



Interim financial report

First quarter 2020





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CONFERENCE CALL

In connection with the presentation of the interim financial report a conference call for investors and analysts will be held on 29 April 2020 at 14:00 CEST:

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The conference call can be followed live at:
<https://edge.media-server.com/mmc/p/tugmuzb3>

Presentation slides will be available prior to the conference call at:
<https://orsted.com/en/investors/ir-material/financial-reports-and-presentations#0>

The interim financial report can be downloaded at:
<https://orsted.com/en/investors/ir-material/financial-reports-and-presentations#0>

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CEO's review — first quarter

Strong Q1 results

- Operating profit (EBITDA) increased by 33% to DKK 6.8 billion.
- EBITDA from offshore and onshore wind farms in operation increased by 25% to DKK 5.2 billion.
- Our asset base remains fully operational with availability rates within the normal range despite the COVID-19 crisis.
- Our construction projects are progressing according to plan, but with an increased risk of COVID-19 related delays.
- 2020 guidance maintained.
- Green share of heat and power generation reached an all-time high and increased from 80% to 90%.
- Sage Draw Onshore Wind Farm commissioned.
- First power achieved at Borssele 1 & 2.
- Corporate PPA signed with Nestlé UK.

Financial results

Despite the COVID-19 crisis and its profound impact on societies around the world, we have had a very good start to the year with strong financial results and solid operational performance across the entire business.

Our operating profit (EBITDA) for the first quarter of the year amounted to DKK 6.8 billion, a 33% increase compared to the same period last year.

Earnings from our offshore and onshore wind farms in operation increased by 25%, driven by ramp-up of green power generation from Hornsea 1, Lockett and Sage Draw. Furthermore, we had high wind speeds in Europe throughout Q1 2020.

Earnings from construction agreements in Q1 2020 increased compared to the same period last year due to updated assumptions regarding the divestment of the transmission asset for Hornsea 1. Following further progress in the divestment process, we have lowered our assumption regarding the preferred bidder's expected return requirement on the transmission asset. This changed assumption also formed the basis for the DKK 1 billion increase in our full-year EBITDA guidance in early March.

Return on capital employed (ROCE) for the last 12 months amounted to 11% in Q1 2020.

At this point in time, we have no indication that the COVID-19 situation will significantly impact our full year earnings, and thus we re-iterate our most recent EBITDA guidance of DKK 16-17 billion in 2020. We also re-iterate our expectation of gross investments of DKK 30-32 billion in 2020.

COVID-19

We activated our Corporate Crisis Management Organisation in early March to steer Ørsted through the global COVID-19 crisis. Our focus has been on the health and well-being of our employees and their families and the communities we are part of as well as the supply of energy which societies depend on. So far, we have been able to maintain continuity in all business-critical operations even with the extensive preventive measures being implemented, including a large number of employees working from home.

During the last couple of months, our asset base has been fully operational with availability rates for our wind farms and power stations



During the last couple of months, our asset base has been fully operational with availability rates for our wind farms and power stations within the normal range, and we have been able to continue to supply green energy to the societies we are part of.

within the normal range, and we have been able to continue to supply green energy to the societies we are part of. While the necessary, extensive measures to protect the health of our employees and lockdowns will continue to challenge our operations, we remain optimistic about being able to maintain normal availability rates on our offshore and onshore wind farms.

Our construction projects all remain on track. However, on a couple of construction projects we see an increased risk of component and service delays from suppliers impacted by COVID-19. We collaborate closely together with our partners to mitigate these situations as best possible and without compromising health and safety standards. Based on our current outlook, we believe the COVID-19 related impact on our construction projects will be limited both in terms of timing and economics.

Our offshore development projects in the US are moving forward, although at a slower pace than originally expected due to a combination of the Bureau of Ocean Energy Management's (BOEM) prolonged analysis of the cumulative impacts from the build-out of US offshore wind projects, and now also COVID-19 effects. The

two earliest projects in our pipeline; the 120MW Skipjack project in Maryland and the 130MW South Fork project in New York, are most exposed to the risk of delays. For Skipjack it is no longer realistic to receive the 'Notice of Intent' from BOEM in due time to meet commissioning date in late 2022. Therefore, we now expect to commission the wind farm approx one year later. For the South Fork project, which was also planned for a 2022 commissioning date, we have received the 'Notice of Intent', but have not received a confirmed permit schedule from the federal government outlining when the 'Construction and Operations Plan' (COP) will be received. This combined with impacts from the COVID-19 related shutdowns in New York, will also very likely delay South Fork to beyond 2022.

For our largest awarded US development projects – Revolution Wind, Ocean Wind, and Sunrise Wind – with expected commissioning in 2023 and 2024, we also see increased risk of delays. We have submitted our COP applications for Ocean Wind and Revolution Wind and are awaiting BOEM to issue their 'Notices of Intent', outlining the timeline for COP approval. For Sunrise Wind in New York, we are currently unable to progress our offshore site surveys due

CEO's review — first quarter continued

to COVID-19 restrictions, which adversely impacts our COP application process. So, for these three projects, we need more visibility on the path to COP approval before concluding on whether the current commissioning timing in 2023-24 remains realistic. We expect to have more clarity after summer.

As our power generation is almost fully hedged the first couple of years, the price volatility seen in the markets has had a limited impact on our financial results for Q1 and is not expected to have any significant impact for the remainder of the year.

With cash, cash equivalents and committed credit facilities of approx DKK 30 billion at the end of Q1 2020, we have sufficient financial resources to continue our day-to-day operations and investment programme through 2020 and 2021, without further funding.

Ørsted is a strong company with a resilient business model and we are in a much less vulnerable position than many other sectors that are deeply impacted by the crisis. However, the impact of COVID-19 will have material ripple effects throughout all economies and sectors and we cannot be complacent about its potential impact on us. Thus, we remain vigilant about the unfolding crisis and have identified a number of risks that potentially can impact our activities, including the ones listed in our company announcement on 25 March.

Offshore

Last year, we successfully completed the construction of Hornsea 1, the world's largest offshore wind farm with a capacity of 1,218MW. The whole wind farm is now up and running

following a period with curtailment on parts of the wind farm due to an array cable remediation campaign.

At our Dutch Borssele 1 & 2 site, the offshore construction work is well underway, and we commenced installation of the Siemens Gamesa 8MW wind turbines and achieved first power in April. We still expect the 752MW wind farm to be completed by the end of Q4 2020.

In 2022, we expect to complete Hornsea 2 (1,386MW) in the UK and Greater Changhua 1 & 2a (900MW) in Taiwan. In Taiwan, we have signed a 20-year lease with the Port of Taichung for our Greater Changhua offshore wind farms. Furthermore, the 12MW offshore Coastal Virginia demonstration project in the US, which we will construct for Dominion Energy as an EPC contractor, is proceeding as planned.

Our structured farm-down process for 50% of the Greater Changhua 1 site is progressing well and according to plan.

We have selected Siemens Gamesa as the preferred wind turbine supplier for our 900MW Borkum Riffgrund 3 and 242MW Gode Wind 3 projects. If we take final investment decisions, the projects will deploy Siemens Gamesa's 11MW wind turbine with a 200-metre rotor.

In March, we entered into an agreement with TEPCO to establish a joint venture company for offshore wind in Japan, with the intention of working towards a joint bid in the first Japanese auction expected towards the end of this year. We are very pleased with this joint venture,



Earnings from our offshore and onshore wind farms in operation increased by 25%, driven by ramp-up of green power generation from Hornsea 1, Lockett and Sage Draw. Furthermore, we had high wind speeds in Europe throughout Q1 2020.

which is not only a significant step in Ørsted and TEPCO's efforts to deliver on Japan's ambitions for renewable power generation, but also a landmark moment for our market entry into Japan.

We continue to explore industrial-scale production of green hydrogen. In the UK, we are working on the Gigastack project, which enables us and our partners to conduct a front-end engineering design (FEED) study on a 100MW electrolyser using renewable energy from the Hornsea 2 Offshore Wind Farm. In Denmark, we are working on the 'H2RES' project together with our partners, and we have received funding for the construction of a 2MW electrolysis plant including hydrogen storage, which will be powered by Ørsted's two 3.6MW offshore wind turbines near Avedøre Power Station. The electrolysis plant will generate renewable hydrogen for buses, lorries and possibly taxis. In addition to the projects in Denmark and the UK, we are involved in similar early-stage renewable hydrogen projects in Germany and the Netherlands.

In April, we signed a 15-year PPA with Nestlé UK to buy the output of 31MW of the Race Bank offshore wind farm's 573MW total capacity.

Starting in May 2020, they will offtake 125GWh of green power per year to cover 50% of their UK power consumption. This is the largest long-term, fixed-price PPA for Ørsted in the UK.

Onshore

In March, we commissioned the Sage Draw Onshore Wind Farm in Texas on time and on budget and we received tax equity funding from our partners in April. The 338MW wind farm has performed as expected since commissioning.

We are currently constructing the onshore wind farms Willow Creek in South Dakota and Plum Creek in Nebraska, as well as the combined solar (420MW) and storage (40MW) project Permian Energy Center in Texas. We expect the onshore wind farms to be commissioned in Q4 2020 whereas Permian Energy Center is expected to be commissioned by mid-2021. We are eligible for 100% PTC for Willow Creek and Plum Creek and for 30% ITC for Permian.

Markets & Bioenergy

Following upgrades to our Renescience facility in the UK late 2019, the plant is now ready to be put back into operation. We expect the plant to be commissioned later this year. The plant is

CEO's review — first quarter continued

currently de-manned due to the COVID-19 situation but we will resume the ramp-up of generation as soon as the situation allows for it.

In 2019, we signed agreements to divest our Danish power distribution (Radius), residential customer and city light businesses to SEAS-NVE and our LNG activities to Glencore. We expect both transactions to be closed during summer.

On 31 March, the Copenhagen Maritime & Commercial Court decided to close the action for damages in Ørsted's favour. The action for damages related to a claimed abuse of a dominant position on the market for wholesale of physical electricity in Western Denmark in 2003-2006. We are very pleased with the Court's decision and see it as a natural outcome in continuation of the preceding acquittal from the competition authorities' claim on this matter. However, the claimants have decided to appeal the case to the Supreme Court.

Concluding remarks

I would like to extend a special and heartfelt thank you to all Ørsted employees and our partners for doing an exceptional job in maintaining a strong focus on health and safety during these challenging times while also maintaining business continuity across Ørsted's critical operations and projects. It has been extraordinary to see the persistency, team spirit and ingenuity going into keeping things in motion and taking good care of each other at the same time.

We are far from through the crisis, and a huge task still lies ahead, as societies around the

world seek to contain the spread of COVID-19, while also taking action to minimise the economic set-back and start gradually to ease the restrictions on our mobility, working life and social life.

The severe economic and social impact of COVID-19 will be felt for quite a while, but I remain convinced that the world will soon be on a path towards recovery. Maybe with some lessons learnt and reflections that will stay with us for the long-term and best case may offer us new insights that can be leveraged in our pursuit of a more long-term sustainable global society.

