Ørsted Bioenergy & Thermal Power A/S

Annual report for 2020

CVR no. 27 44 64 69

Adopted at the annual general meeting on 23 April 2021

Ulrik Jarlov
chairman

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Statement by management on the annual report

The executive boards and board of directors have today discussed and approved the annual report of Ørsted Bioenergy & Thermal Power A/S for the financial year 1 January - 31 December 2020.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Skærbæk, 15 April 2021

Executive board

Mads Nipper
CEO

Board of Directors

Marianne Wiinholt Chairman	Henriette Fenger Ellekrog Deputy chairman	Jakob Askou Bøss
Viggo Rahbek Warming employee representative	Ole Henriksen employee representative	

Independent auditor's report

To the shareholder of Ørsted Bioenergy & Thermal Power A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Ørsted Bioenergy & Thermal Power A/S for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Independent auditor's report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 15 April 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Rasmus Friis Jørgensen
statsautoriseret revisor
MNE no. mne28705

Morten Jacobsen
statsautoriseret revisor
MNE no. mne44140

Company details

The company	Ørsted Bioenergy & Thermal Power A/S Kraftværksvej 53 Skærbæk 7000 Fredericia	
	Telephone: Fax:	+45 99 55 11 11 +45 99 55 00 02
	Website:	www.orsted.com
	CVR no.:	27 44 64 69
	Reporting period:	1 January - 31 December 2020
	Domicile:	Fredericia
Board of Directors	Marianne Wiinholt, chairman Henriette Fenger Ellekrog, deputy chairman Jakob Askou Bøss Viggo Rahbek Warming, employee representative Ole Henriksen, employee representative	
Executive board	Mads Nipper, chief executive officer	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup	
Consolidated financial statements	The company is included in the consolidated financial statements of the parent company Ørsted A/S, CVR no. 36 21 37 28. The Group annual report of Ørsted A/S, CVR no. 36 21 37 28 may be obtained at the following address: www.orsted.com/en/investors/ir-material/financial-reports-and-presentations	

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2020 MDKK	2019 MDKK	2018 MDKK	2017 MDKK	2016 MDKK
Key figures					
Profit/loss					
Revenue	5.354	6.260	6.268	5.984	4.752
Profit/loss before amortisation/depreciation and impairment losses	794	1.344	615	-68	1.344
Net financials	-269	-481	-937	-109	418
Profit/loss for the year	-145	79	728	-710	932
Balance sheet					
Balance sheet total	9.366	9.831	12.090	12.417	13.081
Investment in property, plant and equipment	381	711	1.097	945	1.508
Equity	2.637	2.792	4.210	3.481	4.189
Number of employees	621	634	705	723	777
Financial ratios					
Gross margin	24,0%	29,9%	18,2%	7,0%	38,7%
EBIT margin	2,0%	11,8%	-1,6%	-13,2%	12,8%
Return on assets	1,1%	6,7%	-0,8%	-6,2%	4,7%
Return on equity	-5,3%	2,3%	18,9%	-18,5%	24,8%
Solvency ratio	28,2%	28,4%	34,8%	28,0%	32,0%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and key figures. For definitions, see the summary of significant accounting policies.

Management's review

Business review
Ørsted Bioenergy & Thermal Power A/S is a member of the Ørsted Group and a subsidiary of Ørsted A/S, Fredericia. Reference is made to the annual report of Ørsted A/S.

The company's objectives are to engage in activities in the energy sector and ancillary activities.

Ørsted Bioenergy & Thermal Power A/S produces electricity and heat is produced at a number of thermal power plants in Denmark. The electricity generated is sold on the Nordic electricity exchange, Nord Pool. The heat produced is sold in accordance with long term heating contracts. Our power stations are an important part of the Danish energy system and they are some of the most efficient and flexible in the world, partly on account of combined electricity and district heat generation. They supply electricity and heat to our customers and contribute to supporting the transformation to renewable energy in the energy system of the future.

Ørsted Bioenergy & Thermal Power A/S has subsidiaries in i.a. Denmark, United Kingdom and the Netherlands. These subsidiaries also operate businesses within the energy sector, primarily in the production of enzymatic waste treatment technology.

Recognition and measurement uncertainties
The recognition and measurement of items in the annual report is not associated with any uncertainty.

Unusual matters
The company's financial position at 31 December 2020 and the results of its operations for the financial year ended 31 December 2020 are not affected by any unusual matters.

Financial review
The company's income statement for the year ended 31 December 2020 shows a loss of TDKK 145.427, and the balance sheet at 31 December 2020 shows equity of TDKK 2.636.578.

Management's review

The 2020 activity highlights:

• We achieved our target of sourcing 100 % third-party certified sustainable biomass for our biomass-fuelled CHP plants.

