

Pyroneer A/S

Annual report for 2018

CVR no. 33 96 21 85

Adopted at the annual general meeting on 12 April
2019

Ulrik Jarlov
chairman

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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 model financial statements for the financial year 1 January - 31 December 2018.

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 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

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

Skærbæk, 19 March 2019

Executive board

Hannes Reuter
director

Board of Directors

Thomas Dalsgaard
chairman

Mikael Brandt
deputy chairman

Niels Henriksen

Independent auditor's report

To the shareholder of Pyroneer 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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act

We have audited the Financial Statements of Pyroneer A/S for the financial year 1 January - 31 December 2018, which comprise a summary of 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.

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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

Independent auditor's report

- 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, 19 March 2019

PriceWaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant
MNE no. mne28705

Claus Damhave
State Authorised Public Accountant
MNE no. mne34166

Company details

The company

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7000 Fredericia

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Website: www.orsted.com

CVR no.: 33 96 21 85

Reporting period: 1 January - 31 December 2018
Incorporated: 7. October 2011

Domicile: Fredericia

Board of Directors

Thomas Dalsgaard, chairman
Mikael Brandt, deputy chairman
Niels Henriksen

Executive board

Hannes Reuter, director

Auditors

PriceWaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Consolidated financial statements

The Company is included in the consolidated financial statements of the ultimate 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

Income statement 1 January - 31 December

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
Gross profit		-25	-150
Financial income		0	2
Financial expense	1	<u>-18</u>	<u>-75</u>
Profit/loss before tax		-43	-223
Tax on profit/loss for the year		<u>10</u>	<u>49</u>
Profit/loss for the year		<u>-33</u>	<u>-174</u>

Distribution of profit

Retained earnings		<u>-33</u>	<u>-174</u>
		<u>-33</u>	<u>-174</u>

Balance sheet 31 December

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
Assets			
Receivables from group enterprises		3.987	3.999
Corporation tax		9	49
Receivables		<u>3.996</u>	<u>4.048</u>
Total current assets		<u>3.996</u>	<u>4.048</u>
Total assets		<u><u>3.996</u></u>	<u><u>4.048</u></u>
Equity and liabilities			
Share capital		2.000	2.000
Retained earnings		1.985	2.018
Equity		<u>3.985</u>	<u>4.018</u>
Trade payables		0	20
Other payables		11	10
Total current liabilities		<u>11</u>	<u>30</u>
Total liabilities		<u>11</u>	<u>30</u>
Total equity and liabilities		<u><u>3.996</u></u>	<u><u>4.048</u></u>
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Statement of changes in equity

	Share capital TDKK	Retained earnings TDKK	Total TDKK
Equity at 1 January 2018	2.000	2.018	4.018
Net profit/loss for the year	0	-33	-33
Equity at 31 December 2018	2.000	1.985	3.985

Notes

	2018 TDKK	2017 TDKK
1 Financial expense		
Financial expenses, group enterprises	15	72
Other financial expense	3	3
	<u>18</u>	<u>75</u>

2 Micro B enterprises

Accounting principles regarding micro B enterprises

The Company has adopted the rules applying for micro enterprises according to the Danish Financial Statements Act.

The company will not present accounting principles.

The company has chosen to represent the Statement of Changes in Equity.

Development in the year

There has been limited activity in the Company during the year.

3 Main activity

Pyroneer A/S is part of the Ørsted Group and a subsidiary of Ørsted New Bio Solutions Holding A/S, Fredericia. Reference is made to the Annual report of Ørsted A/S.

The objects for which the Company is established are to conduct business within the environmental and energy sector and related activities.

4 Contingent assets, liabilities and other financial obligations

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.