Motiveringer
C25+ Regnskabspriserne 2021

Nærværende præsentation skal ses i sammenhæng med præsentationen ”Gode eksempler udvalgt i forbindelse med vurderingen af årsrapporterne” og dommerkomiteens verbale motiveringer i forbindelse med prisoverrækkelsen.

Formålet med C25+ Regnskabspriserne

En prisuddeling med fokus på, at danske virksomheders årsrapporter bliver bedre som kommunikationsmiddel. Der fokuseres på:

- Årsrapporten som en central del af virksomhedens kommunikation om økonomiske og finansielle forhold.
- Overskuelig og let forståelig kommunikation af budskaberne i årsrapporten.
- Hvad gør de største danske virksomheder godt, og kan det være en inspiration for andre virksomheder i forbindelse af årsrapporten.

Det overordnede formål er at fremme en bedre regnskabsaflæggelse i Danmark

Dommerkomiteen uddeler tre priser

C25+ Regnskabspriserne 2021 hylder de bedste årsrapporter

C25 Regnskabsprisen

Uddeles til den C25-virksomhed, hvis årsrapport udmærker sig særligt inden for tre udvalgte temaer, og som kan være en inspiration for andre virksomheder.

Regnskabsprisen+

Uddeles blandt large cap selskaber uden for C25 og de 10 største ikke-noterede virksomheder, der aflægger årsrapport efter IFRS, og som udmærker sig særligt inden for de tre udvalgte temaer.

Dommerkomiteens særpris

Tildeles som anerkendelse til en virksomhed, der har udmærket sig særligt ved udvikling af årsrapporten som kommunikations-værktøj.

En kompetent og uafhængig dommerkomité

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Dommerkomiteens vurdering af årsrapporterne tager udgangspunkt i tre overordnede temaer

Tema 1

Virksomhedens performance og opfølgning på udmeldte forventninger

Formår virksomheden at give regnskabs-læser et klart billede af selskabets aktuelle performance og af hvilke forhold, der har påvirket den? Der lægges vægt på, at årsrapporten giver et godt indblik i afvigelser i forhold til tidligere udmeldinger. Såfremt virksomheder anvender Alternative Performance Measures, skal disse være forståelige, motiverede og bidrage med yderligere indsigt i virksomhedens performance, ligesom de skal være gennemskuelige for regnskabslæser.

Tema 2

Virksomhedens strategiske målsætninger samt risici (drift og finansiel)

Giver årsrapporten et godt indblik i selskabets forretningsmodel og de muligheder og risici, der knytter sig hertil? Dette skal beskrives på overskuelig vis. Endvidere skal årsrapporten give regnskabslæseren et troværdigt indblik i selskabets værdiskabelse, ledelse, langsigtede målsætninger samt risici fordelt på de enkelte segmenter. Der lægges også vægt på, at virksomheden har vurderet de forskellige risici i forhold til hinanden og har lagt vægt på en beskrivelse af de væsentligste risici.

Tema 3

Supplerende information i årsrapporten

Kvaliteten af den supplerende information virksomhederne giver i årsrapporten. Det omfatter ud over det normale indhold i ledelsesberetningen også ESG, diversitet i ledelsen, virksomhedsledelse, oplysninger om skattepolitikker, betalte skatter, vederlag til ledelsen og lignende, når disse oplysninger indgår i årsrapporten. Er inddragelse af områderne i årsrapporten naturlig, så det afspejler den måde, der arbejdes med dem i forretningen? Afsnittene skal være informative, læsevenlige og passe ind i årsrapporten.