• We inaugurated the sustainable biomass-fired unit 6 of our Asnæs Power Station in August.

• We began commercial operations at our Renescience plant in Northwich, UK, marking a major milestone for our development of this technology.

• We contributed to Denmark's public health response to the COVID-19 outbreak by helping restart and operate our former bioethanol plant in Kalundborg for the emergency production of ethanol for disinfectants.

• We increased our provision of ancillary services vital to the stable operation of the Danish grid and, in a first for Denmark, began offering some of these services as green products.

Financing
The Company's income statement for the year ended 31 December 2020 shows a loss of 145 million DKK (2019: profit 79 million DKK), and the balance sheet at 31 December 2020 shows equity of 2.636 million DKK (2019: 2.792 million DKK).

The development in the result compared to 2019 can be explained by:

Revenue decreased by 905 million DKK to 5.354 million DKK in 2020. The decrease was mainly driven by a significant drop in average power prices relative to last year as well as lower power volumes sold.

Thermal power generation was 4 % lower compared to last year due to slightly warmer weather and less favourable market conditions for power generation, partly offset by a higher volume from ancillary services. Heat generation decreased by 20 % compared to last year, mainly due to a warm first quarter in 2020.

Other operating income, 27 million DKK (2019: 370 million DKK), the decrease mainly relates to a reversal of a provision of 298 million DKK in 2019 following the acquittal in the Elsam competition case.

Financial income, 56 million DKK (2019: 316 million DKK), the decrease relates primarily to a reversal of interests of 276 million DKK in 2019 regarding the Elsam competition case.

Management's review

Investments
In 2020, 381 million DKK were invested in property, plant and equipment. The largest investments related to the bioconversion of Asnæs Power Station and renovation of existing production facilities.

Foreign branches
The company has a branch in the UK.

Net profit (loss) relation to expected development assumed in previous report
Financial performance for 2020 is in line with the expectations for the year.

Financial expectations for 2021
Profit/loss for the year is expected to be at the same level as in 2020.

Ørsted Bioenergy & Thermal Power A/S' strategic focus is:

• Optimise and decarbonise our CHP plants

• Commercialise Renescience

Optimise and decarbonise our CHP plants
2020 was a milestone year for our biomass conversion programme. The Crown Prince of Denmark inaugurated the sustainable biomass-fired unit 6 of our Asnæs Power Station in August, marking the completion of our conversion programme and another step towards the full decarbonisation of our CHP operations in Denmark. Furthermore, we reached our target of sourcing 100 % of our biomass from third-party certified sustainable suppliers. In 2020, Denmark passed new biomass sustainability legislation that is in line with the strict standards we already require from our biomass suppliers on replanting of trees, protection of forest biodiversity, and supply chain emissions.

In addition, we are exploring the potential of carbon capture technology at our biomass-fired CHP plants. Carbon captured from biomass combustion is biogenic and can contribute to negative emissions when stored permanently, or it can be used as a feedstock to produce carbon-neutral products.

This year saw a temporary increase in our use of coal as a proportion of our overall fuel inputs, stemming from statutory requirements as part of our provision of ancillary services to the Danish power system. Our commitment to phase out coal by 2023 remains unchanged

Management's review

By combining our dispatchable CHP capacity with our offshore wind portfolio in Denmark, we were for the first time able to offer some of our ancillary services as green products. Our offshore wind farm Horns Rev 2 was the first intermittent renewable source to qualify for providing automatic frequency restoration reserve (aFRR) services in Denmark.

Commercialise Renescience
In October, we successfully completed the final performance tests and began commercial operations at our Renescience plant in Northwich, the UK. The technology has the potential to significantly increase recycling rates of unsorted household waste and reduce the volumes of waste sent to landfills or incineration. The commissioning of our Northwich plant marks a major milestone, and we continue to explore the broader commercial potential of this technology.

The company's knowledge resources if of particular importance to its future earnings
In order to achieve our vision of leading the energy transformation, it is essential that we can attract and retain skilled employees. We believe that well-being, both at and outside work is helping to create long term job satisfaction and ultimately better results. Therefore, we want to create the best possible framework for a sustainable work life where people are energized to make a difference every day. We take the initiative to maintain a good sense of community and collaboration among colleagues, meaningful challenging tasks, good management as well as sustained focus on professional development and learning. In addition, we offer healthy food, fitness facilities, as well as tools that help to prevent such as lack of sleep and stress.

Our goal to create continuous personal and professional development is based on the individual employee and 70:20:10 model. 70:20:10 are based on research, which shows that around 70% of the learning and development takes place through experience, around 20% through others, while approximately 10 per cent comes from courses and training. Orsted's Academy also offers a wide range of development and training programs across all career path.

