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Investor presentation Q1 2019

1 May 2019

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Good start to the year

Highlights – Q1 2019

- EBITDA totaled DKK 5.1 billion, a decrease of 7% compared to Q1 2018, but in line with expectations
- EBITDA from offshore wind farms in operation increased by 13%, to DKK 3.6 billion in Q1 2019
- Green share of generation reached 80%
- FID on 900MW Greater Changhua 1&2a offshore wind project in Taiwan
- Bids submitted for offshore wind projects in France, Netherlands and the US
- FID on 338MW Sage Draw onshore wind project in Texas
- Agreement to acquire the solar and storage development subsidiary of US-based Coronal Energy
- Signed our first fixed-price corporate PPA for an offshore wind farm

Construction programme – Offshore

Project	Hornsea 1	Borssele 1&2	Virginia	Hornsea 2	Changhua 1&2a
Country					
Asset type					
Capacity	1,218MW	752MW	12MW (EPC)	1,386MW	900MW
Expected completion	H2 2019	Q4 2020 / Q1 2021	H1 2021	H1 2022	2022
Status	On track	On track	On track	On track	On track
Comments	All foundations installed 163 out of 174 array cables installed 51 out of 174 turbines installed	Manufacturing of key components progressing O&M building under construction	Key supply contracts signed Offshore construction expected to begin Q2 2020	Onshore construction works ongoing (substation and export cable)	Finalise negotiation of key contracts Start of onshore construction

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Construction programme – Onshore, Bioenergy and Customer Solutions

Project	Lockett	Sage Draw	Asnæs CHP plant	Renescience Northwich	Smart meter roll-out
Country					
Asset type					
Capacity	184MW	338MW	129MW Heat, 25MW Power	120,000 tonnes waste	1 million installations
Expected completion	Q3 2019	Q1 2020	Q4 2019	H1 2019	2020
Status	On track	On track	On track	Follows revised time schedule	On track
Comments	Construction commenced November 2018 34 out of 75 turbines installed	Financial Close and Notice to Proceed with construction expected Q2 2019	Conversion from coal to sustainable wood chips	Adjustments to plant lay-out to resolve mechanical challenges with sorting process	854,000 smart meters in use end of Q1 2019

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Offshore market development – US

Massachusetts	• Draft 800MW RFP submitted for regulatory approval. Solicitation expected August 2019 • Passed bill which could increase offshore wind capacity to 3.2GW by 2035
New York	• Bid submitted in +800MW offshore wind solicitation with the Sunrise Wind project • Outcome expected May 2019 • Target of 9GW of offshore wind capacity by 2035 • Federal agency BOEM expected to release final offshore lease areas in 2019, with lease auctions in early 2020 (expected to be two areas of at least 800MW)
New Jersey	• Bid submitted in the 1.1GW offshore wind solicitation with the Ocean Wind project • Outcome expected in June 2019 • Subsequent auctions of 1.2GW each expected in 2020 and 2022, respectively • Target of 3.5GW of offshore wind capacity by 2030
Connecticut	• Legislation introduced for procurement of 1-2GW • Next procurement expected in fall 2019
Rhode Island	• 400MW PPA for Revolution Wind in process of being filed for regulatory approval • Bid submitted in the up to 400MW auction in October 2018 • Outcome expected in Q2 2019
Maryland	• Passed bill which will incentivise 1.2GW of offshore wind capacity by 2030

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Offshore market development – Europe

United Kingdom	• Next UK CfD auction to be initiated in May 2019, subsequent auctions every two years • Target annual build-out of 1-2GW to reach 30GW capacity by 2030 • Hornsea 3 consent process moving forward as planned • Race Bank Extension lease agreement expected mid-2019 • Tender for new leasing rounds of up to 7GW expected post summer 2019
Germany	• First centralised tender expected in 2021, approx. 800MW to be built annually from 2026 • Target of 15GW of offshore wind capacity by 2030
Netherlands	• Government target of 11.5GW offshore wind by 2030 • Bid submitted in the Holland Coast South 3&4 tender
Denmark	• Three offshore wind tenders of at least 2.4GW in total towards 2030 • Tenders to include the offshore transmission assets • Next tender of 800-1,000MW will be issued in 2019, with expected bid in 2021
France	• Government target of approx. 5GW offshore wind by 2028 • Bid submitted in Round 3 in JV with TOTAL and Elicio • Final energy plan announced Feb. 2019. Round 4 will be in 2020 with a cap of 1GW
Poland	• Target of 10.3GW offshore wind by 2040 • Progressing work on regulatory framework

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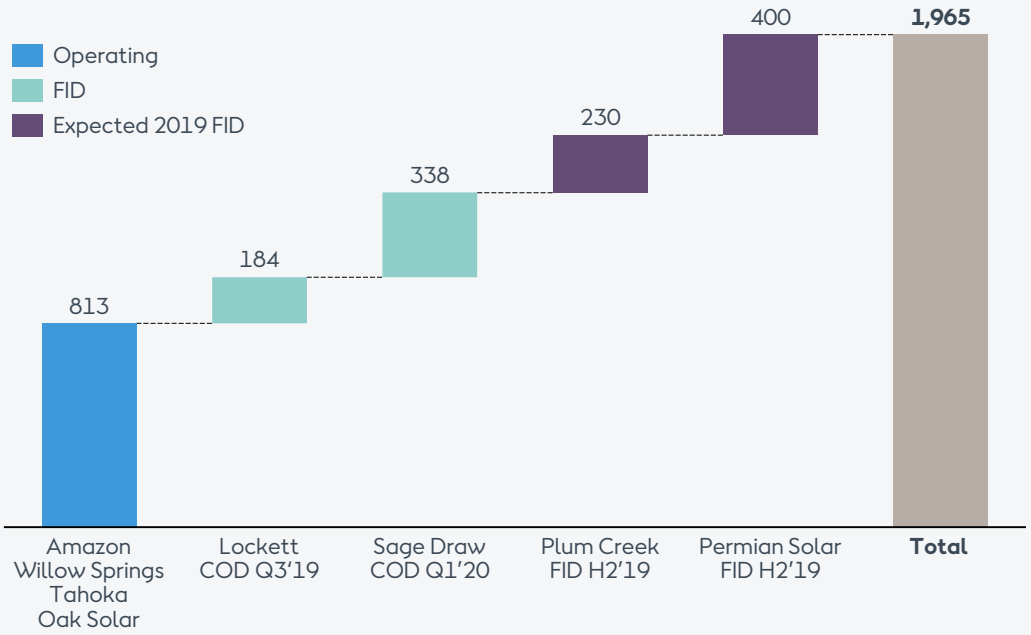
Offshore market development – APAC

Taiwan	• FID on 900MW Greater Changhua 1&2a project. Good progress on the Formosa 1 phase 2 project • Taiwan has met its target of awarding 5.5GW to be commissioned by 2025 • Auctions of additional 4.5GW are being planned for post 2025 • 600MW Greater Changhua 3 project ready for future auctions
Japan	• Target of 10GW offshore and onshore wind power to be constructed by 2030 • Offshore wind General Sea law passed in November 2018, enabling large scale offshore wind development outside harbor areas • Auction evaluation guideline announced April 2019 • Signed MoU to work jointly with TEPCO on Choshi offshore wind project near Tokyo
South Korea	• 18GW wind build-out target towards 2030 of which 13GW is offshore • Strong need for offshore wind based on onshore limitations and large energy imports • Feasibility study of offshore wind sites ongoing, conducted by the government and local players

Strong progress in US onshore business

Near-term capacity
MW



Development pipeline with offtake contracted

Plum Creek Wind - 230MW - SPP, NE

- 12 year PPA with Smucker Co, Avery Dennison and Vail Resort for >70% capacity
- Turbine Supply Agreement and Interconnection Agreement executed
- Target FID in H2 2019 and COD in 2020

