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Investor presentation Q3 2020

28 October 2020

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Continued strong operational and financial performance during COVID-19 crisis

Highlights – Q3 2020

- EBITDA totalled DKK 3.4 billion, a decrease of 18% compared to Q3 2019 driven by last year's income from the Hornsea 1 farm-down. Adjusting for partnership earnings EBITDA increased by 6%
- EBITDA from offshore and onshore wind farms in operation increased by 13%, to DKK 3.4 billion in Q3 2020
- Divestment of the Danish power distribution, residential customer and city light businesses completed. Marks the completion of Ørsted's transformation into a global renewable energy company
- Green share of generation reached 90% in Q3 2020
- Last turbine installed at the Dutch Borssele 1 & 2 offshore wind farm
- The 103MW Willow Creek onshore wind farm commissioned ahead of schedule and on budget
- Final investment decision taken on the 367MW Western Trail onshore wind farm, located in Texas
- Acquisition of the 298MW late-stage onshore development project, Haystack, in Nebraska
- Renescience plant in Northwich, UK, has been commissioned
- Renewable hydrogen development project launched in the Netherlands in collaboration with Yara, the world's largest producer of fertilisers
- Mads Nipper appointed new CEO of Ørsted

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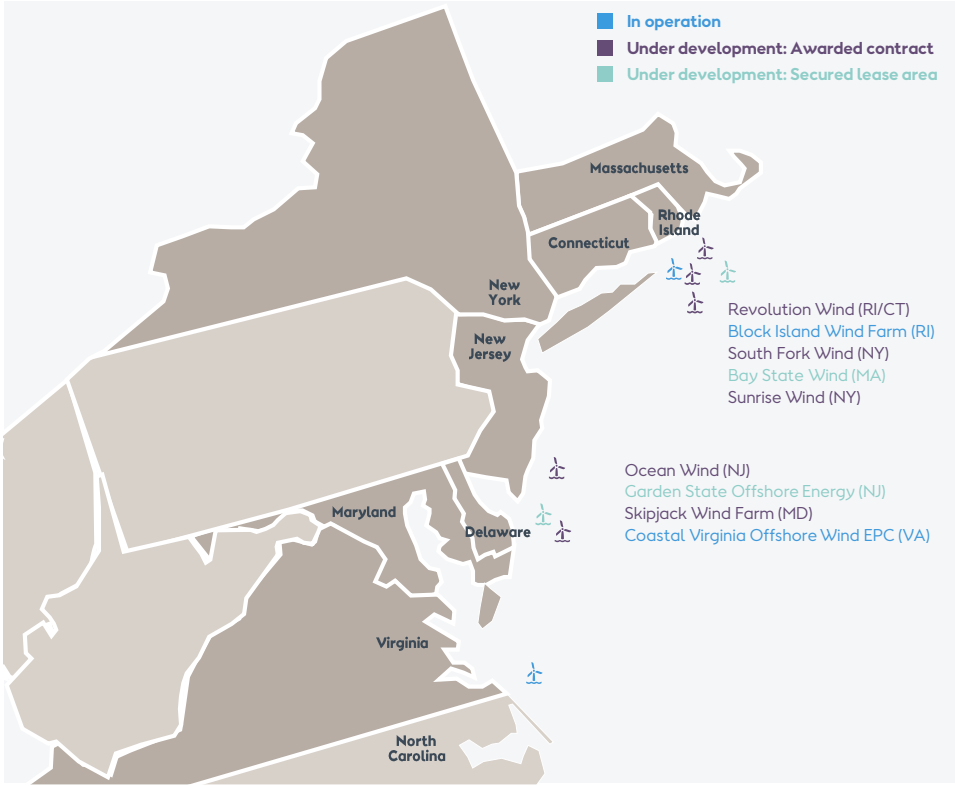
Status on our US offshore wind portfolio

- Awaiting federal permitting process to be re-initiated
- Wind farm layout still to be confirmed
- Expecting delayed project commissioning due to delayed permitting
- Significant optimisation and maturation of our US offshore wind portfolio despite lack of federal progress
- We remain confident that we can deliver our US project portfolio with satisfactory value creation



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Construction programme – Offshore

Project	Borssele 1 & 2	Virginia	Hornsea 2	Changhua 1 & 2a
Country				
Asset type				
Capacity	752MW	12MW (EPC)	1,386MW	900MW
Expected completion	Q4 2020	Q4 2020	H1 2022	2022
Status	On track	Commissioned	On track	On track
Comments	All turbines installed 70/94 turbines passed 240 hrs test	Completed and handed over to Dominion	Onshore construction work ongoing Offshore construction work has commenced 6/165 foundations installed	Onshore construction work ongoing

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Construction programme – Onshore and Bioenergy

Project	Permian Energy Center	Muscle Shoals	Western Trail	Haystack	Renescience Northwich
Country					
Asset type					
Capacity	420MW$_{ac}$ 40MW$_{ac}$	227MW$_{ac}$	367MW	298MW	80,000 tonnes waste
Expected completion	Q2 2021	Q3 2021	Q3 2021	Q4 2021	2020
Status	On track	On track	On track	On track	Commissioned
Comments	Module, inverter and battery storage deliveries underway Module installations over 50% complete	Inverter and tracker deliveries complete, module deliveries underway Pile installation ~50% complete	FID approved September Key contracts executed NTP issued and civil works underway	FID approved October Key contracts executed NTP issued	COD performance test successfully completed

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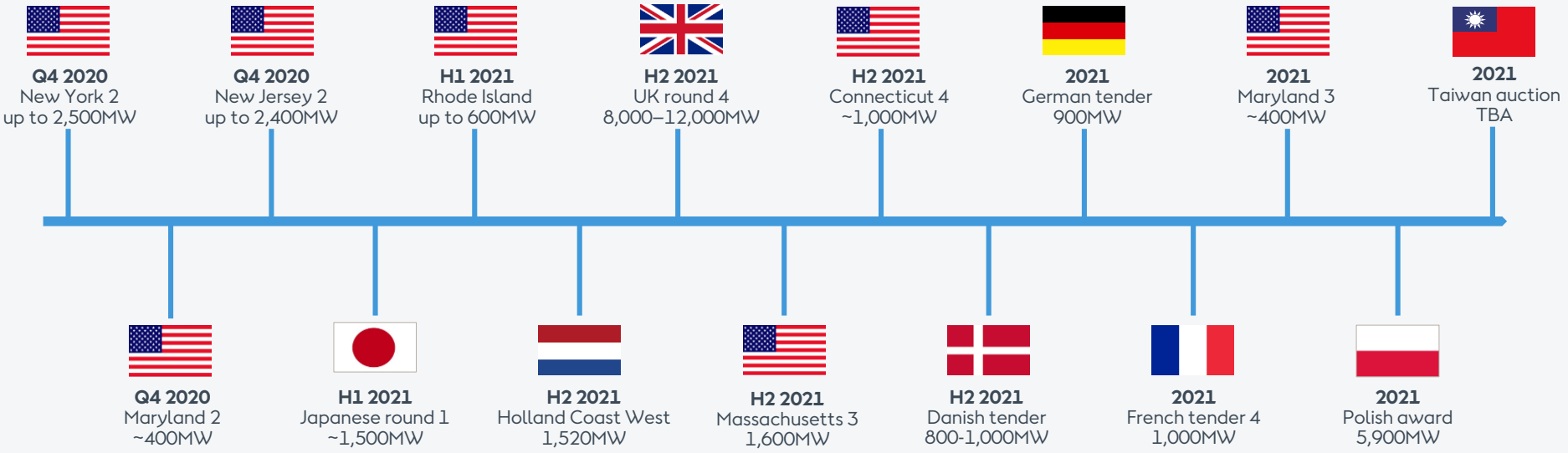
Global offshore wind awards likely to reach 25-30GW over the next 15 months