Special risks apart from generally occurring risks in industry
Operating Risk
The financial result of Ørsted Bioenergy & Thermal Power A/S is significantly affected by the development in a number of market prices, including biomass, oil, gas, electricity, coal, CO2 quotas and the dollar exchange rate. Parts of the market price exposure in 2020 - 2021 are hedged in accordance with the company's hedging strategy. Other factors that affect the financial results are the market's needs for flexibility, as well as the regulatory framework conditions.

Management's review

Environment

For several years, we have been committed to converting our power stations to use sustainable wood pellets and wood chips. In 2017, we decided to phase out coal by 2023, as coal is the fuel with the greatest carbon impact per produced quantity of power and heat. Our ongoing work will reduce our annual carbon emissions in Denmark significantly towards 2023. In just over ten years, we have gone from being one of the most coal-intensive utilities in Europe to having a completely coal-free generation by 2023.

Statutory corporate social responsibility report

In pursuance of Section 99a (7) of the Danish Financial Statements Act, the Company has omitted information on corporate social responsibility. Reference is made to the Sustainability report 2020 of Ørsted A/S (www.orsted.com/en/sustainability/esg-ratings-and-reporting).

Policies on the underrepresented gender

Description of target figures for the underrepresented gender

Target figures for the underrepresented gender

Due to equal representation of men and women in the board of directors in accordance with the rules in Section 99b in the Danish Financial Statements Act, no targets for the share of the underrepresented gender have been set.

Description of policies for the underrepresented gender

Policies for the underrepresented gender

We would like to unfold the full potential of all employees and ensure that men and women have the same opportunities for obtaining leadership positions. We have a policy on women in management. We also have targets for increasing the proportion of women at all management levels.

To promote Ørsted as a diverse workplace, we encourage all candidates to apply, regardless of gender, race, age and cultural background. Recruitment processes include required female representation on shortlists, and recruiters and hiring managers have been trained to be aware of – and avoid – unconscious bias in their selection of candidates.

Management's review

Description of how the company translates its policies on the underrepresented gender into action

High potential development programs have had too few female participants, and a decision was made to have 30% females on all the high potential development programs from professional level career development to mid-level leadership.

High potential female candidates are identified in the annual People Review process and have a structured dialogue about development wishes and possibilities in the following People Development Dialogue.

For senior female managers, we have initiated a 'Female spotlight initiative' that prepares talented women for senior leadership positions.

Ørsted has joined the UN Convention on Discrimination against Women.

Accounting policies

The annual report of Ørsted Bioenergy & Thermal Power A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Danish Financial Statements Act allows us to use certain IFRS standards to interpret the act. Previously, we have therefore implemented IFRS 15 'Revenue' and IFRS 16 'Leases'.

The accounting policies applied are consistent with those of last year.

The annual report for 2020 is presented in TDKK.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement
Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Government grants
Government grants comprise grants for environment-friendly generation and for funding of research and development projects. Government grants are recognised when there is reasonable assurance that they will be received.

Accounting policies

Grants for electricity generation are recognised as revenue in step with the recognition of the related electricity revenue.

Grants for research and development costs which are recognised directly in the income statement are recognised as other operating income in step with the costs to which the grants relate being incurred.

Grants for production assets and development projects are recognised in the balance sheet as deferred income and transferred to other operating income in the income statement in step with depreciation and amortisation of the assets to which the grants relate.

Allocated CO2 rights are recognised as rights within intangible assets.

Hedge accounting
Fair value adjustments of financial instruments that are designated and qualify as fair value hedges of recognised assets or liabilities are recognised in the income statement together with any fair value adjustments of the hedged asset or liability that can be attributed to the hedged risk.

Changes in the fair value of financial instruments that are designated and qualify as hedges of expected future transactions are recognised in equity under retained earnings as regards the effective portion of the hedge. The ineffective portion of the hedge is recognised in the income statement. If the hedged transaction results in an asset or a liability, amounts deferred under equity are transferred to the cost of the asset or liability. If the hedged transaction results in income or expenses, amounts deferred under equity are transferred to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair value of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, while the ineffective portion is recognised in the income statement.

Income statement

Information of revenue
Information is provided on geographical markets. The information is provided in consideration of the company's accounting policies, risks and management control.

Revenue
Income from the sale of power and heat is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Accounting policies

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Raw materials and consumables
Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Raw materials and consumables comprise the purchases of fuel in the form of gas, coal, biomass and oil, purchases of energy, and transportation expenses in connection with the above and expenses related to CO2 emissions. These expenses are recognised in the income as consumed.

Other operating income
Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

Other operating expenses
Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and items of property, plant and equipment.