Tillykke til vinderen af C25 Regnskabsprisen

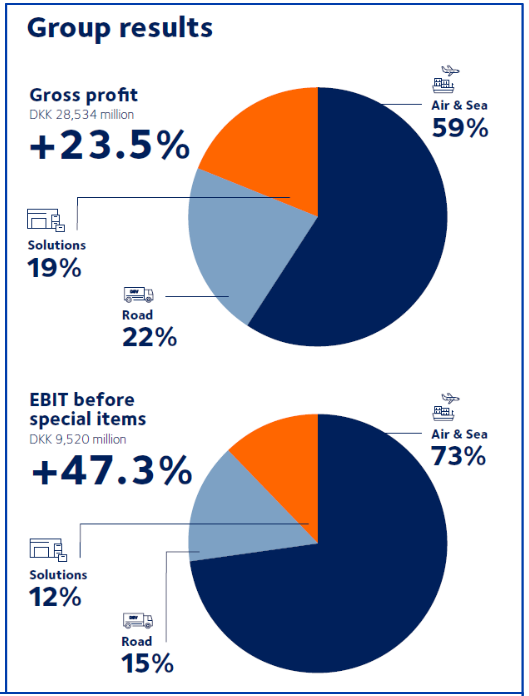
DSV

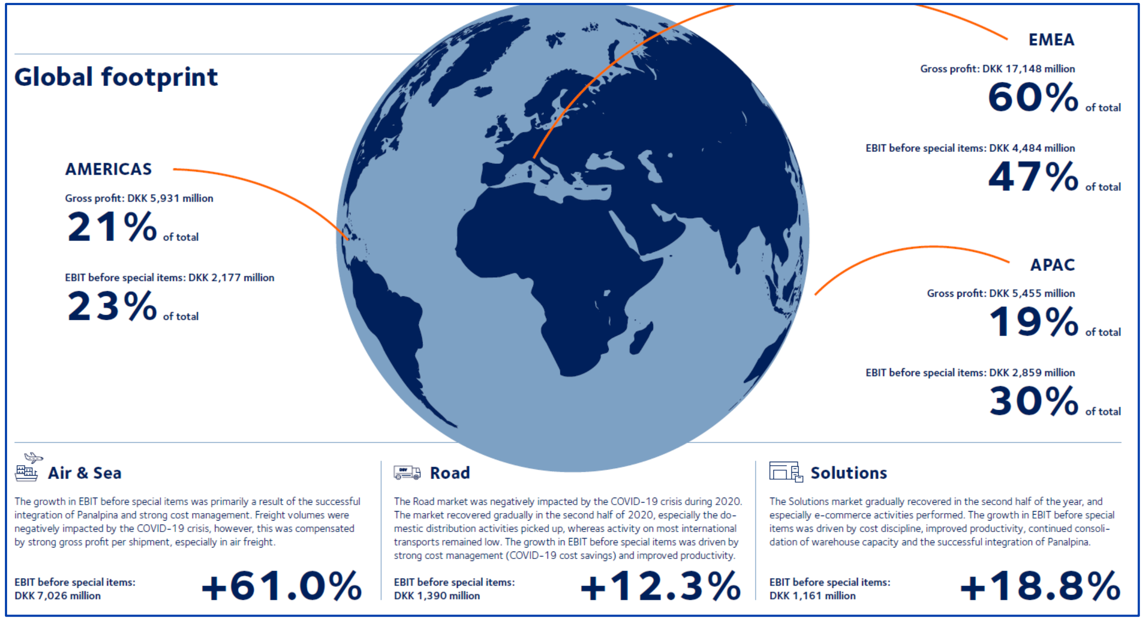
C25+ Regnskabspriserne 2021

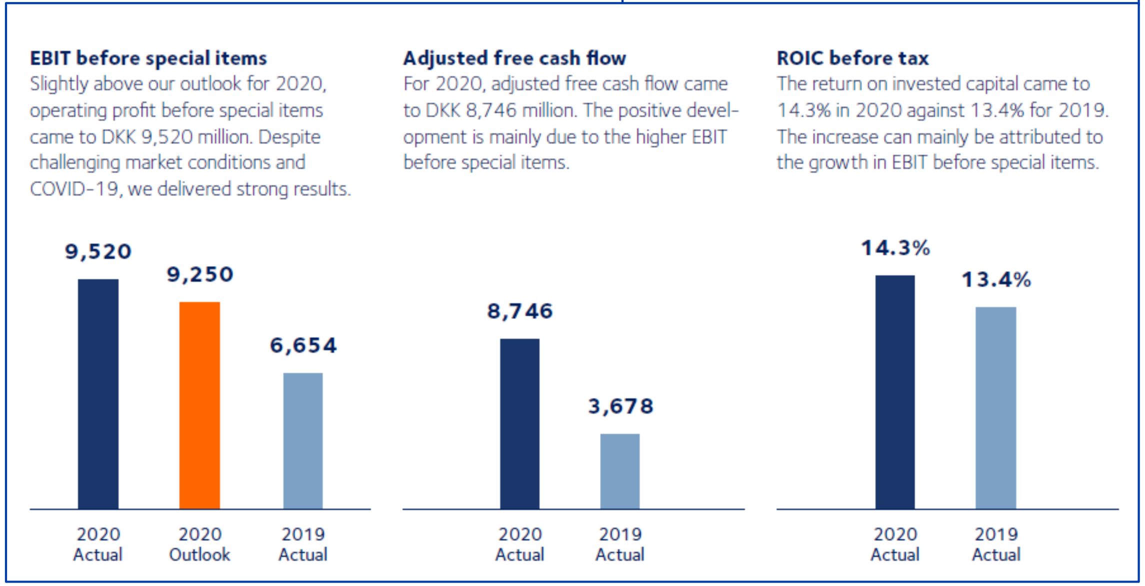
Vinder C25-prisen – DSV Panalpina (s. 6-7)

DSV Panalpina Årsrapport 2020

- Godt overblik over året både DSV Panalpina's samlede resultat, segment resultater og geografiske resultater er let tilgængelige i et godt "Highlights 2020".
- Sammenholdelse af årets resultat med oprindelige forventninger. Indeholder derudover overblik i forhold til sidste år.





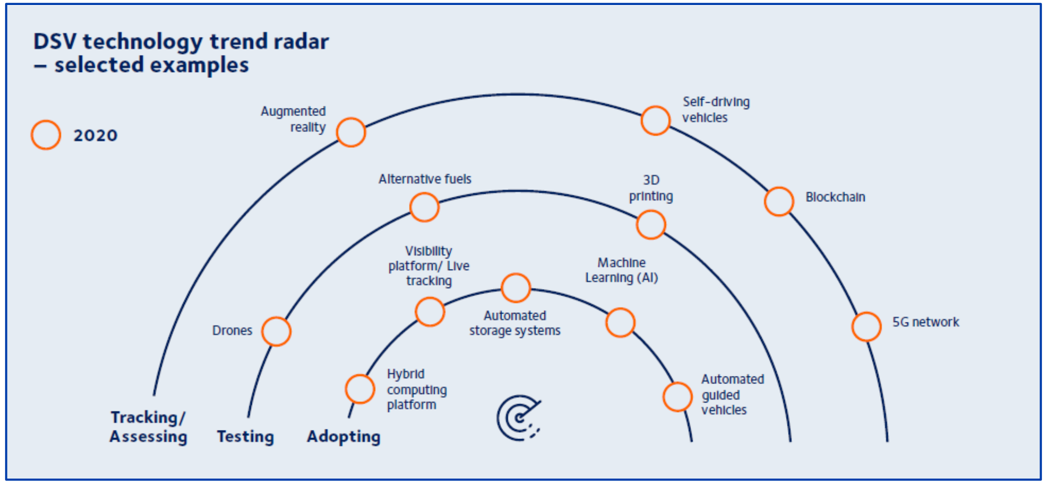


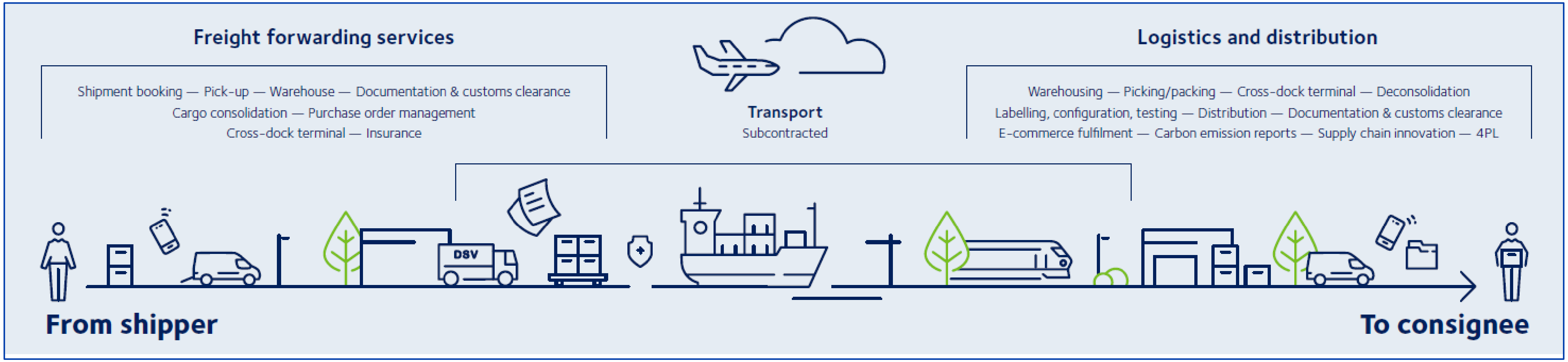
C25+ Regnskabspriserne 2021

Vinder C25-prisen – DSV Panalpina (s. 10 og 14)

DSV Panalpina Årsrapport 2020

- En let og overskuelig forklaring af DSV Panalpina's forretningsmodel.
- En god beskrivelse af og indsigt i, hvordan teknologi og digitalisering påvirker DSV Panalpina's forretning.





