

Ørsted Summary 2017

Annual report and
sustainability report



The Ørsted Way

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

Climate change is one of the biggest challenges for life on Earth. Today, the world mainly runs on fossil fuels. We need to transform the way we power the world; from black to green energy.

At Ørsted, our vision is a world that runs entirely on green energy. We want to revolutionise the way we power people by developing green, independent and economically viable energy systems. By doing so, we create value for the societies that we are a part of and for all our stakeholders.

The way we work is based on five guiding **principles**:

Integrity

We are open and trustworthy and uphold high ethical standards

Passion

We are passionate about what we do and proud of what we achieve

Team

We value diversity and collaborate in a non-hierarchical, respectful and trusting way

Results

We set the bar high, take ownership and get the right things done

Safety

We never compromise on health and safety standards

Integrity is our root.
Passion is our energy.
Team is our strength.
Results give us freedom.
The safe way or no way.



Chairman's statement

The transformation of the energy supply to green energy is one of the biggest challenges facing the world. Today, more than 80% of the world's energy supply comes from the burning of fossil fuels, which leads to serious climate change and impacts people's living conditions all over the planet. If we are to slow down this development, we need to supply the world with energy in a sustainable manner.

Over a period of 11 years, Ørsted has been transformed from a Danish utility company based on coal, oil and gas to an international energy company based on green energy. In 2017, we decided to phase out our use of coal by 2023, and we divested our oil and gas business. We also guaranteed our Danish residential customers that the power they receive from us is generated by offshore wind farms.

With the decisions we made in 2017, we completed our strategic transformation from black to green energy. None of the other major energy companies in Europe have come this far in their transformation processes, and among this group, we are now the fastest-growing company. As a result, we are a completely different company today. That is why we decided to change our name to Ørsted, inspired by the world-renowned Danish scientist H.C. Ørsted.

Our vision is a world that runs entirely on green energy. We have strong competences within sustainable energy solutions in all parts of our business. We want to build on these strengths and help the world's transformation to green energy systems.

Our commitment to sustainability is fundamental. We therefore run our business in a way that supports the United Nations Sustainable Development Goals (SDGs). In our Sustainability Report, you can read more about how we contribute to these goals.



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The heading for our strategy is 'Green growth'. In the coming years, growth will primarily be driven by our build-out of offshore wind, where we have the largest investment programme in the sector. We are also looking into new growth opportunities within green energy generation, intelligent customer solutions and solutions integrating generation and consumption.

In 2017, we continued our tireless work to improve safety for our employees and suppliers. We achieved a lost-time injury frequency of 1.6, the lowest level ever in the Group's history. On this basis, we are now switching to an even more fine-meshed measuring method comprising all accidents, whether they lead to absence or not.

Profit for the year from continuing operations amounted to DKK 13.3 billion, our best ever result. The Board of Directors recommends to the annual general meeting that dividend payments be increased from DKK 6 to DKK 9 per share, enabling us to retain an attractive level of dividend.

On behalf of the Board of Directors, I would like to thank the management and employees for having created one of the most successful energy companies in Europe, and one that is leading the way towards a world which runs entirely on green energy.

Thomas Thune Andersen
Chairman

CEO's review

Ørsted's vision of creating a world that runs entirely on green energy was supported by a strong performance in 2017.

- Strong growth in the Group's operating profit (EBITDA) of 18%
- Wind Power's EBITDA increased by 74% to DKK 20.6 billion, of which the farm-downs of 50% of Walney Extension and Borkum Riffgrund 2 accounted for almost half
- Good progress in the build-out of new offshore wind farms
- New offshore wind projects awarded in Germany and the UK
- Important milestones for our offshore wind projects in the USA and Taiwan
- Inauguration of the biomass conversion of Skærbæk Power Station and start-up of the Asnæs Power Station conversion
- Divestment of our oil and gas business
- Change of name to Ørsted.

Results

In 2017, we achieved a strong operating profit (EBITDA), which more than lived up to our expectations at the beginning of the year.

Underlying growth in 2017 was 56%. The good results were driven by yet another strong year in Wind Power where EBITDA was up 74% and ended at DKK 20.6 billion, fuelled by the farm-downs of 50% of the Walney Extension and Borkum Riffgrund 2 offshore wind farms. In addition, there was an increase of 45% in earnings from our offshore wind farms in operation where the portfolio is continuously expanded.

The reported EBITDA for 2017 amounted to DKK 22.5 billion, corresponding to a growth of 18%. Our return on capital employed (ROCE) increased to 25% in 2017 from 17% in 2016, when adjusting for lump-sum payments related to gas purchase contracts amounting to DKK 4.3 billion in 2016.

The net profit for the continuing part of the Group increased by DKK 1.1 billion to DKK 13.3 billion. In addition, the result from the divested upstream oil and gas business contributed with DKK 6.9 billion.

In 2017, the green share of our heat and power generation increased by 14%-points to 64% as a result of the conversion of our CHP plants to sustainable biomass and increased generation from offshore wind farms. Our target is to increase the green share of power and heat generation to at least 95% in 2023.