Permian Solar - 400MW$_{AC}$ - ERCOT West, TX

- Executed 12 year PPA with ExxonMobil
- Target FID in H2 2019 and COD in 2021

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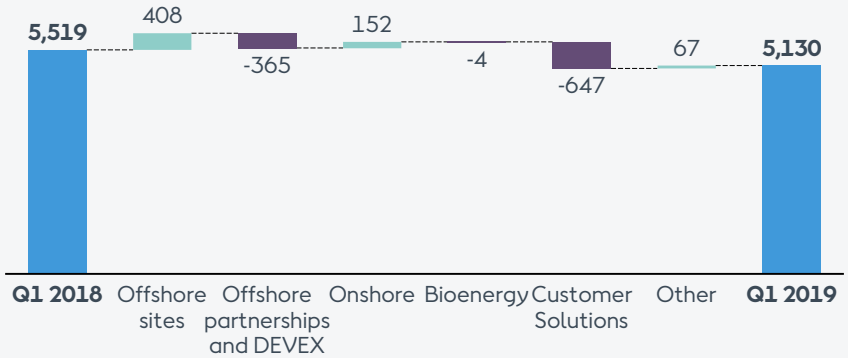
Results in line with expectations

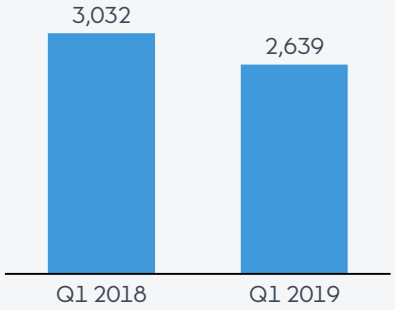
EBITDA
DKKm



EBITDA decreased by DKK 0.4bn

- Earnings from operating wind farms up 13% compared to Q1 2018
- Lower partnership earnings and higher project development costs
- Contribution from Lincoln Clean Energy, acquired in October 2018
- Customer Solutions significantly below Q1 2018, driven by compensation from renegotiation in Q1 2018 and lower earnings from gas portfolio. Q1 2019 above expectations driven by strong trading results

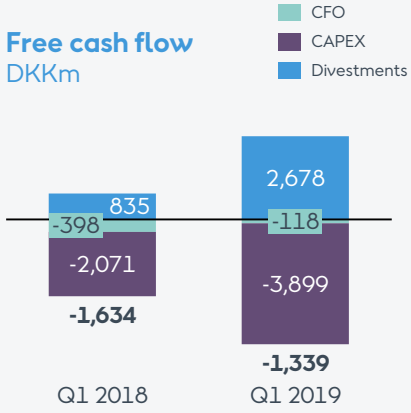
Net profit
DKKm



Net profit down DKK 0.4bn

- Lower EBITDA
- Higher depreciation from new wind farms in operation
- Positive effect from financial items, mainly due to a positive impact from exchange rate adjustments

Free cash flow
DKKm



FCF increased DKK 0.3bn

- Paid tax of DKK 4.8bn due to early on account tax payment for 2019
- Gross investments of DKK 3.9bn
- Receipt of deferred proceeds from 50% farm-down of Hornsea 1 to GIP and New England offshore projects to Eversource

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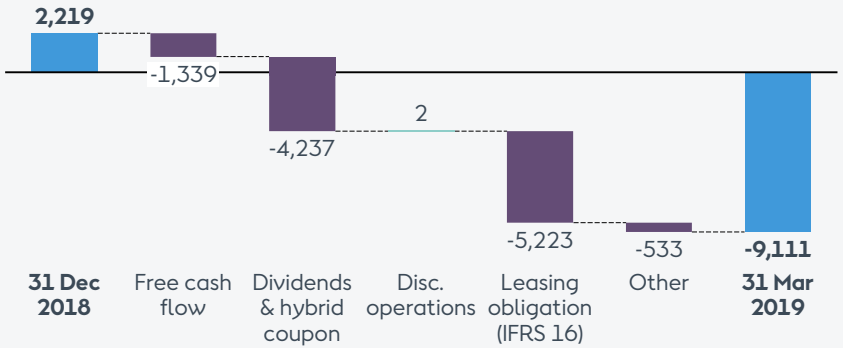
Distribution of dividends and solid financial ratios

Net interest-bearing debt development

DKKm

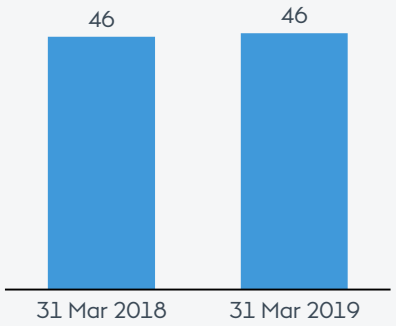


Net interest-bearing debt of DKK 9.1bn

- Negative free cash flow, primarily due to early on account tax payment
- Distribution of dividends to shareholders of DKK 4.1bn
- Inclusion of operational lease obligations in accordance with IFRS 16

FFO / Adj. net debt

%

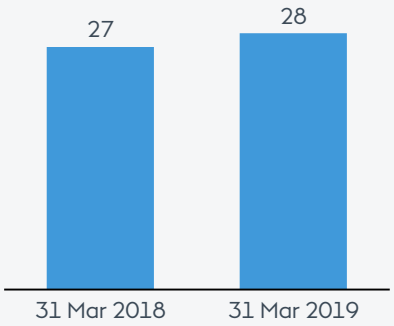


FFO / Adj. net debt of 46%

- Credit metric above our target of around 30%

ROCE (LTM)

%



ROCE of 28%

- Significant positive effect from farm-downs in both years

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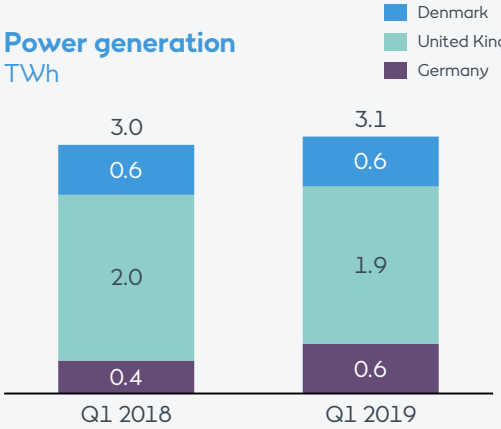
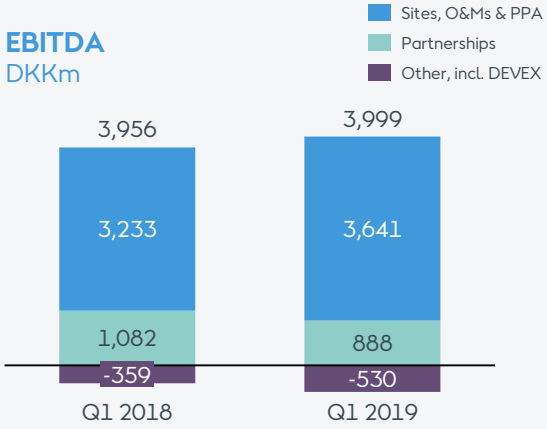
Offshore – Q1 financial performance

Power generation
TWh



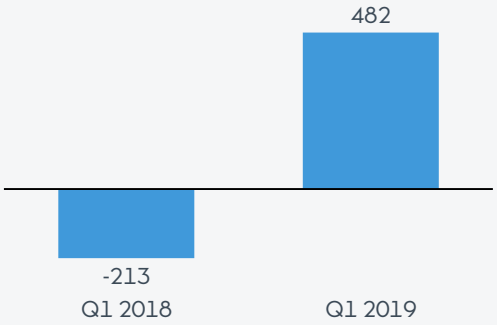
Power generation up 3%
- Ramp-up of generation from Walney Ext. and Borkum Riffgrund 2 (0.3TWh)
- Partly offset by curtailments and outages (0.2 TWh), for which we were partly compensated
- High availability of 96% across portfolio
- Higher wind speeds in Denmark and Germany offset by lower wind speeds in the UK