C25+ Regnskabspriserne 2021

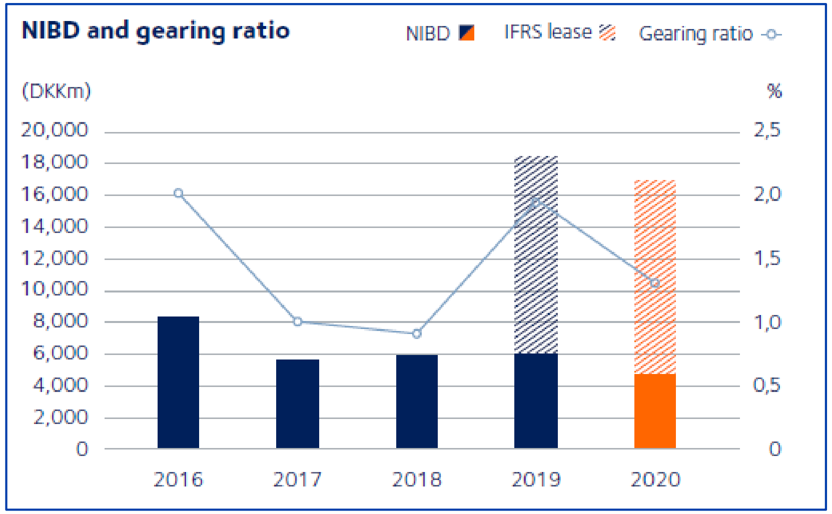
Vinder C25-prisen – DSV Panalpina (s. 15-16 og 19)

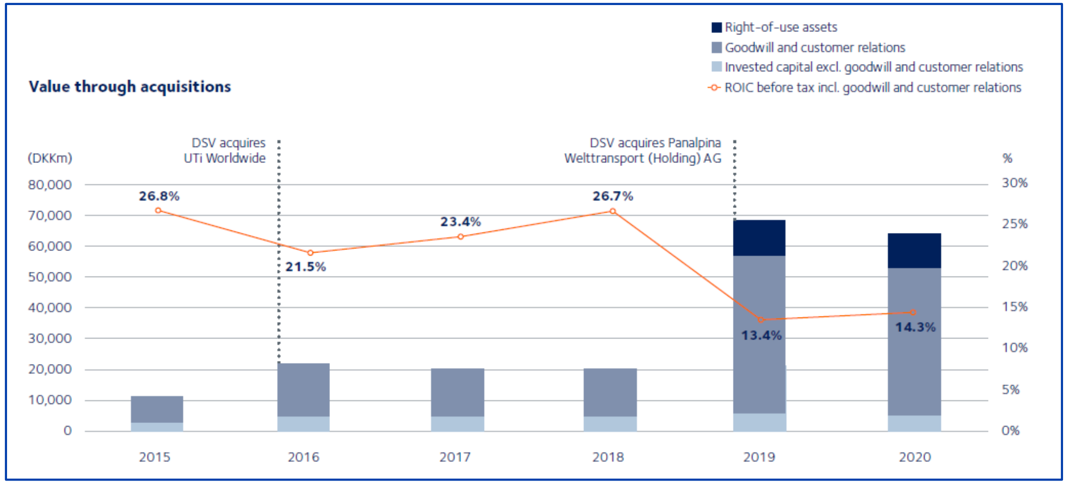
Outlook 2021 (DKKm)	2020 actual	Outlook 2021
Operating profit (EBIT) before special items	9,520	10,500-11,500
Effective tax rate	24.3%	23.0%

DSV Panalpina Årsrapport 2020

- En god beskrivelse af forventninger med de forudsætninger, der ligger til grund herunder bl.a. oplysninger om forventede synergi-besparelser fra opkøb.
- Der oplyses om langsigtede forventninger både for DSV Panalpina som helhed og for segmenterne.
- God forklaring af kapitalstruktur og allokering samt oversigt over påvirkningen af indregningen af leasingaktiver i balancen.

2025 targets (%)	2020 actual	2025 targets
DSV Panalpina Group		
Conversion ratio	33.4	>40.0
ROIC (before tax)	14.3	>20.0
Divisional targets for conversion ratio		
Air & Sea	41.6	>47.5
Road	22.6	>30.0
Solutions	21.6	>30.0