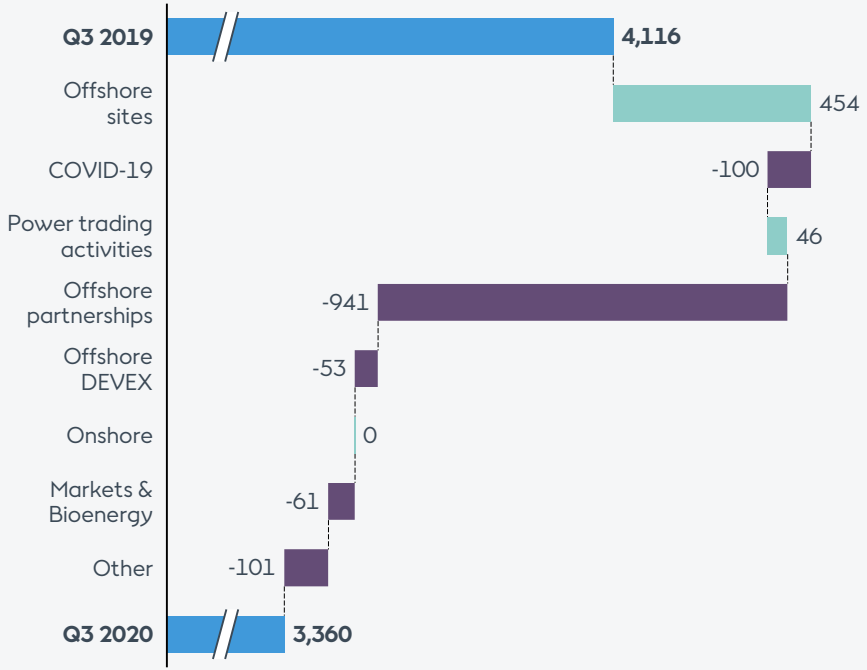


All auction and tender timelines and capacities based on current expectations and subject to change
Maryland: Auctions in 2020, 2021 and 2022 to procure around 1.2GW cumulatively

Q3 2020 – Continued solid, underlying performance

Q3 2020 EBITDA decreased DKK 756m

DKKm



Offshore EBITDA DKK 2,629m – Down DKK 594m

- Earnings from operating wind farms increased 15% driven by Hornsea 1 and Borssele 1 & 2
- Adverse COVID-19 related impacts especially on the UK power market
- Partnership earnings in Q3 2020 related to Virginia EPC demo project and minor updates regarding finalised construction projects. In Q3 2019 earnings primarily related to Hornsea 1
- Expensed project development costs in line with Q3 2019

Onshore EBITDA DKK 308m – In line

- Ramp-up of generation from Sage Draw and Plum Creek led to a 47% increase in power generation
- Earnings from ramp-up offset by very high peak prices in Texas in August 2019, which led to unusually high earnings in Q3 2019

Markets & Bioenergy EBITDA DKK 375m – In line

- Lower earnings from CHP plants due to a reversal of a provision in the Elsam case in Q3 2019
- Less negative impact from revaluation of gas at storage. Partly offset by lower gas margins due to the shut-down of the Tyra field

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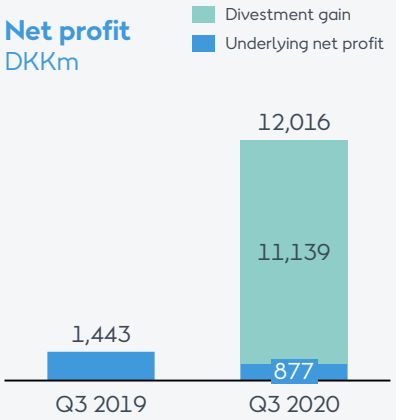
Q3 2020 – Financial performance in line with expectations

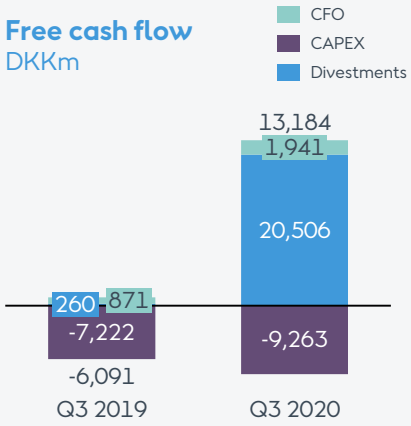
Net profit
DKKm



Net profit up DKK 10.6bn

- Gain on divestment of DKK 11.1bn*
- Lower EBITDA and higher depreciations

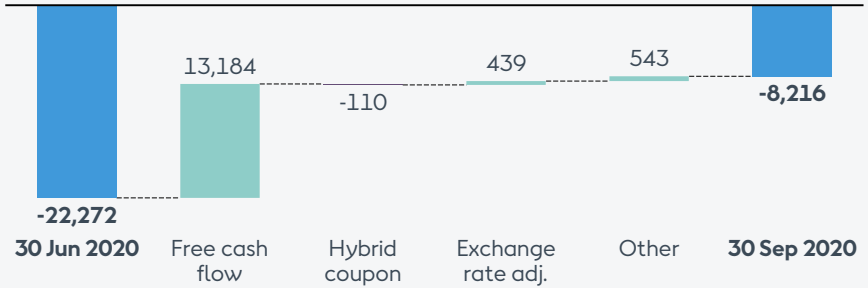
Free cash flow
DKKm



FCF totalled DKK 13.2bn

- Proceeds of DKK 20.5bn from divestments*
- Positive cash flow from operations driven by EBITDA and tax equity contribution from our partners at Willow Creek
- Gross investments related to our Offshore and Onshore portfolio

Net interest-bearing debt development
DKKm



Net interest-bearing debt of DKK 8.2bn

- Positive free cash flow of DKK 13.2bn mainly driven by the divestment of Radius, residential customer and city light businesses
- Exchange rate adjustments of DKK 0.4bn relating to our GBP bond debt
- Deferred proceeds of USD 150m from INEOS regarding the O&G divestment in 2017 received

*The divestment of the Danish power distribution, residential customer and city light businesses

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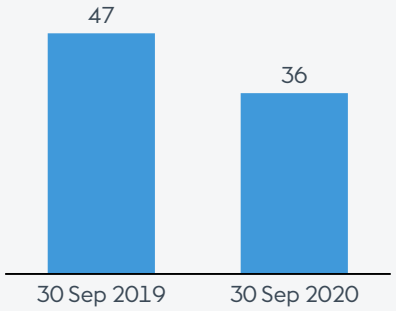
Q3 2020 – Financial and non-financial ratios

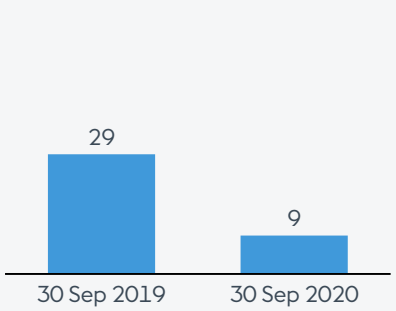
FFO / Adj. net debt (last 12 months), %



FFO / Adj. net debt of 36%

- Q3 2020 positively impacted by divestment proceeds
- Credit metric above our target of around 30%

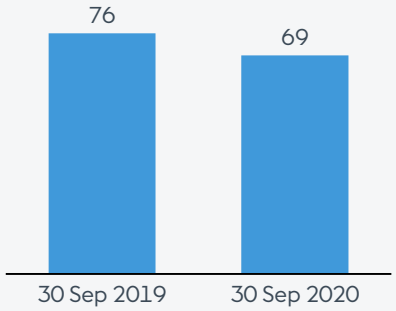
ROCE (last 12 months)
%



ROCE of 9%

- Decrease as Q3 2019 was significantly impacted by Hornsea 1 farm-down in Q4 2018

