DISCLAIMER. Certain statements in this presentation are based on the beliefs of our management as well as assumptions made by and information currently available to the management. Forward-looking statements (other than statements of historical fact) regarding our future results of operations, financial condition, cash flows, business strategy, plans and future objectives can generally be identified by terminology such as “targets”, “believes”, “expects”, “aims”, “intends”, “plans”, “seeks”, “will”, “may”, “anticipates”, “continues” or similar expressions.

These statements are not guarantees of future performance and involve certain risks. Many direct and indirect factors may affect future results and developments may therefore differ materially from what is forecast due to a variety of factors. These factors include, but are not limited to, changes in temperature, wind conditions and precipitation levels, the development in inflation, currency, power, gas, coal, carbon, oil and interest rate markets, changes in legislation, regulation or standards, changes in the competitive environment in our markets, security of supply and cable break-downs or other disruptions of operation.

We urge you to read our annual report available on our website at www.orsted.com for a discussion of some of the factors that could affect our future performance and the industry in which we operate.

Should one or more of these risks or uncertainties materialise or should any underlying assumptions prove to be incorrect, our actual financial condition or results of operations could materially differ from that described herein as anticipated, believed, estimated or expected.
Significant strategic and operational progress in 2017

**Strategic transformation**
- Upstream Oil & Gas divested
- Green share of generation increased to 64% and on track to reach +95% in 2023
- New name and visual identity

**Wind Power**
- Contracts awarded in the UK and Germany (2GW)
- Farm-down of Walney Ext. and Borkum Riffgrund 2
- US and Taiwan developing as planned
- Strong progress across construction program

**Utility**
- Coal-free in 2023: Commissioning of Skærbæk bioconversion and FID on Asnæs
- Renescience Northwich plant constructed but commissioning delayed
- Smart meter roll-out well on track

**Financials**
- All-time high EBITDA of DKK 22.5bn
- ROCE of 25%
- Positive free cash flow despite DKK 17.7bn CAPEX
- Dividends increased by 50% to DKK 3.8bn
**Strong growth in EBITDA**

### EBITDA DKKbn

- **Non-recurring items**
- **WP new partnerships**
- **Existing activities**

<table>
<thead>
<tr>
<th>Year</th>
<th>2014 realised</th>
<th>2015 realised</th>
<th>2016 realised</th>
<th>2017 realised</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7.8</td>
<td>8.7</td>
<td>19.1</td>
<td>22.5</td>
</tr>
<tr>
<td>2014</td>
<td>1.5</td>
<td>1.3</td>
<td>4.7</td>
<td>9.8</td>
</tr>
<tr>
<td>2015</td>
<td>2.0</td>
<td>7.4</td>
<td>5.0</td>
<td>12.7</td>
</tr>
<tr>
<td>2016</td>
<td>4.3</td>
<td>9.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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### Outperformance vs. original guidance of DKK 15-17bn

**Timing effects DKK ~4.5bn:**
- Borkum Riffgrund 2 originally forecasted to close in 2018
- Redistribution of Walney Ext. gain from 2018 to 2017
- Increase in value of gas at storages; will reverse as higher COGS

### Better than expected performance DKK ~2.0bn:
- Faster ramp-up in Wind Power
- Lower CAPEX spend leading to higher farm-down gains
- Stronger trading results in Markets
### Construction program well in progress

<table>
<thead>
<tr>
<th>Project</th>
<th>Race Bank</th>
<th>Walney Extension</th>
<th>Borkum Riffgrund 2</th>
<th>Hornsea 1</th>
<th>Borssele 1&amp;2</th>
<th>Hornsea 2</th>
<th>Asnæs CHP plant</th>
<th>Renescience Northwich</th>
<th>Smart meter roll-out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Asset type</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity</td>
<td>573MW</td>
<td>659MW</td>
<td>450MW</td>
<td>1,218MW</td>
<td>752MW</td>
<td>1,386MW</td>
<td>129MW Heat, 25MW Power</td>
<td>120,000 tonnes waste</td>
<td>1m installations</td>
</tr>
<tr>
<td>Status</td>
<td>On track</td>
<td>On track</td>
<td>On track</td>
<td>On track</td>
<td>On track</td>
<td>On track</td>
<td>On track</td>
<td>Delayed</td>
<td>On track</td>
</tr>
<tr>
<td>Comments</td>
<td>Wind farm fully commissioned end of January</td>
<td>Walney 3: All 40 turbines installed. Walney 4: Turbine installation ongoing</td>
<td>Foundation construction back on track. Foundation installation to commence in spring 2018</td>
<td>Transmission assets under construction. Foundation installation commenced</td>
<td>Turbines contracted</td>
<td>Contracting in progress</td>
<td>Conversion from coal to sustainable wood chips</td>
<td>Construction completed. Commissioning work ongoing</td>
<td>183,000 new meters in use end of 2017</td>
</tr>
</tbody>
</table>
## Wind Power market development

<table>
<thead>
<tr>
<th>Country</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Germany**   | • Auction of 1.6GW in April 2018  
• Climate targets and strategy being discussed by potential government coalition partners |
| **US**        | • Submitted first bid in Massachusetts in December 2017  
• Final agreement for construction of Virginia pilot being negotiated with Dominion Energy  
• Offshore wind gaining momentum along US East Coast  
• Connecticut, auction for up to 200MW in April 2018  
• New York, solicitation for 800MW in 2018/2019 |
| **Taiwan**    | • EIA expert council recommends approvals for Greater Changhua 1-4  
• Allocation of 5.5GW grid capacity  
• Government announced additional 2.5GW build-out on top of original 3.0GW target |
| **Netherlands** | • Holland Coast South 3 & 4 tender of 700MW in Q3 2018  
• Holland Coast 5 tender of 700MW in 2019  
• New government targets 10GW offshore wind constructed 2020-2030 |
Strategic direction and priorities

**Offshore wind**
- CAPEX (2018-2023) 85-90%
  - Maintain market leadership in offshore wind
  - Continue to pioneer new markets and develop a global business
  - Keep innovating and reducing the cost of offshore wind
  - Leverage market leading partnership model
  - Realise current build-out plan of 8.9GW towards 2022 and expand to 11-12GW by 2025
  - Implement operational excellence and digitisation initiatives across EPC and O&M

**Utility**
- CAPEX (2018-2023) 5-10%
  - Complete biomass conversions of Danish CHP plants and phase out coal by 2023
  - Roll out smart meters to build intelligent power distribution grid
  - Enhance customer experience through digitisation and product innovation
  - Provide competitive route-to-market for own and customers’ generation portfolios
  - Optimise activities within natural gas as a transition fuel
  - Drive cost efficiency across utility business

**Growth opportunities**
- CAPEX (2018-2023) 0-10%
  - Renescience: Innovative enzymatic waste treatment
  - Mature the Energy-as-a-Service concept for industrial and commercial customers
  - Explore potential within other green energy technologies:
    - Energy storage
    - Solar PV
    - Onshore wind

Let’s create a world that runs entirely on green energy
Capital deployment spectrum towards 2023

Illustrative gross investments 2018-2023

Only currently committed capital spend, 'locked in' growth, high pay-out scenario:
- No additional WP FIDs beyond current build-out plan (8.9GW)
- All projects farm down
- No additional green growth opportunities pursued