Other external expenses
Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Other external expenses also comprise research and development costs that do not qualify for capitalisation.

Staff costs
Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

The share programme is initially classified as an equity-based scheme as the program settles in shares in Ørsted A/S. The fair value of the performance-based share units (PSUs) and estimates of the number of PSU's granted are measured at the time of granting and recognised:
- in the income statement under employee costs over the vesting period, and
- in the balance sheet under equity over the vesting period.

Accounting policies

Amortisation, depreciation and impairment losses
Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses
Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc. Net financials also include realised and unrealised gains and losses relating to hedging of interest rate and currency risks that have not been entered into to hedge revenue, cost of sales or fixed assets.

Profit/loss from investments in subsidiaries and associates
Dividend from investments is recognised in the reporting year in which the dividend is declared.

Tax on profit/loss for the year
The company is subject to the Danish rules on compulsory joint taxation of the Ørsted Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The ultimate Parent Company, Orsted A/S, is the management company for the joint taxation and consequently settles all income tax payments to the tax authorities.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed Danish entities in proportion to their taxable income. Danish entities with tax losses receive joint taxation contributions from the ultimate parent company (the management company), Ørsted A/S equivalent to the tax base of the tax losses utilised (full allocation), while Danish entities that utilise tax losses in other entities pay joint taxation contributions to the Ørsted A/S equivalent to the tax base of the utilised losses.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise costs directly and indirectly attributable to the company's development activities and meet the criteria for recognition.

Development projects consists of IT software, which meet the criteria for recognition in the balance sheet. Static process modelling is the main project and is recognised as a development project and completed during 2018. The expected life-time is assessed as 7 years. The project is used for optimizing the power plants design, operation and maintenance and will ensure future economic benefit by optimizing fuel distribution and production flexibility. The model provides up-to-date current data on the capacity of the power plants, which contribute to improving the load distribution and entries to the market. Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less the lower of accumulated amortisation and the recoverable amount.

On completion of a development project, capitalised development costs are amortised on a straightline basis over the estimate economic life. The amortisation period is normally 5 years and does not exceed 20 years.

Patents and licences consists of CO2 emission and IT-software, which are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the term of the licence, however not more than 20 years.

Allocated and purchased CO2 emission allowances, including CO2 credits, that are accounted for as rights are measured initially at cost. If a grant is received in connection with an allocation, the cost constitutes the actual consideration paid for the allowances, ie nil if the allowances are allocated free of charge. CO2 emission allowances are not amortised as their residual value equals their cost.

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land and property, plant and equipment in progress are not depreciated.

Accounting policies

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Interest expenses on loans obtained specifically for the purpose of financing the manufacturing of items of property, plant and equipment are included in cost over the manufacturing period. All indirect, attributable borrowing costs are recognised in the income statement.

Cost is increased by estimated expenses for dismantling and removing the asset and restoration to the extent that they are recognised as a provision

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	20-50 years
Plant and machinery	10-40 years
Other fixtures and fittings, tools and equipment	3-5 years

The residual value of the company's property, plant and equipment is reassessed annually.

Leases

Leases for items of buildings that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Accounting policies

Investments in subsidiaries and associates
Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Cost is written down to the extent that dividend distributed exceeds the accumulated earnings after the date of takeover.

Where the parent company has a legal or constructive obligation to cover the companies´ negative balances or obligations, such obligation is recognised in liabilities.

Other securities and investments, fixed assets
Investments are measured at cost.

Impairment of fixed assets
The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries and associates is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Stocks
Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables
Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Accounting policies

Prepayments
Prepayments comprise expenses incurred concerning subsequent financial years.

Cash and cash equivalents
Cash and cash equivalents comprise cash.

Provisions
Provisions are recognised when in consequence of an event occurred before or on the balance sheet date the company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

In measuring provisions, the expenses required to settle the liability are discounted to net present value, if this has a significant effect on the measurement of the liability. A pre tax discount rate is used that reflects the general interest rate level in the market. The change in present values for the financial year is recognised as financial expenses.

Provisions for the decommissioning of production assets and restoration are measured at the present value of the future liability in respect of decommissioning and shutdown as estimated at the balance sheet date. The amount provided is determined on the basis of existing requirements and estimated expenses, which are discounted to present value. If specific risks are deemed to attach to a provision, the estimated expenses are recognised. A discount rate is used that reflects the general interest rate level in society. These liabilities are recognised as they arise and are adjusted on a regular basis to reflect changes in requirements, price level, etc. The value of the provision is recognised in property, plant and equipment and depreciated together with the relevant assets. The increase in time of the present value of the provision is recognised in profit/loss for the year as financial expenses.

