

Ørsted Summary 2018

Annual report and
sustainability report



Our vision

Let's create a world that runs entirely on green energy



Chairman's statement

Green light ahead

The UN's 2030 Agenda for Sustainable Development calls for making significant progress on some of the world's greatest challenges. Global climate change caused by man-made carbon emissions is one of the key threats to human societies and the planet, and urgent action is needed. Human activity has already caused an increase of approx 1.1°C above pre-industrial levels. If emissions continue at the current rate, global warming is likely to reach 1.5°C above pre-industrial levels at the earliest in 2030, crossing a key threshold set by climate science to avoid irreversible climate change.

The challenge of global warming requires a profound transformation of our global energy systems – from black to green energy. At Ørsted, our vision is a world that runs entirely on green energy. As one of the global leaders in green energy, we are committed to providing tangible and scalable solutions to transform global energy systems from black to green.

In 2018, we continued our successful deployment of green energy, reaching 8.3GW of renewable energy capacity built by Ørsted. Over the past decade, Ørsted and our partners have invested approx DKK 165 billion in deploying green energy. For the next seven years, we plan to further accelerate our build-out. By 2025, more than 99% of our energy generation will come from renewable sources, and by 2030, our ambition is to reach more than 30GW of green energy deployed, allowing more than 50 million people to be powered by green energy built by Ørsted. The ambitious decarbonisation of our power and heat generation puts the carbon reduction from our own operations 27 years ahead of the decarbonisation trajectory for the energy industry that is recommended by climate scientists to stay below the 2°C-threshold defined in the Paris Agreement. We further commit ourselves to reduce our carbon emissions in line with the recent scientific recommendation to limit global temperature increases to no more than 1.5°C above pre-industrial levels.

In 2018, we took important steps in shaping our portfolio towards becoming one of the world's leading renewable energy companies. We announced our intention to exit our power distribution and residential customer businesses, which will allow us to focus entirely on renewable energy generation and market access. We also announced the acquisition of Lincoln Clean Energy, which will serve as our platform for creating a leading North American onshore renewables business, spanning onshore wind,



As one of the global leaders in green energy, we are committed to providing tangible and scalable solutions to transform global energy systems from black to green.

solar energy and storage. Finally, we announced the acquisition of Deepwater Wind, creating a leading offshore wind platform in the US together with our existing US organisation.

Our commitment to people remain strong. Particularly, safety is a focus area for us, and in 2018, we once again improved workplace safety with a total recordable injury rate per million working hours (TRIR) at a record low level of 4.7. Furthermore, we reaffirmed our commitment to being an inclusive workplace for all employees regardless of personal characteristics by joining the UN LGBTI Standards of Conduct for Business. To further support gender diversity in management, we implemented the 'Female Spotlight' programme that prepares talented women for senior leadership positions.

Profit for the year amounted to DKK 19.5 billion, Ørsted's best result ever. The Board of Directors recommends paying a dividend of DKK 9.75 per share.

On behalf of the Board of Directors, I would like to thank the employees and management of Ørsted for their spirited commitment to turning the vision of green energy into reality, and for bringing green solutions to existing and new markets that share our vision of a world that runs entirely on green energy.



Thomas Thune Andersen
Chairman

CEO's review

Strong operational and financial results and strategic acquisitions have strengthened our position as a world leader in green energy:

- Operating profit (EBITDA) increased by 33% and totalled DKK 30.0 billion.
- Operating profit from offshore wind farms in operation increased by 29% to DKK 11.0 billion.
- Farm-down of 50% of Hornsea 1 was one of the largest renewable energy M&A transactions ever and contributed DKK 15.1 billion to EBITDA.
- Green share of generation increased from 64% to 75%.
- Strong progress in the construction of our new wind projects.
- New offshore wind projects awarded in the US, Germany and Taiwan.
- Acquisition of the US-based onshore wind developer Lincoln Clean Energy.
- Acquisition of the leading US-based offshore wind developer Deepwater Wind.
- Decision to exit our Danish power distribution and residential customer businesses.
- New ambitious targets for the Group's long-term strategic and financial development.

Financial results

In 2018, we achieved a strong operating profit (EBITDA) which significantly exceeded our expectations at the beginning of the year.

EBITDA (excluding new partnerships) increased by 18% to DKK 15.0 billion. The good results were driven by an increase in generation from our offshore wind farms in operation, which led to an increase of 29% in EBITDA from these activities. Including new partnerships, EBITDA increased by 33% to DKK 30.0 billion, of which DKK 15.1 billion came from the 50% farm-down of Hornsea 1.

Return on capital employed (ROCE) was 32% compared to 25% in 2017.

Net profit amounted to DKK 19.5 billion, which was DKK 6.2 billion higher than last year.

Following the bioconversions of our CHP plants and the continued ramp-up of our offshore wind capacity, the green share of our heat and power generation increased from 64% to 75% in 2018.

Strategic development

Our vision is to create a world that runs entirely on green energy. We expect the global market for renewable energy to more than triple towards 2030. As one of the leading companies within renewable energy, Ørsted has a strong platform to take part in this build-out. In November, we launched new, ambitious targets for our long-term strategic and financial development.

By the end of 2018, our portfolio consisted of 12GW of offshore and onshore wind farms and biomass-fired combined heat and power plants that are either in production, under construction or have obtained final investment decision (FID). We also have projects with a capacity of 4.8GW for which we have been awarded the construction concessions or entered into offtake agreements, but are yet to make FID. In addition, we have a strong pipeline of projects under development. Towards 2030, it is our strategic ambition to reach an installed capacity of more than 30GW renewable energy, provided that the build-out creates value for our shareholders. Contributing to this ambition, we raised our 2025 ambition for offshore wind from 11-12GW to 15GW.

Our strategic ambition will be supported by an extensive investment programme. From 2019 to 2025, we currently expect total gross investments of approx DKK 200 billion. Investments in offshore wind farms are expected

// Towards 2030, it is our strategic ambition to reach an installed capacity of more than 30GW renewable energy, provided that the build-out creates value for our shareholders.

to constitute 75-85% of this programme. Onshore investments are expected to constitute 15-20%, while our investments in Bioenergy and Customer Solutions combined are expected to constitute 0-5%. The allocation reflects the changes we made to our asset portfolio in 2018, including the two acquisitions in the US and the decision to exit our power distribution and residential customer businesses.