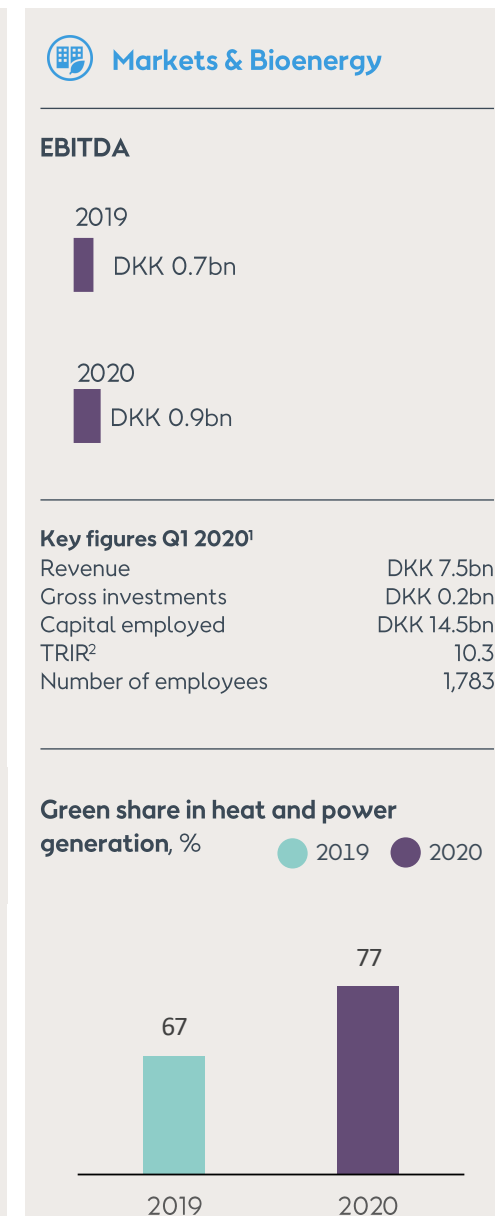
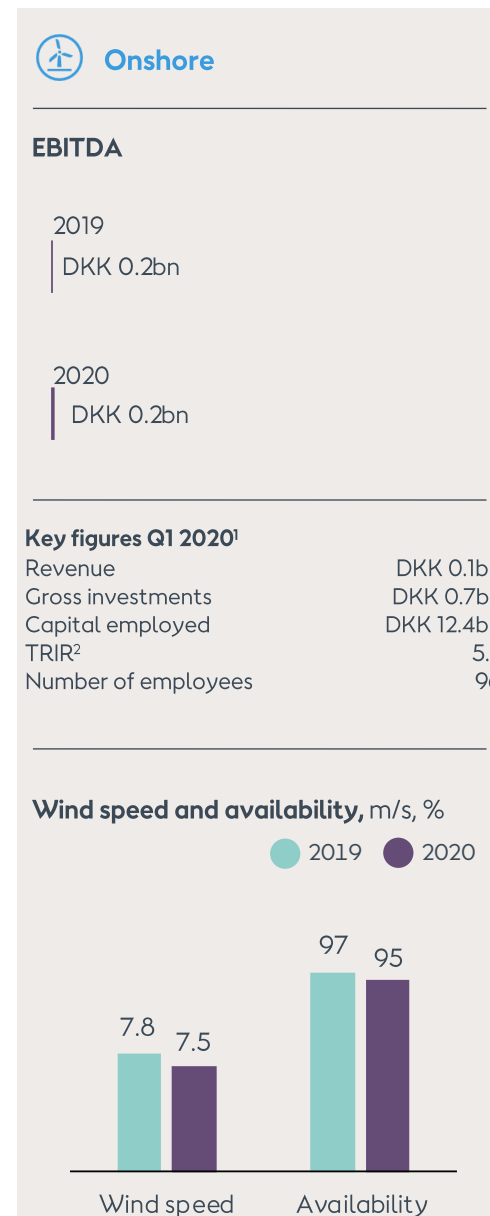
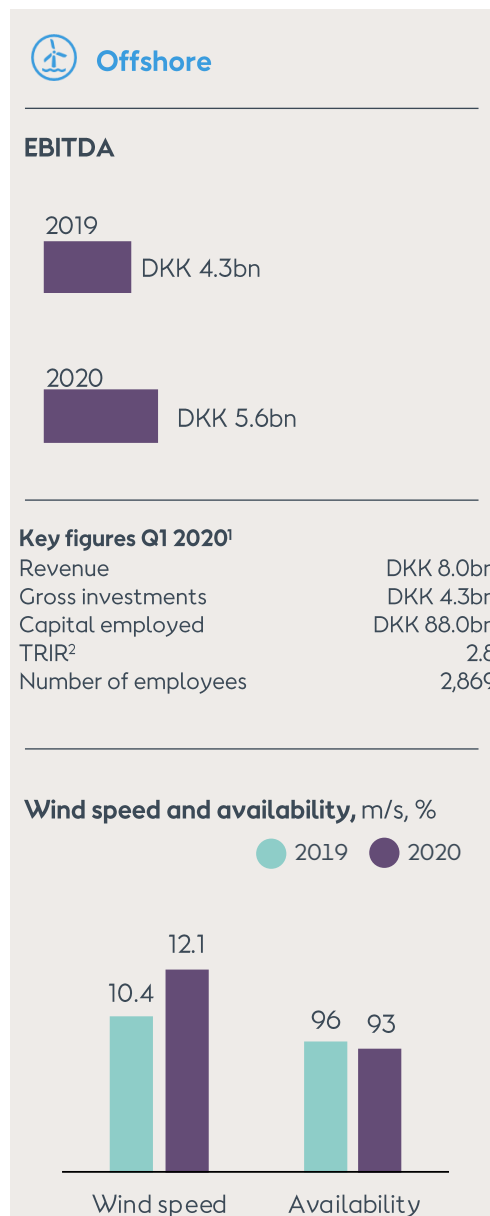
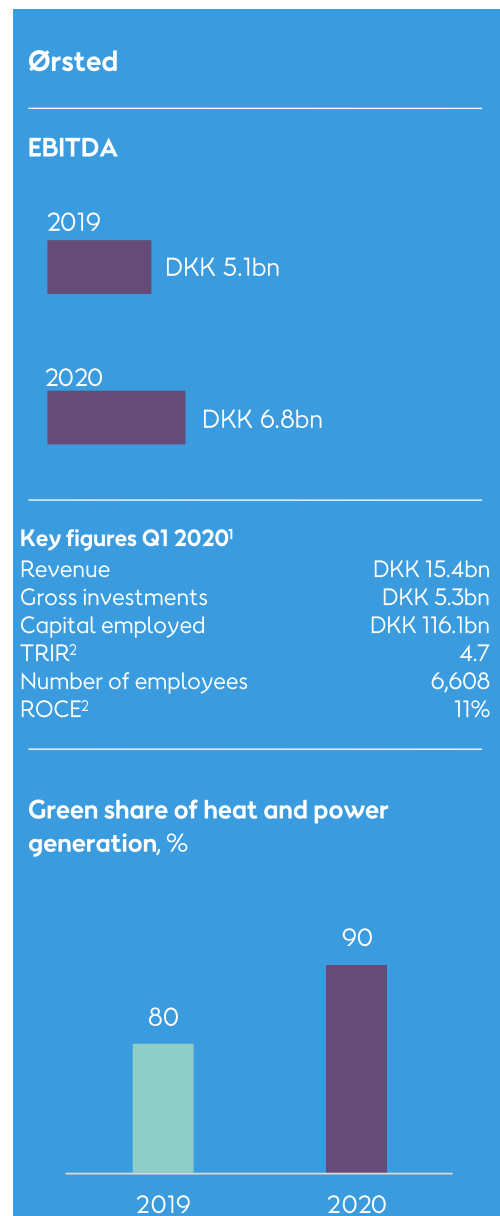
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I would like to extend a special and heartfelt thank you to all Ørsted employees and our partners for doing an exceptional job in maintaining a strong focus on health and safety during these challenging times.



Henrik Poulsen
CEO and President

At a glance — First quarter



¹Key figures (excluding capital employed) are for the continuing operations and include other activities/eliminations, ²Last 12 months

Outlook 2020

EBITDA

On 4 March 2020, we increased our EBITDA (business performance) guidance from DKK 15-16 billion to DKK 16-17 billion due to updated assumptions regarding the divestment of the transmission asset for Hornsea 1. The Group guidance for EBITDA remains unchanged.

Our directional EBITDA guidance for Offshore is still 'lower'. However, earnings from existing partnerships in 2020 are expected to amount to approx DKK 1.2 billion and are primarily related to the transmission asset for Hornsea 1. In the annual report for 2019, earnings from existing partnerships in 2020 were expected to be limited.

The directional EBITDA guidance for Onshore and Markets & Bioenergy is unchanged relative to the guidance in the annual report for 2019.

Gross investments

Our gross investments guidance is unchanged relative to the guidance in our annual report for 2019. Gross investments are expected to amount to DKK 30-32 billion.

<u>Outlook for 2020, DKK billion</u>	Guidance 29 Apr 2020	Guidance 4 Mar 2020	Guidance 30 Jan 2020	2019 realised
EBITDA (without new partnerships)	16-17	16-17	15-16	17.5
Offshore (without new partnerships)	Lower	Lower	Lower	15.2
Onshore	Higher	Higher	Higher	0.8
Markets & Bioenergy	Lower	Lower	Lower	1.5
Gross investments	30-32	30-32	30-32	23.3



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 2019.

Results Q1

Financial results

Revenue

Power generation from offshore and onshore wind increased by 46% and totalled 5.7TWh in Q1 2020, mainly due to ramp-up of generation from Hornsea 1, Lockett and Sage Draw as well as high wind speeds in Europe throughout Q1 2020. The production-based availability in Offshore amounted to 93%, which was lower than the same period last year. The lower availability in Q1 2020 was driven by a cable replacement campaign at Hornsea 1 and largely compensated grid outages at Borkum Riffgrund 2.

Thermal power generation amounted to 1.6TWh and heat generation amounted to 3.1TWh, down 15% and 16%, respectively, compared to the same period last year. The decreases were due to warmer as well as more windy and wet weather, and less favourable market conditions. Offshore and onshore wind accounted for 55% of our total power generation, while the renewable energy share of our total heat and power generation accounted for 90% in 2020 compared with 80% in Q1 2019.

Revenue amounted to DKK 15.4 billion. The decrease of 11% relative to Q1 2019 was primarily due to significantly lower gas prices, limited construction work on wind farms for partners, and lower thermal heat and power generation, which more than outweighed the increase in wind-based power generation.

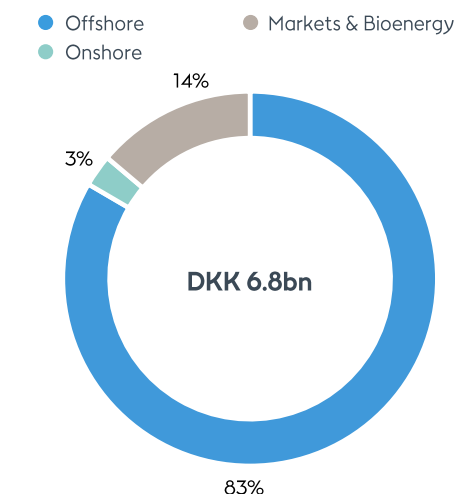
EBITDA

Operating profit (EBITDA) totalled DKK 6.8 billion compared with DKK 5.1 billion in Q1 2019. The increase was mainly driven by a 25% increase in earnings from offshore and onshore wind farms in operation, which was due to ramp-up of Hornsea 1, Lockett and Sage Draw as well as high wind speeds.

Earnings from construction agreements for partners totalled DKK 1.1 billion compared with DKK 0.9 billion in Q1 2019. The construction agreements in Q1 2020 primarily concerned the updated assumptions regarding the divestment of the transmission asset for Hornsea 1. Q1 2019 included construction activity at Hornsea 1 and Borkum Riffgrund 2.

Financial results, DKKm	Q1 2020	Q1 2019	%
Revenue	15,376	17,239	(11%)
EBITDA	6,805	5,130	33%
Depreciation	(1,754)	(1,618)	8%
EBIT	5,051	3,512	44%
Gain (loss) on divestment of enterprises	(14)	(17)	(18%)
Profit (loss) from associates and joint ventures	3	1	200%
Financial items, net	(776)	101	n.a.
Profit before tax	4,264	3,597	19%
Tax on profit (loss) for the period	(918)	(958)	(4%)
Tax rate	22%	27%	(5%p)
Profit (loss) for the period, continuing operations	3,346	2,639	27%
Profit (loss) for the period, discount. operations	(28)	(43)	(35%)
Profit (loss) for the period	3,318	2,596	28%

EBITDA, DKK billion



Earnings from our gas activities were DKK 0 billion and increased by DKK 0.1 billion compared with Q1 2019. The increase was mainly due to a less negative effect from revaluation of our gas at storage (gas prices had a steeper decline during Q1 2019 than in Q1 2020) and a positive impact from storage hedges, partly offset by lower earnings due to the shut-down from late 2019 until 2022 of the Tyra gas field as well as a DKK 0.1 billion provision for bad debt in our B2B business to cover the extraordinary COVID-19 related default risk among our customers.

EBIT

EBIT increased by DKK 1.5 billion to DKK 5.1 billion in Q1 2020, primarily as a result of the higher EBITDA, partly offset by higher depreciation driven by more wind farms in operation.

Business performance vs IFRS

We use business performance as an alternative to the results prepared in accordance with IFRS. Business performance represents the underlying financial performance of the Group in the reporting period as results are adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. The difference between the two principles will be eliminated as the contracts expire. Apart from this, there is no difference between business performance and the IFRS results.

