

# Ørsted Services A/S

## Annual report for 2019

CVR no. 27 44 64 85

(16th Financial year)

Adopted at the annual general meeting on 19 May  
2020

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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 2019.

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 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

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, 4 May 2020

### Executive board

Nicolai Frederik Schmidt Carøe

### Board of directors

Marianne Wiinholt  
chairman

Henriette Fenger Ellekrog  
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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 2019, 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, 4 May 2020

### **PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

Rasmus Friis Jørgensen  
State Authorised Public Accountant  
MNE no. mne28705

## Company details

### The company

Ørsted Services A/S  
Kraftværksvej 53  
Skærbæk  
7000 Fredericia

Telephone: +45 99 55 11 11

E-mail: [info@orsted.dk](mailto:info@orsted.dk)

Website: [www.orsted.com](http://www.orsted.com)

CVR no.: 27 44 64 85

Reporting period: 1 January - 31 December 2019

Financial year: 16th financial year

Domicile: Fredericia

### Board of directors

Marianne Wiinholt, chairman  
Henriette Fenger Ellekrog, 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](http://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:

	2019	2018	2017	2016	2015
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	2.537.021	2.238.457	2.038.934	1.880.150	1.935.143
Profit/loss before amortisation/depreciation and impairment losses	122.684	100.676	88.472	90.406	134.501
Profit/loss before net financials	78.929	65.615	59.016	68.059	108.854
Net financials	3.896	3.180	2.601	3.881	-5.215
Profit/loss for the year	66.961	59.568	41.271	58.594	87.350
<b>Balance sheet</b>					
Balance sheet total	881.918	828.492	782.545	595.175	632.971
Investment in property, plant and equipment	87.694	12.876	35.162	37.471	57.943
Equity	387.389	320.829	255.237	209.805	251.142
Number of employees	1.329	1.208	1.124	1.103	1.090
<b>Financial ratios</b>					
EBIT margin	3,1%	2,9%	2,9%	3,6%	5,6%
EBITDA margin	4,8%	4,5%	4,3%	4,8%	7,0%
Net interest-bearing debt	135.530	237.138	108.354	137.538	53.359
Interestbearing debt relative to EBITDA	1,10	2,36	1,22	1,52	0,40
Financial gearing	0,35	0,74	0,42	0,66	0,21

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 review

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

Ørsted Services A/S' activities in 2019 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 annual report is not associated with 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 capitalized 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 2019 and the results of its operations for the financial year ended 31 December 2019 are not affected by any unusual matters.

### Financial review

The company's income statement for the year ended 31 December 2019 shows a profit of TDKK 66.961, and the balance sheet at 31 December 2019 shows equity of TDKK 387.389.

### Expected development of the company

The management expects a profit for 2020 at the same level as in 2019.

On 30 January 2020, the International Health Regulations Emergency Committee of the World Health Organization declared the outbreak of coronavirus a 'Public Health Emergency of International Concern'. This event, in management's opinion, do not provide evidence of conditions that have direct impact on the company's business operations, assets and liabilities.

### The company's knowledge resources if of particular importance to its future earnings

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.

## Management's review

### 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.

### Profit/(loss) for the year relative to the expectations most recently expressed

Financial performance for 2019 matched the expectations assumed.

### Statutory corporate social responsibility report

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/en/Investors/IR-material/Financial-reports-and-presentations](http://orsted.com/en/Investors/IR-material/Financial-reports-and-presentations)) and sustainability report ([orsted.com/sustainability/reporting](http://orsted.com/sustainability/reporting)) 2019 of Ørsted A/S.

### Policies on the underrepresented gender

#### **Description of target figures for the underrepresented gender**

##### *Target figures for the underrepresented gender*

Due to equal representation of men and women in the board of directors in accordance with the rules in Section 99b in the Danish Financial Statements Act, no targets for the share of the underrepresented gender have been set.

#### **Description of policies for the underrepresented gender**

##### *Policies for the underrepresented gender*

We would like to unfold the full potential of all employees and ensure that men and women have the same opportunities for obtaining leadership positions. We have a policy on women in management. We also have targets for increasing the proportion of women at all management levels.

To promote Ørsted as a diverse workplace, we encourage all candidates to apply, regardless of gender, race, age and cultural background. Recruitment processes include required female representation on shortlists, and recruiters and hiring managers have been trained to be aware of – and avoid – unconscious bias in their selection of candidates.

## Management's review

*Description of how the company translates its policies on the underrepresented gender into action*

High potential development programs have had too few female participants, and a decision was made to have 30% females on all the high potential development programs from professional level career development to mid-level leadership.

High potential female candidates are identified in the annual People Review process and have a structured dialogue about development wishes and possibilities in the following People Development Dialogue.

For senior female managers, we have initiated a 'Female spotlight initiative' that prepares talented women for senior leadership positions.

Ørsted has joined the UN Convention on Discrimination against Women.