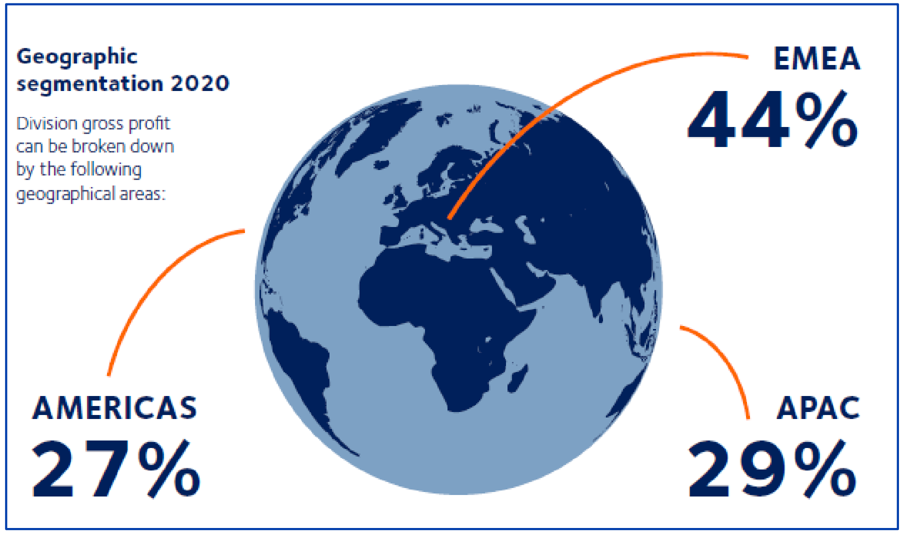


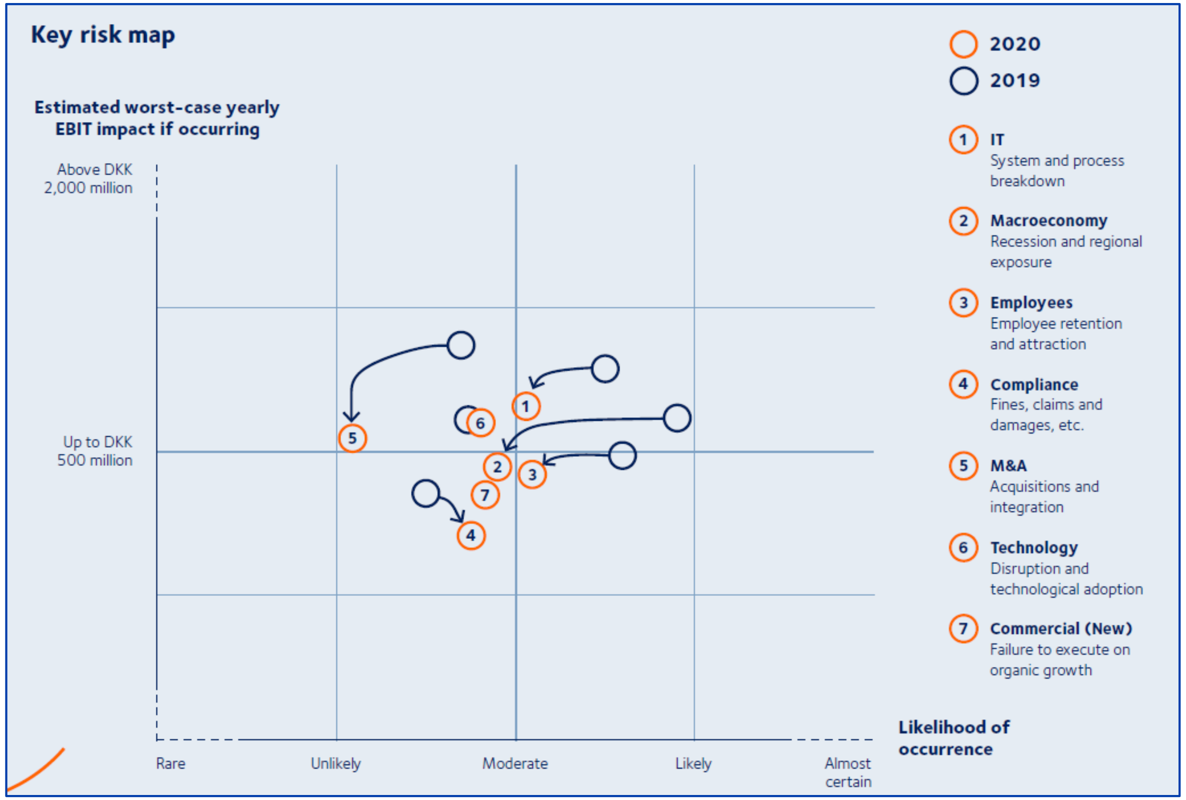
C25+ Regnskabspriserne 2021

Vinder C25-prisen – DSV Panalpina (s. 22-28 og 30)

DSV Panalpina Årsrapport 2020

- Et stærkt risk map med gode risikobeskrivelser, der indeholder kvantificering af risici og udvikling i de enkelte risici.
- Gode segmentbeskrivelser, som indeholder relevante hoved- og nøgletal forklaret verbalt med gode grafiske oversigter. Indeholder samtidig geografisk fordeling af "segment gross profit".





C25+ Regnskabspriserne 2021

Vinder C25-prisen – DSV Panalpina

Derfor vinder DSV Panalpina

- Regnskabet er kort, præcist og klar i sin kommunikation – understreger "What you see, is what you get".
- Godt overblik over året og forretningsområder/geografiske områder og sammenholdelse med oprindelige udmeldte forventninger.
- Stærk beskrivelse af hvordan teknologi og digitalisering påvirker forretningen.
- Outlook indeholder kortsigtede målsætninger (2021) og langsigtede målsætninger (2025). Langsigtede målsætninger er oplyst pr. operationelt segment, hvilket er stærkt.
- Risici angives kvantificeret i et risk map med udviklingen og den forventede påvirkning
- Regnskabsdelen af årsrapporten er af høj kvalitet, og der er gode og relevante kommentarer i noterne.

Dommerkomiteens forslag til forbedringer

- Dommerkomiteen ser gerne yderligere målsætninger end de nuværende to, hvoraf den ene er den forventede effektive skatteprocent.
- Dommerkomiteen savner beskrivelse af skattepolitik og yderligere oplysninger om skattebetalinger i årsrapporten.
- Dommerkomiteen havde gerne set yderligere integrering af ikke-finansielle mål og nøgletal i årsrapporten.

Tillykke til vinderen af Regnskabsprisen +

C25+ Regnskabspriserne 2021

Vinder af plusprisen – DFDS (s. 12-13 og 24)

DFDS Årsrapport 2020

- Detaljeret beskrivelse af effekten af Covid-19 opdelt på kvartaler i et "A challenging year".
- Konkret overblik over ændringer i forventninger i løbet af året
- Overskueligt præsenterede forventninger til fremtiden opdelt på segmenter indeholdende en række KPI'er og med beskrivelse af markedsopdelte forudsætninger.

The visibility of financial performance in 2020 was disrupted by the outbreak of Covid-19. This led to the following development in the outlook for EBITDA before special items during 2020:

- 6 February: Outlook range of DKK 3.5-3.9bn announced
- 18 March: Outlook suspended due to significant uncertainty created by introduction of travel restrictions and general lockdowns across Europe
- 7 May: Outlook updated to an EBITDA likely to be reduced towards DKK 2bn
- 12 August: Outlook changed to a range of
- DKK 2.2-2.5bn
- 23 October: Outlook raised to DKK 2.5-2.7bn as freight volumes continued to develop more positively than expected.

Outlook 2021*

DKK m	Outlook 2021	2020
Revenue growth	20-25%	13,971
EBITDA before special items	3,000-3,500	2,732
Per division:		
Ferry Division	2,300-2,700	2,332
Logistics Division	750-850	445
Non-allocated items	-50	-45
EBIT before special items	1,000-1,500	858
Investments	-2,800	-1,618

A challenging year

2020 was dominated by two events: The outbreak of Covid-19 across Europe and an extensive round of stockbuilding in the UK ahead of Brexit. There were distinct phases through the year with negative and positive impacts from these events on operations and results:

- **Q1:** Start of year in line with expectations. Outbreak of Covid-19 impacts DFDS' markets from March. Initial adaptation launched
- **Q2:** Travel restrictions entail severe drop in demand for passenger services. Freight demand also declines considerably. Continued adaptation of operations and business structure
- **Q3:** Freight demand returns to levels comparable to 2019. Travel restrictions eased in first half of quarter and thereafter tightened again
- **Q4:** Freight demand boosted by UK stockbuilding. Tight travel restrictions continue to limit demand for passenger services.

The outbreak of Covid-19 generated an exceptionally high level of uncertainty, especially in Q2. As Q3 progressed it became increasingly clear that freight markets would pick up and recover to activity levels similar to 2019. In the end, total freight earnings in 2020 were higher than in 2019 helped by the extensive stockbuilding in the UK ahead of Brexit in Q4.

For DFDS' passenger services, the consequences of Covid-19 were far more severe and the uncertainty persists. Travel restrictions were introduced already in March 2020 and this immediately led to a significant decrease in demand and hence passenger revenues. Apart from a brief period in the first half of Q3, passenger volumes were reduced to mainly essential travel since the outbreak in March. At the end of 2020, the EBITDA of passenger services was reduced by around DKK 1bn compared to 2019. Passengers are carried in the Passenger, Channel, and Baltic Sea business units.

An initial adaptation of operations to the sudden changes in market demand was launched at the end of April 2020, and a number of longer term adaptations to operations and the business structure were implemented at the end of June 2020.

C25+ Regnskabspriserne 2021

Vinder af plusprisen – DFDS (s. 30 og 31)

DFDS Årsrapport 2020

- Gode segmentbeskrivelser med gennemgang af de forskellige markeder og overblik over relevante hoved- og nøgletal.
- Nedbrudte segmentoplysninger på de enkelte geografiske markeder inkl. relevante tal.
- Detaljerede oplysninger om ruter, kunder og skibe på hvert segment.

