

Welcome and safety briefing

Dear shareholders and guests

On behalf of the Board of Directors, I'd like to welcome you to Ørsted's annual general meeting.

Safety is one of Ørsted's five guiding principles. We never compromise on safety. Before I give the floor to the chairman of the meeting, I will therefore briefly explain what to do in case of a fire:

- There are no planned fire drills.
- If the fire alarm sounds, please leave the room immediately and go outside.
- Once outside, proceed to one of the muster points.
- You can see the emergency exits and the muster points on the screen behind me.
The emergency exits are also marked with green exit signs.
- If the alarm sounds, please follow the directions given by staff.

According to the Articles of Association, the Board of Directors appoints the chairman of the meeting. Once again, the Board of Directors has appointed lawyer Anders Lavesen as the chairman of the meeting.

I now give the floor to Anders Lavesen.

Items 1, 2 and 5 on the agenda – the Board of Directors’ report, presentation of the annual report and remuneration report for 2019 as well as the Board of Directors’ recommendation for distribution of profit

Carbon neutral energy generation by 2025

Over the past decade, Ørsted has undergone a transformation from an energy company based on fossil fuels to a renewable energy company producing carbon neutral energy. Today, we’re among the largest green energy companies in the world, and as the leading offshore wind developer, we’ve installed one-third of all offshore wind turbines globally.

With the continued build-out of our wind capacity and lower heat and power generation based on coal and gas, our green share of heat and power generation reached a new high of 86% in 2019. Consequently, we’re well on track to deliver on our target of 95% green energy in our own production and operations by 2023 and 99% by 2025.

We have also come far in reducing our carbon emissions, and Ørsted is more than 20 years ahead of what is required by science for staying below a global temperature increase of 1.5°C. Compared to 2006, we’ve reduced our carbon emissions by 86%.

We remain strongly committed to further reducing our emissions, and our aim is for Ørsted to reach carbon neutrality as early as 2025.

With this ambition, Ørsted will be the first major energy company with net-zero emissions from its own operations and energy production.

Halting climate change requires action at all levels of society, and we need that action now. Especially within production and use of energy which account for 73% of all global emissions.

Over the past ten years, we’ve strengthened our business and proven that a rapid green transformation is possible.

Strategic progress and global expansion in 2019

2019 was a great year for Ørsted with continued strategic progress and global expansion.

In the US, we were awarded two large offshore wind projects. First, we were awarded 1,100MW in New Jersey, followed by 880MW in New York. With these awards, we now have a total of 2.9GW offshore wind capacity in the US, which is scheduled for completion in 2024.

In the UK, we completed the construction of the world's largest offshore wind farm, Hornsea 1, with a capacity of 1,218MW, enough to power more than one million UK homes with green power. We achieved two further milestones in 2019 when we inaugurated phase two of Taiwan's first-ever offshore wind farm, Formosa 1, and when we commissioned the onshore wind farm Lockett in Texas in the US.

During 2019, we took final investment decision (FID) on a number of projects. In Taiwan, we decided to build the 900MW offshore wind farm Greater Changhua 1 & 2a, and in the US, we decided to build the onshore wind farms Sage Draw, Plum Creek and Willow Creek as well as the combined solar and battery storage project Permian Energy Center.

In autumn 2017, Ørsted initiated the conversion of Asnæs Power Station to enable the power station to replace coal with sustainable wood chips in the future. On 20 November last year, Asnæs Power Station began producing green power for the first time. The biomass conversion of Asnæs Power Station marks a milestone by being the last of our seven CHP plants to be converted from fossil fuels to biomass.

As it hasn't been possible to find a solution with the heat customers in Esbjerg regarding a biomass conversion of Esbjerg Power Station, we've decided to close down operations at the power station in the first quarter of 2023. The shut down of Esbjerg Power Station marks the complete phase out of coal in our energy production.

Looking at Ørsted's total portfolio, we had 9.9GW of renewable capacity in operation at the end of 2019.

