

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.

This year, due to COVID-19 – and in line with the instructions from the authorities – we have to conduct the general meeting as a virtual meeting, for the safety of our employees and shareholders. My hope is that we can meet face to face next year as usual.

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, 3, 4, and 5 on the agenda – the Board of Directors’ report, presentation of the annual report and remuneration report for 2020, and the Board of Directors’ recommendation for distribution of profit

Robust operating model ensured strong strategic progress in 2020 despite COVID-19

Ørsted delivered strong results in 2020 – operationally, financially, and strategically. Once again, we have our skilled employees to thank for this achievement – in a year that was impacted by challenges linked to COVID-19. I’m very impressed with and proud of the employees in the entire organisation. Within a short timeframe, they have adapted to new routines and ways of working and have done an outstanding job of moving one step closer to our vision of a world that runs entirely on green energy.

Ørsted has moved from being a company focused on North-western Europe to an international energy company with activities in Europe, the US, and Asia, with more than 75 % of its business located outside Denmark.

Looking at the company’s total portfolio, we had 11.3 gigawatt of renewable capacity in operation in Denmark, Germany, the Netherlands, the UK, the US, and Taiwan at year-end 2020. We had 4 gigawatt under construction, including 2.3 gigawatt of offshore wind capacity in the UK and Taiwan and 1.7 gigawatt of solar and onshore wind capacity in the US. We also have project rights to a further 5 gigawatt, across projects in the US, Germany, and Taiwan where we’ll be developing the projects towards the final investment decision (FID) over the next few years.

We continue to be one of the largest green energy companies in the world, and as the leading offshore wind developer, we’ve installed over 1,500 offshore wind turbines – one-third of the global total.

In future, we aim to maintain our global leadership in offshore wind, but expect a lower market share, due to the global build-out of offshore wind over the next decade. As demand for renewable energy increases, we’re also seeing a rise in the number of competitors with high aspirations. Overall, this is positive for the green sector and the

green transformation, but it also means that Ørsted will not be successful in all the auctions we participate in around the world. This is the natural consequence of being active in an industry which has gone from being immature to being competitive with other energy sources in a relatively short time. Our focus will continue to be on remaining financially disciplined, rather than winning all the auctions in which we take part.

I'm convinced that with more than 10 years of global market leadership in offshore wind, Ørsted will remain strongly positioned to play a key role in the green transition of the global energy systems in the years ahead.

Our strong performance in 2020 highlights the strength of Ørsted's organisation and business model. So, let me walk through some of our biggest strategic achievements during the past year.

In the US, we've commissioned three new onshore wind farms with a total capacity of 671 megawatt during 2020. These three new wind farms bring our total installed onshore capacity to date to 1.7 gigawatt.

In the Netherlands, we commissioned Borssele 1 & 2, the world's second largest offshore wind farm and also the country's first offshore wind farm. The wind farm has a capacity of 752 megawatt – enough to supply one million Dutch households with green power. At the end of 2020, we had installed 7.6 gigawatt of offshore wind capacity – well on our way to reaching our target of 15 gigawatt installed offshore wind capacity by 2025.

In 2020, we took final investment decisions (FIDs) on four projects. In the US, we decided to build the onshore wind farms Western Trail and Haystack, and the solar farms Muscle Shoals and Old 300. These four projects have a total capacity of 1.3 megawatt.

In July last year, we signed the world's largest power purchase agreement for renewable energy. Under the agreement, TSMC, the Taiwanese semiconductor foundry, will offtake all power from the 920 megawatt Greater Changhua 2b & 4 Offshore Wind Farm in Taiwan for the next 20 years at a fixed price. The agreement will take effect when Greater Changhua 2b & 4 is commissioned in 2025/2026, provided that the offshore wind farm has been connected to the grid, and we've taken the final investment decision.

We also signed agreements last year to divest 50 % of the Greater Changhua 1 Offshore Wind Farm in Taiwan and 25 % of the Ocean Wind 1 Offshore Wind Farm in New Jersey on the US East Coast. Divesting ownership interest in our offshore wind farms allows us to finance additional growth that isn't already covered by our gross investment budget of DKK 200 billion for the 2019-2025 period.

In September 2019, we signed an agreement with SEAS-NVE, now Andel, to divest our Danish power distribution, residential customer, and city light businesses for more than DKK 21 billion. We received the approval from the competition authorities and the Danish Energy Agency in August last year and consequently closed the transaction. The proceeds from the divestment of DKK 10.9 billion will help financing our global investments in green energy.