A provision for onerous contracts is recognised when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting the obligations existing under the contract. If it is considered unlikely that an outflow from the enterprise of economic resources will be required to settle a liability, or if the liability cannot be measured reliably, the liability is accounted for as a contingent liability that is not recognised in the balance sheet. Material contingent liabilities are disclosed in the notes.

When it is probable that the total costs will exceed the total revenue from contract work in progress, the total expected loss on the work in progress is recognised as a provision. The provision is recognised under production costs.

Accounting policies

Income tax and deferred tax
Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities
Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income
Deferred income comprises payments received concerning income in subsequent reporting years.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Accounting policies

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

Derivative financial instruments
On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables or other payables, respectively.

Cash flow statement

In pursuance of Section 86 (iv) of the Danish Financial Statements Act, The company has omitted preparing a cash flow statement, as the company's cash flows are included in the consolidated cash flow statement.

Financial highlights

Definitions of financial ratios.

Gross margin ratio	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
EBIT margin	$\frac{\text{Profit/loss before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss before financials x 100}}{\text{Average assets}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity at year-end x 100}}{\text{Total assets at year-end}}$

Income statement 1 January - 31 December

	Note	2020 TDKK	2019 TDKK
Revenue	1	**5.354.387**	**6.259.656**
Work performed by the enterprise and capitalised		30.605	48.407
Other operating income	2	26.704	370.313
Raw materials and consumables		-3.357.626	-3.919.313
Other external expenses		-766.616	-884.568
Gross profit		**1.287.454**	**1.874.495**
Staff costs	3	-493.327	-530.421
Profit/loss before amortisation/depreciation and impairment losses		**794.127**	**1.344.074**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-658.989	-598.721
Other operating costs		-28.095	-7.926
Profit/loss before net financials		**107.043**	**737.427**
Income from investments in subsidiaries		-137.611	-575.500
Income from investments in associates		694	18.209
Financial income	4	55.959	315.752
Financial costs	5	-187.959	-239.606
Profit/loss before tax		**-161.874**	**256.282**
Tax on profit/loss for the year	6	16.447	-177.375
Profit/loss for the year		**-145.427**	**78.907**
Distribution of profit	7		

Balance sheet 31 December

	Note	2020 TDKK	2019 TDKK
Assets			
Completed development projects		12.500	13.460
Acquired patents		324.200	294.278
Development projects in progress		0	0
Intangible assets	8	**336.700**	**307.738**
Land and buildings		533.278	575.505
Plant and machinery		5.958.768	5.047.658
Other fixtures and fittings, tools and equipment		7.829	23.657
Property, plant and equipment in progress		202.818	1.362.378
Tangible assets	9	**6.702.693**	**7.009.198**
Investments in subsidiaries	10	406.164	564.064
Investments in associates	11	1.031	1.031
Other receivables		0	24.500
Fixed asset investments		**407.195**	**589.595**
Total non-current assets		**7.446.588**	**7.906.531**
Raw materials and consumables		780.310	796.100
Stocks	12	**780.310**	**796.100**

Balance sheet 31 December (continued)

	Note	2020 TDKK	2019 TDKK
Assets			
Trade receivables		428.651	790.591
Receivables from group enterprises	13	586.981	190.363
Receivables from associates		483	653
Other receivables		15.316	127.590
Corporation tax		56.449	0
Prepayments	14	6.878	3.569
Receivables		**1.094.758**	**1.112.766**
Cash at bank and in hand		**43.898**	**15.195**
Total current assets		**1.918.966**	**1.924.061**
Total assets		**9.365.554**	**9.830.592**

Balance sheet 31 December

	Note	2020 TDKK	2019 TDKK
Equity and liabilities			
Share capital		500.000	500.000
Retained earnings		2.136.578	2.292.192
Equity		**2.636.578**	**2.792.192**
Provision for deferred tax	15	346.546	313.506
Provisions for pensions and similar liabilities	16	9.300	9.600
Other provisions	17	1.023.486	993.015
Total provisions		**1.379.332**	**1.316.121**
Lease obligations		60.614	62.123
Other payables		0	17.265
Deferred income		3.634.845	3.758.445
Total non-current liabilities	18	**3.695.459**	**3.837.833**
Other bank loans		7.616	0
Lease obligation		7.194	7.194
Trade payables		456.183	513.875
Payables to group enterprises	19	564.911	642.378
Corporation tax		0	106.329
Other payables		399.145	408.074
Deferred income	18	219.136	206.596
Total current liabilities		**1.654.185**	**1.884.446**
Total liabilities		**5.349.644**	**5.722.279**
Total equity and liabilities		**9.365.554**	**9.830.592**

Contingent assets, liabilities and other financial obligations	20
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January 2020	500.000	2.292.192	2.792.192
Other equity movements	0	-10.187	-10.187
Net profit/loss for the year	0	-145.427	-145.427
Equity at 31 December 2020	**500.000**	**2.136.578**	**2.636.578**

Other equity movements TDKK -10.187 regards sharebased payment.

