

Ørsted Services A/S

CVR no. 27446485

Annual report 2023

Approved at the Company's annual general meeting on 12 June 2024

Chair: Jeppe Skov Andersen

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Company information

Company

Ørsted Services A/S
Kraftværksvej 53 Skærbæk
7000 Fredericia

Company CVR: 27446485

Financial year: 2023-01-01 - 2023-12-31

Annual general meeting: 12 June 2024

Board of Directors

Henriette Fenger Ellekrog, chair
Jeppe Hoff Nielsen, deputy chair
Lars Brinch Danielsen
Marie Gradert, employee representative
Lotte Hartmann, employee representative

Executive Board

Lars Brinch Danielsen, Director

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. 36213728

The annual report of Ørsted A/S, CVR no. 36213728 can be obtained at the following address:

<https://orsted.com/en/investors/ir-material/annual-reporting-2023>

Statement by management on the annual report

The Board of Directors and the Executive Board have today discussed and approved the annual report of Ørsted Services A/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the company financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

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 at the annual general meeting.

Skærbæk, 4 June 2024

Executive Board:

Lars Brinch Danielsen,
Director

Board of Directors:

Henriette Fenger Ellekrog,
chair

Jeppe Hoff Nielsen,
deputy chair

Lars Brinch Danielsen

Marie Gradert,
employee representative

Lotte Hartmann,
employee representative

Independent auditor's report

To the shareholder of Ørsted Services 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Ørsted Services A/S for the financial year 1 January - 31 December 2023, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the 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 in Management's Review.

Independent auditor's report

Management's responsibility 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, 4 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33771231

Thomas Wraae Holm
State Authorised Public Accountant
mne30141

Daniel Kønigsfeld Sitch
State Authorised Public Accountant
mne47889

Management's review**Financial highlights**

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
<i>Profit/loss</i>					
Revenue	2.885.377	2.952.835	2.579.454	2.567.839	2.537.021
Profit/loss before amortisation/depreciation and impairment losses	163.325	131.332	162.414	100.537	122.684
Profit/loss before net financials	116.847	90.386	118.193	47.979	78.929
Net financials	19.397	(49)	(2.718)	21	3.896
Profit/loss for the year	105.940	65.308	89.842	37.073	66.961
	TDKK	TDKK	TDKK	TDKK	TDKK
<i>Balance sheet</i>					
Balance sheet total	1.421.960	1.159.822	864.028	1.033.174	881.918
Investment in property, plant and equipment	38.873	32.198	32.198	65.871	87.694
Equity	589.426	477.555	421.180	349.356	387.389

Management's review

	%	%	%	%	%
<i>Financial ratios</i>					
EBIT margin	4	3	5	2	3
EBITDA margin	6	4	6	4	5
	TDKK	TDKK	TDKK	TDKK	TDKK
Average number of full-time employees	1.418	1.383	1.319	1.317	1.329

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

Management's review

Business review

Ørsted Services A/S aims to run a business within the energy sector and related activities.

Ørsted Services A/S' activities in 2023 have primarily been delivery of services to other companies within the Ørsted group.

Recognition and measurement uncertainties

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

Some estimates are made in connection with the preparation of the annual report. The most important estimates have been made in connection with the measurement of intangible assets.

Intangible assets are primarily costs which are capitalized in connection with the development of IT systems, which are used in the Ørsted Group. In connection with this an estimate of the economic life is made. It is not considered to be significant uncertainty associated with the estimates.

Net profit (loss) relation to expected development assumed in previous report

Financial performance for 2023 are in line with what was assumed in last year's Annual Report.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of 105.940 TDKK (2022: profit of 65.308 TDKK), and the balance sheet at 31 December 2023 shows equity of 589.426 TDKK (2022: 477.555 TDKK).

Outlook

Profit before taxes for 2024 is expected to be between 200.000 TDKK and 300.000 TDKK.

Knowledge resources

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 are 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 energised to make a difference every day. We take the initiative to maintain a good sense of community and collaboration among colleagues, meaningful and 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.

Management's review

Corporate social responsibility

Environmental aspects

Policy

The company's activities are primarily administrative in nature and do not have significant impact on the external environment. The environmental impact of the company's operations is minimised by focusing on resource management such as energy savings and recycling of our waste.