EBITDA in accordance with IFRS amounted to DKK 9.4 billion in Q1 2020 against DKK 6.0 billion in the same period in 2019. In accordance with the business performance principle, EBITDA was DKK 6.8 billion and DKK 5.1 billion, respectively. The difference between the two principles was thus DKK 2.6 billion in Q1 2020 against DKK 0.9 billion in Q1 2019.

In the presentation of the results according to IFRS, we have elected not to apply the provisions on hedge accounting of commodities and related currency exposures. The market value adjustments of these are continuously recognised in the income statement, which means that the IFRS results for the individual years are not comparable. IFRS results do not reflect the commercial risk hedging, according to which the business units and the Group are managed and evaluated. In the management's review, comments are made on business performance only.

Business performance vs IFRS	Q1 2020	Q1 2019
EBITDA - Business performance	6,805	5,130
Adjustments	2,644	877
EBITDA - IFRS	9,449	6,007

Results Q1 continued

Financial income and expenses

Net financial income and expenses amounted to DKK -0.8 billion compared to a net income in Q1 2019 of DKK 0.1 billion. The increase in net expenses was mainly due to negative effects from exchange rate adjustments due to a weakening of GBP and capital losses on the bond portfolio due to the increasing interest rates.

Tax and tax rate

Tax on profit for the period amounted to DKK 0.9 billion, which was in line with the same period last year. The effective tax rate was 22%.

Profit for the period from continuing operations

Profit for the period from continuing operations totalled DKK 3.3 billion, DKK 0.7 billion higher than Q1 2019. The increase was primarily due to the higher EBIT.

Cash flows and net debt

Cash flows from operating activities

Cash flows from operating activities totalled DKK -0.4 billion in Q1 2020 compared with DKK -0.1 billion in Q1 2019. The decrease of DKK 0.3 billion was mainly due to funds tied up in work in progress on construction agreements and changes in the value of derivatives. This was partly offset by lower paid on account taxes in Denmark and higher EBITDA (excluding gains from divestments which are not recognised in cash flows from operating activities).

In Q1 2020, we had a net cash outflow from work in progress of DKK 1.8 billion, mainly from supplier payments related to the construction of Hornsea 1 for partners and construction of

the offshore transmission asset at Hornsea 2.

Investments and divestments

Gross investments amounted to DKK 5.3 billion against DKK 3.9 billion in Q1 2019. The main investments in Q1 2020 were:

- offshore wind farms (DKK 4.3 billion), including Borssele 1 & 2 in the Netherlands, Hornsea 2 in the UK, Greater Changhua 1 & 2a in Taiwan and Ocean Wind in the US.
- onshore wind and solar farms (DKK 0.7 billion), including Sage Draw, Plum Creek and Permian Energy Center in the US.
- Markets & Bioenergy (DKK 0.2 billion), mainly related to maintenance of the power distribution grid.

Cash flow from divestments in Q1 2019 related to the receipt of deferred proceeds from the farm-down of 50% of Hornsea 1 in 2018 (DKK 1.7 billion) and to the strengthening of our strategic partnership with Eversource as they became a 50% partner in our activities in the New England area in the US in February 2019 (DKK 1.0 billion).

Interest-bearing net debt

Interest-bearing net debt totalled DKK 27.1 billion at the end of March 2020 against DKK 17.2 billion at the end of 2019. The DKK 9.9 billion increase was mainly due to a negative free cash flow of DKK 5.7 billion and dividend payments of DKK 4.4 billion.

Equity

Equity was DKK 89.0 billion at the end of March 2020 against DKK 89.6 billion at the end of 2019.

Cash flow and net debt, DKKm

	Q1 2020	Q1 2019	%
Cash flows from operating activities	(428)	(118)	263%
EBITDA	6,805	5,130	33%
Change in derivatives	(1,194)	134	n.a.
Change in provisions	(16)	(6)	167%
Reversal of gain (loss) on sale of assets	(1,217)	(118)	931%
Other items	36	(2)	n.a.
Interest expense, net	(529)	(91)	481%
Paid tax	(1,267)	(4,827)	(74%)
Change in work in progress	(1,838)	1,001	n.a.
Change in tax equity liabilities	(125)	(81)	54%
Change in other working capital	(1,083)	(1,258)	(14%)
Gross investments	(5,308)	(3,899)	36%
Divestments	7	2,678	(100%)
Free cash flow	(5,729)	(1,339)	328%
Net debt, beginning of period	17,230	(2,219)	n.a.
Free cash flow from continuing operations	5,729	1,339	328%
Free cash flow from discontinued operations	146	(2)	n.a.
Dividends and hybrid coupon paid	4,543	4,237	7%
Cash flow from assets held for sale	-	-	n.a.
Addition of lease obligations	9	5,224	(100%)
Interest bearing receivable re. O&G divestment	(8)	(8)	0%
Exchange rate adjustments, etc.	(565)	540	n.a.
Net debt, end of period	27,084	9,111	197%

Capital employed

Capital employed was DKK 116.1 billion at 31 March 2020 against DKK 106.8 billion at the end of 2019. The increase was mainly due to investments, more funds tied up in net working capital, and a higher value of derivatives. Approximately half of the capital employed in Markets & Bioenergy of DKK 14.5 billion relates to assets and liabilities to be divested.

Financial ratios

Return on capital employed (ROCE)

Return on capital employed (ROCE, last 12 months) was 11% at the end of Q1 2020. The decrease compared to the same period last year was attributable to the lower EBIT over the 12-month period, which in Q1 2019 was significantly impacted by the farm-down of Hornsea 1 in Q4 2018.

Results Q1 continued

Credit metric (FFO/adjusted net debt)

The funds from operations (FFO)/adjusted net debt credit metric was 21% at the end of March 2020 against 46% in the same period last year. The low level is primarily because it includes the majority of our current taxes regarding 2019.

4 injuries compared to the same quarter last year or a reduction of 18%. The number of hours worked was 5.0 million hours, the same level as in Q1 2019. Over the last 12 months, the total recordable injury rate (TRIR) increased from 4.3 in Q1 2019 to 4.7 in Q1 2020.

Non-financial results

Green share of heat and power generation

The green share of heat and power generation amounted to 90% in Q1 2020, up 10 percentage points relative to the same period last year. The increase was due to additional offshore and onshore wind capacity, higher generation from offshore wind farms due to higher wind speeds and lower fossil fuel-based heat and power generation due to the warmer and more windy weather in Q1 2020 leading to reduced heat and power demand from the CHP plants.

Greenhouse gas emissions

Greenhouse gas intensity from our heat and power generation and other operating activities (scope 1 and 2), decreased to 53g CO₂e/kWh in Q1 2020 against 85g CO₂e/kWh in Q1 2019. The emissions per kWh decreased for the same reasons as mentioned above.

Greenhouse gas emissions from our supply chain and sales activities (scope 3) increased by 4% to 7.6 million tonnes in Q1 2020 driven by a 3% increase in gas sales.

Safety

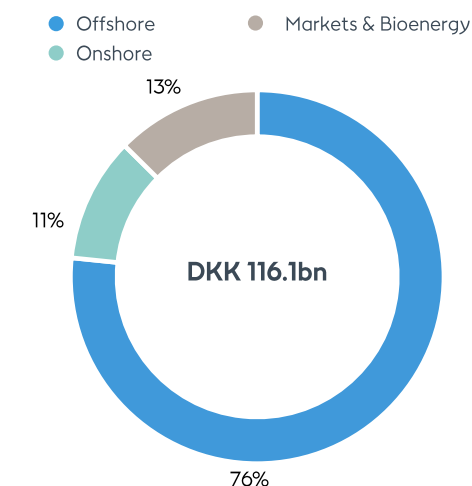
In Q1 2020, we have had 18 total recordable injuries (TRIs), of which 12 injuries were related to contractors' employees. This was a decrease of

Key ratios, DKKm, %

	Q1 2020	Q1 2019	%
ROCE ¹	11.0	28.2	(17%p)
Adjusted net debt	40,371	22,008	83%
FFO/adjusted net debt ¹	21.3	46.2	(25%p)

¹See page 79 in the annual report for 2019 for definitions.

Capital employed, %



Offshore

Highlights Q1 2020

- High wind speeds in Europe throughout Q1.
- First power achieved at Borssele 1 & 2.
- Following further progress in the divestment process of the transmission asset for Hornsea 1, we lowered our assumption regarding the preferred bidder's expected return requirement on the transmission asset.
- In April, we signed a 15-year PPA with Nestlé UK for offtake of 125GWh of green power per year from Race Bank.
- We selected Siemens Gamesa as the preferred wind turbine supplier for our German projects Borkum Riffgrund 3 (900MW) and Gode Wind 3 (242MW).
- In Taiwan, we have signed a 20-year lease with the Port of Taichung for our Greater Changhua offshore wind farms.
- In March, we entered into an agreement with TEPCO to establish a joint venture company for offshore wind in Japan.
- In the UK, we secured funding for our green hydrogen project Gigastack.

Financial results Q1 2020

Power generation increased by 48% relative to Q1 2019, primarily due to ramp-up of generation from Hornsea 1 (0.8TWh).

Wind speeds were above Q1 2019 and amounted to a portfolio average of 12.1m/s, which was above a normal wind year with very strong winds in January and February. Availability ended at 93%, which was below Q1 2019. This was mainly driven by low availability at Hornsea 1 and Borkum Riffgrund 2 due to cable replace-

ment campaign and outages, respectively.

Revenue decreased by 5% to DKK 8.0 billion.

Revenue from construction agreements decreased by DKK 1.4 billion primarily due to high activity in Q1 2019 related to the construction of Hornsea 1 offshore wind farm for partners. In Q1 2020, revenue from construction agreements primarily related to the finalisation of Hornsea 1 and construction of Virginia Coastal Wind. Revenue from power sales decreased by DKK 0.4 billion due to lower power prices.

Revenue from offshore wind farms in operation increased by 25% to DKK 5.7 billion due to the above-mentioned ramp-up from Hornsea 1 and higher wind speeds.

EBITDA increased by 30% relative to Q1 2019 and amounted to DKK 5.6 billion.

EBITDA from Sites, O&M and PPAs amounted to DKK 4.9 billion in Q1 2020. The 25% increase was due to Hornsea 1 ramp-up and higher wind speeds.

EBITDA from partnerships increased by DKK 0.2 billion and amounted to DKK 1.1 billion. In Q1 2020, we lowered our assumption regarding the preferred bidder's expected return requirement on the Hornsea 1 transmission asset, which positively impacted EBITDA. In Q1 2019, earnings from construction agreements primarily concerned Hornsea 1 and Borkum Riffgrund 2.

EBITDA from other activities, including project

Financial results

Business drivers

		Q1 2020	Q1 2019	%
Decided (FID'ed) and installed capacity, offshore wind	GW	9.9	9.0	10%
Installed capacity, offshore wind	GW	6.8	5.6	22%
Generation capacity, offshore wind	GW	3.6	3.0	19%
Wind speed	m/s	12.1	10.4	16%
Load factor	%	60	51	9%p
Availability	%	93	96	(3%p)
Power generation	TWh	4.6	3.1	48%
Denmark		0.7	0.6	19%
United Kingdom		3.1	1.9	65%
Germany		0.8	0.6	27%
USA		0.0	0.0	n.a.
Power sales (net of internally sourced generation)	TWh	8.8	7.2	22%
Power price, LEBA UK	GBP/MWh	33.6	52.6	(36%)
British pound	DKK/GBP	8.7	8.6	1%

Financial performance

Revenue	DKKm	7,975	8,367	(5%)
Sites, O&M and PPAs		5,725	4,440	29%
Power sales		1,664	2,029	(18%)
Construction agreements		563	1,990	(72%)
Other		23	(92)	n.a.
EBITDA	DKKm	5,632	4,318	30%
Sites, O&M and PPAs		4,936	3,960	25%
Construction agreements and divestment gains		1,099	888	24%
Other incl. project development		(403)	(530)	(24%)
Depreciation	DKKm	(1,408)	(1,298)	8%
EBIT	DKKm	4,224	3,020	40%
Cash flow from operating activities	DKKm	(1,553)	(1,963)	(21%)
Cost investments	DKKm	(4,292)	(2,879)	49%
Divestments	DKKm	9	2,693	(100%)
Free cash flow	DKKm	(5,836)	(2,149)	172%
Capital employed	DKKm	87,957	73,997	19%



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

Offshore continued

development amounted to DKK -0.4 billion. The decreased spend relative to Q1 2019 was mainly due to higher expensed project development activities in the US and Taiwan in Q1 2019.