Notes

		2020	2019
		TDKK	TDKK
1	**Revenue**		
	Sale of power	2.211.310	2.739.232
	Sale of natural gas	0	20.090
	Sale of heat	2.725.669	2.881.413
	Other sales	417.408	618.921
	Total revenue	**5.354.387**	**6.259.656**
	Denmark	5.354.387	6.259.656
	Total revenue	**5.354.387**	**6.259.656**

		2020	2019
2	**Other operating income**		
	Gain/loss on sale of assets	15.109	3.625
	Other operating revenues	11.595	366.688
		26.704	**370.313**

Notes

		2020	2019
		TDKK	TDKK
3	**Staff costs**		
	Wages and salaries	447.020	480.345
	Pensions	41.725	43.928
	Other social security costs	3.819	5.008
	Other staff costs	763	1.140
		493.327	**530.421**
	Average number of employees	621	634

According to section 98 B(3) of the Danish Financial Statements Act, renumeration to the executive board has not been disclosed.

The executive board and a limited number of other members of senior management participate in our share programme established in 2016. As a condition for the award of performance share units (PSUs), the participant must own a number of shares in Ørsted A/S, corresponding to a part of the individual participant's annual base salary. The ownership requirement is between 15%-75% of the fixed salary. If the participants meet the shareholding requirement at the award date, the participants will each year be awarded a number of PSU's, representing a value corresponding to 15%-20% of the annual base salary at the award date.

The awarded PSU's have a vesting period of approx. three years, after which each PSU entitles the holder to receive one share free of charge. The final number of PSU's for each participant will be determined based on Ørsted A/S's total shareholder return compared to 10 European peer energy companies. The rate will vary from 0% to 200% of the number that is set as target for the awarded PSU's. The maximum value is 30%-40% of the fixed annual salary at the time of granting. In addition to this also comes the change in fair value of the Ørsted share since grant. The highest rate will be triggered if Ørsted A/S delivers the highest return of the peer companies. For each lower position the number of PSU's will decline by 20 percentage points. For example, a second place entitles the participants to 180% of the target. If Ørsted A/S is number 11 in the comparison, the participants will receive no PSU's. The right to PSU's is subject to continued employment.

Notes

		2020	2019
		TDKK	TDKK
4	**Financial income**		
	Financial income, group entities	30.387	16.867
	Other financial income	2	267.343
	Exchange gains	25.570	31.542
		55.959	**315.752**

		2020	2019
5	**Financial costs**		
	Financial expenses, group entities	22.117	44.902
	Other financial costs	141.333	164.991
	Exchange loss	24.509	29.713
		187.959	**239.606**

		2020	2019
6	**Tax on profit/loss for the year**		
	Current tax for the year	-60.448	28.329
	Deferred tax for the year	52.205	152.389
	Adjustment of tax concerning previous years	10.961	2.238
	Adjustment of deferred tax concerning previous years	-19.165	-5.581
		-16.447	**177.375**

		2020	2019
7	**Distribution of profit**		
	Retained earnings	-145.427	78.907
		-145.427	**78.907**

Notes

8 Intangible assets

	Completed development projects	Acquired patents	Development projects in progress	Total
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January 2020	47.736	394.376	0	442.112
Additions for the year	0	231.258	1.882	233.140
Disposals for the year	0	-200.927	0	-200.927
Transfers for the year	1.460	0	-1.882	-422
Cost at 31 December 2020	49.196	424.707	0	473.903
Impairment losses and amortisation at 1 January 2020	34.276	100.098	0	134.374
Amortisation for the year	2.420	409	0	2.829
Impairment losses and amortisation at 31 December 2020	36.696	100.507	0	137.203
Carrying amount at 31 December 2020	**12.500**	**324.200**	**0**	**336.700**

Notes

9 Tangible assets

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January 2020	1.893.197	16.397.724	291.646	1.362.378	19.944.945
Additions for the year	18.731	3.990	0	358.594	381.315
Disposals for the year	-8.114	-23.968	-3.299	0	-35.381
Transfers for the year	0	1.518.575	0	-1.518.154	421
Cost at 31 December 2020	1.903.814	17.896.321	288.347	202.818	20.291.300
Impairment losses and depreciation at 1 January 2020	1.317.692	11.350.066	267.989	0	12.935.747
Depreciation for the year	52.844	587.487	15.828	0	656.159
Reversal of impairment and depreciation of sold assets	0	0	-3.299	0	-3.299
Impairment losses and depreciation at 31 December 2020	1.370.536	11.937.553	280.518	0	13.588.607
Carrying amount at 31 December 2020	**533.278**	**5.958.768**	**7.829**	**202.818**	**6.702.693**
Interest expenses recognised as part of cost of assets	0	45.363	0	0	45.363
Value of leased assets	66.281	0	0	0	

