

Ørsted Services A/S

Annual report for 2018

CVR no. 27 44 64 85

(15th Financial year)

Adopted at the annual general meeting on 12 April
2019

Ulrik Jarlov
chairman

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Statement by management on the annual report

The board of directors and the executive board have today discussed and approved the annual report of Ørsted Services A/S for the financial year 1 January - 31 December 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved at the annual general meeting.

Skærbæk, 3 April 2019

Executive board

Nicolai Frederik Schmidt Carøe

Board of directors

Marianne Wiinholt
chairman

Hanne Legardt Blume Levy
deputy chairman

Jakob Askou Bøss

Sheikh Ammar Ali Azmat
employee representative

Independent auditor's report

To the shareholder of Ørsted Services A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act

We have audited the Financial Statements of Ørsted Services A/S for the financial year 1 January - 31 December 2018, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial statements Act. We did not identify any material misstatement in Management's Review.

Independent auditor's report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 3 April 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant
MNE no. mne28705

Company details

The company

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E-mail: info@orsted.dk

Website: www.orsted.com

CVR no.: 27 44 64 85

Reporting period: 1 January - 31 December 2018

Financial year: 15th financial year

Domicile: Fredericia

Board of directors

Marianne Wiinholt, chairman
Hanne Legardt Blume Levy, deputy chairman
Jakob Askou Bøss
Sheikh Ammar Ali Azmat, employee representative

Executive board

Nicolai Frederik Schmidt Carøe

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Consolidated financial statements

The company is included in the consolidated financial statements of the parent company Ørsted A/S, CVR no. 36 21 37 28

The group annual report of Ørsted A/S, CVR no. 36 21 37 28 may be obtained at the following address:

www.orsted.com

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2018	2017	2016	2015	2014
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	2.238.457	2.038.934	1.880.150	1.935.143	1.734.606
Profit/loss before amortisation/depreciation and impairment losses	100.676	88.472	90.406	134.501	87.031
Profit/loss before net financials	65.615	59.016	68.059	108.854	65.556
Net financials	3.180	2.601	3.881	-5.215	-2.349
Profit/loss for the year	59.568	41.271	58.594	87.350	39.695
Balance sheet					
Balance sheet total	828.492	782.545	595.175	632.971	924.302
Investment in property, plant and equipment	12.876	35.162	37.471	57.943	24.402
Equity	320.829	255.237	209.805	251.142	393.153
Number of employees	1.113	1.124	1.103	1.090	1.078
Financial ratios					
EBIT margin	2,9%	2,9%	3,6%	5,6%	3,8%
EBITDA margin	4,5%	4,3%	4,8%	7,0%	5,0%
Net interestbearing debt	237.138	108.354	137.538	53.359	439.136
Interestbearing debt relative to EBITDA	2,36	1,22	1,52	0,40	5,05
Financial gearing	0,74	0,42	0,66	0,21	1,12

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and key figures 2015. For definitions, see the summary of significant accounting policies.

Management's review

Business activities

Ørsted Services A/S aims to run a business within the energy sector and related activities.

Ørsted Services A/S' activities in 2018 have primarily been delivery of services to other companies within the Ørsted group.

Recognition and measurement uncertainties

The recognition and measurement of items in the financial statements is not subject to any uncertainty.

Some estimates are made in connection with the preparation of the annual report. The most important estimates have been made in connection with the measurement of intangible assets. Intangible assets are primarily costs which are activated in connection with the development of IT systems, which are used in the Ørsted Group. In connection with this an estimate of the economic life is made. It is not considered to be significant uncertainty associated with the estimates.

Unusual matters

The company's financial position at 31 December 2018 and the results of its operations for the financial year ended 31 December 2018 are not affected by any unusual matters.

Business review

The company's income statement for the year ended 31 December shows a profit of TDKK 59.568, and the balance sheet at 31 December 2018 shows equity of TDKK 320.829.

Financial review

The management expects a profit for 2019 at the same level as in 2018.

Knowledge resources

In order to achieve our vision of leading the energy transformation, it is essential that we can attract and retain skilled employees. We believe that well-being, both at and outside work are helping to create long-term job satisfaction and ultimately better results. Therefore, we want to create the best possible framework for a sustainable work life where people are energised to make a difference every day. We take the initiative to maintain a good sense of community and collaboration among colleagues, meaningful and challenging tasks, good management as well as sustained focus on professional development and learning. In addition, we offer healthy food, fitness facilities, as well as tools that help to prevent such as lack of sleep and stress.

