

# Ørsted Nearshore Wind ApS

CVR no. 31080223

## **Annual report 2023**

Approved at the Company's annual general meeting on 20 March 2024

Chair: Jeppe Skov Andersen

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Ørsted Nearshore Wind ApS - Kraftværksvej 53, Skærbæk, 7000 Fredericia

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## **Company information**

### **Company**

Ørsted Nearshore Wind ApS  
Kraftværksvej 53 Skærbæk  
7000 Fredericia

Company CVR: 31080223

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

Annual general meeting: 20 March 2024

### **Board of Directors**

Niels Falk Davidsen Chair  
Daniel Langfeldt, Deputy Chair  
Søren Tind Scherfig

### **Executive Board**

Søren Tind Scherfig, Director

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup  
Denmark

### **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://orstedcdn.azureedge.net/-/media/annual-report-2023/orsted-ar-2023.pdf?rev=526307f68e2047b3a1df8dd2cdf719ec&hash=E6069E12C1792AD620FA12898587394C>

## 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 Nearshore Wind ApS 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, 12 March 2024

### Executive Board:

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Søren Tind Scherfig,  
Director

### Board of Directors:

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Niels Falk Davidsen  
Chair

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Daniel Langfeldt,  
Deputy Chair

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Søren Tind Scherfig

## Independent auditor's report

### 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 Nearshore Wind ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes ("financial statements") and a summary of significant accounting policies.

### 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, 12 March 2024

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33771231

Frederik Tvedeskov Jantzen  
State Authorised Public Accountant  
mne47815

**Management's review**

**Management commentary**

**Business review**

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

**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.

**Significant events occurring after the end of the financial year**

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



## Accounting policies

The annual report of Ørsted Nearshore Wind ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to Reporting class B entities, as well as selected rules applying to reporting class C.

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.

### 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

Income from the sale of electricity and grants for the sale of electricity 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.

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.

## Accounting policies

### 2.2 Government grants

Government grants comprise grants for environment-friendly generation. Government grants are recognised when there is reasonable assurance that they will be received.

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

### 2.3 Cost of sales

Cost of sales comprise the costs incurred by the company to generate the years revenue. Such costs are recognised in the income statement as incurred.

### 2.4 Other external expenses

Other external expenses include expenses related to sale, administration, premises, bad debts etc.

### 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 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, realised and unrealised capital/exchange and foreign currency transactions and surcharges and allowances under tax payments, etc.

### 2.7 Tax for the year

The parent 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.

## Accounting policies

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 Tangible assets

Tangible assets 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.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The basis of depreciation is determined as cost reduced by any residual value, and depreciation is charged using sum of digits method over the expected useful lives of the assets, which are:

Plant and Machinery	20 years
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The residual value of the company's property, plant and equipment is reassessed annually.

#### 3.2 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.

#### 3.3 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

### 3.4 Equity

#### *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.

### 3.5 Provisions

Provisions comprise expected expenses relating to restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions, except for deferred tax, are measured at fair value.

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.

### 3.6 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.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Corporation tax receivable' or 'Corporation tax payable'.

## Accounting policies

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.

### 3.7 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.

### 3.8 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.

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

## Income statement 01 January - 31 December

	Note	2023 TDKK	2022 TDKK
Revenue		11.990	26.213
Cost of sales		(437)	(398)
Other external expenses		(4.901)	(2.823)
<b>Gross profit</b>		<b>6.652</b>	<b>22.992</b>
Staff costs	1	0	0
<b>Profit before amortisation/depreciation and impairment losses</b>		<b>6.652</b>	<b>22.992</b>
Depreciation and impairment of property, plant and equipment		(4.626)	(5.173)
<b>Profit before net financials</b>		<b>2.026</b>	<b>17.819</b>
Financial income	2	3.007	308
Financial expenses	3	(154)	(145)
<b>Profit before tax</b>		<b>4.879</b>	<b>17.982</b>
Tax on profit/loss for the year	4	(1.106)	(3.956)
<b>Profit for the year</b>		<b>3.773</b>	<b>14.026</b>
Distribution of profit	5		

