
Tax equity liability	1,559	1,296	734
Lease liability	8,492	7,532	5,590
Other interest-bearing debt	3,056	535	626
Total interest-bearing debt	77,422	60,358	60,416
Interest-bearing assets:			
Securities	18,803	21,228	30,136
Cash	9,418	9,943	6,375
Other receivables	2,730	4,150	1,946
Receivables in connection with divestments	770	757	748
Total interest-bearing assets	31,721	36,078	39,205
Total net interest-bearing debt	45,701	24,280	21,211



Interest-bearing net debt totalled DKK 45,701 million at 30 September 2022, which was an increase of DKK 21,421 million relative to 31 December 2021. The main changes in the composition of our net debt compared to 31 December 2021 was an increase in bond debt of DKK 20,223 million.

Market value of bond and bank debt

At 30 September 2022, the market values of bond and bank debts were DKK 50.1 billion and DKK 8.9 billion, respectively. The market value have been impacted by the increased interest rates in Q3 2022.

Changes in bond and bank debt

In September 2022, Ørsted issued three green bonds at a total nominal amount of GBP 950 million and EUR 900 million. The bonds were issued under the existing debt issuance programme (EMTN programme):

- EUR 900 million with maturity in 2031 at a fixed interest rate of 3.25 %
- GBP 375 million with maturity in 2034 at a fixed interest rate of 5.125 %
- GBP 575 million with maturity in 2042 at a fixed interest rate of 5.375 %.

Funds from operations (FFO) LTM ¹ DKKm	30 September 2022	31 December 2021	30 September 2021
EBITDA	33,614	24,296	21,047
Change in provisions and other adjustments	(1,002)	(422)	(2,546)
Change in derivatives	(13,406)	(2,050)	2,618
Variation margin (add back)	17,140	(627)	944
Reversal of gain (loss) on divestment of assets	(13,236)	(7,920)	(5,175)
Income tax paid	(1,260)	(1,380)	(1,115)
Interest and similar items, received/paid	(380)	(467)	(834)
Reversal of interest expenses transferred to assets	(756)	(782)	(616)
50 % of coupon payments on hybrid capital	(237)	(215)	(215)
Dividends received and capital reductions	17	29	39
Funds from operations (FFO)	20,494	10,462	14,147

¹Last 12 months.

Adjusted interest-bearing net debt DKKm	30 September 2022	31 December 2021	30 September 2021
Total interest-bearing net debt	45,701	24,280	21,211
50 % of hybrid capital	8,992	8,992	8,992
Other interest-bearing debt, add back	(3,056)	(535)	(626)
Other receivables, add back	2,730	4,150	1,946
Receivables in connection with divestments, add back	770	757	748
Cash and securities not available for distribution, excluding repo loans	2,910	2,130	977
Total adjusted interest-bearing net debt	58,047	39,774	33,248

Funds from operations (FFO)/ adjusted interest-bearing net debt	30 September 2022	31 December 2021	30 September 2021
Funds from operations (FFO)/ adjusted interest-bearing net debt	35.3%	26.3%	42.5%



Adjusted definition

We have adjusted our definition of FFO/adjusted net debt. We have excluded variation margin payments in our FFO definition, to reflect the changes implemented by the rating agencies. Furthermore, we have excluded 'other interest-bearing debt' and 'other interest-bearing receivables' from adjusted net debt, to align with the common methodology used by the rating agencies.

Comparative figures for 2021 are restated in accordance with the new definition of FFO/adjusted net debt.

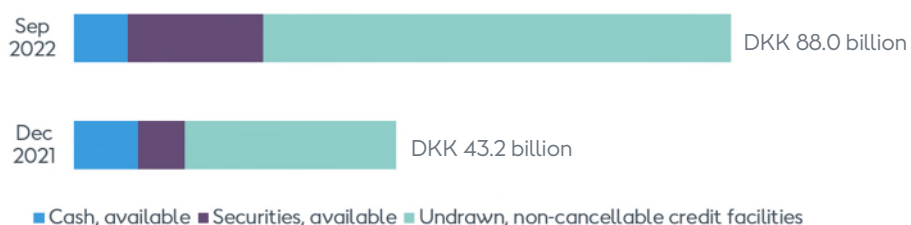


We aim to have a long-term FFO/adjusted NIBD at above 25 %, in line with the rating agencies.