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 Annual Report (orsted.com/en/Investors/IR-material/Financial-reports-and-presentations) 2023 of Ørsted A/S, CVR 36 21 37 28.

Goals and policies for the underrepresented gender

Description of target figures for the underrepresented gender

As from 1 January 2023, the rules on gender targets in section 99b in the Danish Financial Statements Act was expanded so that companies in scope should put in place gender targets for other managerial levels (defined as the executive board and people managers reporting to the executive board) and prepare a policy to increase gender diversity, such policy only to cover the specific legal entity.

Ørsted Services A/S is covered by the existing regulation (accounting class C) and has equal representation on the board of directors, hence no targets are set here.

Due to managerial changes during 2023, Ørsted Services A/S does not have equal gender balance, as defined as 40:60 by the Danish Business Authority, in other managerial levels. As there are only two employees in the other managerial levels of Ørsted Services A/S, the company has not set a target.

Ørsted as a global company has committed to meeting specific gender ambitions as 40:60 percent gender representation across Ørsted by 2030.

Management's review

	2023	2024	2025	2026	2027
<i>Top management</i>					
Total members	5				
Underrepresented gender %	40%				
Target %	40%				
Year for meeting target	2023				
	2023	2024	2025	2026	2027
<i>Other management level</i>					
Total members	2				
Underrepresented gender %	0%				

Management's review

Description of policies for the underrepresented gender

Policies for the underrepresented gender at other managerial levels

Due to the above, Ørsted Services A/S has not put in place a policy for increasing the gender representation, which only applies to this specific legal entity.

At group level, a Danish diversity and inclusion policy has been prepared and approved by the board of directors of Ørsted Services A/S in November 2022.

The policy is aligned to the Danish appendix to Ørsted's global diversity and inclusion policy and has applied as of 1 January 2023 to all employees employed in Denmark, including employees in Ørsted Services A/S.

The policy aims to put into words our commitment to diversity and inclusion, including our aspirations, our approach, and our actions. Ørsted is committed to ensuring an inclusive workplace where you are respected for who you are, valued for the unique perspectives you bring to the workplace, and rewarded fairly for what you achieve, while maintaining a sustainable work life. Our gender ambitions are high. They require that we attract, recruit, develop, sponsor, engage, and include women and everyone else at every level and step of the way.

Data ethics

In pursuance of Section 99d of the Danish Financial Statements Act, the Company has omitted information on data ethics. Reference is made to the 2023 Data Ethics statement of Ørsted A/S:

<https://orsted.com/en/who-we-are/our-organisation/corporate-governance/data-ethics-report>

Unusual matters

The company's financial position at 31 December 2023 and the results of its operations for the financial year ended 31 December 2023 are not affected by any unusual matters.

Accounting policies

The annual report of Ørsted Services A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to Reporting class C, large enterprise entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The annual report for 2023 is presented in TDKK.

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

1 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 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.

2 Income statement

2.1 Revenue

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

Accounting policies

Revenue comprise the sale of services to companies in the Ørsted Group. The services are recognised in the income statement when delivery and transfer of risk to the buyer have taken place before year-end. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

2.2 Other operating income

Other operating income comprises items secondary to the entities' activities, including gains on disposal of intangible assets and items of property, plant and equipment.

2.3 Other external expenses

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

2.4 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 is recognised:

- in the income statement under employee costs over the vesting period, and
- in the balance sheet under equity over the vesting period.

2.5 Depreciation and impairment losses

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

2.6 Income from investments in subsidiaries

Dividend from investments is recognised in the reporting year in which the dividend is declared.

2.7 Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating 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 and foreign currency transactions and surcharges and allowances under tax payments, etc.

Accounting policies

2.8 Tax for the year

The company is subject to the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The ultimate parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

The tax expense for the year, which comprises the year's current tax charge, joint taxation contributions and changes in the deferred tax charge - including changes arising from changes in tax rates - 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.

3 Balance sheet

3.1 Intangible assets

Development costs comprise costs directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

3.2 Tangible assets

Tangible assets which is not a lease is 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.

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.

Accounting policies

Where individual parts of an item of property, plant and equipment have different useful lives, the cost is divided into separate parts, which are depreciated separately, and the individual part constitutes a significant part of the total cost.