*Description of the results achieved from the company's efforts to increase the ratio of the underrepresented gender*

The company's senior managers were invited to participate in Ørsted's 'Powered by talent' conference held in November 2019. At the conference it was emphasized that all leaders are expected to build more inclusive, diverse teams and was given guidance on how to do so.

## Accounting policies

The annual report of Ørsted Services A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

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

The annual report for 2019 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 installments 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.

## Accounting policies

### 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.

### 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. 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. Danish 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 Danish 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 as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that 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	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
Net interest-bearing debt	Interestbearing liabilities - Interestbearing assets
Interestbearing debt relative to EBITDA	Net interestbearing debt / EBITDA
Financial gearing	Net interestbearing debt / Equity
EBITDA margin	$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$

## Income statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> TDKK	<u>2018</u> TDKK
<b>Revenue</b>	1	<b>2.537.021</b>	<b>2.238.457</b>
Other operating income		3.240	2.560
Other external expenses		<u>-1.371.044</u>	<u>-1.231.481</u>
<b>Gross profit</b>		<b>1.169.217</b>	<b>1.009.536</b>
Staff costs	2	<u>-1.046.533</u>	<u>-908.860</u>
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>122.684</b>	<b>100.676</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-37.561	-35.061
Other operating costs		<u>-6.194</u>	<u>0</u>
<b>Profit/loss before net financials</b>		<b>78.929</b>	<b>65.615</b>
Financial income	3	13.202	8.492
Financial costs	4	<u>-9.306</u>	<u>-5.312</u>
<b>Profit/loss before tax</b>		<b>82.825</b>	<b>68.795</b>
Tax on profit/loss for the year	5	<u>-15.864</u>	<u>-9.227</u>
<b>Profit/loss for the year</b>		<b><u>66.961</u></b>	<b><u>59.568</u></b>
Distribution of profit	6		

## Balance sheet 31 December

	Note	2019 TDKK	2018 TDKK
<b>Assets</b>			
Completed development projects		0	0
Development projects in progress		48	48
<b>Intangible assets</b>	7	<b>48</b>	<b>48</b>
Other fixtures and fittings, tools and equipment		109.421	91.753
Property, plant and equipment in progress		28.949	1.495
<b>Tangible assets</b>	8	<b>138.370</b>	<b>93.248</b>
Investments in subsidiaries	9	87.905	87.905
<b>Fixed asset investments</b>		<b>87.905</b>	<b>87.905</b>
<b>Total non-current assets</b>		<b>226.323</b>	<b>181.201</b>
Trade receivables		6.690	1.772
Receivables from group companies	10	428.705	535.969
Other receivables		38.316	24.557
Deferred tax asset	11	42.114	34.883
Prepayments	12	132.440	48.864
<b>Receivables</b>		<b>648.265</b>	<b>646.045</b>
<b>Cash at bank and in hand</b>		<b>7.330</b>	<b>1.246</b>
<b>Total current assets</b>		<b>655.595</b>	<b>647.291</b>
<b>Total assets</b>		<b>881.918</b>	<b>828.492</b>

## Balance sheet 31 December

	<u>Note</u>	<u>2019</u> TDKK	<u>2018</u> TDKK
<b>Equity and liabilities</b>			
Share capital		500	500
Retained earnings		320.889	320.329
Proposed dividend for the year		66.000	0
<b>Equity</b>	13	<b><u>387.389</u></b>	<b><u>320.829</u></b>
Other payables		34.848	0
<b>Total non-current liabilities</b>	14	<b><u>34.848</u></b>	<b><u>0</u></b>
Trade payables		171.998	212.355
Payables to group companies		56.916	43.111
Corporation tax		23.095	13.539
Other payables	14	207.672	238.658
<b>Total current liabilities</b>		<b><u>459.681</u></b>	<b><u>507.663</u></b>
<b>Total liabilities</b>		<b><u>494.529</u></b>	<b><u>507.663</u></b>
<b>Total equity and liabilities</b>		<b><u>881.918</u></b>	<b><u>828.492</u></b>
Subsequent events	15		
Contingent liabilities	16		
Related parties and ownership structure	17		
Fee to auditors appointed at the general meeting	18		

## Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January 2019	500	316.145	0	316.645
Transfers, reserves	0	3.783	0	3.783
Net profit/loss for the year	0	961	66.000	66.961
<b>Equity at 31 December 2019</b>	<b>500</b>	<b>320.889</b>	<b>66.000</b>	<b>387.389</b>

Transfer TDKK 3.783 regards share based payment.

