

# **Orsted Nature Based Solutions A/S**

## **Annual report 2023**

CVR no. 42485055

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

Chair: Jeppe Skov Andersen

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Orsted Nature Based Solutions 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 Orsted Nature Based Solutions 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, 3 June 2024

**Executive Board:**

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Thomas Søndergaard Lyse  
Director

**Board of Directors:**

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Ingrid Maryanne Till Reumert  
chair

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Ole Thomsen  
deputy chair

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Lars Brinch Danielsen

## Independent auditor's report

### *To the shareholder of Orsted Nature Based Solutions 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 Orsted Nature Based Solutions 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, 3 June 2024

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33771231

Daniel Kønigsfeld Sitch  
State Authorised Public Accountant  
mne47889

Emrah Neziri  
State Authorised Public Accountant  
mne50656

## **Company information**

### **Company**

Ørsted Nature Based Solutions A/S  
Kraftværksvej 53 Skærbæk  
7000 Fredericia

Company CVR: 42485055

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

Annual general meeting: 12 June 2024

### **Board of Directors**

Ingrid Maryanne Till Reumert chair  
Ole Thomsen deputy chair  
Lars Brinch Danielsen

### **Executive Board**

Thomas Søndergaard Lyse 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://orsted.com/en/investors/ir-material/financial-reports-and-presentations>

## Accounting policies

The annual report of Orsted Nature Based Solutions A/S 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

Revenue comprise the sale of services, which include obtaining carbon credits, to companies in the Ørsted Group. Income from revenue from services 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.

#### 2.2 Other external expenses

Other external expenses include expenses related to administration, premises, etc.



## Accounting policies

### 2.3 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 securities and foreign currency transactions and surcharges, etc.

### 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 Receivables

Receivables, which include trade receivables, receivables from group entities and other 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.

### 3.2 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.

## Accounting policies

### 3.3 Income tax and deferred tax

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

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

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

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

### 3.4 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.

### 3.5 Inventories

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

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

The cost of finished goods, work in progress and related prepayments of inventories includes the cost of raw materials, consumables, direct labour and indirect production expenses. The indirect production expenses include indirect costs of material and labour used in the production of carbon credits.

## **Accounting policies**

### **3.6 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.

**Income statement 01 January - 31 December**

	Note	2023 TDKK	2022 TDKK
Revenue		5.942	10.215
Other external expenses		(6.528)	(4.733)
<b>Gross profit</b>		<b>(586)</b>	<b>5.482</b>
Staff costs	2	0	0
<b>(Loss)/profit before net financials</b>		<b>(586)</b>	<b>5.482</b>
Financial income	3	1.289	190
Financial expenses	4	(542)	(26)
<b>Profit before tax</b>		<b>161</b>	<b>5.646</b>
Tax on profit/loss for the year	5	(35)	(1.245)
<b>Profit for the year</b>		<b>126</b>	<b>4.401</b>
Distribution of profit	6		

## Balance sheet 31 December

	Note	2023 TDKK	2022 TDKK
<b>Assets</b>			
<b>Current assets</b>			
<i>Inventories</i>			
Prepayments on inventories		26.119	4.887
		<b>26.119</b>	<b>4.887</b>
<i>Receivables</i>			
Deferred tax asset	7	0	139
Receivables from group companies	8	45.732	49.913
Corporation tax receivable		230	0
		<b>45.962</b>	<b>50.052</b>
<b>Total current assets</b>		<b>72.081</b>	<b>54.939</b>
<b>Total assets</b>		<b>72.081</b>	<b>54.939</b>
<b>Equity and liabilities</b>			
<i>Equity</i>			
Share capital		10.000	10.000
Other reserves		40.000	40.000
Retained earnings		1.816	1.690
<b>Total equity</b>		<b>51.816</b>	<b>51.690</b>
<i>Current liabilities</i>			
Trade payables		41	565
Payables to group companies	8	20.151	1.292
Other payables		73	150
Corporation tax payable		0	1.242
<b>Total current liabilities</b>		<b>20.265</b>	<b>3.249</b>
<b>Total liabilities</b>		<b>20.265</b>	<b>3.249</b>
<b>Total equity and liabilities</b>		<b>72.081</b>	<b>54.939</b>

**Balance sheet 31 December**

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## Statement of changes in equity

	Share capital TDKK	Retained earnings TDKK	Other reserves TDKK	Total TDKK
Equity at 1 January 2023	10.000	1.690	40.000	51.690
Net profit/loss for the year	0	126	0	126
<b>Equity at 31 December 2023</b>	<b>10.000</b>	<b>1.816</b>	<b>40.000</b>	<b>51.816</b>

## Notes to the financial statements

### 1. Main activity

The main activity of the company is to develop voluntary carbon offset credits through Nature Based Solutions and subsequently sell these within the Ørsted A/S Group or externally.

### 2. Staff costs

	2023	2022
Average number of employees	1	1

The executive board and board of directors have not been paid remuneration.

### 3. Financial income

	2023 TDKK	2022 TDKK
Interest income from group enterprises	1.230	182
Exchange rate gains	59	8
	<b>1.289</b>	<b>190</b>

### 4. Financial expenses

	2023 TDKK	2022 TDKK
Exchange rate expense	536	20
Other financial expenses	6	6
	<b>542</b>	<b>26</b>



## Notes to the financial statements

## 5. Tax for the year

	2023	2022
	TDKK	TDKK
<i>Tax for the year</i>		
Current tax for the year	37	1.242
Adjustment of tax concerning previous years	(141)	142
Adjustment of deferred tax concerning previous years	139	(139)
	<b>35</b>	<b>1.245</b>

## 6. Distribution of profit

	2023	2022
	TDKK	TDKK
<i>Recommended appropriation of profit/loss</i>		
Retained earnings	126	4.401
	<b>126</b>	<b>4.401</b>

## 7. Deferred tax

	2023	2022
	TDKK	TDKK
Deferred tax at 1 January	139	0
Deferred tax recognised in income statement	(139)	0

*The deferred tax charge relates to:*

Tax loss carry-forwards	0	139
<b>Transferred to deferred tax asset</b>	<b>0</b>	<b>139</b>

*Deferred tax asset*

Calculated tax asset	0	139
<b>Carrying amount</b>	<b>0</b>	<b>139</b>

**Notes to the financial statements****8. Receivables and payables from group companies**

The company's receivables from group companies includes TDKK 40.543 in a cash pool scheme with the ultimate parent company Ørsted A/S (2022: TDKK 48.555).

**9. Subsequent events**

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

**10. Contingent assets, liabilities and other financial obligations****10.1 Liability in joint taxation**

The Ørsted 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.

**11. 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