Strategic development

Our vision is to create a world that runs entirely on green energy. We want to spearhead the green transformation. We do so by continuously investing in our competitiveness and core competences to create opportunities for long-term, profitable growth within renewable energy.

Our business activities consist of three areas: offshore wind, utility business, as well as a portfolio of new long-term growth options.

We have an ambitious plan for the build-out of offshore wind that will enable us to maintain and strengthen our global, market-leading position and continue to expand in both existing and new markets. We will also maintain our focus on reducing the costs of offshore wind and on further developing innovative technical solutions. Over the next many years, offshore wind will remain our primary driver of growth and investment priority and constitute most of our business. It is our strategic core and will remain our priority, should we face bottlenecks in our resource allocation. We expect that more than 85% of our gross investments will be within offshore wind, and yield an average return on capital employed of 13-15% in the years up to and including 2023.

In our utility business, we are in the process of completing our conversion from fossil fuels to sustainable biomass, ensuring that coal can be phased out completely by 2023. At the same time, we will continue our roll-out of smart meters, build a smart power distribution grid, while also focusing on improving customer experience through digitisation and innovation of our products. Our utility business complements our wind power business, enabling us to develop vertically integrated, green energy solutions. In addition, it provides access to and insight into the market and contributes stable, regulated earnings.

There is strong global support for accelerating the green transformation. In the past few years, we have created significant value through our investments in green energy, and we want to gradually expand our access to the significant, long-term growth opportunities, not just within offshore wind and bioenergy, but potentially also other green technologies. We want to



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build on Ørsted's vision, culture and competences to pursue further profitable growth.

As much as possible, our long-term growth must be a diversified journey combined with the ability to change our focus and direction in step with market developments. We cannot predict what the future will bring.

Our strategy is based on the vision of an integrated green energy system, where renewable energy technologies can be combined with each other and with energy storage solutions, more flexible and intelligent patterns of consumption and electrification of the transport sector, heating systems and industry. We believe that the ability to think integrated solutions across different technologies and parts of the energy system may in itself become a competitive advantage.

Our portfolio of new long-term growth options includes, among other things, the Renaissance technology. We expect our first full-scale plant to be commissioned in H1 2018. Furthermore, we are seeking to mature our 'Energy-as-a-Service' concept as a way of meeting our industrial customers' needs for innovative and green energy solutions. We have also established a new unit focusing on energy storage and solar PV projects, and we also look into onshore wind. It is early days for these initiatives, and we are still working to establish a scalable commercial model for them. Thus, they are not expected

to contribute significantly to the Group's financial development in the short term, but we are exploring them as long-term growth options.

Currently, our above-mentioned growth initiatives are all organic, but we will also consider making focused acquisitions should strategically relevant opportunities arise with the potential to create value – both within offshore wind and within new green growth areas where we can build on existing competences. Geographically we focus on Northwestern Europe, North America and selected Asian markets.

When it comes to storage, solar PV and onshore wind we first and foremost see value creation where we can take over projects from developers who do not have the scale, capabilities, and balance sheet to extract the full value from their projects. We have essentially built our leadership position in offshore wind on the same business model. There are, of course, differences in technology and market dynamics across offshore wind, onshore wind, storage and solar PV. However, we also see many similarities where we can transfer this experience and learning from our existing business. Given the strength and growth of our offshore wind business, we are not under pressure to pursue new green avenues, but if attractive opportunities can be found within adjacent renewable technologies, a broader portfolio will further add to our strategic scale optionality, and long-term growth prospects.

In 2017, we changed our name to Ørsted – a name which better supports our position as a leading green energy company. The name is a tribute to the Danish scientist H.C. Ørsted, whose curiosity, dedication and skills, among other things, led to the discovery of electromagnetism, which today is a key component in the generation of power and thereby modern society. The name has generally been well received both internally in the company and among our external stakeholders. A few bearers of the Ørsted name have, however, chosen to file a subpoena with the Copenhagen Maritime and Commercial Court to prevent our use of the name. We are, of course, sorry about that as we have been keen to establish a friendly and respectful relationship with all bearers of the name. We still believe we are entitled to name our company after H.C. Ørsted.

Capital allocation

From 2019, we expect our business activities to generate sufficient cash flows to finance our planned portfolio investments.

Most of our capital will go towards supporting our existing ambitious growth plan for offshore wind, where our ambition is to reach an installed capacity of 11-12GW by the end of 2025. In addition, we will finalise the above-mentioned conversion of our CHP plants to sustainable biomass and install one million smart meters.

We maintain our strong commitment to our credit rating target (BBB+/Baa1) and the, at any time, announced expected dividend payments. Our capital structure allows us to increase dividends from DKK 6 to DKK 9 per share, totalling DKK 3.8 billion for 2017. This is a significant increase compared to our announcement at the time of the IPO and attributable to strong and growing cash flows from our offshore wind farms in operation. For the period up until 2020, we still expect a year-on-year high single-digit percentage increase in dividends relative to our new baseline.

Even with our current ambitious investment plans, clear commitment to our credit rating target and payment of increasing dividends, we expect to build additional financial capacity within a couple of years. This means that in the future, after the expected farm-down of Hornsea 1, we will only use farm-downs if we can continue to attain an attractive value creation or in order to spread our market and project risk.