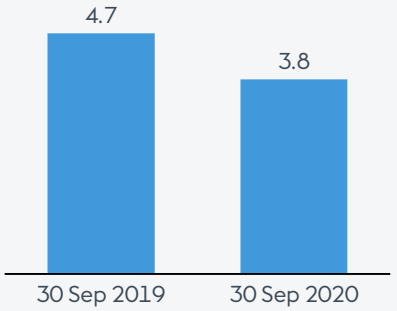
Greenhouse gas emissions (scope 1 and 2), g CO_2e/kWh, YTD



Emissions continue to decrease

- Decrease due to additional offshore and onshore capacity
- On track to meet scope 1 and 2 target of less than 10g CO_2e/kWh in 2025

Safety
Total recordable injury rate, YTD



TRIR amounted to 3.8

- Total recordable injuries in 9M 2020 decreased by 18%, leading to a decline in the total recordable injury rate (TRIR)

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2020 guidance and long-term financial estimates and policies

2020 guidance	DKKbn
EBITDA without new partnerships	16-17
Gross investments	28-30

Business unit EBITDA FY 2020 vs. FY 2019	Direction
Offshore	Lower
Onshore	Higher
Markets & Bioenergy	In line

Financial estimates	
Total capex spend, 2019-2025	DKK 200bn
Capex allocation split, 2019-2025:	
- Offshore	75-85%
- Onshore	15-20%
- Markets & Bioenergy	0-5%
Average ROCE, 2019-2025	~10%
Average share of EBITDA from regulated and contracted activities, 2019-2025	~90%
Average yearly increase in EBITDA from offshore and onshore wind and solar farms in operation, 2017-2023	~20%

Financial policies	Target
Rating (Moody's/S&P/Fitch)	Baa1/BBB+/BBB+
FFO/Adjusted net debt	Around 30%
Dividend policy:	
Ambition to increase the dividend paid by a high single-digit rate compared to the dividend for the previous year up until 2025	

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Q&A

Conference call
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For questions, please press 01

Appendix

Renewable capacity as of 30 September 2020

Indicator	Unit	9M 2020	FY 2019	9M 2019
Installed renewable capacity	**MW**	**10,542**	**9,870**	**8,487**
- Offshore wind power	MW	6,820	6,820	5,602
- Denmark	MW	1,006	1,006	1,006
- United Kingdom	MW	4,400	4,400	3,182
- Germany	MW	1,384	1,384	1,384
- US	MW	30	30	30
- Onshore wind power, US	MW	1,658	987	987
- Solar power, US	MW	10	10	10
- Thermal heat, biomass, Denmark	MW	2,054	2,053	1,888
Decided (FID) renewable capacity (not yet installed)	**MW**	**4,052**	**4,129**	**5,052**
- Offshore wind power	MW	3,038	3,038	4,256
- United Kingdom	MW	1,386	1,386	2,604
- Germany	MW	-	-	-
- Netherlands	MW	752	752	752
- Taiwan	MW	900	900	900
- Onshore wind power, US	MW	367	671	671
- Solar power, US	MW	647	420	-
- Thermal heat, biomass, Denmark	MW	-	-	125
Awarded and contracted capacity (not yet FID) renewable capacity	**MW**	**4,996**	**4,996**	**5,396**
- Offshore wind power	MW	4,996	4,996	4,996
- Germany	MW	1,142	1,142	1,142
- US	MW	2,934	2,934	2,934
- Taiwan	MW	920	920	920
- Onshore wind power, US	MW	-	-	-
- Solar power, US	MW	-	-	400
Sum of installed and FID capacity	**MW**	**14,594**	**13,999**	**13,539**
Sum of installed + FID + awarded and contracted capacity	**MW**	**19,590**	**18,995**	**18,935**
Installed storage capacity	**MW_{ac}**	**21**	**21**	**21**

Installed renewable capacity
The installed renewable capacity is calculated as the cumulative renewable gross capacity installed by Ørsted before divestments.

For installed renewable thermal capacity, we use the heat capacity, as heat is the primary outcome of thermal energy generation, and as bioconversions of the combined heat and power plants are driven by heat contracts.

Decided (FID) renewable capacity
Decided (FID) capacity is the renewable capacity for which a final investment decision (FID) has been made.

Awarded and contracted renewable capacity
The awarded renewable capacity is based on the capacities which have been awarded to Ørsted in auctions and tenders. The contracted capacity is the capacity for which Ørsted has signed a contract or power purchase agreement (PPA) concerning a new renewable energy plant. Typically, offshore wind farms are awarded, whereas onshore wind farms are contracted. We include the full capacity if more than 50% of PPAs/offtake are secured.

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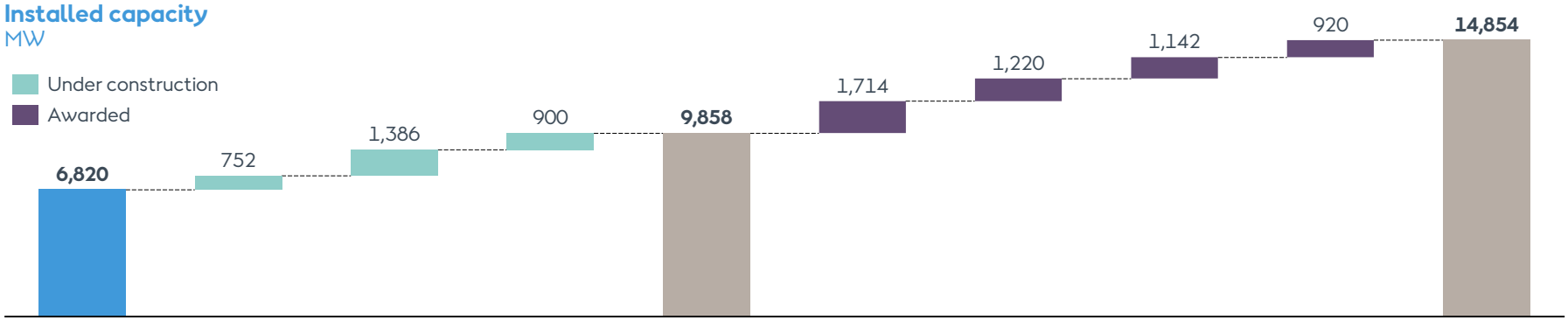
Offshore wind build-out plan



	Installed capacity Q3 2020	Borssele 1 & 2	Hornsea 2	Greater Changhua 1 & 2a	Decided (FID'ed) and installed capacity (2022)	US North-East cluster[1]	US Mid-Atlantic cluster[2]	German Portfolio[3]	Greater Changhua 2b & 4	Decided (FID'ed), installed and awarded capacity
Country		**Netherlands**	**UK**	**Taiwan**		**US**	**US**	**Germany**	**Taiwan**	
Expected completion		Q4 2020	H1 2022	2022		Pending FIDs post 2020	Pending FIDs post 2020	2024-2025. Pending FID end 2021	2025/2026. Pending FID in 2023	
Turbine		94 x 8MW Siemens Gamesa	165 x 8MW Siemens Gamesa	111 x 8MW Siemens Gamesa		Siemens Gamesa	12MW GE	11MW Siemens Gamesa	Turbine selection pending	

1. US North-East cluster: South Fork (130MW), Revolution Wind (704MW), and Sunrise Wind (880MW)
2. US Mid-Atlantic cluster: Skipjack (120MW) and Ocean Wind (1,100MW)
3. German Portfolio: Gode Wind 3 (242MW) and Borkum Riffgrund 3 (900MW)

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Offshore market development – US

