



# Interim financial report

First quarter 2023



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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 Wednesday, 3 May 2023 at 14:00 CEST:

Denmark: +45 78 76 84 90

International: +44 203 769 6819

USA: +1 646 787 0157

PIN: 994005

The earnings call can be followed live here:

<https://orsted-events.eventcdn.net/events/interim-report-Q1-2023>

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

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

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ESG performance report\_Q1 2023

# CEO's review

## Strong start to the year with all-time high earnings from offshore sites and final investment decision on Greater Changhua 2b and 4

### Highlights

#### Financials

Operating profit (EBITDA) for the first quarter was in line with our expectations and amounted to DKK 6.9 billion.

Earnings from our wind and solar assets in operation amounted to DKK 6.9 billion, which was an increase of DKK 2.2 billion compared to the same period last year.

We maintain our full-year EBITDA guidance of DKK 20-23 billion.

#### Construction and operational progress

At Greater Changhua 1 and 2a, the cable and turbine scopes are progressing as planned, and we still expect to fully commission the wind farm in H2 2023.

The construction of our other offshore wind farms South Fork in the US, and Borkum Riffgrund 3 and Gode Wind 3 in Germany, are all progressing according to plan.

Our green share of heat and power generation amounted to 89 %.

#### Business development

We took FID on our 920 MW Greater Changhua 2b and 4 offshore wind farms in Taiwan.

In Scotland, Salamander, a joint venture between Simply Blue Group, Subsea 7, and Ørsted won a floating wind lease of 100 MW.

Together with our partner Eversource, we submitted a joint proposal in response to Rhode Island's offshore wind solicitation, where we were the only bidder.

We submitted a bid to the Danish Energy Agency (DEA) for our carbon capture and storage project Kalundborg Hub.

We acquired the 160 MW Irish solar project Garrenleen.

We signed a 150 MW power purchase agreement (PPA) with Google to purchase renewable energy generated by the wind part of Helena Energy Center in the US.

#### Financials

Operating profit (EBITDA) for the first quarter was in line with our expectations and amounted to DKK 6.9 billion, DKK 2.5 billion lower than in Q1 2022. EBITDA excl. new partnerships was DKK 0.9 billion lower than in Q1 2022.

We are very pleased with the Q1 2023 results, where our offshore sites earnings are back on track as the key EBITDA driver.

Earnings from our wind and solar assets in operation amounted to DKK 6.9 billion, which was an increase of DKK 2.2 billion compared to the same period last year. The increase was driven by ramp-up of generation from Hornsea 2 and Greater Changhua 1 and 2a, and as the negative impact from hedges of DKK 1.6 billion in Q1 2022 was not repeated.

Earnings from our CHP plants decreased by DKK 1.0 billion due to lower generation and significantly lower prices than Q1 2022. Furthermore, earnings from our gas activities decreased by DKK 1.0 billion. The lower earnings were expected for both activities given the deteriorating power condensing spreads and lower volatility in the gas price compared to Q1 2022, when the Russian invasion of Ukraine and concerns over security of gas supply caused high volatility.

We maintain our full-year EBITDA guidance of DKK 20-23 billion excluding earnings from new partnerships during the year. We also maintain

our gross investments guidance of DKK 50-54 billion.

#### Construction and operational progress

At Greater Changhua 1 and 2a, we have successfully installed all 111 jacket foundations and 97 wind turbines, of which 25 are now fully commissioned. The cable and wind turbine scopes are progressing as planned and we still expect to fully commission the wind farm in H2 2023.

At South Fork in the US, we have commenced offshore installation and the 130 MW wind farm is expected to be commissioned in H2 this year – according to the original plan.

The construction of our Gode Wind 3 and Borkum Riffgrund 3 offshore wind farms is progressing according to plan, and we expect to commission the wind farms in 2024 and 2025, respectively.

In our Onshore business, we are constructing the combined solar and storage facility Eleven Mile, the solar farm Mockingbird, and the onshore wind farm Sunflower, all of which are progressing according to plan. We are currently awaiting delivery of the rest of the solar panels for the solar part of Helena Energy Center and expect the project to be fully commissioned in 2024.

Green share of heat and power generation amounted to 89 %, a decrease of 3 percentage

points compared to the same period last year. The main driver for the lower green share in Q1 2023 was the temporary switch from biomass to coal at Studstrup Power Station after a fire in the wood pellet silo in autumn last year, partly offset by higher wind and solar PV generation. From April, we have partly been able to commence the use of biomass at Studstrup again, and we expect the green share to increase towards year-end and to end around the same level as last year.

#### Business development

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

#### Offshore

In April, we took FID on our 920 MW Greater Changhua 2b and 4 offshore wind farms in Taiwan. We expect to start onshore construction this year with commissioning by the end of 2025. Greater Changhua 2b and 4 have a robust business case which will create long-term value for Ørsted.

In March, Salamander, a joint venture between Simply Blue Group, Subsea 7, and Ørsted won a Scottish floating wind lease. The 100 MW Salamander floating offshore wind project, located 35 km off Peterhead, is designed to provide Scotland and its supply chain with an early opportunity to deliver floating offshore wind ahead of the larger-scale ScotWind build-out.

Our Skåne Offshore Wind Farm project in Sweden has received the Natura 2000 environmental permit. If built, the 1.5 GW wind farm will be one of Sweden's first commercial-scale offshore wind farms and can be operational by

2029. It will provide green jobs and support net-positive biodiversity in southern Sweden.

Together with our partner Eversource, we submitted a joint proposal in response to Rhode Island's offshore wind solicitation. The proposed 884 MW wind farm Revolution Wind 2 will deliver clean, reliable renewable power for more than 500,000 Rhode Island homes. Together with Ørsted and Eversource's Revolution Wind 1, Revolution Wind 2 would bring the state close to achieving its goal of 100-percent clean power at the latest in 2033.

We signed a memorandum of understanding (MoU) with the infrastructure division of Acciona to explore options for floating offshore wind foundations in Spain.

#### Onshore

We acquired the early-stage Irish solar development project Garreenleen from renewable energy developer Terra Solar. The 160 MW solar project will bring our Irish portfolio to a total capacity of 576 MW.

We signed a 150 MW power purchase agreement (PPA) with Google to purchase renewable energy generated by the wind part of Helena Energy Center in the US. This marks the first agreement between Google and Ørsted in the US, and the second agreement globally.

#### Bioenergy & Other

We submitted a bid to the Danish Energy Agency (DEA) for our carbon capture and storage project Kalundborg Hub. If we are successful in winning the bid, the project will capture approx. 400,000 tonnes of biogenic CO<sub>2</sub> annually from our Asnæs and Avedøre



**In April, we took FID on our 920 MW Greater Changhua 2b and 4 offshore wind farms in Taiwan. We expect to start onshore construction this year with commissioning by the end of 2025. Greater Changhua 2b and 4 have a robust and strong business case which will create long-term value for Ørsted, and clearly shows that we are ready to build and operate large-scale offshore wind projects in Asia Pacific**

CHP plants. The project contributes significantly to realising the politically decided Danish climate targets for 2025 and 2030, and it maintains and grows our CHP plants' value contribution as we integrate and optimise value streams. Furthermore, it serves as an enabler for our future P2X projects through the establishment of core capabilities in capturing carbon. We expect the outcome of the bid in May. The project is expected to be operational by the end of 2025 dependent on winning the bid.

#### Commitment to the green agenda around the world

We are proud to announce that Ørsted, as a founding partner, has become the first energy company to join the Global Offshore Wind Alliance (GOWA) to support a faster deployment of offshore wind and create a global community of action. GOWA is a new global organisation that brings governments, the private sector, international organisations, and

other stakeholders together to accelerate the deployment of offshore wind power.

In March, the Intergovernmental Panel on Climate Change (IPCC) report underlined that the window for staying below 1.5 °C is closing rapidly. The report also highlights renewable energy as by far the most important mitigation solution, and how wind and solar are the cheapest.

Through our supply chain decarbonisation programme, we are engaging our suppliers to increase their use of renewable energy and bring down emissions. In March, we were happy to be recognised by the Carbon Disclosure Project (CDP) as a leader on supplier engagement on climate change.

We were pleased to see the proposal from the European Commission on electricity market design, which ensures a pragmatic evolution of

the European electricity market and restores confidence in an efficient, well-integrated market. The Net-Zero Industry Act proposal was another positive investment signal to the market with the focus on a renewable, fossil-free power supply. Now, it is crucial to see the proposal being carried through to support building wind at scale with clear investment signals based on faster permitting, supply chain action, incentives for the offtake of e-fuels, and forward-looking infrastructure build-out. There is also a need to accelerate the approval processes, which today continue to represent a major bottleneck within our industry.

It is critical that the industry and governments collaborate to ensure that projects, and thus the green transformation, remain investable.

As Ørsted is the world's undisputed largest and most experienced offshore wind developer, we feel a special obligation to help scale our industry. And I am a realistic optimist that we will find ways to make that happen!

The global renewable energy markets are expected to grow rapidly over the next decade in all the technological areas where we are present, with offshore wind being the fastest growing renewable technology. It is very positive to see high ambitions around the world with the number and size of government solicitations increasing significantly. Led by examples like the Danish Government's latest plan to launch a solicitation of 9 GW of offshore wind capacity this year. We are convinced that opportunities for value-creating offshore growth is available for

experienced developers like ourselves.

In April, heads of state and climate ministers from nine Northern European countries as well as 100+ CEOs from companies critical to the offshore wind industry, formed an ambition for offshore wind build-out in the North Sea of 130 GW by 2030 and 300 GW by 2050, the 'Oostende agreement'. The agreement has the potential to make the North Sea the biggest green power plant in the world. But the path towards making these ambitions a reality remains challenging and require a collaboration between industry, organisations and governments that has never been seen before.