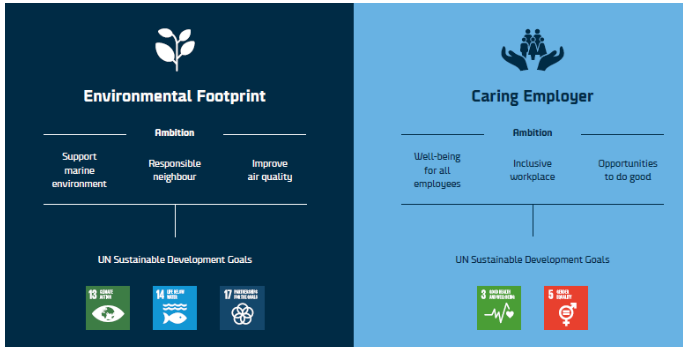
Ferry Division activity overview

	North Sea	Baltic Sea	Channel
Head of business unit	Kell Robdrup (South) Morgan Olausson (North)	Anders Refsgaard	Filip Hermann
Share of Division's revenue 2020[1]	37%	13%	20%
Routes	- Gothenburg-Brevik/Immingham - Gothenburg-Brevik/Ghent - Gothenburg-Zeebrügge - Esbjerg-Immingham - Cuxhaven-Immingham - Vlaardingen-Felixstowe - Vlaardingen-Immingham - Oslo Fjord-Zeebrugge-Immingham	- Fredericia/Copenhagen-Klaipeda - Karlshamn-Klaipeda - Kiel-Klaipeda - Kapellskär-Paldiski - Muuga-Vuosaari (freight agreement)	- Dover-Dunkirk - Dover-Calais - Newhaven-Dieppe - Rosslare-Dunkirk (from January 2021)
Ferries	- 21 freight	- 3 freight - 5 freight and passenger	- 6 freight and passenger, short sea - 5 freight and passenger (2 chartered end 2020 for new route)
Port terminals (owned and/or own operations)	- Brevik - Ghent - Gothenburg (joint venture) - Immingham - Vlaardingen		
Main customer segments	- Forwarders & hauliers - Manufacturers of heavy	- Forwarders & hauliers - Manufacturers of heavy	- Forwarders & hauliers - Car passengers

North Sea DKK m	2020	2019*	Δ	Δ %
Revenue	**3,653**	3,971	-318	-8.0%
EBITDA before special items	**1,185**	1,284	-99	-7.7%
EBIT before special items	**623**	679	-56	-8.2%
Invested capital, average	**5,951**	5,633	318	5.6%
ROIC before special items, %	**10.3**	11.9	-1.6	n.a.
Lane metres, '000	**13,028**	12,815	213	1.7%
Tons, '000	**664**	766	-102	-13.3%
Baltic Sea DKK m	**2020**	2019	Δ	Δ %
Revenue	**1,268**	1,472	-204	-13.9%
EBITDA before special items	**434**	497	-63	-12.6%
EBIT before special items	**268**	345	-77	-22.2%
Invested capital, average	**1,625**	1,384	241	17.4%
ROIC before special items, %	**16.4**	24.7	-8.3	n.a.
Lane metres, '000	**4,434**	4,613	-179	-3.9%
Passengers, '000	**209**	245	-36	-14.6%
Channel DKK m	**2020**	2019	Δ	Δ %
Revenue	**2,012**	2,678	-666	-24.9%
EBITDA before special items	**334**	497	-163	-32.8%
EBIT before special items	**91**	268	-177	-66.0%
Invested capital, average	**1,713**	1,830	-117	-6.4%
ROIC before special items, %	**5.2**	14.6	-9.4	n.a.
Lane metres, '000	**19,031**	18,995	36	0.2%
Passengers, '000	**989**	3,520	-2,531	-71.9%
Mediterranean DKK m	**2020**	2019	Δ	Δ %
Revenue	**2,071**	2,179	-108	-4.9%
EBITDA before special items	**631**	587	44	7.5%
EBIT before special items	**245**	231	14	6.0%
Invested capital, average	**9,787**	9,304	483	5.2%
ROIC before special items, %	**2.4**	2.4	0.0	n.a.
Lane metres, '000	**4,034**	4,365	-331	-7.6%
Passenger DKK m	**2020**	2019	Δ	Δ %
Revenue	**489**	1,709	-1,220	-71.4%
EBITDA before special items	**-373**	245	-618	n.a.
EBIT before special items	**-524**	59	-583	n.a.
Invested capital, average	**722**	790	-68	-8.5%
ROIC before special items, %	**-73.1**	7.1	-80.2	n.a.
Lane metres, '000	**359**	491	-132	-26.9%
Passengers, '000	**300**	1,351	-1,051	-77.8%
Non-allocated items DKK m	**2020**	2019	Δ	Δ %
Revenue	**436**	461	-25	-5.5%
EBITDA before special items	**122**	143	-21	-14.6%
EBIT before special items	**112**	123	-11	-9.2%

C25+ Regnskabspriserne 2021

Vinder af plusprisen – DFDS (s. 38 og 42)



DFDS Årsrapport 2020

- Godt overblik over relevante ESG hoved- og nøgletal.
- Samspil mellem strategi og UNSDG.

Environmental data	Unit	Target 2030	Target 2023	2020	2019	2018	2017
Operated ships	Amount	-	-	**66**	63	54	45
Total number of days operated	Days	-	-	**18,774**	20,460	18,937	15,020
CO_2e emissions							
Direct CO_2e emissions (Scope 1)	1,000 tonnes	-	-	**2,014**	2.253	1,871	1,582
Indirect CO_2e emissions (Scope 2)	1,000 tonnes	-	-	**5.99**	7.31	8.46	7.68
Total CO_2e emissions[1]	1,000 tonnes	-	-	**2,020**	2,260	1,879	1,590
CO_2 emissions per GT mile[2]	gCO_2	9.6	12.4	**13.5**	14.1	14.4	-
Energy consumption							
Total fuel consumption	Tonnes	-	-	**619.867**	699.115	654,795	490,401
Fuel consumption per nautical mile	g/GT/Nm	-	-	**4.25**	4.42	4.49	4.90
Total energy consumption	TJ	-	-	**26.850**	29.995	24,878	21,069
Electricity and heating consumption per land-based FTE	MWh	-	5.9	**6.3**	7.4	7.9	8.6
Oil spills							
Spills (> 1 barrel)	Amount	-	0[3]	**1**	0	0	0

Social data	Unit	Target 2023	2020	2019	2018	2017
Number of employees end of period	FTE	-	**8.213**	8.638	8.073	7.167
Representation of women						
Total workforce	%	30	**23**	25	23	26
At sea[2]	%	30	**15**	18	15	-
On land[2]	%	30	**27**	29	29	-
Senior management	%	30	**16**	19	10	15
Managers[2]	%	30	**13**	18	-	-
Employees[2]	%	30	**26**	26	-	-
Safety at sea						
Lost-time injury frequency (LTIF)	Incidents/mill. hours	3.50	**4.05**	4.52	5.04	6.40
Near-miss reports[4]	Average per ship	48	**36**	55	64	67
Safety on land						
Lost-time injury frequency (LTIF)	Incidents/mill. hours	5.00	**5.90**	6.73	3.81[5]	5.53
Minor accidents	Incidents	-	**134**	152	185	139
Fatalities						
Colleagues	Accident	0[3]	**0**	0	0	1
Contractors	Accident	0[3]	**2**	1	1	0

Governance	Unit	Target 2023	2020	2019	2018	2017
Representation of women on the Board	%	30	**33**	33	33	50
Attendance at Board meetings	%	-	**96**	94	91	97
CEO Pay ratio	Times	-	**27**	29	36	33

C25+ Regnskabspriserne 2021

Vinder af plusprisen – DFDS (s. 71, 74 og 88)

DFDS Årsrapport 2020

- Detaljeret omsætningsnote med en god kategorisering på geografi og produkter.
- En detaljeret note over nedskrivninger, der indeholder enkelte oplysninger udover oplysningskrav, herunder også oplysninger om effekten af Covid-19 på nedskrivningstesten.
- God oversigt over ROIC fordelt på segmenter med fokus på brugernes behov, samtidig en specifik note på beregningen af ROIC. Noterne er opdelt efter ROIC.

