



# Interim financial report

First nine months 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, 1 November 2023 at 14:00 CET:

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PIN: 994005

The earnings call can be followed live here:  
<https://orsted-events.eventcdn.net/events/interim-report-for-the-first-nine-months-of-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, 9M 2023

# CEO's review

Ceased the development of Ocean Wind 1 and Ocean Wind 2 and took final investment decision on Revolution Wind.

## Highlights

### Review of US offshore wind portfolio

We have decided to cease development of the Ocean Wind 1 and Ocean Wind 2 projects and have taken final investment decision on the Revolution Wind project. The decisions are part of an ongoing review of our US offshore wind portfolio.

### Impairments

Due to adverse impacts relating to supply chain, progress in investment tax credit (ITC) guidance, increased interest rates, and the lack of an OREC adjustment on Sunrise Wind, we have recognised impairment losses of DKK 28.4 billion in 9M 2023. The majority of these (DKK 19.9 billion) relate to our US offshore project Ocean Wind 1.

In addition to the impairment losses, a provision of approximately DKK 8-11 billion related to us ceasing the development of Ocean Wind 1 will negatively impact our EBITDA in Q4 2023. The provision accounts for potential contract cancellation fees not already covered by the impairment losses and excludes any potential reuse value of existing contracted equipment.

### Financials

Operating profit (EBITDA) for the first nine months amounted to DKK 19.4 billion. Excluding new partnerships, EBITDA amounted to DKK 15.4 billion, DKK 1.0 billion higher than the same period last year.

Earnings from offshore sites in operation stood strong in the first nine months and increased by DKK 6.8 billion compared to the same period last year. In contrast, earnings in Bioenergy & Other decreased by DKK 4.9 billion following the very volatile and elevated price levels in 2022.

We maintain our full-year EBITDA guidance of DKK 20-23 billion excluding new partnerships and excluding the provision of approximately DKK 8-11 billion related to Ocean Wind 1.

We are taking measures to support our capital structure and long-term commitment to our credit rating. In addition to cost-savings initiatives, such measures include working capital improvements such as supply chain financing, prioritisation of development activities, portfolio rationalisation, and other actions aimed at strengthening the company's capital structure.

### Impairment update

On 29 August 2023, we announced an anticipated impairment on our US portfolio of up to DKK 16 billion.

Since the announcement, our US offshore wind projects have experienced further negative developments from adverse impacts related to supply chain, increased interest rates, and the lack of an OREC adjustment on Sunrise Wind. The total impairment losses recognised in the interim financial report for the first nine months of 2023 amount to DKK 28.4 billion, and the majority of these (DKK 19.9 billion) relate to Ocean Wind 1.

### Ocean Wind 1 and Ocean Wind 2

We have taken the decision to cease the development of the Ocean Wind 1 and Ocean Wind 2 projects. This is a consequence of additional supplier delays further impacting our project schedule and leading to an additional significant delay of the project. In addition, we have updated our view on certain assumptions including tax credit monetisation and the timing and likelihood of final construction permits. Finally, increases to long-dated US interest rates have further deteriorated the business case.

A provision of approximately DKK 8-11 billion related to us ceasing the development of Ocean Wind 1 will negatively impact our EBITDA in Q4 2023. The provision relates to potential contract cancellation fees not

already covered by the impairment losses and excludes any potential reuse value of existing contracted equipment.

### Capital structure

The impairments and provisions mentioned above will impact our capital structure. As a direct consequence, we are taking measures to support our capital structure and long-term commitment to our credit rating. In addition to cost-savings initiatives, such measures include working capital improvements such as supply chain financing, prioritisation of development activities, portfolio rationalisation, and other actions aimed at strengthening the company's capital structure.

As part of the ongoing review of our US portfolio, we will assess the potential implications for our current long-term strategic build-out ambition and financial targets.

We expect to update the market no later than in the Q4 2023 results announcement, including (if relevant) potential implications on our long-term strategic ambition and financial targets.

### Financials

Operating profit (EBITDA) amounted to DKK 19.4 billion in 9M 2023, a DKK 6.0 billion decrease compared to the same period last year. EBITDA excluding new partnerships increased by DKK 1.0 billion to DKK 15.4 billion.

Earnings in Offshore increased due to strong sites earnings, which were positively affected by ramp-up at Hornsea 2 and Greater Changhua 1 and 2a, and due to the negative impact from hedges in 2022 not being repeated.

Earnings in Onshore were slightly down as ramp-up of generation from new assets was more than offset by lower availability and lower prices, especially in the UK and Ireland.

The significantly lower power and gas prices have substantially reduced earnings in Bio-energy & Other, which came in at around break-even.

We maintain our full-year EBITDA guidance of DKK 20-23 billion excluding earnings from new partnerships and excluding the provision of approximately DKK 8-11 billion related to Ocean Wind 1.

Due to a later timing across our project portfolio and the termination of investments on Ocean Wind 1, our gross investment for 2023 is now expected to amount to DKK 40-44 billion, a reduction of DKK 4 billion.

#### Construction and operational progress

At Greater Changhua 1 and 2a, we have successfully installed all 111 jacket foundations and 100 wind turbines, of which 89 are now commissioned and thus fully producing power under the subsidy. The final construction work is progressing, but due to the weather and lack of installation vessel availability, we will not be able to install all wind turbines before year-end. We aim to install and commission the remaining wind turbines during Q1 2024.

At South Fork in the US, we have installed the offshore substation and all the foundations. Loading of the components for the first wind turbine was completed this Monday, and, depending on weather, we expect to install our first wind turbine this week, with all 12 expected to be installed by the end of 2023 or early 2024.

We commissioned Sunflower Wind, an onshore wind farm located in Marion County, Kansas, the US. With Sunflower Wind, we now have 13 operational wind farms in the US, generating 832 MW in the Southwest Power Pool area.

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

#### Business development

In September, we signed an agreement to farm down 50 % of Gode Wind 3 in Germany to funds managed by Glennmont Partners. We continue to see strong investor interest for offshore wind farms, and we are very pleased to once again welcome Glennmont as a co-owner of one of our German offshore wind farms.

We completed the divestment of our 25 % ownership share of London Array to funds managed by Schroders Greencoat.

We took final investment decision (FID) on the 704 MW Revolution Wind project, which we own in a 50/50 partnership with Eversource. Onshore construction has started, and offshore construction will start in 2024, with the project expected to be completed in 2025. Notwithstanding the impairment of DKK 3.3 billion that we recorded in our Q3 results, Revolution Wind has an attractive forward-

looking value creation with a forward-looking spread to WACC above our guided range.

We acquired Eversource's 50 % ownership share of Lease Area 500, which is strategic to Ørsted's US offshore wind portfolio. In addition to its proximity to existing Ørsted projects, which creates construction and operational efficiencies, the site also offers shallow water depths and favourable wind speeds compared to other sites in the US and globally. Located approximately 40 km off the coast of southern New England, the site can also serve four markets, including Massachusetts, Rhode Island, Connecticut, and New York.

Following a competitive divestment process, we have signed an exclusivity agreement with Cathay Life Insurance, selecting the Taiwanese leading insurance company as preferred bidder for the acquisition of a 50 % ownership stake in total of our 583 MW Greater Changhua 4 Offshore Wind Farm in Taiwan.

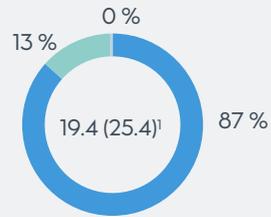


**Mads Nipper**  
Group President & CEO

# At a glance

## Ørsted

EBITDA, DKKbn

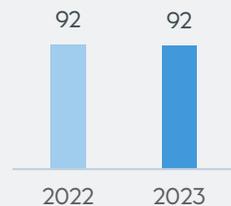


● Offshore ● Onshore ● Bioenergy & Other

### Key figures 9M 2023

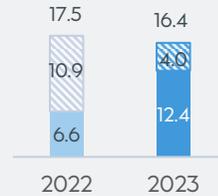
Revenue	DKK 64.9 bn
Gross investments	DKK 25.5 bn
Capital employed	DKK 121.3 bn
TRIR	2.9
ROCE, last 12 months	(13.7 %)

Green share of energy generation, %



## Offshore

EBITDA, DKKbn

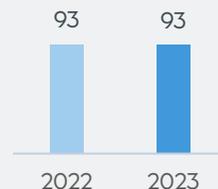


▨ New partnerships

Wind speed, m/s

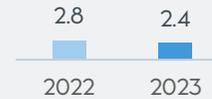


Availability, %



## Onshore

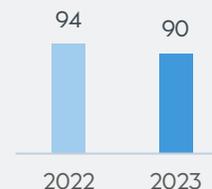
EBITDA, DKKbn



Wind speed, m/s



Availability, wind, %

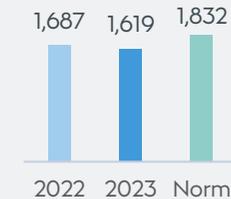


## Bioenergy & Other

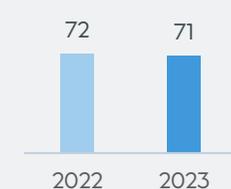
EBITDA, DKKbn



Degree days, number



Green share of energy generation, %



<sup>1</sup> Includes EBITDA from other activities/eliminations, () = last year

# Outlook 2023

## EBITDA

In 2023, EBITDA excluding new partnerships and excluding the provision of approximately DKK 8-11 billion related to Ocean Wind 1 is unchanged and still expected to be DKK 20-23 billion.

However, compared to the guidance provided in our annual report for 2022, we now expect even higher earnings in Offshore, whereas we expect earnings for our CHP plants to decrease by approx. DKK 4.5 billion compared to 2022 rather than by approx. DKK 3 billion. In addition, we have changed the directional guidance for Onshore to be lower relative to the results for 2022, mainly driven by lower availability, outages at Western Trail, and lower prices.

The provision related to us ceasing the development of Ocean Wind 1 accounts for potential contract cancellation fees not already covered by the impairment losses and excludes any potential reuse value of existing contracted equipment.

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). A further adverse development of the Sunrise Wind project may potentially lead to us ceasing the project and incurring cancellation fees, thereby negatively impacting EBITDA.

## Gross investments

Due to a later timing across our project portfolio and the termination of investments on Ocean Wind 1, our gross investment for 2023 is now expected to amount to DKK 40-44 billion, a reduction of DKK 4 billion.

	2022 realised	Guidance 1 Feb	Guidance 3 May	Guidance 10 August	Guidance 1 November
<b>Outlook 2023, DKK billion</b>					
EBITDA, without new partnerships and provisions related to Ocean Wind 1	21.1	20-23	20-23	20-23	20-23
Offshore	8.6	Significantly higher	Significantly higher	Significantly higher	Significantly higher
Onshore	3.6	In line	In line	In line	Lower
Bioenergy & Other	8.6	Significantly lower	Significantly lower	Significantly lower	Significantly lower
Gross investments	37.4	50-54	50-54	44-48	40-44

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 9M

## Financial results

### Revenue

Power generation from offshore and onshore assets increased by 5 % and totalled 21.7 TWh in 9M 2023. The increase was due to ramp-up of generation from Hornsea 2 and Greater Changhua 1 and 2a, our onshore assets Old 300, Ford Ridge, and Sunflower Wind, the wind part of Helena Energy Center, and the acquisition of Ostwind in Q4 2022. The ramp-up of generation was partly offset by lower availability and the farm-down of Hornsea 2 in Q3 2022 and the divestment of London Array in Q3 2023.

Heat generation decreased by 2 %, whereas thermal power generation decreased by 26 %, mainly due to warmer weather and less attractive spreads for power condensing generation.

Our green share of generation amounted to 92 %, the same level as last year.

Revenue amounted to DKK 64.9 billion. The decrease of 33 % relative to 9M 2022 was primarily due to the significantly lower power and gas prices across all markets as well as lower gas volumes sold.

### EBITDA

Operating profit (EBITDA) for the first nine months amounted to DKK 19.4 billion, DKK 6.0 billion lower than in 9M 2022. In both periods, we had significant effects from gains on farm-downs. In 9M 2023, we divested our ownership share of London Array, whereas we farmed down 50 % of Borkum Riffgrund 3 and Hornsea 2 in 9M 2022. EBITDA excl. new partnerships was DKK 1.0 billion higher than in 9M 2022.

EBITDA from offshore sites amounted to DKK 13.0 billion, an increase of DKK 6.8 billion compared to last year. The increase was mainly due to ramp-up of generation from Hornsea 2 and Greater Changhua 1 and 2a in 9M 2023, higher prices on the inflation-indexed CfD and ROC wind farms, lower balancing and BSUoS costs, good performance by our power trading activities, and a significant negative impact from hedges in 9M 2022 that was not repeated in 9M 2023. This was partly offset by a negative impact on our merchant exposure due to declining prices after having lowered our hedge ratios for 9M 2023 at a time when prices were higher than the realised levels in the period.

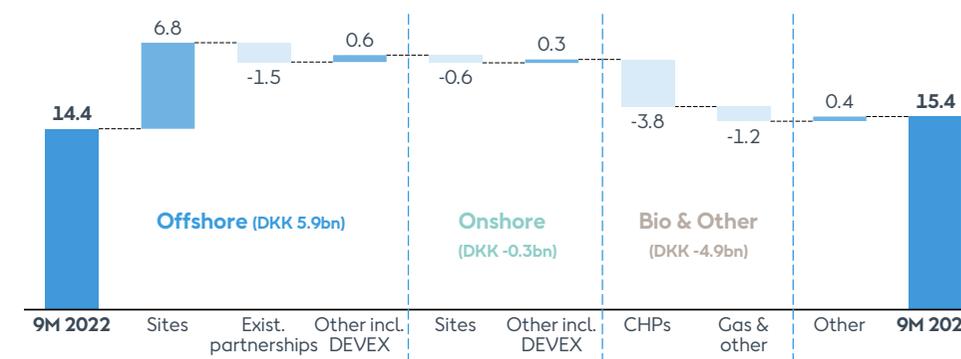
EBITDA from existing partnerships amounted to DKK 0.5 billion in 9M 2023, mainly from adjustment of provisions toward partners. This was partly offset by a reduction in earnings

from our construction agreement on Greater Changhua 1 due to higher costs and later commissioning of the wind turbines. In 9M 2022, we had positive earnings from work for partners at Greater Changhua 1, 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, and from an adjustment to wake loss provisions in our German portfolio.