EBITDA
DKKm



EBITDA in line with Q1 2018
- Earnings from wind farms in operation increased by 13% due to ramp-up and IFRS 16 effect
- Lower Partnership earnings in Q1 2019
- Increased project development costs related to activities in the US and Taiwan

Free cash flow
DKKm



FCF increased DKK 0.7bn
- Increase primarily related to receipt of deferred proceeds from 50% farm-down of Hornsea 1 to GIP and New England offshore projects to Eversource

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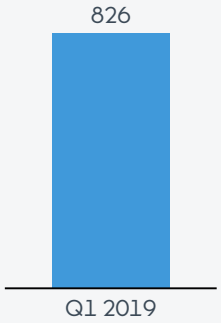
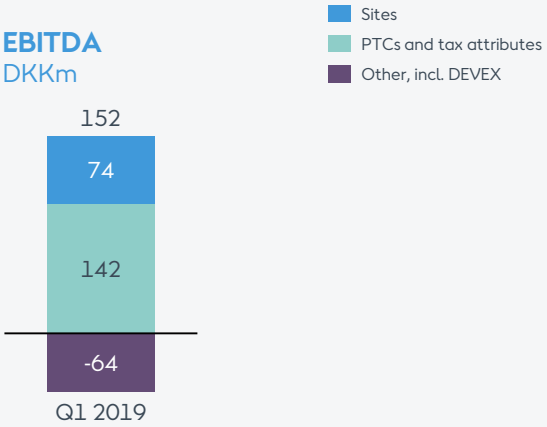
Onshore – Q1 financial performance

Power generation
GWh



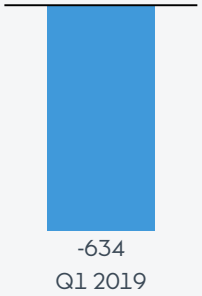
Power generation of 826GWh
- First quarter with full contribution from Tahoka
- Wind speed of 7.8m/s in Q1 2019 vs. norm of 8.3m/s
- High availability of 97% across portfolio

EBITDA
DKKm



EBITDA of DKK 152m
- EBITDA from Sites and PTCs, partly offset by project development and other costs

Free cash flow
DKKm



FCF of DKK -0.6bn
- Investments related to the construction of Lockett and Sage Draw and a contingent payment to our turbine supplier at Tahoka

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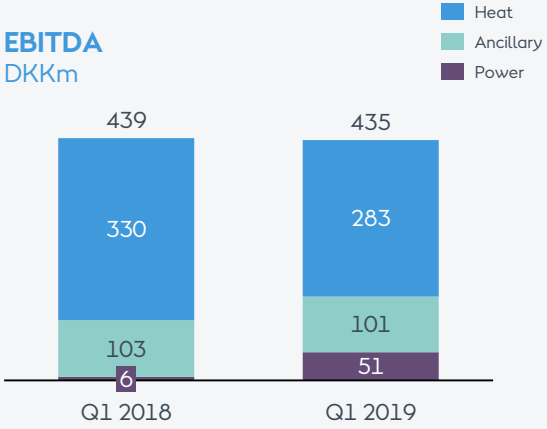
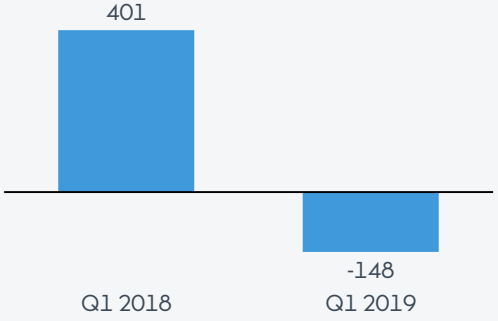
Bioenergy – Q1 financial performance

EBITDA
DKKm



EBITDA in line with Q1 2018
- EBITDA from Heat slightly below Q1 2018 due to warmer weather
- EBITDA from Power above Q1 2018 due to reversal of a provision, partly offset by lower spreads and lower generation

Free cash flow
DKKm



FCF decreased DKK 0.5bn
- Higher inventories and lower outstanding VAT due to lower generation in Q1 2019

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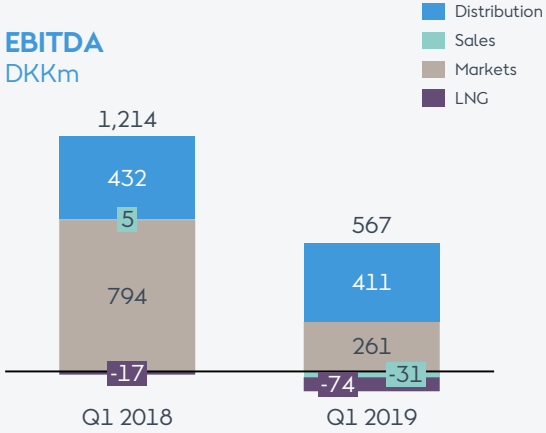
Customer Solutions – Q1 financial performance

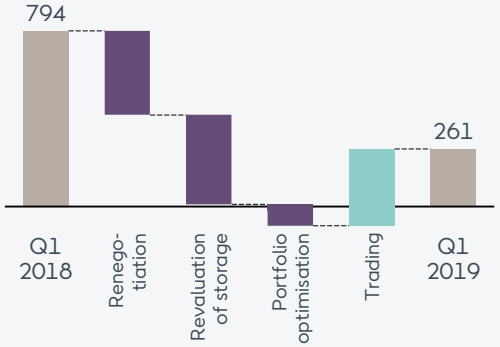
EBITDA
DKKm



EBITDA decreased DKK 0.6bn

- Significantly below Q1 2018, driven by compensation from renegotiation in Q1 2018 and lower earnings from gas portfolio
- Q1 2019 above expectations driven by strong trading results

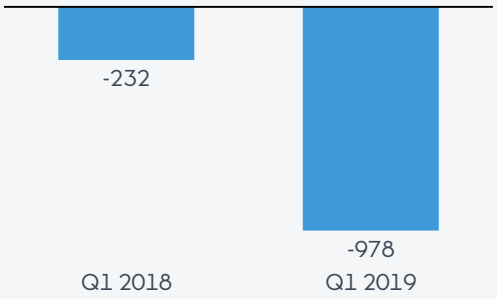
EBITDA - Markets
DKKm



Markets EBITDA decrease DKK 0.5bn

- One-off compensation from renegotiation of a gas purchase contract in Q1 2018
- Negative revaluation of gas storages
- Lower earnings from our portfolio optimisation activities
- Higher earnings from trading of our financial energy exposures

Free cash flow
DKKm



FCF decreased DKK 0.7bn

- Primarily lower EBITDA and higher gas volumes at storages

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2019 Guidance and long-term financial estimates and policies

2019 guidance

EBITDA expected to be DKK 15.5-16.5 billion

Gross investments expected to be DKK 21-23 billion

Business unit EBITDA FY 2019 vs. FY 2018	Direction
Offshore	Higher
Onshore	Significantly higher
Bioenergy	Higher
Customer Solutions	Significantly lower

Financial estimates	Target
Total capex spend, 2019-2025	DKK 200bn
Capex allocation split, 2019-2025:	
- Offshore	75-85%
- Onshore	15-20%
- Bioenergy + Customer Solutions	0-5%
Average ROCE, 2019-2025	~10%
Average share of EBITDA from regulated and contracted activities, 2019-2025	~90%
Average yearly increase in EBITDA from offshore and onshore wind farms in operation, 2017-2023	~20%

Financial policies	Target
Rating (Moody's/S&P/Fitch)	Baa1/BBB+/BBB+
FFO/Adjusted net debt	Around 30%
Dividend policy:	
Ambition to increase the dividend paid by a high single-digit rate compared to the dividends for the previous year up until 2025	

