

Ørsted New Bio Solutions Holding A/S

CVR no. 32319017

Annual report 2023

Approved at the Company's annual general meeting on 21 May 2024

Chair: Jeppe Skov Andersen

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Ørsted New Bio Solutions Holding A/S - Kraftværksvej 53, Skærbæk, 7000 Fredericia

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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 New Bio Solutions Holding 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.

Management recommends that the annual report should be approved at the annual general meeting.

Skærbæk, 8 May 2024

Executive Board:

Hanne Risbjerg Sørensen,
Director

Board of Directors:

Mikael Brandt,
Chair

Ole Thomsen,
Deputy chair

Hanne Risbjerg Sørensen

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 New Bio Solutions Holding 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.

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.

Independent auditor's report

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.
- 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.

Independent auditor's report

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, 8 May 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33771231

Morten Jacobsen
State Authorised Public Accountant
mne44140

Company information

Company

Ørsted New Bio Solutions Holding A/S
Kraftværksvej 53 Skærbæk
7000 Fredericia

Company CVR: 32319017

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

Annual general meeting: 21 May 2024

Board of Directors

Mikael Brandt, Chair
Ole Thomsen, Deputy chair
Hanne Risbjerg Sørensen

Executive Board

Hanne Risbjerg Sørensen, 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>

Accounting policies

The annual report of Ørsted New Bio Solutions Holding A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to Reporting class B 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 Other external expenses**

Other external expenses include expenses related to administration.

2.2 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 gains and losses on foreign currency transactions and surcharges and allowances under tax payments, etc.

Accounting policies

2.3 Income from investments in subsidiaries

Gain and loss from disposals of subsidiaries is recognised in the reporting year of the divestment. Dividend from investments is recognised in the reporting year in which the dividend is declared.

2.4 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 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.

3.2 Impairment of fixed assets

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

Accounting policies

Where there are indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. 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.

3.3 Receivables

Receivables are measured at amortised cost.

3.4 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.

3.5 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 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

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.

3.6 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**3.7 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.

Income statement 01 January - 31 December

	Note	2023 TDKK	2022 TDKK
Other external expenses		(16)	(12)
Gross profit		(16)	(12)
Staff costs	2	0	0
Loss before net financials		(16)	(12)
Expense from investments in subsidiaries		(194.895)	0
Financial income		1.431	163
Financial expenses		(6)	(2)
(Loss)/Profit before tax		(193.486)	149
Tax on profit/loss for the year	3	(310)	(28)
(Loss)/Profit for the year		(193.796)	121
Distribution of profit	4		

Balance sheet 31 December

	Note	2023 TDKK	2022 TDKK
Assets			
Non-current assets			
<i>Financial assets</i>			
Investments in subsidiaries	5	13.508	208.403
		13.508	208.403
Total non-current assets		13.508	208.403
Current assets			
<i>Receivables</i>			
Deferred tax asset		0	1
Receivables from group companies	6	45.102	43.692
		45.102	43.693
Total current assets		45.102	43.693
Total assets		58.610	252.096
Equity and liabilities			
<i>Equity</i>			
Share capital		12.000	12.000
Retained earnings		46.255	240.051
Total equity		58.255	252.051
<i>Current liabilities</i>			
Payables to group companies	6	31	0
Other payables		14	12
Corporation tax payable		310	33
Total current liabilities		355	45
Total liabilities		355	45
Total equity and liabilities		58.610	252.096
Main activity	1		
Contingent assets, liabilities and other financial obligations	7		

Statement of changes in equity

	Share capital TDKK	Retained earnings TDKK	Total TDKK
Equity at 1 January 2023	12.000	240.051	252.051
Net profit/loss for the year	0	(193.796)	(193.796)
Equity at 31 December 2023	12.000	46.255	58.255

Notes to the financial statements

1. Main activity

The object for which the Company is established are to conduct business within the environmental and energy sector and related activities. The objects of the Company also include advising and research within the area of energy and environment.

New Bio Solutions develops new technologies to exploit biomass and waste as replacement for fossil fuels. We have already taken the first big step in the right direction and developed unique technologies, which utilise biomass, waste and other waste products for energy production.

Ørsted New Bio Solutions Holding A/S has 3 subsidiaries in Denmark.

2. Staff costs

	2023	2022
Average number of employees	1	1

3. Tax for the year

	2023 TDKK	2022 TDKK
<i>Tax for the year</i>		
Current tax for the year	310	33
Adjustment of tax concerning previous years	(1)	(4)
Adjustment of deferred tax concerning previous years	1	(1)
	310	28

4. Distribution of profit

	2023 TDKK	2022 TDKK
<i>Recommended appropriation of profit/loss</i>		
Retained earnings	(193.796)	121
	(193.796)	121

Notes to the financial statements

5. Investments in subsidiaries

	2023	2022
	TDKK	TDKK
Cost at 1 January	638.502	465.000
Additions for the year	0	173.502
Cost at 31 December	638.502	638.502
Impairments at 1 January	(430.099)	(430.099)
Impairments for the year, net	(194.895)	0
Impairments at 31 December	(624.994)	(430.099)
Carrying amount at 31 December	13.508	208.403

6. Receivables and payables from group companies

The company's receivables from group companies includes TDKK 45,102 in a cash pool scheme with the ultimate parent company Ørsted A/S (2022: TDKK 43,692).

7. Contingent assets, liabilities and other financial obligations

7.1 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.