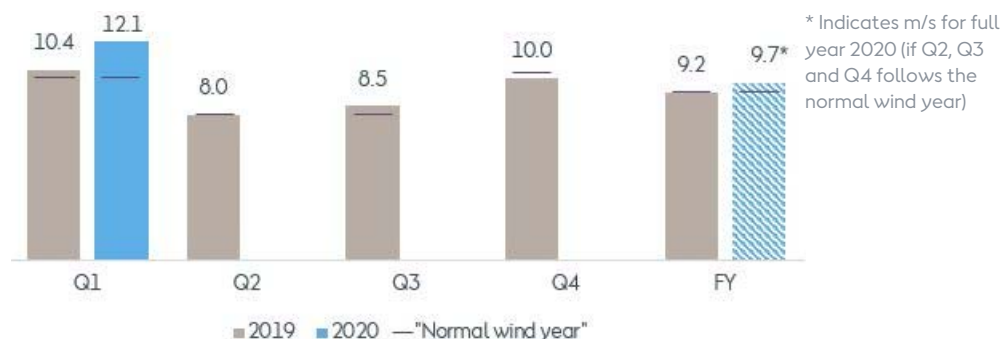
Depreciation increased by 8% and amounted to DKK 1.4 billion. The increase was mainly due to the commissioning of Hornsea 1.

Cash flow from operating activities was an outflow of DKK 1.6 billion, which was DKK 0.4 billion less negative than in Q1 2019. This was primarily due to higher EBITDA and less paid tax in Q1 2020, partly offset by more capital being tied up in work in progress. In Q1 2020, we had a net cash outflow from work in progress of DKK 1.8 billion, mainly from supplier payments related to the construction of Hornsea 1 for partners and the offshore transmission assets at Hornsea 2. In Q1 2019, we had a net cash inflow from work in progress of DKK 1.0 billion due to the receipt of milestone payments related to Hornsea 1 only partly offset by funds tied up related to the construction of Hornsea 1 for partners and the offshore transmission assets at Hornsea 1 and 2.

Gross investments amounted to DKK 4.3 billion and mainly related to Borssele 1 & 2, Hornsea 2, Greater Changhua 1 & 2a and Ocean Wind.

In Q1 2019, cash flow from divestments related to the receipt of deferred proceeds from the farm-down of 50% of Hornsea 1 in 2018 (DKK 1.7 billion) and to the strengthening of our strategic partnership with Eversource as they became a 50% partner in our activities in the New England area in the US in February (DKK 1.0 billion).

Wind speed, (m/s) for our 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.

Onshore

Highlights Q1 2020

- We commissioned the onshore wind farm Sage Draw (338MW) on time and on budget.
- All our construction projects are well on track.

Financial results Q1 2020

Power generation increased by 39% relative to Q1 2019. The increase was primarily due to new wind farms in operation (Sage Draw and Lockett). Wind speeds amounted to a portfolio average of 7.5 m/s, slightly below expectations for a normal wind year.

Revenue from wind farms in operation increased by 20% due to the higher generation, partly offset by lower prices.

EBITDA increased by 24% and amounted to DKK 0.2 billion. The increase was primarily due to the above-mentioned factors.

Gross investments amounted to DKK 0.7 billion in Q1 2020 and related to the construction of Permian Energy Center, Sage Draw and Plum Creek.

Financial results		Q1 2020	Q1 2019	%
Business drivers				
Decided (FID'ed) and installed capacity	MW	2,088	997	109%
Installed capacity	MW	1,335	813	64%
Wind speed	m/s	7.5	7.8	(4%)
Load factor	%	44	47	(3%p)
Availability	%	95	97	(2%p)
Power generation	TWh	1.1	0.8	39%
Net realised price	USD/MWh	14.1	16.0	(12%)
US dollar	DKK/USD	6.8	6.6	3%
Financial performance				
Revenue	DKKm	137	114	20%
EBITDA	DKKm	187	151	24%
Sites		76	73	4%
Production tax credits and tax attributes		209	142	47%
Other including project development		(98)	(64)	53%
Depreciation	DKKm	(98)	(80)	23%
EBIT	DKKm	89	71	25%
Cash flow from operating activities	DKKm	(47)	(94)	(50%)
Gross investments	DKKm	(748)	(540)	39%
Divestments	DKKm	-	-	n.a.
Free cash flow	DKKm	(795)	(634)	25%
Capital employed	DKKm	12,381	6,853	81%

Markets & Bioenergy

Highlights Q1 2020

- We generated 77% of our thermal heat and power from green energy sources.
- The divestments of our Danish power distribution (Radius), residential customer and city light businesses to SEAS-NVE and our LNG activities to Glencore are on track with both transactions to be closed during summer.
- The Copenhagen Maritime & Commercial Court decided to close the action for damages in favour of Ørsted in the Elsam competition case.

Financial results Q1 2020

Revenue decreased by 20% compared to Q1 2019 and amounted to DKK 7.5 billion. The decrease was mainly driven by an average decrease of 47% in gas prices relative to the same period last year.

Power generation was 15% lower than in Q1 2019, driven by warmer as well as more windy and wet weather and less favourable market conditions for power generation. Heat generation decreased by 16% in Q1 2020 due to warmer weather. In contrast, demand for ancillary services increased.

EBITDA amounted to DKK 0.9 billion compared to DKK 0.7 billion in Q1 2019.

EBITDA from CHP plants was in line with the same period last year and totalled DKK 0.5 billion in Q1 2020. The increased sale of ancillary services was offset by the decrease in power and heat generation and the negative spread development as well as a positive effect in Q1

2019 from the reversal of a provision.

EBITDA from Gas Markets & Infrastructure increased by DKK 0.1 billion and amounted to DKK 0 billion. The increase was mainly due to a less negative effect from revaluating our gas at storage (gas prices had a steeper decline during Q1 2019 than in Q1 2020) and a positive impact from storage hedges. This was partly offset by lower earnings due to the shut-down from late 2019 until 2022 of the Tyra gas field as well as a DKK 0.1 billion provision for bad debt in our B2B business to cover the extraordinary COVID-19 related default risk among our customers.

EBITDA from LNG amounted to DKK 0 billion. In 2019, we provided for the expected loss from the divestment to be concluded during summer 2020 and the expected operating loss until closing.

EBITDA from Distribution, B2C and city light increased by DKK 0.1 billion to DKK 0.5 billion. The increase was mainly due to lower costs.

Cash flow from operating activities amounted to DKK 1.6 billion in Q1 2020. The decrease of DKK 0.4 billion was mainly due to changes in the value of derivatives, higher trade receivables and lower trade payables. This was partly offset by less paid in tax (receipt of on account taxes in Q1 2020 versus payment of taxes on account in Q1 2019).

Gross investments amounted to DKK 0.2 billion in Q1 2020 and mainly related to maintenance of the power distribution grid.

Financial results

		Q1 2020	Q1 2019	%
Business drivers				
Degree days	Number	1,065	1,140	(7%)
Heat generation	TWh	3.1	3.7	(16%)
Power generation	TWh	1.6	1.9	(15%)
Gas sales	TWh	26.7	25.8	3%
Power sales	TWh	3.6	4.0	(10%)
Gas price, TTF	EUR/MWh	9.7	18.4	(47%)
Power price, DK	EUR/MWh	21.2	43.0	(51%)
Power price, LEBA UK	GBP/MWh	33.6	52.6	(36%)
Green dark spread, DK	EUR/MWh	(15.1)	(0.7)	2062%
Green spark spread, DK	EUR/MWh	(12.6)	(3.4)	270%
Financial results				
Revenue	DKKm	7,509	9,410	(20%)
EBITDA	DKKm	933	684	36%
CHP plants		520	554	(6%)
Gas Markets & Infrastructure		11	(117)	n.a.
LNG		0	(70)	n.a.
Distribution, B2C and city light		476	410	16%
Other, incl. project development		(74)	(93)	(20%)
Depreciation	DKKm	(192)	(185)	4%
EBIT	DKKm	741	499	48%
Cash flow from operating activities	DKKm	1,557	1,987	(22%)
Gross investments	DKKm	(244)	(467)	(48%)
Divestments	DKKm	(1)	(15)	(93%)
Free cash flow	DKKm	1,312	1,505	(13%)
Capital employed	DKKm	14,452	13,341	8%

Reporting

We run our business on an end-to-end value chain thinking. All activities and earnings that relate to Offshore and Onshore are reported in these segments, even if the daily activities are performed on behalf of the group in Markets & Bioenergy. Therefore, earnings from trading related to hedging of our power exposures and power portfolio optimisation activities in relation to Offshore and Onshore are presented in these business units.

In Q1 2020, EBITDA of DKK 195 million and DKK -10 million were transferred to Offshore and Onshore, respectively, and DKK 319 million was transferred to Offshore in Q1 2019.

Performance highlights

Income statement

(Business performance), DKKm

	Q1 2020	Q1 2019	2019
Revenue	15,376	17,239	67,842
EBITDA	6,805	5,130	17,484
Offshore	5,632	4,318	15,161
- Sites, O&M and PPAs	4,936	3,960	13,750
- Construction agreements and other	696	358	1,411
Onshore	187	151	786
Markets & Bioenergy	933	684	1,495
Other activities	53	(23)	42
Depreciation and amortisation	(1,754)	(1,618)	(6,864)
Impairment losses	-	-	(568)
Operating profit (loss) (EBIT)	5,051	3,512	10,052
Gain (loss) on divestment of enterprises	(14)	(17)	(63)
Net financial income and expenses	(776)	101	(1,135)
Profit (loss) before tax	4,264	3,597	8,856
Tax	(918)	(958)	(2,756)
Profit (loss) for the period from continuing operations	3,346	2,639	6,100
Profit (loss) for the period	3,318	2,596	6,044
Balance sheet			
Assets	193,636	182,783	192,860
Equity	89,015	85,843	89,562
Shareholders in Ørsted A/S	72,728	69,193	73,082
Non-controlling interests	3,055	3,411	3,248
Hybrid capital	13,232	13,239	13,232
Interest-bearing net debt	27,084	9,111	17,230
Capital employed	116,098	94,954	106,792
Additions to property, plant, and equipment	4,833	3,676	22,440
Cash flow			
Cash flow from operating activities	(428)	(118)	13,079
Gross investments	(5,308)	(3,899)	(23,305)
Divestments	7	2,678	3,329
Free cash flow	(5,729)	(1,339)	(6,897)
Financial ratios			
Return on capital employed (ROCE) ¹ , %	11.0	28.2	10.6
FFO/adjusted net debt ² , %	21.3	46.2	31.0
Number of outstanding shares, end of period, '000	419,985	420,045	419,985
Share price, end of period, DKK	666.4	504.4	689.0
Market capitalisation, end of period, DKK billion	280.1	211.7	289.6
Earnings per share (EPS) (BP), DKK	7.9	6.2	12.7
Dividend yield, %	-	-	1.5
Income statement (IFRS)			
Revenue	18,232	18,763	70,398
EBITDA	9,449	6,007	19,020
Profit (loss) for the period from continuing operations	5,407	3,322	7,291

Business drivers

	Q1 2020	Q1 2019	2019
Offshore			
Decided (FID'ed) and installed capacity ³ , offshore wind, GW	9.9	9.0	9.9
Installed capacity, offshore wind, GW	6.8	5.6	6.8
Generation capacity, offshore wind, GW	3.6	3.0	3.6
Wind speed ³ , m/s	12.1	10.4	9.2
Load factor ³ , %	60	51	42
Availability ³ , %	93	96	93
Power generation, TWh	4.6	3.1	12.0
Power sales, TWh	8.8	7.2	27.6
Onshore			
Decided (FID'ed) and installed capacity ³ , onshore wind, GW	2.1	1.0	2.1
Installed capacity ³ , onshore wind, GW	1.3	0.8	1.0
Wind speed ³ , m/s	7.5	7.8	7.3
Load factor ³ , %	44	47	45
Availability ³ , %	95	97	98
Power generation ³ , TWh	1.1	0.8	3.5
Markets & Bioenergy			
Degree days ³ , number	1,065	1,140	2,399
Heat generation, TWh	3.1	3.7	8.3
Power generation, TWh	1.6	1.9	4.6
Power sales, TWh	3.6	4.0	14.7
Gas sales, TWh	26.7	25.8	125.0
People and environment			
Employees (FTE), end of period number	6,608	6,176	6,526
Total recordable injury rate (TRIR) ⁴	4.7	4.3	4.9
Fatalities, number	0	0	1
Green share of heat and power generation, %	90	80	86
Carbon emissions, g CO ₂ e/kWh	53	85	65



Business performance vs. IFRS

Business performance represents the underlying financial performance of the Group in the reporting period as results are adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. Apart from this, there is no difference between business performance and IFRS results. Read more in note 2.