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Q&A

Conference call
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US: +1 855 269 2604

For questions, please press 01

Appendix

Renewable capacity as of 31 March 2019

Indicator	Unit	Q1 2019	FY 2018	Q1 2018
Installed renewable capacity	**MW**	**8,303**	**8,303**	**6,336**
- Offshore wind power	MW	5,602	5,602	4,448
- Denmark	MW	1,006	1,006	1,006
- United Kingdom	MW	3,182	3,182	2,523
- Germany	MW	1,384	1,384	919
- US	MW	30	30	-
- Onshore wind power, US	MW	803	803	-
- Solar power, US	MW	10	10	-
- Thermal heat, biomass, Denmark	MW	1,888	1,888	1,888
Decided (FID) renewable capacity (not yet installed)	**MW**	**3,665**	**3,665**	**4,590**
- Offshore wind power	MW	3,356	3,356	4,465
- United Kingdom	MW	2,604	2,604	3,263
- Germany	MW	-	-	450
- Netherlands	MW	752	752	752
- Onshore wind power, US	MW	184	184	-
- Thermal heat, biomass, Denmark	MW	125	125	125
Awarded and contracted capacity (not yet FID) renewable capacity	**MW**	**4,796**	**4,796**	**-**
- Offshore wind power	MW	3,916	3,916	-
- Germany	MW	1,142	1,142	-
- US	MW	954	954	-
- Taiwan	MW	1,820	1,820	-
- Onshore wind power, US	MW	530	530	-
- Solar power, US	MW	350	350	-
Sum of installed and FID capacity	**MW**	**11,968**	**11,968**	**10,926**
Sum of Installed + FID + Awarded and contracted capacity	**MW**	**16,764**	**16,764**	**10,926**

Installed renewable capacity
The installed renewable capacity is calculated as the cumulative renewable gross capacity installed by Ørsted before divestments.

For installed renewable thermal capacity, we use the heat capacity, as heat is the primary outcome of thermal energy generation, and as bioconversions of the combined heat and power plants are driven by heat contracts.

Decided (FID) renewable capacity
Decided (FID) capacity is the renewable capacity for which a final investment decision (FID) has been made.

Awarded and contracted renewable capacity
The awarded renewable capacity is based on the capacities which have been awarded to Ørsted in auctions and tenders.
The contracted capacity is the capacity for which Ørsted has signed a contract or power purchase agreement (PPA) concerning a new renewable energy plant.
Typically, offshore wind farms are awarded, whereas onshore wind farms are contracted. We include the full capacity if more than 50% of PPAs/offtake are secured.

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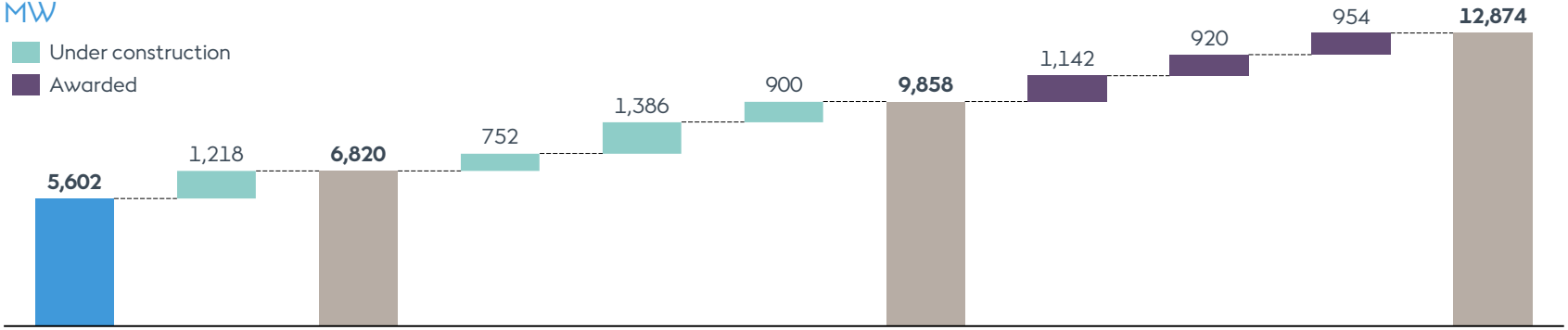
Offshore wind build-out plan

Installed capacity

MW



	Operational Q1 2019	Hornsea 1	Total by 2020	Borssele 1&2	Hornsea 2	Greater Changhua 1&2a	Decided (FID) capacity (2022)	German Development Portfolio	Greater Changhua 2b&4	Deepwater Wind portfolio	Decided & Awarded capacity
Country		**UK**		**Netherlands**	**UK**	**Taiwan**		**Germany**	**Taiwan**	**US**	
Expected completion		H2 2019		Q4 2020 / Q1 2021	H1 2022	2022		2024/2025 (Pending FID in 2021)	2025 (Pending FID in 2023)	2022-2023 (Pending FIDs post 2020)	
Turbine		174 x 7MW Siemens Gamesa		94 x 8MW Siemens Gamesa	165 x 8MW Siemens Gamesa	112 x 8MW Siemens Gamesa		Turbine selection pending	Turbine selection pending	Turbine selection pending	

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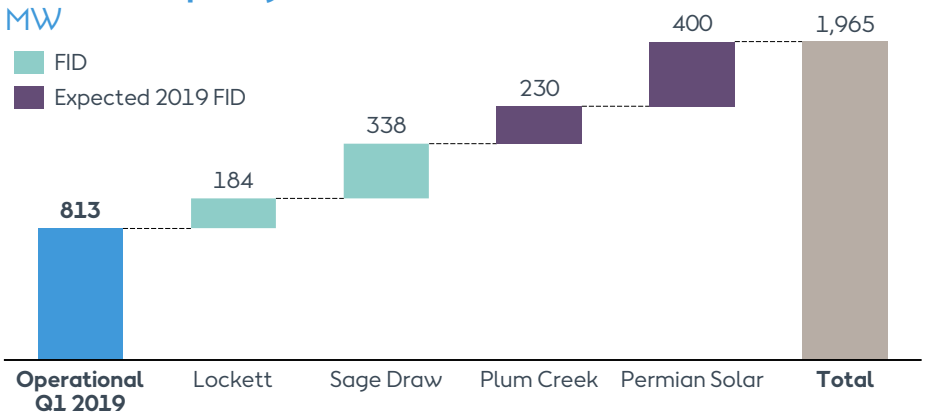
Onshore wind build-out plan

Installed capacity



Region	ERCOT, TX	ERCOT, TX	SPP, NE	ERCOT, TX
Expected completion	Q3 2019	Q1 2020	2020 (Pending FID)	2021 (Pending FID)
Turbine	GE	GE	GE	n/a
Offtake solution	PPA with Allianz for 80% capacity	PPA with ExxonMobil	PPAs with Smucker Co, Avery Dennison and Vail Resort for >70% capacity	PPA with ExxonMobil

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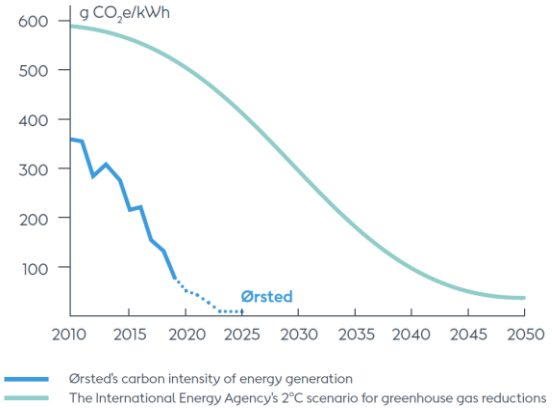
Sustainability and ESG at Ørsted

Green leadership

- In 2018, 75% of our energy generation was green. By 2025, we target 99%.
- We have reduced the carbon intensity of our energy generation by 72%*. By 2025, we target 98%.
- With regards to our own direct emissions, Ørsted is far ahead of what is required by climate science.