DKK 45-55bn

FID of additional 3-4GW offshore wind
No farm downs post Hornsea 1
Additional green growth opportunities

DKK 130-140bn

High capital spend, only currently committed dividends, extraordinary profit growth:
- Additional 3-4GW wind FID'ed
- No farm down post Hornsea 1
- Investments in additional value creating green growth

Significant additional dividend pay-out
Spectrum of dividends and long-term growth
Significant additional long-term growth and value creation
EBITDA more than doubled in Q4 2017

Underlying EBITDA increased DKK 7.2bn

- Non-recurring lump sum compensation in DCS in 2016
- Earnings from operating wind farms up 70%
- Farm-down of Walney Ext. and Borkum Riffgrund 2 in Q4 2017 and Race Bank in Q4 2016
- Increased earnings from heat and power generation and ancillary services
- Further provision regarding capacity in LNG-terminal (DKK 0.4bn)

Net profit up DKK 5.9bn

- Higher EBITDA
- Net profit from discontinued operations increased DKK 0.5bn

Free cash flow increased DKK 10.1bn

- Divestment of 50% of Walney Ext. and Borkum Riffgrund 2
- CFO increased due to higher EBITDA (after reversal of gain on disposal of assets) and prepayments from partners
- Higher gross investments
All-time high EBITDA and net profit

**Underlying EBITDA increased DKK 8.1bn**
- Non-recurring lump sum compensations and earnings from divested Gas Distribution in DCS in 2016
- Earnings from operating wind farms up 45% to DKK 8.5bn
- Earnings from partnerships up due to farm-down of Walney Ext. & Borkum Riffgrund 2 in 2017 (Burbo Bank Ext. and Race Bank in 2016)
- BTP up DKK 0.1bn due to biomass conversions
- DCS down DKK 0.4bn due to further provision regarding capacity in LNG-terminal

**Net profit up DKK 7.0bn**
- Higher EBITDA partly offset by higher depreciation and DKK 1.3bn gain from the divestment of the gas distribution network in 2016
- Net profit from discontinued operations increased DKK 5.9bn (of which DKK 2.4bn gain on divestment)

**Positive free cash flow in 2017**
- Expectation of negative FCF at year-start
- Positively impacted by timing of Borkum Riffgrund 2 farm-down and redistribution of Walney Ext. farm-down gain
- Gross investment at low end of guidance range
- Strong underlying performance
Net cash of DKK 1.5bn and increased ROCE

Net interest-bearing debt development (DKKm)

30 Sep 2017:
- CFO: 10,260
- CAPEX: -3,078
- Divestments: -14,875
- Disc. operations: -289
- Other: 660
- 31 Dec 2017: -1,517

Negative net interest-bearing debt:
- Divestment of 50% of Walney Ext. and Borkum Riffgrund 2
- CFO increased due to higher EBITDA (after reversal of gain on disposal of assets) and prepayments from partners
- CFO includes DKK 2.7bn tax payments. We expect to exit the International Joint Taxation in 2017. The DKK 1.7bn re-taxation balance was paid in November

FFO / Adj. net debt (%)
- 31 Dec 2016: 64%
- 31 Dec 2017: 50%

ROCE (%)
- 31 Dec 2016: 24%
- 31 Dec 2017: 25%

ROCE of 25%:
- Wind Power ROCE of 28% boosted by strong generation and farm-down gains
- DCS ROCE of 13% driven by steady returns on power distribution grid and strong performance in Markets
Wind measurements

Change from wind energy content to wind speed

• Wind speed is more intuitively understandable and transparent (meters per second vs. an index)

• Wind speed is based directly on external data sources and can be compared with a historically normal wind year

• Wind speed measurements are weighted on the basis of the individual wind farms’ generation capacity and consolidated into a total for Ørsted (the same way as generation)

• WEC was calculated based on our power generation, but was negatively biased as it also included generation down-time like curtailment\(^1\)

• A shift to wind speed will improve the robustness of our wind measurements

1. Curtailment is lower power generation in periods where we are prevented by the national system operator from exporting power to the national power transmission system
Wind Power – Strong results in Q4 2017

**Power generation**

<table>
<thead>
<tr>
<th></th>
<th>TWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2016</td>
<td>1.8</td>
</tr>
<tr>
<td>Q4 2017</td>
<td>2.9</td>
</tr>
</tbody>
</table>

**Power generation up 61%**
- Increased generation from Gode Wind 1&2 and Burbo Bank Ext., and start-up of generation from Race Bank and Walney Ext.
- Higher wind speed (11.0 m/s vs. 9.4 m/s in Q4 2016. Norm of 10.4 m/s)

**EBITDA**

<table>
<thead>
<tr>
<th></th>
<th>DKKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2016</td>
<td>5,054</td>
</tr>
<tr>
<td>Q4 2017</td>
<td>10,033</td>
</tr>
</tbody>
</table>

**EBITDA up DKK 7.5bn**
- Earnings from operating wind farms up 70%
- SPA gains from Walney Ext. and Borkum Riffgrund 2 in 2017 (Race Bank in 2016)
- Higher project development costs due to expansion into new markets

**Free cash flow**

<table>
<thead>
<tr>
<th></th>
<th>DKKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2016</td>
<td>5,054</td>
</tr>
<tr>
<td>Q4 2017</td>
<td>10,033</td>
</tr>
</tbody>
</table>

**FCF increased DKK 14.4bn**
- Divestment of Borkum Riffgrund 2 and Walney Ext. in Q4 2017 (Race Bank in 2016)
- Higher tax payments in Q4 2016
- Receipt of milestone payments in 2017
Wind Power – Strong operational and partnership results

**Power generation**
- TWh
  - FY 2016: 6.0
  - FY 2017: 8.5
- Up 42%
  - Increased generation from Gode Wind 1&2 and Burbo Bank Ext., and start-up of generation from Race Bank and Walney Ext.
  - Higher wind speed (9.3m/s vs. 8.9m/s in 2016. Norm of 9.2m/s)
  - Higher availability in 2017 (93% vs. 92% in 2016)

**EBITDA**
- DKKm
  - FY 2016: 11,867
    - Earnings from operating wind farms: 5,869
    - Partnership earnings: 7,012
  - FY 2017: 20,595
    - Earnings from operating wind farms: 8,529
    - Partnership earnings: 13,667
- Up 45%
  - Earnings from operating wind farms up 45%
  - Partnership earnings nearly doubled
  - Higher project development costs due to expansion into new markets

**Free cash flow**
- DKKm
  - FY 2016: -1,014
  - FY 2017: 4,628
- Increased DKK 5.8bn
  - High proceeds from farm-downs partly offset by higher gross investments

**ROCE**
- %
  - FY 2016: 16.5
  - FY 2017: 28.4
- Up 12%-point
  - Higher earnings from sites and significant impact from gain on the divestments
Bioenergy & Thermal Power – IPO guidance reached