Environment

The company's activities are primarily administrative in nature and do not have significant impact on the external environment. The environmental impact of the company's operations is minimised by focusing on resource management such as energy savings and recycling of our waste.

Management's review

Net profit (loss) relation to expected development assumed in previous report

Financial performance for 2018 matched the expectations assumed.

Statutory report on corporate social responsibility

In pursuance of Section 99a (6) of the Danish Financial Statements Act, the Company has omitted information on corporate social responsibility. Reference is made to the Annual Report (orsted.com/Investors/Key-figures-andpresentations/Financial-reporting) and sustainability report (orsted.com/sustainability/reporting) 2018 of Ørsted A/S.

Board of directors representation and other management representation

Due to equal representation of men and women in the board of directors in accordance with the rules in Section 99b the Danish Companies Act, no targets for the share of the underrepresented gender have been set. Concerning the requirements of the Danish Companies Act for other management levels, reference is made to Ørsted's Sustainability Report 2018 (orsted.com/sustainability/reporting).

Accounting policies

The annual report of Ørsted Services A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning large reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2018 is presented in TDKK

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Information of revenue

Information is provided on geographical markets. The information is provided in consideration of the company's accounting policies, risks and management control.

Revenue

Revenue comprise the sale of services to companies in the Ørsted Group. The services are recognised in the income statement when delivery and transfer of risk to the buyer have taken place before year-end. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Accounting policies

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

The share programme is initially classified as an equity-based scheme as the program settles in shares in Ørsted A/S. The fair value of the performance-based share units (PSUs) and estimates of the number of PSU's granted are measured at the time of granting and is recognised:

- in the income statement under employee costs over the vesting period, and
- in the balance sheet under equity over the vesting period.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Profit/loss from investments in subsidiaries and associates

Dividend from investments is recognised in the reporting year in which the dividend is declared.

Accounting policies

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Ørsted Group's Danish subsidiaries. From 2005 to 2016 the Group's foreign subsidiaries were also included in the joint taxation, but Ørsted A/S withdrew from the international joint taxation scheme with effect from 2017. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed Danish entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from the ultimate parent company (the management company), Ørsted A/S, equivalent to the tax base of the tax losses utilised (full allocation), while entities that utilise tax losses in other entities pay joint taxation contributions to the Ørsted A/S equivalent to the tax base of the utilised losses.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge is recognised in the income statement when it relates to profit/loss for the year and in the equity when it relates to entries directly in equity.

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise costs directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Property, plant and equipment in progress are not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Accounting policies

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

The residual value of the company's property, plant and equipment is reassessed annually.

Investments in subsidiaries and associates

Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value. Cost is written down to the extent that dividend distributed exceeds the accumulated earnings after the date of takeover. Where the parent company has a legal or constructive obligation to cover the companies' negative balances or obligations, such obligation is recognised as a liability.

Impairment of fixed assets

The carrying amount of property, plant and equipment and investments in subsidiaries and associates is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price and the value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables, which include trade receivables, receivables from group entities and other receivables, are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Accounting policies

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are measured at the exchange rate at the transaction date.

Cash flow statement

In pursuance of Section 86(4) of the Danish Financial Statements Act, the company has omitted preparing a cash flow statement as the company's cash flow is included in the consolidated cash flow statement of Ørsted A/S.

Financial highlights

Definitions of financial ratios.

EBIT margin	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
EBITDA margin	$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$
Net interestbearing debt	Interestbearing liabilities - Interestbearing assets
Interestbearing debt relative to EBITDA	Net interestbearing debt / EBITDA
Financial gearing	Net interestbearing debt / Equity

Income statement 1 January - 31 December

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
Revenue	1	2.238.457	2.038.934
Other operating income		2.560	5.549
Other external expenses		<u>-1.231.481</u>	<u>-1.121.470</u>
Gross profit		1.009.536	923.013
Staff costs	2	<u>-908.860</u>	<u>-834.541</u>
Profit/loss before amortisation/depreciation and impairment losses		100.676	88.472
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-35.061	-29.231
Other operating costs		<u>0</u>	<u>-225</u>
Profit/loss before net financials		65.615	59.016
Financial income	3	8.492	15.573
Financial costs	4	<u>-5.312</u>	<u>-12.972</u>
Profit/loss before tax		68.795	61.617
Tax on profit/loss for the year	5	<u>-9.227</u>	<u>-20.346</u>
Profit/loss for the year		<u>59.568</u>	<u>41.271</u>
Distribution of profit	6		

