

STRATEGIC PROGRESS

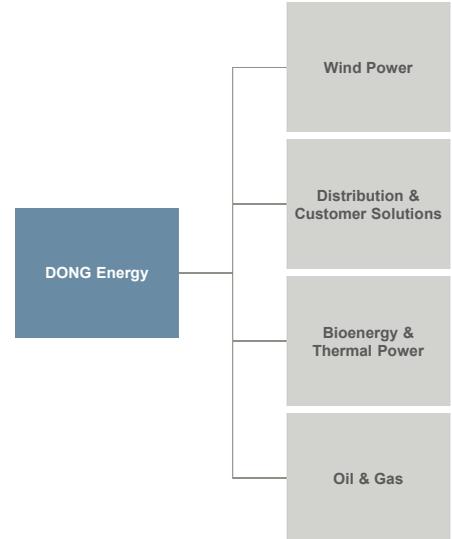
Henrik Poulsen, CEO

Meet the Management, 2 February 2017



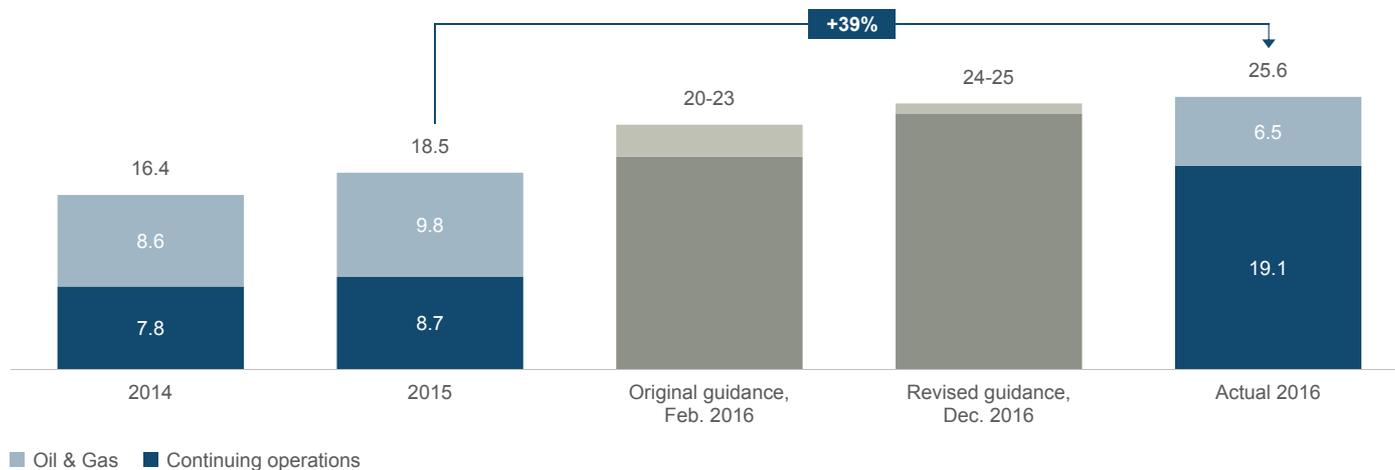
Henrik Poulsen
President and
Chief Executive Officer

- Joined DONG Energy in 2012
- Prior to DONG Energy, Henrik was President and CEO of TDC (also at the time of IPO) and, before that, Operating Executive at KKR and EVP, Markets & Products, at LEGO
- Education: M.Sc., Aarhus School of Business



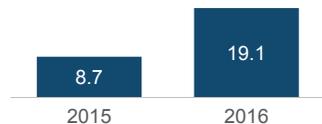
Strong profit performance in 2016

EBITDA, DKKbn

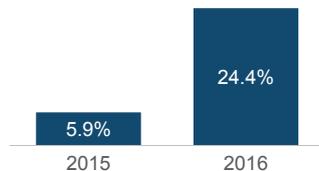


2016 was a very good year

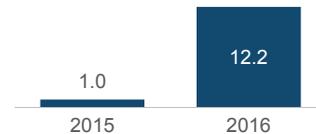
EBITDA
DKKbn¹



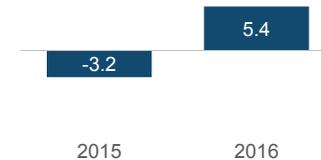
Adjusted ROCE
%¹



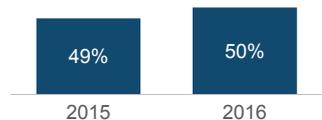
Net profit
DKKbn¹



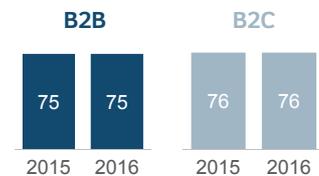
Free cash flow
DKKbn¹



Renewable share of generation
%²



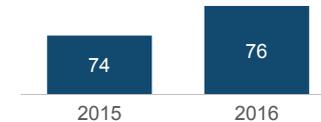
Customer satisfaction
Scale (1-100)