**Through our supply chain decarbonisation programme, we are engaging our suppliers to increase their use of renewable energy to bring down emissions. In March, we were happy to be recognised by the Carbon Disclosure Project (CDP) as a leader on supplier engagement on climate change**



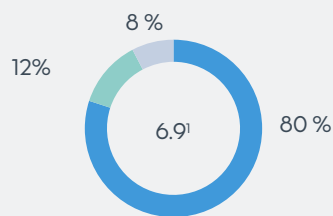
**Mads Nipper**  
Group President & CEO

# At a glance

## Ørsted

Number of employees: 8,422

EBITDA, DKKbn

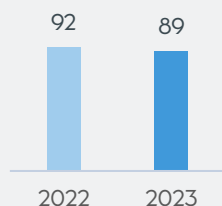


● Offshore ● Onshore ● Bioenergy & Other

### Key figures Q1 2023

Revenue	DKK 29.4 bn
Gross investments	DKK 8.8 bn
Capital employed	DKK 138.1 bn
TRIR	2.7
ROCE, last 12 months	13.8 %

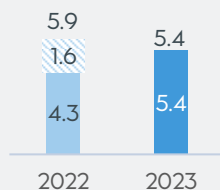
Green share of energy generation, %



## Offshore

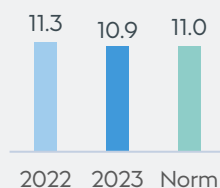
Number of employees: 4,453

EBITDA, DKKbn

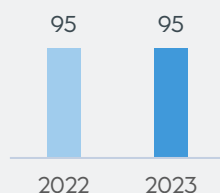


▨ New partnerships

Wind speed, m/s



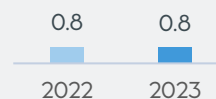
Availability, %



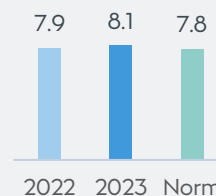
## Onshore

Number of employees: 230

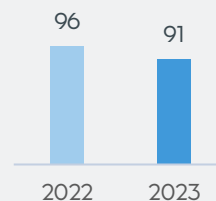
EBITDA, DKKbn



Wind speed, m/s



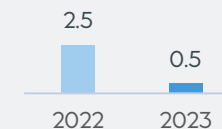
Availability, wind, %



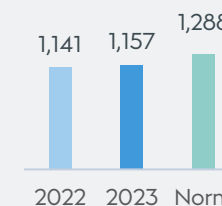
## Bioenergy & Other

Number of employees: 1,002

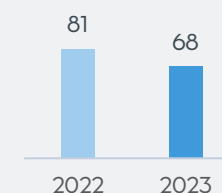
EBITDA, DKKbn



Degree days, number



Green share of energy generation, %



1 Includes EBITDA from other activities/eliminations

# Outlook 2023

## EBITDA

EBITDA in 2023, excluding new partnership agreements, is unchanged and still expected to be DKK 20-23 billion. This guidance is based on an assumption of normal wind speeds in the remainder of the year. As always, the guidance is subject to a number of uncertainties (see box below).

## Gross investments

Gross investments in 2023 are expected to amount to DKK 50-54 billion, which is unchanged relative to the guidance in the annual report.

	2022 realised	Guidance 1 Feb 2023	Guidance 3 May 2023
<b>Outlook 2023, DKK billion</b>			
EBITDA, without new partnerships	21.1	20-23	20-23
Offshore, without new partnerships	8.6	Significantly higher	Significantly higher
Onshore	3.6	In line	In line
Bioenergy & Other	8.6	Significantly lower	Significantly lower
Gross investments	37.4	50-54	50-54

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 2022.

## 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 2022 in the chapter 'Our risks and risk management' and in note 6.

# Results Q1

## Financial results

### Revenue

Power generation from offshore and onshore assets increased by 16 % and totalled 8.9 TWh in Q1 2023. The increase was due to ramp-up of generation from Hornsea 2 and Greater Changhua 1 and 2a, our onshore assets Ford Ridge, the wind part of Helena Energy Center, and Old 300, and the acquisition of Ostwind in Q4 2022.

Heat generation decreased by 2 %, whereas thermal power generation decreased by 21 %, mainly due to less attractive spreads for power condensing generation.

Our green share of generation amounted to 89 %, a decrease of 3 percentage points compared to the same period last year.

Revenue amounted to DKK 29.4 billion. The decrease of 13 % relative to Q1 2022 was primarily due to the significantly lower power prices across all markets as well as lower gas volumes sold and prices.

### EBITDA

Operating profit (EBITDA) for the first quarter was in line with our expectations and amounted to DKK 6.9 billion, DKK 2.5 billion lower than in Q1 2022, which was positively impacted by a gain from the 50 % farm-down of Borkum Riffgrund 3 (new partnerships) of DKK 1.6 billion. Thus, EBITDA excl. new partnerships was DKK 0.9 billion lower than Q1 2022.

Earnings from Offshore sites amounted to DKK 5.9 billion, an increase of DKK 2.2 billion compared to last year.

'Wind impact' was negative with DKK 0.3 billion due to lower wind speeds than in Q1 2022 (marginally lower than a normal wind year).

Impact from 'hedges' was positive with DKK 2.1 billion in Q1 2023 compared to Q1 2022. This was mainly due to negative effects from over-hedging and ineffective hedges in Q1 2022 due to delayed ramp-up at Hornsea 2 combined with very high power prices (DKK -1.6 billion), which was not repeated in Q1 2023. Furthermore, Q1 2023 benefitted from a partial reversal of the temporary negative impact in 2022 from hedges not fulfilling the requirements for hedge accounting under IFRS 9 (DKK 0.5 billion).

Earnings from 'Sites, other' increased by DKK 0.3 billion, mainly due to ramp-up of generation from Hornsea 2 and Greater Changhua 1 and 2a in Q1 2023. This was partly offset by a

negative impact on our merchant exposure due to declining prices after having lowered our hedge ratios for Q1 2023 at a time when prices were higher than the realised levels in the quarter.

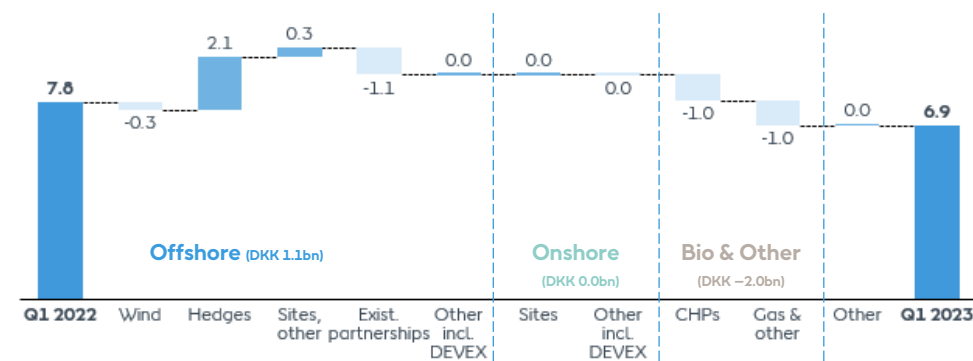
EBITDA from partnerships amounted to DKK 0.0 billion in Q1 2023. In Q1 2022, we had positive earnings from work for partners at Greater Changhua 1 and from a reversal of DKK 0.5 billion of the DKK 0.8 billion warranty provision related to cable protection system issues at some of our offshore wind farms towards our partners, recognised in 2021.

EBITDA from our Onshore business was in line with Q1 2022. An increase in generation of 17 % due to ramp-up of generation from new assets was partly offset by lower prices, especially in I&UK where a revenue cap was

### Financial results, DKKm

	Q1 2023	Q1 2022	%
Revenue	29,369	33,762	(13 %)
EBITDA	6,910	9,429	(27 %)
- New partnerships	-	1,610	n.a.
- EBITDA excl new partnerships	6,910	7,819	(12 %)
Depreciation and amortisation	(2,438)	(2,128)	15 %
Operating profit (loss) (EBIT)	4,472	7,301	(39 %)
Gain (loss) on divestment of enterprises	169	108	56 %
Financial items, net	(1,519)	(848)	79 %
Profit (loss) before tax	3,135	6,561	(52 %)
Tax	67	(860)	n.a.
Tax rate	(2%)	13%	(15 %p)
Profit (loss) for the period	3,202	5,701	(44 %)

### EBITDA excluding new partnerships, DKKbn





introduced in Q4 2022.

EBITDA from our CHP plants amounted to DKK 0.8 billion in Q1 2023, a decrease of DKK 1.0 billion compared to the same period last year. The decrease was mainly due to unfavourable spreads for power condensing generation.

EBITDA from our gas business contributed with earnings of DKK -0.2 billion in Q1 2023, DKK 1.0 billion lower than in the same period last year. The decrease was to a large extent driven by temporary positive effects from revaluation of our gas at storage during Q1 2022 due to the high and volatile gas prices vs a loss during Q1 2023. In addition, we were able to lock in gains from optimising the offtake flexibility in some of our sourcing contracts in north-western Europe in Q1 2022. In contrast, our decision to unwind gas hedges related to the Gazprom Export contract to balance our risk if gas supplies from Russia were terminated led to a net loss on the Gazprom Export sourcing contract in Q1 2022.

### EBIT

EBIT decreased by DKK 2.8 billion to DKK 4.5 billion in Q1 2023. This was mainly due to the lower EBITDA and higher depreciation from more assets in operation.

### Financial income and expenses

Net financial income and expenses amounted to DKK -1.5 billion compared to DKK -0.8 billion in Q1 2022. The higher net expenses were mainly due to negative exchange rate adjustments from decreasing USD rates and higher interest expenses on loans.

### Tax and tax rate

Tax on profit for the period amounted to DKK -0.1 billion, DKK 0.9 billion lower than last year. The effective tax rate was -2 %. The tax rate was affected by a reversal of a recognised deferred tax liability in the US related to the tax equity partnership for Ocean Wind 1 following our signed agreement in January to acquire PSEC's 25 % equity stake.

### Profit for the period

Profit for the period totalled DKK 3.2 billion, DKK 2.5 billion lower than Q1 2022. The decrease was mainly due to the lower EBIT and higher net financial expenses.

### Cash flows and net debt

#### Cash flows from operating activities

Cash flows from operating activities totalled DKK 10.1 billion in Q1 2023 compared to DKK 0.0 billion in Q1 2022.

During Q1 2023, we released DKK 3.3 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') as a result of falling and less volatile power and gas prices:

- The variation margin payments were a cash inflow of DKK 2.0 billion vs a cash outflow of 6.9 billion in Q1 2022. DKK 1.9 billion of the inflow related to power hedges in Offshore, and DKK 0.0 billion related to gas hedges in Bioenergy & Other
- The initial margin payments were a cash inflow of DKK 1.3 billion vs a cash outflow of DKK 1.5 billion in Q1 2022.