**EBITDA – Q4 DKKm**

- **Q4 2016**: 115
- **Q4 2017**: 240

**EBITDA doubled**
- Higher earnings from heat and power generation as well as ancillary services

**Free cash flow – Q4 DKKm**

- **Q4 2016**: 299
- **Q4 2017**: 147

**FCF of DKK 0.1bn**
- Higher level of funds tied up in working capital
- Partly offset by higher EBITDA

**EBITDA – FY DKKm**

- **FY 2016**: 100
- **FY 2017**: 152

**EBITDA of DKK 0.2bn**
- IPO guidance on doubling of heat EBITDA in 2017 vs. 2015 reached, driven by bio-conversions
- Negative effect from adverse market conditions for power generation

**Free cash flow – FY DKKm**

- **FY 2016**: 407
- **FY 2017**: 695

**FCF of DKK -0.8bn**
- Still expect positive free cash flow for full year 2018

The case against the Danish Competition Authorities concerning the former Elsam’s alleged excessive pricing in 2005 and 2006 is scheduled for oral hearing in the High Court of Western Denmark in April 2018. We have booked a provision of DKK 298m with the addition of interest concerning the claims for compensation raised in connection with the alleged excessive pricing.
Distribution & Customer Solutions – Q4 & FY 2017

**EBITDA – Q4 DKKm**
- 1,243
  - 804 Non-recurring
  - 439 Underlying
- 922
  - 2,441 Non-recurring
  - 2,082 Underlying

**EBITDA decreased DKK 1.1bn**
- Lump sum compensation from gas contract renegotiation in 2016
- Increased provision regarding onerous contract for capacity in LNG-terminal in Q4 2017 (DKK 0.4bn)

**Free cash flow – Q4 DKKm**
- 922
  - -71 Non-recurring
  - 922 Underlying

**FCF decreased DKK 1.0bn**
- Lower EBITDA
- Receivables from renegotiations in Q3 2016 received in Q4 2016

**EBITDA – FY DKKm**
- 7,108
  - 4,667 Non-recurring
  - 2,441 Underlying
- 2,082
  - 2,082 Non-recurring
  - 2,082 Underlying

**EBITDA of DKK 2.1bn**
- Lump sum compensations from gas contract renegotiations and earnings from divested Gas Distribution in 2016
- Increased provision regarding onerous contract for capacity in LNG-terminal in Q4 2017 (DKK 0.4bn)

**Free cash flow – FY DKKm**
- 5,971
  - -1,289 Non-recurring
  - 5,971 Underlying

**FCF decreased DKK -7.3bn**
- Lower EBITDA
- Proceeds from divestment of gas distribution in 2016
- Higher gross investments
Outlook – New EBITDA guidance method

New EBITDA guidance method

- Future guidance only include existing WP partnership agreements
- Previously, outlook included partnership agreements expected to be concluded during the year
- Outlook was thus particularly sensitive to timing of farm-downs and distribution of income between years
- 2018 EBITDA excluding new partnership agreements is expected to be DKK 12-13 billion
- If Hornsea 1 is farmed down in 2018, EBITDA including new partnerships will expectedly be higher than 2017

Gross investments in 2018

- Gross investments expected to amount to DKK 16-18 billion

Work-in-progress

- Significant funds temporarily tied up in construction of transmission assets in the UK (part of operating cash flow)
- Funds tied up in work-in-progress of DKK 7.5bn end of 2017
- Expect to divest Burbo Bank Ext. transmission asset in H1 2018
- Expect funds tied up in work-in-progress to increase in 2018 due to the construction of transmission assets at Hornsea 1 and 2

Guidance on EBITDA excl. new WP partnerships DKKbn

<table>
<thead>
<tr>
<th></th>
<th>2016 Realised</th>
<th>2017 Realised</th>
<th>2018 Guidance</th>
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<tr>
<td>Non-recurring items</td>
<td>4.7</td>
<td>9.8</td>
<td>12.7</td>
</tr>
<tr>
<td>New partnership agreements</td>
<td>5.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Existing activities</td>
<td>9.4</td>
<td>12.7</td>
<td>12-13</td>
</tr>
</tbody>
</table>
**Outlook – Business unit EBITDA FY 2018 vs. FY 2017**

**Wind Power (excl. new partnership agreements) – Higher**
- Earnings from offshore wind farms in operation are expected to increase (DKK 8.5bn in 2017)
- Earnings from existing partnership agreements are expected to decline (DKK 3.9bn in 2017)
- Slightly higher expensed project development costs (DKK -1.6bn in 2017)

**Hornsea 1**
- We still expect a 50% farm-down of Hornsea 1, either in H2 2018 or in 2019

**Bioenergy & Thermal Power – Higher**
- Total EBITDA from our heat and power generation activities expected to increase (DKK -0.2bn in 2017)
- Earnings from ancillary services expected to be in line (DKK 0.3bn in 2017)

**Distribution & Customer Solutions – Significantly lower**
- Earnings from Distribution are expected to be in line (DKK 1.2bn in 2017)
- Expect significantly lower earnings from Markets in 2018 (DKK 1.4bn in 2017). Increasing gas prices in 2017 led to an increase in the accounting value of our gas at storages. All other things equal, this will lead to an offsetting negative effect in 2018 when we sell the gas
- Earnings in LNG (DKK -0.6bn in 2017) are expected to improve in 2018, as 2017 were negatively impacted by provisions
WP guidance on growth in sites EBITDA towards 2023

Average yearly increase in WP sites EBITDA (CAGR)

• We introduce a new directional target for the operating profit from our offshore wind farms in operation

• We expect an average annual increase in EBITDA (incl. O&M and PPAs) of 13%-14% from 2017 to 2023 (CAGR)

• The portfolio includes currently decided offshore wind farms through Hornsea 2. Hornsea 1 is assumed to be farmed down but the target doesn’t take into account farm-downs after Hornsea 1
Lower CAPEX guidance on Wind Power build-out

Reductions in construction costs achieved
• At time of IPO average CAPEX/MW for the FID’ed build-out portfolio of six offshore wind farms (Gode Wind 1+2, Burbo Bank Ext., Race Bank, Walney Ext., Borkum Riffgrund 2 and Hornsea 1) was estimated at DKK 22-24m/MW*
• The portfolio has now been substantially progressed with some projects being finalised and the rest either in late stage construction or fully contracted
• Most recent estimate of the average CAPEX/MW for the portfolio of the six offshore wind farms is down close to DKK 20m/MW*
• Post 2020 European projects will be materially lower due to significant cost-of-electricity improvements in recent years

Key offshore wind CAPEX/MW reduction drivers
• Larger turbines
• Larger sites
• Innovation throughout the value chain
• Faster installation cycles
• Increased supply chain competition

* Weighted average 2015 prices
Financial targets and financial policies

Return on capital employed (ROCE) 2018-2023
- Target average ROCE of 12-14% for the Group in the 2018-2023 period (previously 2017-2023)
- Wind Power main contributor with a targeted average ROCE of 13-15%
- Target maintained, even though we are now excluding 2017, with Group ROCE of 25% and WP ROCE of 28%

Financial targets
<table>
<thead>
<tr>
<th>Financial targets</th>
<th>Target</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on capital employed (ROCE)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group</td>
<td>12-14%</td>
<td>Avg. 2018-2023</td>
</tr>
<tr>
<td>Wind Power</td>
<td>13-15%</td>
<td>Avg. 2018-2023</td>
</tr>
<tr>
<td>Distribution &amp; Customer Solutions</td>
<td>9-11%</td>
<td>Avg. 2018-2023</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>Positive</td>
<td>2018</td>
</tr>
<tr>
<td>Wind farms in operation*</td>
<td>13%-14%</td>
<td>2017-&gt;2023</td>
</tr>
</tbody>
</table>