The strategic plan is subject to our four capital allocation priorities. Firstly, we maintain our strong commitment to our credit rating target (BBB+/Baa1). Secondly, we intend to increase our annual dividends by a high single-digit percentage. The horizon of this dividend commitment is extended from 2020 to 2025. Thirdly, we will invest in value-creating growth. Finally, potential excess capital will be returned to our shareholders in the form of additional dividends and/or share buy-backs.

Offshore

In 2018, we reached significant milestones in our ambitious green strategy. In the UK, we commissioned Race Bank in January and Walney Extension, the world's largest wind farm, in May, and in Germany, we commissioned Borkum Riffgrund 2 in December. All were commissioned ahead of schedule, underpinning our experience and efficiency within the construction of offshore wind farms. Together with the rest of the portfolio, the three commissioned offshore wind farms contributed to the continued growth in earnings.

In addition, our current offshore wind construction projects continue to progress according to plan. We have installed most of the foundations at Hornsea 1 in the UK, which will be the world's largest wind farm when completed, expectedly in the second half of this year. The build-out of our portfolio also includes Borssele 1 & 2 in the Netherlands and Hornsea 2 in the UK. In February, we selected Siemens Gamesa Renewable Energy's 8MW wind turbines with a 167-metre rotor for Hornsea 2.

We continued our partnership model in 2018 with the 50% farm-down of Hornsea 1 to Global Infrastructure Partners. As part of the agreement, we will provide long-term operations and maintenance services (O&M) as well as a route to market for the power generated through our Customer Solutions business. The farm-down was one of the largest renewable energy M&A transactions ever and included the largest single-project renewable energy financing scheme to date. The valuation underpins the attractiveness of our offshore wind assets.

In April, we were awarded 900MW capacity in the first Taiwanese grid allocation as Greater Changhua 1 & 2a were awarded 605MW and 295MW, respectively. In the price auction in June, we were awarded an additional 920MW. With a total capacity of 1,820MW, we are as such able to fully utilise our Greater Changhua 1, 2 and 4 sites.

On 30 January 2019, the 2019 feed-in tariff was announced. We take note of the 6% tariff reduction compared to the 2018 tariff as well as the introduction of a cap on annual full-load hours, and we will now collaborate closely with the supply chain to mitigate the adverse impact of these PPA changes with the objective of making the projects investable.

Greater Changhua 1 & 2a are facing extraordinarily high costs related to creating a local supply chain at scale, reinforcing the onshore grid infrastructure and building, operating and maintaining offshore wind farms in challenging site and weather conditions.

We continue to work with the Taiwanese authorities and local stakeholders to reach key outstanding project milestones, such as obtaining the establishment permit, completing the supply chain plan and signing the power purchase agreement.

Once we have clarity on the outcome of supply contract renegotiations and have achieved all key project milestones, Ørsted's Board of Directors will review and decide on the final investment case.

In Germany, we were awarded the right to build Borkum Riffgrund West 1 and Gode Wind 4 with a capacity of 420MW and 132MW, respectively. Combined with the awards from the auction in 2017, we have secured the full capacity of 900MW in the Borkum Riffgrund cluster (Cluster 1) without subsidies. In addition, we have secured a total capacity of 242MW for Gode Wind 3 and 4 at a weighted average feed-in tariff of EUR 81 per MWh. Subject to FID, the wind farms are expected to be operational in 2024/25, respectively.

In October, The Crown Estate in the UK confirmed that we have satisfied the application criteria for the development of our Race Bank Extension offshore wind farm, which expectedly will now be subject to a plan-level Habitats Regulations Assessment (HRA). Subject to all necessary consents being granted, Race Bank Extension will be able to participate in future auctions under the contracts for difference (CfD) scheme.

Early October, we entered into an agreement to acquire Deepwater Wind. The acquisition was completed in November at an enterprise value of DKK 4.7 billion. Deepwater Wind is the leading US-based offshore wind developer with an attractive and geographically diverse portfolio of projects along the US East Coast.

In the US, we were awarded an additional 104MW in December in the clean energy auction in Connecticut. Our Revolution Wind project has now secured a total capacity of 704MW connecting into New England, including previously awarded capacity in Rhode Island and Connecticut, which we will construct as one joint project,

and thus unlock significant procurement, construction and operational synergies.

By end 2018, the Deepwater Wind portfolio totals a capacity of approx 2.6GW, consisting of 30MW in operation, 954MW of development projects with long-term revenue contracts in place or under negotiation and approx 1.6GW which potentially may be developed in three awarded lease areas.

In October, we bid into Rhode Island's auction for up to 400MW of renewable energy. Further, in December 2018, we bid into the 1,100MW New Jersey auction with our Ocean Wind project, and we expect to bid into the announced 800MW auction in New York in February 2019.

In January 2019, we furthermore announced that we have signed a memorandum of understanding to work jointly with Tokyo Electric Power Company (TEPCO) on the Choshi offshore wind project near Tokyo, and towards a broader strategic partnership.

We look forward to expanding our footprint in both Europe, the US and Asia-Pacific and working together with our new partners.

Onshore

In August, we entered into an agreement to acquire Lincoln Clean Energy (LCE), a US-based developer, owner and operator of onshore wind farms. The acquisition was completed on 1 October 2018 at an enterprise value of DKK 5.6 billion. Through LCE, our onshore business will be a growth platform and provide strategic diversification to Ørsted's portfolio.

Our aim is to create a leading North American company within renewable energy, including onshore wind, solar energy and energy storage.

Portfolio changes support focus on renewable generation



Lincoln Clean Energy has an operating portfolio of 813MW and a near-term portfolio of 714MW of onshore capacity in advanced stages of development.

In December, we commissioned the 300MW onshore wind farm Tahoka in Texas. Furthermore, we took FID on the onshore wind farm Lockett. The wind farm is under construction and is expected to be commissioned in Q3 2019.