Carbon intensity of power and heat generation



Contributing to the global goals

THE GLOBAL COMPACT
WE SUPPORT

Ørsted has been a signatory to the UN Global Compact for 13 years and adheres to its ten principles for responsible business behaviour.

Strong commitment to UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) define some of the greatest societal challenges of our time.

SDGs where Ørsted makes the biggest difference:

7 AFFORDABLE AND CLEAN ENERGY — Ensure access to affordable, reliable, sustainable and modern energy for all

8 DECENT WORK AND ECONOMIC GROWTH — Promote inclusive and sustainable economic growth, employment and decent work for all

13 CLIMATE ACTION — Take urgent action to combat climate change and its impacts

ESG ratings of Ørsted

Rating agency	Rating 2018	Benchmark
CDP	B	• No. 17 of all energy companies • Our aim is to achieve an A rating
MSCI	AAA	• Highest possible rating
SUSTAINALYTICS	77 of 100	• No. 1 among direct market cap peers • 'Outperformer' among utilities
GRESB 2018	84 of 100	• Highest possible 5-star rating • No. 1 'Sector Leader'
Corporate Responsibility Prime rated by ISS-oekom	B	• Top 3 of 104 electric utilities • Awarded 'Prime' status

* Compared with 2006

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Group – Financial highlights

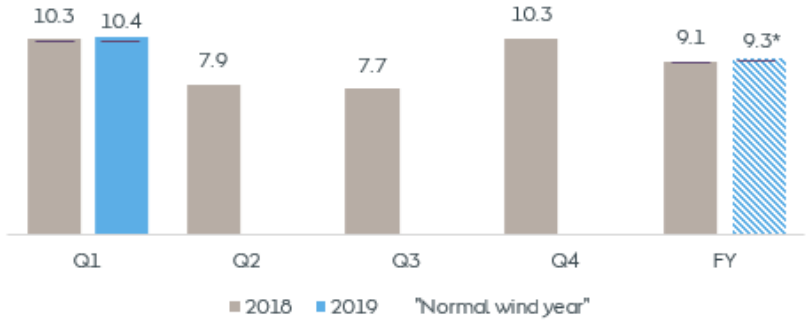
FINANCIAL HIGHLIGHTS		Q1 2019	Q1 2018	Δ	FY 2018	FY 2017	Δ
EBITDA	DKKm	5,130	5,519	(7%)	30,029	22,519	33%
• Offshore		3,999	3,956	1%	27,809	20,595	35%
• Onshore		152	-	n.a.	44	-	n.a.
• Bioenergy		435	439	(1%)	367	152	141%
• Customer Solutions		567	1,214	(53%)	1,970	2,082	(5%)
Net profit – continuing operations		2,639	3,032	(13%)	19,486	13,279	47%
Net profit – discontinued operations		(43)	8	n.a.	10	6,920	(692%)
Total net profit		2,596	3,040	(15%)	19,496	20,199	(3%)
Operating cash flow		(118)	(398)	(70%)	10,343	1,023	911%
Gross investments		(3,899)	(2,071)	88%	(24,481)	(17,744)	(38%)
Divestments		2,678	835	221%	19,950	16,982	17%
Free cash flow – continuing operations		(1,339)	(1,634)	(18%)	5,812	261	2127%
Net interest-bearing debt		9,111	4,331	110%	(2,219)	(1,517)	(3%)
FFO/Adjusted net debt[1]	%	46.2%	45.6%	0.6%p	69	50	19%p
ROCE[1]	%	28.2%	26.7%	1.5%p	32.1	25.2	6.9%p

1. ROCE: Last 12 months

Offshore – Financial highlights

FINANCIAL HIGHLIGHTS		Q1 2019	Q1 2018	Δ
EBITDA	DKKm	3,999	3,956	1%
• Sites incl. O&Ms and PPAs		3,641	3,233	13%
• Partnership agreements and farm-down gains		888	1,082	(18%)
• Other incl. project development		(530)	(359)	48%
ROCE[1]	%	34.5	29.8	4.7%p
KEY BUSINESS DRIVERS				
Power generation	TWh	3.1	3.0	3%
Wind speed	m/s	10.4	10.3	1%
Availability	%	96	94	2%p
Load factor	%	51	55	(4%p)
Installed capacity	GW	5.6	4.4	27%
Generation capacity	GW	3.0	2.7	11%

WIND SPEED
(m/s), offshore wind farms



The wind speed indicates how many metres per second the wind has blown in the areas where we have offshore wind farms. The weighting is based on our generation capacity.

* Indicates m/s for full year 2019, if Q2, Q3 and Q4 2019 follows a normal wind year

1. ROCE: Last 12 months

Onshore – Financial highlights

FINANCIAL HIGHLIGHTS		Q1 2019
EBITDA	DKKm	152
• Sites		74
• Production tax credits and tax attributes		142
• Other incl. project development		(64)
ROCE[1]	%	1.9
KEY BUSINESS DRIVERS		
Power generation	GWh	826
Wind speed	m/s	7.8
Availability	%	97
Load factor	%	47
Installed capacity	MW	813

1. ROCE: Last 12 months

Bioenergy – Financial highlights

FINANCIAL HIGHLIGHTS		Q1 2019	Q1 2018	Δ
EBITDA	DKKm	435	439	(1%)
• Heat		283	330	(14%)
• Ancillary services		101	103	(2%)
• Power		51	6	750%
Free cash flow		(148)	401	n.a.
KEY BUSINESS DRIVERS				
Heat generation	TWh	3.7	4.8	(23%)
Power generation	TWh	1.9	3.3	(42%)
Degree days	#	1,140	1,417	(20%)
Power price, DK	EUR/MWh	43.0	36.9	17%
Green dark spread, DK	EUR/MWh	(0.7)	2.3	n.a.

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Customer Solutions – Financial highlights

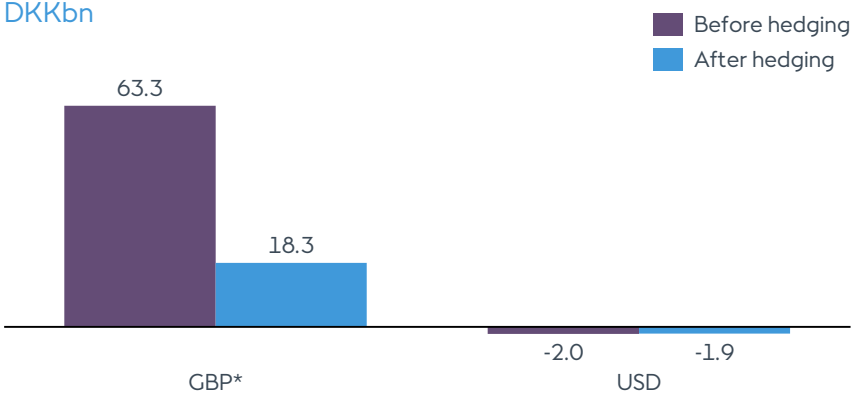
FINANCIAL HIGHLIGHTS		Q1 2019	Q1 2018	Δ
EBITDA	DKKm	567	1,214	(53%)
• Distribution		411	432	(5%)
• Sales		(31)	5	n.a.
• Markets		261	794	(67%)
• LNG		(74)	(17)	335%
ROCE[1]	%	10.3	12.7	(2.4%p)
KEY BUSINESS DRIVERS				
RAB Power	DKKm	10,957	10,623	3%
Gas sales	TWh	26.5	42.5	(38%)
Power sales	TWh	9.7	11.5	(16%)
Distribution of power	TWh	2.3	2.4	(4%)