Financial policies
- Dividend DKK 9 per share (DKK 3.8 billion in total) to be paid for FY 2017, an increase of 50% vs. FY 2016
- Objective is to increase dividends by a high single-digit rate compared to the dividends for the previous year up until 2020
- Objective of maintaining a BBB+/Baa1 rating profile

Adjusted capital structure ratio
- Credit metric adjusted to exclude the SPA effect of gains on farm-downs of offshore wind assets
- Metric aligned to the credit rating agencies’ method
- Target is still a ratio of around 30%

* Hornsea 1 assumed to be farmed down (50%) but no farm-downs beyond Hornsea 1 assumed
2018 key priorities

- Commissioning of Race Bank and Walney Ext.
- Construction progress on Hornsea 1, Borkum Riffgrund 2, Borssele 1&2 and Hornsea 2
- Hornsea 1 farm-down process
- German auction
- US market expansion
- Taiwan: Greater Changhua 1-4
- Path to coal free: Asnæs bioconversion and Esbjerg agreement
- Commissioning of Renescience plant in Northwich
- 650,000+ smart meters in use
- New green growth initiatives
Q&A

Conference call
DK: +45 35 44 55 83
UK: +44 203 194 0544
US: +1 855 269 2604

For questions, please press 01
Appendix
Structural transformation of European power generation

European power mix

- **New Renewables**: 29% in 2000, 25% in 2017, 20% in 2030
- **Hydro**: 53% in 2000, 37% in 2017, 38% in 2030
- **Fossil**: 17% in 2000, 16% in 2017, 14% in 2030
- **Nuclear**: 2% in 2000, 2% in 2017, 2% in 2030

Offshore wind CAGR 2017-2030: 12.8%

1 Offshore and onshore wind combined.

## Wind Power build-out plan

### Installed capacity (MW)

<table>
<thead>
<tr>
<th>Year</th>
<th>Race Bank</th>
<th>Walney Extension</th>
<th>Barkum Riffgrund 2</th>
<th>Hornsea 1</th>
<th>2020</th>
<th>Borssele 1&amp;2</th>
<th>Hornsea 2</th>
<th>Decided (FID) capacity</th>
<th>German Development Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3,876</td>
<td>573</td>
<td>659</td>
<td>450</td>
<td>1,218</td>
<td>6,776</td>
<td>752</td>
<td>1,386</td>
<td>8,914</td>
</tr>
<tr>
<td></td>
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</tr>
</tbody>
</table>

### Country details

<table>
<thead>
<tr>
<th>Country</th>
<th>UK</th>
<th>UK</th>
<th>Germany</th>
<th>UK</th>
<th>Netherlands</th>
<th>UK</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turbine</td>
<td>91 Siemens Gamesa 6.3MW</td>
<td>40 MHI Vestas 8MW, 47 Siemens Gamesa 7MW</td>
<td>56 MHI Vestas 8MW</td>
<td>174 Siemens Gamesa 7MW</td>
<td>94 Siemens Gamesa 8MW</td>
<td>Turbine selection pending</td>
<td></td>
</tr>
</tbody>
</table>
## SPA/CA split and timing of CA gains on farm-downs

<table>
<thead>
<tr>
<th>Wind farm</th>
<th>MW capacity</th>
<th>Commissioning</th>
<th>SPA/CA split</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018e</th>
<th>2019e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gode Wind 1</td>
<td>330</td>
<td>Q4 2016</td>
<td>SPA/CA split</td>
<td>SPA</td>
<td>All</td>
<td>CA: 75-100%</td>
<td>0-10%</td>
<td>65-75%</td>
</tr>
<tr>
<td>Gode Wind 2</td>
<td>252</td>
<td>Q4 2016</td>
<td>SPA/CA split</td>
<td>SPA</td>
<td>All</td>
<td>CA: 75-100%</td>
<td>55-65%</td>
<td>30-40%</td>
</tr>
<tr>
<td>Burbo Bank Ext.</td>
<td>258</td>
<td>Q1 2017</td>
<td>SPA/CA split</td>
<td>SPA</td>
<td>DKK 0.6bn</td>
<td>CA: 75-100%</td>
<td>80-90%</td>
<td>10-20%</td>
</tr>
<tr>
<td>Race Bank</td>
<td>573</td>
<td>Q1 2018</td>
<td>SPA/CA split</td>
<td>SPA</td>
<td>DKK 2.5bn</td>
<td>DKK 1.4bn</td>
<td>CMA: 25-50%</td>
<td>90-100%</td>
</tr>
<tr>
<td>Walney Ext.</td>
<td>659</td>
<td>H2 2018</td>
<td>SPA/CA split</td>
<td>SPA</td>
<td>All</td>
<td>CA: 0-25%</td>
<td>0-10%</td>
<td>80-90%</td>
</tr>
<tr>
<td>Borkum Riffgrund 2</td>
<td>450</td>
<td>H1 2019</td>
<td>SPA/CA split</td>
<td>SPA</td>
<td>All</td>
<td>CA: 25-50%</td>
<td>0-10%</td>
<td>80-90%</td>
</tr>
<tr>
<td>Hornsea 1</td>
<td>1,218</td>
<td>2020</td>
<td>SPA/CA split</td>
<td>SPA</td>
<td>All</td>
<td>CA: 25-50%</td>
<td>0-10%</td>
<td>80-90%</td>
</tr>
</tbody>
</table>
## Group – Financial highlights Q4 & FY