Cash flow and net debt, DKKm	Q1 2023	Q1 2022	%
Cash flows from operating activities	10,119	(37)	n.a.
EBITDA	6,910	9,429	(27 %)
Reversal of gain (loss) on divestments of assets	(124)	(1,863)	(93 %)
Change in derivatives, excl. variation margin	3,187	2,977	7 %
Change in variation margin	1,971	(6,941)	n.a.
Change in provisions	12	(765)	n.a.
Other items	(168)	(65)	158 %
Interest expense, net	(300)	(217)	38 %
Paid tax	(795)	(231)	244 %
Change in work in progress	(2,651)	(925)	187 %
Change in tax equity partner liabilities	(640)	(496)	29 %
Change in other working capital	2,717	(940)	n.a.
Gross investments	(8,768)	(6,832)	28 %
Divestments	(16)	1,927	n.a.
Free cash flow	1,335	(4,942)	n.a.
Net debt, beginning of period	30,571	24,280	26 %
Free cash flow	(1,335)	4,942	n.a.
Dividends and hybrid coupon paid	5,963	281	2022 %
Addition of lease obligations, net	28	53	(47 %)
Exchange rate adjustments, etc.	34	470	(93 %)
<b>Net debt, end of period</b>	<b>35,261</b>	<b>30,026</b>	<b>17 %</b>

In Q1 2023, we had a net cash outflow from work in progress of DKK 2.7 billion, mainly from construction work at Greater Changhua 1. In Q1 2022, we had a net cash outflow of DKK 0.9 billion, mainly from construction work at Greater Changhua 1 and the offshore transmission asset at Hornsea 2. In Q1 2022, this was partly offset by received milestone payments from partners at Borkum Riffgrund 3.

In Q1 2023, cash outflows from tax equity contributions were higher than in Q1 2022 due to more assets in operation (tax credits recognised in EBITDA are reversed in this line item). There were no significant tax equity contribution inflows in either period.

Furthermore, 'Change in other working capital' was positively impacted by lower receivables due to the falling prices in Q1 2023 in addition to the aforementioned release of margin payments.

### Investments and divestments

Gross investments amounted to DKK 8.8 billion in Q1 2023. The main investments were:

- offshore wind farms (DKK 6.0 billion), including Greater Changhua 1 and 2a in Taiwan, and our portfolio of US and German projects
- onshore wind and solar PV farms (DKK 2.7 billion), including the construction of Elevation

en Mile, Sunflower Wind, Mockingbird, and our portfolio of European projects.

We had no divestments in Q1 2023. In Q1 2022, divestments amounted to DKK 1.9 billion and were mainly related to the 50 % farm-down of Borkum Riffgrund 3.

### Interest-bearing net debt

Interest-bearing net debt (NIBD) totalled DKK 35.3 billion at the end of March 2023 against DKK 30.6 billion at the end of 2022. The increase was mainly due to dividend payments of DKK 6.0 billion. Free cash flow was positive with DKK 1.3 billion.

### Equity

Equity was DKK 102.8 billion at the end of March 2023 against DKK 95.5 billion at the end of 2022. At the end of March 2023, the post-tax hedging and currency translation reserve amounted to a loss of DKK 16.8 billion.

### Capital employed

Capital employed was DKK 138.1 billion at the end of March 2023 against DKK 126.1 billion at the end of 2022 mainly due to new investments.

### Financial ratios

#### Return on capital employed (ROCE)

Return on capital employed (ROCE) was 13.8 % in Q1 2023. The decrease of 5 percentage points compared to last year was attributable to a lower EBIT and a higher capital employed.

#### Credit metric (FFO/adjusted net debt)

The funds from operations (FFO)/adjusted net debt credit metric was 37.4 % in Q1 2023

against 37.5 % in Q1 2022. Higher adjusted NIBD was offset by higher FFO.

### ESG results

#### Green share of energy generation

The green share of heat and power generation amounted to 89 % in Q1 2023 compared to 92 % in Q1 2022. The decrease of 3 percentage points was primarily driven by a switch from biomass- to coal-based generation at Studstrup Power Station (unit 3) following the silo fire in September 2022, partly offset by higher generation from our wind and solar farms.

#### Greenhouse gas emissions

Our greenhouse gas emissions from heat and power generation (scope 1 and 2) increased by 14 % in Q1 2023 compared to Q1 2022. This was primarily due to the increased use of coal at Studstrup Power Station (unit 3) after the fire in the wood pellet silo.

Our scope 1 and 2 greenhouse gas intensity increased to 52 g CO<sub>2</sub>e/kWh in Q1 2023 against 48 g CO<sub>2</sub>e/kWh in Q1 2022. The increase was mainly driven by the increased use of coal in our thermal heat and power generation, partly offset by higher wind and solar power generation.

Greenhouse gas emissions from our supply chain and sales activities (scope 3) was 58 % lower than in Q1 2022, primarily due to 66 % lower natural gas sales in Q1 2023.

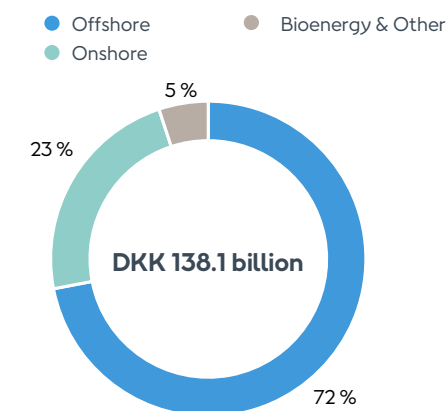
#### Safety

In Q1 2023, we had 15 total recordable injuries (TRIs), of which 12 injuries were related to con-

#### Key ratios, DKKm, %

	Q1 2023	Q1 2022	%
ROCE	13.8	19.0	(5 %)p
Adjusted net debt	46,777	43,964	6 %
FFO/adjusted net debt	37.4	37.5	0 %p

#### Capital employed



tractors' employees. In total, this was an increase of 7 injuries compared to Q1 2022. The number of hours worked was 5.5 million hours, a decrease of 10 % compared to Q1 2022. The total recordable injury rate (TRIR) increased from 1.3 in Q1 2022 to 2.7 in Q1 2023.

#### Taxonomy-aligned KPIs

The taxonomy-aligned share of revenue was 87 %, whereas the aligned share of EBITDA was 99 %, gross investments was 99 %, and OPEX was 72 %, in Q1 2023. The non-eligible part of our revenue primarily concerned our long-term legacy activities related to sourcing and sale of gas (8 % of revenue in Q1 2023).

Read more about our EU taxonomy-aligned KPIs in note 2.1 in the ESG Performance Report for Q1 2023.

# Offshore

## Financial results Q1 2023

Power generation increased by 15 % to 5.2 TWh in Q1 2023. The increase was due to ramp-up at Hornsea 2 and Greater Changhua 1 and 2a, partly offset by slightly lower wind speeds.

Wind speeds amounted to a portfolio average of 10.9 m/s, which was lower than in Q1 2022 (11.3 m/s) and marginally below the normal wind speeds expected in the first quarter (11.0 m/s).

Availability ended at 95 %, in line with the same period last year.

Revenue increased by 12 % to DKK 22.1 billion.

Revenue from offshore wind farms in operation increased by 51 % to DKK 5.8 billion, mainly driven by higher generation. Revenue from power sales increased by 11 % to DKK 15.5 billion, due to an increase in power sales volumes, partly offset by lower power prices. Revenue from construction agreements mainly related to the construction of Borkum Riffgrund 3 for partners.

EBITDA decreased by DKK 0.5 billion and amounted to DKK 5.4 billion.

EBITDA from 'Sites, O&M, and PPAs' amounted to DKK 5.9 billion in Q1 2023. It was positively impacted by the higher generation and as the DKK -1.6 billion negative effects from over-hedging and ineffective hedges in Q1 2022 due to delayed ramp-up at Hornsea 2 combined with very high power prices were not repeated

in Q1 2023. In Q1 2023, we had a negative impact on our merchant exposure due to declining prices after having lowered our hedge ratios for Q1 2023 at a time when prices were higher than the realised levels in the quarter (DKK -0.5 million). This was mainly offset by a partial reversal of the temporary negative impact in 2022 from hedges not fulfilling the requirements for hedge accounting under IFRS 9 (DKK 0.5 billion).

EBITDA from partnerships amounted to DKK 0.0 billion in Q1 2023. The decrease of DKK 2.7 billion was mainly due to the gain from the 50 % farm-down of Borkum Riffgrund 3 (new partnerships) of DKK 1.6 billion in Q1 2022 together with release of a warranty provision towards our partners related to cable protection system issues at some of our offshore wind farms.

EBITDA from other activities, including project development, amounted to DKK -0.4 billion, in line with Q1 2022.

Financial results		Q1 2023	Q1 2022	%
<b>Business drivers</b>				
Decided (FID'ed) and installed capacity	GW	12.0	11.1	8 %
Installed capacity	GW	8.9	7.6	17 %
Generation capacity	GW	4.7	4.2	12 %
Wind speed	m/s	10.9	11.3	(3 %)
Load factor	%	53	54	(1 %p)
Availability	%	95	95	0 %p
Power generation	GWh	5,162	4,502	15 %
Denmark		599	641	(7 %)
United Kingdom		3,416	2,862	19 %
Germany		566	565	0 %
The Netherlands		412	400	3 %
APAC		141	-	n.a.
Other		28	34	(18 %)
Power sales	GWh	10,642	9,166	16 %
Power price, LEBA UK	GBP/MWh	145	251	(42 %)
British pound	DKK/GBP	8.4	8.9	(5 %)
<b>Financial performance</b>				
Revenue	DKKm	22,144	19,806	12 %
Sites, O&M, and PPAs		5,840	3,863	51 %
Power sales		15,499	13,977	11 %
Construction agreements		572	1,739	(67 %)
Other		233	227	3 %
EBITDA	DKKm	5,412	5,919	(9 %)
Sites, O&M, and PPAs		5,859	3,698	58 %
Construction agreements and divestment gains		(42)	2,620	n.a.
Other, incl. project development		(405)	(399)	2 %
Depreciation	DKKm	(1,693)	(1,521)	11 %
EBIT	DKKm	3,719	4,398	(15 %)
Cash flow from operating activities	DKKm	9,606	(2,206)	n.a.
Gross investments	DKKm	(6,013)	(5,548)	8 %
Divestments	DKKm	(21)	1,945	n.a.
Free cash flow	DKKm	3,572	(5,809)	n.a.
Capital employed	DKKm	98,666	83,827	18 %

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

# Onshore

## Financial results Q1 2023

Power generation from our operating onshore assets increased by 17 % compared to Q1 2022 and amounted to 3.8 TWh. The increase was due to the commissioning of Ford Ridge and the wind part of Helena Energy Center, ramp-up of generation at Old 300, and the acquisition of Ostwind in Q4 2022. In Q1 2023, the wind speeds across the portfolio were 8.1 m/s, which were higher than last year (7.9 m/s) and a normal wind year (7.8 m/s).

Availability for wind was lower during the quarter due to minor technical issues, mainly at Willow Springs, Haystack, and Lincoln Land.

Revenue increased by 4 % compared to Q1 2022 and amounted to DKK 0.7 billion. The increase was mainly due to higher power generation as a result of the newly commissioned assets, partly offset by lower prices across the portfolio.