We will invest any further excess financial capacity in value-adding growth to complement our existing investment plan, if we see relevant opportunities in the market.

After that, excess capital will be returned to our shareholders in the form of dividends and/or share buybacks.

Wind Power

In 2017, we reached several new milestones in our ambitious green strategy. Burbo Bank Extension in the UK and Gode Wind 1 and 2 in Germany were inaugurated in the early summer, contributing significantly to our continued growth in earnings from operating offshore wind farms. At the end of 2017, all turbines at Race Bank and at the first part of Walney Extension had been installed. Race Bank was fully commissioned in January 2018 and Walney Extension is expected to follow in H2 2018. In 2017, the build-out of our portfolio also included German Borkum Riffgrund 2, Dutch Borssele 1 and 2 and Hornsea 1 in the UK, which will be the world's largest offshore wind farm when commissioned.

We continued our partnership model in 2017, farming-down 50% of Walney Extension to the Danish pension funds PKA and PFA as well as 50% of Borkum Riffgrund 2 to Global Infrastructure Partners. The farm-downs testify to the continued considerable interest from investors in the green transformation and Ørsted's market-leading partnership model.

In April, we won the rights to build three offshore wind farms in the German part of the North Sea. Two of them were won with zero-subsidy bids. Commissioning of the projects is planned for 2024, provided that final investment decisions, as expected, are made in 2021.

In September, we were awarded a contract to construct Hornsea 2 in the UK. With a capacity of 1.4GW, it will overtake Hornsea 1 as the world's largest offshore wind farm when completed in 2022. The price of the contract for difference (CfD) was 50% lower than in the previous CfD round just two years ago. The decline illustrates the rapid cost reductions in the industry, which have made offshore wind power competitive relative to conventional power generation based on fossil fuels.

We are constantly observant to new opportunities for expanding our portfolio, creating more value and safeguarding our market position. This applies both in Europe, where the interest in offshore wind remains strong, and via business development in new markets, such as the USA and Taiwan. In the autumn, the UK and Dutch governments announced new ambitious targets for additional build-out of offshore wind in the 2020-2030 period.

In the USA, we bid at the first offshore wind auction in Massachusetts in December together with our partner Eversource Energy, participating with the Bay State Wind project. The preferred bidder or bidders are expected to be selected in April 2018 and will be invited to negotiate a fixed price contract with the three local power distribution companies. In addition, we entered into a partnership agreement with Dominion Energy about a development project off the coast of Virginia for further build-out of offshore wind in Virginia.

Since offshore wind is an important component in Taiwan's future energy supply, it is a potentially attractive market for us. At the end of 2017, the Taiwanese EIA evaluation panel recommended approval of our environmental impact assessment of the four Greater Changhua projects with a total capacity of up to 2.4GW. Final approval is expected in Q1 2018. In addition, we have entered into cooperation with local Taiwanese companies on components for future projects. We expect the first of the potential projects in Taiwan to be commissioned in the early 2020's.

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Bioenergy & Thermal Power

In accordance with our overall strategy, we continue to convert our Danish CHP plants to sustainable biomass. The phasing-out of coal is gaining momentum, and from 2023 we will no longer use coal to generate heat and power. In October 2017, we inaugurated Skærbæk Power Station's new unit which can now run up to 100% on sustainable biomass. We also entered into an agreement to convert Asnæs Power Station to sustainable biomass from 2019. Now, only Esbjerg Power Station remains to be converted for us to achieve our objective of coal-free operations.

Our first commercial Renaissance plant in Northwich, UK, was constructed in 2017. Through enzymatic treatment, unsorted household waste is converted into biogas and recyclable materials. The work on testing and optimising the mechanical parts of the plant is still ongoing and has taken longer than expected. We expect to commission the plant in H1 2018. When fully operational, the plant is expected to be able to treat waste from approximately 110,000 British households.

Distribution & Customer Solutions

At the beginning of the year, and as part of our green transformation, we decided that our 733,000 residential power customers in Denmark should have their total power consumption covered by green power generated by our offshore wind farms at no additional cost for them. Since 1 January 2017, we have therefore supplied green power to all our residential customers. We buy certificates from our own Danish offshore wind farms corresponding to the power consumed by our residential customers.

By the end of 2020, smart meters must be installed for all our Danish power customers. After a successful pilot project in late 2016 and early 2017, we initiated the large-scale roll-out in June. By the end of 2017, a total of 183,000 new meters were in use. In cooperation with Danish meter producer Kamstrup, our power distribution company Radius is tasked with replacing more than one million smart meters on Zealand.

Employees

We have a very strong focus on safety and well-being. During the year, we maintained the positive development in the Group's lost-time injury frequency (LTIF) and saw no life-changing accidents. Moreover, the feedback from our employees in this year's employee survey was again positive. We believe that well-being, safety and positive results go hand in hand. Therefore, we are working continuously to maintain and increase employee satisfaction and safety.