1. ROCE: Last 12 months

Currency and energy exposure

Currency exposure - 1 April 2019 to 31 March 2024

DKKbn

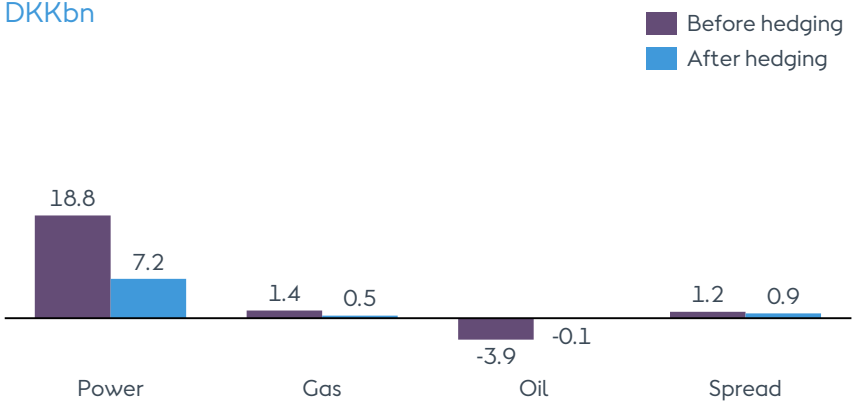


Risk after hedging, DKKbn	Effect of price +10%	Effect of price +10%
GBP: 18.3 sales position	+1.8	-1.8
USD: 1.9 purchase position	-0.2	+0.2

* The GBP exchange rate for hedges impacting EBITDA in 2019 and 2020 is hedged at an average exchange rate of DKK/GBP 8.4 and 8.4, respectively.

Energy exposure - 1 April 2019 to 31 March 2024

DKKbn



Risk after hedging DKKbn	Effect of price +10%	Effect of price -10%
Power: 7.2 sales position	+0.7	-0.7
Gas: 0.5 sales position	+0.1	-0.1
Oil: 0.1 purchase position	+0.0	-0.0
Spread: 0.9 sales position	+0.1	-0.1

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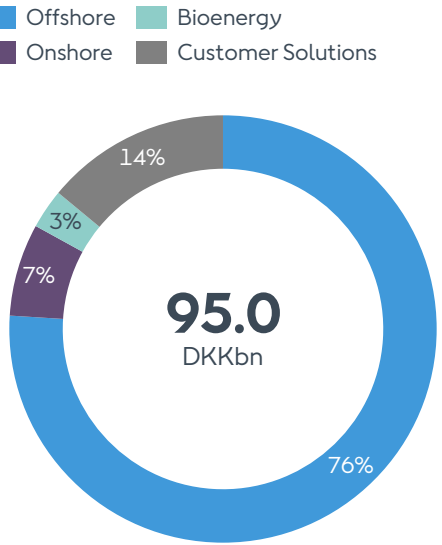
Capital employed

CAPITAL EMPLOYED, DKKm	Q1 2019	FY 2018	Q1 2018
Intangible assets and property and equipment	92,918	84,832	79,666
Equity Investments and non-current receivables	1,350	1,445	1,179
Net working capital, work in progress	9,012	9,654	7,472
Net working capital, tax equity	(3,658)	(3,719)	-
Net working capital, capital expenditures	(3,094)	(2,978)	(4,779)
Net working capital, other items	2,425	1,489	124
Derivatives, net	(1,895)	(2,626)	79
Assets classified as held for sale, net	10,950	10,372	2,018
Decommissioning obligations	(5,712)	(5,472)	(4,998)
Other provisions	(7,989)	(7,982)	(6,860)
Tax, net	1,242	(2,629)	1,913
Other receivables and other payables, net	(595)	510	(660)
Total capital employed	94,954	82,896	75,154
OF WHICH CONTINUING OPERATIONS	**95,149**	**83,039**	**75,240**
OF WHICH DISCONTINUED OPERATIONS	**(195)**	**(143)**	**(86)**

Capital employed by segment
%, Q1 2019



FFO/Adjusted net debt calculation

FUNDS FROM OPERATIONS / ADJUSTED NET DEBT, DKKm	Q1 2019	FY 2018	Q1 2018
EBITDA – Business Performance	**29,640**	**30,029**	**24,750**
Interest expenses, net	(926)	(877)	(761)
Reversal of interest expenses transferred to assets	(458)	(506)	(703)
Interest element of decommission obligations	(202)	(192)	(188)
50% of coupon payments on hybrid capital	(272)	(272)	(320)
Operating lease obligations, interest element	(108)	(196)	(67)
Adjusted net interest expenses	**(1,966)**	**(2,043)**	**(2,039)**
Reversal of gain (loss) on divestment of assets	(15,144)	(14,995)	(10,766)
Reversal of recognised lease payment	552	778	873
Current tax	(2,920)	(3,068)	(2,967)
FUNDS FROM OPERATION (FFO)	**10,162**	**10,701**	**9,851**
Total interest-bearing net debt	**9,111**	**(2,219)**	**4,331**
50% of hybrid capital	6,619	6,619	6,619
Cash and securities, not available for distribution	1,571	1,583	628
Present value of operating lease payments	-	4,819	5,886
Decommission obligations	5,712	5,471	4,998
Deferred tax on decommissioning obligations	(1,005)	(757)	(839)
ADJUSTED INTEREST-BEARING NET DEBT	**22,008**	**15,516**	**21,623**
FFO / ADJUSTED INTEREST-BEARING NET DEBT	**46.2%**	**69.0%**	**45.6%**

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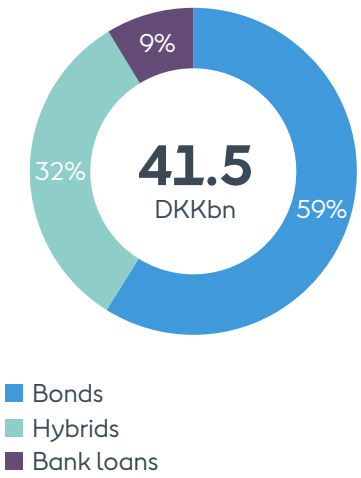
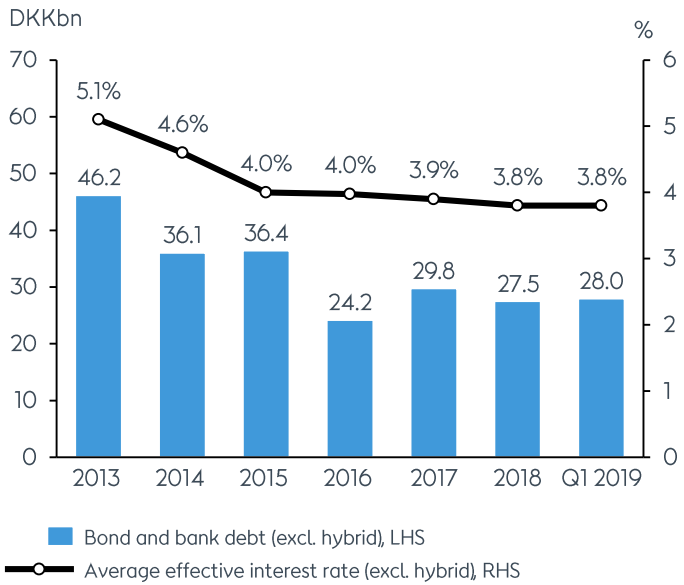
Debt overview

Gross debt and hybrids
Q1 2019

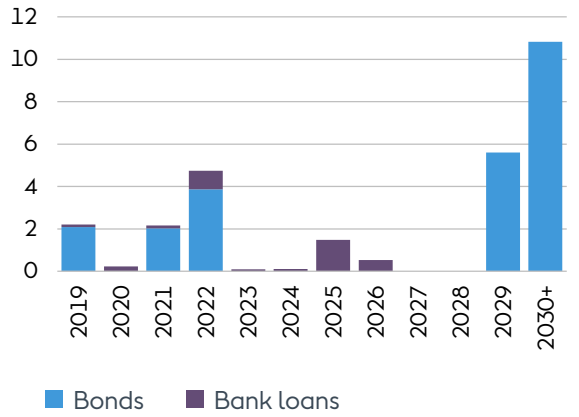


Effective funding costs – gross debt
(excl. hybrid)