We also completed the sale of our liquefied natural gas (LNG) business to Glencore in 2020.

In 2020, the case concerning our right to use the Ørsted name was finally closed. The action was brought by seven bearers of the Ørsted name. The Danish Supreme Court ruled in our favour, stating that we have the right to use the Ørsted name, which we adopted in 2017 as a tribute to Hans Christian Ørsted. Hans Christian Ørsted discovered electromagnetism 200 years ago, thereby laying the foundation for the way we produce electricity today. Therefore, we believe that Ørsted is the right name for our company, and we're pleased that the Danish Supreme Court upheld our right to use the name last November.

Finally, I would like to highlight the fact that Ørsted has been ranked as the world's most sustainable energy company for the third year in a row and as the second-most sustainable company across all industries by Corporate Knights. The high ranking reflects our targeted efforts to run a sustainable and profitable business and our aim of serving as a catalyst for the global transition to green energy.

Ørsted was also recognised on CDP's A List for the second year running as a global leader on climate action. A is the highest score. Companies on CDP's A list are considered to be leaders in corporate sustainability and highly regarded by investors.

Review of the Group's financial ratios

To halt climate change and leave a habitable planet for future generations, all societies in the world must act now. At Ørsted, we take our responsibility seriously, and we've already come a long way in reducing our carbon emissions. Ørsted is more than 20 years ahead of what is required by science to avoid the global temperature rising to above 1.5 °C. Compared to 2006, we've reduced our carbon emissions by 87 %. Our aim is to make Ørsted carbon neutral by 2025.

The results of our major effort over the last 10 years to transform Ørsted's energy production from being based on fossil fuels to producing carbon-neutral energy are more evident than ever before. In 2020, 90 % of our heat and power generation was green. Hence, we're well on our way to achieving our target of 95 % green energy in our own production and operations by 2023 and 99 % in 2025.

The record-high share of green energy is the result of our ongoing onshore and offshore wind build-out. From 2019 to 2020, our offshore wind power generation increased by 27 %, while our onshore power generation increased by 64 %.

This increase in power generation was one of the reasons for the underlying rise in EBITDA – our earnings before interest, taxes, depreciation, and amortisation.

I'll now review the key ratios for 2020 and the underlying factors.

EBITDA in 2020 was DKK 18.1 billion, up 4 % compared to last year, thus exceeding our most recent forecast for the year of DKK 16-17 billion. The rise was driven by the increase in our operational offshore and onshore wind farm capacity, subsidies received for an additional 400 megawatt at Hornsea 1 from April, and higher wind speeds. These drivers were partially offset by negative COVID-19 effects, particularly in the UK power market, and lower earnings from our trading activities.

Profit for the year increased from DKK 6.1 billion in 2019 to 16.7 billion in 2020. The major increase is primarily due to the divestment of our Danish power distribution, residential customer, and city light businesses.

In 2020, our return on capital employed (ROCE), was 9.7 %, in line with our target of an average return of approx. 10 % during the 2019-2025 period.

Cash flows, investments, and debt

Cash flows from operating activities amounted to DKK 16.5 billion in 2020, compared to DKK 13 billion the year before. The increase was due in part to lower tax payments in Denmark, tax equity payments from our onshore wind farm partners, and divestment of the transmission asset linked to the Walney Extension Offshore Wind Farm in the UK.

We invested almost DKK 27 billion over the past year, compared to just under DKK 24 billion in 2019. Our investments in 2020 were primarily related to the construction of offshore wind projects (DKK 19.5 billion), the construction of onshore wind and solar power projects (DKK 6.6 billion), and maintenance of the now divested power distribution grid (DKK 700 million).

Cash flows from divestments were particularly large in 2020, amounting to DKK 19 billion. The cash flows were primarily linked to the sale of the power distribution, residential customer, and city light businesses.

Our interest-bearing net debt totalled DKK 12.3 billion at the end of 2020, compared to DKK 17.2 billion at the end of 2019. The decline in our net debt was primarily driven by

positive free cash flows of DKK 8.5 billion, and the receipt of USD 150 million from INEOS in connection with the divestment of our oil and gas business back in 2017.

The level of our net debt brings our FFO to adjusted net debt ratio to 48 %, which is higher than the level required by the credit rating agencies for us to retain our current BBB+/Baa1 credit rating.