13. Financial resources

Financial resources

DKK billion



Financial resources

At 30 September, financial resources amounted to DKK 88.0 billion (31 December 2021: DKK 43.2 billion). The financial resources were in particular built up during Q3 to ensure sufficient liquidity to cope with collateral payments and continuing investments in the green transformation.

During the quarter, we issued green bonds denominated in GBP and EUR with proceeds equivalent to DKK 14.8 billion. We also established a new EUR 2 billion two-year committed facility and bilateral credit facilities with an aggregate amount of DKK 9 billion.

Collateral and margin postings

When we trade in derivatives to execute our hedging strategy, we have two alternatives:

- Trading on exchanges where the market

value is settled on an ongoing basis through receipt or placing of collateral.

- Trading OTC where we accept the credit risk that will occur if we gain on the transaction.

We are trading under both type of agreements to increase the number of counterparties with whom we are engaging with to achieve the most optimal prices.

To mitigate and limit the potential negative impact on our cash position from temporary fluctuations in market prices, we actively manage the volume of trades between trading with and without collateral arrangements.

As of 30 September 2022, 20 % (2021: 51 %) of our power and gas trades and 86 % (2021: 82 %) of our currency, inflation, and interest rate hedges had daily margin settlements.

Collateral and margin postings

DKK billion



To limit cash impact, we also provide non-cash collateral as parent company and bank guarantees, where possible. At the end of September 2022, we had covered EUR 1 billion in collateral for initial margins on energy hedges through a parent company guarantee.

Our collateral and margin payments related to trading with derivatives and collateral related to insurance liabilities and escrow accounts have increased from DKK 12.3 billion at 31 December 2021 to DKK 33.5 billion at 30 September 2022. The increase was primarily driven by the large increase in power and gas prices. Collateral payments related to initial margins and variation margins increased by DKK 5.3 billion and DKK 19.0 billion, respectively, during the first nine months of the year, and amounted to DKK 30.2 billion at 30 September 2022.



Initial margin and variation margins relate to energy hedges, and the credit support annex (CSA) relates to currency, inflation, and interest rate hedges. Other collateral mainly relates to insurance liabilities and escrow accounts. Further securities can be placed as collateral in repo transactions as part of our cash management.

14. Subsequent events

Farm-down of onshore assets

In October 2022, we closed our first ever agreement to farm down a portfolio of four onshore projects to the US investor Energy Capital Partners (ECP). Under the agreement, ECP will acquire a 50 % ownership stake in the onshore wind farms Lincoln Land Wind, Plum Creek Wind, and Willow Creek Wind and the solar farm Muscle Shoals with a total capacity of 862 MW geographically spread over four US states. The transaction successfully recycles a material amount of capital that will support our capacity globally by 2030.

The value of the transaction is USD 410 million on a 50 % basis. Ørsted will remain having control of the companies after the divestment and continue to consolidate the companies 100 % with no financial impact on revenue, EBITDA, profit after tax, capital employed, net interest-bearing debt and equity. The received proceeds will impact cash and long-term interest-bearing debt.

However, our adjusted interest-bearing net debt will benefit from the transaction.



Forest engineers,
Jutland, Denmark.



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 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 30 September 2022 and of the results of the Group's operations and cash flows for the period 1 January - 30 September 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, 3 November 2022

Executive Board:

Mads Nipper

Group President and CEO

Daniel Lerup

CFO

Henriette Fenger Ellekrog

Chief HR Officer

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

Offshore technicians on top of the nacelle of a turbine, Gode Wind farm off the coast of Germany, the North Sea

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