Safety performance
LTIF^{1,3}



Employee satisfaction
Scale (1-100)¹



1. Continuing operations 2. Renewables as share of total generated power and heat 3. # of lost-time injuries within a given accounting period relative to the total # of million hours worked in the same accounting period

Strong progress on strategic agenda in 2016



2016 Wind Power milestones



Hornsea 1 FID



Borssele 1&2 tender win/FID



Burbo Bank Ext. 50% farm down



8 MW turbine deployment



1 GW US project rights



Taiwan office inauguration



Borkum Riffgrund 2 FID



2020 target - on track towards 6.7 GW



Race Bank 50% farm down



Gode Wind 1&2 commissioning



Hornsea 2 development consent



Eversource JV

Strong progress on strategic agenda in 2016



2016 Utility milestones



**REnescience
Northwich plant
FID**



**Supplier-centric
model
implemented**



**Gas distribution
assets divested**



**DKK 4.3bn from
renegotiated gas
contracts**



**Studstrup CHP
biomass converted**



**Avedøre 1 CHP
biomass converted**

Strong progress on strategic agenda in 2016



2016 Oil & Gas milestones



Successfully restructured Oil & Gas business



Reduced total cash spend by 38% vs. 2015



First gas from Laggan-Tormore



Terminated Hejre in its original form



Divested Trym, Ula, Tambar and Oselvar fields



Decided to initiate Oil & Gas exit process

Oil & Gas exit process on track



Exit process going as planned

Potential scenarios

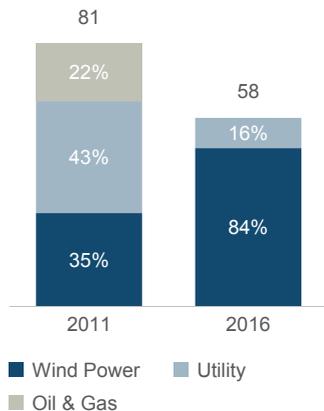
- Instant liquidity
- Path to liquidity

Shareholder value and access to liquidity are the key evaluation criteria

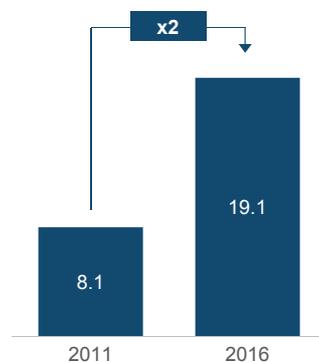
Expect to complete transaction in 2017

DONG Energy is continuously optimising the portfolio

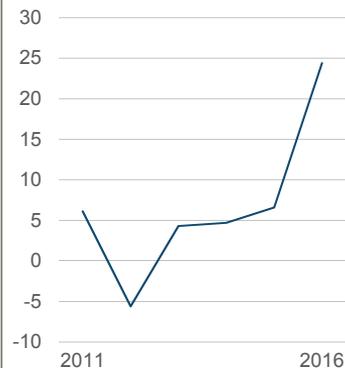
Business mix transformed
Share of capital employed (DKKbn)¹



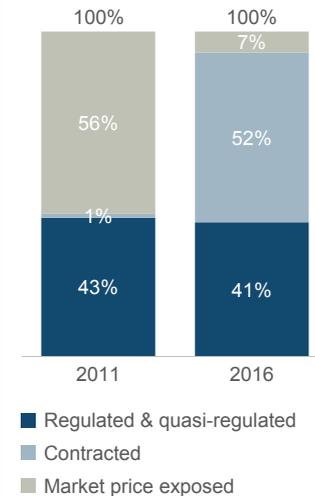
Operating profit doubled
EBITDA (DKKbn)¹