Balance sheet 31 December

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
Assets			
Completed development projects		0	0
Development projects in progress		48	0
Intangible assets	7	<u>48</u>	<u>0</u>
Other fixtures and fittings, tools and equipment		91.753	113.913
Property, plant and equipment in progress		1.495	0
Tangible assets	8	<u>93.248</u>	<u>113.913</u>
Investments in subsidiaries	9	87.905	87.905
Fixed asset investments		<u>87.905</u>	<u>87.905</u>
Total non-current assets		<u>181.201</u>	<u>201.818</u>
Trade receivables		1.772	1.348
Receivables from group companies	10	535.969	476.824
Other receivables		24.557	33.156
Deferred tax asset	11	34.883	35.354
Prepayments	12	48.864	33.801
Receivables		<u>646.045</u>	<u>580.483</u>
Cash at bank and in hand	10	<u>1.246</u>	<u>244</u>
Total current assets		<u>647.291</u>	<u>580.727</u>
Total assets		<u>828.492</u>	<u>782.545</u>

Balance sheet 31 December

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
Equity and liabilities			
Share capital		500	500
Retained earnings		320.329	254.737
Equity	13	<u>320.829</u>	<u>255.237</u>
Trade payables		212.355	199.122
Payables to group companies		43.111	87.838
Corporation tax		13.539	13.215
Other payables		238.658	227.133
Total current liabilities		<u>507.663</u>	<u>527.308</u>
Total liabilities		<u>507.663</u>	<u>527.308</u>
Total equity and liabilities		<u><u>828.492</u></u>	<u><u>782.545</u></u>
Subsequent events	14		
Contingencies, etc.	15		
Related parties and ownership structure	16		
Fee to auditors appointed at the general meeting	17		

Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January 2018	500	254.737	255.237
Transfers, reserves	0	6.024	6.024
Net profit/loss for the year	0	59.568	59.568
Equity at 31 December 2018	500	320.329	320.829

Transfer TDKK 6.024 regards share based payment.

Notes

	<u>2018</u> TDKK	<u>2017</u> TDKK
1 Revenue		
Sale of services	2.008.145	1.861.925
Other revenue	<u>230.312</u>	<u>177.009</u>
Total revenue	<u>2.238.457</u>	<u>2.038.934</u>
Geographical segments		
Denmark	<u>2.243.821</u>	<u>2.038.934</u>
Total revenue	<u>2.243.821</u>	<u>2.038.934</u>

Notes

	2018 TDKK	2017 TDKK
2 Staff costs		
Wages and salaries	816.117	744.357
Pensions	74.242	70.651
Other social security costs	14.271	12.239
Other staff costs	4.253	7.294
	908.883	834.541
Capitalized salary costs	-23	0
	908.860	834.541
Average number of employees	1.113	1.124

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

The executive board and a limited number of other members of senior management participate in our share programme established in 2016. As a condition for the award of performance share units (PSUs), the participant must own a number of shares in Ørsted A/S, corresponding to a part of the individual participant's annual base salary. The ownership requirement is between 15%-75% of the fixed salary. If the participants meet the shareholding requirement at the award date, the participants will each year be awarded a number of PSU's, representing a value corresponding to 15%-20% of the annual base salary at the award date.

The awarded PSU's have a vesting period of approx. three years, after which each PSU entitles the holder to receive one share free of charge. The final number of PSU's for each participant will be determined based on Ørsted A/S's total shareholder return compared to 10 European peer energy companies. The rate will vary from 0% to 200% of the number that is set as target for the awarded PSU's. The maximum value is 30%-40% of the fixed annual salary at the time of granting. In addition to this also comes the change in fair value of the Ørsted share since grant. The highest rate will be triggered if Ørsted A/S delivers the highest return of the peer companies. For each lower position the number of PSU's will decline by 20 percentage points. For example, a second place entitles the participants to 180% of the target. If Ørsted A/S is number 11 in the comparison, the participants will receive no PSU's. The right to PSU's is subject to continued employment.