EBITDA for Q1 2023 amounted to DKK 0.8 billion, in line with the same period last year. The positive impact from ramp-up of generation from new assets was offset by lower prices, especially in I&UK where a revenue cap was introduced in Q4 2022, and by higher development costs as our portfolio is expanding.

Financial results		Q1 2023	Q1 2022	%
<b>Business drivers</b>				
Decided (FID'ed) and installed capacity	GW	6.2	4.7	33 %
Installed capacity	GW	4.5	3.6	24 %
Wind speed	m/s	8.1	7.9	3 %
Load factor, wind	%	45	47	(2 %p)
Load factor, solar PV	%	16	21	(5 %p)
Availability, wind	%	91	96	(5 %p)
Availability, solar PV	%	99	99	(0 %p)
Power generation	GWh	3,750	3,203	17 %
US, wind		3,055	2,675	14 %
US, solar PV		363	289	26 %
Europe		332	239	39 %
US dollar	DKK/USD	6.9	6.6	5 %
<b>Financial performance</b>				
Revenue	DKKm	721	690	4 %
EBITDA	DKKm	834	850	(2 %)
Sites		324	496	(35 %)
Production tax credits and tax attributes		759	568	34 %
Other, incl. project development		(249)	(214)	16 %
Depreciation	DKKm	(441)	(358)	23 %
EBIT	DKKm	393	492	(20 %)
Cash flow from operating activities	DKKm	(142)	(188)	(24 %)
Gross investments	DKKm	(2,668)	(1,221)	119 %
Divestments	DKKm	3	-	n.a.
Free cash flow	DKKm	(2,807)	(1,409)	99 %
Capital employed	DKKm	31,473	22,110	42 %

# Bioenergy & Other

## Financial results Q1 2023

Heat generation decreased by 2 % in Q1 2023 and power generation decreased by 21 %, mainly due to less attractive spreads for power condensing generation.

Gas sales and power sales decreased by 66 % and 48 %, respectively, due to no volumes being delivered under the Gazprom Export sourcing contract as the contract was terminated in Q1 2023 and due to a gradual phase-out of our remaining UK B2B activities.

Revenue decreased by 52 % compared to Q1 2022 and amounted to DKK 6.9 billion. The decrease was driven by significantly lower gas and power sales as well as lower prices.

EBITDA amounted to DKK 0.5 billion compared to DKK 2.5 billion in Q1 2022.

EBITDA from 'CHP plants' was DKK 1.0 billion lower than in Q1 2022. This was due to the lower generation and spreads mentioned above.

EBITDA from 'Gas Markets & Infrastructure' decreased by DKK 1.0 billion relative to Q1 2022. In Q1 2023, we had a loss in the gas portfolio due to a temporary negative effect from revaluation of storage, whereas Q1 2022 saw positive effects from revaluation of our gas at storage due to the high and volatile gas prices. In addition, we were able to lock in gains from

optimising the offtake flexibility in some of our sourcing contracts in north-western Europe in Q1 2022. In contrast, our decision to unwind gas hedges related to the Gazprom Export contract to balance our risk if gas supplies from Russia were terminated led to a net loss on the Gazprom Export sourcing contract in Q1 2022.

Financial results		Q1 2023	Q1 2022	%
<b>Business drivers</b>				
Degree days	Number	1,157	1,141	1 %
Heat generation	GWh	3,178	3,243	(2 %)
Power generation	GWh	1,697	2,138	(21 %)
Gas sales	GWh	4,468	12,993	(66 %)
Power sales	GWh	877	1,690	(48 %)
Gas price, TTF	EUR/MWh	54.1	95.6	(43 %)
Power price, DK	EUR/MWh	103.3	151.1	(32 %)
Green dark spread, DK	EUR/MWh	(25.6)	18.5	n.a.
Wood pellet spread, DK	EUR/MWh	11.8	20.1	(41 %)
<b>Financial performance</b>				
Revenue	DKKm	6,890	14,474	(52 %)
EBITDA	DKKm	517	2,514	(79 %)
CHP plants		845	1,823	(54 %)
Gas Markets & Infrastructure		(237)	725	n.a.
Other, incl. project development		(91)	(34)	168 %
Depreciation	DKKm	(240)	(189)	27 %
EBIT	DKKm	277	2,325	(88 %)
Cash flow from operating activities	DKKm	(922)	2,439	n.a.
Gross investments	DKKm	(56)	(51)	10 %
Divestments	DKKm	-	(8)	n.a.
Free cash flow	DKKm	(978)	2,380	n.a.
Capital employed	DKKm	6,861	92	7358 %

# Performance highlights

Financials, DKKm	Q1 2023	Q1 2022	2022
<b>Income statement</b>			
Revenue	29,369	33,762	132,277
EBITDA	6,910	9,429	32,057
Offshore	5,412	5,919	19,569
Sites, O&M, and PPAs	5,859	3,698	9,940
Construction agreements and divestment gains	(42)	2,620	12,277
Other, incl. project development	(405)	(399)	(2,648)
Onshore	834	850	3,644
Bioenergy & Other	517	2,514	8,619
Other activities	147	146	225
Depreciation and amortisation	(2,438)	(2,128)	(9,754)
Impairment	-	-	(2,529)
Operating profit (loss) (EBIT)	4,472	7,301	19,774
Gain (loss) on divestment of enterprises	169	108	331
Net financial income and expenses	(1,519)	(848)	(2,536)
Profit (loss) before tax	3,135	6,561	17,609
Tax	67	(860)	(2,613)
Profit (loss) for the period	3,202	5,701	14,996
<b>Balance</b>			
Assets	306,644	301,687	314,142
Equity	102,826	76,719	95,532
Shareholders in Ørsted A/S	78,551	55,704	71,743
Non-controlling interests	4,482	3,031	3,996
Hybrid capital	19,793	17,984	19,793
Interest-bearing net debt	35,261	30,026	30,571
Capital employed	138,087	106,745	126,103
Additions to property, plant, and equipment	7,939	5,127	33,662
<b>Cash flow</b>			
Cash flow from operating activities	10,119	(37)	11,924
Gross investments	(8,768)	(6,832)	(37,447)
Divestments	(16)	1,927	25,636
Free cash flow	1,335	(4,942)	113
<b>Financial ratios</b>			
Return on capital employed (ROCE) <sup>1</sup> , %	13.8	19.0	16.8
FFO/adjusted net debt <sup>2</sup> , %	37.4	37.5	42.7
Number of outstanding shares, end of period, '000	420,381	420,381	420,381
Share price, end of period, DKK	583	849	631
Market capitalisation, end of period, DKK billion	245	357	265
Earnings per share (EPS), DKK	4.6	13.2	34.6
Dividend yield, %	-	-	2.1

Business drivers	Q1 2023	Q1 2022	2022
<b>Offshore</b>			
Decided (FID'ed) and installed capacity, GW	12.0	11.1	11.1
Installed capacity, GW	8.9	7.6	8.9
Generation capacity, GW	4.7	4.2	4.7
Wind speed, m/s	10.9	11.3	9.5
Load factor, %	53	54	42
Availability, %	95	95	94
Power generation, GWh	5,162	4,502	16,483
Power sales, GWh	10,642	9,166	33,745
<b>Onshore</b>			
Decided (FID'ed) and installed capacity, GW	6.2	4.7	6.2
Installed capacity, GW	4.5	3.6	4.2
Wind speed, m/s	8.1	7.9	7.4
Load factor, wind, %	45	47	40
Load factor, solar PV, %	16	21	25
Availability, wind, %	91	96	93
Availability, solar PV, %	99	99	98
Power generation, GWh	3,750	3,203	13,146
<b>Bioenergy &amp; Other</b>			
Degree days, number	1,157	1,141	2,548
Heat generation, GWh	3,178	3,243	6,368
Power generation, GWh	1,697	2,138	6,012
Power sales, GWh	877	1,690	5,399
Gas sales, GWh	4,468	12,993	31,637
<b>ESG statements</b>			
Employees (FTE), end of period number	8,422	7,016	8,027
Total recordable injury rate (TRIR), YTD	2.7	1.3	3.1
Fatalities, number	-	-	-
Green share of energy generation, %	89	92	91
GHG emission (scope 1 & 2), Mtonnes	0.7	0.6	2.5
GHG intensity (scope 1 & 2), g CO <sub>2</sub> e/kWh	52	48	60
GHG emissions (scope 3), Mtonnes	1.5	3.7	11.0

1 EBIT last 12 months.

2 FFO last 12 months.

# Quarterly overview

Financials, DKKm	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
<b>Income statement</b>								
Revenue	29,369	35,679	36,541	26,295	33,762	30,666	14,510	13,553
EBITDA	6,910	6,696	12,317	3,615	9,429	8,253	2,984	8,196
Offshore	5,412	2,094	9,652	1,904	5,919	5,244	1,304	7,527
Sites, O&M, and PPAs	5,859	3,746	467	2,031	3,698	3,983	1,822	2,368
Construction agreements and divestment gains	(42)	(715)	9,765	601	2,620	2,469	(9)	5,648
Other incl. project development	(405)	(937)	(580)	(728)	(399)	(1,208)	(509)	(489)
Onshore	834	852	867	1,075	850	530	413	178
Bioenergy & Other	517	3,609	1,849	647	2,514	2,416	1,206	503
Other activities	147	141	(51)	(11)	146	63	61	(12)
Depreciation and amortisation	(2,438)	(2,792)	(2,530)	(2,304)	(2,128)	(2,143)	(1,939)	(1,959)
Impairment	-	(2,529)	-	-	-	(129)	-	-
Operating profit (loss) (EBIT)	4,472	1,375	9,787	1,311	7,301	5,980	1,045	6,237
Gain (loss) on divestment of enterprises	169	32	124	67	108	(684)	(22)	(72)
Net financial income and expenses	(1,519)	(985)	(217)	(486)	(848)	(930)	(351)	(466)
Profit (loss) before tax	3,135	460	9,695	893	6,561	4,361	671	5,698
Tax	67	(789)	(340)	(624)	(860)	(1,103)	(184)	(154)
Profit (loss) for the period	3,202	(329)	9,355	269	5,701	3,258	487	5,544
<b>Balance sheet</b>								
Assets	306,644	314,142	359,758	320,722	285,087	270,385	261,892	223,791
Equity	102,826	95,532	53,777	61,276	76,719	85,137	79,150	96,910
Shareholders in Ørsted A/S	78,551	71,743	32,413	40,091	55,704	64,072	58,129	75,842
Non-controlling interests	4,482	3,996	3,380	3,201	3,031	3,081	3,037	3,084
Hybrid capital	19,793	19,793	17,984	17,984	17,984	17,984	17,984	17,984
Interest-bearing net debt	35,261	30,571	45,701	41,449	30,026	24,280	21,211	12,067
Capital employed	138,087	126,103	99,478	102,725	106,745	109,416	100,361	108,977
Additions to property, plant, equipment	7,939	9,912	9,899	8,724	5,127	17,041	11,477	8,954
<b>Cash flow</b>								
Cash flow from operating activities	10,119	20,915	(11,309)	2,355	(37)	668	246	3,147
Gross investments	(8,768)	(9,826)	(14,417)	(6,372)	(6,832)	(11,752)	(8,757)	(12,133)
Divestments	(16)	983	22,459	267	1,927	10,952	7	10,591
Free cash flow	1,335	12,072	(3,267)	(3,750)	(4,942)	(132)	(8,504)	1,605
<b>Financial ratios</b>								
Return on capital employed (ROCE), %	13.8	16.8	24.4	14.8	19.0	14.8	12.9	12.5
FFO/adjusted net debt <sup>2</sup> , %	37.4	42.7	35.3	39.0	37.5	26.3	42.5	56.9
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	583	631	608	742	849	835	849	880
Market capitalisation, end of period, DKK billion	245	265	255	312	357	351	357	370
Earnings per share (EPS), DKK	4.6	1.2	22.3	0.3	13.2	7.5	1.1	12.9