2.2 Revenue

DKK million				2020
	Ferry Division	Logistics Division	Non-allocated	Total
Geographical markets				
North Sea	3,692	-	0	3,692
Baltic Sea	1,207	-	0	1,207
English Channel	1,972	-	0	1,972
Mediterranean	2,052	-	0	2,052
Continent	-	2,280	0	2,280
Nordic	-	1,507	0	1,507
UK/Ireland	-	1,243	0	1,243
Other	0	0	18	18
Total	**8,923**	**5,030**	**18**	**13,971**
Product and services				
Seafreight and shipping logistics solutions	6,750	0	0	6,750
Transport solutions	24	4,981	0	5,005
Passenger seafare and on board sales	968	0	0	968
Terminal services	664	2	0	667
Charters including related income	317	0	0	317
Agency and other revenue	199	47	17	264
Total	**8,923**	**5,030**	**18**	**13,971**

Return on invested capital (ROIC) 2020

	Average invested capital, DKK m	ROIC before special items, %
DFDS Group	22,500	3.5
Divisions & business units		
Ferry Division	20,222	3.9
North Sea	5,951	10.3
Baltic Sea	1,625	16.4
Channel	1,713	5.2
Mediterranean	9,787	2.4
Passenger	722	-73.1
Non-allocated	424	26.2
Logistics Division	1,613	7.7
Nordic	399	10.3
Continent	711	5.2
UK & Ireland	504	9.3

DKK million	Note	2020	2019
Revenue	2.1, 2.2	13,971	16,592
Costs			
Ferry and other ship operation and maintenance	2.3	-2,569	-3,667
Freight handling		-2,383	-2,521
Transport solutions		-2,905	-2,994
Employee cost	2.4	-2,862	-3,077
Cost of sales and administration	2.3	-520	-699
Operating profit before depreciation (EBITDA) and special items		**2,732**	**3,633**
Share of profit/loss from associates and joint ventures		-5	6
Profit on disposal of non-current assets, net	3.1.4	5	6
Amortisation, depreciation and impairment losses on intangible assets and tangible assets and Right-of-use assets	2.5	-1,873	-1,894
Operating profit (EBIT) before special items		**858**	**1,751**
Special items, net	2.6	-117	-101
Operating profit (EBIT)		**741**	**1,650**
Corporate income tax on EBIT[1)]		-60	-51
Net Operating Profit After Tax (NOPAT)		**680**	**1,599**
Net Operating Profit After Tax (NOPAT) before special items		**798**	**1,699**
Return on invested capital (ROIC)[2)]		**3.0%**	**7.6%**
Return on invested capital (ROIC) before special items[2)]		**3.5%**	**8.1%**

C25+ Regnskabspriserne 2021

Vinder af plusprisen – DFDS

Derfor vinder DFDS

- God beskrivelse af de to segmenter, hvor der er en fin gennemgang af de forskellige markeder samt overblik over udviklingen i de væsentligste nøgletal og markeder.
- God og detaljeret beskrivelse af hvordan Covid-19 påvirkede virksomheden i 2020.
- God oversigt over ROIC på subsegmenter med fokus på analytikernes informationsbehov.
- En detaljeret note over omsætningen, der også indeholder en break-down af omsætning på geografi og produkter.
- En fin og detaljeret note på nedskrivninger.
- Stærk regnskabsdel i årsrapporten med relevante kommentarer og rød tråd i opbygningen af noter via ROIC.
- En flot, overskuelig og læsevenlig årsrapport af høj kvalitet.

Dommerkomitéens forslag til forbedringer

- En yderligere indarbejdelse af ikke-finansielle oplysninger i årsrapporten.
- Dommerkomiteen savner en kvantificering af risici, fx i et risk map og en tydeligere omtale af de tiltag ledelsen gør for at minimere risici.
- Dommerkomiteen ser gerne mere brug af grafik og visualisering til forklaring og understøttelse af noterne.

Tillykke til vinderen af Dommerkomiteens særpris

Ørsted

C25+ Regnskabspriserne 2021

Vinder af særprisen – Ørsted

Særprisen 2020 – Oplysninger om skattemæssige forhold og skattepolitik

Særprisen gives i år inden for et område, som dommerkomitéen vurderer som noget der er meget relevant i disse år og et område, hvor der er et væsentligt udviklingspotentiale hos de enkelte virksomheder.

Dommerkomitéen vurderer området som særlig interessant, fordi der er krav om rapportering af bl.a. skattepolitik fra 2021, jf. de nye CG-anbefalinger. Hertil kommer mulige EU-regler, der kræver country-by-country-oplysninger.

Samtidig er oplysninger om skattemæssige forhold og skattepolitikker af væsentlig interesse for mange regnskabsbrugerne.

Der har derfor gennem et stykke tid været en øget interesse for virksomhedernes politikker for skattebetalinger og skatteplanlægning bl.a. som følge af øgede krav til rapportering om ESG forhold.

Dommerkomiteen har derfor besluttet at anerkende en virksomhed, som på dette område er "first mover" og i høj grad giver en række oplysninger om både skattepolitik, men også om både skatteplanlægning og skattebetalinger.

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Vinder af særprisen – Ørsted (s. 126-127)

Ørsted Årsrapport 2020

- Åben beskrivelse af "Approach to taxes", herunder hvilket arbejde om skat, Ørsted har deltaget i.
- Beskrivelse af tax risici og controlling heraf.
- Åben beskrivelse af usikre skattepositioner og evt. skattesager Ørsted er involveret i.

5.1 Approach to taxes

In Ørsted, we wish to provide user-friendly information about our tax positions. By drawing inspiration from the standard GRI 207: Tax, we have increased the transparency of our reporting in a standardised manner.

We believe that taxes are a core part of our corporate social responsibility. At Ørsted, we are committed to conducting our business in a way that contributes to the UN Sustainable Development Goals (SDGs). Taxes are a key contribution to the SDGs, in particular target 16.6 on the development of effective, accountable, and transparent institutions.

Taxes are overseen by the Board of Directors who is accountable for the tax policy. The responsibility for tax risk management lies with the CFO and is overseen by the Audit & Risk Committee. The day-to-day tax management is handled by a centralised global tax team who is involved in all significant business developments.

We have a clear responsibility to comply with the laws in the countries where we operate. We choose to do this by aiming to comply not only with the letter of the law, but also with the underlying tax policy intent.

Amazon Wind Farm, Scurry County, Texas, the US.

In December 2019, the GRI 207: Tax standard was adopted with effect for reports publishe after 1 January 2021. We have drawn inspiration from the standard when presenting our approach to and reporting of tax.