<table>
<thead>
<tr>
<th>FINANCIAL HIGHLIGHTS</th>
<th>Q4 17</th>
<th>Q4 16</th>
<th>Δ</th>
<th>FY 17</th>
<th>FY 16</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA DKKm</td>
<td>13,032</td>
<td>6,310</td>
<td>107%</td>
<td>22,519</td>
<td>19,109</td>
<td>18%</td>
</tr>
<tr>
<td>• Wind Power</td>
<td>12,591</td>
<td>5,054</td>
<td>149%</td>
<td>20,595</td>
<td>11,867</td>
<td>74%</td>
</tr>
<tr>
<td>• Bioenergy &amp; Thermal Power</td>
<td>240</td>
<td>115</td>
<td>109%</td>
<td>152</td>
<td>100</td>
<td>52%</td>
</tr>
<tr>
<td>• Distribution &amp; Customer Solutions</td>
<td>179</td>
<td>1,243</td>
<td>(86%)</td>
<td>2,082</td>
<td>7,108</td>
<td>(71%)</td>
</tr>
<tr>
<td>Net profit – continuing operations</td>
<td>9,350</td>
<td>3,988</td>
<td>134%</td>
<td>13,279</td>
<td>12,161</td>
<td>9%</td>
</tr>
<tr>
<td>Net profit – discontinued operations</td>
<td>79</td>
<td>(473)</td>
<td>n.a.</td>
<td>6,920</td>
<td>1,052</td>
<td>558%</td>
</tr>
<tr>
<td>Total net profit</td>
<td>9,429</td>
<td>3,515</td>
<td>168%</td>
<td>20,199</td>
<td>13,213</td>
<td>53%</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>3,078</td>
<td>1,752</td>
<td>76%</td>
<td>1,023</td>
<td>11,272</td>
<td>(91%)</td>
</tr>
<tr>
<td>Gross investments</td>
<td>(5,805)</td>
<td>(4,732)</td>
<td>23%</td>
<td>(17,744)</td>
<td>(14,960)</td>
<td>19%</td>
</tr>
<tr>
<td>Divestments</td>
<td>14,875</td>
<td>5,013</td>
<td>197%</td>
<td>16,982</td>
<td>9,055</td>
<td>88%</td>
</tr>
<tr>
<td>Free cash flow – continuing operations</td>
<td>12,148</td>
<td>2,033</td>
<td>498%</td>
<td>261</td>
<td>5,367</td>
<td>(95%)</td>
</tr>
<tr>
<td>Net interest-bearing debt</td>
<td>(1,517)</td>
<td>3,461</td>
<td>n.a.</td>
<td>(1,517)</td>
<td>3,461</td>
<td>n.a.</td>
</tr>
<tr>
<td>FFO/Adjusted net debt</td>
<td>%</td>
<td>50</td>
<td>64</td>
<td>14%p</td>
<td>50</td>
<td>64</td>
</tr>
<tr>
<td>ROCE&lt;sup&gt;1&lt;/sup&gt;</td>
<td>%</td>
<td>25.2</td>
<td>24.4</td>
<td>0.8%p</td>
<td>25.2</td>
<td>24.4</td>
</tr>
</tbody>
</table>

<sup>1</sup> ROCE: Last 12 months
# WP – Financial highlights Q4 & FY

## FINANCIAL HIGHLIGHTS

<table>
<thead>
<tr>
<th></th>
<th>Q4 17</th>
<th>Q4 16</th>
<th>Δ</th>
<th>FY 17</th>
<th>FY 16</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA DKKm</td>
<td>12,591</td>
<td>5,054</td>
<td>149%</td>
<td>20,595</td>
<td>11,867</td>
<td>74%</td>
</tr>
<tr>
<td>• Sites incl. O&amp;Ms and PPAs</td>
<td>3,226</td>
<td>1,899</td>
<td>70%</td>
<td>8,529</td>
<td>5,869</td>
<td>45%</td>
</tr>
<tr>
<td>• Construction contracts and farm-down gains</td>
<td>10,033</td>
<td>3,309</td>
<td>203%</td>
<td>13,667</td>
<td>7,012</td>
<td>95%</td>
</tr>
<tr>
<td>• Other incl. A2SEA and project development</td>
<td>(668)</td>
<td>(154)</td>
<td>334%</td>
<td>(1,601)</td>
<td>(1,014)</td>
<td>58%</td>
</tr>
<tr>
<td>ROCE¹</td>
<td>%</td>
<td>28.4</td>
<td>16.5</td>
<td>11.9%p</td>
<td>28.4</td>
<td>16.5</td>
</tr>
</tbody>
</table>

## KEY BUSINESS DRIVERS

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Power generation TWh</td>
<td>2.9</td>
<td>1.8</td>
<td>61%</td>
<td>8.5</td>
<td>6.0</td>
<td>42%</td>
</tr>
<tr>
<td>Wind speed m/s</td>
<td>11.0</td>
<td>9.4</td>
<td>17%</td>
<td>9.3</td>
<td>8.9</td>
<td>4%</td>
</tr>
<tr>
<td>Availability %</td>
<td>92</td>
<td>94</td>
<td>(2)%p</td>
<td>93</td>
<td>92</td>
<td>1%p</td>
</tr>
<tr>
<td>Load factor %</td>
<td>54</td>
<td>49</td>
<td>5%p</td>
<td>44</td>
<td>41</td>
<td>3%p</td>
</tr>
<tr>
<td>Installed capacity GW</td>
<td>3.9</td>
<td>3.6</td>
<td>8%</td>
<td>3.9</td>
<td>3.6</td>
<td>8%</td>
</tr>
<tr>
<td>Production capacity GW</td>
<td>2.5</td>
<td>2.0</td>
<td>25%</td>
<td>2.5</td>
<td>2.0</td>
<td>25%</td>
</tr>
</tbody>
</table>
## FINANCIAL HIGHLIGHTS

<table>
<thead>
<tr>
<th></th>
<th>Q4 17</th>
<th>Q4 16</th>
<th>Δ</th>
<th>FY 17</th>
<th>FY 16</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>DKKm</td>
<td>240</td>
<td>115</td>
<td>109%</td>
<td>152</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Heat</td>
<td></td>
<td>235</td>
<td>172</td>
<td>37%</td>
<td>695</td>
<td>407</td>
</tr>
<tr>
<td>• Ancillary services</td>
<td></td>
<td>122</td>
<td>89</td>
<td>37%</td>
<td>321</td>
<td>300</td>
</tr>
<tr>
<td>• Power</td>
<td></td>
<td>(117)</td>
<td>(146)</td>
<td>(20%)</td>
<td>(864)</td>
<td>(607)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td></td>
<td>147</td>
<td>299</td>
<td>(51%)</td>
<td>(796)</td>
<td>(635)</td>
</tr>
</tbody>
</table>

## KEY BUSINESS DRIVERS

<table>
<thead>
<tr>
<th></th>
<th>Q4 17</th>
<th>Q4 16</th>
<th>Δ</th>
<th>FY 17</th>
<th>FY 16</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat generation</td>
<td>TWh</td>
<td>2.8</td>
<td>3.1</td>
<td>(10%)</td>
<td>9.0</td>
<td>9.2</td>
</tr>
<tr>
<td>Power generation</td>
<td>TWh</td>
<td>2.3</td>
<td>3.0</td>
<td>(23%)</td>
<td>8.2</td>
<td>8.4</td>
</tr>
<tr>
<td>Degree days</td>
<td>#</td>
<td>895</td>
<td>962</td>
<td>(7%)</td>
<td>2,705</td>
<td>2,715</td>
</tr>
<tr>
<td>Power price, DK</td>
<td>EUR/MWh</td>
<td>30.6</td>
<td>34.6</td>
<td>(11%)</td>
<td>31.0</td>
<td>28.0</td>
</tr>
<tr>
<td>Green dark spread, DK</td>
<td>EUR/MWh</td>
<td>(5.1)</td>
<td>0.7</td>
<td>n.a.</td>
<td>(1.6)</td>
<td>3.4</td>
</tr>
</tbody>
</table>
### Financial Highlights Q4 & FY