EBITDA from our onshore business amounted to DKK 2.4 billion in 9M 2023, DKK 0.3 billion lower than in 9M 2022. Ramp-up of generation from new assets was more than offset by lower prices in the US and in the UK and Ireland, and lower generation in the US due to lower availability and wind speeds. The lower availability was due to component upgrades at Plum Creek and Sage Draw, curtailment at

Financial results, DKKm	9M 2023	9M 2022	%
Revenue	64,869	96,598	(33 %)
EBITDA	19,403	25,361	(23 %)
- New partnerships	4,007	10,916	(63 %)
- EBITDA excl new partnerships	15,396	14,445	7 %
Depreciation and amortisation	(7,429)	(6,962)	7 %
Impairment losses	(28,422)	-	n.a.
Operating profit (loss) (EBIT)	(16,448)	18,399	n.a.
Gain (loss) on divestment of enterprises	278	299	(7 %)
Financial items, net	(3,444)	(1,551)	122 %
Profit (loss) before tax	(19,583)	17,149	n.a.
Tax	(315)	(1,824)	(83 %)
Tax rate	(2 %)	11%	(13 %p)
Profit (loss) for the period	(19,898)	15,325	n.a.

### EBITDA excluding new partnerships, DKKbn



Lincoln Land, transmission line failure at Western Trail, and technical issues at Haystack.

EBITDA from our CHP plants amounted to DKK 0.4 billion in 9M 2023, a decrease of DKK 3.8 billion compared to the same period last year. The decrease was mainly due to unfavourable market-based spreads, which led to lower power condensing generation. In addition, earnings from power generation were negatively impacted by the high costs of biomass and coal relative to the market prices in 9M 2023 as the cost is measured using the first in, first out (FIFO) principle. The fuel we used during 9M 2023 was bought last year at higher price levels. The opposite was the case in 9M 2022.

EBITDA from our gas business totalled DKK 0.0 billion in 9M 2023, DKK 1.1 billion lower than in the same period last year. The decrease was driven by strong earnings in 9M 2022, where we were able to lock in gains from optimising the offtake flexibility in some of our sourcing contracts and storages, which was partly offset by our decision to unwind gas hedges related to the Gazprom Export contract.

### Impairment

Due to adverse impacts relating to supply chain, progress in investment tax credit (ITC) guidance, increased interest rates, and the lack of an OREC adjustment on Sunrise Wind, we have recognised impairment losses of DKK 28.4 billion in 9M 2023. The majority of these (DKK 19.9 billion) relate to our US offshore project Ocean Wind 1.

See note 4 in the financial statements for fur-

ther information.

### EBIT

EBIT decreased by DKK 34.8 billion to DKK -16.4 billion in 9M 2023, primarily due to the impairment losses. EBIT excluding impairments amounted to DKK 12.0 billion in 9M 2023. This was a decrease of DKK 6.4 billion compared to 9M 2022, but an increase of DKK 0.5 billion excluding earnings from new partnerships in the two periods.

### Financial income and expenses

Net financial income and expenses amounted to DKK -3.4 billion compared to DKK -1.6 billion in 9M 2022. The higher net expenses were mainly due to negative exchange rate adjustments related to internal loans in 9M 2023 versus positive adjustments in 9M 2022 (no impact on cash flow and NIBD).

### Tax and tax rate

Tax on profit for the period amounted to DKK 0.3 billion, DKK 1.5 billion lower than in the same period last year. The tax rate was -2 % and was affected by a non-taxable gain on London Array, unrecognised deferred tax assets related to impairment losses on our US portfolio, and a reversal of a recognised deferred tax liability in the US related to the tax equity partnership for Ocean Wind 1 due to our acquisition of PSEG's 25 % equity stake in the project.

### Profit for the period

Profit for the period totalled DKK -19.9 billion, DKK 35.2 billion lower than 9M 2022. The decrease was mainly due to impairment losses and higher net financial expenses. Profit for the

Cash flow and net debt, DKKm	9M 2023	9M 2022	%
Cash flows from operating activities	22,362	(8,991)	n.a.
EBITDA	19,403	25,361	(23 %)
Reversal of gain (loss) on divestments of assets	(5,053)	(10,942)	(54 %)
Change in derivatives, excl. variation margin	1,390	8,188	(83 %)
Change in variation margin	4,396	(18,990)	n.a.
Change in provisions	124	(1,267)	n.a.
Other items	(67)	(180)	(63 %)
Interest expense, net	(875)	(509)	72 %
Paid tax	(2,130)	(1,235)	72 %
Change in work in progress	1,039	2,441	(57 %)
Change in tax equity partner liabilities	901	(604)	n.a.
Change in other working capital	3,234	(11,254)	n.a.
Gross investments	(25,470)	(27,621)	(8 %)
Divestments	(319)	24,653	n.a.
Free cash flow	(3,427)	(11,959)	(71 %)
Net interest-bearing debt, beginning of period	30,571	24,280	26 %
Free cash flow	3,427	11,959	(71 %)
Dividends and hybrid coupon paid	6,173	5,824	6 %
Addition of lease obligations, net	965	1,016	(5 %)
Repurchase of hybrid capital, net	699	-	n.a.
Exchange rate adjustments, etc.	1,057	2,622	(60 %)
<b>Net interest-bearing debt, end of period</b>	<b>42,892</b>	<b>45,701</b>	<b>(6 %)</b>

period excluding impairment losses amounted to DKK 8.5 billion.

### Cash flows and net debt

#### Cash flows from operating activities

Cash flows from operating activities totalled DKK 22.4 billion in 9M 2023 compared to DKK -9.0 billion in 9M 2022.

During 9M 2023, we released DKK 6.5 billion, net, in variation margin payments on unrealised hedges (part of 'Change in variation margin') and initial margin payments at clearing houses (part of 'Change in other working capi-

tal') as a result of falling and less volatile power and gas prices. In 9M 2022, we tied up DKK 24.3 billion:

- The variation margin payments were a cash inflow of DKK 4.4 billion versus a cash outflow of 19.0 billion in 9M 2022
- The initial margin payments were a cash inflow of DKK 2.1 billion versus a cash outflow of DKK 5.3 billion in 9M 2022.
- In 9M 2022, we issued parent company guarantees in total of EUR 1 billion to reduce our initial margin payments and, to some extent, variation margin payments.

In 9M 2023, we had a net cash inflow from work in progress of DKK 1.0 billion, mainly from the divestment of the remaining 50 % of the offshore transmission asset at Hornsea 2, partly offset by construction work at Greater Changhua 1. In 9M 2022, we had a net cash inflow of DKK 2.4 billion, mainly from the divestment of the first 50 % of the offshore transmission asset at Hornsea 2 to our partner and received milestone payments from partners for Borkum Riffgrund 3. This was partly offset by construction work at Greater Changhua 1.

In 9M 2023, we received tax equity contribution from partners for Sunflower Wind and South Fork, and in 9M 2022, we received tax equity contributions for the wind part of Helena Energy Center. This led to a cash inflow from tax equity contributions in 9M 2023, net of the reversal of tax credits recognised in EBITDA, compared to a net cash outflow last year.

Furthermore, 'Change in other working capital' was positively impacted by lower receivables and the lower value of gas at storage due to the falling prices in 9M 2023 in addition to the aforementioned release of initial margin payments.

### Investments and divestments

'Gross investments' amounted to DKK 25.5 billion in 9M 2023. The main investments were:

- offshore wind farms (DKK 18.9 billion), including Greater Changhua 1 and 2a and Greater Changhua 2b and 4 in Taiwan and our portfolio of US and German projects
- onshore wind and solar PV farms (DKK 6.0 billion), including the construction of Eleven Mile, Sunflower Wind, Mockingbird, and our

portfolio of European projects.

In 9M 2023, 'Divestments' amounted to DKK -0.3 billion and was mainly related to our acquisition of Eversource's 50 % ownership share of Lease Area 500 and PSEG's 25 % equity stake in Ocean Wind 1, both in the US, as well as our divestment of London Array. As the two acquisitions are with non-controlling shareholders, they are not included in 'Gross investments', but as part of 'Divestments'. In 9M 2022, divestments amounted to DKK 24.7 billion and were mainly related to the 50 % farm-downs of Hornsea 2 and Borkum Riffgrund 3.

### Interest-bearing net debt

Interest-bearing net debt totalled DKK 42.9 billion at the end of September 2023 against DKK 30.6 billion at the end of 2022. The increase was mainly due to dividend payments of DKK 6.2 billion and negative free cash flow of DKK 3.4 billion.

### Equity

Equity was DKK 78.4 billion at the end of September 2023 against DKK 95.5 billion at the end of 2022. The change in equity was primarily due to the impairment losses of DKK 28.4 billion, whereas the post-tax hedging and currency translation reserve was reduced by DKK 16.1 billion to DKK 10.4 billion at the end of September.

### Capital employed

Capital employed was DKK 121.3 billion at the end of September 2023 against DKK 126.1 billion at the end of 2022, mainly due to impairment losses only partly offset by new invest-

### Key ratios, DKKm, %

	9M 2023	9M 2022	%
ROCE	(13.7)	24.4	(38 %p)
Adjusted net debt	55,247	58,047	(5 %)
FFO/adjusted net debt	20.9	35.3	(14 %p)

ments.

### Financial ratios

#### Return on capital employed (ROCE)

Return on capital employed (ROCE) was -13.7 % in 9M 2023. The decrease of 38 percentage points compared to last year was attributable to a lower EBIT due to the impairment losses during the period and higher capital employed. The impairment losses in 2023 had an adverse impact on ROCE of approx. 26 percentage points.

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

The funds from operations (FFO)/adjusted net debt credit metric was 20.9 % in 9M 2023 against 35.3 % in 9M 2022. The decrease was due to lower FFO.

### ESG results

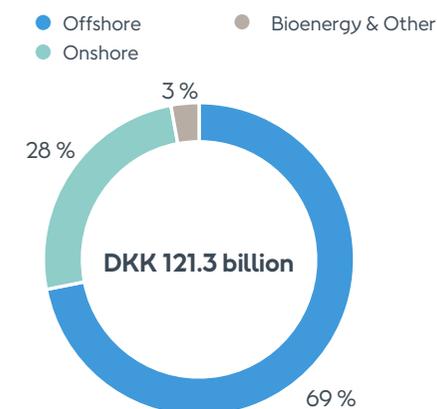
#### Green share of energy generation

The green share of heat and power generation amounted to 92 % in 9M 2023, the same level as in 9M 2022. The main changes compared to 9M 2022 were a 5 percentage point decrease in sustainable biomass-based generation, fully offset by increased offshore wind- and solar-based power generation.

#### Greenhouse gas emissions

Our greenhouse gas emissions from heat and power generation (scope 1 and 2) decreased by 28 % in 9M 2023 compared to 9M 2022. This was primarily due to the decrease in the use of

### Capital employed



### Taxonomy-aligned KPIs

In 9M 2023, the taxonomy-aligned share of revenue was 87 %, whereas the aligned share of EBITDA was 99 %, gross investments was 98 %, and OPEX was 72 %. 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 9M 2023).

Read more about our EU taxonomy-aligned KPIs in note 2.1 in the ESG Performance Report for 9M 2023.

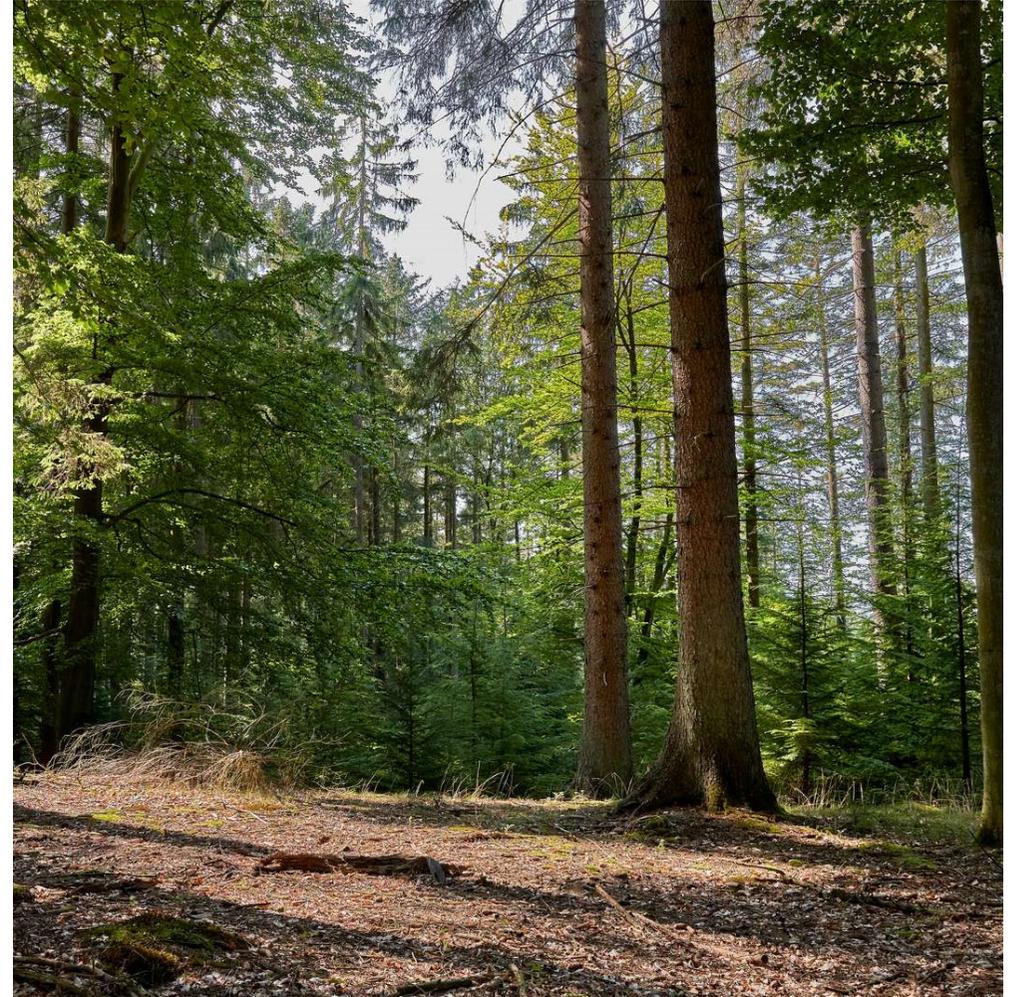
coal at our CHP plants.