Effective from 2018, we have introduced a new safety target – total recordable injury rate (TRIR). This measure is more extensive than LTIF, and includes, besides lost-time injuries, accidents which do not result in absence, but which make the employee unable to undertake normal work, or where medical treatment is required. It follows that there are more facets to TRIR compared to the previously used LTIF measure, and we believe that it reflects everyday life in Ørsted better and will help raise ambition levels for our safety efforts even further.

Our employees again deserve credit and acknowledgment for their dedicated performance all through 2017. Their strong competences, entrepreneurial spirit and passion for what Ørsted stands for and the work we do, are the very foundation of our company.



Henrik Poulsen
CEO and President

Strong progress in consolidated results

Operating profit (EBITDA), DKK billion

22.5

2017
8.7 (2015) 19.1 (2016)

The increase was due partly to 45% growth in earnings from our offshore wind farms in operation, partly to higher partnership income from the farm-down of Walney Extension and Borkum Riffgrund 2. The increase was partially offset by the fact that 2016 was positively affected by compensation of DKK 4.3 billion from the renegotiation of gas purchase contracts.

Net profit (continuing operations), DKK billion

13.3

2017
1.0 (2015) 12.2 (2016)

The increase was mainly due to higher EBITDA, partially offset by a gain on the divestment of the gas distribution network in 2016.

Return on capital employed (ROCE), %

25.2

2017
3.6 (2015) 24.4 (2016)

ROCE increased by 1%-point due to the higher EBITDA, which was partly offset by higher funds tied up in capital employed as a consequence of our continued high investment level. ROCE totalled 17% in 2016 adjusted for compensation from renegotiations.

Gross investments, DKK billion

17.7

2017
12.7 (2015) 15.0 (2016)

Investments were particularly substantial in 2017 due to construction on several offshore wind farms including Walney Extension, Race Bank, Borkum Riffgrund 2 and Hornsea 1.

Interest-bearing net debt, DKK billion

-1.5

2017
9.2 (2015) 3.5 (2016)

Net debt decreased by DKK 5.0 billion, due to the proceeds from the divestment of the Oil & Gas business and from its operation until the divestment. The continuing operation also achieved a positive free cash flow despite the high investments.

Credit metric (FFO/adjusted net debt)¹⁾, %

50.3

2017
28.8 (2015) 64.2 (2016)

The decline in FFO/adjusted net debt was primarily due to lower FFO, as gains from the farm-downs of the offshore wind farms are not included in the calculation. Gains from the farm-downs were DKK 8 billion higher than in 2016, which on the other hand was positively affected by compensation from the renegotiations. However, debt was lower compared to 2016.

Safety, LTIF

1.6

2017
2.0 (2015) 1.8 (2016)

Our continued focus on safety resulted in a historically low lost-time injury frequency in 2017. Effective from 2018, we have introduced a new safety target – total recordable injury rate (TRIR).

Carbon emissions, gCO₂e/kWh

151

2017
220 (2015) 224 (2016)

Carbon emissions were reduced following the biomass conversion of CHP plants as well as 42% higher generation from offshore wind farms.

¹⁾ Interest-bearing net debt including 50% of hybrid capital, cash and securities not available for use (with the exception of repo transactions), present value of lease obligations, and decommissioning obligation less deferred tax.

Our strategy

We want to lead the transformation to green energy. We do that by investing in our competitiveness and core competences within offshore wind, flexible and sustainable CHP plants, intelligent grids and green customer solutions. At the same time, we are looking at further green growth initiatives that will enable us to gradually expand our strategic platform and flexibility. All of this with a view to creating long-term profitable growth.

Our business can be divided into three areas: offshore wind, our utility business and a portfolio of new growth initiatives. Across all three areas, our strategic focus is green growth..

Offshore wind

- Maintain our market leadership in offshore wind
- Continue to pioneer new markets and develop a global business
- Keep innovating and reducing the cost of electricity from offshore wind
- Leverage market-leading partnership model for incremental value creation and risk diversification
- Realise the 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 business

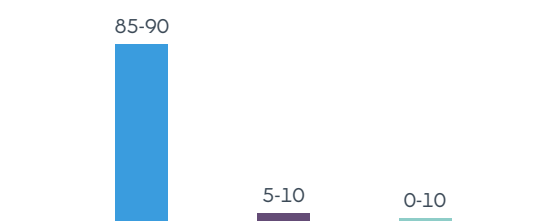
- Complete biomass conversions of Danish CHP plants and phase out the use of coal by 2023
- Roll out smart meters to build an intelligent power distribution grid
- Enhance customer experience through digitisation and product innovation
- Provide a competitive route-to-market for our own and our customers' generation portfolios
- Optimise natural gas activities as a transition fuel to a world that runs entirely on green energy
- Drive cost efficiency across the utility business to maintain competitiveness

New growth initiatives

- Continue the commercial development of our innovative Renaissance technology for enzymatic waste treatment
- Mature the Energy-as-a-Service concept for our industrial and commercial customers
- Explore potential within other renewable energy technologies:
 - Energy storage
 - Solar PV
 - Onshore wind

Expected share of gross investment 2018-2023, %

● Offshore wind ● Utility business ● New growth initiatives



Our sustainability strategy

Climate change is one of the biggest challenges for life on Earth. We need to transform the way we power the world; from black to green energy. At Ørsted, our vision is a world that runs entirely on green energy.