In addition, we announced a 500MW wind and solar power purchase agreement (PPA) with ExxonMobil, distributed evenly between the Sage Draw onshore wind farm and the Permian solar PV project.

Utility business

In June, we announced our plans to divest our Danish power distribution, residential customer and city light businesses. The process came to a stop in January when our majority shareholder, the Danish State, informed us that there was no longer the necessary political support. It is still the Board of Directors assessment that Ørsted is not the best long-term owner of these businesses. Consequently, we have classified the businesses as assets held for sale and continue to investigate the different options for exiting them. We expect an exit from all of these businesses during 2019.

In June, we divested our 50% ownership share in the gas-fired power plant Enecogen in the Netherlands. The divestment reinforces our focus on green energy.

In June, we commissioned our new biogas plant in Kalundborg, Denmark, together with our partner Bigadan. The plant will recycle waste from the local production facilities of our corporate customers Novozymes and Novo Nordisk and convert it into biogas. We are looking to expand our portfolio of biogas plants in the future.

The development of our first Renaissance plant in the UK is still in progress. By means of enzymes, the technology efficiently converts household waste into biogas and recyclable materials. While the enzymatic process is working satisfactory, we have experienced mechanical challenges in the sorting process and have had to undertake a programme to enhance flexibility and redundancy in the sorting hall. We are currently finalising this optimisation. Final commissioning is expected during the first half of this year.

In May, the High Court of Western Denmark ruled that Elsam, one of the six companies that merged into DONG Energy, now Ørsted, back in 2006, had not abused its dominant market position in 2005 and the first half of 2006. In October, the Danish Appeals Permission Board ruled in favour of Ørsted and decided that the Danish competition authorities would not be given permission to

try the ruling before the Supreme Court. Consequently, the ruling of the High Court stands. We are pleased that we can put this court case behind us and move forward. However, we are still awaiting the development in the Elsam competition case for the period 2003 to 2004 and the related compensation case.

At the end of December, 679,000 smart meters installed by Radius and Kamstrup had been taken into use by our power distribution customers. This is a significant milestone, marking that we are well on our way to replacing meters for all our 1 million customers by the end of this year.

Finally, our Customer Solutions business has signed a 15-year agreement with Innogy to balance the power generation from their 860MW offshore wind farm Triton Knoll in the UK. Under the agreement, Ørsted will sell the expected generation from the wind farm on the power market on a day-ahead basis, thus handling deviations from the expected generation the following day.

Employees

We have a strong focus on the safety and well-being of our employees. In 2018, we achieved a positive development in the total recordable injury rate (TRIR) and saw yet another year with no life-changing accidents. The 2018 employee survey showed a continued high score on satisfaction and motivation – in line with the 2017 results. It positions Ørsted in the top 10% compared to external benchmarks in all major markets.

Once again, 2018 was a year with many changes, and with the acquisitions of Lincoln Clean Energy and Deepwater Wind, we welcome more highly skilled employees to our company. The integration of the organisations is already well under way. All our employees deserve credit and acknowledgement for their dedicated performance during the past year. Their strong competences and entrepreneurial spirit – fuelled by the passion for what Ørsted stands for and the work we do – constitute the very foundation of our company.



Henrik Poulsen
CEO and President

Our strategy and capital allocation

Strategic direction and growth

Our strategic shift from black to green energy is reflected in our capital base. In 2007, only 16% of our total capital employed was invested in renewables. In 2018, the share of renewables had increased to 87%.

In addition, our strategic transformation to become a green energy company has positioned Ørsted as one of the largest commercial renewable energy companies in the world, measured by the capacity of renewable energy that is installed and under construction. By the end of 2018, we had 12GW of renewable energy capacity installed, under construction, or where a FID has been taken, with the vast majority being in offshore wind. In addition, we have been awarded or contracted projects with a capacity of 4.8GW where investment decisions are yet to be taken. Furthermore, we have a strong pipeline of projects under development.

Towards 2030, we expect that the global market for renewable energy will more than triple to 3,600GW. As one of the leading companies in renewable energy, Ørsted is strongly positioned to take part in this growth.

We have increased our ambition for offshore wind from a capacity of 11-12GW to a capacity of 15GW by 2025. By 2030, our strategic ambition is to achieve an installed renewable capacity of more than 30GW, provided that the development creates value for our shareholders. We have a strong growth platform to support our strategic ambition, comprising our four business units: Offshore, Onshore, Bioenergy and Customer Solutions.

Our Offshore business unit includes offshore wind, transmission and storage. We strive to maintain our global market leadership in offshore wind and will continue to expand in Europe, North America, and Asia. We will keep pioneering and innovating the industry. Offshore wind will remain the strategic core of our company.

The second growth avenue is our Onshore business unit, where the aim is to create a leading North American company within renewable energy, with a main emphasis on onshore wind, but also including solar energy and energy storage.