Long term gross debt maturity schedule Q1 2019, DKKbn

	Cost of debt (%)	*Modified duration (%)*	*Avg. time to maturity (years)*
Bond loans	4.0	8.4	10.4
Bank loans	2.1	0.3	5.9
Total	**3.8**	**7.5**	**9.8**



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Hybrid capital in short

Hybrid capital can broadly be defined as funding instruments that combine features of debt and equity in a cost-efficient manner:

- Hybrid capital encompasses the credit-supportive features of equity and improves rating ratios
- Perpetual or long-dated final maturity (1,000 years for Ørsted)
- Absolute discretion to defer coupon payments and such deferrals do not constitute default nor trigger cross-default
- Deeply subordinated and only senior to common equity
- Without being dilutive to equity holders (no ownership and voting rights, no right to dividend)

Due to hybrid's equity-like features, rating agencies assign equity content to the hybrids when calculating central rating ratios (e.g. FFO/NIBD).

The hybrid capital has increased Ørsted's investment capacity and supports the growth strategy and rating target.

Ørsted has made use of hybrid capital to maintain our ratings at target level in connection with the merger with Danish power distribution and production companies back in 2006 and in recent years to support our growth in the offshore wind sector.

Currently, Ørsted has fully utilised it's capacity to issue hybrids (S&P has the strictest limit of 15% of total capitalisation).

HYBRIDS ISSUED BY ØRSTED A/S[1]	PRINCIPAL AMOUNT	TYPE	FIRST PAR CALL	COUPON	ACCOUNTING TREATMENT[2]	TAX TREATMENT	RATING TREATMENT
6.25% hybrid due 3013	EUR 700m	Hybrid capital (subordinated)	June 2023	Fixed for the first 10 years, first 25bp step-up in June 2023	100% equity	Debt – tax-deductible coupon payments	50% equity, 50% debt
3.0% hybrid due 3015	EUR 600m	Hybrid capital (subordinated)	Nov. 2020	Fixed during the first 5.5 years, first 25bp step-up in Nov. 2025	100% equity	Debt – tax-deductible coupon payments	50% equity, 50% debt
2.25% Green hybrid due 3017	EUR 500m	Hybrid capital (subordinated)	Nov. 2024	Fixed during the first 7 years, first 25bp step-up in Nov. 2029	100% equity	Debt – tax-deductible coupon payments	50% equity, 50% debt

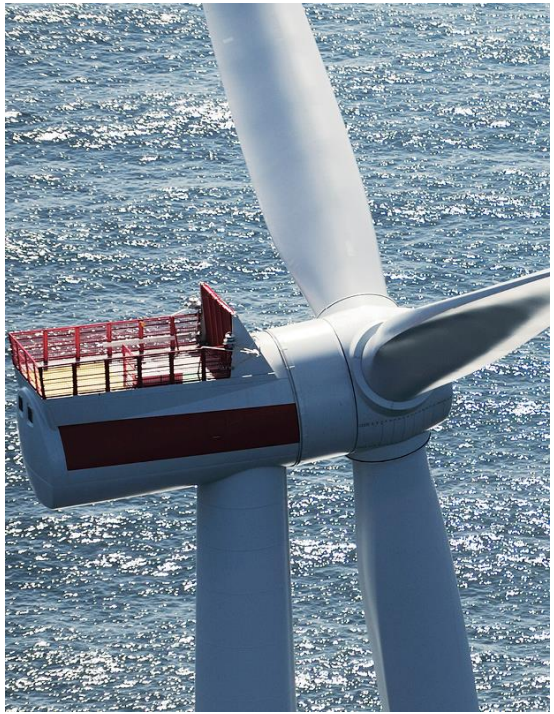
1. All listed on Luxembourg Stock Exchange and rated Baa3 (Moody's), BB+ (S&P) and BBB- (Fitch). 'The Green hybrid is furthermore listed on the Luxembourg Green Exchange (LGX)
2. Due to the 1,000-year structure

Ørsted Green Bonds

Bond type	Green Senior Bond	Green Hybrid Bond
Face Value (EURm)	750	500
Green Bond net proceeds (DKKm)	5,499	3,674
Settlement date	24 November 2017	24 November 2017
ISIN	XS1721760541	XS1720192696
Maturity	26 November 2029	24 November 3017
Allocated proceeds to new Eligible Projects in 2017 (DKKm)	1,300	900
Roll back from smart meter rollout	-250	0
Allocated proceeds to new Eligible Projects in 2018 (DKKm)	4,449	1,650
Refinancing (DKKm)	0	0
Unallocated Amount (DKKm)	0	1,124
Avoided emissions (t CO_2/year) attributable to the bonds:	590,000	278,000

Projects	Allocated amount: Green Senior Bond		Allocated amount: Green Hybrid Bond		
Offshore Wind	2018	2017	2018	2017	**Total DKKm**
Borkum Riffgrund 2	2,149		500	500	**2,649**
Borssele 1&2			500		**500**
Hornsea 1	2,200		400	200	**2,800**
Hornsea 2	100				**100**
Race Bank		400			**400**
Walney Extension		500	750		**1,250**
Total	**4,449**	**900**	**1,650**	**700**	**7,699**
Bioenergy	2018	2017	2018	2017	**Total DKKm**
Asnæs Power Station biomass conversion		150			**150**
Skærbæk Power Station biomass conversion				200	**200**
Total	**4,449**	**1,050**	**1,650**	**900**	**350**

Financing strategy



We have a centralised financing strategy as customary for vertically and horizontally integrated European energy utilities.

The strategy supports:

- A capital structure supportive of our BBB+ rating ambition
- Concentration of and scale in financing activities
- Cost efficient financing based on a strong parent rating
- Optimal terms and conditions and uniform documentation
- Transparent debt structure and simplicity
- No financial covenants and restrictions on operating arrangements
- Corporate market more stable and predictable than project finance market
- Avoidance of structural subordination

All cash flow generated by our subsidiaries supports the creditworthiness and rating of and thus the debt taken up by the parent company, Ørsted A/S.

The financing strategy optimizes the effect of a fully integrated cash pool where cash at practically all of the company's more than 150 subsidiaries is made available for the company's financing and liquidity purposes.

Financing of activities at subsidiary level is provided by Ørsted A/S in a standardised and cost-efficient setup involving very few resources at Business Unit and Corporate Treasury.

Widespread use of project financing is not considered cost-efficient and dilutes the creditworthiness of the company.

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Currency risk management

General hedging principles

- The main principle is to hedge highly certain cash flows, such as FX from hedged energy.
- Cost-of-hedging minimized by netting of exposures, use of local currency in construction contracts and debt in local currency.

Managing outright long risk (GBP)

- Operations: minimum 5-year hedging staircase determined by the Board of Directors with 100% in year 1 – declining to 20% in year 5. The hedging staircase is a compromise between stabilizing cash flows in the front-end and ensuring a balanced FFO/NIBD.
- Above 5-years the GBP exposure is to some extent hedged with GBP denominated debt.

Managing time-spread risk (new markets)

- Construction period: Hedge 100% of year 1 currency cash flow risk, while not increasing the total portfolio currency exposure.
- In markets where Ørsted has capital expenditures, but no revenue in local currency, the time-spread nature of the exposures is taken into account.

