

NORECO DENMARK A/S

ANNUAL REPORT 2022

Adopted by the Annual General Meeting on
15 May 2023

Chairman of the meeting
Allan Plesner Søndergaard

NORECO DENMARK A/S
Lyngbyvej 2, 2100 Copenhagen
CVR-nr. 29 52 08 52

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Noreco Denmark A/S for the financial year 1 January – 31 December 2022.

The annual report has been 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 assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 15 May 2023

Executive Board

Marianne Wold Eide

Board of Directors

Euan Campbell Shirlaw
Chairman

Marianne Wold Eide

Allan Plesner Søndergaard

Independent auditor's report

To the shareholders of Noreco Denmark A/S

Opinion

We have audited the financial statements of Noreco Denmark A/S for the financial year 1 January – 31 December 2022, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are 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 assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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.

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.

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 the Management's review and, in doing so, consider whether the 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, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 15 May 2023

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Jon Beck
State Authorised
Public Accountant
mne32169

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Company Information

The Company

Noreco Denmark A/S
Lyngbyvej 2
DK - 2100 Copenhagen

CVR-nr: 29 52 08 52
Financial year: 1 January – 31 December
Registered municipality: Copenhagen

Board of Directors

Euan Campbell Shirlaw, Chairman
Allan Plesner Søndergaard
Marianne Wold Eide

Executive Board

Marianne Wold Eide

External Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Principal activities

Noreco Denmark A/S is a wholly owned subsidiary of Altinex AS, whose ultimate owner is the listed Norwegian company BlueNord ASA, from which the consolidated financial statements can be requested.

Noreco Denmark A/S was founded 28 April 2006 with the purpose of acquiring and owning the share capital of the subsidiary Noreco Oil Denmark A/S.

In October 2018, Norwegian Energy Company ASA announced the acquisition of Shell's Danish upstream assets, including a 36.8 % interest in the Danish Underground Consortium (the "DUC"), for a consideration of USD 1.334 billion. The transaction was approved by the Danish Energy Agency in April 2019 and was completed in July 2019, through the acquisition of Shell Olie- og Gasudvinding Danmark B.V. ("SOGU"). The 36.8 % interest in the Danish Underground Consortium has been assigned to Noreco Oil Denmark A/S, which has given a significant increase in Noreco Oil Denmark A/S' activity and solidity.

Key operations and profit

In 2022 the net profit before tax amounted to USD 164 thousand (2021 USD 105 thousand).

At 31 December 2022 the equity amounted to USD 331.4 million, compared to USD 331.3 million as of 1 January 2022.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

In March 2023 Noreco announced its intention to change name to BlueNord, the name change was approved by the Annual General Meeting in Norwegian Energy Company ASA, held on April 25 2023.

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Financial Statements 1 January - 31 December

Income Statement

NOTE	USD '000	2022	2021
1	Administrative costs	-19	-16
	Profit before financial items	-19	-16
2	Financial income	183	121
	Profit before tax	164	105
3	Tax on the profit for the year	-36	-23
	PROFIT FOR THE YEAR	128	83
4	Proposed distribution of net profit		

BALANCE SHEET - ASSETS

NOTE	USD '000	2022	2021
FIXED ASSETS			
5	Investments in subsidiary	328,944	328,944
6	Loans to group entities	2,569	2,527
Financial fixed assets		331,513	331,471
TOTAL FIXED ASSETS		331,513	331,471
CURRENT ASSETS			
	Other receivables	2	0
	Receivables from affiliates	2,219	1,760
Receivables		2,221	1,760
TOTAL CURRENT ASSETS		2,221	1,760
TOTAL ASSETS		333,734	333,231

BALANCE SHEET - LIABILITIES

NOTE	USD '000	2022	2021
SHAREHOLDERS' EQUITY			
	Share capital	190	190
	Retained earnings	331,289	331,161
	TOTAL SHAREHOLDERS' EQUITY	331,479	331,351
LIABILITIES			
	Tax payable	2,255	1,880
	Short-term liabilities	2,255	1,880
	TOTAL LIABILITIES OTHER THAN PROVISIONS	2,255	1,880
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	333,734	333,231

7 Contingent liabilities

8 Related parties

Statement of changes in equity

USD '000	Share capital	Retained Earnings	Proposed dividend for the year	Total equity
2022				
Equity at 1 January	190	331,161	0	331,351
Ordinary dividend paid	0	0	0	0
Net profit for the year	0	128	0	128
Equity at 31 December	190	331,289	0	331,479
2021				
Equity at 1 January	190	331,078	0	331,268
Ordinary dividend paid	0	0	0	0
Net profit for the year	0	83	0	83
Equity at 31 December	190	331,161	0	331,351