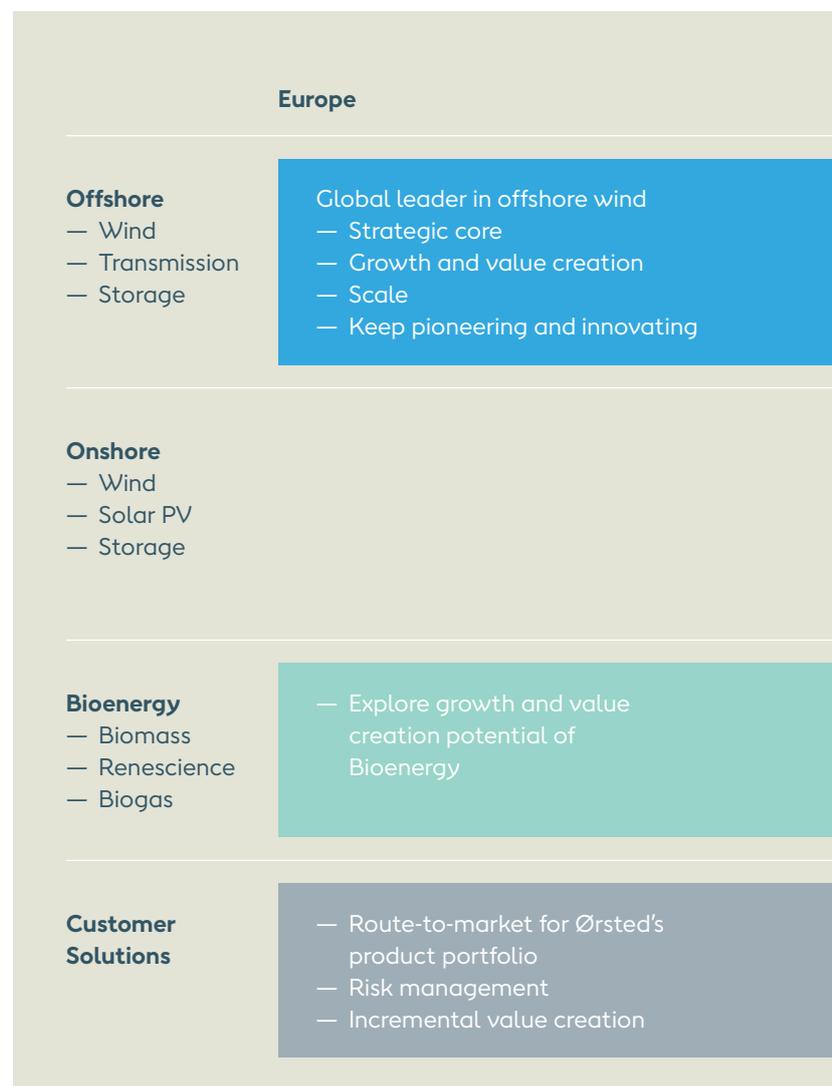
Bioenergy includes our biomass-converted combined heat and power plants in Denmark and our waste-to-energy and biogas technologies. We will continue to

explore the growth and value creation potential within bioenergy.

Customer Solutions provides route-to-market services for our product portfolio as it brings our power, gas and green certificates to market, while also managing the risk profile of our portfolio.

Our key milestones for 2019 are shown in the figure below.

Strategic growth platform



Towards 2025, we plan to invest substantially in green energy, thereby contributing to the conversion of the global energy system and creating value for our shareholders and the communities within our footprint.

Capital allocation

Subject to continued value creation, we expect to invest DKK 200 billion in the period 2019-2025 to continue our growth towards an installed renewables capacity of +30GW by 2030. Our capital will be allocated to the

best risk-return project opportunities in our portfolio. We have already committed gross investments of DKK 40-45 billion in the period, assuming no further partial divestments of offshore wind farms in Europe after the recent Hornsea 1 farm-down. Additional investments will primarily be allocated to our awarded 3.9GW offshore wind projects, our offshore pipeline as well as our contracted 0.9GW onshore wind and solar projects and our onshore pipeline.



Our sustainability strategy

The United Nations have defined our greatest social, environmental, economic, and institutional challenges towards 2030 in the Sustainable Development Goals (SDGs). With our vision of a world that runs entirely on green energy, we want to inspire and take real action to help meet the SDGs and make the planet a better, cleaner and more prosperous home for everybody.

The Sustainable Development Goals constitute an ambitious plan to make the planet a better home for nature, wildlife and the people who inhabit it. With a starting point in our vision of a world that runs entirely on green energy and our policy commitments to the UN SDGs and Global Compact principles, we want to make a positive contribution to the SDGs, while at the same time minimising potential negative impacts. Our sustainability strategy sets the direction for how we take action on our commitment.

We address the material societal challenges that we identify through sustainability programmes, which all have assigned policies, procedures, performance indicators and targets where relevant. All programmes are owned by a member of our senior management.

Addressing societal challenges through sustainability programmes

To address our material societal challenges in 2019, we are structuring our work in 20 sustainability programmes. We divide our programmes into three overarching priorities:

- Pursuing a world that runs entirely on green energy
- Enabling sustainable growth
- Ensuring business integrity

On the following page, you can find an overview presenting three priorities with societal challenges on the left side of each column, while the corresponding programmes are on the right.

The most significant change in 2018 is that we have strengthened our programme 'Green leadership' that addresses the 'Climate action' theme. Previously, the programme had a sole focus on reducing carbon emissions in our energy generation. But with the growing urgency of climate action, expectations of the private sector are increasing.

We have strengthened our 'Green leadership' programme by adding three new components. Firstly, we are aligning our practices and reporting with the recommendations

from the Task-force on Climate-related Financial Disclosures (TCFD) that promote integration of climate risks into business strategy and disclosure.

Secondly, we have implemented climate-related performance indicators in the incentive programmes of Group Executive Board. The indicators focus on the green energy share of our generation and our carbon emission reductions. Previously, climate-related indicators were only rewarded indirectly through green energy build-out targets.

Thirdly, we have strengthened our efforts to increase awareness of climate change, especially among the younger generations to help them advocate for a cleaner and better future. We do this together with our partners in WWF (World Wide Fund for Nature, Denmark).

Our sustainability programmes help us to continuously advance our sustainability agenda and to work productively to meet the expectations of our stakeholders, and the programmes are a collaborative effort that unites our entire organisation.

Reporting on our contribution to the Sustainable Development Goals

The UN Sustainable Development Goals constitute the 17 most pressing economic, social and environmental challenges that the world needs to solve by 2030.

Seen from a business perspective, the goals also constitute vast business opportunities. The magnitude and complexity of the challenges posed by the SDGs means that public policy and private sector initiative must go hand-in-hand to drive the scalable, affordable, and sustainable solutions that are needed to achieve the goals.

Our sustainability programmes help us advance and measure Ørsted's positive and potential negative impacts on the SDGs. 15 out of our 20 sustainability programmes contribute directly to the SDGs.