Our scope 1 and 2 greenhouse gas intensity decreased to 43 g CO<sub>2</sub>e/kWh in 9M 2023 against 59 g CO<sub>2</sub>e/kWh in 9M 2022. The decrease was a result of a 28 % decrease in scope 1 emissions (numerator) in combination with only a 1 % decrease in total heat and power generation (denominator).

Greenhouse gas emissions from our supply chain and sales activities (scope 3) were 53 % lower than in 9M 2022, primarily due to a 50 % reduction in natural gas sales in 9M 2023 and lower emissions related to capital goods as we only commissioned three onshore sites in 9M 2023.

### Safety

In 9M 2023, we had 55 total recordable injuries (TRIs), of which 42 injuries were related to contractors' employees. In total, this was a decrease of 9 injuries compared to 9M 2022. The number of hours worked was 18.8 million hours, a decrease of 3 % compared to 9M 2022. The total recordable injury rate (TRIR) decreased from 3.3 in 9M 2022 to 2.9 in 9M 2023.



Forest beech pine sustainable biomass, Linå Vesterskov, Denmark

# Results Q3

## Financial results

### EBITDA

Operating profit (EBITDA) for the third quarter amounted to DKK 9.2 billion, DKK 3.1 billion lower than in Q3 2022. In Q3 2023, we divested our ownership share in London Array with a gain of DKK 4.0 billion, and in Q3 2022, we farmed down 50 % of Hornsea 2 for a gain of DKK 9.3 billion. Adjusted for these farm-down effects, EBITDA was DKK 2.2 billion above Q3 2022.

Earnings from Offshore sites amounted to DKK 4.1 billion, an increase of DKK 3.6 billion compared to last year. The increase was mainly due to higher wind speeds, ramp-up of gen-

eration from Greater Changhua 1 and 2a, higher prices on the inflation-indexed CfD and ROC wind farms, lower balancing and BSUoS costs, and a significant negative impact from hedges in Q3 2022 that was not repeated in Q3 2023. This was only partly offset by the farm-down of Hornsea 2 by the end of Q3 2022 and the divestment of London Array, both resulting in lower generation capacity.

EBITDA from partnerships amounted to DKK 4.2 billion in Q3 2023, mainly related to the divestment of our ownership share in London Array. In Q3 2022, we had positive earnings from the 50 % farm-down of Hornsea 2 and work for partners at Greater Changhua 1.

EBITDA from our Onshore business amounted to DKK 0.8 billion and was slightly lower than in Q3 2022. Ramp-up of generation from new assets was more than offset by lower availability and lower prices, especially in the UK and Ireland.

EBITDA from our CHP plants amounted to DKK -0.2 billion in Q3 2023, a decrease of DKK 1.9 billion compared to the same period last year. The decrease was mainly due to lower power prices, unfavourable spreads for power condensing generation, and warmer weather. In addition to the unfavourable market-based spreads, earnings were negatively impacted by accounting FIFO effects as the fuel used in Q3 2023 was bought last year at price levels

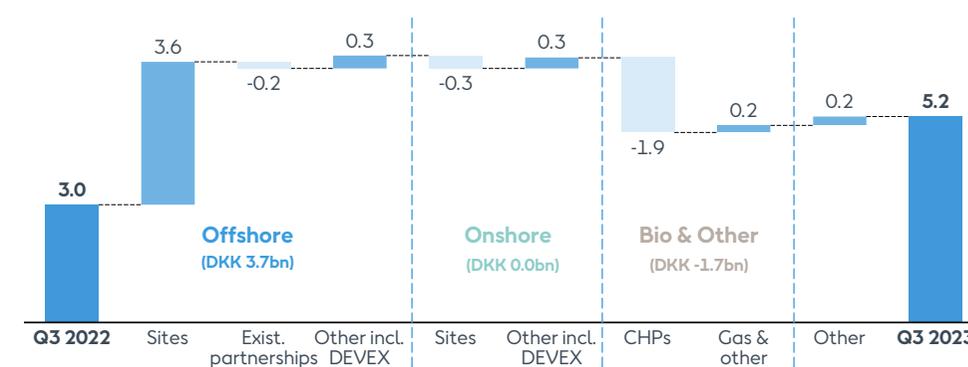
above the current market prices. The opposite was the case in Q3 2022.

EBITDA from our gas business totalled DKK 0.5 billion in Q3 2023, DKK 0.2 billion higher than in the same period last year. To a large extent, the increase was driven by a positive effect from revaluation of our gas at storage during Q3 2023.

### Financial results, DKKm

	Q3 2023	Q3 2022	%
Revenue	19,023	36,541	(48 %)
EBITDA	9,173	12,317	(26 %)
- New partnerships	4,007	9,346	(57 %)
- EBITDA excl new partnerships	5,166	2,971	74 %
Depreciation and amortisation	(2,537)	(2,530)	0 %
Impairment losses	(28,422)	-	n.a.
Operating profit (loss) (EBIT)	(21,786)	9,787	n.a.
Gain (loss) on divestment of enterprises	(50)	124	n.a.
Financial items, net	(128)	(217)	(41 %)
Profit (loss) before tax	(21,955)	9,695	n.a.
Tax	(607)	(340)	79 %
Tax rate	(3 %)	4%	(7 %p)
Profit (loss) for the period	(22,562)	9,355	n.a.

### EBITDA excluding new partnerships, DKKbn



## Cash flows

### Cash flows from operating activities

Cash flows from operating activities totalled DKK 9.8 billion in Q3 2023 compared to DKK -11.3 billion in Q3 2022.

During Q3 2023, we released DKK 0.2 billion, net, in variation margin payments on unrealised hedges (part of 'Change in variation margin') and initial margin payments at clearing houses (part of 'Change in other working capital'), whereas we tied up DKK 16.0 billion in Q3 2022 where prices increased sharply:

- The variation margin payments were a cash inflow of DKK 0.1 billion versus a cash outflow of 8.5 billion in Q3 2022.
- The initial margin payments were a cash inflow of DKK 0.1 billion versus a cash outflow of DKK 7.5 billion in Q3 2022.

In Q3 2023, we had a net cash inflow from work in progress of DKK 3.5 billion, mainly related to the divestment of the remaining 50 % of the Hornsea 2 offshore transmission asset. In Q3 2022, we had a net cash inflow of DKK 4.8 billion, mainly from divestment of the first 50 % of the transmission asset at Hornsea 2 to our partner and milestone payments received for Greater Changhua 1.

In Q3 2023, cash inflow from change in tax equity was related to contributions for Sunflower Wind in Onshore and South Fork in Offshore. There were no significant tax equity contribution inflows in Q3 2022.

### Investments and divestments

Gross investments amounted to DKK 9.2 billion in Q3 2023. The main investments were:

- offshore wind farms (DKK 5.5 billion), including Greater Changhua 1 and 2a in Taiwan and our portfolio of US and German projects
- onshore wind and solar PV farms (DKK 1.5 billion), including the construction of Eleven Mile, Sunflower Wind, Mockingbird, and our portfolio of European projects.

In Q3 2023, divestments amounted to DKK 1.7 billion and was mainly related to the divestment of London Array and our acquisition of Eversource's ownership share of Lease Area 500 in the US. As this acquisition is with a non-controlling shareholder, it is not included in 'Gross investments', but as part of 'Divestments'.

<b>Cash flow and net debt, DKKm</b>	<b>Q3 2023</b>	<b>Q3 2022</b>	<b>%</b>
Cash flows from operating activities	9,796	(11,309)	n.a.
EBITDA	9,173	12,317	(26 %)
Reversal of gain (loss) on divestments of assets	(3,750)	(9,058)	(59 %)
Change in derivatives, excl. variation margin	428	2,875	(85 %)
Change in variation margin	100	(8,462)	n.a.
Change in provisions	149	(312)	n.a.
Other items	(22)	(26)	(15 %)
Interest expense, net	(212)	(255)	(17 %)
Paid tax	(634)	(716)	(11 %)
Change in work in progress	3,548	4,789	(26 %)
Change in tax equity partner liabilities	2,053	(583)	n.a.
Change in other working capital	(1,037)	(11,878)	(91 %)
Gross investments	(9,204)	(14,417)	(36 %)
Divestments	1,735	22,459	(92 %)
<b>Free cash flow</b>	<b>2,327</b>	<b>(3,267)</b>	<b>n.a.</b>
Net interest-bearing debt, beginning of period	43,924	41,449	6 %
Free cash flow	(2,327)	3,267	n.a.
Dividends and hybrid coupon paid	122	132	(8 %)
Addition of leasing obligations, net	416	(121)	n.a.
Exchange rate adjustments, etc.	758	974	(22 %)
<b>Net interest-bearing debt, end of period</b>	<b>42,892</b>	<b>45,701</b>	<b>(6 %)</b>

# Offshore

## Financial results for Q3 2023

Power generation increased by 9 % to 3.5 TWh in Q3 2023. The increase was due to higher wind speeds, higher availability, and ramp-up at Greater Changhua 1 and 2a. This was only partly offset by the 50 % farm-down of Hornsea 2 by the end of Q3 2022.

Wind speeds amounted to a portfolio average of 8.6 m/s, which was higher than in Q3 2022 (7.7 m/s) and higher than the normal wind speeds expected in the third quarter (8.4 m/s).

Availability ended at 93 %, which was 2 percentage points higher than in the same period last year. This was mainly due to scheduled outages and curtailment at Hornsea 2 in Q3 2022.

Revenue decreased by 37 % and amounted to DKK 15.8 billion.

Revenue from offshore wind farms in operation increased by 15 % to DKK 4.5 billion, mainly driven by higher generation. Revenue from power sales decreased by 62 % to DKK 5.6 billion due to significantly lower power prices.

EBITDA decreased by DKK 1.6 billion and amounted to DKK 8.0 billion.

EBITDA from 'Sites, O&M, and PPAs' increased by DKK 3.6 billion and amounted to DKK 4.1 billion in Q3 2023. The increase was due to higher wind speeds (DKK 0.9 billion), ramp-up of generation at Greater Changhua 1 and 2a, higher prices on the inflation-indexed CfD and ROC wind farms, lower balancing and BSUsOs

costs, and a neutral effect from hedges in Q3 2023 versus a big negative contribution from hedges in Q3 2022. This was only partly offset by the farm-down of Hornsea 2 and the divestment of London Array.

EBITDA from partnerships amounted to DKK 4.2 billion in Q3 2023, mainly related to the divestment of our ownership share in London Array. In Q3 2022, we had positive earnings from the 50 % farm-down of Hornsea 2 and work for partners at Greater Changhua 1.

EBITDA from other activities, including project development, amounted to DKK -0.3 billion, DKK 0.3 billion less negative than in Q3 2022.

Financial results		Q3 2023	Q3 2022	%	9M 2023	9M 2022	%
<b>Business drivers</b>							
Decided (FID'ed) and installed capacity	GW	12.0	11.1	8 %	12.0	11.1	8 %
Installed capacity	GW	8.9	8.9	0 %	8.9	8.9	0 %
Generation capacity	GW	5.0	5.3	(6 %)	5.0	5.3	(6 %)
Wind speed	m/s	8.6	7.7	12 %	9.2	9.0	2 %
Load factor	%	33	28	5%p	38	38	0%p
Availability	%	93	91	2%p	93	93	(0%p)
Power generation	GWh	3,544	3,246	9 %	11,750	11,072	6 %
Denmark		377	423	(11 %)	1,346	1,450	(7 %)
United Kingdom		2,259	2,212	2 %	7,454	7,358	1 %
Germany		379	387	(2 %)	1,343	1,323	2 %
The Netherlands		259	197	31 %	959	858	12 %
APAC		254	6	n.a.	586	7	n.a.
The US		16	21	(27 %)	62	76	(18 %)
Power sales	GWh	6,242	5,600	11 %	23,624	22,182	6 %
Power price, LEBA UK	GBP/MWh	98	361	(73 %)	116	267	(57 %)
British pound	DKK/GBP	8.7	8.7	(0 %)	8.6	8.8	(3 %)
<b>Financial performance</b>							
Revenue	DKKm	15,847	25,057	(37 %)	49,513	62,199	(20 %)
Sites, O&M, and PPAs		4,549	3,963	15 %	14,879	12,582	18 %
Power sales		5,561	14,460	(62 %)	27,911	38,792	(28 %)
Construction agreements		5,247	6,629	(21 %)	5,805	10,724	(46 %)
Other		490	5	n.a.	918	101	809 %
EBITDA	DKKm	8,037	9,652	(17 %)	16,428	17,475	(6 %)
Sites, O&M, and PPAs		4,050	467	767 %	13,043	6,194	111 %
Construction agreements and divestment gains		4,245	9,765	(57 %)	4,542	12,992	(65 %)
Other, incl. project development		(258)	(580)	(56 %)	(1,157)	(1,711)	(32 %)
Depreciation	DKKm	(1,733)	(1,820)	(5 %)	(5,187)	(5,012)	3 %
Impairment losses	DKKm	(26,988)	-	n.a.	(26,988)	-	n.a.
EBIT	DKKm	(20,684)	7,832	n.a.	(15,747)	12,463	n.a.
Cash flow from operating activities	DKKm	4,405	(10,296)	n.a.	15,204	(12,456)	n.a.
Gross investments	DKKm	(7,430)	(7,979)	(7 %)	(18,923)	(18,784)	1 %
Divestments	DKKm	1,738	22,296	(92 %)	(290)	24,417	n.a.
Free cash flow	DKKm	(1,287)	4,021	n.a.	(4,009)	(6,823)	(41 %)
Capital employed	DKKm	82,978	68,361	21 %	82,978	68,361	21 %

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

# Onshore

## Financial results for Q3 2023

Power generation from our operating onshore assets increased by 7 % compared to Q3 2022 and amounted to 2.9 TWh. The increase was due to ramp-up of generation at Sunflower, Ford Ridge, and Old 300 in the US, various Irish and UK farms, and the acquisition of Ostwind at the end Q3 2022. This was only partly offset by lower availability. The availability in the US was lower, mainly due to Western Trail going offline in August because of a transmission line outage.