We want to achieve our vision, while helping to preserve the environmental, social and economic structures that are fundamental for society. In our Sustainability Commitment, we commit to operating in a way that creates progress towards the UN Sustainable Development Goals (SDGs). The SDGs express a global agreement of society's greatest challenges towards 2030.

Our sustainability strategy makes our commitment operational and tangible. It consists of three priorities:

A world that runs entirely on green energy

Through our solutions, we help build a world that runs entirely on green energy. It is our vision and main societal contribution.

Enabling sustainable growth

We address societal challenges to enable the continued growth of our green energy portfolio. Here, we make it clear what we need to do to grow sustainably and support progress towards a world that runs entirely on green energy.

Business integrity

We uphold high ethical standards in our business practices by being accountable and transparent, respecting human rights and having a solid governance. Here, we want to demonstrate that we operate a responsible business with high integrity.

Our priorities span 20 sustainability programmes, and it is through our programmes that we take concrete action to contribute to the SDGs.



A world that runs entirely on green energy

Programmes

- Green energy generation
- Deployment of offshore wind
- Greener power stations
- Integration of green energy
- Energy savings



Enabling sustainable growth

Programmes

- Sourcing of certified sustainable biomass
- Local communities
- Performance and development
- Employee satisfaction and motivation
- Employee diversity
- Protecting biodiversity
- Resource management



Business integrity

Programmes

- Workplace safety
- Employee health and well-being
- Responsible business partners
- Cyber security
- Good business conduct
- Customer experience
- Responsible tax practices
- Personal data protection

Our contribution to the UN Sustainable Development Goals

Our sustainability programmes contribute to 12 of the 17 goals. Below, we have assessed to which degree we contribute to the different SDGs. Read more about how our programmes contribute to the SDGs and, where relevant, the underlying targets in our sustainability report.

Very high



High



Moderate



Low



Our vision in figures

Our vision for a world that runs entirely on green energy reaches far beyond our own operations. It requires a shift in the way we all consume energy. This challenges the energy system. We do not have all the answers for how we can get to a world of 100% green energy. But we have charted the course for how we as a company will make our contribution.

**A world that runs
entirely on green energy**

**Ørsted's
target**

**Ørsted's current
performance**

100%

Green energy share

≥95%

by 2023

64%

100%

Carbon emissions*, g CO₂/kWh

96%

by 2023

67%

100%

Coal reduction*

100%

by 2023

82%

100%

Certified sustainable biomass

100%

by 2020

72%

100%

Green power for our residential customers

100%

from 2017

100%

* Compared to 2006

Reducing carbon emissions faster than science demands

The increasing concentration of carbon in the atmosphere calls for action. We have a target of reducing carbon emissions by 96% by 2023 compared with 2006. With this, we are 27 years ahead of the International Energy Agency's 2°C scenario for carbon emissions reductions in the energy sector.

We have reduced the carbon intensity of our energy generation by 67% since 2006. In particular, phasing out the use of coal has had a dramatic effect on our carbon emissions.

A generation ahead

In 2017, the Science Based Targets initiative approved our 2023 carbon emission reduction target. The initiative brings together leading climate organisations to support companies in aligning their targets with the goals of the Paris Climate Agreement. Our target is to produce heat and power at 20 gCO₂e/kWh – down from 462 gCO₂e/kWh in 2006.

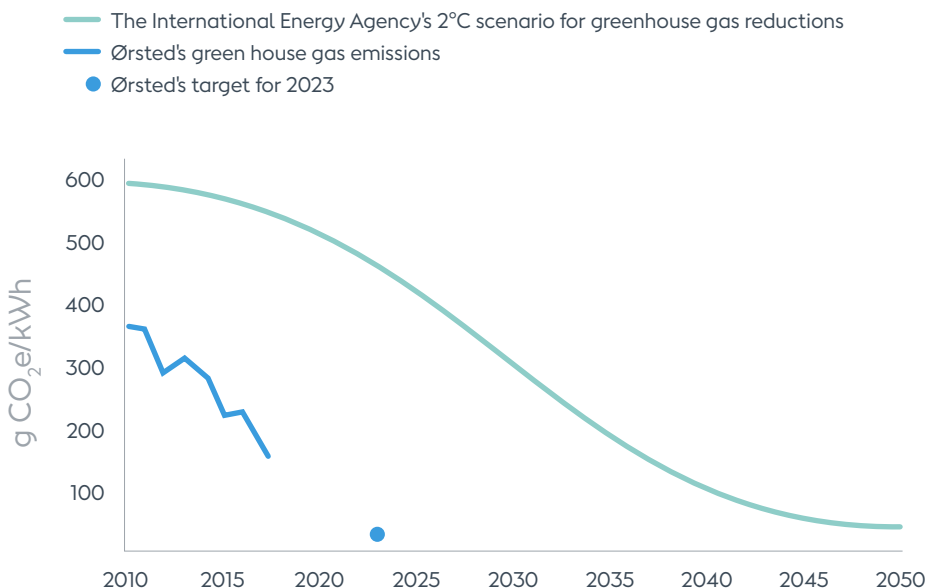
By achieving our 2023 target, we will reach our carbon emission reduction goal 27 years faster than the two-degree temperature rise scenario established by leading climate scientists and the International Energy Agency for the energy sector.