Massachusetts	• Current target of 3.2GW by 2030 set to be increased by 2.0-2.8GW • Next solicitation of 1.6GW expected in H2 2021
Connecticut	• Target of 2GW of offshore wind capacity by 2030, of which 1.2GW remains available • Next auction of approx. 1GW expected in H2 2021
New York	• Target 9GW offshore wind by 2035 • Current auction of up to 2.5GW with bid submission 20 October 2020 • BOEM expected to auction offshore lease areas in H2 2021 (approx. 3.2GW)
New Jersey	• Target of 7.5GW offshore wind capacity by 2035, increased from 3.5GW by 2030 • Current auction ongoing for up to 2.4GW with bid submission due 10 December 2020 • Subsequent auction of 1.2GW expected in 2022
Maryland	• Target of approx. 1.6GW offshore wind by 2030, of which 1.2GW remains available • Current auction ongoing with bid submission deadline by end of 2020 • Auctions in 2020, 2021 and 2022 to procure around 1.2GW cumulatively
Virginia	• Signed Clean Economy Act for development of at least 5.2GW of offshore wind by 2034 • Executive order signed establishing a non-binding 2.5GW offshore wind target by 2026
Rhode Island	• Executive order signed to power the state with 100% renewable energy by 2030 • Next auction of up to 600MW expected in H1 2021
California	• First BOEM lease auction expected as early as H2 2021 (likely dependent on election) • State modeling shows approx. 10GW of offshore wind needed to meet the legislative mandate for 100% clean power by 2045

All auction and tender timelines and capacities based on current expectations and subject to change

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Offshore market development – UK and Continental Europe

United Kingdom	• Target annual build-out of 3GW to reach 40GW capacity by 2030 • Development consent order for Hornsea 3 now expected by 31 December 2020 • Leasing round for up to 8.5GW underway with results in January 2021. New leasing round in Scotland for up to 10GW launched June 2020
Germany	• Target for offshore wind capacity is 20GW by 2030 and 40GW by 2040 • First centralised tender expected in 2021. 900–4,000MW to be built annually from 2026 • Draft of new tender framework published, introducing concession payment as second bid component in case of several zero subsidy bids. Framework is still being discussed and is expected to be confirmed in Q4 2020
Netherlands	• Government target of 11.5GW offshore wind by 2030 (potential increase of 8GW being discussed) • Next tender of 1,520MW for Holland Coast West with bid deadline H2 2021
Denmark	• Two offshore wind tenders of approx. 2GW in total towards 2027 • 1st tender (Thor) of 800-1,000MW launched, bid in H2 2021. 2nd tender (Hesselø) of 800-1,200MW expected bid in H2 2022. Tenders will include the offshore transmission assets • Bornholm and North Sea Energy Island tenders of 5GW in total towards 2030
France	• Government ambition for tendered capacity of 8.75GW for the period 2020-2028. Next tender (Round 4) with a capacity of 1GW expected in 2021
Poland	• Draft legislation aiming to award 10.9GW offshore wind by 2027. Final act expected Q4 2020 • Award of 5.9GW expected in 2021 (direct awards). CfD auctions in 2025 and 2027 with expected total 5GW capacity
Belgium	• Allocation of additional approx. 2GW towards target to construct approx. 4 GW by 2030
Baltic States	• Lithuania: Draft law on 700MW 2023 Offshore Wind tender announced • Latvia and Estonia: Signed a MoU for a joint Offshore Wind tender, 1GW in the Gulf of Riga
Sweden	• 100% RES target by 2040 • Announcement on Offshore Wind framework pending

All auction and tender timelines and capacities based on current expectations and subject to change

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Offshore market development – APAC

Taiwan	• Taiwan has met its target of awarding 5.5GW to be commissioned by 2025 • An additional 10GW offshore wind to be constructed between 2026-2035 • Third round auction rules expected to be announced by the end of 2020 • 600MW Greater Changhua 3 project ready for future auctions
Japan	• Authorities have initiated Public-Private dialogue to set a new offshore wind target. 10GW expected to be commissioned by 2030 • Established JV with TEPCO in March 2020 to work on Choshi project (Round 1) • Draft auction guidelines issued for 1st round areas (Choshi, Noshiro, Yurihonjo). Auction expected to start in November 2020 with bid submission H1 2021 and award in H2 2021 • 11 areas designated as potentially suitable for development of offshore wind for 2nd round onwards with a capacity of approx. 7GW – among these, four areas (three in West Coast and one in Kyusyu (southwest)) have been selected as promising for the 2nd round of promotional zones
South Korea	• 12GW offshore wind build-out has been targeted in order to reach the 20% renewable mix towards 2030 and up to 35% by 2040 • The government announced 'Green New Deal' to fast track the build-out of renewable projects and industries

All auction and tender timelines and capacities based on current expectations and subject to change

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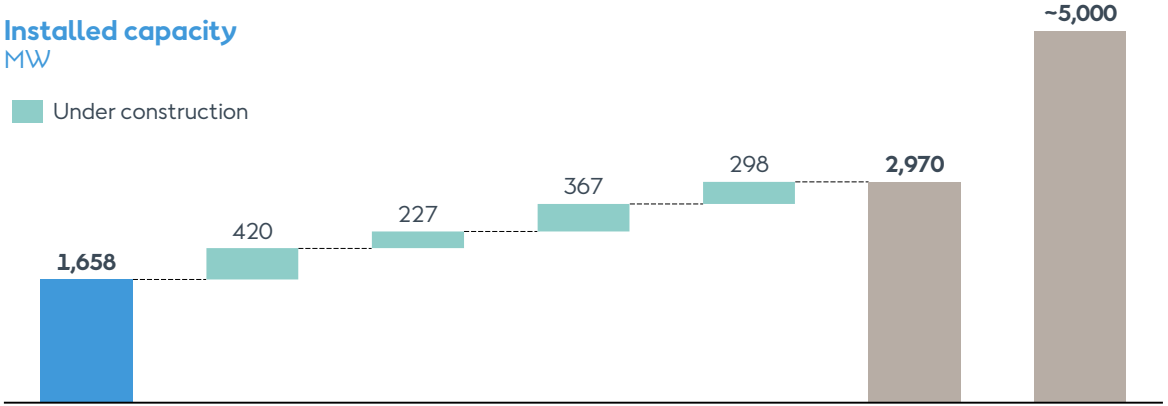
Onshore build-out plan



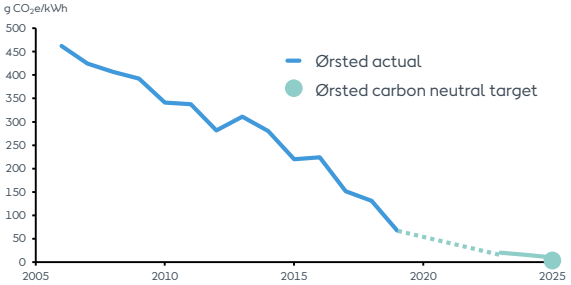
Region	ERCOT, TX	SERC, AL	ERCOT, TX	SPP, NE
Expected completion	Q2 2021	Q3 2021	Q3 2021	Q4 2021
Technology	Solar PV	Solar PV	GE	Siemens Gamesa
Offtake solution	PPA with ExxonMobil	PPA with Tennessee Value Authority (TVA)	Expected Q4 2020	Expected Q4 2020

1. Permian Energy Center consists of 420MW$_{ac}$ Solar PV and 40MW$_{ac}$ storage facility

Sustainability and ESG at Ørsted

Green leadership

- We want to help keep global warming below 1.5°C
- In Q3 2020, 90% of our energy generation was green. By 2025, we target 99%
- We have reduced the carbon intensity of our energy generation by 82%[1] to 83g CO_2e/kWh in Q3 2020
- By 2025: Target is to become carbon neutral in our energy generation and operations (scope 1 and 2) by reducing emissions to less than 10g CO_2e/kWh and neutralising any remaining emissions with carbon offsets
- By 2032: Target is to reduce emissions by 50% in our energy trading and supply chain, compared to 2018
- By 2040: Target to become carbon neutral in our total carbon footprint (scope 1-3) as required by science



Contributing to the global goals

THE GLOBAL COMPACT
WE SUPPORT

Ørsted is a signatory to the UN Global Compact and adheres to its ten principles for responsible business behaviour.