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
<b>Offshore</b>								
Decided (FID'ed) and installed capacity, GW	12.0	11.1	11.1	11.1	11.1	10.9	9.8	9.8
Installed capacity, GW	8.9	8.9	8.9	7.6	7.6	7.6	7.6	7.6
Generation capacity, GW	4.7	4.7	5.3	4.8	4.2	4.0	4.0	4.0
Wind speed, m/s	10.9	10.7	7.7	8.4	11.3	10.6	7.6	7.8
Load factor, %	53	54	28	35	54	53	27	29
Availability, %	95	95	91	94	95	95	93	93
Power generation, GWh	5,162	5,411	3,246	3,324	4,502	4,452	2,286	2,521
Power sales, GWh	10,642	11,563	5,600	7,416	9,166	8,791	4,803	4,541
<b>Onshore</b>								
Decided (FID'ed) and installed capacity, GW	6.2	6.2	5.1	4.9	4.7	4.7	4.7	4.7
Installed capacity, GW	4.5	4.2	4.2	4.0	3.6	3.4	3.0	2.5
Wind speed, m/s	8.1	7.7	6.0	7.8	7.9	7.9	6.4	7.3
Load factor, wind, %	45	40	28	47	47	47	33	45
Load factor, solar PV, %	16	17	32	31	21	19	27	29
Availability, wind, %	91	91	92	92	96	96	98	97
Availability, solar PV, %	99	99	96	99	99	99	98	90
Power generation, GWh	3,750	3,425	2,723	3,795	3,203	2,818	1,904	1,983
<b>Bioenergy &amp; Other</b>								
Degree days, number	1,157	861	98	448	1,141	927	81	487
Heat generation, GWh	3,178	2,064	239	823	3,243	2,467	402	1,148
Power generation, GWh	1,697	1,409	1,363	1,102	2,138	2,096	1,028	1,507
Power sales, GWh	877	904	1,339	1,466	1,690	2,072	2,271	2,167
Gas sales, GWh	4,468	4,048	5,706	8,891	12,993	13,744	13,580	15,079
<b>ESG statements</b>								
Employees (FTE) end of period, number	8,422	8,027	7,681	7,292	7,016	6,836	6,672	6,472
Total recordable injury rate (TRIR), YTD	2.7	3.1	3.3	2.8	1.3	3.0	3.0	3.1
Fatalities, number	-	-	-	-	-	-	-	-
Green share of energy generation, %	89	88	89	93	92	93	89	93
GHG emissions (scope 1 & 2), Mtonnes	0.7	0.8	0.7	0.4	0.6	0.5	0.5	0.4
GHG intensity (scope 1 & 2), g CO <sub>2</sub> e/kWh	52	62	88	49	48	45	91	51
GHG emissions (scope 3), Mtonnes	1.5	1.5	3.1	2.6	3.7	3.9	4.4	4.6

1 EBIT last 12 months.

2 FFO last 12 months.

# Consolidated financial statements

First quarter 2023

1 January – 31 March



## Consolidated statements of income

1 January – 31 March

Income statement				Statement of comprehensive income			
Note	DKKm	Q1 2023	Q1 2022	DKKm	Q1 2023	Q1 2022	
3	Revenue	29,369	33,762	<b>Profit (loss) for the period</b>	<b>3,202</b>	<b>5,701</b>	
	Cost of sales	(20,344)	(24,547)	<b>Other comprehensive income:</b>			
	Other external expenses	(1,629)	(1,175)	<b>Cash flow hedging:</b>			
	Employee costs	(1,540)	(1,166)	Value adjustments for the period	12,963	(22,961)	
	Share of profit (loss) in associates and joint ventures	62	55	Value adjustments transferred to income statement	(551)	5,692	
4	Other operating income	1,096	2,576	Value adjustments transferred to balance sheet	-	(32)	
4	Other operating expenses	(104)	(76)	<b>Exchange rate adjustments:</b>			
	<b>Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA)</b>	<b>6,910</b>	<b>9,429</b>	Exchange rate adjustments relating to net investments in foreign enterprises	71	(52)	
	Amortisation, depreciation, and impairment losses on intangible assets, and property, plant, and equipment	(2,438)	(2,128)	Value adjustment of net investment hedges	(88)	(41)	
	<b>Operating profit (loss) (EBIT)</b>	<b>4,472</b>	<b>7,301</b>	<b>Tax:</b>			
	Gain (loss) on divestment of enterprises	169	108	Tax on hedging instruments	(2,679)	3,342	
	Share of profit (loss) in associates and joint ventures	13	-	Tax on exchange rate adjustments	(68)	112	
5	Financial income	3,086	1,063	<b>Other:</b>			
5	Financial expenses	(4,605)	(1,911)	Share of other comprehensive income of associated companies, after tax	1	9	
	<b>Profit (loss) before tax</b>	<b>3,135</b>	<b>6,561</b>	<b>Other comprehensive income</b>	<b>9,649</b>	<b>(13,931)</b>	
8	Tax on profit (loss) for the period	67	(860)	<b>Total comprehensive income</b>	<b>12,851</b>	<b>(8,230)</b>	
	<b>Profit (loss) for the period</b>	<b>3,202</b>	<b>5,701</b>	<b>Comprehensive income for the period is attributable to:</b>			
	<b>Profit (loss) for the period is attributable to:</b>			Shareholders in Ørsted A/S	12,472	(8,373)	
	Shareholders in Ørsted A/S	2,810	5,556	Interest payments and costs, hybrid capital owners of Ørsted A/S	145	145	
	Interests and costs, hybrid capital owners of Ørsted A/S	145	145	Non-controlling interests	234	(2)	
	Non-controlling interests	247	-	<b>Total comprehensive income</b>	<b>12,851</b>	<b>(8,230)</b>	
	Earnings per share (DKK)	4.6	13.2				
	Diluted earnings per share (DKK)	4.6	13.2				

\*Value adjustments for the period\* in the first three months of 2023 are mainly a result of gains on power hedges due to decrease in power prices.

## Consolidated balance sheet

31 March

Note	Assets DKKkm	31 March 2023	31 December 2022	31 March 2022
	<b>Intangible assets</b>	<b>4,300</b>	<b>4,029</b>	<b>1,828</b>
	Land and buildings	8,162	7,980	7,963
	Production assets	117,626	119,211	100,998
	Fixtures and fittings, tools, and equipment	1,490	1,543	636
	Property, plant, and equipment under construction	55,221	48,931	55,302
	<b>Property, plant, and equipment</b>	<b>182,499</b>	<b>177,665</b>	<b>164,899</b>
	Investments in associates and joint ventures	833	772	662
	Other securities and equity investments	176	182	224
10	Derivatives	1,213	1,804	5,809
	Deferred tax	10,114	13,719	14,730
	Other receivables	3,408	3,243	2,670
	<b>Other non-current assets</b>	<b>15,744</b>	<b>19,720</b>	<b>24,095</b>
	<b>Non-current assets</b>	<b>202,543</b>	<b>201,414</b>	<b>190,822</b>
	Inventories	13,040	14,103	16,430
10	Derivatives	15,663	23,433	40,509
	Contract assets	913	408	2
	Trade receivables	8,733	12,701	8,724
	Other receivables	15,151	20,289	17,650
8	Income tax	63	419	1,336
10	Securities	30,964	25,197	20,416
	Cash	19,574	16,178	4,550
	<b>Current assets</b>	<b>104,101</b>	<b>112,728</b>	<b>109,617</b>
	<b>Assets classified as held for sale</b>	<b>-</b>	<b>-</b>	<b>1,248</b>
	<b>Assets</b>	<b>306,644</b>	<b>314,142</b>	<b>301,687</b>

Note	Equity and liabilities DKKkm	31 March 2023	31 December 2022	31 March 2022
	Share capital	4,204	4,204	4,204
7	Reserves	(16,806)	(26,467)	(38,716)
	Retained earnings	91,153	88,331	84,961
	Proposed dividends	-	5,675	5,255
	<b>Equity attributable to shareholders in Ørsted A/S</b>	<b>78,551</b>	<b>71,743</b>	<b>55,704</b>
	Hybrid capital	19,793	19,793	17,984
	Non-controlling interests	4,482	3,996	3,031
	<b>Equity</b>	<b>102,826</b>	<b>95,532</b>	<b>76,719</b>
	Deferred tax	5,041	7,414	3,661
	Provisions	19,436	19,121	14,835
	Lease liabilities	7,541	7,697	6,706
11	Bond and bank debt	75,402	60,451	36,305
10	Derivatives	18,080	24,121	23,298
	Contract liabilities	3,043	3,085	3,190
	Tax equity liabilities	12,773	14,490	13,376
	Other payables	7,265	7,363	4,463
	<b>Non-current liabilities</b>	<b>148,581</b>	<b>143,742</b>	<b>105,834</b>
	Provisions	603	585	731
	Lease liabilities	533	569	740
11	Bond and bank debt	2,387	2,830	14,077
10	Derivatives	20,090	33,438	69,222
	Contract liabilities	2,305	2,269	1,460
	Trade payables	14,450	20,641	19,517
	Tax equity liabilities	2,874	1,903	1,197
	Other payables	6,604	7,518	5,660
8	Income tax	5,391	5,115	5,951
	<b>Current liabilities</b>	<b>55,237</b>	<b>74,868</b>	<b>118,555</b>
	<b>Liabilities</b>	<b>203,818</b>	<b>218,610</b>	<b>224,389</b>
	<b>Liabilities relating to assets classified as held for sale</b>	<b>-</b>	<b>-</b>	<b>579</b>
	<b>Equity and liabilities</b>	<b>306,644</b>	<b>314,142</b>	<b>301,687</b>