Notes

		2020	2019
		TDKK	TDKK
10	**Investments in subsidiaries**		
	Cost at 1 January 2020	4.726.185	4.244.458
	Additions for the year	0	481.827
	Disposals for the year	-20.400	-100
	Cost at 31 December 2020	4.705.785	4.726.185
	Revaluations at 1 January 2020	-4.162.121	-3.586.621
	Revaluations for the year, net	-137.500	-575.500
	Revaluations at 31 December 2020	-4.299.621	-4.162.121
	Carrying amount at 31 December 2020	**406.164**	**564.064**

Notes

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Maabjerg Energy Concept A/S	Fredericia, Denmark	70%	3.882	-14
Orsted Netherlands B.V.	Rotterdam, Netherlands	100%	58.968	9.676
Orsted Holding Ludwigsau I GmbH	Hamburg, Germany	100%	75	-6
Haderslev Kraftvarmeværk A/S under likvidation	Fredericia, Denmark	100%	1.270	-10
DE Thermal Power Nr. 1 A/S under likvidation	Fredericia, Denmark	100%	8.079	-10
Vejen Kraftvarmeværk A/S under likvidation	Fredericia, Denmark	100%	3.350	-10
Orsted Renescience Northwich Ltd	London, England	100%	221.546	-105.060
Orsted Renescience Northwich O&M Ltd	London, England	100%	9.575	1.163
Ørsted New Bio Solutions Holding A/S	Fredericia, Danmark	100%	88.799	-12.858
Stigsnæs Vandindvinding I/S	Slagelse, Denmark	64%	13.718	0
Orsted SP Holding (UK) Ltd	Newport, Wales	100%	27.665	-11
Severn Power Funding Ltd	Newport, Wales	100%	112	-22

Notes

		2020	2019
		TDKK	TDKK
11	**Investments in associates**		
	Cost at 1 January 2020	1.031	33.911
	Additions for the year	0	100
	Disposals for the year	0	-32.980
	Cost at 31 December 2020	1.031	1.031
	Revaluations at 1 January 2020	0	-12.359
	Impairment losses and depreciations of disposals of investments on demerger and sale of enterprise	0	12.359
	Revaluations at 31 December 2020	0	0
	Carrying amount at 31 December 2020	**1.031**	**1.031**

Investments in associates are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Cure Renescience B.V.	Rotterdam, Netherlands	50%	80	-576
Emineral A/S	Fredericia, Denmark	50%	4.539	187

Notes

		2020	2019
		TDKK	TDKK
12	**Stocks**		
	Raw materials and consumables	780.310	796.100
		780.310	**796.100**

Inventories consist of fuels (Coal, wood pellets, oil and biomass). At 31 December 2020 the fair value of inventories amount DKK 714 mio. The carrying amount was DKK 780 mio. (2019: fair value of inventories DKK 789 mio. and carrying amount DKK 796 mio.)

13 Receivables

The company's receivables from group companies includes TDKK 492.628 in a cash pool scheme with the ultimate Parent Company, Ørsted A/S (2019: TDKK 0).

14 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

		2020	2019
15	**Provision for deferred tax**		
	Provision for deferred tax at 1 January 2020	-313.506	-166.698
	Deferred tax recognised in income statement	-33.040	-146.808
	Provision for deferred tax at 31 December 2020	**-346.546**	**-313.506**
	Intangible assets	4.699	5.000
	Property, plant and equipment	543.250	569.273
	Current assets	15.443	863
	Long-term debts	-216.846	-261.630
		346.546	**313.506**

Notes

		2020	2019
		TDKK	TDKK
16	**Provisions for pensions and similar liabilities**		
	Balance at 1 January 2020	9.600	10.200
	Provision for the year	500	178
	Applied in the year	-800	-778
	Balance at 31 December 2020	**9.300**	**9.600**

Defined benefit plans

The Company has undertaken to pay certain benefits (retirement pension) at a fixed amount to former members of the Executive Board in Denmark. These obligations are not covered by insurance. The uncovered pensions obligations stated at present value have been recognised in the balance sheet at TDKK 9.300.