Strong commitment to UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) define some of the greatest societal challenges of our time.

SDGs where Ørsted makes the biggest difference:

Ensure access to affordable, reliable, sustainable and modern energy for all

Take urgent action to combat climate change and its impacts

ESG ratings of Ørsted

Rating agency	Rating	Benchmark
CDP	A	• Highest possible rating • Recognised as a global leader on climate action
MSCI	AAA	• Highest possible rating
SUSTAINALYTICS	83 of 100	• No. 1 among direct market cap peers • Highest possible 'Leader' status
Corporate ESG Performance Prime, ISS ESG	B+	• No. 1 of all utilities • Awarded highest possible 'Prime' status
GRESB	A	• Highest possible rating in the GRESB Infrastructure Public Disclosure Assessment

1. Compared to 462g CO_2e/kWh in 2006

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Group – Financial highlights

FINANCIAL HIGHLIGHTS		Q3 2020	Q3 2019	Δ	FY 2019
EBITDA	DKKm	3,360	4,116	(18%)	17,484
• Offshore		2,629	3,223	(18%)	15,161
• Onshore		308	308	0%	786
• Markets & Bioenergy		375	436	(14%)	1,495
Net profit – continuing operations		12,016	1,443	n.a.	6,100
Net profit – discontinued operations		18	34	(47%)	(56)
Total net profit		12,034	1,477	n.a.	6,044
Operating cash flow		1,941	871	123%	13,079
Gross investments		(9,263)	(7,222)	28%	(23,305)
Divestments		20,506	260	n.a.	3,329
Free cash flow – continuing operations		13,184	(6,091)	n.a.	(6,897)
Net interest-bearing debt		8,216	12,082	(32%)	17,230
FFO/Adjusted net debt[1]	%	35.6	47.4	(12%p)	31.0
ROCE[1]	%	9.4	29.3	(21%p)	10.6

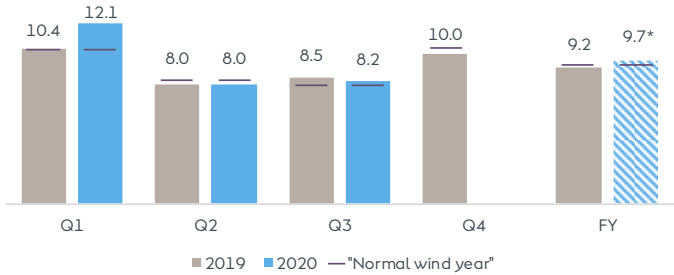
1. ROCE: Last 12 months

Offshore – Financial highlights

FINANCIAL HIGHLIGHTS		Q3 2020	Q3 2019	Δ	FY 2019
EBITDA	DKKm	2,629	3, 223	(18%)	15,161
• Sites incl. O&Ms and PPAs		3,012	2,612	15%	13,750
• Construction agreements and divestment gains		247	1,188	(79%)	3,765
• Other, incl. project development		(630)	(577)	9%	(2,354)
KEY BUSINESS DRIVERS					
Power generation	TWh	3.2	2.8	14%	12.0
Wind speed	m/s	8.2	8.5	(3%)	9.2
Availability	%	94	93	1%p	93
Load factor	%	35	37	(2%p)	42
Decided (FID) and installed capacity*	GW	9.9	9.9	0%	9.9
Installed capacity*	GW	6.8	5.6	22%	6.8
Generation capacity**	GW	4.1	3.6	15%	3.6

* Installed capacity: Gross offshore wind capacity installed by Ørsted before divestments
** Generation capacity: Gunfleet Sands and Walney 1 & 2 are consolidated according to ownership interest. Other wind farms are financially consolidated

Wind speed
(m/s), offshore wind farms



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

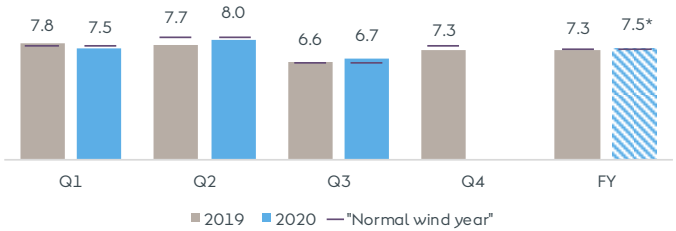
*Indicates m/s for full year 2020 (if Q4 follows the normal wind year)

Onshore – Financial highlights

FINANCIAL HIGHLIGHTS		Q3 2020	Q3 2019	Δ	FY 2019
EBITDA	DKKm	308	308	0%	786
• Sites		176	245	(28%)	466
• Production tax credits and tax attributes		213	145	47%	628
• Other, incl. project development		(81)	(82)	(1%)	(308)
KEY BUSINESS DRIVERS					
Power generation	TWh	1.3	0.9	47%	3.5
Wind speed	m/s	6.7	6.6	2%	7.3
Load factor	%	36	39	(3%p)	98
Availability	%	97	98	(1%p)	45
Installed capacity	MW	1,668	997	67%	997

Wind speed

(m/s), onshore wind farms



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

*Indicates m/s for full year 2020 (if Q4 follows the normal wind year)

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Markets & Bioenergy – Financial highlights

FINANCIAL HIGHLIGHTS		Q3 2020	Q3 2019	Δ	FY 2019
EBITDA	DKKm	375	436	(14%)	1,495
• CHP plants		93	370	(75%)	1,152
• Gas markets & Infrastructure		201	50	n.a.	390
• LNG		-	(155)	n.a.	(957)
• Distribution, B2C and city light		145	352	(59%)	1,280
• Other, incl. project development		(64)	(181)	65%	(370)
Free cash flow		21,259	(320)	n.a.	(655)
KEY BUSINESS DRIVERS					
Heat generation	TWh	0.3	0.5	(37%)	8.3
Power generation	TWh	0.6	0.4	45%	4.6
Degree days	#	106	108	(2%)	2,399

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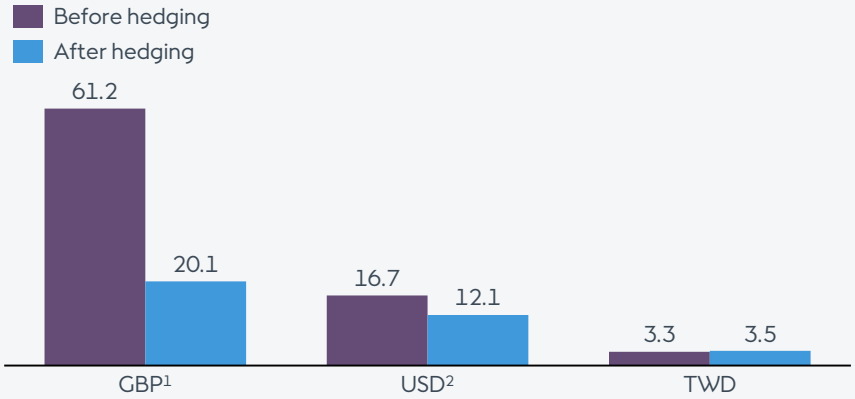
Currency and energy exposure