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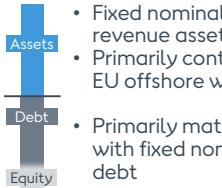
Interest rate and inflation risk management

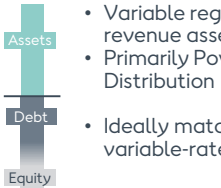
Four risk categories of assets and debt allocation
Illustrative

Fixed nominal



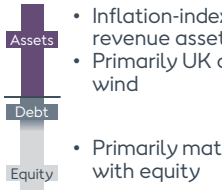
- Fixed nominal revenue assets
- Primarily continental-EU offshore wind
- Primarily matched with fixed nominal debt

Variable regulated



- Variable regulated revenue assets
- Primarily Power Distribution
- Ideally matched with variable-rate debt

Inflation-indexed



- Inflation-indexed revenue assets
- Primarily UK offshore wind
- Primarily matched with equity

Other

- Other, mainly energy price exposed assets
- Matched with equity

Objectives of interest rate and inflation risk management

1. Protect long-term real value of equity by offsetting interest and inflation risk exposure embedded in assets by allocating debt with similar, but opposite risk exposure
2. Cost of funding optimized by actively managing debt portfolio
3. Cost of hedging minimised by using natural portfolio synergies between assets, allowing matching of up to 100% of asset value with appropriate debt

Framework for risk management

- Assets divided into four different risk categories, based on nature of inflation and interest risk exposure
- Simple risk metrics are used to match assets with appropriate debt within each category
- Fixed nominal-category has first priority for debt allocation, to protect shareholders against inflation eroding the real value from fixed nominal cash flows
- Inflation-indexed revenues reserved to service equity return for shareholders thereby to a large extent protecting the real value of equity against fluctuations in inflation rates

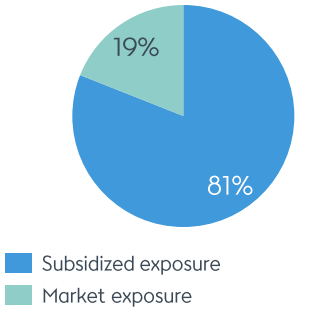
The pie charts represent approximate size of the exposures.

Energy risk management

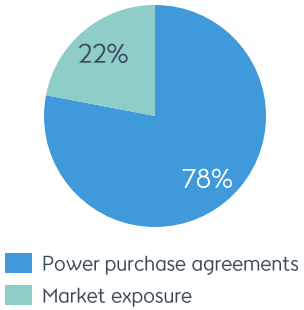
Risk picture

- We manage market risks to protect Ørsted against market price volatility and ensure stable and robust financial ratios that support our growth strategy
- For Offshore, a substantial share of energy production is subsidized through either fixed tariffs or green certificates. Remaining exposure is hedged at a declining rate up to five years
- Onshore mitigate their power exposure by entering into long term power sales agreements
- Customer Solutions and Bioenergy manage their market risk actively by hedging with derivatives in the energy markets up to five years

Offshore exposure



Onshore exposure

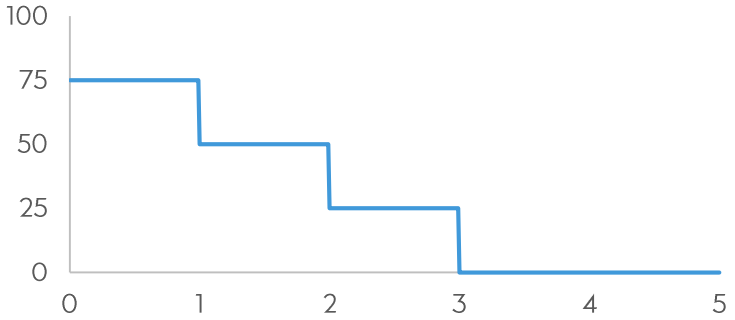


Note: expected exposure 2019-2023, as of 31/12-2018

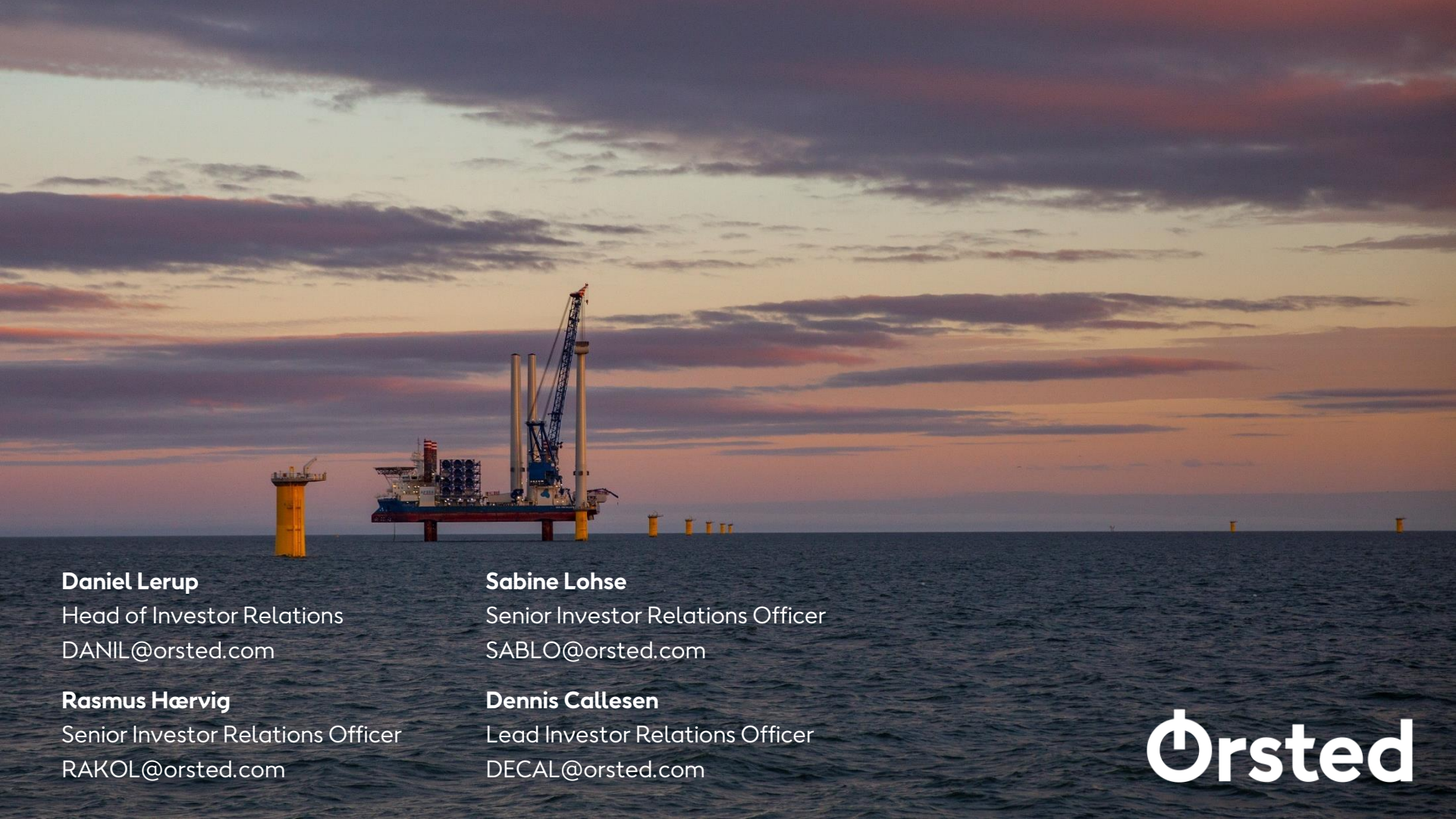
Hedging of open exposure

- Open energy exposure is reduced actively
- Minimum hedging requirements are determined by the Board of Directors. In the first two years, a high degree of hedging is desired to ensure stable cash flows after tax
- The degree of hedging is declining in subsequent years. This is due to: 1) reduced certainty about long-term production volumes and 2) increasing hedging costs in the medium to long term; both spread costs and potential cost of collateral

Offshore minimum power hedging requirement



Note: actual hedging level is significantly higher



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