Amongst a handful of energy companies

In Europe, Ørsted is the energy company which has made the most progress in its transition from fossil-based to green energy. We are the fifth energy company in the world to have set a carbon reduction target which is in line with the scientific recommendations.

Our offshore wind farms not only help reduce the carbon intensity of our own energy generation. They also displace carbon emissions from conventional fossil-based energy generation due to their lower marginal cost of power. Since 2007, power generation from our offshore wind assets has helped avoid the emission of 24 million tonnes of carbon to the atmosphere. This is the same as taking more than 12 million cars off the street for a year.

Ørsted is ahead of the curve



With its science-based climate target, Ørsted is taking a leading position in the transition to a future with less carbon emissions.

Alberto Carillo Pineda,
Science Based Targets initiative

Our geographic footprint

Walney Extension (659MW)
Walney 1 & 2 (367MW)
West of Duddon Sands (389MW)

Barrow (90MW)

Burbo Bank Extension (258MW)
Burbo Bank (90MW)

Renescence Northwich

Westermost Rough (210MW)

Hornsea 1 (1,218MW)
Hornsea 2 (1,386MW)
Hornsea 3 (Up to 2,400MW)¹⁾

Lincs (270MW)
Race Bank (573MW)¹⁾

 UK

Borssele 1 & 2 (752MW)

Netherlands

Enecogen 

Gunfleet Sands 1 & 2 (173MW) 

London Array 1 (630MW) 