Expected maturities:		
Within one year	1.410	1.388
Between 1 and 5 years	5.161	5.098
Over 5 years	2.729	3.114
	9.300	**9.600**

Notes

		2020	2019
		TDKK	TDKK
17	**Other provisions**		
	Balance at beginning of year at 1 January 2020	993.015	1.593.269
	Adjustment decommissioning obligations	862	26.867
	Provision in year	299.473	283.362
	Applied in the year	-269.864	-910.483
	Balance at 31 December 2020	**1.023.486**	**993.015**
	Expected maturities:		
	Within one year	44.560	90.273
	Between 1 and 5 years	344.905	202.983
	Over 5 years	634.021	699.759
		1.023.486	**993.015**

Other provisions includes decommissioning obligations and provisions for the purchase and delivery of CO_2 quotas for use in the years 2021 - 2023.

Decommissioning obligations comprise the company´s obligation for dismantling and removing plant after close down. The present value of expected costs incurred from dismantling and removing plant is recognised together with the plant at the date when the plant enters into service and is depriciated over the lives of the plant. Provisions for cost are made on basis of past experience of the level of dismantling costs.

Notes

18 Long term debt

	2020	2019
	TDKK	TDKK
Lease obligations		
Between 1 and 5 years	60.614	62.123
Non-current portion	60.614	62.123
Within 1 year	7.194	7.194
	67.808	**69.317**
Other payables		
Between 1 and 5 years	0	17.265
Non-current portion	0	17.265
Other short-term other debt	399.145	408.074
Current portion	399.145	408.074
	399.145	**425.339**
Deferred income		
After 5 years	2.653.604	2.787.103
Between 1 and 5 years	981.241	971.342
Non-current portion	3.634.845	3.758.445
Other short-term deferred income	219.136	206.596
Current portion	219.136	206.596
	3.853.981	**3.965.041**

Non current deferred income include prepayments from heating customers concerning investments in production facilities in accordance with heating contracts.

The short term part of deferred income includes prepayments from heating customers concerning investments in production facilities in accordance with contracts in which the right to revenue recognition is acquired within 1 year, as well as other prepaid revenue.

19 Payables to group enterprises

The company's payables from group companies includes TDKK 0 in a cash pool scheme with the ultimate Parent Company, Ørsted A/S (2019: TDKK 184.669).

Notes

20 Contingent assets, liabilities and other financial obligations

Contingent liabilities
The company has entered into binding agreements with suppliers for the procurement of property, plant and equipment. The total liabilities amount to DKK 60 mio (2019: DKK 202 mio), and primarily concern agreements on investments at the Avedøre Power Plant.

Other contingent liabilities
Orsted Bioenergy & Thermal Power A/S is a party to a small number of disputes.

Management is of the opinion that the outcome of these disputes will not impact on the Company's financial position apart from the receivables and liabilities recognised in the balance sheet at 31 December 2020.

Orsted Bioenergy & Thermal Power A/S participates in a number of jointly controlled activities and enterprises. Together with the other participants the Company is jointly and severally liable for liabilities assumed under agreements concluded.

In connection with the sale of subsidiaries, the company has undertaken warranty obligations, which are not expected to result in a draw on financial resources.

Group's Danish companies are jointly and severally liable for tax on group jointly taxed income, etc., reference is made to the annual report Orsted A/S, the administration company in relation to joint taxation.

21 Mortgages and collateral

As security towards subsidiaries supplier and leasing agreements, the Company has provided parent company guarantees amounting GBP 29 mio.

As security of associates credit facilities, the Company has provided a guarantee, which amounts DKK 1,3 mio.

22 Financial instruments

The Company use various financial instruments to hedge power, coal and gas prices and currency rates with a horizon of 0-5 years to minimize fluctuations and secure future cash flow. Financial instruments amounts a net debt of 120 million DKK of 31. December 2020, which in the balance sheet is presented at receivables from group enterprises 24 million DKK and payables to group enterprises of 144 million DKK.

Notes

23 Related parties and ownership structure

Controlling interest

Ørsted A/S, Kraftværksvej 53, 7000 Fredericia (parent company)

Other related parties

Ørsted A/S (ultimate parent company)
The Danish State represented by the Ministry of Finance
Board of directors, executive board and key employees

Consolidated financial statements

The company is included in the consolidated financial statements of the parent company Ørsted A/S, CVR no. 36 21 37 28.

The Group annual report of Ørsted A/S, CVR no. 36 21 37 28 may be obtained at the following address:

www.orsted.com/en/investors/ir-material/financial-reports-and-presentations

24 Fee to auditors appointed at the general meeting

In pursuance of Section 96(3) of the Danish Financial Statements Act, the company has omitted providing information on audit fees as the company is fully consolidated in Ørsted A/S's consolidated financial statements, in which the audit fees for the Group as a whole are disclosed.

25 Subsequent events

No events have occured after the balance sheet date which could significantly affect the company's financial position.