## Consolidated statement of shareholders' equity

1 January – 31 March

	2023								2022							
DKK m	Share capital	Reserves <sup>1</sup>	Retained earnings	Proposed dividends	Shareholders in Ørsted A/S	Hybrid capital	Non-controlling interests	Total Group	Share capital	Reserves <sup>1</sup>	Retained earnings	Proposed dividends	Shareholders in Ørsted A/S	Hybrid capital	Non-controlling interests	Total Group
Equity at 1 January	4,204	(26,467)	88,331	5,675	71,743	19,793	3,996	95,532	4,204	(24,778)	79,391	5,255	64,072	17,984	3,081	85,137
<b>Comprehensive income for the period:</b>																
Profit (loss) for the period	-	-	2,810	-	2,810	145	247	3,202	-	-	5,556	-	5,556	145	-	5,701
<b>Other comprehensive income:</b>																
Cash flow hedging	-	12,412	-	-	12,412	-	-	12,412	-	(17,301)	-	-	(17,301)	-	-	(17,301)
Exchange rate adjustments	-	(4)	-	-	(4)	-	(13)	(17)	-	(91)	-	-	(91)	-	(2)	(93)
Tax on other comprehensive income	-	(2,747)	-	-	(2,747)	-	-	(2,747)	-	3,454	-	-	3,454	-	-	3,454
Share of other comprehensive income of associated companies, after tax	-	-	1	-	1	-	-	1	-	-	9	-	9	-	-	9
<b>Total comprehensive income</b>	-	<b>9,661</b>	<b>2,811</b>	-	<b>12,472</b>	<b>145</b>	<b>234</b>	<b>12,851</b>	-	<b>(13,938)</b>	<b>5,565</b>	-	<b>(8,373)</b>	<b>145</b>	<b>(2)</b>	<b>(8,230)</b>
Coupon payments, hybrid capital	-	-	-	-	-	(145)	-	(145)	-	-	-	-	-	(150)	-	(150)
Tax, hybrid capital	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	5
Dividends paid	-	-	2	(5,675)	(5,673)	-	(146)	(5,819)	-	-	-	-	-	-	(131)	(131)
Additions, non-controlling interests	-	-	-	-	-	-	398	398	-	-	-	-	-	-	83	83
Other changes	-	-	9	-	9	-	-	9	-	-	5	-	5	-	-	5
<b>Equity at 31 March</b>	<b>4,204</b>	<b>(16,806)</b>	<b>91,153</b>	-	<b>78,551</b>	<b>19,793</b>	<b>4,482</b>	<b>102,826</b>	<b>4,204</b>	<b>(38,716)</b>	<b>84,961</b>	<b>5,255</b>	<b>55,704</b>	<b>17,984</b>	<b>3,031</b>	<b>76,719</b>

<sup>1</sup> See note 7 'Reserves' for more information about reserves.

## Consolidated statement of cash flows

1 January – 31 March

Statement of cash flows		Q1 2023	Q1 2022
Note	DKKkm		
	Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA)	6,910	9,429
	Reversal of gain (loss) on divestment of assets	(124)	(1,863)
	Change in derivatives	5,158	(3,964)
	Change in provisions	12	(765)
	Other items	(168)	(65)
	Change in inventories	1,141	(498)
	Change in contract assets and liabilities	(615)	(976)
	Change in trade receivables	3,933	725
	Change in other receivables	631	(2,361)
	Change in trade payables	(5,599)	1,093
	Change in tax equity liabilities	(640)	(496)
	Change in other payables	575	152
	Interest received and similar items	3,041	1,250
	Interest paid and similar items	(3,341)	(1,467)
	Income tax paid	(795)	(231)
	<b>Cash flows from operating activities</b>	<b>10,119</b>	<b>(37)</b>
	Purchase of intangible assets and property, plant, and equipment	(8,772)	(6,801)
	Sale of intangible assets and property, plant, and equipment	(20)	1,862
	Divestment of enterprises	2	(19)
	Purchase of other equity investments	3	1
	Purchase of securities	(7,911)	(813)
	Sale/maturation of securities	2,013	992
	Change in other non-current assets	(13)	(2)
	Transactions with associates and joint ventures	14	(30)
	<b>Cash flows from investing activities</b>	<b>(14,684)</b>	<b>(4,810)</b>

Statement of cash flows		Q1 2023	Q1 2022
Note	DKKkm		
	Proceeds from raising of loans	14,854	6,559
	Instalments on loans	(549)	(6,923)
	Instalments on leases	(188)	(173)
	Coupon payments on hybrid capital	(145)	(150)
	Dividends paid to shareholders in Ørsted A/S	(5,673)	-
	Transactions with non-controlling interests	(142)	(43)
	Net proceeds from tax equity partners	(104)	(51)
	Collateral posted in relation to trading of derivatives	(7,878)	(11,140)
	Collateral released in relation to trading of derivatives	5,883	11,659
	Restricted cash and other changes	1,801	1,028
	<b>Cash flows from financing activities</b>	<b>7,859</b>	<b>766</b>
	<b>Total net change in cash and cash equivalents</b>	<b>3,294</b>	<b>(4,081)</b>
	Cash and cash equivalents at the beginning of the period	16,175	8,614
	Total net change in cash and cash equivalents	3,294	(4,081)
	Exchange rate adjustments of cash and cash equivalents	102	15
	<b>Cash and cash equivalents at 31 March</b>	<b>19,571</b>	<b>4,548</b>

### Statement of cash flows

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

'Cash' according to the balance sheet as at 31 March 2023 includes 'Bank overdrafts that are part of the ongoing cash management', amounting to DKK 3 million.

## 1. Basis of reporting

Ørsted is a listed public company, headquartered in Denmark.

This interim financial report for the first three months of 2023 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.

Definitions of alternative performance measures can be found on page 152 of the annual report for 2022.

The interim consolidated financial statements for the first three months of 2023 is a condensed set of financial statements, as it does not include all information and disclosures required by the annual financial statements. The interim consolidated financial statements has been prepared using the same accounting policies as our annual consolidated financial statements as of 31 December 2022 and should be read in conjunction with this.

### **Implementation of new standards, interpretations, and amendments adopted by the Group**

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of our annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation, or amendment that has been issued but not yet effective.

Several amendments apply for the first time in 2023, but do not have a material impact on our financial statements.

## 2. Segment information

<b>2023 income statement</b> DKKm	Offshore	Onshore	Bioenergy & Other	Reportable segments	Other activities/ eliminations	Total
External revenue	21,828	721	6,800	29,349	20	29,369
Intra-group revenue	316	-	90	406	(406) <sup>1</sup>	-
<b>Revenue</b>	<b>22,144</b>	<b>721</b>	<b>6,890</b>	<b>29,755</b>	<b>(386)</b>	<b>29,369</b>
Cost of sales	(14,800)	(45)	(5,746)	(20,591)	247	(20,344)
Employee costs and other external expenses	(2,182)	(641)	(631)	(3,454)	285	(3,169)
Gain (loss) on disposal of non-current assets	124	-	-	124	-	124
Additional other operating income and expenses	65	799	3	867	1	868
Share of profit (loss) in associates and joint ventures	61	-	1	62	-	62
<b>EBITDA</b>	<b>5,412</b>	<b>834</b>	<b>517</b>	<b>6,763</b>	<b>147</b>	<b>6,910</b>
Depreciation and amortisation	(1,693)	(441)	(240)	(2,374)	(64)	(2,438)
<b>Operating profit (loss) (EBIT)</b>	<b>3,719</b>	<b>393</b>	<b>277</b>	<b>4,389</b>	<b>83</b>	<b>4,472</b>
<b>Key ratios</b>						
Intangible assets and property, plant, and equipment	117,520	58,934	8,978	185,432	1,367	186,799
Equity investments and non-current receivables	685	100	106	891	164	1,055
Net working capital, capital expenditures	(4,103)	(612)	(28)	(4,743)	-	(4,743)
Net working capital, work in progress	3,853	19	-	3,872	-	3,872
Net working capital, tax equity	-	(14,482)	-	(14,482)	-	(14,482)
Net working capital, other items	4,863	166	2,868	7,897	1,161	9,058
Derivatives, net	(14,956)	(6,824)	179	(21,601)	307	(21,294)
Decommissioning obligations	(10,392)	(1,788)	(2,088)	(14,268)	-	(14,268)
Other provisions	(1,928)	(3)	(1,788)	(3,719)	(2,052)	(5,771)
Tax, net	3,991	(4,032)	(1,364)	(1,405)	1,150	(255)
Other receivables and other payables, net	(867)	(5)	(2)	(874)	(1,010)	(1,884)
<b>Capital employed at 31 March</b>	<b>98,666</b>	<b>31,473</b>	<b>6,861</b>	<b>137,000</b>	<b>1,087</b>	<b>138,087</b>
<b>Return on capital employed (ROCE), %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.8</b>
Cash flow from operating activities	9,606	(142)	(922)	8,542	1,577	10,119
Gross investments	(6,013)	(2,668)	(56)	(8,737)	(31)	(8,768)
Divestments	(21)	3	-	(18)	2	(16)
<b>Free cash flow (FCF)</b>	<b>3,572</b>	<b>(2,807)</b>	<b>(978)</b>	<b>(213)</b>	<b>1,548</b>	<b>1,335</b>

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.

<sup>1</sup> Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 1,438 million, which primarily relates to our Shared Functions services as well as our B2B business activities.

## 2. Segment information (continued)

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

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.