**Balance sheet 31 December**

	Note	2023 TDKK	2022 TDKK
<b>Assets</b>			
<b>Non-current assets</b>			
<i>Tangible assets</i>			
Plant and machinery	6	17.294	21.919
		<b>17.294</b>	<b>21.919</b>
<b>Total non-current assets</b>		<b>17.294</b>	<b>21.919</b>
<b>Current assets</b>			
<i>Receivables</i>			
Trade receivables		788	190
Deferred tax asset		1.029	598
Receivables from group companies	7	93.466	88.525
		<b>95.283</b>	<b>89.313</b>
<b>Total current assets</b>		<b>95.283</b>	<b>89.313</b>
<b>Total assets</b>		<b>112.577</b>	<b>111.232</b>
<b>Equity and liabilities</b>			
<i>Equity</i>			
Share capital	8	500	500
Retained earnings		103.188	99.415
<b>Total equity</b>		<b>103.688</b>	<b>99.915</b>
<i>Non-current liabilities</i>			
Other provisions	9	4.431	5.881
<b>Total non-current liabilities</b>		<b>4.431</b>	<b>5.881</b>
<i>Current liabilities</i>			
Other provisions	9	1.600	0
Trade payables		14	202
Payables to group companies	7	1.269	465
Other payables		38	39
Corporation tax payable		1.537	4.730
<b>Total current liabilities</b>		<b>4.458</b>	<b>5.436</b>

**Balance sheet 31 December**

	Note	2023 TDKK	2022 TDKK
<b>Total liabilities</b>		<b>8.889</b>	<b>11.317</b>
<b>Total equity and liabilities</b>		<b>112.577</b>	<b>111.232</b>
Subsequent events	10		
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## Statement of changes in equity

	Share capital TDKK	Retained earnings TDKK	Total TDKK
Equity at 1 January 2023	500	99.415	99.915
Net profit/loss for the year	0	3.773	3.773
<b>Equity at 31 December 2023</b>	<b>500</b>	<b>103.188</b>	<b>103.688</b>

## Notes to the financial statements

## 1. Staff costs

	2023	2022
Average number of employees	1	1

## 2. Financial income

	2023 TDKK	2022 TDKK
Interest income from group enterprises	3.006	308
Exchange rate gains	1	0
	<b>3.007</b>	<b>308</b>

## 3. Financial expenses

	2023 TDKK	2022 TDKK
Exchange rate expense	3	0
Interest element abandonment	150	145
Other financial costs	1	0
	<b>154</b>	<b>145</b>

## 4. Tax for the year

	2023 TDKK	2022 TDKK
<i>Tax for the year</i>		
Current tax for the year	1.538	4.730
Deferred tax for the year	(432)	(774)
Adjustment of tax concerning previous years	0	1
	<b>1.106</b>	<b>3.957</b>

## Notes to the financial statements

## 5. Distribution of profit

	2023	2022
	TDKK	TDKK
<i>Recommended appropriation of profit/loss</i>		
Retained earnings	3.773	14.026
	<b>3.773</b>	<b>14.026</b>

## 6. Tangible assets

	Plant and machinery TDKK
Cost at 1 January 2023	78.573
<b>Cost at 31 December 2023</b>	<b>78.573</b>
Depreciation and impairment losses at 1 January 2023	56.653
Depreciation	4.626
<b>Depreciation and impairment losses at 31 December 2023</b>	<b>61.279</b>
<b>Carrying amount at 31 December 2023</b>	<b>17.294</b>

## Notes to the financial statements

### 7. Receivables and payables from group companies

The company's receivables from group companies includes TDKK 90,375 in a cash pool scheme with the ultimate parent company Ørsted A/S (2022: TDKK 82,904).

### 8. Share capital

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

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

### 9. Other provisions

	2023	2022
	TDKK	TDKK
Balance at 1 January	5.881	5.736
Provision for the year	150	145
<b>Other provisions at 31 December</b>	<b>6.031</b>	<b>5.881</b>
<i>Other provisions are expected to mature within:</i>		
0-1 year	1.600	1.600
> 5 years	4.431	4.281
	<b>6.031</b>	<b>5.881</b>

### 10. Subsequent events

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

### 11. Contingent assets, liabilities and other financial obligations

#### 11.1 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.

**Notes to the financial statements**

**12. 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

Group enterprises and associates

Board of directors, executive board and senior employee