Revenue decreased by 19 % compared with Q3 2022 and amounted to DKK 0.7 billion. The decrease was mainly due to lower prices across the portfolio and a 7 % lower USD rate than in Q3 2022.

EBITDA for Q3 2023 amounted to DKK 0.8 billion, which was slightly below Q3 2022. The decrease was due to lower prices, especially in Ireland and the UK.

In Q3 2023, we have reclassified costs related to our operating assets from 'Other including project development' to 'Sites' to align with our methodology in Offshore (no impact on total Onshore EBITDA).

Financial results		Q3 2023	Q3 2022	%	9M 2023	9M 2022	%
<b>Business drivers</b>							
Decided (FID'ed) and installed capacity	GW	6.2	5.1	23 %	6.2	5.1	23 %
Installed capacity	GW	4.8	4.2	15 %	4.8	4.2	15 %
Wind speed	m/s	6.2	6.0	3 %	7.0	7.2	(3 %)
Load factor, wind	%	27	28	(0 %p)	35	40	(5 %p)
Load factor, solar PV	%	32	32	0 %p	27	28	(1 %p)
Availability, wind	%	85	92	(6 %p)	90	94	(4 %p)
Availability, solar PV	%	98	96	2 %p	98	98	0 %p
Power generation	GWh	2,927	2,723	7 %	9,999	9,721	3 %
US, wind		1,975	1,946	1 %	7,484	7,678	(3 %)
US, solar PV		708	676	5 %	1,740	1,532	14 %
Europe		244	101	142 %	775	511	52 %
US dollar	DKK/USD	6.8	7.4	(7 %)	6.9	7.0	(2 %)
<b>Financial performance</b>							
Revenue	DKKm	676	836	(19 %)	2,022	2,256	(10 %)
EBITDA	DKKm	819	867	(6 %)	2,445	2,792	(12 %)
Sites		246	610	(60 %)	862	1,677	(49 %)
Production tax credits and tax attributes		581	597	(3 %)	1,977	1,844	7 %
Other, incl. project development		(8)	(340)	(98 %)	(394)	(729)	(46 %)
Depreciation	DKKm	(560)	(456)	23 %	(1,459)	(1,196)	22 %
Impairment losses	DKKm	(1,434)	-	n.a.	(1,434)	-	n.a.
EBIT	DKKm	(1,175)	411	n.a.	(448)	1,596	n.a.
Cash flow from operating activities	DKKm	1,121	364	208 %	620	1,470	(58 %)
Gross investments	DKKm	(1,460)	(6,322)	(77 %)	(6,045)	(8,540)	(29 %)
Divestments	DKKm	-	(1)	n.a.	2	43	(95 %)
Free cash flow	DKKm	(339)	(5,959)	(94 %)	(5,423)	(7,027)	(23 %)
Capital employed	DKKm	33,322	28,340	18 %	33,322	28,340	18 %

# Bioenergy & Other

## Financial results for Q3 2023

Heat generation decreased by 2 % in Q3 2023, and power generation decreased by 43 %, mainly due to less attractive spreads for power condensing generation and warmer weather.

Gas sales and power sales decreased by 6 % and 58 %, respectively, due to a gradual phase-out of our remaining B2B activities in the UK.

Revenue decreased by 79 % compared to Q3 2022 and amounted to DKK 2.6 billion. The decrease was driven by significantly lower gas and power sales, lower power generation, and lower prices.

EBITDA amounted to DKK 0.2 billion compared to DKK 1.8 billion in Q3 2022.

EBITDA from 'CHP plants' was DKK -0.2 billion, DKK 1.9 billion lower than in Q3 2022. This was due to the lower generation and market-based spreads mentioned above. In addition, earnings from power generation were negatively impacted by the high costs of biomass and coal relative to the market prices in Q3 2023 as the cost is measured using the first in, first out (FIFO) principle. The fuel we used during Q3 2023 was bought last year at the higher price levels. The opposite was the case in Q3 2022.

EBITDA from 'Gas Markets & Infrastructure' increased by DKK 0.2 billion relative to Q3 2022 to DKK 0.5 billion. The increase was, to a

large extent, driven by a positive effect from revaluation of our gas at storage during Q3 2023.

		Q3 2023	Q3 2022	%	9M 2023	9M 2022	%
<b>Business drivers</b>							
Degree days	Number	53	98	(46 %)	1,619	1,687	(4 %)
Heat generation	GWh	234	239	(2 %)	4,202	4,305	(2 %)
Power generation	GWh	781	1,363	(43 %)	3,395	4,603	(26 %)
Gas sales	GWh	5,355	5,706	(6 %)	13,839	27,589	(50 %)
Power sales	GWh	566	1,339	(58 %)	1,999	4,495	(56 %)
Gas price, TTF	EUR/MWh	33.0	196.2	(83 %)	40.7	129.1	(68 %)
Power price, DK	EUR/MWh	78.8	347.8	(77 %)	88.7	226.2	(61 %)
Green dark spread, DK	EUR/MWh	(36.4)	146.6	n.a.	(32.7)	45.0	n.a.
Wood pellet spread, DK	EUR/MWh	9.2	169.4	(95 %)	5.9	74.5	(92 %)
<b>Financial performance</b>							
Revenue	DKK m	2,645	12,336	(79 %)	13,995	35,992	(61 %)
EBITDA	DKK m	155	1,849	(92 %)	89	5,010	(98 %)
CHP plants		(219)	1,691	n.a.	382	4,133	(91 %)
Gas Markets & Infrastructure		485	253	92 %	(31)	1,044	n.a.
Other, incl. project development		(111)	(95)	17 %	(262)	(167)	57 %
Depreciation	DKK m	(169)	(190)	(11 %)	(579)	(572)	1 %
EBIT	DKK m	(14)	1,659	n.a.	(490)	4,438	n.a.
Cash flow from operating activities	DKK m	2,130	(1,881)	n.a.	2,192	1,884	16 %
Gross investments	DKK m	(208)	(84)	148 %	(353)	(242)	46 %
Divestments	DKK m	-	2	n.a.	(3)	-	n.a.
Free cash flow	DKK m	1,922	(1,963)	n.a.	1,836	1,642	12 %
Capital employed	DKK m	3,857	(14)	n.a.	3,857	(14)	n.a.

# Performance highlights

Financials, DKKm	9M 2023	9M 2022	2022
<b>Income statement</b>			
Revenue	64,869	96,598	132,277
EBITDA	19,403	25,361	32,057
Offshore	16,428	17,475	19,569
Sites, O&M, and PPAs	13,043	6,194	9,940
Construction agreements and divestment gains	4,542	12,992	12,277
Other, incl. project development	(1,157)	(1,711)	(2,648)
Onshore	2,445	2,792	3,644
Bioenergy & Other	89	5,010	8,619
Other activities/eliminations	441	84	225
Depreciation and amortisation	(7,429)	(6,962)	(9,754)
Impairment	(28,422)	-	(2,529)
Operating profit (loss) (EBIT)	(16,448)	18,399	19,774
Gain (loss) on divestment of enterprises	278	299	331
Net financial income and expenses	(3,444)	(1,551)	(2,536)
Profit (loss) before tax	(19,583)	17,149	17,609
Tax	(315)	(1,824)	(2,613)
Profit (loss) for the period	(19,898)	15,325	14,996
<b>Balance</b>			
Assets	286,782	359,758	314,142
Equity	78,361	53,777	95,532
Shareholders in Ørsted A/S	57,304	32,413	71,743
Hybrid capital	19,103	17,984	19,793
Non-controlling interests	1,954	3,380	3,996
Interest-bearing net debt	42,892	45,701	30,571
Capital employed	121,253	99,478	126,103
Additions to property, plant, and equipment	25,890	23,750	33,662
<b>Cash flow</b>			
Cash flow from operating activities	22,362	(8,991)	11,924
Gross investments	(25,470)	(27,621)	(37,447)
Divestments	(319)	24,653	25,636
Free cash flow	(3,427)	(11,959)	113
<b>Financial ratios</b>			
Return on capital employed (ROCE) <sup>1</sup> , %	(13.7)	24.4	16.8
FFO/adjusted net debt <sup>2</sup> , %	20.9	35.3	42.7
Number of outstanding shares, end of period, '000	420,381	420,381	420,381
Share price, end of period, DKK	385	608	631
Market capitalisation, end of period, DKK billion	162	255	265
Earnings per share (EPS), DKK	(48.5)	35.8	34.6
Dividend yield, %	-	-	2.1

	9M 2023	9M 2022	2022
<b>Offshore</b>			
Decided (FID'ed) and installed capacity, GW	12.0	11.1	11.1
Installed capacity, GW	8.9	8.9	8.9
Generation capacity, GW	5.0	5.3	4.7
Wind speed, m/s	9.2	9.0	9.5
Load factor, %	38	38	42
Availability, %	93	93	94
Power generation, GWh	11,750	11,072	16,483
Power sales, GWh	23,624	22,182	33,745
<b>Onshore</b>			
Decided (FID'ed) and installed capacity, GW	6.2	5.1	6.2
Installed capacity, GW	4.8	4.2	4.2
Wind speed, m/s	7.0	7.2	7.4
Load factor, wind, %	35	40	40
Load factor, solar PV, %	27	28	25
Availability, wind, %	90	94	93
Availability, solar PV, %	98	98	98
Power generation, GWh	9,999	9,721	13,146
<b>Bioenergy &amp; Other</b>			
Degree days, number	1,619	1,687	2,548
Heat generation, GWh	4,202	4,305	6,368
Power generation, GWh	3,395	4,603	6,012
Power sales, GWh	1,999	4,495	5,399
Gas sales, GWh	13,839	27,589	31,637
<b>ESG statements</b>			
Employees (FTE), end of period number	8,906	7,681	8,027
Total recordable injury rate (TRIR), YTD	2.9	3.3	3.1
Fatalities, number	-	-	-
Green share of energy generation, %	92	92	91
GHG emission (scope 1 & 2), Mtonnes	1.3	1.7	2.5
GHG intensity (scope 1 & 2), g CO <sub>2</sub> e/kWh	43	59	60
GHG emissions (scope 3), Mtonnes	4.5	9.5	11.0

1 EBIT last 12 months.

2 FFO last 12 months.

# Quarterly overview

Financials, DKKm	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
<b>Income statement</b>								
Revenue	19,023	16,477	29,369	35,679	36,541	26,295	33,762	30,666
EBITDA	9,173	3,320	6,910	6,696	12,317	3,615	9,429	8,253
Offshore	8,037	2,979	5,412	2,094	9,652	1,904	5,919	5,244
Sites, O&M, and PPAs	4,050	3,135	5,859	3,746	467	2,031	3,698	3,983
Construction agreements and divestment gains	4,245	340	(42)	(715)	9,765	601	2,620	2,469
Other incl. project development	(258)	(496)	(405)	(937)	(580)	(728)	(399)	(1,208)
Onshore	819	792	834	852	867	1,075	850	530
Bioenergy & Other	155	(583)	517	3,609	1,849	647	2,514	2,416
Other activities/eliminations	162	132	147	141	(51)	(11)	146	63
Depreciation and amortisation	(2,537)	(2,454)	(2,438)	(2,792)	(2,530)	(2,304)	(2,128)	(2,143)
Impairment	(28,422)	-	-	(2,529)	-	-	-	(129)
Operating profit (loss) (EBIT)	(21,786)	866	4,472	1,375	9,787	1,311	7,301	5,980
Gain (loss) on divestment of enterprises	(50)	159	169	32	124	67	108	(684)
Net financial income and expenses	(128)	(1,797)	(1,519)	(985)	(217)	(486)	(848)	(930)
Profit (loss) before tax	(21,955)	(763)	3,135	460	9,695	893	6,561	4,361
Tax	(607)	225	67	(789)	(340)	(624)	(860)	(1,103)
Profit (loss) for the period	(22,562)	(538)	3,202	(329)	9,355	269	5,701	3,258
<b>Balance sheet</b>								
Assets	286,782	296,466	306,644	314,142	359,758	320,722	285,087	270,385
Equity	78,361	103,548	102,826	95,532	53,777	61,276	76,719	85,137
Shareholders in Ørsted A/S	57,304	82,379	78,551	71,743	32,413	40,091	55,704	64,072
Hybrid capital	19,103	19,103	19,793	19,793	17,984	17,984	17,984	17,984
Non-controlling interests	1,954	2,066	4,482	3,996	3,380	3,201	3,031	3,081
Interest-bearing net debt	42,892	43,924	35,261	30,571	45,701	41,449	30,026	24,280
Capital employed	121,253	147,471	138,087	126,103	99,478	102,725	106,745	109,416
Additions to property, plant, equipment	10,988	6,963	7,939	9,912	9,899	8,724	5,127	17,041
<b>Cash flow</b>								
Cash flow from operating activities	9,796	2,447	10,119	20,915	(11,309)	2,355	(37)	668
Gross investments	(9,204)	(7,498)	(8,768)	(9,826)	(14,417)	(6,372)	(6,832)	(11,752)
Divestments	1,735	(2,038)	(16)	983	22,459	267	1,927	10,952
Free cash flow	2,327	(7,089)	1,335	12,072	(3,267)	(3,750)	(4,942)	(132)
<b>Financial ratios</b>								
Return on capital employed (ROCE), %	(13.7)	13.2	13.8	16.8	24.4	14.8	19.0	14.8
FFO/adjusted net debt <sup>2</sup> , %	20.9	17.7	37.4	42.7	35.3	39.0	37.5	26.3
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	385	645	583	631	608	742	849	835
Market capitalisation, end of period, DKK billion	162	271	245	265	255	312	357	351
Earnings per share (EPS), DKK	(53.8)	(1.4)	6.7	1.2	22.3	0.3	13.2	7.5