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

Leasehold improvements	8-9 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.

3.3 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.

3.4 Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there are indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The value in use 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.

3.5 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 has been impaired, an impairment loss is recognised on an individual basis.

Accounting policies

3.6 Prepayments

Prepayments recognised under current assets comprise expenses incurred concerning subsequent financial years.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash.

3.8 Equity

(a) Dividend

Dividend proposed for the year is recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is disclosed as a separate item under equity.

3.9 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 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.

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.

3.10 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.

Accounting policies

3.11 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.

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.

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

4 Cash flow statement

In pursuance of Section 86(4) of the Danish Financial Statements Act, the company has omitted preparing a cash flow statement as the company's cash flow is included in the consolidated cash flow statement of Ørsted A/S.

4.1 Financial highlights

Definitions of financial ratios.

EBIT margin	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
EBITDA margin	$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$

Income statement 01 January - 31 December

	Note	2023 TDKK	2022 TDKK
Revenue	1	2.885.377	2.952.835
Other operating income		3.882	1.227
Other external expenses		(1.441.666)	(1.670.449)
Gross profit		1.447.593	1.283.613
Staff costs	2	(1.284.268)	(1.152.281)
Profit before amortisation/depreciation and impairment losses		163.325	131.332
Depreciation and impairment of property, plant and equipment		(46.433)	(40.946)
Other operating expenses		(45)	0
Profit before net financials		116.847	90.386
Financial income	3	44.945	13.696
Financial expenses	4	(25.548)	(13.745)
Profit before tax		136.244	90.337
Tax on profit/loss for the year	5	(30.304)	(25.029)
Profit for the year		105.940	65.308
Distribution of profit	6		

Balance sheet 31 December

	Note	2023 TDKK	2022 TDKK
Assets			
Non-current assets			
<i>Intangible assets</i>			
	7	0	0
<i>Tangible assets</i>			
	8		
Fixtures and fittings, tools and equipment		77.573	83.297
Property, plant and equipment under construction		14.345	12.841
Leasehold improvements		16.701	20.041
		108.619	116.179
<i>Financial assets</i>			
Investments in subsidiaries	9	137.905	137.905
Deferred tax assets		63.824	71.815
		201.729	209.720
Total non-current assets		310.348	325.899
Current assets			
<i>Receivables</i>			
Trade receivables		3.320	5.595
Other receivables		13.441	27.895
Prepayments	11	175.038	206.849
Receivables from group companies	10	919.813	593.584
		1.111.612	833.923
Total current assets		1.111.612	833.923
Total assets		1.421.960	1.159.822
Equity and liabilities			
<i>Equity</i>			
Share capital	12	500	500
Retained earnings		588.926	477.055

Balance sheet 31 December

	Note	2023 TDKK	2022 TDKK
Total equity		589.426	477.555
<i>Current liabilities</i>			
Trade payables		198.376	188.683
Payables to group companies	10	400.115	272.784
Other payables		223.547	178.033
Bank debt		2.139	223
Corporation tax payable		8.357	42.544
Total current liabilities		832.534	682.267
Total liabilities		832.534	682.267
Total equity and liabilities		1.421.960	1.159.822
Subsequent events	13		
Contingent assets, liabilities and other financial obligations	14		
Related parties and ownership structure	15		
Fees to auditors	16		

Statement of changes in equity

	Share capital TDKK	Retained earnings TDKK	Total TDKK
Equity at 1 January 2023	500	477.055	477.555
Movement, reserves	0	5.931	5.931
Net profit/loss for the year	0	105.940	105.940
Equity at 31 December 2023	500	588.926	589.426

Movement, reserves TDKK 9.729 regards share based payment.

Movement, reserves TDKK -3.798 regards tax on share based payment.

Notes to the financial statements

1. Segment information

	2023	2022
	TDKK	TDKK
Revenue from services	2.539.701	2.682.395
Other revenue	345.676	270.440
Total revenue	2.885.377	2.952.835

Geographical segments

Denmark	1.578.196	2.952.835
Rest of world	1.307.181	0
Total revenue	2.885.377	2.952.835

2. Staff costs

	2023	2022
	TDKK	TDKK
Wages and salaries	1.148.921	1.032.086
Pensions	103.333	93.298
Other social security costs	18.122	17.599
Other staff costs	13.892	9.298
	1.284.268	1.152.281
	2023	2022
Average number of employees	1.418	1.383

Remuneration to the executive board in 2023 was TDKK 35.