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

² Net debt including 50% of hybrid capital, cash and securities not available for use (with the exception of repo transactions), and decommissioning obligations less deferred tax.

³ See definition on page 164 and 'ESG statements' in the annual report for 2019.

⁴ Last 12 months.

Quarterly overview

	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Income statement (Business performance), DKKm	2020	2019	2019	2019	2019	2018	2018	2018	Business drivers	2020	2019	2019	2019	2019	2018	2018	2018
Revenue	15,376	18,679	15,481	16,443	17,239	23,527	15,018	18,593	Offshore								
EBITDA	6,805	4,613	4,116	3,625	5,130	19,206	2,225	3,079	Decided (FID'ed) and installed capacity ³ , offshore wind, GW	9.9	9.9	9.9	9.9	9.0	9.0	8.9	8.9
Offshore	5,632	4,048	3,223	3,572	4,318	18,847	1,987	3,159	Installed capacity, offshore wind, GW	6.8	6.8	5.6	5.6	5.6	5.6	5.1	5.1
- Sites, O&M and PPAs	4,936	4,626	2,612	2,552	3,960	4,109	2,004	1,837	Generation capacity, offshore wind, GW	3.6	3.6	3.6	3.3	3.0	3.0	2.9	2.8
- Construction agreements and other	696	(578)	611	1,020	358	14,738	(17)	1,322	Wind speed, m/s	12.1	10.0	8.5	8.0	10.4	10.3	7.7	7.9
Onshore	187	165	308	162	151	44	-	-	Load factor ³ , %	60	50	37	31	51	53	32	31
Markets & Bioenergy	933	490	436	(115)	684	303	259	(18)	Availability ³ , %	93	93	93	87	96	93	92	93
Other activities	53	(90)	149	6	(23)	12	(21)	(62)	Power generation, TWh	4.6	3.9	2.8	2.2	3.1	3.3	1.9	1.8
Depreciation and amortisation	(1,754)	(1,876)	(1,681)	(1,689)	(1,618)	(1,697)	(1,437)	(1,462)	Power sales, TWh	8.8	7.7	7.0	5.7	7.2	7.7	5.0	5.4
Impairment losses	-	(568)	-	-	-	603	-	-	Onshore								
Operating profit (loss) (EBIT)	5,051	2,169	2,435	1,936	3,512	18,112	788	1,617	Decided (FID'ed) capacity ³ , onshore wind, GW	2.1	2.1	1.7	1.4	1.0	1.0	-	-
Gain (loss) on divestment of enterprises	(14)	(13)	(15)	(18)	(17)	(28)	181	(16)	Installed capacity ³ , onshore wind, GW	1.3	1.0	1.0	0.8	0.8	0.8	-	-
Net financial income and expenses	(776)	(644)	(47)	(545)	101	(43)	(436)	(504)	Wind speed ³ , m/s	7.5	7.3	6.6	7.7	7.8	7.3	-	-
Profit (loss) before tax	4,264	1,515	2,368	1,376	3,597	18,038	535	1,101	Load factor ³ , %	44	46	39	47	47	41	-	-
Tax	(918)	(590)	(925)	(283)	(958)	(2,878)	(117)	(225)	Availability ³ , %	95	98	98	97	97	98	-	-
Profit (loss) for the period from continuing operations	3,346	925	1,443	1,093	2,639	15,160	418	876	Power generation, TWh	1.1	1.0	0.9	0.8	0.8	0.6	-	-
Profit (loss) for the period	3,318	896	1,477	1,075	2,596	15,194	405	857	Markets & Bioenergy								
Balance sheet									Degree days ³ , number	1,065	882	108	269	1,140	884	76	149
Assets	193,636	192,860	194,521	185,949	182,783	174,575	150,909	149,149	Heat generation, TWh	3.1	3.0	0.5	1.1	3.7	2.8	0.3	0.9
Equity	89,015	89,562	87,369	86,446	85,843	85,115	68,701	69,744	Power generation, TWh	1.6	1.6	0.4	0.7	1.9	1.8	0.7	0.9
Shareholders in Ørsted A/S	72,728	73,082	70,977	69,960	69,193	68,488	52,029	52,884	Power sales, TWh	3.6	4.1	3.3	3.3	4.0	4.2	3.5	3.5
Non-controlling interests	3,055	3,248	3,153	3,247	3,411	3,388	3,433	3,621	Gas sales, TWh	26.7	36.7	30.8	31.7	25.8	25.5	31.3	33.9
Hybrid capital	13,232	13,232	13,239	13,239	13,239	13,239	13,239	13,239	People and environment								
Interest-bearing net debt	27,084	17,230	12,082	4,980	9,111	(2,219)	8,957	4,603	Employees (FTE) end of period, number	6,608	6,526	6,454	6,312	6,176	6,080	5,882	5,741
Capital employed	116,098	106,792	99,451	91,426	94,954	82,896	77,658	74,347	Total recordable injury rate (TRIR) ⁴	4.7	4.9	4.5	4.1	4.3	4.7	5.0	6.2
Additions to property, plant, equipment	4,833	6,560	8,449	3,755	3,676	4,575	2,942	3,137	Fatalities, number	0	0	0	1	0	0	0	0
Cash flow									Green share of heat and power generation, %	90	90	87	85	80	83	71	80
Cash flow from operating activities	(428)	4,816	871	7,510	(118)	7,565	(117)	3,293	Carbon emissions, g CO ₂ e/kWh	53	44	62	71	85	87	212	123
Gross investments	(5,308)	(8,816)	(7,222)	(3,368)	(3,899)	(14,916)	(4,385)	(3,109)									
Divestments	7	402	260	(11)	2,678	18,749	380	(14)									
Free cash flow	(5,729)	(3,598)	(6,091)	4,131	(1,339)	11,398	(4,122)	170									
Financial ratios																	
Return on capital employed (ROCE) ¹ , %	11.0	10.6	29.3	29.3	28.2	32.1	23.0	23.5									
FFO/adjusted net debt ² , %	21.3	31.0	47.4	57.5	46.2	69.0	41.7	44.3									
Number of outstanding shares, end of period, '000	419,985	419,985	419,985	419,985	420,045	420,045	420,155	420,155									
Share price, end of period, DKK	666.4	689.0	636.6	532.8	504.4	435.7	436.3	386.0									
Market capitalisation, end of period, DKK billion	280.1	289.6	267.4	223.8	211.7	183.0	183.3	162.3									
Earnings per share (EPS) (BP), DKK	7.9	1.1	3.5	1.9	6.2	35.6	1.1	1.4									
Income statement (IFRS)																	
Revenue	18,232	19,815	14,543	17,277	18,763	26,165	12,798	16,859									
EBITDA	9,449	5,260	3,328	4,425	6,007	20,914	567	1,725									
Profit (loss) for the period from continuing operations	5,407	1,429	822	1,718	3,322	16,472	(875)	(180)									



Business performance vs. IFRS

Business performance represents the underlying financial performance of the Group in the reporting period as results are adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. Apart from this, there is no difference between business performance and IFRS results. Read more in note 2.

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

² Net debt including 50% of hybrid capital, cash and securities not available for use (with the exception of repo transactions), present value of lease obligations (in 2018), and decommissioning obligations less deferred tax.

³ See definition on page 164 and 'ESG statement' in the annual report for 2019.

⁴ Last 12 months.



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Income statement

1 January - 31 March

Note	Income statement, DKKm	Q1 2020			Q1 2019		
		Business performance	Adjustments	IFRS	Business performance	Adjustments	IFRS
4	Revenue	15,376	2,856	18,232	17,239	1,524	18,763
	Cost of sales	(7,807)	(212)	(8,019)	(10,363)	(647)	(11,010)
	Other external expenses	(1,259)	-	(1,259)	(1,400)	-	(1,400)
	Employee costs	(1,023)	-	(1,023)	(922)	-	(922)
	Share of profit (loss) in associates and joint ventures	4	-	4	(2)	-	(2)
5	Other operating income	1,587	-	1,587	673	-	673
5	Other operating expenses	(73)	-	(73)	(95)	-	(95)
	Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)	6,805	2,644	9,449	5,130	877	6,007
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	(1,754)	-	(1,754)	(1,618)	-	(1,618)
	Operating profit (loss) (EBIT)	5,051	2,644	7,695	3,512	877	4,389
	Gain (loss) on divestment of enterprises	(14)	-	(14)	(17)	-	(17)
	Share of profit (loss) in associates and joint ventures	3	-	3	1	-	1
9	Financial income	805	-	805	1,660	-	1,660
9	Financial expenses	(1,581)	-	(1,581)	(1,559)	-	(1,559)
	Profit (loss) before tax	4,264	2,644	6,908	3,597	877	4,474
	Tax on profit (loss) for the period	(918)	(583)	(1,501)	(958)	(194)	(1,152)
	Profit (loss) for the period from continuing operations	3,346	2,061	5,407	2,639	683	3,322
8	Profit (loss) for the period from discontinued operations	(28)	-	(28)	(43)	-	(43)
	Profit (loss) for the period	3,318	2,061	5,379	2,596	683	3,279
	Profit (loss) for the period is attributable to:						
	Shareholders in Ørsted A/S	3,318	2,061	5,379	2,610	683	3,293
	Interests and costs, hybrid capital owners of Ørsted A/S	-	-	-	(35)	-	(35)
	Non-controlling interests	-	-	-	21	-	21
	Profit (loss) per share, DKK:						
	From continuing operations	8.0		12.9	6.3		7.9
	From discontinued operations	(0.1)		(0.1)	(0.1)		(0.1)
	Total profit (loss) per share	7.9		12.8	6.2		7.8



Profit (loss) per share

Diluted profit (loss) per share corresponds to profit (loss) per share, as the dilutive effect of the share incentive programme is less than 0.1% of the share capital.



Effective tax rate

The estimated average annual tax rate for ordinary business activities is 22% compared to a total tax rate of 31% for the full year of 2019.

Accounting policies

Business performance

The business performance principle is our alternative performance measure. Under business performance, the market value adjustment of our energy hedges, where we do not apply IFRS hedge accounting, are deferred and recognised in the profit (loss) in the period in which the hedged exposure materialises. Energy hedges comprise hedging of energy and associated currency risks as well as fixed-price physical gas and power contracts. According to IFRS, the market value of energy hedges, where we do not apply IFRS hedge accounting, are recognised on an ongoing basis in the profit (loss) for the period. The difference between IFRS and business performance is specified in the 'Adjustments' column. Read more about the business performance principle in note 2 'Business performance' as well as note 1.5 'Business performance' in the annual report 2019.

Effective tax rate

The estimated average annual tax rate is separated based on regions and into two different categories: a) ordinary business activities and b) gain (loss) on divestments and impacts from tax equity contributions.

Statement of comprehensive income

1 January - 31 March

	Q1 2020			Q1 2019		
	Business performance	Adjustments	IFRS	Business performance	Adjustments	IFRS
Statement of comprehensive income, DKKm						
Profit (loss) for the period	3,318	2,061	5,379	2,596	683	3,279
Other comprehensive income:						
Cash flow hedging:						
Value adjustments for the period	2,584	(3,194)	(610)	1,371	(573)	798
Value adjustments transferred to income statement	(484)	550	66	388	(304)	84
Exchange rate adjustments:						
Exchange rate adjustments relating to net investment in foreign enterprises	(2,269)	-	(2,269)	1,973	-	1,973
Value adjustment of net investment hedges	1,148	-	1,148	(1,074)	-	(1,074)
Tax:						
Tax on hedging instruments	(571)	583	12	(301)	194	(107)
Tax on exchange rate adjustments	273	-	273	(27)	-	(27)
Other:						
Share of other comprehensive income of associated companies, after tax	(10)	-	(10)	(1)	-	(1)
Other comprehensive income	671	(2,061)	(1,390)	2,329	(683)	1,646
Total comprehensive income	3,989	-	3,989	4,925	-	4,925
Comprehensive income for the period is attributable to:						
Shareholders in Ørsted A/S			4,050			4,796
Interest payments and costs, hybrid capital owners of Ørsted A/S			-			(35)
Non-controlling interests			(61)			164
Total comprehensive income			3,989			4,925



Statement of comprehensive income
All items in 'Other comprehensive income' may be recycled to the income statement.