In addition, we're constructing 4.1GW renewable capacity due for completion by the end of 2022, of which 3GW relate to the construction of offshore wind farms in the Netherlands, the UK and Taiwan.

In addition to this total of 14GW, we've been awarded an additional 5GW of renewable capacity to be constructed in the period 2022-2025, with final investment decision (FID) for the construction of these projects to be taken in the coming years.

During the past year, we also took a number of important steps to sharpen Ørsted's strategic focus and ambition to become a global leader within green energy.

In September 2019, we entered into an agreement with SEAS-NVE to divest our Danish power distribution business, Radius, as well as our residential customer and city light businesses for approx DKK 21 billion. We'll use the proceeds from the divestment to continue our global investments in green energy. Closing is expected to take place in the first half of 2020.

In December 2019, we decided to divest our liquefied natural gas (LNG) business to Glencore, a leading global natural resource company, to focus on our global expansion in renewable energy. Closing is expected to take place during summer 2020.

Finally, in 2019 we also decided to initiate the divestment of most of our B2B sales businesses to further focus on our core business.

Review of the Group's financial ratios

I'll now take you through the key financial ratios for 2019 and the underlying factors.

In 2019, our power generation rose by 17%. The increase was due to the build-out of offshore wind and that we in 2019 were able to recognise a full year of generation from

our onshore wind farms, whereas we in 2018 only recognised the fourth quarter as we acquired Lincoln Clean Energy on 1 October 2018.

The increased power generation was the reason for the underlying increase in EBITDA – our earnings before interest, taxes, depreciation and amortisation.

Compared with the operating profit for 2018, this is a decrease of 42%. The decrease is due to significantly higher income from the divestment of ownership interests in offshore wind farms in 2018, as we recognised approx DKK 15 billion from the 50% farm-down of Hornsea 1 in Q4 2018. Adjusted for this income, the operating profit for 2019 increased by 17% compared with 2018.

The increase was driven by increased production from our offshore and onshore wind farms in operation as well as an extraordinarily good result from the hedging of our energy exposures.

As a result of the above divestment income in 2018, profit for the year also decreased from 2018 to 2019. Adjusted for this, profit for the year rose by DKK 0.5 billion in 2019 compared with 2018.

In 2019, our return on capital employed, or ROCE, was 10.6%, which was in line with our target of an average return of approx 10% in the period 2019-2025.

Cash flows, investments and debt

Cash flows from operating activities amounted to DKK 13 billion in 2019 compared with approx DKK 10 billion the year before. The increase was due to a higher operating profit adjusted for divestment gains, and funds tied up in working capital.

In 2019, our investments totalled approx DKK 23 billion, compared with approx DKK 24 billion the year before, of which almost DKK 10 billion related to acquisitions. In 2019, our investments related primarily to the construction of offshore wind projects of DKK 15 billion, the construction of onshore wind and solar projects of approx DKK 6 billion, the

biomass conversion of Asnæs Power Station, and the installation of smart meters of approx DKK 1 billion.

Cash flows from divestments were particularly large in 2018 and related primarily to the 50% farm-down of Hornsea 1. In 2019, divestments amounted to just below DKK 3 billion related to the receipt of deferred proceeds from the farm-down of 50% of Hornsea 1 in 2018 and to the strengthening of our strategic partnership with Eversource as they became a 50% partner in our activities in the New England area in the US.

Our interest-bearing net debt totalled DKK 17 billion at the end of 2019 against a net cash position at the end of 2018. The increase in our net debt was in line with expectations, bringing our FFO to adjusted net debt in line with the level required by the credit rating agencies for us to be able to maintain our current BBB+/Baa1 credit rating.

Remuneration report

I'd also like to briefly comment on our remuneration report for 2019 for the Board of Directors and the Executive Board.

New rules mean that from 2020 onwards, we're required to prepare a separate remuneration report, which will be presented at the annual general meeting in 2021 for an indicative vote. We've decided to follow these rules starting this year. The purpose of the remuneration report is to ensure greater transparency about the remuneration of the company's management.