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management for 2022 is not disclosed.

Notes to the financial statements

Incentive plans

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.

3. Financial income

	2023	2022
	TDKK	TDKK
Interest income from group enterprises	17.163	101
Exchange rate gains	27.781	13.586
Other financial income	1	9
	44.945	13.696

Notes to the financial statements

4. Financial expenses

	2023	2022
	TDKK	TDKK
Interest expense to group enterprises	705	738
Exchange rate expense	24.690	12.242
Other financial expenses	153	765
	25.548	13.745

5. Tax for the year

	2023	2022
	TDKK	TDKK
<i>Tax for the year</i>		
Current tax for the year	26.099	42.544
Deferred tax for the year	4.194	(17.530)
Adjustment of tax concerning previous years	11	15
	30.304	25.029

6. Distribution of profit

	2023	2022
	TDKK	TDKK
<i>Recommended appropriation of profit/loss</i>		
Retained earnings	105.940	65.308
	105.940	65.308

Notes to the financial statements

7. Intangible assets

	Completed development projects TDKK
Cost at 1 January 2023	519.162
Cost at 31 December 2023	519.162
Amortisation and impairment losses at 1 January 2023	519.162
Amortisation and impairment losses at 31 December 2023	519.162
Carrying amount at 31 December 2023	0

8. Tangible assets

	Property, plant Fixtures and fittings, plant and equipment TDKK	and equipment under construction TDKK	Leasehold improvements TDKK	Total TDKK
Cost at 1 January 2023	369.440	12.841	29.341	411.622
Additions	37.369	1.504	0	38.873
Cost at 31 December 2023	406.809	14.345	29.341	450.495
Depreciation and impairment losses at 1 January 2023	286.143	0	9.300	295.443
Depreciation	43.093	0	3.340	46.433
Depreciation and impairment losses at 31 December 2023	329.236	0	12.640	341.876
Carrying amount at 31 December 2023	77.573	14.345	16.701	108.619

Notes to the financial statements

9. Investments in subsidiaries

	2023	2022
	TDKK	TDKK
Cost at 1 January	137.905	137.905
Additions for the year	0	0
Cost at 31 December	137.905	137.905
Carrying amount at 31 December	137.905	137.905

Name	Registered office	Ownership	Profit/loss	Equity
		%	TDKK	TDKK
Orsted Polska Sp. z o.o.	Poland	100	12.461	37.783
Orsted Services Malaysia Sdn. Bhd.	Malaysia	100	14.794	60.817
Orsted UK Limited	England	100	20.602	144.036
Orsted Kraftwerke Holding GmbH	Germany	100	81	40.534
Orsted Nature Based Solution AS	Denmark	100	4.401	51.690

Notes to the financial statements

10. Receivables and payables from group companies

The company's receivables from group companies includes TDKK 54.540 in a cash pool scheme with the ultimate parent company Ørsted A/S (2022: payables TDKK 174.797).

11. Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest.

12. Share capital

The share capital consists of 1 share of a nominal value of TDKK 500. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

13. Subsequent events

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

14. Contingent assets, liabilities and other financial obligations

14.1 Liability in joint taxation

The group's Danish companies are jointly and severally liable for tax on group jointly taxes income, etc. Reference is made to the annual report for Ørsted A/S, the administration company in relation to joint taxation. The group's Danish companies are also jointly and severally liable for Danish withholding taxes on dividends, royalties and interests within the group of jointly taxed entities. Any subsequent corrections to income and withholding taxes may result in an increase in the entities' liability.

The group's danish entities are jointly and severally liable for joint VAT registration.

15. Related parties and ownership structure

Controlling interest

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

Other related parties

The Danish State represented by the Ministry of Finance
Group enterprises and associates
Board of directors, executive board and senior employee

Notes to the financial statements

Transactions

Except for intergroup transactions and usual remuneration transactions, there have been no transactions with the board of directors, executive board, senior executives, major shareholders, group companies or other related parties during the year.

16. Fees paid to auditors appointed at the annual 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.