<table>
<thead>
<tr>
<th>FINANCIAL HIGHLIGHTS</th>
<th>Q4 17</th>
<th>Q4 16</th>
<th>Δ</th>
<th>FY 17</th>
<th>FY 16</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>DKKm</td>
<td>179</td>
<td>1,243</td>
<td>2082</td>
<td>7,108</td>
<td>(71)%</td>
</tr>
<tr>
<td>• Distribution</td>
<td></td>
<td>172</td>
<td>233</td>
<td>1,199</td>
<td>1,602</td>
<td>(25)%</td>
</tr>
<tr>
<td>• Sales</td>
<td></td>
<td>21</td>
<td>(71)</td>
<td>32</td>
<td>(15)</td>
<td>n.a.</td>
</tr>
<tr>
<td>• Markets</td>
<td></td>
<td>575</td>
<td>1,131</td>
<td>1,422</td>
<td>5,766</td>
<td>(75)%</td>
</tr>
<tr>
<td>• LNG</td>
<td></td>
<td>(589)</td>
<td>(40)</td>
<td>(571)</td>
<td>(245)</td>
<td>133%</td>
</tr>
<tr>
<td>ROCE¹</td>
<td>%</td>
<td>13.1</td>
<td>75.8</td>
<td>(62.7%p)</td>
<td>13.1</td>
<td>75.8</td>
</tr>
</tbody>
</table>

### Key Business Drivers

<table>
<thead>
<tr>
<th></th>
<th>Q4 17</th>
<th>Q4 16</th>
<th>Δ</th>
<th>FY 17</th>
<th>FY 16</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAB Power</td>
<td>DKKm</td>
<td>10,623</td>
<td>10,648</td>
<td>0%</td>
<td>10,623</td>
<td>10,648</td>
</tr>
<tr>
<td>Gas sales</td>
<td>TWh</td>
<td>36.9</td>
<td>36.1</td>
<td>2%</td>
<td>136.1</td>
<td>150.4</td>
</tr>
<tr>
<td>Power sales</td>
<td>TWh</td>
<td>10.6</td>
<td>9.2</td>
<td>15%</td>
<td>37.7</td>
<td>36.7</td>
</tr>
<tr>
<td>Distribution of power</td>
<td>TWh</td>
<td>2.2</td>
<td>2.3</td>
<td>(4)%</td>
<td>8.4</td>
<td>8.5</td>
</tr>
</tbody>
</table>
# Differences in Business Performance EBITDA and IFRS EBITDA

## DKKm

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2017</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA – BUSINESS PERFORMANCE (BP)</strong></td>
<td>22,519</td>
<td>19,109</td>
</tr>
<tr>
<td>BP adjustment in respect of revenue for the year</td>
<td>205</td>
<td>(3,808)</td>
</tr>
<tr>
<td>BP adjustment in respect of COGS for the year</td>
<td>(150)</td>
<td>1,638</td>
</tr>
<tr>
<td><strong>EBITDA – IFRS</strong></td>
<td>22,574</td>
<td>16,939</td>
</tr>
<tr>
<td>Total BP adjustments for the year comprise:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MtM of financial and physical hedging contracts relating to other periods</td>
<td>(138)</td>
<td>(1,397)</td>
</tr>
<tr>
<td>Reversal of deferred gain (loss) relating to hedging contracts from previous periods, where the hedged production or trade is recognised in BP EBITDA for this period</td>
<td>193</td>
<td>(773)</td>
</tr>
<tr>
<td><strong>TOTAL ADJUSTMENTS</strong></td>
<td>55</td>
<td>(2,170)</td>
</tr>
</tbody>
</table>

## SPECIFICATION OF BP ADJUSTMENTS, DKKm

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2017</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil hedge</td>
<td>404</td>
<td>267</td>
</tr>
<tr>
<td>Coal hedge</td>
<td>38</td>
<td>75</td>
</tr>
<tr>
<td>Currency hedge</td>
<td>150</td>
<td>1,156</td>
</tr>
<tr>
<td>Gas hedge (commercial and hedge)</td>
<td>106</td>
<td>(735)</td>
</tr>
<tr>
<td>Power hedge (commercial and hedge)</td>
<td>(836)</td>
<td>(2,160)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>(138)</td>
<td>(1,397)</td>
</tr>
</tbody>
</table>

## MTM OF HEDGING CONTRACTS RELATING TO OTHER PERIODS

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2017</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil hedge</td>
<td>46</td>
<td>1,654</td>
</tr>
<tr>
<td>Coal hedge</td>
<td>(32)</td>
<td>151</td>
</tr>
<tr>
<td>Currency hedge</td>
<td>(12)</td>
<td>(615)</td>
</tr>
<tr>
<td>Gas hedge (commercial and hedge)</td>
<td>(106)</td>
<td>(1,539)</td>
</tr>
<tr>
<td>Power hedge (commercial and hedge)</td>
<td>297</td>
<td>(424)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>193</td>
<td>(773)</td>
</tr>
</tbody>
</table>
# Investments

**GROSS AND NET INVESTMENTS (DKKm)**

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from investing activities</td>
<td>(10,054)</td>
<td>(1,060)</td>
</tr>
<tr>
<td>Dividends received and capital reduction, reversed</td>
<td>(13)</td>
<td>(22)</td>
</tr>
<tr>
<td>Purchase and sale of securities, reversed</td>
<td>9,197</td>
<td>(4,564)</td>
</tr>
<tr>
<td>Loans to associates and JVs, reversed</td>
<td>47</td>
<td>(210)</td>
</tr>
<tr>
<td>Sale of assets and companies reversed</td>
<td>(16,921)</td>
<td>(9,104)</td>
</tr>
<tr>
<td><strong>GROSS INVESTMENTS</strong></td>
<td>(17,744)</td>
<td>(14,960)</td>
</tr>
<tr>
<td>Transactions with non-controlling interests in connection with divestments</td>
<td>61</td>
<td>(49)</td>
</tr>
<tr>
<td>Sale of non-current assets</td>
<td>16,921</td>
<td>9,104</td>
</tr>
<tr>
<td><strong>TOTAL CASH FLOWS FROM DIVESTMENTS</strong></td>
<td>16,982</td>
<td>9,055</td>
</tr>
<tr>
<td><strong>NET INVESTMENTS</strong></td>
<td>(762)</td>
<td>(5,905)</td>
</tr>
</tbody>
</table>

---

**Gross investments per business unit**

**FY 2017**

- Wind Power: 87%
- Bioenergy & Thermal Power: 8%
- Distribution & Customer Solutions: 5%

**Capital employed per business unit**

**31 Dec 2017**

- Wind Power: 83%
- Bioenergy & Thermal Power: 4%
- Distribution & Customer Solutions: 13%