Remuneration report

I'd also like to briefly comment on the separate remuneration report for 2020 for the Board of Directors and the Executive Board.

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 general meeting adopted changes to the remuneration policy in 2020 to align with the new requirements in the Danish Companies Act.

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 Executive Board consists of a fixed salary as well as a cash-based and a share-based incentive programme.

The remuneration for 2020 reflects a good year with strategic progress, global growth, very satisfactory financial ratios, and the achievement of several other milestones.

In 2020, the members of the Board of Directors received a fixed annual remuneration. The remuneration for 2020 was unchanged compared to 2019.

Employees

Safety remains our highest priority. We're committed to work continuously on ensuring that all our workplaces around the world are safe, and that all employees can return home safely to their families at the end of their working day.

The total number of recordable incidents per one million working hours, known as TRIR, decreased from 4.9 to 3.6, corresponding to 29 fewer incidents in 2020 compared to 2019. I'm very pleased that our safety efforts have led to a declining number of accidents, and that we're well on our way to reaching our TRIR target of 2.9 or lower by 2025.

Our employee satisfaction survey in 2020 showed an increase in satisfaction and motivation, with a score of 78 out of 100. This high level of satisfaction puts Ørsted in the top 10 % when we compare our performance with external benchmarks in our key markets. The result is very satisfactory in itself, and even more so given that the past year has involved a lot of working from home for most people, with the challenges that entails.

During the past year, we've focused on diversity across our entire company in addition to safety and job satisfaction. I firmly believe that a diverse team has a better dynamic, makes better decisions, and thus creates more value.

Therefore, I'm very pleased that we've successfully increased the proportion of women with the title of senior director or above (leadership conference) from 13 % in 2019 to 20 % in 2020. Our target is to achieve a level of 22 % by 2023.

But we can do even more. At Ørsted, we strive to be a company where people of all backgrounds feel they are a part of the team and to be a workplace that promotes, encourages, and advocates a culture where different perspectives are valued and exploited, and where it is safe to express your opinion.

Dividends

Today, the Board of Directors recommends to the annual general meeting that dividends of DKK 11.50 per share be paid for the 2020 financial year, corresponding to an increase of 9.5 % and total dividends of DKK 4.8 billion.

This is in line with our dividend policy of increasing dividends annually towards 2025 by a high single-digit percentage compared to the dividends for the previous year.

Outlook 2021

Our financial outlook for 2021 is as follows:

We expect EBITDA without new partnership agreements to amount to DKK 15-16 billion.

We expect our gross investments to amount to DKK 32-34 billion, reflecting a continued high level of investment in our green energy build-out.

Long-term financial targets and objectives

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 still apply.

Towards 2023, we expect an annual average growth in EBITDA from our operational offshore wind, onshore wind, and solar farms of 20%, corresponding to a level of DKK 25-26 billion in 2023.

Our target is for a return on capital employed of 10 % for the Group for the period 2019-2025.

Most of our operating profit will still come from contracted or regulated activities. Consequently, we expect that around 90 % of EBITDA will come from contracted or regulated activities in the period 2019-2025.

Summary

We made important progress in 2020 towards our vision of a world that runs entirely on green energy, and our focus on sustainability is stronger than ever. We achieved better financial results in 2020 than expected. In light of this, the Board of Directors has concluded that the results for 2020 are highly satisfactory.

I'd like to take this opportunity to praise our employees. They all deserve tremendous credit for their dedicated performance 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. Special thanks to the Executive Committee for guiding Ørsted safely through a period of global uncertainty.

Henrik Poulsen stepped down as CEO of Ørsted at the end of 2020. Henrik has spearheaded a profound and very successful transformation of Ørsted over the past eight years. On behalf of the Board of Directors, I'd like to express our great appreciation for and acknowledgement of the significant results he's created together with the rest of the Ørsted team. We're pleased that Henrik has accepted our offer to nominate him for the Ørsted Board of Directors.

At the same time, I'd like to warmly welcome Ørsted's new CEO, Mads Nipper. Based on a clear sustainability vision, Mads has led a very successful transformation of Grundfos over the past six years, strengthening the company's market position in an increasingly competitive market and significantly improving its financial results. With Mads' great focus on sustainability and the green agenda, strong personal leadership, extensive managerial experience, and outstanding results from leading global companies, the Board of Directors is convinced that he is the right person to lead Ørsted in the next phase of our exciting journey.

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