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
<b>Offshore</b>								
Decided (FID'ed) and installed capacity, GW	12.0	12.0	12.0	11.1	11.1	11.1	11.1	10.9
Installed capacity, GW	8.9	8.9	8.9	8.9	8.9	7.6	7.6	7.6
Generation capacity, GW	5.0	4.9	4.7	4.7	5.3	4.8	4.2	4.0
Wind speed, m/s	8.6	8.1	10.9	10.7	7.7	8.4	11.3	10.6
Load factor, %	33	29	53	54	28	35	54	53
Availability, %	93	91	95	95	91	94	95	95
Power generation, GWh	3,544	3,044	5,162	5,411	3,246	3,324	4,502	4,452
Power sales, GWh	6,242	6,739	10,642	11,563	5,600	7,416	9,166	8,791
<b>Onshore</b>								
Decided (FID'ed) and installed capacity, GW	6.2	6.2	6.2	6.2	5.1	4.9	4.7	4.7
Installed capacity, GW	4.8	4.6	4.5	4.2	4.2	4.0	3.6	3.4
Wind speed, m/s	6.2	6.7	8.1	7.7	6.0	7.8	7.9	7.9
Load factor, wind, %	27	35	45	40	28	47	47	47
Load factor, solar PV, %	32	30	16	17	32	31	21	19
Availability, wind, %	85	92	91	91	92	92	96	96
Availability, solar PV, %	98	98	99	99	96	99	99	99
Power generation, GWh	2,927	3,321	3,750	3,425	2,723	3,795	3,203	2,818
<b>Bioenergy &amp; Other</b>								
Degree days, number	53	409	1,157	861	98	448	1,141	927
Heat generation, GWh	234	790	3,178	2,064	239	823	3,243	2,467
Power generation, GWh	781	917	1,697	1,409	1,363	1,102	2,138	2,096
Power sales, GWh	566	556	877	904	1,339	1,466	1,690	2,072
Gas sales, GWh	5,355	4,016	4,468	4,048	5,706	8,891	12,993	13,744
<b>ESG statements</b>								
Employees (FTE) end of period, number	8,906	8,661	8,422	8,027	7,681	7,292	7,016	6,836
Total recordable injury rate (TRIR), YTD	2.9	2.6	2.7	3.1	3.3	2.8	1.3	3.0
Fatalities, number	-	-	-	-	-	-	-	-
Green share of energy generation, %	94	97	89	88	89	93	92	93
GHG emissions (scope 1 & 2), Mtonnes	0.3	0.2	0.7	0.8	0.7	0.4	0.6	0.5
GHG intensity (scope 1 & 2), g CO <sub>2</sub> e/kWh	46	24	52	62	88	49	48	45
GHG emissions (scope 3), Mtonnes	1.6	1.3	1.5	1.5	3.1	2.6	3.7	3.9

1 EBIT last 12 months.

2 FFO last 12 months.

# Consolidated financial statements

First nine months 2023

1 January – 30 September

## Consolidated statements of income

1 January – 30 September

Note	Income statement DKKkm	9M 2023	9M 2022
3	Revenue	64,869	96,598
	Cost of sales	(43,918)	(72,339)
	Other external expenses	(4,670)	(4,625)
	Employee costs	(4,743)	(3,801)
	Share of profit (loss) in associates and joint ventures	30	44
5	Other operating income	8,183	13,192
5	Other operating expenses	(348)	(3,708)
	<b>Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA)</b>	<b>19,403</b>	<b>25,361</b>
	Amortisation and depreciation on intangible assets, and property, plant, and equipment	(7,429)	(6,962)
4	Impairment losses on intangible assets, and property, plant, and equipment	(28,422)	-
	<b>Operating profit (loss) (EBIT)</b>	<b>(16,448)</b>	<b>18,399</b>
	Gain (loss) on divestment of enterprises	278	299
	Share of profit (loss) in associates and joint ventures	31	2
6	Financial income	5,281	7,776
6	Financial expenses	(8,725)	(9,327)
	<b>Profit (loss) before tax</b>	<b>(19,583)</b>	<b>17,149</b>
9	Tax on profit (loss) for the period	(315)	(1,824)
	<b>Profit (loss) for the period</b>	<b>(19,898)</b>	<b>15,325</b>
	<b>Profit (loss) for the period is attributable to:</b>		
	Shareholders in Ørsted A/S	(20,382)	15,037
	Interests and costs, hybrid capital owners of Ørsted A/S	195	277
	Non-controlling interests	289	11
	Earnings per share (DKK)	(48.5)	35.8
	Diluted earnings per share (DKK)	(48.5)	35.8

Statement of comprehensive income DKKkm	9M 2023	9M 2022
<b>Profit (loss) for the period</b>	<b>(19,898)</b>	<b>15,325</b>
<b>Other comprehensive income:</b>		
<b>Cash flow hedging:</b>		
Value adjustments for the period	21,525	(71,736)
Value adjustments transferred to income statement	(960)	22,854
Value adjustments transferred to balance sheet	-	(118)
<b>Exchange rate adjustments:</b>		
Exchange rate adjustments relating to net investments in foreign enterprises	1,088	1,622
Value adjustment of net investment hedges	(977)	(1,970)
Value adjustments and hedges transferred to income statement	(59)	676
<b>Tax:</b>		
Tax on hedging instruments	(4,480)	6,523
Tax on exchange rate adjustments	(50)	666
<b>Other:</b>		
Share of other comprehensive income of associated companies, after tax	6	31
<b>Other comprehensive income</b>	<b>16,093</b>	<b>(41,452)</b>
<b>Total comprehensive income</b>	<b>(3,805)</b>	<b>(26,127)</b>
<b>Comprehensive income for the period is attributable to:</b>		
Shareholders in Ørsted A/S	(4,307)	(26,431)
Interest payments and costs, hybrid capital owners of Ørsted A/S	195	277
Non-controlling interests	307	27
<b>Total comprehensive income</b>	<b>(3,805)</b>	<b>(26,127)</b>

'Value adjustments for the period' in the first 9 months of 2023 are mainly a result of gains on power hedges due to a decrease in power prices.

## Consolidated statements of income (continued)

1 July – 30 September

Note	Income statement DKK m	Q3 2023	Q3 2022
3	Revenue	19,023	36,541
	Cost of sales	(11,916)	(28,503)
	Other external expenses	(1,606)	(1,777)
	Employee costs	(1,421)	(1,367)
	Share of profit (loss) in associates and joint ventures	(7)	(12)
5	Other operating income	4,949	9,759
5	Other operating expenses	151	(2,324)
	<b>Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA)</b>	<b>9,173</b>	<b>12,317</b>
	Amortisation and depreciation on intangible assets, and property, plant, and equipment	(2,537)	(2,530)
4	Impairment losses on intangible assets, and property, plant, and equipment	(28,422)	-
	<b>Operating profit (loss) (EBIT)</b>	<b>(21,786)</b>	<b>9,787</b>
	Gain (loss) on divestment of enterprises	(50)	124
	Share of profit (loss) in associates and joint ventures	9	1
6	Financial income	1,360	4,685
6	Financial expenses	(1,488)	(4,902)
	<b>Profit (loss) before tax</b>	<b>(21,955)</b>	<b>9,695</b>
9	Tax on profit (loss) for the period	(607)	(340)
	<b>Profit (loss) for the period</b>	<b>(22,562)</b>	<b>9,355</b>
	<b>Profit (loss) for the period is attributable to:</b>		
	Shareholders in Ørsted A/S	(22,596)	9,349
	Interests and costs, hybrid capital owners of Ørsted A/S	-	(16)
	Non-controlling interests	34	22
	Earnings per share (DKK)	(53.8)	22.3
	Diluted earnings per share (DKK)	(53.8)	22.3

Statement of comprehensive income DKK m	Q3 2023	Q3 2022
<b>Profit (loss) for the period</b>	<b>(22,562)</b>	<b>9,355</b>
<b>Other comprehensive income:</b>		
<b>Cash flow hedging:</b>		
Value adjustments for the period	3,769	(33,176)
Value adjustments transferred to income statement	(709)	15,248
Value adjustments transferred to balance sheet	-	(49)
<b>Exchange rate adjustments:</b>		
Exchange rate adjustments relating to net investments in foreign enterprises	(25)	797
Value adjustment of net investment hedges	(521)	(1,254)
Value adjustments and hedges transferred to income statement	-	676
<b>Tax:</b>		
Tax on hedging instruments	(818)	477
Tax on exchange rate adjustments	171	268
<b>Other:</b>		
Share of other comprehensive income of associated companies, after tax	3	(6)
<b>Other comprehensive income</b>	<b>1,870</b>	<b>(17,019)</b>
<b>Total comprehensive income</b>	<b>(20,692)</b>	<b>(7,664)</b>
<b>Comprehensive income for the period is attributable to:</b>		
Shareholders in Ørsted A/S	(20,725)	(7,688)
Interest payments and costs after tax, hybrid capital owners of Ørsted A/S	-	(16)
Non-controlling interests	33	40
<b>Total comprehensive income</b>	<b>(20,692)</b>	<b>(7,664)</b>

'Value adjustments for the period' in Q3 2023 are mainly a result of gains on power hedges due to a decrease in power prices.

## Consolidated balance sheet

30 September

Note	Assets DKKkm	30 September 2023	31 December 2022	30 September 2022	Note	Equity and liabilities DKKkm	30 September 2023	31 December 2022	30 September 2022
	<b>Intangible assets</b>	<b>3,342</b>	<b>4,029</b>	<b>3,510</b>		Share capital	4,204	4,204	4,204
	Land and buildings	8,319	7,980	8,009	8	Reserves	(10,398)	(26,467)	(66,277)
	Production assets	122,922	119,211	114,468		Retained earnings	63,498	88,331	94,486
	Fixtures and fittings, tools, and equipment	2,136	1,543	1,575		Proposed dividends	-	5,675	-
	Property, plant, and equipment under construction	44,582	48,931	52,098		<b>Equity attributable to shareholders in Ørsted A/S</b>	<b>57,304</b>	<b>71,743</b>	<b>32,413</b>
	<b>Property, plant, and equipment</b>	<b>177,959</b>	<b>177,665</b>	<b>176,150</b>		Hybrid capital	19,103	19,793	17,984
	Investments in associates and joint ventures	968	772	1,044		Non-controlling interests	1,954	3,996	3,380
	Receivables from associates and joint ventures	54	-	-		<b>Equity</b>	<b>78,361</b>	<b>95,532</b>	<b>53,777</b>
	Other securities and equity investments	174	182	217		Deferred tax	4,665	7,414	8,432
11	Derivatives	789	1,804	13,069	4	Provisions	18,776	19,121	13,938
	Deferred tax	8,798	13,719	21,719		Lease liabilities	8,058	7,697	7,903
	Other receivables	3,552	3,243	3,290	12	Bond and bank debt	76,585	60,451	62,198
	<b>Other non-current assets</b>	<b>14,335</b>	<b>19,720</b>	<b>39,339</b>	11	Derivatives	16,098	24,121	40,138
	<b>Non-current assets</b>	<b>195,636</b>	<b>201,414</b>	<b>218,999</b>		Contract liabilities	3,101	3,085	3,117
	Inventories	9,919	14,103	17,132		Tax equity liabilities	14,794	14,490	15,719
11	Derivatives	12,994	23,433	51,441		Other payables	6,662	7,363	5,412
	Contract assets	561	408	1,344		<b>Non-current liabilities</b>	<b>148,739</b>	<b>143,742</b>	<b>156,857</b>
	Trade receivables	7,240	12,701	11,091	4	Provisions	11,937	585	828
	Other receivables	14,346	20,289	31,617		Lease liabilities	802	569	589
	Receivables from associates and joint ventures	80	-	174	12	Bond and bank debt	4,118	2,830	2,117
9	Income tax	333	419	620	11	Derivatives	11,186	33,438	107,695
11	Securities	29,988	25,197	18,803		Contract liabilities	2,739	2,269	1,371
	Cash	15,685	16,178	7,280		Trade payables	13,810	20,641	20,222
	<b>Current assets</b>	<b>91,146</b>	<b>112,728</b>	<b>139,502</b>		Tax equity liabilities	3,358	1,903	1,847
	<b>Assets classified as held for sale</b>	<b>-</b>	<b>-</b>	<b>1,257</b>		Other payables	6,478	7,518	8,858
	<b>Assets</b>	<b>286,782</b>	<b>314,142</b>	<b>359,758</b>	9	Income tax	5,254	5,115	5,076
						<b>Current liabilities</b>	<b>59,682</b>	<b>74,868</b>	<b>148,603</b>
						<b>Liabilities</b>	<b>208,421</b>	<b>218,610</b>	<b>305,460</b>
						<b>Liabilities relating to assets classified as held for sale</b>	<b>-</b>	<b>-</b>	<b>521</b>
						<b>Equity and liabilities</b>	<b>286,782</b>	<b>314,142</b>	<b>359,758</b>

## Consolidated statement of shareholders' equity

1 January – 30 September

	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	-	-	(20,382)	-	(20,382)	195	289	(19,898)	-	-	15,037	-	15,037	277	11	15,325
<b>Other comprehensive income:</b>																
Cash flow hedging	-	20,565	-	-	20,565	-	-	20,565	-	(49,000)	-	-	(49,000)	-	-	(49,000)
Exchange rate adjustments	-	34	-	-	34	-	18	52	-	312	-	-	312	-	16	328
Tax on other comprehensive income	-	(4,530)	-	-	(4,530)	-	-	(4,530)	-	7,189	-	-	7,189	-	-	7,189
Share of other comprehensive income of associated companies, after tax	-	-	6	-	6	-	-	6	-	-	31	-	31	-	-	31
<b>Total comprehensive income</b>	<b>-</b>	<b>16,069</b>	<b>(20,376)</b>	<b>-</b>	<b>(4,307)</b>	<b>195</b>	<b>307</b>	<b>(3,805)</b>	<b>-</b>	<b>(41,499)</b>	<b>15,068</b>	<b>-</b>	<b>(26,431)</b>	<b>277</b>	<b>27</b>	<b>(26,127)</b>
Coupon payments, hybrid capital	-	-	-	-	-	(188)	-	(188)	-	-	-	-	-	(314)	-	(314)
Tax, hybrid capital	-	-	-	-	-	2	-	2	-	-	-	-	-	37	-	37
Disposals, hybrid capital	-	-	-	-	-	(699)	-	(699)	-	-	-	-	-	-	-	-
Dividends paid	-	-	2	(5,675)	(5,673)	-	(322)	(5,995)	-	-	3	(5,255)	(5,252)	-	(275)	(5,527)
Additions, non-controlling interests	-	-	-	-	-	-	528	528	-	-	-	-	-	-	547	547
Disposals, non-controlling interests	-	-	(4,477)	-	(4,477)	-	(2,555)	(7,032)	-	-	-	-	-	-	-	-
Other changes	-	-	18	-	18	-	-	18	-	-	24	-	24	-	-	24
<b>Equity at 30 September</b>	<b>4,204</b>	<b>(10,398)</b>	<b>63,498</b>	<b>-</b>	<b>57,304</b>	<b>19,103</b>	<b>1,954</b>	<b>78,361</b>	<b>4,204</b>	<b>(66,277)</b>	<b>94,486</b>	<b>-</b>	<b>32,413</b>	<b>17,984</b>	<b>3,380</b>	<b>53,777</b>

<sup>1</sup> See note 8 'Reserves' for more information on reserves.