Currency exposure Q4 2020 – Q3 2025

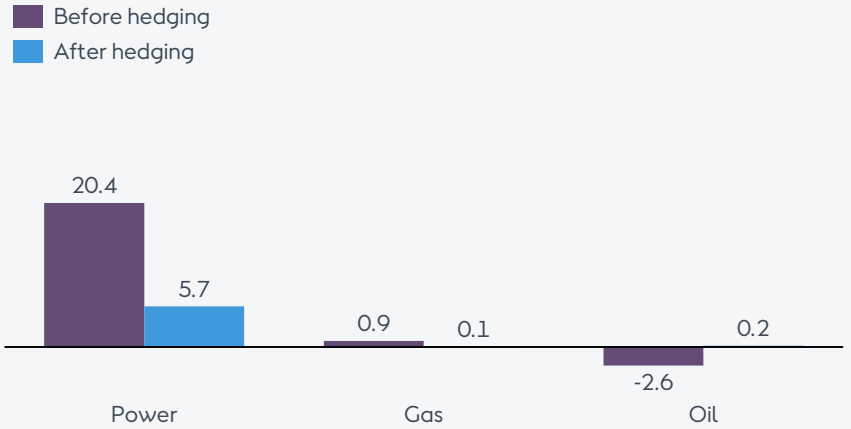
DKKbn



Risk after hedging, DKKbn	Effect of price +10%	Effect of price -10%
GBP: 20.1 sales position	+2.1	-2.1
USD: 12.1 sales position	+1.2	-1.2
TWD: 3.5 sales position	+0.4	-0.4

Energy exposure Q4 2020 – Q3 2025

DKKbn



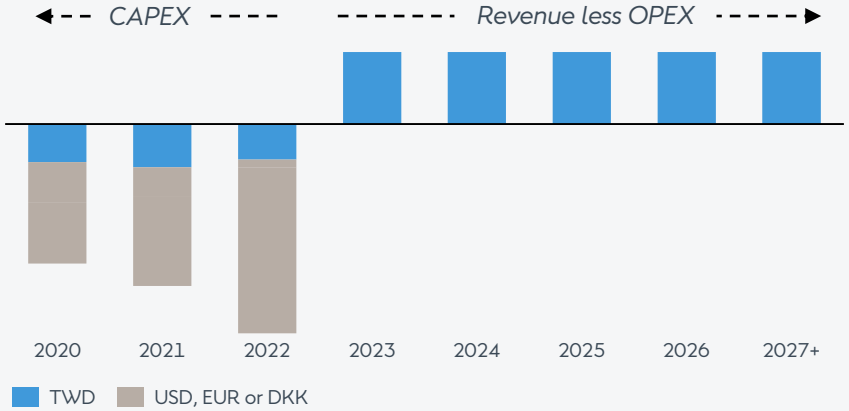
Risk after hedging DKKbn	Effect of price +10%	Effect of price -10%
Power: 5.7 sales position	+0.6	-0.6
Gas: 0.1 sales position	+0.0	-0.0
Oil: 0.2 sales position	+0.0	-0.0

1. The GBP exchange rate for hedges impacting EBITDA in 2020, 2021 and 2022 is hedged at an average exchange rate of DKK/GBP 8.2, 8.3 and 8.1.
2. For USD we manage our risk as a natural time spread between front end capital expenditures and long end revenue between 2020-2036.

Natural hedges significantly reduce Taiwan Dollar risk

Cash flows from Changhua 1 & 2a

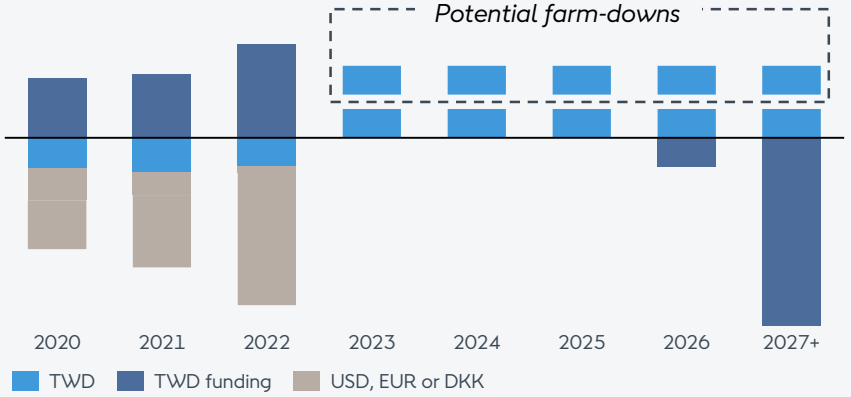
Illustrative



- CAPEX primarily denominated in USD, EUR or DKK
- Future revenue less OPEX denominated in TWD

Risk mitigation

Illustrative

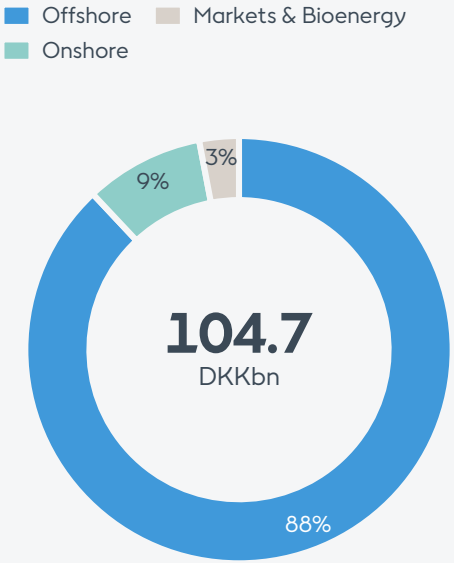


- TWD hedged with derivatives in the near term
- Natural TWD hedges in the long term:
  - TWD funding (Revolving Credit Facilities and Bonds)
  - Potential farm-downs
  - CAPEX in local currency

Capital employed

Capital employed, DKKm	9M 2020	FY 2019	9M 2019
Intangible assets and property and equipment	116,638	106,685	100,748
Equity Investments and non-current receivables	2,188	1,044	1,390
Net working capital, work in progress	10,121	8,756	8,764
Net working capital, tax equity	(7,761)	(4,587)	(4,840)
Net working capital, capital expenditures	(5,217)	(3,304)	(5,494)
Net working capital, other items	2,601	2,540	1,328
Derivatives, net	1,474	782	(572)
Assets classified as held for sale, net	(359)	8,211	10,851
Decommissioning obligations	(6,659)	(6,158)	(5,900)
Other provisions	(6,590)	(6,443)	(7,031)
Tax, net	(440)	(253)	610
Other receivables and other payables, net	(1,308)	(481)	(403)
TOTAL CAPITAL EMPLOYED	**104,688**	**106,792**	**99,451**
OF WHICH CONTINUING OPERATIONS	**105,339**	**106,833**	**99,489**
OF WHICH DISCONTINUED OPERATIONS	**(651)**	**(41)**	**(38)**

Capital employed by segment
%, 9M 2020



FFO/Adjusted net debt calculation

Funds from operations (LTM) / Adjusted net debt, DKKm	9M 2020	FY 2019	9M 2019
EBITDA – Business Performance	**17,734**	**17,484**	**32,077**
Interest expenses, net	(1,924)	(1,312)	(512)
Interest expenses, leasing	(97)	(171)	(115)
Reversal of interest expenses transferred to assets	(372)	(344)	(420)
Interest element of decommission obligations	(229)	(212)	(210)
50% of coupon payments on hybrid capital	(278)	(279)	(272)
Operating lease obligations, interest element	-	-	125
Adjusted net interest expenses	**(2,900)**	**(2,318)**	**(1,404)**
Reversal of gain (loss) on divestment of assets	(840)	101	(15,400)
Reversal of recognised lease payment	-	-	155
Current tax	(6,210)	(5,799)	(3,625)
FUNDS FROM OPERATION (FFO)	**7,784**	**9,468**	**11,803**
Total interest-bearing net debt	**8,216**	**17,230**	**12,082**
50% of hybrid capital	6,616	6,616	6,620
Cash and securities, not available for distribution	1,290	1,437	1,048
Decommission obligations	6,659	6,158	5,900
Deferred tax on decommissioning obligations	(912)	(866)	(740)
ADJUSTED INTEREST-BEARING NET DEBT	**21,869**	**30,575**	**24,910**
FFO / ADJUSTED INTEREST-BEARING NET DEBT	**35.6%**	**31.0%**	**47.4%**