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

### 3. Revenue

Revenue DKKm	Offshore	Onshore	Bioenergy & Other	Other activities/ eliminations	2023 total	Offshore	Onshore	Bioenergy & Other	Other activities/ eliminations	2022 total
Generation of power	2,996	508	2,515	-	6,019	2,050	553	2,956	-	5,559
Sale of power	14,094	-	149	(255)	13,988	12,950	-	1,747	(1,235)	13,462
Revenue from construction of wind farms and transmission assets	572	70	-	-	642	1,739	-	-	-	1,739
Generation and sale of heat and steam	-	-	1,483	-	1,483	-	-	1,206	-	1,206
Sale of gas	-	-	2,254	-	2,254	-	-	7,333	31	7,364
Distribution and transmission	-	-	49	-	49	-	-	67	(2)	65
O&M and other services	924	27	283	(139)	1,095	721	12	75	(2)	806
<b>Total revenue from customers</b>	<b>18,586</b>	<b>605</b>	<b>6,733</b>	<b>(394)</b>	<b>25,530</b>	<b>17,460</b>	<b>565</b>	<b>13,384</b>	<b>(1,208)</b>	<b>30,201</b>
Government grants	2,152	160	137	-	2,449	1,319	161	203	-	1,683
Miscellaneous revenue	1,406	(44)	20	8	1,390	1,027	(36)	887	-	1,878
<b>Total revenue</b>	<b>22,144</b>	<b>721</b>	<b>6,890</b>	<b>(386)</b>	<b>29,369</b>	<b>19,806</b>	<b>690</b>	<b>14,474</b>	<b>(1,208)</b>	<b>33,762</b>
<b>Timing of revenue recognition from customers</b>										
At a point in time	15,557	605	3,923	(394)	19,691	14,817	565	7,684	(1,208)	21,858
Over time	3,029	-	2,810	-	5,839	2,643	-	5,700	-	8,343
<b>Total revenue from customers</b>	<b>18,586</b>	<b>605</b>	<b>6,733</b>	<b>(394)</b>	<b>25,530</b>	<b>17,460</b>	<b>565</b>	<b>13,384</b>	<b>(1,208)</b>	<b>30,201</b>

Revenue was DKK 29,369 million. The decrease of 13 % relative to the first three months of 2022 was primarily due to the significantly lower power and gas prices across all markets.

Revenue from construction agreements was DKK 642 million in Q1 2023 and mainly related to the construction of Borkum Riffgrund 3 for partners.

Income from government grants in Offshore increased relative to the first three months of 2022 due to lower power prices, which led to a higher subsidy per MWh produced.



## 4. Other operating income and expenses

Other operating income DKKm	Q1 2023	Q1 2022
Gain on divestment of assets	147	1,892
Insurance compensation	3	-
US tax credits and tax attributes	759	568
Other compensation	123	50
Miscellaneous operating income	64	66
<b>Total other operating income</b>	<b>1,096</b>	<b>2,576</b>

Other operating expenses DKKm	Q1 2023	Q1 2022
Ineffective hedges, etc.	64	-
Loss on divestment of assets	23	29
Miscellaneous operating expenses	17	47
<b>Total other operating expenses</b>	<b>104</b>	<b>76</b>

### Other operating income

'Gain on divestment of assets' in Q1 2023 primarily related to minor adjustments regarding the transfer pricing case with the Norwegian Tax Administration (stemming from the divestment of our upstream oil and gas business in 2017). In Q1 2022, 'Gain on divestment of assets' mainly related to the 50 % farm-down of Borkum Riffgrund 3.

The increase in 'US tax credits and tax attributes' was mainly due to the commissioning of new onshore wind farms in 2022, which have had full impact in Q1 2023.

## 5. Financial income and expenses

Net financial income and expenses DKKm	Q1 2023	Q1 2022
Interest expenses, net	(401)	(204)
Interest expenses, leasing	(67)	(45)
Interest element of provisions, etc.	(177)	(103)
Tax equity partner's contractual return	(254)	(237)
Value adjustments of derivatives, net	(102)	396
Exchange rate adjustments, net	(453)	(22)
Value adjustments of securities at market value, net	(81)	(628)
Other financial income and expenses	16	(5)
<b>Net financial income and expenses</b>	<b>(1,519)</b>	<b>(848)</b>

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'.

'Interest expenses, net' are higher in Q1 2023, mostly due to the additional interest expenses on the bonds issued later in 2022, and, in March 2023, lower share of capitalised costs, and higher bank fees.

The increase in 'Exchange rate adjustments, net' is mostly driven by the increase in GBP/DKK and decrease in USD/DKK rates in Q1 2023.

'Value adjustments of securities at market value, net' and 'Value adjustments of securities, net' were both impacted by the increase in interest rates in Q1 2022.

## 6. Gross and net investments

<b>Gross and net investments</b> DKKm	Q1 2023	Q1 2022
Cash flows from investing activities	(14,684)	(4,810)
Purchase and sale of securities, reversed	5,898	(179)
Sale of non-current assets, reversed	18	(1,843)
<b>Gross investments</b>	<b>(8,768)</b>	<b>(6,832)</b>
Transactions with non-controlling interests in connection with divestments	2	84
Sale of non-current assets	(18)	1,843
<b>Divestments</b>	<b>(16)</b>	<b>1,927</b>
<b>Net investments</b>	<b>(8,784)</b>	<b>(4,905)</b>

## 7. Reserves

<b>Reserves 2023</b> DKKm	Foreign currency translation reserve	Hedging reserve	Total reserves
Reserves at 1 January	(725)	(25,742)	(26,467)
Exchange rate adjustments	84	-	84
Value adjustments of hedging reserve	-	12,875	12,875
<b>Value adjustments transferred to:</b>			
Revenue	-	(605)	(605)
Other operating expenses	-	64	64
Financial income and expenses	-	(10)	(10)
<b>Tax:</b>			
Tax on hedging and currency adjustments	(88)	(2,659)	(2,747)
<b>Movement in comprehensive income for the period</b>	<b>(4)</b>	<b>9,665</b>	<b>9,661</b>
<b>Total reserves including tax at 31 March</b>	<b>(729)</b>	<b>(16,077)</b>	<b>(16,806)</b>
<b>Total reserves excluding tax at 31 March</b>	<b>(1,461)</b>	<b>(19,447)</b>	<b>(20,908)</b>

<b>Reserves 2022</b> DKKm			
Reserves at 1 January	1,475	(26,253)	(24,778)
Exchange rate adjustments	(50)	-	(50)
Value adjustments of hedging reserve	-	(23,002)	(23,002)
<b>Value adjustments transferred to:</b>			
Revenue	-	5,736	5,736
Financial income and expenses	-	(44)	(44)
Property, plant, and equipment	-	(32)	(32)
<b>Tax:</b>			
Tax on hedging and currency adjustments	103	3,351	3,454
<b>Movement in comprehensive income for the period</b>	<b>53</b>	<b>(13,991)</b>	<b>(13,938)</b>
<b>Total reserves including tax at 31 March</b>	<b>1,528</b>	<b>(40,244)</b>	<b>(38,716)</b>
<b>Total reserves excluding tax at 31 March</b>	<b>1,462</b>	<b>(50,701)</b>	<b>(49,239)</b>

'Value adjustments of hedging reserve' in the first three months of 2023 are mainly a result of gains on power hedges due to the decrease in power prices.

## 8. Tax on profit (loss) for the period

Tax for the period DKK	Q1 2023			Q1 2022		
	Profit (loss) before tax	Tax	Tax in %	Profit (loss) before tax	Tax	Tax in %
Tax equity, deferred tax liability		926	n.a.		(163)	n.a.
Gain (loss) on divestment of enterprises and assets	-	-	n.a.	1,463	-	n.a.
Other adjustments		(152)	n.a.		357	n.a.
Remaining business	3,135	(707)	23 %	5,098	(1,054)	21 %
<b>Effective tax for the period</b>	<b>3,135</b>	<b>67</b>	<b>(2) %</b>	<b>6,561</b>	<b>(860)</b>	<b>13 %</b>

### Effective tax rate

The effective tax rate for the first three months of 2023 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 -67 million for the first three months of 2023 compared to DKK 860 million for the first three months of 2022.

### Effective tax rate

The effective tax rate for the first three months of 2023 was -2 %. The effective tax rate was affected by the reversal of the recognised deferred tax liability in the US related to tax equity contributions for Ocean

Wind 1, following our signed agreement in January to acquire PSEG's 25 % equity stake in the offshore wind energy project Ocean Wind 1. The impact is partly offset by the continued recognition of a deferred tax liability in the US related to tax equity contributions for Old 300 and the continued recognition of deferred tax liabilities in the US related to tax equity partnerships for our offshore wind farm South Fork Wind. The deferred tax liabilities regarding Old 300 and South Fork Wind 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 not related to the current year's profit (loss).

## 9. 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:

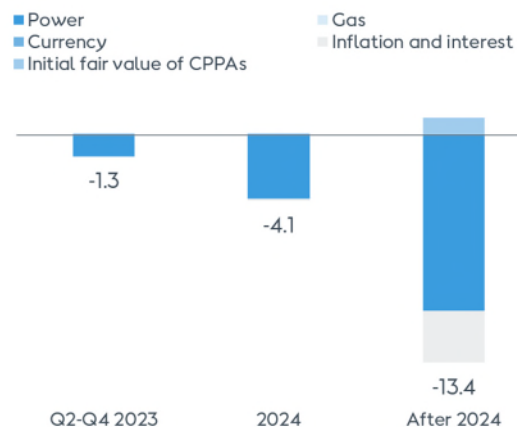
- increase the predictability of the short-term earnings and FFO/NIBD by securing the price of energy and currency

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

For more details on our market risks, please see notes 6.1-6.4 in the annual report for 2022.

### EBITDA impact from hedges and financial PPAs

DKKbn

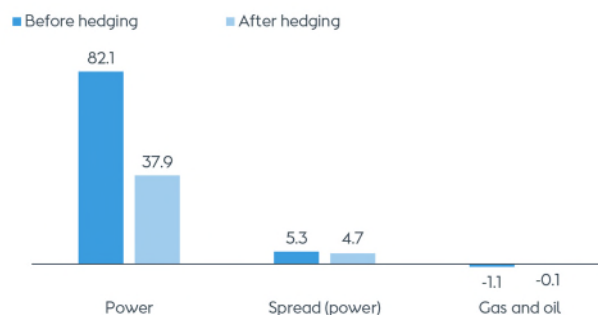


← Due to decreases in energy prices in Q1 2023, the loss on hedges and power purchase agreements (PPAs) has been reduced.

At 31 March 2023, the pre-tax loss of the hedging reserve was DKK 19.4 billion, of which DKK 20.1 billion will be transferred to EBITDA over the coming periods, as shown in the table. The losses will be countered by a higher sales price on our future power production.

### Energy exposure 1 April 2023 - 31 March 2028

DKKbn

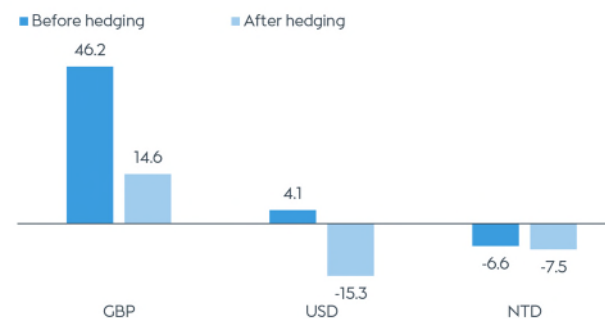


← Our power exposure before and after hedging has decreased significantly in Q1 2023 due to the decrease in power prices.

The exposures are based on market prices as of 31 March 2023.