In our previous sustainability reports, the assessment of our SDG contribution was made on an internal and

Our three sustainability priorities

A world that runs entirely on green energy

<p>Our priority</p> <p>By pursuing 'A world that runs entirely on green energy', we address societal challenges for which Ørsted can provide market-scale solutions in a manner that creates value for society and our business at the same time.</p>	<p>Societal challenges</p> <p>Climate action</p> <p>Green energy deployment</p> <hr/> <p>Green energy integration and flexibility</p>	<p>Sustainability programmes</p> <ol style="list-style-type: none"> 1. Green leadership 2. Deployment of offshore wind 3. Greener power stations 4. Integration of green energy
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Enabling sustainable growth

<p>Our priority</p> <p>Through 'Enabling sustainable growth', we address the social and environmental impacts of our operations and business relations to enable growth of our business in a sustainable manner.</p>	<p>Societal challenges</p> <p>Biomass sustainability</p> <p>Community impact and local content</p> <p>Biodiversity impact</p> <p>Talent development</p> <hr/> <p>Diversity and equal opportunity</p> <p>Energy efficiency</p> <p>Waste management</p>	<p>Sustainability programmes</p> <ol style="list-style-type: none"> 5. Sourcing of certified biomass 6. Local communities 7. Protecting biodiversity 8. Employee development 9. Employee satisfaction 10. Employee diversity and inclusion 11. Energy savings 12. Resource management
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Business integrity

<p>Our priority</p> <p>Through 'Business integrity', we seek to conduct our business with transparency and accountability, respecting labour and human rights.</p>	<p>Societal challenges</p> <p>Safety and well-being</p> <hr/> <p>Business ethics</p> <p>Value chain impacts and business partner conduct</p> <p>Information security and cyberattacks</p> <p>Customer satisfaction</p> <p>Responsible tax</p> <p>Data privacy</p>	<p>Sustainability programmes</p> <ol style="list-style-type: none"> 13. Workplace safety 14. Employee health and well-being 15. Good business conduct 16. Responsible business partner programme 17. Information and cyber security 18. Customer experience 19. Responsible tax practices 20. Personal data protection
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qualitative basis. In 2018, we took part in a pilot project by analytics company Trucost that sought to quantify SDG impact in a way that encourages benchmarking between companies. The Trucost analysis reaffirms that the vast majority of our profits are generated by SDG related activities, especially offshore wind.

Building on the Trucost analysis, we distinguish between our sustainability programmes that make a positive contribution to the SDGs and programmes that minimise potential negative impacts on the SDGs for the first time in our reporting.

Our main positive SDG contribution is connected to our core business activities that increase the share of green

energy share in the global energy mix (SDG 7), promote economic growth (SDG 8), and help tackle climate change (SDG 13).

Programmes that minimise potential negative impacts on the SDGs focus on growing our green energy portfolio in a sustainable way and ensuring business integrity. The programmes include e.g. sustainability of biomass (SDG 15 on promoting sustainable forest management) and biodiversity (SDG 14 on protecting marine and coastal ecosystems).



Performance highlights

Profits and returns

Operating profit (EBITDA)
DKK billion



In 2018, we achieved a strong EBITDA which significantly exceeded our expectations at the beginning of the year. It was the highest to date and was driven by an increase in generation from our offshore wind farms and profit from the 50% farm-down of Hornsea 1. The amount above the dotted lines represent profits from new partnerships.

Net profit (continuing operations)
DKK billion



Profit for the year amounted to DKK 19.5 billion, Ørsted's best result ever driven by the strong operating profit.

Return on capital employed (ROCE)
%



ROCE was also significantly impacted by the Hornsea 1 farm-down gain in 2018. Our target is an average ROCE of around 10% for the Group in the 2019-2025 period.

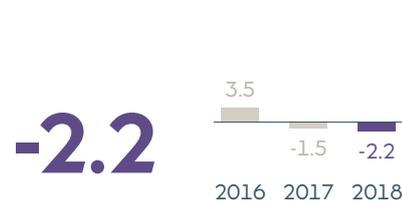
Cash flow and balance sheet

Gross investments
DKK billion



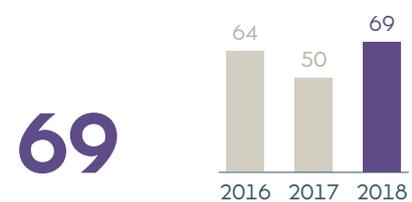
The gross investment level was high in 2018 due to the acquisitions of Deepwater Wind (DKK 4.0 billion) and Lincoln Clean Energy (DKK 5.6 billion) in addition to high construction activity in our project portfolio.

Interest-bearing net debt
DKK billion



We had a net cash position of DKK 2.2 billion at the end of 2018.

Credit metric (FFO/adjusted net debt)
%



The credit metric 'funds from operations' (FFO) relative to adjusted net debt amounted to 69% in 2018, positively affected by our strong operating profit and low adjusted net debt.

Sustainability

Green share of generation
%



The green share of heat and power generation continued to increase to a new high of 75%, following continued ramp-up of our offshore wind capacity, and full-year effect from our most recent biomass-converted CHP plants.

Safety
TRIR



We have a strong focus on the safety and well-being of our employees. In 2018, we achieved a record-low total recordable injury rate (TRIR).

Our investments in green energy bring tangible benefits to society

Accelerating the transformation from black to green energy requires significant investments. Our investments have helped power millions of people with green energy, fight climate change by displacing from fossil fuels with green energy, and boost economic growth and job creation.

Our green energy investments, 2009-2018

DKK

165 bn

The investments includes our partners' share

Avoided carbon emissions

6.3 million tonnes

Equal to taking more than 3 million cars off the streets every year

Job years

180,000

The jobs our investments in offshore wind farms created over their life cycle.