Management has been provided with a statement (ISRS 4400 - Agreed Upon Procedures) fr our auditors on our application of GRI 207: Ta

Tax stakeholder engagement

In line with our tax policy, we engage constru tively in national and international dialogue with governments, business groups, and civil society to support the development of effective tax systems, legislation, and administrati

During 2020, our engagement consisted mainly of the following: Participation in a public hearing in the Danish Parliament on CFC taxation, participation in the Tax Dialog Project, meetings with NGOs, submission of responses to OECD's public consultations on CbC Reporting, Pillar I, and Pillar II, participa tion in the tax panel meetings of the Danish Confederation of Enterprises, and participation in BIAC's workgroup on OECD's Pillar II.

The purpose of our engagement is to suppo the development of robust and sustainable tax legislation and practice by contributing an informed discussion. By engaging with civ society and gathering input on, for example, how we share information, we believe we ca contribute to rebuilding the public's confiden

Uncertain tax positions

Our tax risk management work includes taking into account uncertain tax positions, e.g. when we have taken a position where there is an uncertainty created by a comparison of the wording of the law, the expressed policy intent or lack thereof, or fluctuating or divergent application by tax authorities or judicial systems in countries where we operate.

Tax controversies

In an administrative decision, The Danish Tax Agency has concluded that Ørsted Wind Power A/S has not acted at arm's length terms and conditions when charging fees for technical services provided to two project companies for the Walney Extension and Hornsea 1 offshore wind farms in the UK during the development phase.

The decision entails an additional tax payable of DKK 5.1 billion for the income years 2015 and 2016 plus interest. We dispute the decision, and we have lodged an appeal with the Danish National Tax Tribunal and also filed an application for Mutual Agreement Procedure between the Competent Authorities of the Danish Tax Agency and Her Majesty's Revenue & Customs under both the EU Arbitration Convention and the relevant Double Tax Agreement, including the Multilateral Instrument. We have further requested a deferral of payment until the case is finally decided. Our application for Mutual Agreement Procedure under both instruments has been confirmed as admissible by the Danish and UK Competent Authorities. Our request for a deferral of payment until the case is finally decided has been accepted by the Danish Tax Agency.

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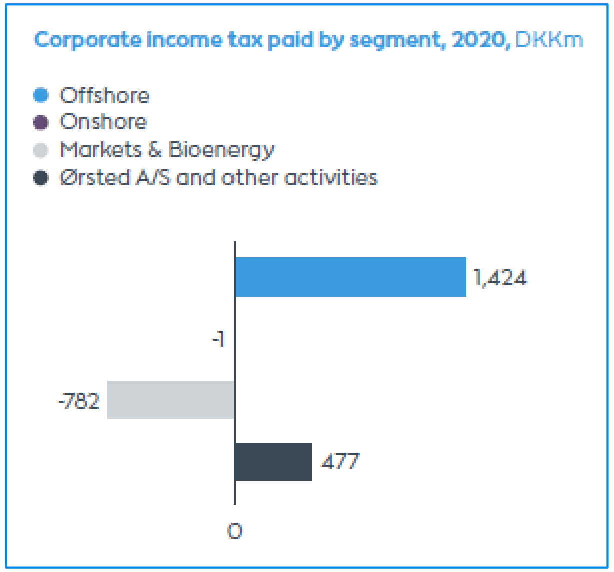
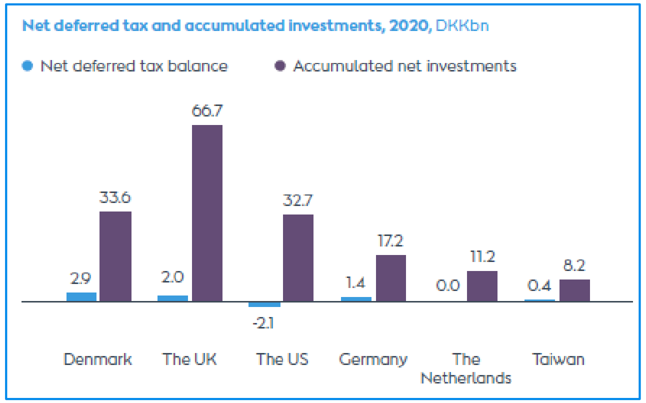
Vinder af særprisen – Ørsted (s. 125 og 130)

Ørsted Årsrapport 2020

- Udskudt skat fordeles på segmenter og sammenholdes med investeringer.
- Årets skatteomkostninger fordeles tilsvarende på segmenter

Deferred tax 2020, DKKm	Offshore	Onshore	Markets & Bioenergy	Other activities/ eliminations	Deferred tax at 31 December
Deferred tax, assets	6,250	-	529	5	6,784
Deferred tax, liabilities	238	1,923	8	18	2,187
Unrecognised tax assets	140	9	31	20	200
Deferred tax 2019, DKKm					
Deferred tax, assets	6,441	-	189	217	6,847
Deferred tax, liabilities	1,611	1,422	338	-	3,371
Unrecognised tax assets	7	-	25	-	32





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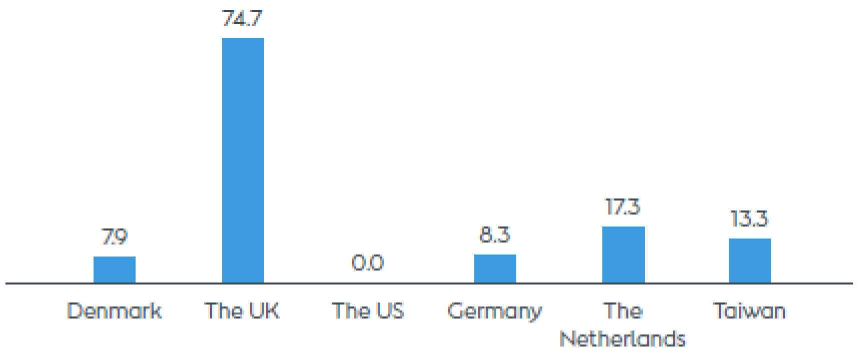
Vinder af særprisen – Ørsted (s. 125 og 132)

Ørsted Årsrapport 2020

- Overblik over den effektive skatteprocent landeopdelt.
- Forklaring af en vindparks livscyklus, og herunder også skattepåvirkningen i de forskellige faser.

Effective current tax rate (IFRS), 2020, %



A wind farm life cycle

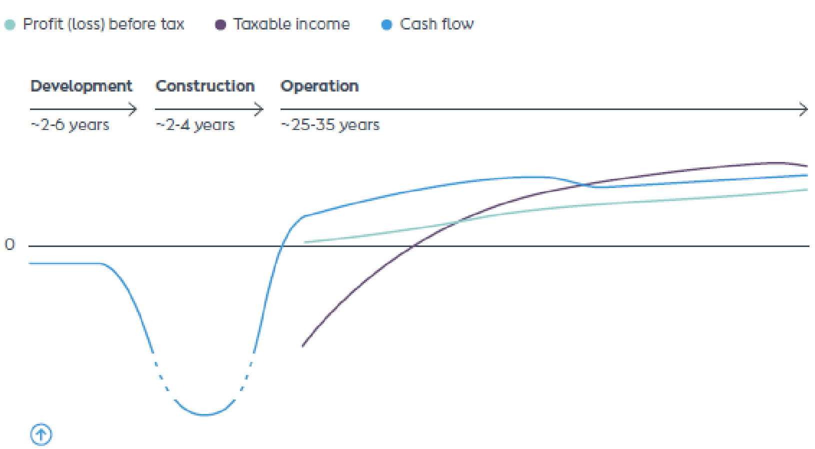
Ørsted operates in several countries (see our global footprint in the management's review). The design of the individual tax regime in each jurisdiction impacts the tax over the life cycle of our investments and thereby the timing of when we pay tax.