## Notes

	<u>2019</u> TDKK	<u>2018</u> TDKK
<b>1 Revenue</b>		
Sale of services	2.183.574	2.008.145
Other revenue	<u>353.447</u>	<u>230.312</u>
<b>Total revenue</b>	<b><u><u>2.537.021</u></u></b>	<b><u><u>2.238.457</u></u></b>
Geographical segments		
Denmark	<u>2.537.021</u>	<u>2.238.457</u>
<b>Total revenue</b>	<b><u><u>2.537.021</u></u></b>	<b><u><u>2.238.457</u></u></b>

## Notes

	2019 TDKK	2018 TDKK
<b>2 Staff costs</b>		
Wages and salaries	939.221	816.117
Pensions	82.669	74.242
Other social security costs	16.245	14.271
Other staff costs	8.398	4.253
	<b>1.046.533</b>	<b>908.883</b>
Capitalized salary costs	0	-23
	<b>1.046.533</b>	<b>908.860</b>
Average number of employees	1.329	1.208

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

	2019 TDKK	2018 TDKK
<b>3 Financial income</b>		
Dividend	6.724	4.045
Exchange gains	6.478	4.447
	<b>13.202</b>	<b>8.492</b>
<b>4 Financial costs</b>		
Financial expenses, group companies	1.440	802
Other financial costs	304	153
Exchange loss	7.562	4.357
	<b>9.306</b>	<b>5.312</b>
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	23.095	13.539
Deferred tax for the year	-5.693	1.386
Adjustment of tax concerning previous years	0	-4.784
Adjustment of deferred tax concerning previous years	-1.538	-914
	<b>15.864</b>	<b>9.227</b>
<b>6 Distribution of profit</b>		
Proposed dividend for the year	66.000	0
Retained earnings	961	59.568
	<b>66.961</b>	<b>59.568</b>



## Notes

### 7 Intangible assets

	Completed development projects <hr/> TDKK	Development projects in progress <hr/> TDKK
Cost at 1 January 2019	519.162	48
Cost at 31 December 2019	519.162	48
Impairment losses and amortisation at 1 January 2019	519.162	0
Impairment losses and amortisation at 31 December 2019	519.162	0
<b>Carrying amount at 31 December 2019</b>	<b>0</b>	<b>48</b>

### 8 Tangible assets

	Other fixtures and fittings, tools and equipment <hr/> TDKK	Property, plant and equipment in progress <hr/> TDKK
Cost at 1 January 2019	251.156	1.495
Additions for the year	41.392	46.302
Disposals for the year	-21.648	0
Transfers for the year	18.848	-18.848
Cost at 31 December 2019	289.748	28.949
Impairment losses and depreciation at 1 January 2019	159.403	0
Depreciation for the year	37.561	0
Reversal of impairment and depreciation of sold assets	-16.637	0
Impairment losses and depreciation at 31 December 2019	180.327	0
<b>Carrying amount at 31 December 2019</b>	<b>109.421</b>	<b>28.949</b>

## Notes

	2019 TDKK	2018 TDKK
<b>9 Investments in subsidiaries</b>		
Cost at 1 January 2019	87.905	87.905
Cost at 31 December 2019	87.905	87.905
<b>Carrying amount at 31 December 2019</b>	<b>87.905</b>	<b>87.905</b>

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Orsted Polska Sp. z o.o.	Poland	100%	12.893	6.714
Orsted Services Malaysia Sdn. Bhd.	Malaysia	100%	12.839	4.059
Orsted (UK) Limited	England	100%	70.034	-2.645
Orsted Kraftwerke Holding GmbH	Germany	100%	40.660	-185

## 10 Receivables from group companies

The company's receivables from group companies includes TDKK 128.200 in a cash pool scheme with the parent company, Ørsted A/S (2018: TDKK 235.892).

## Notes

	2019 TDKK	2018 TDKK
<b>11 Provision for deferred tax</b>		
Provision for deferred tax at 1 January 2019	34.883	35.354
Deferred tax recognised in income statement	7.231	-471
Transferred to assets	<u>-42.114</u>	<u>-34.883</u>
Property, plant and equipment	-42.114	-34.883
Transferred to deferred tax asset	<u>42.114</u>	<u>34.883</u>
	<u><b>0</b></u>	<u><b>0</b></u>
<b>Deferred tax asset</b>		
Calculated tax asset	<u>42.114</u>	<u>34.883</u>
<b>Carrying amount</b>	<u><b>42.114</b></u>	<u><b>34.883</b></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.

## Notes

### 14 Long term debt

	2019 TDKK	2018 TDKK
<b>Other payables</b>		
After 5 years	34.848	0
Non-current portion	34.848	0
Other short-term other debt	207.672	238.658
Current portion	207.672	238.658
	<b>242.520</b>	<b>238.658</b>

### 15 Subsequent events

On 30 January 2020, the International Health Regulations Emergency Committee of the World Health Organization declared the outbreak of coronavirus a 'Public Health Emergency of International Concern'. This event, in management's opinion, do not provide evidence of conditions that have direct impact on the company's business operations, assets and liabilities.

Also, no other events have occurred after the balance sheet date which could significantly affect the company's financial position.

### 16 Contingent liabilities

#### 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.

## Notes

### 17 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.  
Group and associated companies  
Board of directors, executive board and senior executives

#### 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

### 18 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.