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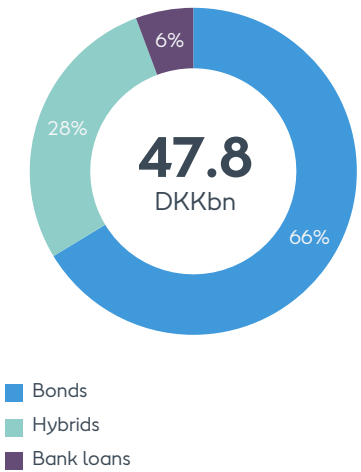
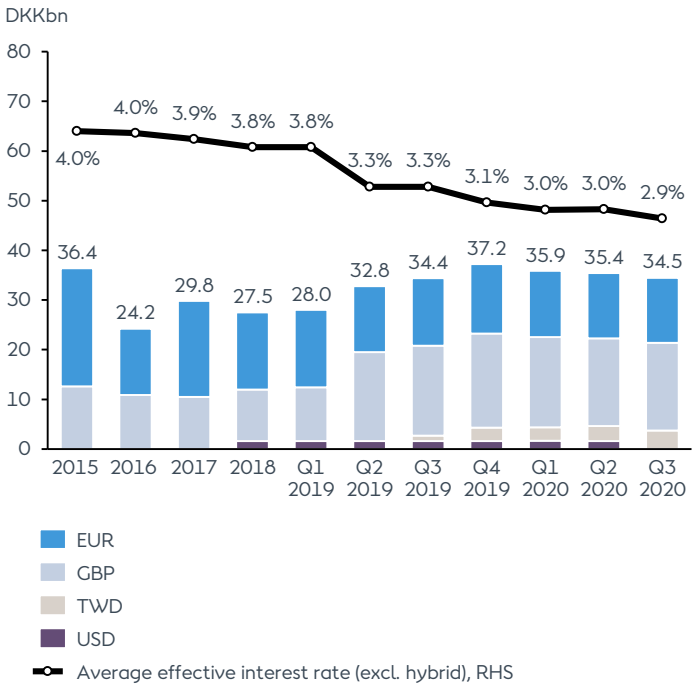
Debt overview

Gross debt and hybrids
30 September 2020

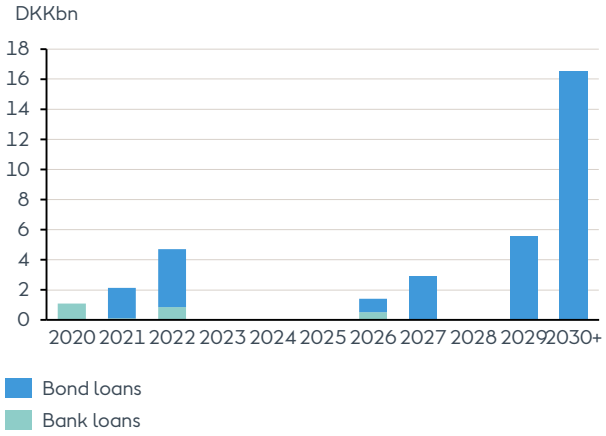


Effective funding costs – gross debt (excl. hybrid)
30 September 2020



Long term gross debt maturity schedule
30 September 2020

	Cost of debt (%)	*Modified duration (%)*	*Avg. time to maturity (years)*
Bond loans	3.1	8.4	10.0
Bank loans	0.9	0.2	2.3
Total	**2.9**	**8.6**	**9.5**



Hybrid capital in short

Hybrid capital can broadly be defined as funding instruments that combine features of debt and equity in a cost-efficient manner:

- Hybrid capital encompasses the credit-supportive features of equity and improves rating ratios
- Perpetual or long-dated final maturity (1,000 years for Ørsted)
- Absolute discretion to defer coupon payments and such deferrals do not constitute default nor trigger cross-default
- Deeply subordinated and only senior to common equity
- Without being dilutive to equity holders (no ownership and voting rights, no right to dividend)

Due to hybrid's equity-like features, rating agencies assign equity content to the hybrids when calculating central rating ratios (e.g. FFO/NIBD).

The hybrid capital increases Ørsted's investment capacity and supports our growth strategy and rating target.

Ørsted has made use of hybrid capital to maintain our ratings at target level in connection with the merger with Danish power distribution and production companies back in 2006 and in recent years to support our growth in the offshore wind sector.

HYBRIDS ISSUED BY ØRSTED A/S[1]	PRINCIPAL AMOUNT	TYPE	FIRST PAR CALL	COUPON	ACCOUNTING TREATMENT[2]	TAX TREATMENT	RATING TREATMENT
6.25% hybrid due 3013	EUR 700m	Hybrid capital (subordinated)	June 2023	Fixed for the first 10 years, first 25bp step-up in June 2023	100% equity	Debt – tax-deductible coupon payments	50% equity, 50% debt
2.25% Green hybrid due 3017	EUR 500m	Hybrid capital (subordinated)	Nov. 2024	Fixed during the first 7 years, first 25bp step-up in Nov. 2029	100% equity	Debt – tax-deductible coupon payments	50% equity, 50% debt
1.75% Green hybrid due 3019	EUR 600m	Hybrid capital (subordinated)	Dec. 2027	Fixed during the first 8 years, first 25bp step-up in Dec. 2032	100% equity	Debt – tax-deductible coupon payments	50% equity, 50% debt

1. All listed on Luxembourg Stock Exchange and rated Baa3 (Moody's), BB+ (S&P) and BBB- (Fitch). 'The two Green hybrids are furthermore listed on the Luxembourg Green Exchange (LGX)
2. Due to the 1,000-year structure

Ørsted's outstanding Green Bonds

°CICERO Dark Green

Ørsted A/S

Bond Type	Face Value	Coupon	Issue date	Maturity	Allocated to green projects (DKKm)	Avoided emissions (t CO2/year) attributable to the bonds
Senior Unsecured	EUR 750m	1.5%	24 November 2017	26 November 2029	5,499	733,000
Hybrid capital	EUR 500m	2.25%	24 November 2017	24 November 3017	3,674	459,000
Senior Unsecured	GBP 350m	2.125%	16 May 2019	17 May 2027	2,400	285,000
Senior Unsecured	GBP 300m	2.5%	16 May 2019	16 May 2033	2,100	239,000
Senior Unsecured/CPI-linked	GBP 250m	0.375%	16 May 2019	16 May 2034	1,600	183,000
Hybrid capital	EUR 600m	1.75%	9 December 2019	9 December 3019	200	26,000