ROCE increasing
Adjusted ROCE (%)¹



Earnings quality increasing
Share of regulated EBITDA (%)^{1,2}

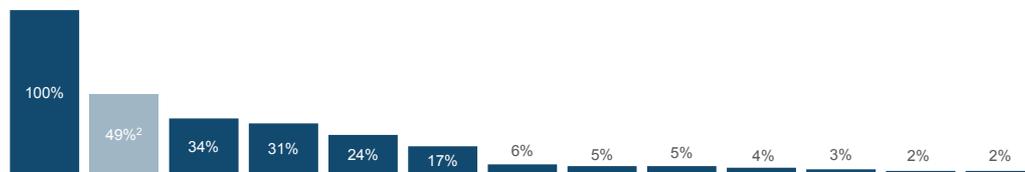


1. Continuing operations
2. Excluding one-offs and Gas Distribution EBITDA

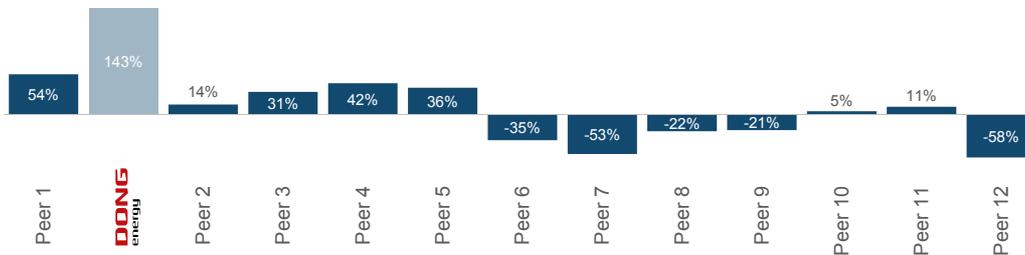
Early shift towards renewables drives strong shareholder returns



2015 generation from new renewables in % of total power generation¹



Total shareholder return, (29 Nov 2013 to 31 Jan 2017)

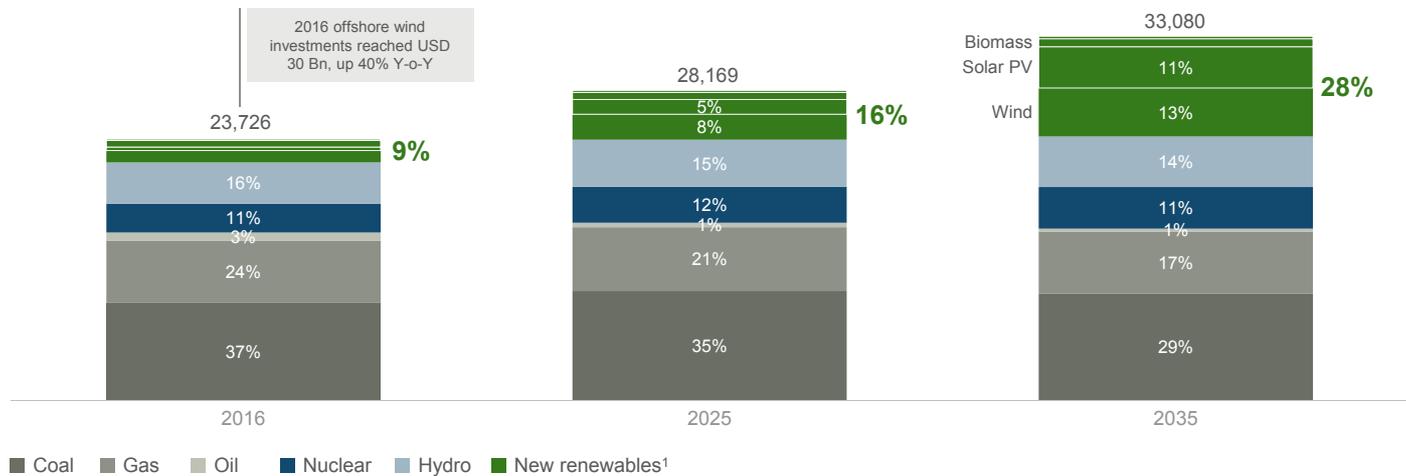


Source: FactSet, Company reports and other publicly available information. Peer group is composed of the largest listed European energy companies

1. New renewables include onshore wind, offshore wind, solar PV, and bioenergy 2. Renewables as share of total generated power and heat

Significant momentum behind move to green energy

Global power generation (TWh)



Source: BNEF, BNEF NEO (2016). 1. Includes wind, solar PV, biomass and other renewables