## 1. Basis of reporting

Ørsted is a listed public company, headquartered in Denmark.

This interim financial report for the first nine 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 nine months of 2023 are 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 have 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	48,568	2,045	14,202	64,815	54	64,869
Intra-group revenue	945	(23)	(207)	715	(715) <sup>1</sup>	-
<b>Revenue</b>	<b>49,513</b>	<b>2,022</b>	<b>13,995</b>	<b>65,530</b>	<b>(661)</b>	<b>64,869</b>
Cost of sales	(32,160)	(105)	(11,845)	(44,110)	192	(43,918)
Employee costs and other external expenses	(6,778)	(1,482)	(2,061)	(10,321)	908	(9,413)
Gain (loss) on disposal of non-current assets	5,053	-	-	5,053	-	5,053
Additional other operating income and expenses	764	2,016	-	2,780	2	2,782
Share of profit (loss) in associates and joint ventures	36	(6)	-	30	-	30
<b>EBITDA</b>	<b>16,428</b>	<b>2,445</b>	<b>89</b>	<b>18,962</b>	<b>441</b>	<b>19,403</b>
Depreciation and amortisation	(5,187)	(1,459)	(579)	(7,225)	(204)	(7,429)
Impairment losses	(26,988)	(1,434)	-	(28,422)	-	(28,422)
<b>Operating profit (loss) (EBIT)</b>	<b>(15,747)</b>	<b>(448)</b>	<b>(490)</b>	<b>(16,685)</b>	<b>237</b>	<b>(16,448)</b>
<b>Key ratios</b>						
Intangible assets and property, plant, and equipment	109,536	61,996	8,273	179,805	1,496	181,301
Equity investments and non-current receivables	782	144	93	1,019	170	1,189
Net working capital, capital expenditures	(3,873)	(1,276)	(284)	(5,433)	-	(5,433)
Net working capital, work in progress	(22)	-	-	(22)	-	(22)
Net working capital, tax equity	(1,434)	(15,424)	-	(16,858)	-	(16,858)
Net working capital, other items	6,295	713	784	7,792	998	8,790
Derivatives, net	(6,119)	(6,944)	(1,022)	(14,085)	584	(13,501)
Decommissioning obligations	(10,603)	(2,076)	(2,119)	(14,798)	-	(14,798)
Other provisions	(13,098)	(2)	(886)	(13,986)	(1,929)	(15,915)
Tax, net	3,509	(3,963)	(982)	(1,436)	648	(788)
Other receivables and other payables, net	(1,995)	154	-	(1,841)	(871)	(2,712)
<b>Capital employed at 30 September</b>	<b>82,978</b>	<b>33,322</b>	<b>3,857</b>	<b>120,157</b>	<b>1,096</b>	<b>121,253</b>
<b>Return on capital employed (ROCE), %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13.7)</b>
Cash flow from operating activities	15,204	620	2,192	18,016	4,346	22,362
Gross investments	(18,923)	(6,045)	(353)	(25,321)	(149)	(25,470)
Divestments	(290)	2	(3)	(291)	(28)	(319)
<b>Free cash flow (FCF)</b>	<b>(4,009)</b>	<b>(5,423)</b>	<b>1,836</b>	<b>(7,596)</b>	<b>4,169</b>	<b>(3,427)</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 3,826 million, which primarily relates to our Shared Functions services as well as our B2B business activities.

## 2. Segment information (continued)

2022 income statement DKKm	Offshore	Onshore	Bioenergy & Other	Reportable segments	Other activities/ eliminations	Total
External revenue	55,405	2,256	38,942	96,603	(5)	96,598
Intra-group revenue	6,794	-	(2,950)	3,844	(3,844) <sup>1</sup>	-
<b>Revenue</b>	<b>62,199</b>	<b>2,256</b>	<b>35,992</b>	<b>100,447</b>	<b>(3,849)</b>	<b>96,598</b>
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
<b>EBITDA</b>	<b>17,475</b>	<b>2,792</b>	<b>5,010</b>	<b>25,277</b>	<b>84</b>	<b>25,361</b>
Depreciation and amortisation	(5,012)	(1,196)	(572)	(6,780)	(182)	(6,962)
Impairment losses	-	-	-	-	-	-
<b>Operating profit (loss) (EBIT)</b>	<b>12,463</b>	<b>1,596</b>	<b>4,438</b>	<b>18,497</b>	<b>(98)</b>	<b>18,399</b>
<b>Key ratios</b>						
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
<b>Capital employed at 30 September</b>	<b>68,361</b>	<b>28,340</b>	<b>(14)</b>	<b>96,687</b>	<b>2,791</b>	<b>99,478</b>
<b>Return on capital employed (ROCE), %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.4</b>
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
<b>Free cash flow (FCF)</b>	<b>(6,823)</b>	<b>(7,027)</b>	<b>1,642</b>	<b>(12,208)</b>	<b>249</b>	<b>(11,959)</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 5,997 million, which primarily relates to our Shared Functions services as well as our B2B business activities.

## 2. Segment information (continued)

<b>Q3 2023, income statement and FCF</b> DKKm	Offshore	Onshore	Bioenergy & Other	Reporting segments	Other activities/ eliminations	Total
External revenue	15,507	677	2,813	18,997	26	19,023
Intra-group revenue	340	(1)	(168)	171	(171) <sup>1</sup>	-
<b>Revenue</b>	<b>15,847</b>	<b>676</b>	<b>2,645</b>	<b>19,168</b>	<b>(145)</b>	<b>19,023</b>
Cost of sales	(10,067)	(18)	(1,800)	(11,885)	(31)	(11,916)
Employee costs and other external expenses	(2,260)	(415)	(689)	(3,364)	337	(3,027)
Gain (loss) on disposal of non-current assets	3,750	-	-	3,750	-	3,750
Additional other operating income and expenses	772	579	(2)	1,349	1	1,350
Share of profit (loss) in associates and joint ventures	(5)	(3)	1	(7)	-	(7)
<b>EBITDA</b>	<b>8,037</b>	<b>819</b>	<b>155</b>	<b>9,011</b>	<b>162</b>	<b>9,173</b>
Depreciation and amortisation	(1,733)	(560)	(169)	(2,462)	(75)	(2,537)
Impairment losses	(26,988)	(1,434)	-	(28,422)	-	(28,422)
<b>Operating profit (loss) (EBIT)</b>	<b>(20,684)</b>	<b>(1,175)</b>	<b>(14)</b>	<b>(21,873)</b>	<b>87</b>	<b>(21,786)</b>
Cash flow from operating activities	4,405	1,121	2,130	7,656	2,140	9,796
Gross investments	(7,430)	(1,460)	(208)	(9,098)	(106)	(9,204)
Divestments	1,738	-	-	1,738	(3)	1,735
<b>Free cash flow (FCF)</b>	<b>(1,287)</b>	<b>(339)</b>	<b>1,922</b>	<b>296</b>	<b>2,031</b>	<b>2,327</b>

<b>Q3 2022, income statement and FCF</b> 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) <sup>1</sup>	-
<b>Revenue</b>	<b>25,057</b>	<b>836</b>	<b>12,336</b>	<b>38,229</b>	<b>(1,688)</b>	<b>36,541</b>
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)
<b>EBITDA</b>	<b>9,652</b>	<b>867</b>	<b>1,849</b>	<b>12,368</b>	<b>(51)</b>	<b>12,317</b>
Depreciation and amortisation	(1,820)	(456)	(190)	(2,466)	(64)	(2,530)
<b>Operating profit (loss) (EBIT)</b>	<b>7,832</b>	<b>411</b>	<b>1,659</b>	<b>9,902</b>	<b>(115)</b>	<b>9,787</b>
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
<b>Free cash flow (FCF)</b>	<b>4,021</b>	<b>(5,959)</b>	<b>(1,963)</b>	<b>(3,901)</b>	<b>634</b>	<b>(3,267)</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 219 million (Q3 2022: 2,390 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	6,697	1,562	4,792	-	13,051	9,296	1,829	9,694	-	20,819
Sale of power	26,110	1	358	(233)	26,236	37,685	-	5,700	(3,768)	39,617
Revenue from construction of wind farms and transmission assets	5,805	148	-	-	5,953	10,724	-	-	-	10,724
Generation and sale of heat and steam	-	-	2,370	-	2,370	-	-	1,739	-	1,739
Sale of gas	-	-	5,114	-	5,114	-	-	17,157	-	17,157
Distribution and transmission	-	-	199	(1)	198	-	-	186	(4)	182
O&M and other services	2,961	126	672	(447)	3,312	1,633	23	449	(23)	2,082
<b>Total revenue from customers</b>	<b>41,573</b>	<b>1,837</b>	<b>13,505</b>	<b>(681)</b>	<b>56,234</b>	<b>59,338</b>	<b>1,852</b>	<b>34,925</b>	<b>(3,795)</b>	<b>92,320</b>
Government grants	6,073	276	269	-	6,618	2,352	393	385	-	3,130
Miscellaneous revenue	1,867	(91)	221	20	2,017	509	11	682	(54)	1,148
<b>Total revenue</b>	<b>49,513</b>	<b>2,022</b>	<b>13,995</b>	<b>(661)</b>	<b>64,869</b>	<b>62,199</b>	<b>2,256</b>	<b>35,992</b>	<b>(3,849)</b>	<b>96,598</b>
<b>Timing of revenue recognition from customers</b>										
At a point in time	33,660	1,837	8,470	(681)	43,286	46,487	1,852	23,243	(3,795)	67,787
Over time	7,913	-	5,035	-	12,948	12,851	-	11,682	-	24,533
<b>Total revenue from customers</b>	<b>41,573</b>	<b>1,837</b>	<b>13,505</b>	<b>(681)</b>	<b>56,234</b>	<b>59,338</b>	<b>1,852</b>	<b>34,925</b>	<b>(3,795)</b>	<b>92,320</b>

Revenue was DKK 64,869 million. The decrease of 33 % relative to the first nine months of 2022 was primarily driven by significantly lower power and gas prices across all markets as well as lower volumes of gas sold.

Revenue from construction agreements was DKK 5,953 million in 9M 2023 and mainly

related to the construction of Borkum Riffgrund 3 for partners and the divestment of the offshore transmission asset at Hornsea 2.

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

### 3. Revenue (continued)

Revenue DKK m	Offshore	Onshore	Bioenergy & Other	Other activities/ eliminations	Q3 2023 total	Offshore	Onshore	Bioenergy & Other	Other activities/ eliminations	Q3 2022 total
Generation of power	1,896	732	1,075	-	3,703	4,337	783	4,390	-	9,510
Sale of power	5,310	-	103	12	5,425	14,453	-	2,475	(1,567)	15,361
Revenue from construction of wind farms and transmission assets	5,247	3	-	-	5,250	6,629	-	-	-	6,629
Generation and sale of heat and steam	-	-	371	-	371	-	-	29	-	29
Sale of gas	-	-	1,554	-	1,554	-	-	4,820	-	4,820
Distribution and transmission	-	-	76	-	76	-	-	65	(2)	63
O&M and other services	1,052	14	109	(161)	1,014	492	4	289	(10)	775
<b>Total revenue from customers</b>	<b>13,505</b>	<b>749</b>	<b>3,288</b>	<b>(149)</b>	<b>17,393</b>	<b>25,911</b>	<b>787</b>	<b>12,068</b>	<b>(1,579)</b>	<b>37,187</b>
Government grants	2,083	36	24	-	2,143	(177)	64	84	-	(29)
Miscellaneous revenue	259	(109)	(667)	4	(513)	(677)	(15)	184	(109)	(617)
<b>Total revenue</b>	<b>15,847</b>	<b>676</b>	<b>2,645</b>	<b>(145)</b>	<b>19,023</b>	<b>25,057</b>	<b>836</b>	<b>12,336</b>	<b>(1,688)</b>	<b>36,541</b>
<b>Timing of revenue recognition from customers</b>										
At a point in time	11,460	749	2,229	(149)	14,289	21,532	787	9,549	(1,579)	30,289
Over time	2,045	-	1,059	-	3,104	4,379	-	2,519	-	6,898
<b>Total revenue from customers</b>	<b>13,505</b>	<b>749</b>	<b>3,288</b>	<b>(149)</b>	<b>17,393</b>	<b>25,911</b>	<b>787</b>	<b>12,068</b>	<b>(1,579)</b>	<b>37,187</b>

'Sale of power' in Bioenergy & Other is too low with DKK 778 million in Q3 2023 due to an error in eliminations between 'Sale of power' and 'costs of sales' end of June 2023. This has no impact on gross margins or EBITDA.