Symbols



In operation



Under construction



Project and business development

(MW) Total wind farm capacity



In operation



Under construction

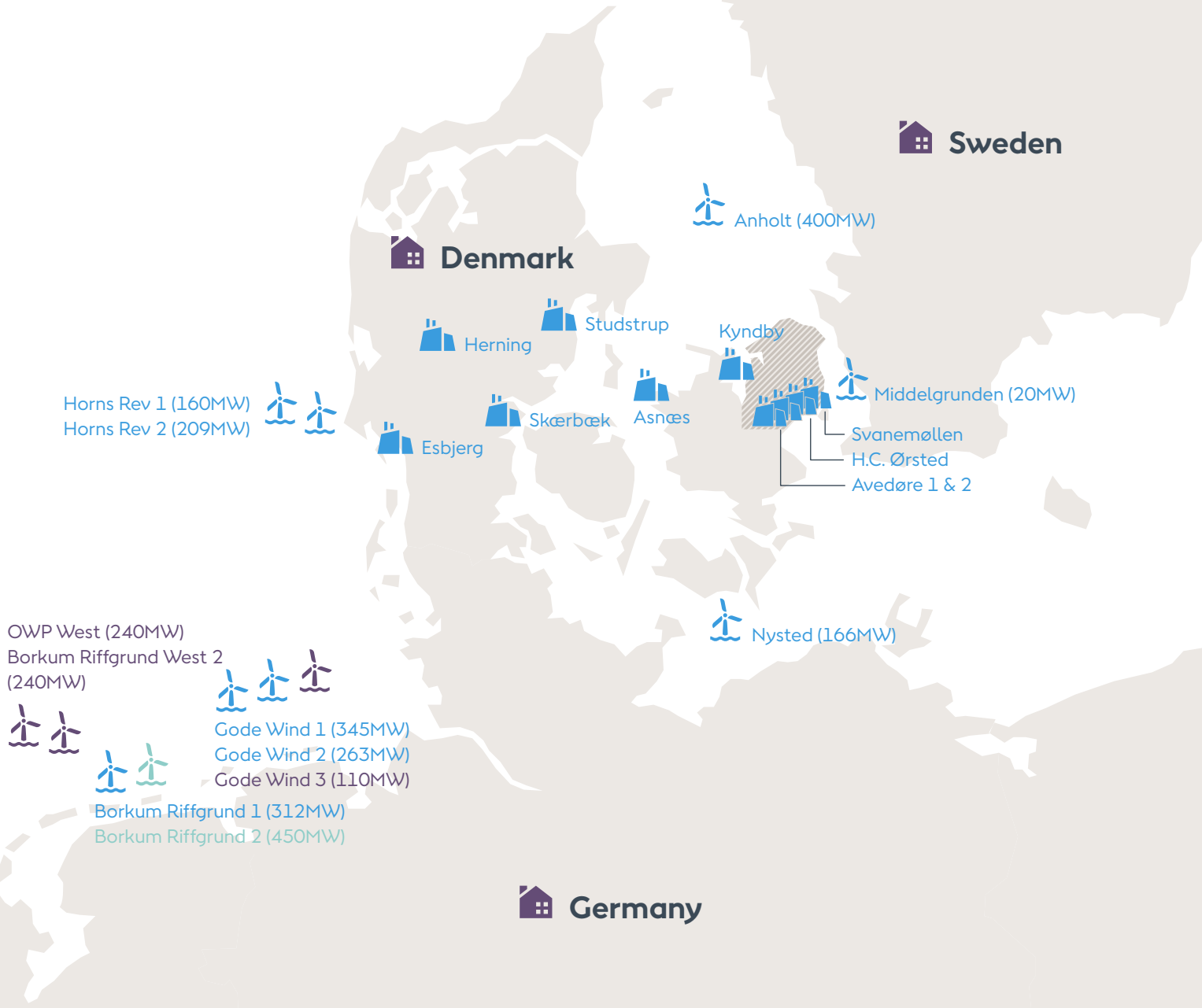


Sale of power and/or gas



Power distribution in Denmark

¹⁾ In operation from January 2018



Shareholder information

The Ørsted share yielded a total return of 29% in 2017, an increase in the share price of 27% and dividends of DKK 6 per share.

Price development for the Ørsted share in 2017

The Ørsted share started the year at a price of DKK 268 and closed the year at DKK 339. Prices of comparable European utility companies increased by 9%, and the OMX C25 cap increased by 13% in 2017. The market value of Ørsted was DKK 142 billion at the end of the year. Since the IPO in June 2016, the Ørsted share has generated an aggregate return from the share price and dividends of 47%.

The year's highest traded price of DKK 388 was on 11 October. The year's lowest traded price of DKK 246 was on 3 February.

The average daily turnover on Nasdaq Copenhagen was 724,000 shares. The trading volume showed an increase of 44% compared to 2016. 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. This amount should be compared

to the value of the shares sold at our IPO of just under DKK 20 billion. New Energy Investment s.a.r.l. (managed by Goldman Sachs) sold its entire shareholding of 13.3% distributed over four transactions. The Danish energy company Syd Energi sold its entire shareholding of 0.9% at the beginning of the year, while the Danish pension fund ATP reduced its holding in the course of the year.

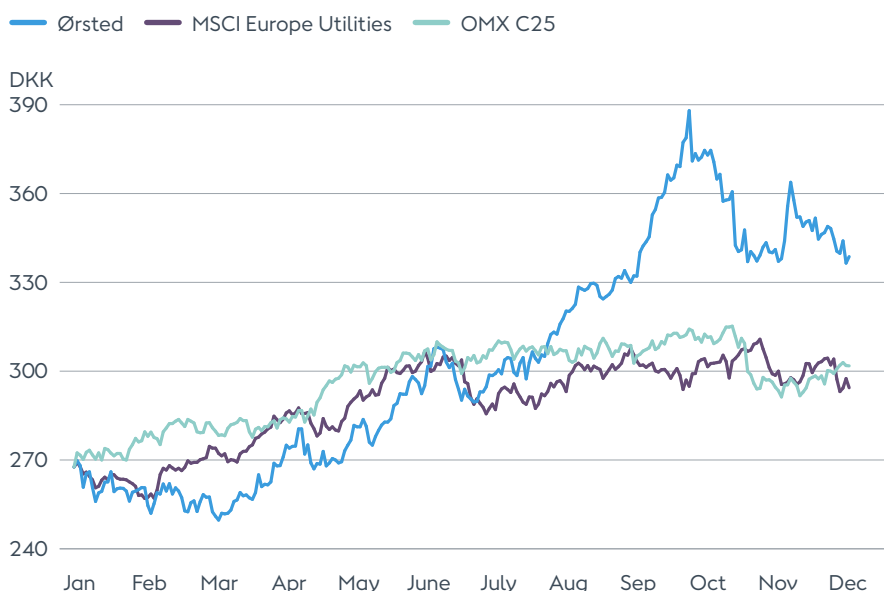
Share capital

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 2017. At the end of 2017, the company held a total of 226 thousand treasury shares, which will be used to cover incentive schemes.

Composition of shareholders

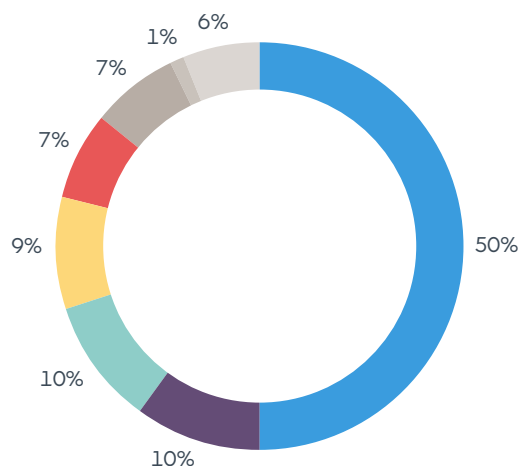
At the end of the year, the number of shareholders had increased by 12% to 24,600. Although the geographical spread of the share capital was greater, most of it (68%) is still with Danish owners. The figure to the left shows the composition of our shareholders by country, specifying the three shareholders holding more than 5% of the share capital each. Around 1% of the share capital is owned by private investors.

Share price development in 2017
Ørsted share price compared to peers.



Shareholders at 31 December 2017, voting share %*

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



* See note 16 in the parent company financial statement.