Notes

	2018 TDKK	2017 TDKK
3 Financial income		
Dividend	4.045	3.158
Exchange gains	4.447	12.415
	8.492	15.573
4 Financial costs		
Financial expenses, group companies	802	458
Other financial costs	153	704
Exchange loss	4.357	11.810
	5.312	12.972
5 Tax on profit/loss for the year		
Current tax for the year	13.539	13.215
Deferred tax for the year	1.386	5.719
Adjustment of tax concerning previous years	-4.784	-786
Adjustment of deferred tax concerning previous years	-914	2.198
	9.227	20.346
6 Distribution of profit		
Retained earnings	59.568	41.271
	59.568	41.271

Notes

7 Intangible assets

	Completed development projects <hr/> TDKK	Development projects in progress <hr/> TDKK
Cost at 1 January 2018	519.139	0
Additions for the year	23	48
Cost at 31 December 2018	<hr/> 519.162	<hr/> 48
Impairment losses and amortisation at 1 January 2018	519.139	0
Impairment losses for the year	23	0
Impairment losses and amortisation at 31 December 2018	<hr/> 519.162	<hr/> 0
Carrying amount at 31 December 2018	<hr/> 0 <hr/>	<hr/> 48 <hr/>

8 Tangible assets

	Other fixtures and fittings, tools and equipment <hr/> TDKK	Property, plant and equipment in progress <hr/> TDKK
Cost at 1 January 2018	238.280	0
Additions for the year	12.876	1.495
Cost at 31 December 2018	<hr/> 251.156	<hr/> 1.495
Impairment losses and depreciation at 1 January 2018	124.367	0
Depreciation for the year	35.036	0
Impairment losses and depreciation at 31 December 2018	<hr/> 159.403	<hr/> 0
Carrying amount at 31 December 2018	<hr/> 91.753 <hr/>	<hr/> 1.495 <hr/>

Notes

	<u>2018</u> TDKK	<u>2017</u> TDKK
9 Investments in subsidiaries		
Cost at 1 January 2018	<u>87.905</u>	<u>87.905</u>
Cost at 31 December 2018	<u>87.905</u>	<u>87.905</u>
Carrying amount at 31 December 2018	<u><u>87.905</u></u>	<u><u>87.905</u></u>

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Ørsted Polska Sp. z o.o.	Poland	100%	10.091	2.467
Ørsted Services Malaysia Sdn. Bhd.	Malaysia	100%	8.480	2.422
Ørsted (UK) Limited	England	100%	68.468	7.809
Ørsted Kraftwerke Holding GmbH	Germany	100%	40.685	-184

10 Receivables from group companies

The company's receivables from group companies includes TDKK 235.892 in a cash pool scheme with the parent company, Ørsted A/S (2017: TDKK 108.110).

Notes

	<u>2018</u> TDKK	<u>2017</u> TDKK
11 Provision for deferred tax		
Provision for deferred tax at 1 January 2018	35.354	43.270
Recognised in the income statement in the financial year	-471	-7.916
Transferred to assets	<u>-34.883</u>	<u>-35.354</u>
Property, plant and equipment	-34.883	-35.354
Transferred to deferred tax asset	<u>34.883</u>	<u>35.354</u>
	<u>0</u>	<u>0</u>
Deferred tax asset		
Calculated tax asset	<u>34.883</u>	<u>35.354</u>
Carrying amount	<u>34.883</u>	<u>35.354</u>

12 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

13 Equity

The share capital consists of 1 share of a nominal value of TDKK 500. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

14 Subsequent events

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Notes

15 Contingencies, etc.

Liability in joint taxation

The group's danish companies are jointly and severally liable for tax on group jointly taxes income, etc. Reference is made to the annual report for Ørsted A/S, the administration company in relation to joint taxation. The group's danish companies are also jointly and severally liable for Danish withholding taxes on dividends, royalties and interests within the group of jointly taxed entities. Any subsequent corrections to income and withholding taxes may result in an increase in the entities' liability.

The group's danish entities have joint and several liability for joint VAT registration.

16 Related parties and ownership structure

Controlling interest

Ørsted A/S, Kraftværksvej 53, 7000 Fredericia (parent company).

Other related parties

The Danish State represented by the Ministry of Finance.

Transactions

Except for intergroup transactions and usual remuneration transactions, there have been no transactions with the board of directors, executive board, senior executives, major shareholders, group companies or other related parties during the year.

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Ørsted A/S

17 Fee to auditors appointed at the general meeting

In pursuance of Section 96(3) of the Danish Financial Statements Act, the company has omitted providing information on audit fees as the company is fully consolidated in Ørsted A/S's consolidated financial statements, in which the audit fees for the Group as a whole are disclosed.