We have a remuneration policy in place for the Board of Directors and the Executive Board which has been adopted by the general meeting. The overall objective of the remuneration policy is to attract, motivate and retain qualified members of our Board of Directors and our Executive Board. The policy also aims at ensuring the right balance between the Executive Board's fixed and incentive-based remuneration, so that the members are remunerated according to the results achieved at both company and individual level. This ensures alignment of interests between the Executive Board and the shareholders.

The remuneration of the Board of Directors and the Executive Board in 2019 complies with the guidelines in the remuneration policy, which was unchanged from 2018.

The remuneration of the Executive Board consists of a fixed salary and a cash-based and share-based incentive programme.

The remuneration for 2019 reflects a strong year with strategic progress, global growth, very satisfactory financial ratios and the achievement of several other milestones. However, it also reflects the very serious and sad fatal accident at Avedøre Power Station which I will get back to later.

In 2019, the Board of Directors received a fixed annual salary. In 2019, the salary rose by 1.8% compared with 2018.

Employees

As I mentioned in the beginning, safety is important to us. We do everything we can to make Ørsted a safe place to work.

In May, an employee of one of our contractors died in a tragic accident at Avedøre Power Station. We're all deeply affected by the incident, and we've initiated several improvement measures to ensure that an accident like this will never happen again.

The total number of recordable safety incidents per one million working hours, known as TRIR, increased from 4.7 to 4.9, corresponding to an increase of eight safety incidents compared with 2018. The increase is due to an unsatisfactory high number of incidents in Markets & Bioenergy. Once again, I'd like to stress our strong commitment to safety and that, based on the increase in incidents, we've initiated several improvement measures to reverse the unfortunate trend we saw in 2019.

Our employee satisfaction survey in 2019 showed an increase in satisfaction and motivation, placing Ørsted in the top 10% of external benchmarks in our main markets.

Dividends
<p>Today, the Board of Directors recommends to the annual general meeting that dividends of DKK 10.50 per share be paid for the financial year 2019, corresponding to an increase of 7.7% and total dividends of DKK 4.4 billion.</p> <p>This is in line with our ambition to increase the dividend paid by a high single-digit rate compared to the dividend for the previous year up until 2025.</p>
Outlook 2020
<p>Our financial outlook for 2020 is as follows:</p> <p>We expect EBITDA without new partnership agreements to amount to DKK 15-16 billion.</p> <p>We expect our gross investments to amount to DKK 30-32 billion, reflecting a continued high level of investment in our green energy build-out.</p>
Long-term financial targets and objectives
<p>In connection with our Capital Markets Day in 2018, Ørsted set out a number of new, ambitious targets and objectives for the Group's long-term strategic and financial development which remain unchanged.</p> <p>Towards 2023, we expect an annual average growth in EBITDA from our operational offshore and onshore wind farms and solar farms of 20%, corresponding to a level of DKK 25-26 billion in 2023.</p> <p>An average Group ROCE of 10% for the period 2019-2025.</p> <p>Most of our operating profit will still come from contracted or regulated activities and we expect that around 90% of EBITDA will come from contracted or regulated activities in the period 2019-2025.</p>

Summary

In 2019 we achieved some important milestones on the way towards our vision of a world that runs entirely on green energy.

Over the past ten years, we've undergone a fundamental transformation from fossil fuels to renewables. We're extremely proud of our ability to expand our business, while at the same time reducing our carbon emissions. In January this year, we received global recognition when we were named the most sustainable company in the world.

I'd like to take this opportunity to thank our employees. They all deserve tremendous credit for their dedicated work during the past year. Our talented employees are Ørsted's most important asset, and we'll need even more talented colleagues in the future to continue our expansion.

In 2019, we commissioned 1,600MW renewable capacity – an increase of almost 20% compared with last year, and we achieved better financial results than expected at the beginning of 2019. In light of this, the Board of Directors has concluded that the results for 2019 are highly satisfactory.

Thank you for your attention. I'll now give the floor back to the chairman of the meeting.