Balance sheet

Note	Assets, DKKm	31 March 2020	31 December 2019	31 March 2019	Note	Equity and liabilities, DKKm	31 March 2020	31 December 2019	31 March 2019
	Intangible assets	657	672	791		Share capital	4,204	4,204	4,204
	Land and buildings	5,029	5,177	4,954	10	Reserves	(906)	413	(323)
	Production assets	76,940	76,682	68,270		Retained earnings	69,430	68,465	65,312
	Fixtures and fittings, tools and equipment	590	652	729		Equity attributable to shareholders in Ørsted A/S	72,728	73,082	69,193
	Property, plant and equipment under construction	25,165	23,502	18,174		Hybrid capital	13,232	13,232	13,239
	Property, plant and equipment	107,724	106,013	92,127		Non-controlling interests	3,055	3,248	3,411
	Investments in associates and joint ventures	558	497	461		Equity	89,015	89,562	85,843
	Receivables from associates and joint ventures	-	-	60		Deferred tax	2,508	3,371	3,818
	Other securities and equity investments	229	217	206		Provisions	12,238	12,063	13,022
	Deferred tax	7,058	6,847	4,166		Lease liabilities	4,533	4,728	4,623
	Other receivables	2,891	1,713	2,604	13	Bond and bank debt	35,262	36,039	25,572
	Other non-current assets	10,736	9,274	7,497		Contract liabilities	3,721	3,762	3,703
	Non-current assets	119,117	115,959	100,415		Tax equity liabilities	4,608	4,563	3,784
	Inventories	14,960	14,031	15,194		Other payables	493	469	225
12	Derivatives	12,041	7,740	5,353		Non-current liabilities	63,363	64,995	54,747
	Contract assets	1,006	739	343		Provisions	529	538	678
	Trade receivables	7,517	8,140	9,726		Lease liabilities	638	604	588
	Other receivables	4,235	5,253	4,709	13	Bond and bank debt	3,847	801	6,277
	Income tax	19	346	6,155	12	Derivatives	7,626	6,958	7,248
12	Securities	12,941	16,552	21,576		Contract liabilities	923	784	505
	Cash	4,899	7,148	3,737		Trade payables	8,846	10,832	13,011
	Current assets	57,618	59,949	66,793		Tax equity liabilities	646	632	453
7	Assets classified as held for sale	16,901	16,952	15,575		Other payables	4,738	4,247	3,547
	Assets	193,636	192,860	182,783		Income tax	4,640	4,075	5,261
						Current liabilities	32,433	29,471	37,568
						Liabilities	95,796	94,466	92,315
						Liabilities relating to assets classified as held for sale	8,825	8,832	4,625
					7	Equity and liabilities	193,636	192,860	182,783



Assets and liabilities classified as held for sale
Assets classified as held for sale at 31 March 2020 comprised our Danish power distribution, residential customer and city light businesses as well as our oil pipe system in Denmark.

Statement of changes in equity

1 January - 31 March

DKK M	2020								2019							
	Share capital	Reserves*	Retained earnings	Proposed dividends	Shareholders in Ørsted A/S	Hybrid capital	Non-controlling interests	Total Group	Share capital	Reserves*	Retained earnings	Proposed dividends	Shareholders in Ørsted A/S	Hybrid capital	Non-controlling interests	Total Group
Equity at 1 January	4,204	413	64,051	4,414	73,082	13,232	3,248	89,562	4,204	(1,827)	62,012	4,099	68,488	13,239	3,388	85,115
Comprehensive income for the period:																
Profit (loss) for the period	-	-	5,379	-	5,379	-	-	5,379	-	-	3,293	-	3,293	(35)	21	3,279
Other comprehensive income:																
Cash-flow hedging	-	(544)	-	-	(544)	-	-	(544)	-	882	-	-	882	-	-	882
Exchange rate adjustments	-	(1,060)	-	-	(1,060)	-	(61)	(1,121)	-	756	-	-	756	-	143	899
Tax on other comprehensive income	-	285	-	-	285	-	-	285	-	(134)	-	-	(134)	-	-	(134)
Share of other comprehensive income of associated companies, after tax	-	-	(10)	-	(10)	-	-	(10)	-	-	(1)	-	(1)	-	-	(1)
Total comprehensive income	-	(1,319)	5,369	-	4,050	-	(61)	3,989	-	1,504	3,292	-	4,796	(35)	164	4,925
Transactions with owners:																
Tax, hybrid capital	-	-	-	-	-	-	-	-	-	-	-	-	-	35	-	35
Dividends paid	-	-	4	(4,414)	(4,410)	-	(133)	(4,543)	-	-	3	(4,099)	(4,096)	-	(141)	(4,237)
Other changes	-	-	6	-	6	-	1	7	-	-	5	-	5	-	-	5
Total transactions with owners	-	-	10	(4,414)	(4,404)	-	(132)	(4,536)	-	-	8	(4,099)	(4,091)	35	(141)	(4,197)
Equity at 31 March	4,204	(906)	69,430	-	72,728	13,232	3,055	89,015	4,204	(323)	65,312	-	69,193	13,239	3,411	85,843

* See note 10 'Reserves' for more information about reserves.

Statement of cash flows

Note	Statement of cash flows, DKKm	Q1 2020	Q1 2019
	Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA), IFRS	9,449	6,007
2	Change in derivatives, business performance adjustments	(2,644)	(877)
	Change in derivatives, other adjustments	(1,194)	134
	Change in provisions	(16)	(6)
	Reversal of gain (loss) on sale on divestment of assets	(1,217)	(118)
	Other items	36	(2)
	Change in work in progress	(1,838)	1,001
	Change in tax equity partner liabilities	(125)	(81)
	Change in other working capital	(1,083)	(1,258)
	Interest received and similar items	1,632	739
	Interest paid and similar items	(2,161)	(830)
	Income tax paid	(1,267)	(4,827)
	Cash flows from operating activities	(428)	(118)
	Purchase of intangible assets and property, plant and equipment	(5,238)	(3,782)
	Sale of intangible assets and property, plant and equipment	23	2,675
	Acquisition of enterprises	4	(122)
	Divestment of enterprises	(17)	(21)
	Divestment of other equity investments	(9)	6
	Purchase of securities	(3,540)	(2,607)
	Sale/maturation of securities	6,877	6,629
	Change in other non-current assets	-	(1)
	Transactions with associates and joint ventures	(65)	-
	Cash flows from investing activities	(1,965)	2,777



Change in work in progress

'Change in work in progress' consists of elements in contract assets, contract liabilities, and construction management agreements related to construction of offshore wind farms and construction of offshore transmission assets as well as the related trade payables.

Note	Statement of cash flows, DKKm	Q1 2020	Q1 2019
	Proceeds from raising of loans	3,639	4,289
	Instalments on loans	(570)	-
	Instalments on leases	(114)	(95)
	Dividends paid to shareholders in Ørsted A/S	(4,410)	(4,096)
	Transactions with non-controlling interests	(139)	(143)
	Net proceeds from tax equity partners	(20)	(1)
	Collateral related to derivatives	1,790	(2,225)
	Cash flows from financing activities	176	(2,271)
	Cash flows from continuing operations	(2,217)	388
	Cash flows from discontinued operations	(146)	2
	Total net change in cash and cash equivalents for the period	(2,363)	390
	Cash and cash equivalents at the beginning of the period	6,459	2,663
	Total net change in cash and cash equivalents	(2,363)	390
	Other change in cash and cash equivalents	79	-
	Exchange rate adjustments of cash and cash equivalents	48	67
	Cash and cash equivalents at 31 March	4,223	3,120



Statement of cash flows

Our supplementary statement of gross and net investments appears from note 6 'Gross and net investments' and free cash flows (FCF) from note 3 'Segment information'.

'Cash' according to balance sheet includes 'Cash, not available for use', amounting to DKK 676 million as at 31 March 2020.

1. Basis of reporting

This section provides an overview of our accounting policies as well as new and amended accounting standards and interpretations.

Accounting policies

Ørsted is a listed public company, headquartered in Denmark. This interim financial report for the first three months of 2020 comprises the interim financial statements of Ørsted A/S (the parent company) and subsidiaries controlled by Ørsted A/S.

The interim financial report has been prepared in accordance with the International

Financial Reporting Standards (IFRS) and IAS 34 as adopted by the EU and further requirements in the Danish Financial Statements Act for the presentation of quarterly interim reports by listed companies.

The interim financial report for the first three months of 2020 follows the same accounting policies as the annual report for 2019, except for any new, amended, or revised accounting standards and interpretations (IFRSs) endorsed by the EU, effective for the accounting period beginning on 1 January 2020.

In the sections below, the most relevant new

or amended standards and interpretations are presented.

Definitions of alternative performance measures can be found on page 79 of the annual report for 2019.

The interim financial report contains selected accounting policies and should therefore be read in conjunction with the annual report for 2019.

Implementation of new or changed accounting standards and interpretations

Effective from 1 January 2020, we have

implemented the following new or changed accounting standards (IAS and IFRS) and interpretations:

- Amendments to IFRS 3: Business Combinations.
- Amendments to IFRS 9 and IFRS 7: Interest Rate Benchmark Reform.

The adoption of the new and changed standards has not impacted our interim financial report and is not expected to impact the consolidated financial statements for 2020.



2. Business performance

Specification of the difference between EBITDA according to business performance and according to IFRS, DKKm

	Q1 2020	Q1 2019
EBITDA - business performance	6,805	5,130
Business performance adjustments in respect of revenue for the period	2,856	1,524
Business performance adjustments in respect of cost of sales for the period	(212)	(647)
EBITDA - IFRS	9,449	6,007
Total business performance adjustments for the period comprise:		
Market value adjustments for the period of financial and physical hedging contracts relating to a future period	3,194	573
Reversal of deferred gains (losses) relating to hedging contracts from previous periods, where the hedged production or trade is recognised in business performance EBITDA in this period	(550)	304
Total adjustments	2,644	877



The table shows the difference between the income statement according to business performance and according to IFRS, which is shown in the adjustments column in the income statement.

The difference between business performance and IFRS EBITDA in 2020 is mainly due to gains on power and currency hedges.

Financial impact of hedging

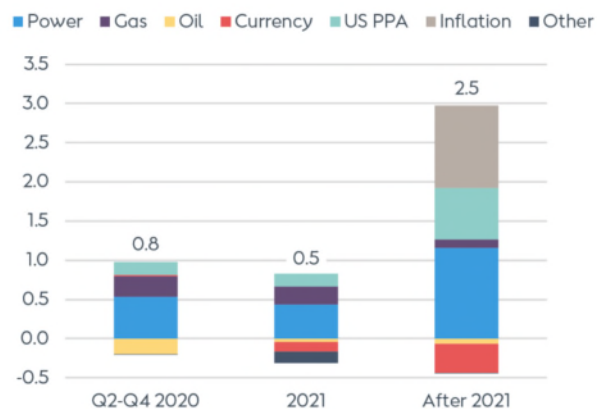
Our hedging of market risks is based on a number of different accounting principles, depending on the type of exposure being hedged.

In the business performance result, the value of hedging contracts concerning energy and related currencies is deferred for recognition in the period in which the hedged exposure

materialises.

Exposures from the proceeds from partial sales of new offshore wind farms and power purchase agreements in Onshore, among other things, are hedged as cash flow hedging in accordance with the IFRS principles and is transferred to both IFRS and business performance EBITDA in the period in which the hedged exposure materialises.




Expected value for recognition in business performance EBITDA, DKKbn



The figure shows the time of the transfer of the market value of hedging contracts in business performance EBITDA for both business performance and IFRS hedges.