A wind farm life cycle begins with the development phase. This includes opportunity screening, if applicable, bid preparation, obtaining land rights, grid connection, and permits. The latter activities are further matured if an investment decision is made, and the construction phase commences, which includes construction of the wind farm. During both phases, product, people, and property taxes are borne or collected (see our total tax contribution section).

When the wind farm is commissioned and put into operation, income and positive cash flow are generated. In many cases, the effect of tax incentives results in a deferral of taxable income compared to profit before tax for accounting purposes. Conversely, once the deferral ends, the taxable income related to the wind farm will exceed the accounting profit. For this reason, the applicable corporate tax rate and cash tax paid will always differ, but accumulated over the lifetime of the wind farm, they will be identical.

Furthermore, in many of the jurisdictions where we operate, there are mandatory or voluntary tax groupings. This means that we will only pay tax on the consolidated result of all of our activities in that country. As a result, continued significant investments in such a country may further defer the time at which we pay taxes in that country.

Project phases, wind farm life cycle example



Development activities results in negative cash flow in the beginning of the project life cycle. During construction, the capital employed accelerates materially. Positive income begins when the project enters operation.

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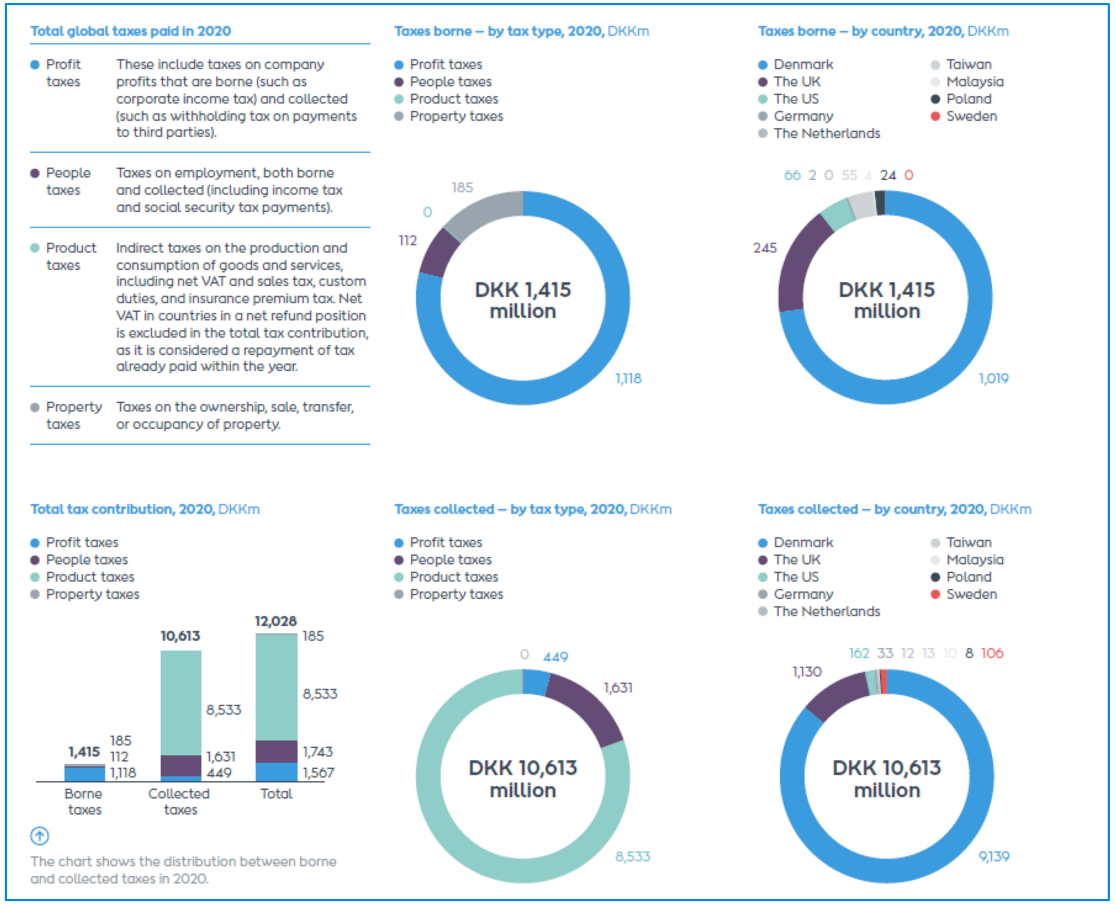
Vinder af særprisen – Ørsted (s. 133 og 134)

Ørsted Årsrapport 2020

- Oplysning af betalte skatter fordelt på typer af skat og lande
- Overblik over samlet skattebidrag
- Land for land rapportering af betalte skatter og øvrige forhold i de enkelte lande.

Country-by-country key figures – IFRS, 2020	Number of employees	Total employee remuneration[2]	Revenues from third-party sales DKKm	Revenues from intra-group transactions with other tax jurisdictions, DKKm	Property, plant, and equipment, and inventory DKKm	Balance of intra-company debt DKKm	Corporate income tax paid on a cash basis, DKKm
Denmark	3,854	3,509	31,108	10,398	14,103	19,679	976
The UK	1,057	811	12,962	7,960	60,144	65,959	120
The US	314	378	2,526	2	31,702	7,540	(33)
Germany	219	176	2,968	685	11,264	17,161	2
The Netherlands	45	35	381	348	10,860	8,379	-
Taiwan	126	121	7	21	8,190	1,732	50
Malaysia	274	57	-	101	3	-	-
Poland	233	80	-	122	5	-	3
Sweden	4	2	199	-	2	-	-
Other countries[1]	53	52	-	167	76	-	-
Total	**6,179**	**5,221**	**50,151**	**19,804**	**136,349**	**120,450**	**1,118**

[1] Other countries include Isle of Man, Japan, Singapore, and South Korea.
[2] Including employee costs transferred to assets.



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Vinder af særprisen – Ørsted

Derfor vinder Ørsted

- Skattenoten udviser en høj grad af åbenhed og transparens om Ørsteds skattepolitikker og skattemæssig situation.
- Der udvises samtidig åbenhed om koncernens igangværende skattesager.
- Ørsted oplyser om og forklarer / motiverer deres evt. tilstedeværelse i skattely-lande.
- God illustration, der viser sammenhængen mellem investeringer i vind-projekter og de heraf følgende skattebetalinger.
- Udskudt skat præsenteres fordelt på både geografiske områder og segmenter.
- Koncernens samlede skattebidrag vises pr. land og skattetype.
- Ørsted er i front af udviklingen på dette område, der forventes at få stor bevågenhed fremover– også som følge af ny CG-anbefaling og mulige nye EU-regler.