---

1. Net investments are defined as the effect on Ørsted’s net debt from investments and acquisitions and disposals of enterprises.
### FUNDS FROM OPERATIONS / ADJUSTED NET DEBT (DKKm)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA – Business Performance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA – Business Performance</td>
<td>22,519</td>
<td>19,109</td>
</tr>
<tr>
<td>Interest expenses, net</td>
<td>(629)</td>
<td>(402)</td>
</tr>
<tr>
<td>Reversal of interest expenses transferred to assets</td>
<td>(754)</td>
<td>(574)</td>
</tr>
<tr>
<td>Interest element of decommission obligations</td>
<td>(194)</td>
<td>(172)</td>
</tr>
<tr>
<td>50% of coupon payments on hybrid capital</td>
<td>(320)</td>
<td>(320)</td>
</tr>
<tr>
<td>Operating lease obligations, interest element</td>
<td>(234)</td>
<td>(194)</td>
</tr>
<tr>
<td><strong>Adjusted net interest expenses</strong></td>
<td>(2,131)</td>
<td>(1,662)</td>
</tr>
<tr>
<td>Reversal of gain (loss) on divestment of assets</td>
<td>(10,835)</td>
<td>(2,940)</td>
</tr>
<tr>
<td>Reversal of recognised lease payment</td>
<td>885</td>
<td>746</td>
</tr>
<tr>
<td>Current tax</td>
<td>(2,447)</td>
<td>(3,665)</td>
</tr>
<tr>
<td><strong>FUNDS FROM OPERATION (FFO)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FUNDS FROM OPERATION (FFO)</td>
<td>7,991</td>
<td>11,588</td>
</tr>
<tr>
<td><strong>Total interest-bearing net debt</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50% of hybrid capital</td>
<td>6,619</td>
<td>6,624</td>
</tr>
<tr>
<td>Cash and securities, not available for distribution</td>
<td>749</td>
<td>953</td>
</tr>
<tr>
<td>Present value of operating lease payments</td>
<td>6,095</td>
<td>3,986</td>
</tr>
<tr>
<td>Decommission obligations</td>
<td>4,751</td>
<td>3,649</td>
</tr>
<tr>
<td>Deferred tax on decommissioning obligations</td>
<td>(797)</td>
<td>(627)</td>
</tr>
<tr>
<td><strong>ADJUSTED INTEREST-BEARING NET DEBT</strong></td>
<td>15,900</td>
<td>18,046</td>
</tr>
<tr>
<td><strong>FFO / ADJUSTED INTEREST-BEARING NET DEBT</strong></td>
<td>50%</td>
<td>64%</td>
</tr>
</tbody>
</table>
Debt overview

Gross debt and hybrids
Q4 2017

Net debt
DKKbn

Q4 2016
3.5
Q4 2017
-1.5

Long term gross debt maturity schedule Q4 2017, DKKbn

- Bonds
- Hybrids
- Bank loans

Bonds
Hybrids
Bank loans
Interest rate risk and funding costs

Effective funding costs – gross debt (excl. hybrid)

Key risk figures Q4 2017 (excl. hybrid)

- Funding costs reflect existing bonds issued during period from 2009 to 2017
- Marginal funding cost is much lower
- Liability management activities during recent years focused on short end of maturity profile
- Average effective interest rate higher in Q3 2017 due to repayment of floating rate bank loan, and lower in Q4 2017 after new debt issues

<table>
<thead>
<tr>
<th></th>
<th>Cost of debt (%)</th>
<th>Modified duration (%)</th>
<th>Avg. time to maturity (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond loans</td>
<td>4.1</td>
<td>8.0</td>
<td>10.1</td>
</tr>
<tr>
<td>Bank loans</td>
<td>0.1</td>
<td>0.5</td>
<td>7.0</td>
</tr>
<tr>
<td>Total</td>
<td>3.9</td>
<td>7.6</td>
<td>9.8</td>
</tr>
</tbody>
</table>
Hybrid capital in short

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

- Hybrid capital encompasses the credit supportive features of equity and improves rating ratios
- Perpetual or long-dated final maturity (1,000 years for Ørsted)
- Absolute discretion to defer coupon payments and such deferrals do not constitute default nor trigger cross-default

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

Currently, Ørsted has fully utilised it's capacity to issue hybrids (S&P has the strictest limit of 15% of total capitalisation)

Deeply subordinated and only senior to common equity
- Without being dilutive to equity holders (no ownership and voting rights, no right to dividend)

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

The hybrid capital has increased Ørsted’s investment capacity and supports the growth strategy and rating target

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

- Hybrid capital encompasses the credit supportive features of equity and improves rating ratios
- Perpetual or long-dated final maturity (1,000 years for Ørsted)
- Absolute discretion to defer coupon payments and such deferrals do not constitute default nor trigger cross-default

HYBRIDS ISSUED BY ØRSTED A/S¹

<table>
<thead>
<tr>
<th>PRINCIPAL AMOUNT</th>
<th>TYPE</th>
<th>FIRST PAR CALL</th>
<th>COUPON</th>
<th>ACCOUNTING TREATMENT²</th>
<th>TAX TREATMENT</th>
<th>RATING TREATMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 500m</td>
<td>Hybrid capital (subordinated)</td>
<td>July 2018</td>
<td>Fixed during the first 5 years, first 25bp step-up in July 2023</td>
<td>100% debt</td>
<td>Debt – tax deductible coupon payments</td>
<td>100% debt</td>
</tr>
<tr>
<td>EUR 700m</td>
<td>Hybrid capital (subordinated)</td>
<td>June 2023</td>
<td>Fixed for the first 10 years, first 25bp step-up in June 2023</td>
<td>100% equity</td>
<td>Debt – tax deductible coupon payments</td>
<td>50% equity, 50% debt</td>
</tr>
<tr>
<td>EUR 600m</td>
<td>Hybrid capital (subordinated)</td>
<td>Nov. 2020</td>
<td>Fixed during the first 5.5 years, first 25bp step-up in Nov. 2025</td>
<td>100% equity</td>
<td>Debt – tax deductible coupon payments</td>
<td>50% equity, 50% debt</td>
</tr>
<tr>
<td>EUR 500m</td>
<td>Hybrid capital (subordinated)</td>
<td>Nov. 2024</td>
<td>Fixed during the first 7 years, first 25bp step-up in Nov. 2029</td>
<td>100% equity</td>
<td>Debt – tax deductible coupon payments</td>
<td>50% equity, 50% debt</td>
</tr>
</tbody>
</table>

1. All listed on Luxembourg Stock Exchange and rated Baa3 (Moody’s), BB+ (S&P) and BBB- (Fitch). The Green hybrid is furthermore listed on the Luxembourg Green Exchange (LGX)
2. Due to the 1,000-year structure
3. In November 2017 we issued the 2.25% Green hybrid in order to refinance the 4.875% hybrid on the first par call in July 2018. The 4.875% hybrid is therefore treated as debt (both accounting and rating treatment).
Benefits of hybrid capital

Hybrid capital is an attractive form of financing for corporates:
- Provides strength to the balance sheet at relatively attractive terms (tax deductible)
- Supportive to credit ratings
- WACC efficient instrument to enhance financial flexibility
- Non-dilutive source of quasi equity capital

The issuance of hybrid capital is significantly cheaper than issuing proportional amounts of debt and equity.