3. Segment information

				Reportable segments	Other activities/eliminations	Business performance	Adjustments	IFRS
Q1 2020								
Income statement, DKKm								
External revenue	6,689	137	7,624	14,450	926	15,376	2,856	18,232
Intra-group revenue	1,286	-	(115)	1,171	(1,171) ¹	-	-	-
Revenue	7,975	137	7,509	15,621	(245)	15,376	2,856	18,232
Cost of sales	(2,259)	-	(5,721)	(7,980)	173	(7,807)	(212)	(8,019)
Employee costs and other external expenses	(1,380)	(158)	(868)	(2,406)	124	(2,282)	-	(2,282)
Gain (loss) on disposal of non-current assets	1,217	-	-	1,217	-	1,217	-	1,217
Additional other operating income and expenses	76	208	12	296	1	297	-	297
Share of profit (loss) in associates and joint ventures	3	-	1	4	-	4	-	4
EBITDA	5,632	187	933	6,752	53	6,805	2,644	9,449
Depreciation and amortisation	(1,408)	(98)	(192)	(1,698)	(56)	(1,754)	-	(1,754)
Impairment losses	-	-	-	-	-	-	-	-
Operating profit (loss) (EBIT)	4,224	89	741	5,054	(3)	5,051	2,644	7,695
Key ratios								
Intangible assets, property, plant and equipment	79,240	18,776	8,582	106,598	1,783	108,381	-	108,381
Equity investments and non-current receivables	1,889	-	284	2,173	146	2,319	-	2,319
Net working capital, work in progress	10,137	-	-	10,137	-	10,137	-	10,137
Net working capital, tax equity	-	(4,638)	-	(4,638)	-	(4,638)	-	(4,638)
Net working capital, capital expenditures	(2,757)	(191)	(49)	(2,997)	-	(2,997)	-	(2,997)
Net working capital, other items	5,668	68	(2,123)	3,613	52	3,665	-	3,665
Derivatives, net	2,312	23	2,467	4,802	(387)	4,415	-	4,415
Assets classified as held for sale, net	-	-	8,092	8,092	-	8,092	-	8,092
Decommissioning obligations	(4,677)	(323)	(1,299)	(6,299)	-	(6,299)	-	(6,299)
Other provisions	(3,996)	-	(1,861)	(5,857)	(611)	(6,468)	-	(6,468)
Tax, net	624	(1,334)	316	(394)	323	(71)	-	(71)
Other receivables and other payables, net	(483)	-	43	(440)	2	(438)	-	(438)
Capital employed at 31 March	87,957	12,381	14,452	114,790	1,308	116,098	-	116,098
Of which, capital employed for discontinued operations						72	-	72
Of which, capital employed for continuing operations						116,026	-	116,026
Return on capital employed (ROCE) %	-	-	-	-	-	11.0	-	-
Cash flow from operating activities	(1,553)	(47)	1,557	(43)	(385)	(428)	-	(428)
Gross investments	(4,292)	(748)	(244)	(5,284)	(24)	(5,308)	-	(5,308)
Divestments	9	-	(1)	8	(1)	7	-	7
Free cash flow (FCF)	(5,836)	(795)	1,312	(5,319)	(410)	(5,729)	-	(5,729)






Profit (loss) and cash flows are shown only for continuing operations.

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., handed at Group level.

¹Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 1,880 million, which primarily relates to our Shared Functions services, as well as our B2B, B2C, and power distribution businesses.

3. Segment information (continued)

				Reportable segments	Other activities/eliminations	Business performance	Adjustments	IFRS
Q1 2019								
Income statement, DKKm								
External revenue	6,648	114	9,530	16,292	947	17,239	1,524	18,763
Intra-group revenue	1,719	-	(120)	1,599	(1,599) ¹	-	-	-
Revenue	8,367	114	9,410	17,891	(652)	17,239	1,524	18,763
Cost of sales	(2,970)	-	(7,984)	(10,954)	591	(10,363)	(647)	(11,010)
Employee costs and other external expenses	(1,432)	(105)	(835)	(2,372)	50	(2,322)	-	(2,322)
Gain (loss) on disposal of non-current assets	134	-	(16)	118	-	118	-	118
Additional other operating income and expenses	220	142	110	472	(12)	460	-	460
Share of profit (loss) in associates and joint ventures	(1)	-	(1)	(2)	-	(2)	-	(2)
EBITDA	4,318	151	684	5,153	(23)	5,130	877	6,007
Depreciation and amortisation	(1,298)	(80)	(185)	(1,563)	(55)	(1,618)	-	(1,618)
Impairment losses	-	-	-	-	-	-	-	-
Operating profit (loss) (EBIT)	3,020	71	499	3,590	(78)	3,512	877	4,389
Key ratios								
Intangible assets, property, plant and equipment	69,625	11,768	9,494	90,887	2,031	92,918	-	92,918
Equity investments and non-current receivables	271	5	332	608	742	1,350	-	1,350
Net working capital, work in progress	9,012	-	-	9,012	-	9,012	-	9,012
Net working capital, tax equity	-	(3,658)	-	(3,658)	-	(3,658)	-	(3,658)
Net working capital, capital expenditures	(2,965)	(13)	(116)	(3,094)	-	(3,094)	-	(3,094)
Net working capital, other items	5,812	13	(3,759)	2,066	359	2,425	-	2,425
Derivatives, net	(2,361)	363	788	(1,210)	(685)	(1,895)	-	(1,895)
Assets classified as held for sale, net	-	-	10,950	10,950	-	10,950	-	10,950
Decommissioning obligations	(4,190)	(265)	(1,257)	(5,712)	-	(5,712)	-	(5,712)
Other provisions	(3,125)	(133)	(3,883)	(7,141)	(848)	(7,989)	-	(7,989)
Tax, net	1,946	(1,227)	790	1,509	(267)	1,242	-	1,242
Other receivables and other payables, net	(28)	-	2	(26)	(569)	(595)	-	(595)
Capital employed at 31 March	73,997	6,853	13,341	94,191	763	94,954	-	94,954
Of which, capital employed for discontinued operations						(195)	-	(195)
Of which, capital employed for continuing operations						95,149	-	95,149
Return on capital employed (ROCE) %	-	-	-	-	-	28.2	-	-
Cash flow from operating activities	(1,963)	(94)	1,987	(70)	(48)	(118)	-	(118)
Gross investments	(2,879)	(540)	(467)	(3,886)	(13)	(3,899)	-	(3,899)
Divestments	2,693	-	(15)	2,678	-	2,678	-	2,678
Free cash flow (FCF)	(2,149)	(634)	1,505	(1,278)	(61)	(1,339)	-	(1,339)









Profit (loss) and cash flows are shown only for continuing operations.

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

¹Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 2,219 million, which primarily relates to our Shared Functions services, as well as our B2B, B2C, and power distribution businesses.

4. Revenue

				Other activities/ eliminations	Q1 2020 total				Other activities/ eliminations	Q1 2019 total
Revenue, DKKm	Offshore	Onshore	Markets & Bioenergy			Offshore	Onshore	Markets & Bioenergy		
Sale of gas	-	-	2,670	7	2,677	-	-	4,279	(205)	4,074
Generation of power	1,336	99	517	-	1,952	1,399	88	973	-	2,460
Sale of power	1,538	-	1,694	(222)	3,010	1,763	-	2,219	(569)	3,413
Revenue from construction of offshore wind farms	563	-	-	-	563	1,981	-	-	-	1,981
Generation and sale of heat and steam	-	-	1,148	-	1,148	-	-	1,121	-	1,121
Distribution and transmission	-	-	660	(1)	659	-	-	703	(1)	702
Other revenue	420	13	289	(8)	714	493	(3)	165	(12)	643
Total revenue from customers, IFRS	3,857	112	6,978	(224)	10,723	5,636	85	9,460	(787)	14,394
Government grants	3,825	11	164	-	4,000	2,483	11	211	(14)	2,691
Economic hedging	2,943	24	49	(273)	2,743	(567)	(3)	632	(327)	(265)
Other revenue	7	(8)	739	28	766	215	18	1,517	193	1,943
Total revenue, IFRS	10,632	139	7,930	(469)	18,232	7,767	111	11,820	(935)	18,763
Adjustments	(2,657)	(2)	(421)	224	(2,856)	600	3	(2,410)	283	(1,524)
Total revenue, business performance	7,975	137	7,509	(245)	15,376	8,367	114	9,410	(652)	17,239
Timing of revenue recognition from customers, IFRS										
At a point in time	2,880	112	2,164	(224)	4,932	3,194	85	4,225	(787)	6,717
Over time	977	-	4,814	-	5,791	2,442	-	5,235	-	7,677
Total revenue from customers, IFRS	3,857	112	6,978	(224)	10,723	5,636	85	9,460	(787)	14,394



The timing of transfer of goods or services to customers is categorised as follows:

'At a point in time' mainly comprises:

- sale of gas or power in the market, e.g. North Pool, TTF, NBP
- transmission assets for offshore wind farms.

'Over time' mainly comprises:

- construction agreements for offshore wind farms and transmission assets
- long-term contracts with customers to deliver gas, heat or power.

Revenue decreased by 11% relative to Q1 2019 and was DKK 15,376 million in Q1 2020. The decrease was mainly due to significantly lower gas prices, limited construction work on wind farms for partners, and lower thermal heat and power generation. This was only partly offset by the increase in government grants, mainly due to ramp-up of generation from Hornsea 1 and higher generation across the portfolio.

5. Other operating income and expenses

Other operating income, DKKm	Q1 2020	Q1 2019
Gain on divestment of assets	1,233	136
Other compensation	117	292
US tax credits and tax equity income	208	142
Miscellaneous operating income	29	103
Total other operating income	1,587	673

Other operating expenses, DKKm	Q1 2020	Q1 2019
Loss on divestment of assets	16	18
Miscellaneous operating expenses	57	77
Total other operating expenses	73	95

Gain on divestment of assets is mainly related to the Hornsea 1 offshore transmission asset, where we lowered our assumption regarding the preferred bidder's expected return requirement in Q1 2020.

Other compensation is primarily related to compensations regarding outages and

curtailments, mainly from the German grid operator TenneT.

US tax credits and tax equity income originate from our US onshore wind farms in operation and correspond to the tax credits and other tax attributes provided to Ørsted and tax equity partners for generated power.

6. Gross and net investments

Gross and net investments, DKKm	Q1 2020	Q1 2019
Cash flow from investing activities	(1,965)	2,777
Purchase and sale of securities, reversed	(3,337)	(4,022)
Sale of non-current assets, reversed	(6)	(2,654)
Total gross investments	(5,308)	(3,899)
Transactions with non-controlling interests in connection with divestments	1	24
Sale of non-current assets	6	2,654
Total cash flows from divestments	7	2,678
Total net investments	(5,301)	(1,221)



The table shows gross and net investments based on cash flows from investing activities.



7. Assets classified as held for sale

Assets classified as held for sale, DKKm	31 March 2020	31 December 2019	31 March 2019
Intangible assets	265	226	210
Property, plant and equipment	13,359	13,243	14,263
Deferred tax	575	589	-
Inventories	46	43	16
Trade receivables	773	736	653
Other receivables	1,870	2,113	379
Income tax	13	2	54
Total assets classified as held for sale	16,901	16,952	15,575
Deferred tax	1,344	1,315	846
Provisions	2,572	2,662	375
Contract liabilities	3,177	3,107	2,596
Trade payables	87	333	126
Other payables	1,130	970	618
Income tax	515	445	64
Total liabilities relating to assets classified as held for sale	8,825	8,832	4,625
Net assets classified as held for sale	8,076	8,120	10,950



The table shows assets and liabilities which have been put up for sale and, therefore, are not expected to contribute to our future earnings.

At 31 March 2020 and 31 December 2019, assets and related liabilities held for sale comprised our Danish power distribution, residential customer and city light businesses, our oil pipe system in Denmark, and our LNG business. All activities are part of Markets & Bioenergy.

At 31 March 2019, assets and related liabilities held for sale comprised our Danish power distribution, residential customer and city light businesses as well as our oil pipe system in Denmark.

8. Discontinued operations

Discontinued operations

Discontinued operations comprise assets and liabilities related to our divested Oil & Gas business, which was sold to INEOS on 29 September 2017.

Financial results

Loss for the period amounted to DKK -28 million and primarily concerned adjustments related to currency.

Cash flows for the period concerned a payment related to the Fredericia stabilisation plant.

Capital employed

Our capital employed in discontinued operations mainly consisted of provisions relating to the divestment of the Oil & Gas business (tax indemnifications and payments related to the Fredericia stabilisation plant) as well as a receivable selling price which does not carry any interest. We expect to receive the outstanding selling price in 2020.

In addition, we have an interest-bearing receivable of DKK 340 million (not part of capital employed), which we also expect to receive in 2020.