Annual general meeting and dividends

The annual general meeting will be held on 8 March 2018 in Copenhagen. Dividends for the year are expected to amount to DKK 9 per share, corresponding to DKK 3.8 billion. In 2017, dividends of DKK 6 per share were paid for the 2016 financial year, corresponding to a return of 2.7% relative to a share price of DKK 338.7 per 31 December 2017.

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, road shows, conferences, capital market 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.

22 share analysts and 12 bond analysts cover the Group. Their recommendations and consensus estimates for Ørsted's future financial performance are available at orsted.com/en/investors. On the site, it is also possible to download our financial reports, investor presentations and a wide range of other data.

Selected company announcements in 2017

13 Apr.	Ørsted awarded three German offshore wind projects
4 May	Ørsted agrees in settlement regarding the Hejre EPC-contract
24 May	Ørsted enters into agreement to divest its upstream oil and gas business to INEOS
11 Sep.	Ørsted awarded contract to build world's biggest offshore wind farm
29 Sep.	Ørsted completes the divestment of its upstream oil and gas business to INEOS
2 Oct.	DONG Energy to change company name to Ørsted
10 Nov.	Ørsted completes the divestments of Walney Extension offshore wind farm
16 Nov.	Ørsted issues green bonds
11 Dec.	Ørsted completes the divestment of Borkum Riffgrund 2 offshore wind farm

Share information

ISIN	DK 0060094928220
Share classes	1
Nominal value	DKK 10 per share
Average daily volume	723,784
Exchange	Nasdaq OMX Copenhagen
Ticker	ORSTED
Year high	DKK 388 (11 October)
Year low	DKK 246 (3 February)
Registered share	99.6%
Number of shares	420,381,080 shares
Number of treasury shares	225,904 shares

Financial calendar 2018

1 Feb.	Annual report 2017
8 Mar.	Annual general meeting
26 Apr.	Interim report for the first quarter of 2018
9 Aug.	Interim report for the first half-year of 2018
1 Nov.	Interim report for the first nine months of 2018

Selected performance highlights

Income statement (Business performance), DKKm	2017	2016	2015	2014	2013
Revenue	59,504	61,201	65,444	61,280	68,555
EBITDA	22,519	19,109	8,730	7,798	7,680
Depreciation, amortisation and impairment losses	(6,284)	(5,232)	(6,857)	(5,535)	(6,374)
Operating profit (loss) (EBIT)	16,235	13,877	1,873	2,263	1,306
Profit (loss) for the year from continuing operations	13,279	12,161	967	1,901	693
Profit (loss) for the year from discontinuing operations	6,920	1,052	(13,051)	(7,185)	(1,686)
Profit (loss) for the year	20,199	13,213	(12,084)	(5,284)	(993)
Balance sheet					
Total assets	146,521	136,489	147,457	149,914	145,672
Total equity	71,837	57,500	51,736	61,533	51,543
Interest-bearing net debt	(1,517)	3,461	9,193	3,978	25,803
Capital employed	70,320	60,961	60,930	65,511	77,345
Cash flow					
Cash flow from operating activities	1,023	11,272	7,521	9,568	5,754
Gross investments	(17,744)	(14,960)	(12,709)	(10,327)	(11,623)
Divestments	16,982	9,055	1,982	10,559	15,329
Free cash flow from continuing operations	261	5,367	(3,206)	9,800	9,460
Free cash flow from discontinuing operations	9,025	1,106	656	452	(5,632)
Financial ratios					
Return on capital employed (ROCE) ¹⁾ , %	25.2	24.4	3.6	4.3	2.2
Dividend yield ¹⁾ , %	2.7	2.2	-	-	-
FFO/adjusted net debt ¹⁾ , %	50.3	64.2	28.8	31.6	13.1
Business drivers					
Wind Power					
Installed capacity, offshore wind, GW	3.9	3.6	3.0	2.5	2.1
Generation capacity, offshore wind, GW	2.5	2.0	1.7	1.4	1.3
Wind energy content ¹⁾ , %	95	93	103	97	97
Wind speed ¹⁾ , m/s	9.3	8.9	9.7	9.2	9.0
Power generation, TWh	8.5	6.0	5.8	5.0	5.3
Bioenergy & Thermal Power					
Heat generation, TWh	9.0	9.2	9.3	8.7	11.2
Power generation, TWh	8.2	8.4	7.1	8.7	13.8
Distribution & Customer Solutions					
Power distribution, TWh	8.4	8.5	8.4	8.4	8.6
Power sales, TWh	37.7	36.7	35.5	34.5	25.5
Gas sales, TWh	136.1	150.4	159.1	151.3	131.7
People and environment					
Employees (FTE), end of period, number	5,638	5,775	5,947	5,751	5,807
Lost-time injury frequency (LTIF), per million hours worked	1.6	1.8	2.0	2.5	3.5
Total recordable injury rate (TRIR)	6.4	6.8	9.7	10.9	12.0
Fatalities, antal	0	0	0	0	0
Carbon emissions, g CO ₂ e/kWh	151	224	220	280	311

¹⁾ See annual report page 29 for definitions.

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Borkum Riffgrund 1 offshore wind farm
off the coast of Germany

This report has been prepared in
Danish and English.
In case of discrepancies,
the Danish version applies.