## 4. Impairment

Impairment losses on segment level DKKm	9M 2023	9M 2022	Q3 2023	Q3 2022
Offshore	26,988	-	26,988	-
Onshore	1,434	-	1,434	-
Bioenergy & Other	-	-	-	-
<b>Total impairment losses</b>	<b>28,422</b>	-	<b>28,422</b>	-

On 29 August 2023, we announced anticipated impairments on our US portfolio due to adverse impacts related to the supply chain, progress in investment tax credit (ITC) guidance, and increased interest rates. Following these impairment indicators, our impairment calculations have been updated as of 30 September 2023.

Management has taken these impacts and other related risks and inherent uncertainties into consideration when estimating the future cash flows for the value-in-use calculations of our CGUs. Based on this, our impairment tests prepared in Q3 2023 have resulted in total impairment losses of DKK 28.4 billion. Our announced indicative impairments from 29 August were up to DKK 16 billion.

On 31 October 2023, we decided to cease the development of Ocean Wind 1 as a consequence of additional supplier delays further impacting the project schedule and leading to an additional significant delay of the project. In addition, we have updated our view on certain assumptions, including tax credit mon-

etisation and the timing and likelihood of final construction permits. Finally, increases to long-dated US interest rates have further deteriorated the business case, resulting in a substantial negative forward-looking value. We have also ceased development of Ocean Wind 2, which has not led to an impairment as the carrying amount is insignificant.

As the decision was not taken as of 30 September 2023, this note presents the impairment of Ocean Wind 1 as if the project was still to be constructed. However, sensitivity impacts are no longer relevant. Investments incurred on the project up until it was ceased will be offset against the provision.

The circumstances and assumptions with the most significant impairment impact and high involvement of estimates and uncertainties are described here.

### Supply chain

The Ocean Wind 1, Sunrise Wind, and Revolution Wind projects have been

### WACC levels, %

Base discount rate applied for the US	6.00 % - 7.50 %
---------------------------------------	-----------------

The base discount rate after tax applied for the value-in-use calculation is determined per CGU.

adversely impacted by supply chain bottlenecks. We have concluded that outstanding risks remain in these suppliers' ability to deliver on their commitments and contracted schedules, including worldwide vessel scarcity. This could create knock-on effects, requiring future remobilisations to finish installation, as well as potentially delayed revenues, extra costs, and other business case implications.

Our impairment tests are based on a probability-weighted assessment of the likelihood of these and other supply chain impacts. While we are taking mitigating actions to the extent possible, we continue to see risks, especially regarding vessel availability.

The effect from changes in supplier-related assumptions has led to an impairment loss of DKK 16.9 billion and relates to our US offshore projects. Our announced indicative estimate was up to DKK 5 billion. The substantial increase mainly relates to Ocean Wind 1 due to continuing supplier delays further

impacting our project schedule and leading to an additional significant delay of the project. Furthermore, we now assume a new installation approach with a longer timeline for Revolution Wind and Sunrise Wind.

### Investment tax credit guidance

The 2022 Inflation Reduction Act (IRA) reaffirmed the existing 30 % ITC for all US offshore projects. The IRA also made two additional 10 % ITC bonus credits available to projects meeting 'domestic content' and 'energy community' criteria. Projects can qualify for one or both ITC bonus credits.

The US Treasury has provided preliminary guidance on how 'energy community' and 'domestic content' requirements will be defined and implemented by the Internal Revenue Service (IRS), and which exemptions to the requirements may be allowed.

In our impairment testing, we have assumed a 95 % probability of achieving an additional 10 % ITC bonus credit for Revolution Wind and Sunrise Wind due to the brownfield status of both sites under the current energy communities guidance. These assumptions are unchanged compared to our expectations as at 30 June 2023 but an improvement for Sunrise Wind compared to our expectations late August.

In addition, we have changed our tax credit monetisation assumptions as a result of the

## 4. Impairment (continued)

CGUs DKKm	Impairment losses	Recoverable amount	ITC bonus credits assumed in impairment tests		Sensitivity impact DKK billion			
			ITC bonus credits	Probability weighting	No ITC bonus credits	40 % ITC bonus credits, 100 % proba- bility	+50 bps WACC	-50 bps WACC
Ocean Wind 1	19,875	(6,949)	10 %	15 %	n.a.	n.a.	n.a.	n.a.
Sunrise Wind	2,810	401	10 %	95 %	(1.4)	0.1	(0.7)	0.7
Revolution Wind	3,305	2,481	10 %	95 %	(1.0)	0.1	(0.6)	0.6
South Fork	641	4,307	10 %	0 %	n.a.	n.a.	(0.2)	0.2
Block Island	357	1,351	n.a.	n.a.	n.a.	n.a.	(0.1)	0.1
<b>Offshore</b>	<b>26,988</b>	<b>1,591</b>						
<b>Onshore</b>	<b>1,434</b>	<b>5,273</b>	n.a.	n.a.	n.a.	n.a.	(0.4)	0.4
<b>Total</b>	<b>28,422</b>	<b>6,864</b>						

### Estimation uncertainty and sensitivity analyses

Due to the impairments recognised, estimation uncertainty exists on the assets impaired. The assumptions with major uncertainty include investment tax credits, interest rates, and the supply chain.

In the table, we have included sensitivity analyses of impairment effects if WACC levels or assumptions related to ITC bonus credits change.

If WACC had increased by 50 basis points in the impairment test of e.g. Revolution Wind as of 30 September 2023, the impairment loss would have been DKK 0.6 billion higher.

If we had not included the probability-weighted additional 10 % ITC bonus credits in the impairment test of e.g. Revolution Wind as of 30 September 2023, the impairment loss would have been DKK 1.0 billion higher.

### Impairment breakdown on balance sheet

The total impairment losses are recognised with DKK 17,221 million under 'Property, plant, and equipment' and DKK 11,201 million under 'Provisions' as 'Onerous contracts'.

deterioration of the business case and our current understanding of market conditions for third-party tax monetisation of US offshore wind ITCs.

We assume a 15 % probability of achieving an additional 10 % ITC bonus credit based on management's assessment following discussions with politicians, administrations, and other relevant organisations. We previously expected a 95 % probability of an additional 10 % ITC bonus credit for Ocean Wind 1.

The effect from this change in assumptions has led to an impairment loss of DKK 4.7 billion and relates to US offshore projects. Our announced indicative estimate was up to DKK 6 billion.

### Sunrise Wind OREC price

In 2019, Sunrise Wind signed a 25-year OREC purchase-and-sale agreement with the New York State Energy Research and Development Authority (NYSERDA), with an OREC strike price at USD 110 per MWh.

In June 2023, we submitted a request to the state of New York to increase the OREC price by 27 % to USD 140 per MWh due to significant cost and inflation increases since the agreement was entered into. This request was denied by the state on 12 October 2023.

Following the rejected petition and the outcome of the New York 3 tender, the state of New York announced a plan for soliciting capacity at an accelerated pace. This means that we will have an opportunity to rebid our Sunrise Wind project in the accelerated

solicitation at a bid price level reflecting the current component and financing costs. Based on this, we assume a higher price with a probability weighting of 50 % for a successful outcome. However, we will await the conditions of the request for proposal (RFP) and determine whether we rebid or not.

If we had not included the 50 % probability-weighted higher OREC strike price, the impairment loss would have been DKK 1.4 billion higher. We previously assumed a 75 % probability of a positive outcome of the negotiations with the state of New York.

### Increasing interest rates

The US long-dated interest rate has increased by approx. 75 bps from 30 June to 30 September 2023 and thus increased our WACCs.

The effect from this change in assumptions

has led to an impairment of DKK 6.2 billion, which relates to US offshore and onshore projects. Our announced indicative estimate was up to DKK 5 billion. Since the end of September, the US long-dated interest rate has increased by a further 30-40 bps.

### US offshore impairment loss overview

The most significant impairment losses on the US offshore CGUs are presented in the table above.

### Sensitivity to changes in assumptions

The sensitivity analyses presented in the table above show the related impact on impairment losses when a change in a given assumption increases or decreases the value-in-use for our CGUs. The analyses are performed with all other assumptions unchanged.

## 4. Impairment (continued)

The high probabilities for Revolution Wind and Sunrise Wind qualifying for the additional 10 % ITC bonus credits are based on our assessment that the onshore substations are located on brownfield sites as defined by the current 'energy communities' guidance.

### Potential consequences of further adverse development

In addition to the sensitivities described, further adverse developments may potentially lead us to cease development of or reconfigure projects currently under development. Besides impairing the capitalised value for these projects, ceasing to develop projects could lead to compensation to suppliers or other stakeholders for cancelling contracts. Costs related to cancelling contracts will be recognised as 'Other operating expenses' in our financial statements (part of EBITDA) when the obligation arises and to the extent these exceed already recognised onerous contracts.

### Basis for impairment testing

#### Impairment

For the purpose of assessing impairment losses, intangible assets, and property, plant, and equipment are grouped at the level at which there is separately identifiable cash flows (cash-generating units (CGUs)).

The cash generating units (CGUs) are made up of individual offshore and onshore wind farms and solar PV farms, each of which generates cash flows for the segment independently of each other.

CGUs are assessed for impairment whenever events or circumstances indicate that the carrying amount of an asset or CGU may not be recoverable. If any indication of impairment exists, an estimate of the asset's or CGU's recoverable amount is made.

Due to the recent adverse market developments in the US offshore wind market in the form of rising interest rates, unexpected delays in our supply chains, and other challenges, we have undertaken impairment tests for the relevant CGUs.

The value of a CGU is impaired if the net book value exceeds the recoverable amount, which is the higher of the estimated value-in-use and the fair value less costs of disposal. The value-in-use is calculated as the discounted value of the estimated future net cash flows based on

management's approved forecast for 2023 and business plans beyond 2023.

Estimating expected cash flows involves a number of assumptions and estimates. In the US, key estimates and assumptions for the forecast periods are CAPEX (including knock-on effects from supplier delays, etc.), inflation, terms of conditions in new power purchase agreements, possible renegotiations of existing ORECs (which do not have inflation indexation), eligibility for bonus ITCs, and tax equity arrangements or alternative ways of monetising the ITCs. All these key estimates and assumptions are determined specifically for each CGU.

The discount rate applied when calculating value-in-use takes general risks into account and is based on the weighted average cost of capital (WACC) after tax, whereas the estimated future cash flows are adjusted for risks specific to the asset. Estimated future cash flows are discounted using a nominal post-tax discount rate.

Impairment losses are recognised in the income statement and, except in the case of goodwill, reversed if there has been a change in the estimates used to determine the CGU's recoverable amount. Reversal of an impairment loss is recognised as income in the income statement net of depreciation if no impairment loss had been recognised for the CGU.

## 5. Other operating income and expenses

Other operating income DKKkm	9M 2023	9M 2022	Q3 2023	Q3 2022
Gain on divestment of assets	5,103	11,009	3,753	9,069
Insurance compensation	20	-	20	-
US tax credits and tax attributes	1,977	1,844	581	597
Other compensation	410	128	135	31
Miscellaneous operating income	673	211	460	62
<b>Total other operating income</b>	<b>8,183</b>	<b>13,192</b>	<b>4,949</b>	<b>9,759</b>

Other operating expenses DKKkm	9M 2023	9M 2022	Q3 2023	Q3 2022
Ineffective hedges, etc.	239	3,451	(175)	2,191
Loss on divestment of assets	50	67	3	11
Miscellaneous operating expenses	59	190	21	122
<b>Total other operating expenses</b>	<b>348</b>	<b>3,708</b>	<b>(151)</b>	<b>2,324</b>

### Other operating income

In 9M 2023, 'Gain on divestment of assets' was primarily related to the divestment of London Array, adjustment of provisions towards partners, and other minor adjustments to finalised projects.

In 9M 2022, 'Gain on divestment of assets' primarily concerned our 50 % farm-down of Hornsea 2 in September and the 50 % farm-down of Borkum Riffgrund 3 in February.

The development in 'US tax credits and tax attributes' was mainly due to the newly commissioned wind farms in 2022, which have had full impact in 9M 2023.

In Q3 2023, 'Miscellaneous operating income' primarily related to adjustment of provisions toward partners.

## 6. Financial income and expenses

Net financial income and expenses DKKkm	9M 2023	9M 2022	Q3 2023	Q3 2022
Interest expenses, net	(1,300)	(1,339)	(431)	(657)
Interest expenses, leasing	(209)	(196)	(70)	(81)
Interest element of provisions, etc.	(528)	(364)	(176)	(125)
Tax equity partner's contractual return	(768)	(814)	(264)	(251)
Value adjustments of derivatives, net	(49)	1,675	121	559
Value adjustments of securities at market value, net	(193)	(1,823)	(52)	(574)
Exchange rate adjustments, net	(452)	1,303	731	924
Other financial income and expenses	55	7	13	(12)
<b>Net financial income and expenses</b>	<b>(3,444)</b>	<b>(1,551)</b>	<b>(128)</b>	<b>(217)</b>

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

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

In 9M 2022, 'Value adjustments of derivatives, net' and 'Value adjustments of securities at market value, net' were both impacted by the significant increase in interest rates.

Negative 'Exchange rate adjustments, net' in 9M 2023 were mostly driven by the increase in the GBP/DKK exchange rate. The GBP/DKK rate decreased during 9M 2022, which led to positive exchange rate adjustments for that period.