DONG Energy's strategic direction remains clear

Group

- Lead the market in the transition to sustainable energy
- Compete from market leading positions and grow through innovation
- Leverage existing strongholds and build long-term growth options

Wind Power



Fuel global market leadership and profitable growth – ambition of 11-12 GW capacity by end of 2025

Utility



Transform Utility to a smart, green and growing business

Oil & Gas

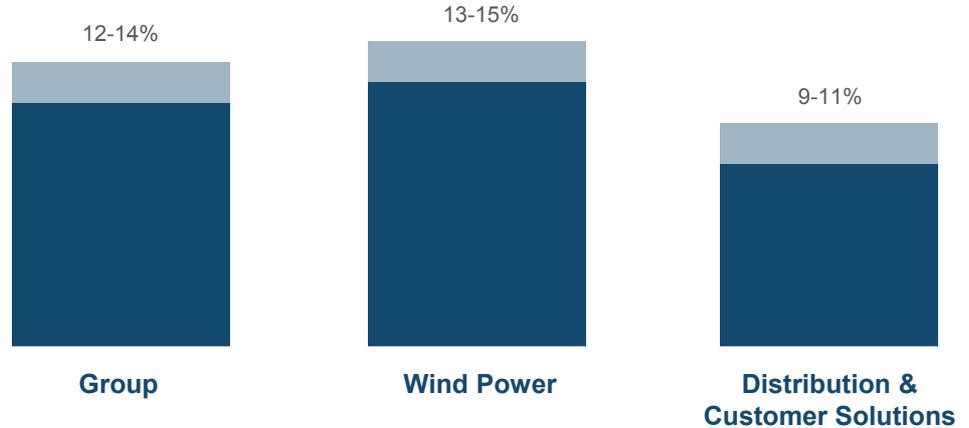


Drive value and strength of Oil & Gas and prepare for new ownership

Return targets extended towards 2023



Average ROCE target 2017-2023



Significant pipeline of post 2020 opportunities

Ambition

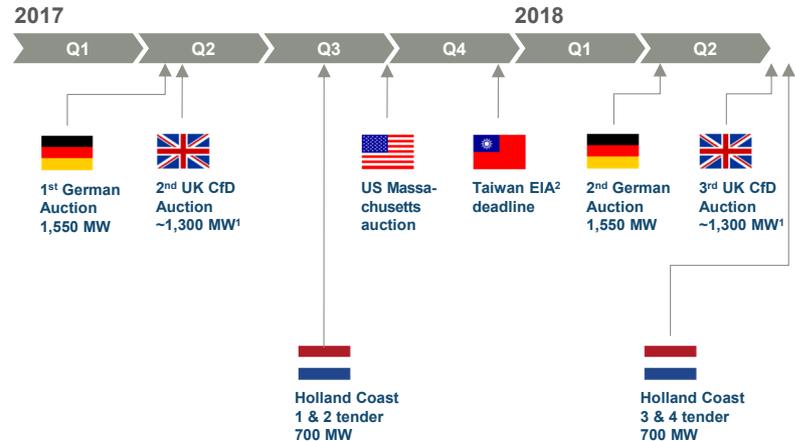
- 11-12 GW capacity by end of 2025
- Profitable and disciplined growth

DONG Energy pipeline options towards 2025

Strategic markets
>9 GW pipeline options

Opportunistic markets
0.7 GW secured
2.1 GW³ pipeline options

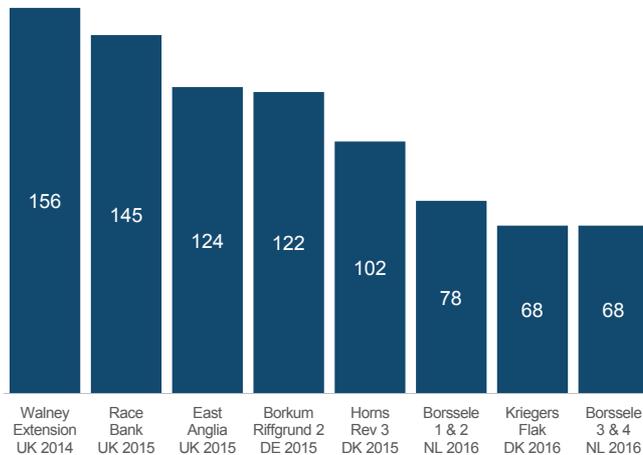
Upcoming auctions and tenders



Source: BNEF; Netherlands Enterprise Agency 1. In 2016 the UK government announced CfD auctions of up to GBP 730m for up to 4 GW of offshore wind to be executed over three auctions by 2020. Exact capacity to be allocated in each round is uncertain. The UK government has committed to up to three auctions in this parliamentary period. However a firm date has only been communicated for the 2017 auction. 2. Environmental Impact Assessment. 3 The Dutch government has proposed in its Energy Agenda to continue offshore wind tendering with 1 GW annually in 2020-2025, hence additional opportunities may arise