Performance highlights, DKKm

	Q1 2020	Q1 2019
EBIT	-	-
Profit (loss) from discontinued operations	(28)	(43)
Cash flows from discontinued operations	(146)	2

Capital employed, discontinued operations DKKm

	31 March 2020	31 March 2019
Non-current receivables	-	652
Derivatives, net	(69)	(98)
Other provisions	(553)	(797)
Tax, net	10	30
Other receivables and other payables, net	684	18
Total net assets	72	(195)

9. Financial income and expenses

Net financial income and expenses, DKKm	Q1 2020	Q1 2019
Interest expenses, net	(378)	(252)
Interest expenses, leasing	(44)	(36)
Interest element of provisions, etc.	(113)	(106)
Tax equity partner's contractual return	(91)	(69)
Value adjustments of derivatives, net	(42)	(98)
Exchange rate adjustments, net	198	578
Value adjustments of securities, net	(322)	144
Other financial income and expenses	16	(60)
Net financial income and expenses	(776)	101



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

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

The increase in net financial income and expenses in 2020 compared with 2019 is mainly due to:

- a lower gain on exchange rate adjustments in 2020 and
- a loss on value adjustment of securities in 2020 due to an increase in interest rates.

10. Reserves

Reserves 2020, DKKm	Foreign currency translation reserve	Hedging reserve	Total reserves
Reserves at 1 January 2020	168	245	413
Exchange rate adjustments	(2,208)	-	(2,208)
Value adjustments of hedging	-	538	538
Value adjustments transferred to:			
Revenue	-	24	24
Financial income and expenses	-	42	42
Tax:			
Tax on hedging and currency adjustments	526	(241)	285
Movement in comprehensive income for the period	(1,682)	363	(1,319)
Total reserves at 31 March	(1,514)	608	(906)

Reserves 2019, DKKm	Foreign currency translation reserve	Hedging reserve	Total reserves
Reserves at 1 January 2019	(1,906)	79	(1,827)
Exchange rate adjustments	1,830	-	1,830
Value adjustments of hedging	-	(276)	(276)
Value adjustments transferred to:			
Revenue	-	67	67
Financial income and expenses	-	17	17
Tax:			
Tax on hedging and currency adjustments	(263)	129	(134)
Movement in comprehensive income for the period	1,567	(63)	1,504
Total reserves at 31 March	(339)	16	(323)

11. Market risks

Market risks

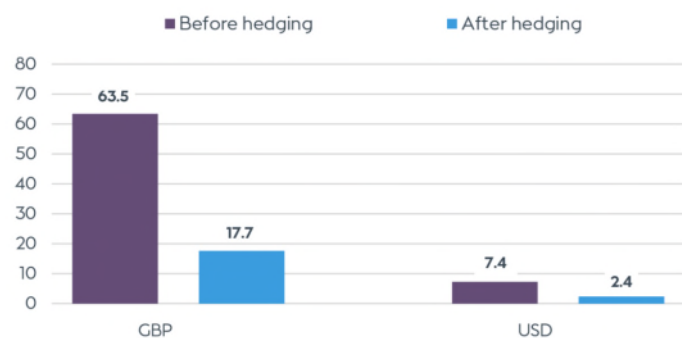
We manage market risks to protect Ørsted against market price volatility and ensure stable and robust financial ratios that support our growth strategy as well as protect the value of our assets.

In general, we hedge price exposures for up to five years to reduce cash flow fluctua-

tions. Prices are not hedged in the long term, and therefore our long-term market risks are determined by our strategic decisions on investments in new assets, the conclusion of long-term contracts as well as any divestment of assets.

Our energy and currency exposures for the near term is shown below.

Currency exposure, GBP 1 April 2020 - 31 March 2025, USD 1 April 2020 - 31 March 2025, DKKbn

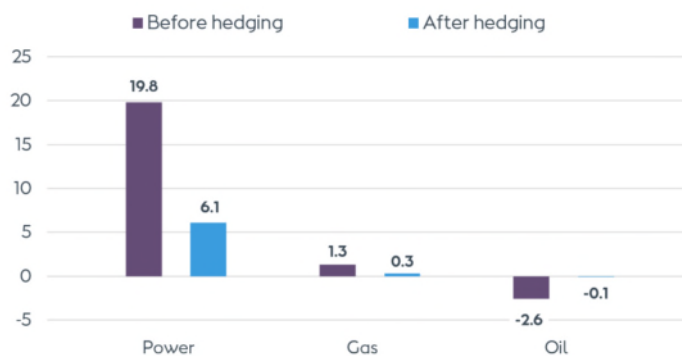


For USD, we manage our risk as a natural time spread between front-end capital expenditures and long-end revenue between 1 April 2020 - 31 March 2025.

NTD is not a material risk for the coming five years.

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

Energy exposure 1 April 2020 - 31 March 2025, DKKbn



The graph shows our energy exposure for the next five years.

Our energy exposures are significantly reduced due to hedging.



12. Fair value measurement

Fair value hierarchy DKKm	Assets			Liabilities	
	Inventories	Securities	Derivatives	Derivatives	Other payables
2020					
Quoted prices	271	-	11	14	-
Observable input	-	12,941	11,572	7,566	-
Non-observable input	-	-	458	46	-
Total 31 March 2020	271	12,941	12,041	7,626	-
2019					
Quoted prices	436	-	11	11	-
Observable input	-	21,576	4,003	6,409	-
Non-observable input	-	-	1,339	828	545
Total 31 March 2019	436	21,576	5,353	7,248	545



The table shows assets and liabilities measured at fair value, split between inputs.

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 services and benchmark services to increase the data quality.

Market values are determined by the Treasury & Risk Management function which reports to the CFO. The development in market values is monitored on a continuous basis and are reported to Group Executive Management.

Accounting policy

Quoted prices comprise gas and derivatives that are traded in active markets. Where derivatives are traded in an active market, we generally have daily settlements, for which reason the market value is zero.

Observable input comprises securities and derivatives, for which valuation models with observable inputs are used to measure fair value. The majority of our securities are quoted Danish mortgage or government bonds. Since these are not always traded on a daily basis, we are valuing these based on market interest rates for similar bonds.

Non-observable input derivatives comprise primarily long-term contracts on the purchase or sale of, in particular, power and gas. The fair values are based on assumptions concerning the long-term prices of, in particular, power, gas, volatilities as well as risk premiums in respect of liquidity and market risks. Since there are no active markets for the long-term prices, the fair value has been determined through an estimate of the future prices.

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

	2020	2019
Market value at 1 January	236	(2,458)
Value adjustments through profit or loss	287	150
Value adjustments through other comprehensive income	-	1,081
Sales/redemptions	(134)	(111)
Purchase/issues	23	24
Market value at 31 March before deferred gain/loss	412	(1,314)
Deferred loss at initial recognition on 1 January	-	1,825
Market value at 31 March	412	511



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.

Non-observable inputs per commodity price input, DKKm

	2020	2019
US power prices	-	344
Other power prices	122	19
Gas prices	290	148
Total	412	511



After a change in the valuation methodology as of 31 December 2019, US power prices are no longer valued based on significant non-observable inputs.

Normally, the energy price can be observed for a maximum of five years in the power market, after which an active market no longer exists. Beyond the five-year horizon, the energy price is thus projected on the basis of the observable forward price for year one to five.

All assets and liabilities measured at fair value are measured on a recurring basis.

13. Interest-bearing debt and FFO

Interest-bearing debt and interest-bearing assets DKKm	31 March 2020	31 December 2019	31 March 2019
Interest-bearing debt:			
Bank debt	7,098	3,466	7,697
Bond debt	32,011	33,373	24,152
Total bond and bank debt	39,109	36,839	31,849
Tax equity liability	616	608	579
Lease liability	5,171	5,332	5,211
Other interest-bearing debt	1,265	649	55
Total interest-bearing debt	46,161	43,428	37,694
Interest-bearing assets:			
Securities	12,941	16,552	21,576
Cash	4,899	7,148	3,737
Receivables from associates and joint ventures	-	-	60
Other receivables	1,237	1,781	2,521
Receivables in connection with divestments	-	717	689
Total interest-bearing assets	19,077	26,198	28,583
Total interest-bearing net debt	27,084	17,230	9,111

Market value of bond and bank debt

The market value of bond and bank debt amounted to DKK 36.5 billion and DKK 7.1 billion, respectively, at 31 March 2020.

Changes in bond and bank debt

In February 2020, the outstanding amount of EUR 76 million on our 3015 hybrid bond was repaid.



Interest-bearing net debt totalled DKK 27,084 million as of 31 March 2020, which was an increase of DKK 9,854 million relative to 31 December 2019. The increase was driven by a decrease in interest-bearing assets of DKK 7,121 million. In addition, interest-bearing debt increased by DKK 2,733 million which mainly related to raising of short term repo debt, partly countered by a decrease in bond debt due to the drop in GBP/DKK exchange rates, reducing the amount to be repaid in DKK.

Funds from operations (FFO) LTM ¹ DKKm	31 March 2020	31 December 2019	31 March 2019
EBITDA - business performance	19,159	17,484	29,640
Interest expenses, net	(1,570)	(1,312)	(890)
Interest expenses, leasing	(44)	(171)	(36)
Reversal of interest expenses transferred to assets	(360)	(344)	(458)
Interest element of decommissioning obligations	(217)	(212)	(202)
50% of coupon payments on hybrid capital	(278)	(279)	(272)
Calculated interest paid on operating lease obligations	-	-	(108)
Adjusted interest expenses, net	(2,469)	(2,318)	(1,966)
Reversal of gain (loss) on divestment of assets	(998)	101	(15,144)
Reversal of recognised operating lease payment in profit (loss) for the year	-	-	552
Total current tax	(7,100)	(5,799)	(2,920)
Funds from operations (FFO)	8,592	9,468	10,162

¹ Last 12 months

Adjusted interest-bearing net debt DKKm	31 March 2020	31 December 2019	31 March 2019
Total interest-bearing net debt	27,084	17,230	9,111
50% of hybrid capital	6,616	6,616	6,619
Cash and securities not available for distribution, excluding repo loans	1,425	1,437	1,571
Present value of operating lease payments	-	-	-
Decommissioning obligations	6,299	6,158	5,712
Deferred tax on decommissioning obligations	(1,053)	(866)	(1,005)
Total adjusted interest-bearing net debt	40,371	30,575	22,008

Funds from operations (FFO)/ adjusted interest-bearing net debt	31 March 2020	31 December 2019	31 March 2019
Funds from operations (FFO)/ adjusted interest-bearing net debt	21.3%	31.0%	46.2%



The table shows which items are included in funds from operations. FFO is calculated for the continuing operations.



The table shows which items are included in the adjusted interest-bearing debt as well as FFO relative to adjusted interest-bearing debt.

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and approved the interim financial report of Ørsted A/S for the period 1 January - 31 March 2020.

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 2019.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities, and financial position at 31 March 2020 and of the results of the Group's operations and cash flows for the

period 1 January - 31 March 2020.

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 2019.

Skærbæk, 29 April 2020

Executive Board

Henrik Poulsen
President and CEO

Marianne Wiinholt
CFO

Board of Directors

Thomas Thune Andersen
Chairman

Lene Skole
Deputy Chairman

Lynda Armstrong

Jørgen Kildahl

Peter Korsholm

Dieter Wemmer

Hanne Sten Andersen*

Poul Dreyer*

Benny Gøbel*

*Employee representative

Forward-looking statements

Forward-looking statements

This report contains certain forward-looking statements, including but not limited to, the statements and expectations contained in the 'Outlook' section of this report (p. 7).

Statements herein, other than statements of historical fact, regarding our future results of operations, financial condition, cash flows, business strategy, plans and future objectives are forward-looking statements. Words such as 'targets', 'believe', 'expect', 'aim', 'intend', 'plan', 'seek', 'will', 'may', 'should', 'anticipate', 'continue', 'predict' or variations of these words, as well as other statements regarding matters that are not historical fact or regarding future events or prospects, constitute forward-looking statements.

We have based these forward-looking statements on our current views with respect to future events and financial performance. These views involve a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the forward-looking statements and from our past performance. Although, we believe that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect and actual results may materially differ due to a variety of factors. These factors include, but are not limited to, market risks, development and construction of assets, changes in temperature, wind conditions, wake and blockage effects, precipitation levels, the development in power, coal, carbon, gas, oil, currency and interest rate markets, changes in legislation, regulation or standards, the renegotiation of contracts, changes in the competitive environment in our markets, security of supply and cable break-downs or other disruptions. Read more about the risks in the chapter 'Risk and risk management' and in note 7 of the Annual Report 2019 available at www.orsted.com.

Unless required by law, we are under no duty and undertake no obligation to update or revise any forward-looking statement after the distribution of this report, whether as a result of new information, future events or otherwise.