Ørsted Wind Power TW Holding A/S

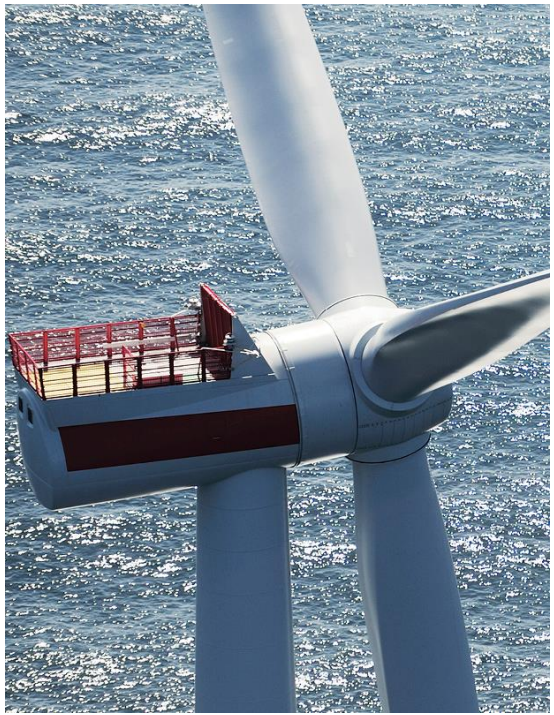
Bond Type	Face Value	Coupon	Issue date	Maturity	Allocated to green projects (DKKm)	Avoided emissions (t CO2/year) attributable to the bonds
Senior Unsecured	TWD 4,000m	0.92%	19 November 2019	19 November 2026	882	73,000
Senior Unsecured	TWD 8,000m	1.5%	19 November 2019	19 November 2034	1,500	125,000

Ørsted has developed a Green Finance Framework which is an update to the previous framework from 2017. In the 2019 update Ørsted has broadened the green financing instruments to include Green Bonds, Green Loans and other types of green financing instruments. Furthermore Ørsted has decided to only use green proceeds for financing of offshore wind projects.

Besides the five outstanding Green Bonds, Ørsted has in May established a TWD 25bn Green RCF to finance the construction of the offshore wind projects in Taiwan

Ørsted

Financing strategy



At Ørsted, we have a centralised financing strategy utilizing our strong balance sheet and diverse portfolio.

The strategy supports:

- A capital structure supportive of our BBB+ rating ambition
- Concentration of and scale in financing activities
- Cost efficient financing based on a strong parent rating
- Optimal terms and conditions and uniform documentation
- Transparent and simple debt structure
- No financial covenants and restrictions on operating arrangements
- Corporate market more stable and predictable than project finance market
- Avoidance of structural subordination

The financing strategy optimizes the effect of a fully integrated cash pool where cash at practically all of the company's more than 200 subsidiaries is made available for the company's financing and liquidity purposes.

Financing of activities at subsidiary level is provided by Ørsted A/S in a standardised and cost-efficient setup.

Widespread use of project financing is not considered cost-efficient and dilutes the creditworthiness of the company.

Currency risk management

General hedging principles

- The main principle is to hedge highly certain cash flows
- Cost-of-hedging is minimized by netting of exposures, use of local currency in construction contracts and debt in local currency.

Managing outright long risk (GBP)

- Operations: minimum 5-year hedging staircase determined by the Board of Directors with 100% in year 1 – declining to 20% in year 5. The hedging staircase is a compromise between stabilizing cash flows in the front-end and ensuring a balanced FFO/NIBD.
- Beyond the 5-year horizon the GBP exposure is to some extent hedged with GBP-denominated debt.

Managing time-spread risk (new markets)

- Construction period: Hedge 100% of year 1 currency cash flow risk, while not increasing the total portfolio currency exposure.
- In new markets the capital expenditures beyond year 1 is netted with future revenue in the same currency.

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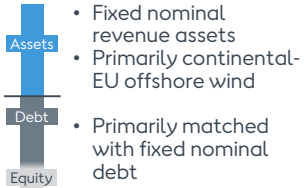
Interest rate and inflation risk management

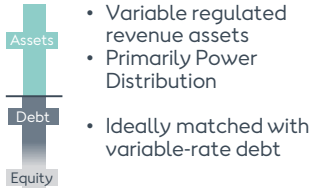
Four risk categories of assets and debt allocation
Illustrative

Fixed nominal



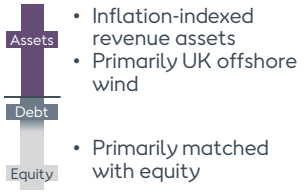
- Fixed nominal revenue assets
- Primarily continental-EU offshore wind
- Primarily matched with fixed nominal debt

Variable regulated



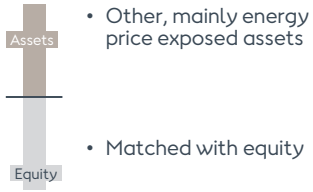
- Variable regulated revenue assets
- Primarily Power Distribution
- Ideally matched with variable-rate debt

Inflation-indexed



- Inflation-indexed revenue assets
- Primarily UK offshore wind
- Primarily matched with equity

Other



- Other, mainly energy price exposed assets
- Matched with equity

Objectives of interest rate and inflation risk management

1. Protect long-term real value of equity by offsetting interest and inflation risk exposure embedded in assets by allocating debt with similar, but opposite risk exposure
2. Cost of funding optimized by actively managing debt portfolio
3. Cost of hedging minimised by using natural portfolio synergies between assets, allowing matching of up to 100% of asset value with appropriate debt

Framework for risk management

- Assets divided into four different risk categories, based on nature of inflation and interest risk exposure
- Simple risk metrics are used to match assets with appropriate debt within each category
- Fixed nominal-category has first priority for debt allocation, to protect shareholders against inflation eroding the real value from fixed nominal cash flows
- Inflation-indexed revenues reserved to service equity return for shareholders thereby to a large extent protecting the real value of equity against fluctuations in inflation rates

The pie charts represent approximate size of the exposures

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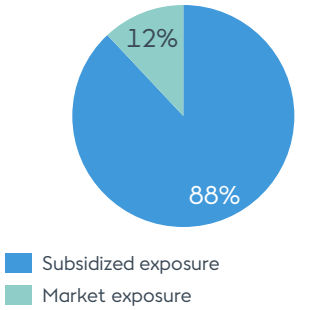
Energy risk management

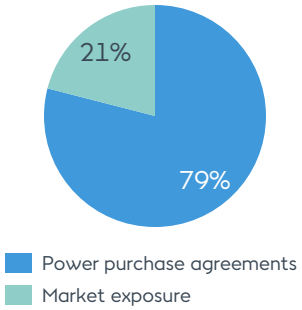
Risk picture

- We manage market risks to protect Ørsted against market price volatility and ensure stable and robust financial ratios that support our growth strategy
- For Offshore, a substantial share of energy production is subsidized through either fixed tariffs or green certificates. Remaining exposure is hedged at a declining rate up to five years
- Onshore mitigate their power exposure by entering into long-term power sales agreements and internal hedges towards Markets & Bioenergy
- Markets & Bioenergy manage their market risk actively by hedging with derivatives in the energy markets up to five years

Offshore exposure



Onshore exposure

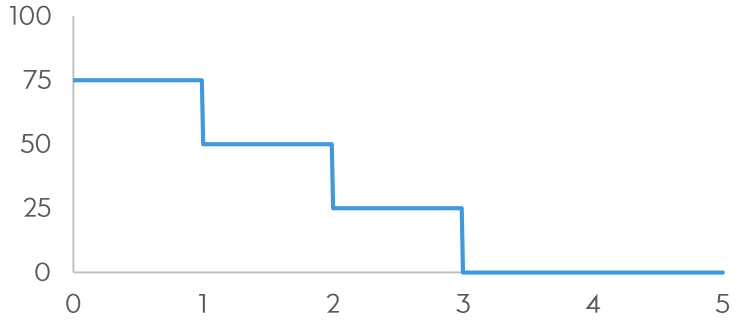


Note: expected exposure 2021-2025, as of 30/10/2020

Hedging of open exposure

- Open energy exposure is reduced actively
- Minimum hedging requirements are determined by the Board of Directors. In the first two years, a high degree of hedging is desired to ensure stable cash flows after tax
- The degree of hedging is declining in subsequent years. This is due to: 1) reduced certainty about long-term production volumes and 2) increasing hedging costs in the medium to long term: both spread costs and potential cost of collateral

Offshore minimum power hedging requirement



Note: actual hedging level is significantly higher

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