### Currency exposure 1 April 2023 - 31 March 2028

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, but in the longer horizon, our hedges reduce the risk.

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

## 10. Fair value measurement

Fair value hierarchy DKKm	Assets			Liabilities
	Inventories	Securities	Derivatives	Derivatives
<b>2023</b>				
Quoted prices	4,659	-	8,323	9,610
Observable input	-	30,964	7,966	16,724
Non-observable input	-	-	587	11,836
<b>Total 31 March 2023</b>	<b>4,659</b>	<b>30,964</b>	<b>16,876</b>	<b>38,170</b>
<b>2022</b>				
Quoted prices	1,000	-	18,626	22,467
Observable input	-	20,416	26,100	56,056
Non-observable input	-	-	1,592	13,997
<b>Total 31 March 2022</b>	<b>1,000</b>	<b>20,416</b>	<b>46,318</b>	<b>92,520</b>

Overview of significant non-observable inputs and sensitivities	Weight average	Power price per MWh (DKK)		Sensitivity (DKKm)	
		Monthly minimum	Monthly maximum	+25 %	-25 %
<b>Intermittency-adjusted power price</b>					
Germany (2025-2034)	647	491	1,043	(1,700)	1,700
Ireland (2023-2042)	791	611	1,165	(212)	212
US ERCOT (2023-2030)	226	84	668	(3,320)	3,465
US SPP (2023-2030)	209	116	396	(477)	684
US MISO (2023-2033)	357	175	528	(675)	627

### 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.

← 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 31 March 2023. If intermittency-adjusted power prices in Germany as of 31 March 2023 increased by 25 %, the market value would decrease by DKK 1,700 million.

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-

### Derivatives valued on the basis of non-observable input DKKm

	2023	2022
Market value at 1 January	(14,687)	(7,448)
Value adjustments through profit or loss	508	(188)
Value adjustments through other comprehensive income	2,962	(4,915)
Sales/redemptions	77	283
Purchases/issues	143	(181)
Transferred from quoted prices and observable input	-	44
Transferred to quoted prices and observable input	(252)	-
<b>Market value at 31 March</b>	<b>(11,249)</b>	<b>(12,405)</b>

### Non-observable input per commodity price input DKKm

	2023	2022
US power prices	(6,471)	(7,360)
German power prices	(3,742)	(3,898)
UK power prices	(338)	-
Irish power prices	(643)	-
Other power prices	38	(810)
Gas prices	(93)	(337)
<b>Total</b>	<b>(11,249)</b>	<b>(12,405)</b>

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

## 11. Interest-bearing debt and FFO

Interest-bearing debt and interest-bearing assets DKKm	31 March 2023	31 December 2022	31 March 2022
<b>Interest-bearing debt:</b>			
Bank debt	8,353	8,913	15,870
Bond debt	69,436	54,368	34,512
<b>Total bond and bank debt</b>	<b>77,789</b>	<b>63,281</b>	<b>50,382</b>
Tax equity liability	1,165	1,236	1,311
Lease liability	8,074	8,266	7,446
Other interest-bearing debt:			
Debt in connection with divestments	2,880	2,904	-
Debt from receiving collateral under credit support annexes	541	1,196	860
Other interest-bearing debt	431	824	551
<b>Total interest-bearing debt</b>	<b>90,880</b>	<b>77,707</b>	<b>60,550</b>
<b>Interest-bearing assets:</b>			
Securities	30,964	25,197	20,416
Cash	19,574	16,178	4,550
Cash, not available for use	280	2,471	315
Other receivables:			
Receivables from placing collateral under credit support annexes	3,789	2,449	4,496
Receivables in connection with divestments	721	713	747
Other receivables	291	128	-
<b>Total interest-bearing assets</b>	<b>55,619</b>	<b>47,136</b>	<b>30,524</b>
<b>Total net interest-bearing debt</b>	<b>35,261</b>	<b>30,571</b>	<b>30,026</b>

Interest-bearing net debt totalled DKK 35,261 million at 31 March 2023, which was an increase of DKK 4,690 million relative to 31 December 2022. The main changes in the composition of our net debt compared to 31 December 2022 was an increase in bond debt of DKK 15,068 million, partly countered by an increase in securities and cash of DKK 5,767 million and DKK 3,396 million, respectively, relative to 31 December 2022.

### Market value of bond and bank debt

At 31 March 2023, the market values of bond and bank debts were DKK 66.0 billion and DKK 8.0 billion, respectively.

### Changes in bond and bank debt

In February 2023, Ørsted issued three green bonds at a total nominal amount of EUR 2,000 million. The bonds were issued under the existing debt issuance programme (EMTN programme):

- EUR 700 million with maturity in 2026 at a fixed interest rate of 3.625 %
- EUR 600 million with maturity in 2030 at a fixed interest rate of 3.750 %
- EUR 700 million with maturity in 2035 at a fixed interest rate of 4.125 %.

## 11. Interest-bearing debt and FFO (continued)

<b>Funds from operations (FFO) LTM<sup>1</sup></b> DKKm	31 March 2023	31 December 2022	31 March 2022
<b>EBITDA</b>	<b>29,538</b>	<b>32,057</b>	<b>28,862</b>
Change in provisions and other adjustments	(1,538)	(2,213)	(1,820)
Change in derivatives	434	(8,687)	(5,203)
Variation margin (add back)	1,419	10,332	6,447
Reversal of gain (loss) on divestment of assets	(9,146)	(10,885)	(9,563)
Income tax paid	(1,827)	(1,263)	(737)
Interest and similar items, received/paid	(646)	(563)	(430)
Reversal of interest expenses transferred to assets	(511)	(586)	(851)
50 % of coupon payments on hybrid capital	(262)	(264)	(237)
Dividends received and capital reductions	23	23	29
<b>Funds from operations (FFO)</b>	<b>17,484</b>	<b>17,951</b>	<b>16,497</b>

<sup>1</sup> Last 12 months.

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

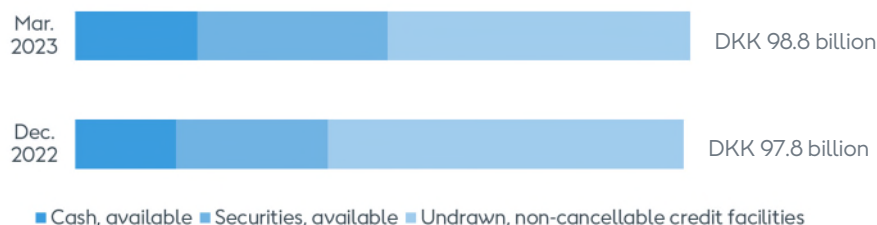
<b>Adjusted interest-bearing net debt</b> DKKm	31 March 2023	31 December 2022	31 March 2022
<b>Total interest-bearing net debt</b>	<b>35,261</b>	<b>30,571</b>	<b>30,026</b>
50 % of hybrid capital	9,897	9,897	8,992
Other interest-bearing debt, add back	(3,852)	(4,924)	(1,411)
Other interest-bearing receivables, add back	4,801	3,290	5,243
Cash and securities not available for distribution, excluding repo loans	670	3,241	1,114
<b>Total adjusted interest-bearing net debt</b>	<b>46,777</b>	<b>42,075</b>	<b>43,964</b>

<b>Funds from operations (FFO)/ adjusted interest-bearing net debt, %</b>	31 March 2023	31 December 2022	31 March 2022
<b>Funds from operations (FFO)/ adjusted interest-bearing net debt</b>	<b>37.4%</b>	<b>42.7%</b>	<b>37.5%</b>

## 12. Financial resources

### Financial resources

DKK billion



### Financial resources

At 31 March 2023, financial resources amounted to DKK 98.8 billion (31 December 2022: DKK 97.8 billion). The financial resources were in particular built up during 2022 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 EUR with proceeds equivalent to DKK 14.8 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 to achieve the most optimal prices.

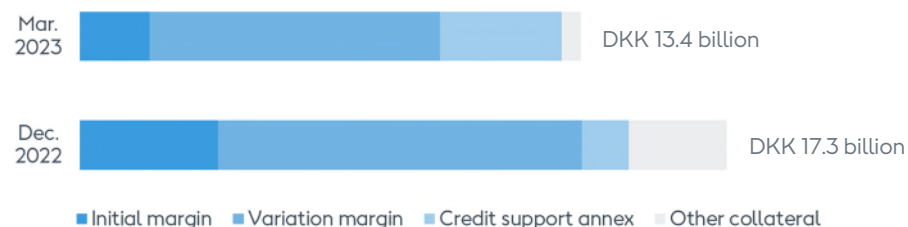
To mitigate and limit the potential negative impact on our cash position from temporary fluctuations in market prices, we actively manage the volumes of trade between trading with and without collateral arrangements.

As of 31 March 2023, 6 % (2022: 31 %) of our power and gas trades and 94 % (2022: 86 %) of our currency, inflation, and interest rate hedges had daily margin settlements.

To limit cash impact, we also provide non-cash collateral as parent company and bank

### Collateral and margin postings

DKK billion



guarantees, where possible. At the end of March 2023, we had covered EUR 0.7 billion in collateral for initial margins and variation 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 decreased from DKK 17.3 billion at 31 December 2022 to DKK 13.4 billion at 31 March 2023. The decrease was primarily driven by the large decrease in power and gas prices. Collateral payments related to initial margins and variation margins decreased by DKK 1.8 billion and DKK 2.0 billion, respectively, during the three months of the year and amounted to DKK 9.6 billion at 31 March 2023. The decrease in initial margins and variation margins consists of DKK 3.3 billion in cash and DKK 0.5 billion in bonds.

↑  
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.



## Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and approved the interim financial report of Ørsted A/S for the period 1 January - 31 March 2023.

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 2022.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities, and financial position at 31 March 2023 and of the results of the Group's operations and cash flows for the period 1 January - 31 March 2023.

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 2022.

Skærbæk, 3 May 2023

### Executive Board:

**Mads Nipper**  
Group President and CEO

**Daniel Lerup**  
CFO

**Henriette Fenger Ellekrog**  
Chief HR Officer

### Board of Directors:

**Thomas Thune Andersen**  
Chair

**Lene Skole**  
Deputy Chair

**Annica Bresky**

**Andrew Brown**

**Jørgen Kildahl**

**Julia King, the Baroness  
Brown of Cambridge**

**Peter Korsholm**

**Dieter Wemmer**

**Benny Gøbel\***

**Leticia Francisca Torres  
Mandiola\***

**Alice Florence Marion  
Vallienne\***

**Anne Cathrine Collet Yde\***

\*Employee-elected board member

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**Front page image**

Ørsted apprentices at Avedøre Power Station  
Copenhagen, Denmark

**Publication**

3 May 2023