People powered by green energy, current capacity

>12 million



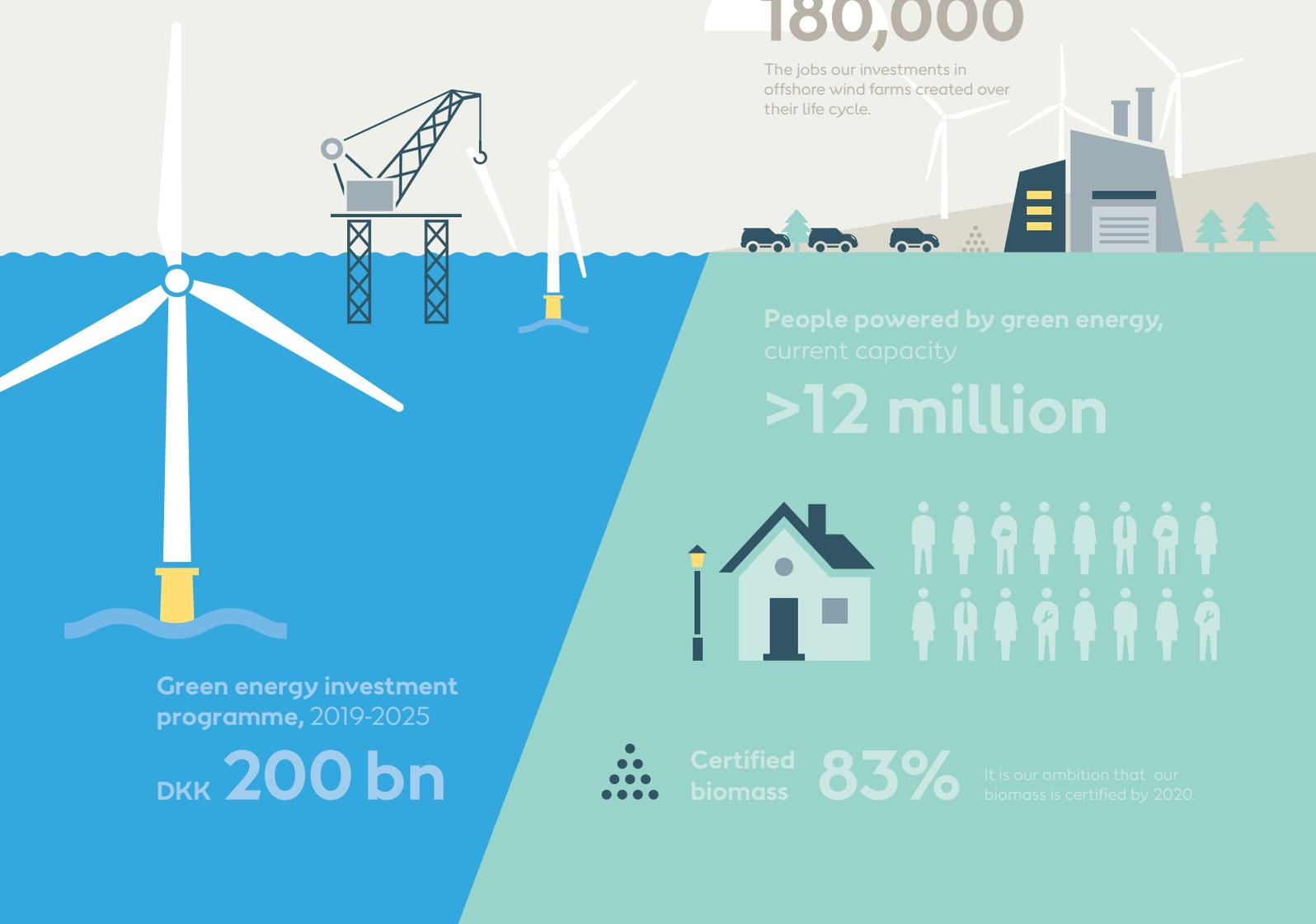
Certified biomass

83%

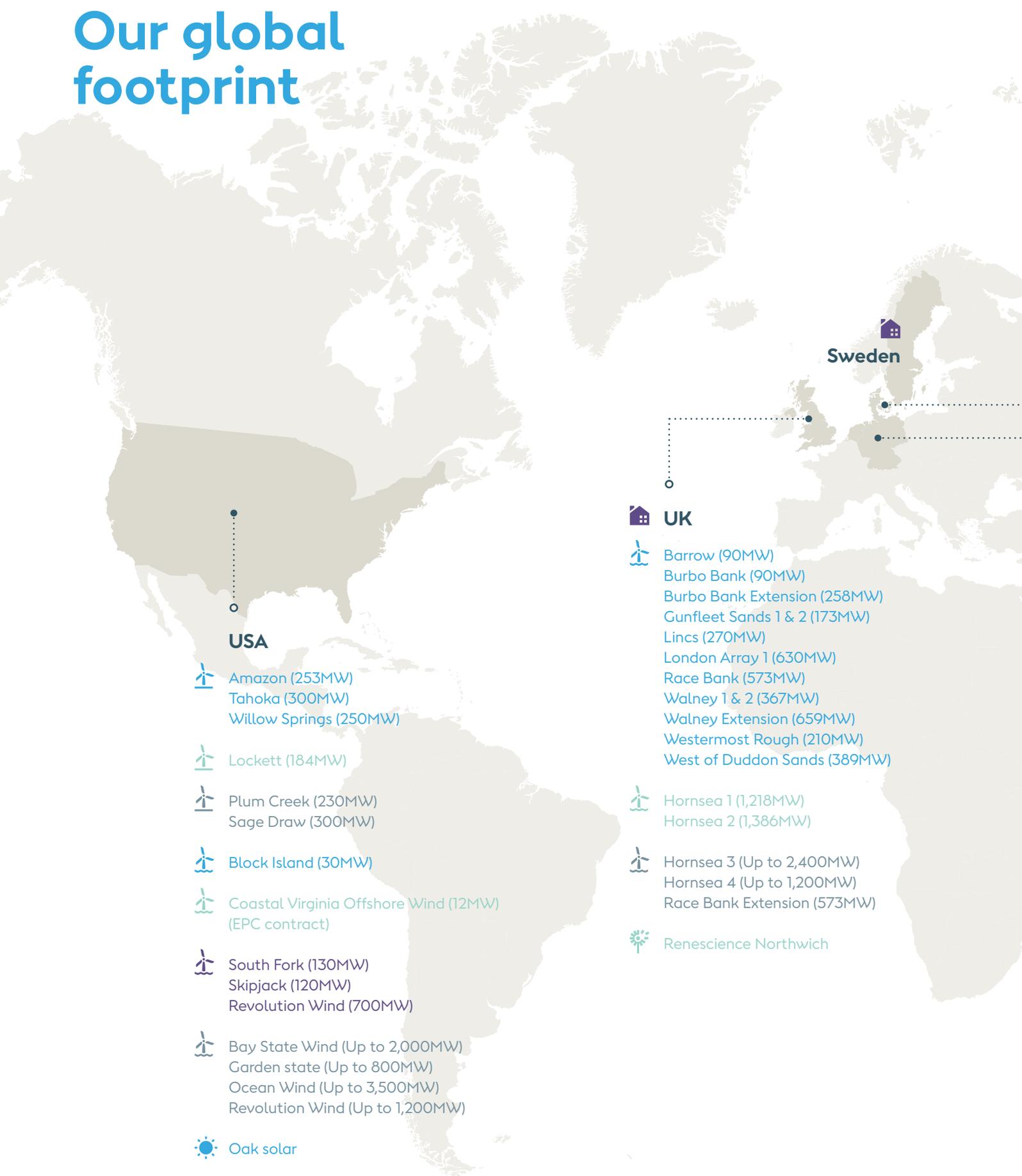
It is our ambition that our biomass is certified by 2020.