DONG Energy well positioned in competitive offshore wind market

Offshore wind cost (EUR/MWh)¹



DONG Energy competes from a strong position

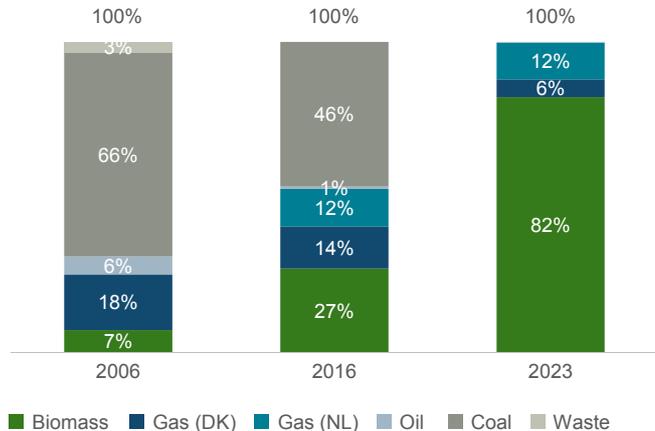
- Most capacity installed with 3.6 GW completed
- Largest operator with >1,000 turbines in operation
- Largest pipeline of projects under construction
- Solid track-record in delivering large and complex projects
- Digitalised core processes
- ~2,000 FTEs² with expertise and experience along the entire value chain
- Strong proven cost reduction trajectory across realized projects

Sources: DECC; Danish Energy Agency; Energinet.dk; NEV 1. Levelised revenue (price) of electricity over the lifetime of the project used as proxy for the levelised costs to society. It consists of a subsidy income on top of market prices for the first years and a pure market income for the remaining years of the 25 years lifetime. Discount rate of 3.5% used to reflect society's discount rate. Market income based on country specific public wholesale market price projections at the time of contracting. For comparability across projects a generic scope adjustment (incl. transmission and extra project development costs) has been applied. 2. Excluding CT Offshore and A2SEA as of January 2017

Bioenergy & Thermal Power on track towards zero coal

Biomass conversions well under way to support zero coal from 2023

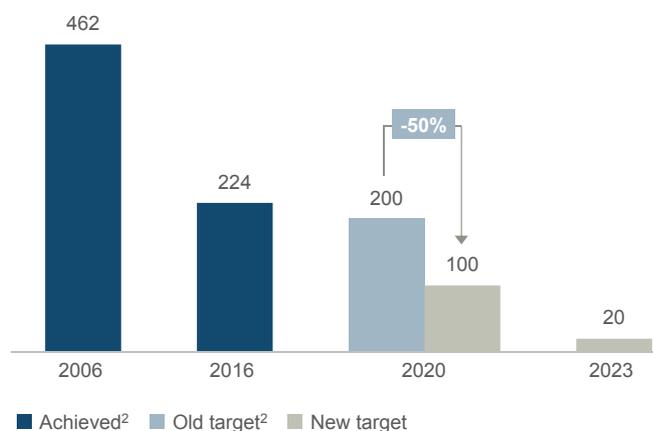
DONG Energy fuel composition (%)¹



1. Ability to use coal retained in case of force majeure. 2. New calculation method for calculating CO₂ emissions introduced in 2016. Achieved emissions have been rebased using new method

Continued decarbonisation of portfolio with new ambitious target

Carbon emissions from heat and power generation (CO₂e g/kWh)



Targeted key milestones in 2017

Wind Power



- Commissioning of Burbo Bank Extension
- German auction
- UK auction
- Massachusetts auction
- Walney Extension farm down
- Taiwan EIAs¹
- First power on Race Bank
- First power on Walney Extension

Utility



- Commissioning of Skærbæk conversion
- Commissioning of first REnescience plant
- Smart meter roll-out

Oil & Gas



- Oil & Gas transaction

1. Environmental Impact Assessment

Our mission



“To develop and enable energy systems that are green, independent and economically viable”