## 7. Gross and net investments

<b>Gross and net investments</b> DKKkm	9M 2023	9M 2022	Q3 2023	Q3 2022
Cash flows from investing activities	(24,441)	(1,972)	(1,744)	8,850
Dividends received and capital reductions reversed	(12)	(16)	(12)	6
Purchase and sale of securities, reversed	5,119	(555)	(1,355)	(107)
Loans to associates and joint ventures, reversed	53	-	8	-
Sale of non-current assets, reversed	(6,189)	(24,107)	(6,101)	(22,195)
Interest-bearing debt in acquired enterprises and asset groups	-	(972)	-	(972)
Restricted cash in acquired enterprises	-	1	-	1
<b>Gross investments</b>	<b>(25,470)</b>	<b>(27,621)</b>	<b>(9,204)</b>	<b>(14,417)</b>
Transactions with non-controlling interests in connection with divestments and acquisitions	(6,508)	546	(4,366)	264
Sale of non-current assets	6,189	24,107	6,101	22,195
<b>Divestments</b>	<b>(319)</b>	<b>24,653</b>	<b>1,735</b>	<b>22,459</b>
<b>Net investments</b>	<b>(25,789)</b>	<b>(2,968)</b>	<b>(7,469)</b>	<b>8,042</b>

## 8. Reserves

<b>Reserves 2023</b> DKKkm	Foreign currency translation reserve	Hedging reserve	Total reserves
Reserves at 1 January	(725)	(25,742)	(26,467)
Exchange rate adjustments	1,070	-	1,070
Value adjustments of hedging reserve	-	20,548	20,548
<b>Value adjustments transferred to:</b>			
Revenue	-	(1,196)	(1,196)
Other operating income - gain on divestment of assets	(80)	21	(59)
Other operating expenses	-	239	239
Financial income and expenses	-	(3)	(3)
<b>Tax:</b>			
Tax on hedging and currency adjustments	(260)	(4,270)	(4,530)
<b>Movement in comprehensive income for the period</b>	<b>730</b>	<b>15,339</b>	<b>16,069</b>
<b>Total reserves including tax at 30 September</b>	<b>5</b>	<b>(10,403)</b>	<b>(10,398)</b>
<b>Total reserves excluding tax at 30 September</b>	<b>(570)</b>	<b>(12,158)</b>	<b>(12,728)</b>

<b>Reserves 2022</b> DKKkm			
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)
<b>Value adjustments transferred to:</b>			
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)
<b>Tax:</b>			
Tax on hedging and currency adjustments	233	6,956	7,189
<b>Movement in comprehensive income for the period</b>	<b>2,413</b>	<b>(43,912)</b>	<b>(41,499)</b>
<b>Total reserves including tax at 30 September</b>	<b>3,888</b>	<b>(70,165)</b>	<b>(66,277)</b>
<b>Total reserves excluding tax at 30 September</b>	<b>4,132</b>	<b>(84,292)</b>	<b>(80,160)</b>

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

Tax for the period DKK	9M 2023			9M 2022		
	Profit (loss) before tax	Tax	Tax in %	Profit (loss) before tax	Tax	Tax in %
Tax equity, deferred tax liability		804	n.a.		(902)	n.a.
Gain (loss) on divestment of enterprises and assets	4,359	-	n.a.	11,103	-	n.a.
Impairment losses		(7,054)	n.a.		-	n.a.
Other adjustments		(280)	n.a.		444	n.a.
Remaining business	(23,942)	6,215	26 %	6,046	(1,366)	23 %
<b>Effective tax for the period</b>	<b>(19,583)</b>	<b>(315)</b>	<b>(2 %)</b>	<b>17,149</b>	<b>(1,824)</b>	<b>11 %</b>

### Effective tax rate

The effective tax rate for the first nine months of 2023 was calculated on the basis of the profit (loss) before tax.

'Impairment losses' includes an unrecognised deferred tax asset related to impairment losses on US projects.

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

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

Tax on profit (loss) was DKK 315 million for the first nine months of 2023 compared to DKK 1,824 million for the first nine months of 2022.

### Effective tax rate

The effective tax rate for the first nine months of 2023 was -2 %. The effective tax rate was affected by a non-taxable gain on London Array, unrecognised deferred tax assets

related to impairment losses on our US portfolio, and a reversal of a recognised deferred tax liability in the US related to tax equity contributions for Ocean Wind 1 due to our acquisition of PSEC's 25 % equity stake in the project. The impact is partly offset by the continued recognition of a deferred tax liability in the US related to tax equity contributions for the solar farm Old 300 and the 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).

## 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:

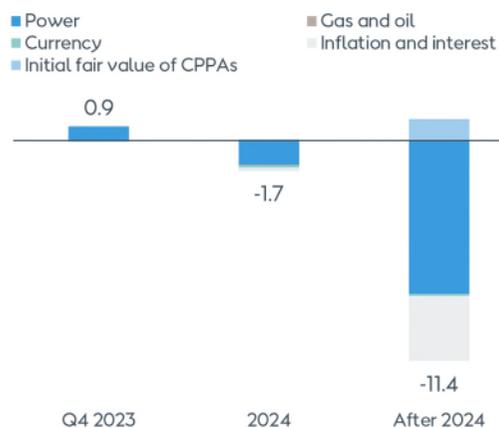
- increase the predictability of the short-term earnings and FFO/NIBD by securing the price of energy and currency

- 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

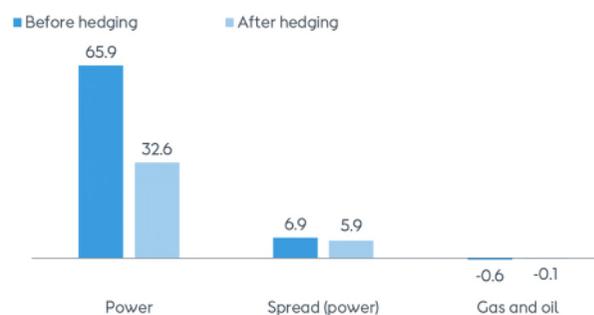


← Due to decreases in energy prices in 2023, the loss on hedges and power purchase agreements (PPAs) has been reduced.

At 30 September 2023, the pre-tax loss of the hedging reserve was DKK 12.2 billion, of which DKK 13.5 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 October 2023 - 30 September 2028

DKKbn



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

The exposures are based on market prices as of 30 September 2023.

### Currency exposure 1 October 2023 - 30 September 2028

DKKbn



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

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
<b>2023</b>				
Quoted prices	1,660	-	5,398	5,541
Observable input	-	29,988	7,521	11,631
Non-observable input	-	-	864	10,112
<b>Total 30 September 2023</b>	<b>1,660</b>	<b>29,988</b>	<b>13,783</b>	<b>27,284</b>
<b>2022</b>				
Quoted prices	5,675	-	24,260	29,782
Observable input	-	18,803	38,792	93,505
Non-observable input	-	-	1,458	24,546
<b>Total 30 September 2022</b>	<b>5,675</b>	<b>18,803</b>	<b>64,510</b>	<b>147,833</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)	539	400	901	(1,437)	1,437
Ireland (2023-2042)	598	442	1,047	(76)	76
US ERCOT (2023-2030)	312	102	939	(3,372)	3,726
US SPP (2023-2030)	228	147	385	(505)	679
US MISO (2023-2033)	332	180	455	(575)	555

### 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 30 September 2023. If intermittency-adjusted power prices in Germany as of 30 September 2023 increased by 25 %, the market value would decrease by DKK 1,437 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	813	(1,464)
Value adjustments through other comprehensive income	2,418	(11,037)
Sales/redemptions	1,186	1,430
Purchases/issues	610	(3,445)
Transferred from quoted prices and observable input	-	(1,228)
Transferred to quoted prices and observable input	412	104
<b>Market value at 30 September</b>	<b>(9,248)</b>	<b>(23,088)</b>

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

	2023	2022
US power prices	(6,683)	(8,247)
German power prices	(2,615)	(9,679)
UK power prices	(83)	(3,408)
Irish power prices	(314)	(997)
Other power prices	455	(1,732)
Gas prices	(8)	975
<b>Total</b>	<b>(9,248)</b>	<b>(23,088)</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.

## 12. Interest-bearing debt and FFO

Interest-bearing debt and interest-bearing assets DKKm	30 September 2023	31 December 2022	30 September 2022
<b>Interest-bearing debt:</b>			
Bank debt	10,206	8,913	9,415
Bond debt	70,497	54,368	54,900
<b>Total bond and bank debt</b>	<b>80,703</b>	<b>63,281</b>	<b>64,315</b>
Tax equity liability	1,294	1,236	1,559
Lease liability	8,860	8,266	8,492
Other interest-bearing debt:			
Debt in connection with divestments	2,999	2,904	-
Debt from receiving collateral under credit support annexes	358	1,196	2,281
Other interest-bearing debt	169	824	775
<b>Total interest-bearing debt</b>	<b>94,383</b>	<b>77,707</b>	<b>77,422</b>
<b>Interest-bearing assets:</b>			
Securities	29,988	25,197	18,803
Cash	15,526	16,178	7,280
Receivables from associates and joint ventures	54	-	-
Cash, not available for use	236	2,471	2,138
Other receivables:			
Receivables from placing collateral under credit support annexes	4,367	2,449	2,730
Receivables in connection with divestments	751	713	770
Other receivables	569	128	-
<b>Total interest-bearing assets</b>	<b>51,491</b>	<b>47,136</b>	<b>31,721</b>
<b>Total net interest-bearing debt</b>	<b>42,892</b>	<b>30,571</b>	<b>45,701</b>

Interest-bearing net debt totalled DKK 42,892 million at 30 September 2023, which was an increase of DKK 12,321 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 16,129 million, partly countered by an increase in securities and cash of DKK 4,139 million.

### Market value of bond and bank debt

At 30 September 2023, the market values of bond and bank debts were DKK 63.7 billion and DKK 10.2 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 %.

In June 2023, we issued a EUR 100 million blue bond with maturity in 2028 and a fixed interest rate of 3.625 %. The net proceeds from the issuance will be allocated to investments in offshore biodiversity.

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

Funds from operations (FFO) LTM <sup>1</sup> DKKm	30 September 2023	31 December 2022	30 September 2022
<b>EBITDA</b>	<b>26,099</b>	<b>32,057</b>	<b>33,614</b>
Change in provisions and other adjustments	(710)	(2,213)	(1,002)
Change in derivatives	7,900	(8,687)	(13,406)
Variation margin (add back)	(13,056)	10,332	17,140
Reversal of gain (loss) on divestment of assets	(4,995)	(10,885)	(13,236)
Income tax paid	(2,158)	(1,263)	(1,260)
Interest and similar items, received/paid	(928)	(563)	(380)
Reversal of interest expenses transferred to assets	(446)	(586)	(756)
50 % of coupon payments on hybrid capital	(202)	(264)	(237)
Dividends received and capital reductions	19	23	17
<b>Funds from operations (FFO)</b>	<b>11,523</b>	<b>17,951</b>	<b>20,494</b>

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

Adjusted interest-bearing net debt DKKm	30 September 2023	31 December 2022	30 September 2022
<b>Total interest-bearing net debt</b>	<b>42,892</b>	<b>30,571</b>	<b>45,701</b>
50 % of hybrid capital	9,552	9,897	8,992
Other interest-bearing debt, add back	(3,526)	(4,924)	(3,056)
Other interest-bearing receivables, add back	5,687	3,290	3,500
Cash and securities not available for distribution, excluding repo loans	642	3,241	2,910
<b>Total adjusted interest-bearing net debt</b>	<b>55,247</b>	<b>42,075</b>	<b>58,047</b>

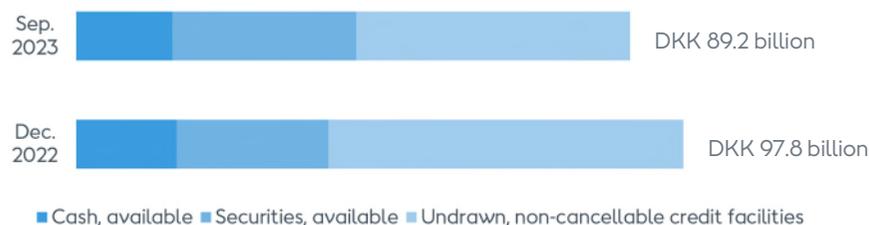
Funds from operations (FFO)/ adjusted interest-bearing net debt, %	30 September 2023	31 December 2022	30 September 2022
<b>Funds from operations (FFO)/ adjusted interest-bearing net debt</b>	<b>20.9 %</b>	<b>42.7 %</b>	<b>35.3 %</b>

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

## 13. Financial resources

### Financial resources

DKK billion



### Financial resources

At 30 September 2023, financial resources amounted to DKK 89.2 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.

### 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 types of agreements to increase the number of counterparties with whom we are engaging to achieve the most optimal prices.

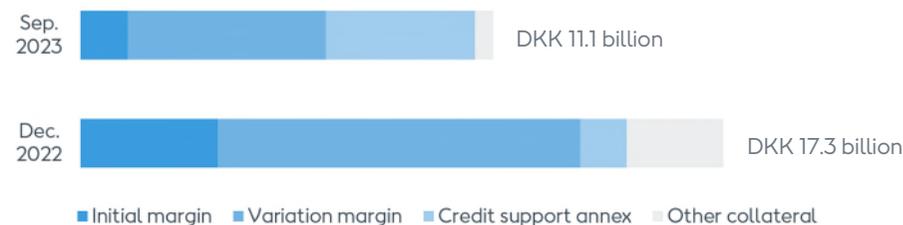
To mitigate and limit the potential negative impact on our cash position from temporary fluctuations in market prices, we actively manage the volumes of trade between trading with and without collateral arrangements.

As of 30 September 2023, 2 % (2022: 31 %) of our power and gas trades and 91 % (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 guarantees, where possible. At the end of September 2023, we had covered EUR 0.6

### Collateral and margin postings

DKK billion



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 11.1 billion at 30 September 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 2.4 billion and DKK 4.4 billion, respectively, during the first nine months and amounted to DKK 6.6 billion at 30 September 2023. The decrease in initial margins and variation margins consists of DKK 6.5 billion in cash and DKK 0.3 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.

## 14. Subsequent events

### Rejection from the New York Public Service Commission (NYPSC)

In 2019, Sunrise Wind signed a 25-year OREC purchase-and-sale agreement with the New York State Energy Research and Development Authority (NYSERDA), with an OREC strike price at USD 110 per MWh.

On 12 October 2023, our request to the state of New York to increase the OREC strike price to USD 140 per MWh was denied.

See more in CEO's review and in note 4 'Impairment'.

### Decision to cease further development of Ocean Wind 1 and Ocean Wind 2

On 31 October, we decided to cease further development of Ocean Wind 1 and Ocean Wind 2.

See more in CEO's review and in note 4 'Impairment'.

## 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 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 30 September 2023 and of the results of the Group's operations and cash flows for the period 1 January - 30 September 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, 1 November 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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