Green energy investment programme, 2019-2025

DKK **200 bn**



Our global footprint



 **Sweden**

 **UK**

USA

-  Amazon (253MW)
Tahoka (300MW)
Willow Springs (250MW)
-  Lockett (184MW)
-  Plum Creek (230MW)
Sage Draw (300MW)
-  Block Island (30MW)
-  Coastal Virginia Offshore Wind (12MW)
(EPC contract)
-  South Fork (130MW)
Skipjack (120MW)
Revolution Wind (700MW)
-  Bay State Wind (Up to 2,000MW)
Garden state (Up to 800MW)
Ocean Wind (Up to 3,500MW)
Revolution Wind (Up to 1,200MW)
-  Oak solar
-  Permian solar

-  Barrow (90MW)
Burbo Bank (90MW)
Burbo Bank Extension (258MW)
Gunfleet Sands 1 & 2 (173MW)
Lincs (270MW)
London Array 1 (630MW)
Race Bank (573MW)
Walney 1 & 2 (367MW)
Walney Extension (659MW)
Westermost Rough (210MW)
West of Duddon Sands (389MW)
-  Hornsea 1 (1,218MW)
Hornsea 2 (1,386MW)
-  Hornsea 3 (Up to 2,400MW)
Hornsea 4 (Up to 1,200MW)
Race Bank Extension (573MW)
-  Renaissance Northwich

Symbols

-     In operation
-    Under construction
-  Awarded
-    Under development
- (MW) Total gross wind farm capacity
-  Sale of power and/or gas

 **Denmark**

-  Anholt (400MW)
- Horns Rev 1 (160MW)
- Horns Rev 2 (209MW)
- Nysted (166MW)

-  Asnæs
- Avedøre 1 & 2
- Esbjerg
- H.C. Ørsted
- Herning
- Kalundborg Bioenergi
- Kyndby
- Skærbæk
- Studstrup
- Svanemøllen

Taiwan

-  Formosa 1 (128MW)
-  Greater Changhua Projects (1,820MW)

 **Germany and the Netherlands**

-  Code Wind 1 (345MW)
- Code Wind 2 (263MW)
- Borkum Riffgrund 1 (312MW)
- Borkum Riffgrund 2 (465MW)

-  Borssele 1 & 2 (752MW)

-  Borkum Riffgrund West 1 (420MW)
- Borkum Riffgrund West 2 (240MW)
- Code Wind 3 (110MW)
- Code Wind 4 (132MW)
- OWP West (240MW)

Shareholder information

The Ørsted share yielded a total return of 32% in 2018, an increase in the share price of 29%, and dividends of DKK 9 per share.

Price development for the Ørsted share in 2018

The Ørsted share started the year at a price of DKK 339 and closed the year at DKK 436. Prices of comparable European utility companies decreased by 1%, and the OMX C25 cap decreased by 13% in 2018. The market value of Ørsted was DKK 183 billion at the end of the year. Since the IPO in June 2016, the Ørsted share has generated an aggregate return from share price appreciation and dividends of 92%.

The year's highest traded price of 474 was on 28 November. The year's lowest traded price of 332 was on 3 January.

The average daily turnover on Nasdaq Copenhagen was 447,000 shares. The trading volume showed a decrease of 38% compared to 2017. This was particularly due to several of the original shareholders opting to sell all or some of their shareholdings in 2017 at a total trading value of DKK 17 billion.

Share capital

Ørsted's share capital is divided into 420 million shares, enjoying the same voting and dividend rights. The company's share capital remained unchanged in 2018. At the end of 2018, the company held a total of 335 thousand treasury shares, which will be used to cover incentive schemes.

Composition of shareholders

At the end of the year, the number of shareholders had increased by 5,175 to 29,727. Although the geographical spread of the share capital was greater, most of it (66%) is still with Danish owners. The figure on the next page shows the composition of our shareholders by country, specifying the three shareholders each holding more than 5% of the share capital. Around 1% of the share capital is owned by private investors.

Annual general meeting and dividends

The annual general meeting will be held on 5 March 2019 in Copenhagen. Dividends for the year are expected to amount to DKK 9.75 per share, corresponding to DKK 4.1 billion. In 2018, dividends of DKK 9.00 per share were paid for the 2017 financial year, corresponding to a return of 2.2% relative to a share price of DKK 436 at 31 December 2018.

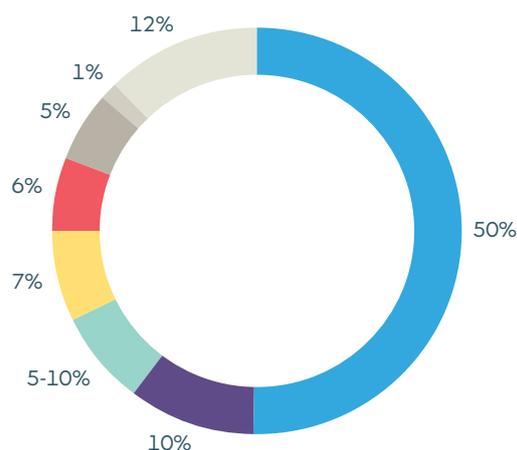
Share price development in 2018

Ørsted share price compared to peers.