Illustrative example – current example

**ASSUMPTIONS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Pre-tax Cost</th>
<th>Post-tax Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pricing for a hybrid with first call in year 5:</td>
<td>3.0%</td>
<td>3.5% * (1-22%) = 2.34%</td>
</tr>
<tr>
<td>Pricing for a 5-year senior bond of 0.5% (pre-tax)</td>
<td>0.5%</td>
<td>0.5% * (1-22%) = 0.41%</td>
</tr>
<tr>
<td>Cost of Equity:</td>
<td>8%</td>
<td></td>
</tr>
</tbody>
</table>

**RELATIVE COST ANALYSIS**

<table>
<thead>
<tr>
<th>Cost Item</th>
<th>Pre-tax Cost</th>
<th>Post-tax Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-tax cost of new 5-year senior</td>
<td>0.4%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Cost of equity</td>
<td></td>
<td>4.2%</td>
</tr>
<tr>
<td>Post-tax cost of 50% debt and 50% equity</td>
<td></td>
<td>2.3%</td>
</tr>
<tr>
<td>Post-tax cost of hybrid</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## November 2017 - EUR hybrid and Senior transactions

<table>
<thead>
<tr>
<th>Tenor/Target Notes</th>
<th>Hybrid</th>
<th>Senior</th>
<th>Liability Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000NC7</td>
<td>12 years</td>
<td>6.500% due 2019</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.875% due 2021</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.625% due 2022</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Size/Amount Tendered</th>
<th>Hybrid</th>
<th>Senior</th>
<th>Liability Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 500m</td>
<td>EUR 750m</td>
<td>EUR 198.7m</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coupon</th>
<th>Hybrid</th>
<th>Senior</th>
<th>Liability Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.250%</td>
<td>EUR 2.4bn</td>
<td>EUR 1.6bn</td>
<td>Successfully achieved to replace “Brown Bonds” with new “Green Senior Bonds”</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Weighted average success rate of ca. 17%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Lowered refinancing risk by managing upcoming maturities early</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investor Demand</th>
<th>Hybrid</th>
<th>Senior</th>
<th>Liability Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 2.4bn</td>
<td>EUR 1.6bn</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

### Key Highlights
- First Green Hybrid from a Nordic corporate
- Third ever EUR Green Corporate Hybrid
- Lowest ever coupon/yield/spread for Nordic Corporate Hybrid irrespective on tenor
- Ørsted’s lowest ever coupon
- First senior bond issuance since 2012
- Lowest ever coupon/yield/spread for Nordic BBB rated corporate in the 12 years tenor
- Successfully achieved to replace “Brown Bonds” with new “Green Senior Bonds”
- Weighted average success rate of ca. 17%
- Lowered refinancing risk by managing upcoming maturities early

### Green Aspects
- The Hybrid and Senior transactions were our first bonds issued in a Green format
- The net proceeds of the issuance will be used for eligible green projects and activities that promote climate-friendly and other environmental purposes in line with our Green Bonds Framework
- Second opinion with a Dark Green shading was attained from CICERO
- First Green Bond Investor Letter describing the first allocation to green eligible projects is available at orsted.com
Ørsted has issued Green Bonds


### Use of Proceeds
- Acquisition, development and construction of new Eligible Projects
- Renovation, upgrade of existing Eligible Projects

<table>
<thead>
<tr>
<th>Ørsted Eligible Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offshore wind farms &amp; other renewable energy production types</td>
</tr>
<tr>
<td>Bioenergy</td>
</tr>
<tr>
<td>Energy storage, smart grid &amp; other energy solutions</td>
</tr>
</tbody>
</table>

- Nuclear or fossil energy generation projects are excluded

### Management of Proceeds
- Proceeds has been transferred to a separate “Green Account”
- On a quarterly basis, funds from the “Green Account” will be allocated to eligible projects (upon approval of Sustainability Committee, and based on previous quarter expenditures)
- The unallocated balance will be placed in liquidity reserves and managed in accordance with Ørsted’s Investment Policies

### Project Evaluation and Selection Process
- Projects will be evaluated, selected and prioritized by the Sustainability Department in consensus with the Treasury Department
- Prioritized projects will, on a quarterly basis, be presented to Ørsted’s Sustainability Committee for final approval
- Only projects fulfilling the eligibility criteria will be financed using green bond proceeds

### Reporting
- The first annual Green Bond Investor Letter is available at our homepage together with Ørsted’s Green Bonds Framework and Second Opinion
- The internal tracking method and allocation of funds has been verified by PwC

Ørsted’s Green Bond Framework has been reviewed by CICERO and received a **Dark Green shading**
We have a centralised financing strategy as customary for vertically and horizontally integrated European energy utilities.

The strategy supports:

• A capital structure supportive of our BBB+ rating ambition
• Concentration of and scale in financing activities
• Cost efficient financing based on a strong parent rating
• Optimal terms and conditions and uniform documentation
• Transparent debt structure and simplicity
• Avoidance of structural subordination

All cash flow generated by our subsidiaries supports the creditworthiness and rating of and thus the debt taken up by the Group parent.

The financing strategy optimizes the effect of a fully integrated group cash pool where cash at practically all of the Group’s more than 150 subsidiaries are made available for the Group’s financing and liquidity purposes.

Financing of activities at subsidiary level is provided by the Group parent in a standardised and cost efficient set-up involving very few resources at Business Unit and Corporate Treasury.

Widespread use of project financing is not considered cost-efficient and dilutes the creditworthiness of the Group parent.
The purpose of our currency risk management is to reduce the Group’s currency risks over a 5-year horizon.

The main principle is to hedge FX exposure once it is deemed relatively certain that the underlying cash flows in foreign currency will materialise.

Thus, FX risk is hedged concurrently with the hedging of energy price risk.

FX risk related to divestments and investments are hedged once the amount is relatively certain.

Hedging of ROC and CfD income deviates from main principle and follows a staircase model (see next page). GBP therefore constitutes a strategic risk.

Management of currency risks is centralised at Ørsted to obtain netting advantages.
Hedging of FX and power risk in Wind Power

Construction and farm-downs – Hedging of FX

Decision gates

- Pre-FID
  - 100% share
  - Early hedging of large DEVEX items on a 100% basis

- Final Investment Decision
  - 100% share
  - Build up of hedges of transmission asset
  - Hedging CAPEX of generation asset
  - Hedging revenue at staircase

- Farm-down mandate
  - 50% share
  - Acceleration of hedges for partners share of transmission asset
  - Hedging of highly certain part of generation asset divestment proceeds
  - Hedging revenue at staircase

- Signing farm-down
  - 50% share
  - Hedges fully established for sale of project shares and construction gains

- Commercial Operations
  - Ongoing hedging of operational net cash flow reflecting permanent share of production (50% share)

Commercial Operations – Hedging of FX and power

Rolling operational hedging process on monthly/quarterly basis:

- ROC/CfD hedges are target hedge ratio
- The power hedge ratio is a minimum requirement, and power related FX exposures are included in FX exposures and hedged when the underlying power price is hedged (no power hedge during CfD period)
Revenue expectations are maintained at same level after the new income cap order is enacted.

Main elements in new regulation:
- 5-year income cap with following elements:
  - **Cost Cap**: Operational expenses and depreciations. Starting point is average of costs in 2012-14.
  - **Return Cap**: New investments based on market based WACC. Existing RAB continues with LBR+1 return.
  - **Adjustments**: Change in activity level, change in tasks, price indexation.
  - **Net loss**: Starting point is average of costs in 2014-16.
  - **Quality of supply**: Possible penalty for efficiency requirements and low quality of supply.

- Recalibration of income cap between regulation periods.

Still some uncertainties regarding the future income caps:

- **DERA income cap setting**: Radius’ income cap is set annually by DERA on the basis of the new income cap order.
- **Individual efficiency requirements**: Individual efficiency requirements are set annually reducing the income cap. The efficiency requirements are accumulated within the regulation periods. Individual efficiency requirement for 2019 are set in December 2018.
- **Quality of supply**: The income cap will be reduced annually with a 1-year effect if a certain level of quality of supply is not met. A new model for setting levels of the quality of supply is to be introduced during the first regulation period.

1. **WACC currently estimated at approx. 3.5%**