

**Company announcement
No. 24/2019**

Ørsted enters into an agreement to divest its Danish power distribution, residential customer and City Light businesses to SEAS-NVE

Ørsted has today signed an agreement to divest its Danish power distribution (Radius), residential customer and City Light businesses to SEAS-NVE for a price of DKK 21.3 billion on a cash and debt-free basis. The proceeds will be paid in cash upon closing of the transaction.

The agreement has been entered into following an unsolicited, non-binding offer which Ørsted received from SEAS-NVE in second half of June 2019.

The agreement follows the decision made in June 2018 by Ørsted's Board of Directors and Executive Management that Ørsted is not the best long term-owner of these businesses. The decision led Ørsted to initiate a structured divestment process for these businesses in autumn 2018. In January 2019, this divestment process was discontinued as the political support required to continue the process was no longer there.

Ørsted's strategic ambition of becoming a global leader in green energy and the company's significant expansion of renewable energy production would further reduce the strategic and financial importance of the Danish downstream business in the coming years.

Henrik Poulsen, CEO and President of Ørsted, says:

"With Ørsted's global expansion in renewable energy, we're no longer the right owner of Radius and the Danish residential customer and City Light businesses. We're therefore happy to enter into an agreement with SEAS-NVE, which is Denmark's second largest cooperatively-owned energy company, to buy these businesses. The agreement ensures an attractive transaction for Ørsted's shareholders and provides a good future home for the customers and for our highly skilled employees. We'll use the proceeds from the divestment to continue our global investments in green energy."

The transaction is subject to regulatory approvals by the competition authorities and the Danish Energy Agency. Closing of the transaction is expected to take place in first half of 2020.

At closing of the transaction, approximately 750 employees working for Radius and the Danish residential customer and City Light businesses will transfer to employment with SEAS-NVE.

The Ørsted vision is a world that runs entirely on green energy. Ørsted develops, constructs and operates offshore and onshore wind farms, bioenergy plants and provides energy products to its customers. Headquartered in Denmark, Ørsted employs 6,300 people. Ørsted's shares are listed on Nasdaq Copenhagen (Ørsted). In 2018, the group's revenue was DKK 76.9 billion (EUR 10.3 billion). For more information on Ørsted, visit orsted.com or follow us on Facebook, LinkedIn, Instagram and Twitter.

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Company registration no.
(CVR no.) 36 21 37 28

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At closing, Ørsted expects the transaction to result in a gain on divestment of enterprises (not part of EBITDA) of DKK 11-12 billion, depending on capital employed on the day of closing.

Danske Bank and Citigroup acted as financial advisers to Ørsted in connection with the transaction.

The information provided in this announcement does not change Ørsted's previously announced outlook for the 2019 financial year.

For further information, please contact:

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Facts about the power distribution, residential customer, and City Light businesses

- The power distribution business (Radius), has approximately one million power customers in the Copenhagen area, North Zealand, and parts of central Zealand. The power supply to the customers is delivered through a grid reaching approximately 19,000km.
- The residential customer business sells electricity to approximately 717,000 customers, gas to approximately 105,000 customers, and has approximately 44,000 heat customers.
- The City Light business operates and maintains approximately 145,000 street lights in 15 municipalities on Zealand.
- In H1 2019, these three businesses accounted for 7.9% (DKK 0.7bn) of Ørsted's operating profit (EBITDA) and 9.4% (DKK 8.6bn) of its capital employed.

Facts about SEAS-NVE

SEAS-NVE is Denmark's second largest cooperatively-owned energy company. Over the past century, SEAS-NVE has grown from two small energy companies on Zealand to a group of companies with more than 390,000 cooperative owners. SEAS-NVE also provides power to most of Zealand, owns a high-tech fibre network, and ensures service and

maintenance of Denmark's longest power grid. The company has 978 employees, and in 2018, its revenue amounted to DKK 7.3 billion.