Shareholders at 31 December 2018, voting share %¹⁾

- Danish State (majority shareholder)
- SEAS-NVE, Denmark
- The Capital Group
- North America
- The UK
- Danish institutional investors
- Private investors
- Others



¹⁾ See note 16 in the parent company financial statements.

Investor Relations

In order to achieve a fair pricing of our shares and corporate bonds, we seek to ensure a high level of openness and stability in our financial communication. In addition, our management and Investor Relations function engage in regular dialogue with investors and analysts. The dialogue takes the form of quarterly conference calls, roadshows, conferences, capital markets days and regular meetings with individual or groups of investors and analysts. The dialogue is subject to certain restrictions from three weeks prior to the publication of our financial reporting.

On 28 November 2018, Ørsted hosted a Capital Markets Day in Gentofte with more than 150 participants, mainly equity and institutional investors. CEO Henrik Poulsen presented Ørsted's new ambitious targets for the Group's long-term strategy and financial development, followed by breakout sessions hosted by the management team. The full Capital Market Day material is available at orsted.com/en/capital-markets-day.

The Group is covered by 22 equity analysts and 12 bond analysts. Their recommendations and consensus estimates for Ørsted's future financial performance are available at orsted.com/en/investors. On this site, you can also download our financial reports, investor presentations and a wide range of other data.

Selected company announcements in 2018

27 Apr.	Ørsted wins 552MW in German offshore wind auction
30 Apr.	Taiwan awards Ørsted 900MW grid capacity for offshore wind
24 May	The High Court of Western Denmark rules in favour of Ørsted in case concerning the former Elsam
22 June	Ørsted wins 920MW offshore wind projects in Taiwan
26 June	Ørsted initiates a structured divestment process for its Danish power distribution and residential customer businesses
9 Aug.	Ørsted agrees to acquire Lincoln Clean Energy, a US onshore wind developer
18 Sep.	Ørsted agrees to divest 50% of Hornsea 1 offshore wind farm
8 Oct.	Ørsted agrees to acquire Deepwater Wind and creates leading US offshore wind platform
2 Jan. 2019	Establishment permit and power purchase agreement delayed on Taiwanese offshore wind projects

Share information

ISIN	DK 0060094928220
Share classes	1
Nominal value	DKK 10 per share
Average daily volume	447,103
Exchange	Nasdaq OMX Copenhagen
Ticker	ORSTED
Year high	DKK 474 (28 Nov.)
Year low	DKK 332 (3 Jan.)
Registered share	99.6%
Number of shares	420,381,080 shares
Number of treasury shares	335,904 shares

Financial calendar 2019

31 Jan.	Annual report 2018
5 Mar.	Annual general meeting
1 May	Interim report for the first quarter of 2019
8 Aug.	Interim report for the first half-year of 2019
30 Oct.	Interim report for the first nine months of 2019

Selected performance highlights

Income statement (Business performance), DKKm	2018	2017	2016	2015	2014
Revenue	76,946	59,504	61,201	65,444	61,280
EBITDA	30,029	22,519	19,109	8,730	7,798
Depreciation, amortisation and impairment losses	(5,375)	(6,284)	(5,232)	(6,857)	(5,535)
Operating profit (loss) (EBIT)	24,654	16,235	13,877	1,873	2,263
Profit (loss) for the year from continuing operations	19,486	13,279	12,161	967	1,901

Balance sheet

Total assets	174,575	146,521	136,489	147,457	149,914
Total equity	85,115	71,837	57,500	51,736	61,533
Interest-bearing net debt	(2,219)	(1,517)	3,461	9,193	3,978
Capital employed	82,896	70,320	60,961	60,930	65,511

Cash flow

Cash flow from operating activities	10,343	1,023	11,272	7,521	9,568
Gross investments	(24,481)	(17,744)	(14,960)	(12,709)	(10,327)
Divestments	19,950	16,982	9,055	1,982	10,559
Free cash flow from continuing operations	5,812	261	5,367	(3,206)	9,800

Financial ratios

Return on capital employed (ROCE) ¹⁾ , %	32.1	25.2	24.4	3.6	4.3
Dividend yield, %	2.2	2.7	2.2	-	-
FFO/adjusted net debt ¹⁾ , %	69.0	50.3	64.2	28.8	31.6

Business drivers

Offshore					
Installed capacity, offshore wind, GW	5.6	3.9	3.6	3.0	2.5
Generation capacity, offshore wind, GW	3.0	2.5	2.0	1.7	1.4
Wind speed ¹⁾ , m/s	9.1	9.3	8.9	9.7	9.2
Power generation, TWh	10.0	8.5	6.0	5.8	5.0
Onshore					
Installed capacity, onshore wind, GW	0.8	-	-	-	-
Wind speed, m/s	7.3	-	-	-	-
Power generation, TWh	0.6	-	-	-	-
Bioenergy					
Heat generation, TWh	8.8	9.0	9.2	9.3	8.7
Power generation, TWh	6.7	8.2	8.4	7.1	8.7
Customer Solutions					
Power distribution, TWh	8.4	8.4	8.5	8.4	8.4
Power sales, TWh	35.3	37.7	36.7	35.5	34.5
Gas sales, TWh	134.1	136.1	150.4	159.1	151.3

People and environment

Employees (FTE), end of period, number	6,080	5,638	5,775	5,947	5,751
Total recordable injury rate (TRIR)	4.7	6.4	6.8	9.7	10.9
Fatalities, antal	0	0	0	0	0
Green share of heat and power generation, %	75	64	50	49	44
Carbon emissions, g CO _{2e} /kWh	131	151	224	220	280

¹⁾ See annual report page 35 for definitions.

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Burbo Bank Offshore Wind Farm in the Irish Sea, UK

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In case of any discrepancies, the English version applies