NOTES TO THE ACCOUNTS

NOTE USD '000	2022	2021
1 There are no employees in the company and the board does not receive remuneration		
2 Financial income		
Interest from affiliates	183	120
Exchange rate adjustments	0	0
Total	183	121
3 Tax		
Tax on the result for the year	36	23
Adjustment deferred tax	0	0
Adjustment regarding previous years	0	0
Total	36	23
4 Proposed distribution of net profits		
Retained earnings brought forward	128	83
Proposed dividend	0	0
Total	128	83

NOTES TO THE ACCOUNTS

NOTE USD '000	2022	2021
5 Investments in subsidiaries		
Acquisition cost as at 1 January	328,944	328,944
Additions during the year	0	0
Acquisition cost as at 31 December	328,944	328,944
Value adjustments as at 1 January	0	0
Reversal/write down	0	0
Value adjustments as at 31 December	0	0
Book value as at 31 December	328,944	328,944

Investments in subsidiaries are specified as follows:

Name:	Address:	Share of votes and interest	Profit for the year	Equity
Noreco Oil Denmark A/S	Copenhagen, Denmark	100%	103,339	503,173

NOTES TO THE ACCOUNTS

NOTE USD '000	2022	2021
6 Loans to group entities		
As at 1 January	2,526	2,437
Additions during the year	43	89
Book value as at 31 December	2,569	2,526

7 Contingent liabilities

The shares of the subsidiary Noreco Oil Denmark A/S has been pledged as collateral for the Noreco Group's loans.

The company is jointly taxed with other Danish group companies. As a group company, the company is indefinitely and jointly and severally liable with other group companies for Danish corporate and withholding taxes on dividends, interest and royalties within the joint taxation. Any subsequent corrections of joint tax income and withholding tax, etc. could result in liability for the company.

8 Related parties

Noreco Denmark A/S' related parties comprise:

Substantial influence

Altinex AS, being principal shareholder.

Noreco Danmark A/S is part of the consolidated financial statements of BlueNord ASA, Nedre Vollgate 0158 Oslo, Norway, which is the smallest and largest group in which the Company is included as a subsidiary.

Other related parties

The company's other related parties comprise companies in the BlueNord Group, board members, management and leading employees and their family members. Further, related parties comprise companies, in which aforementioned persons have substantial interests.

Notes to the Accounts

Applied accounting policies

The annual report is prepared in accordance with the provisions of the Danish Financial Statements Act regarding companies under reporting class B including opt ins from reporting class C.

According to the Danish Financial Statements Act's §112, subsection 1, no consolidated account is to be prepared. The annual reports of Noreco Denmark A/S and its subsidiaries are included in the consolidated accounts for Noreco ASA.

The applied accounting policies are the same as last year.

Foreign currency translation

The annual report is presented in USD, which is the functional currency of the company. The following exchange rates have been used: as of 31 December 2022 0.143426 USD/DKK; and as of 31 December 2021: 0.152411 USD/DKK.

Foreign currency transactions are translated applying the exchange rate at the transaction date. Exchange rate differences arising between the exchange rate at the transaction date and the rate at the payment date are recognised in the income statement as a financial item.

Receivables, debt and other monetary items in foreign currencies not settled at the balance sheet date are measured at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the time the receivable or debt arises is recognised in the income statement under financial income and expenses.

Income Statement

ADMINISTRATION COSTS

Administration costs comprise office costs.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses include interest rates, realized and unrealized exchange gains and losses.

Dividends from investments in subsidiaries are recognized as income in the financial year in which the dividend is declared.

TAX ON PROFIT FOR THE YEAR

Tax on profit for the year consists of the current tax and changes in deferred tax, including changes in tax rates, and is recognised in the income statement with the portion attributable to the profit for the year and directly on equity with the portion attributable to entries directly on equity.

The company is jointly taxed with Noreco Oil Denmark A/S, Noreco Petroleum Denmark A/S, Noreco DK Pipeline ApS and Noreco Olie- og Gasudvinding Danmark B.V. Danish Branch.

Notes to the Accounts (continued)

Applied accounting policies

Balance Sheet

FINANCIAL FIXED ASSET INVESTMENTS

Investments in subsidiaries are measured in the parent company at cost. An impairment test is performed of each asset or group of assets, respectively, if there is an indication of impairment. When the cost exceeds the recoverable amount, write-down is made to the lower value.

RECEIVABLES

Receivables are measured at amortized cost or a lower net realizable value, which is normally nominal value less write-downs to meet any expected losses.

CORPORATE AND DEFERRED TAX

Current tax liabilities and current tax receivable are recognized in the balance sheet as calculated tax for the year taxable income, adjusted for prepaid tax.

Deferred tax is measured using the balance sheet debt method of all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the value at which they are expected to be used. Changes in deferred tax due to changes in tax rates are recognised in the income statement.

LIABILITIES

Liabilities including debt to suppliers and Group entities, as well as other debt, are measured at amortised cost, which usually corresponds to nominal value.