Danish Oil Pipe A/S

CVR no. 34890021

Annual report 2023

Approved at the Company's annual general meeting 20 June 2024

Chair: Jeppe Skov Andersen

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Danish Oil Pipe A/S - Kraftværksvej 53, Skærbæk, 7000 Fredericia

Contents

Company information

Company
Danish Oil Pipe A/S
Kraftværksvej 53 Skærbæk
7000 Fredericia

Company CVR: 34890021

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

Annual general meeting: 20 June 2024

Board of Directors
Mikael Brandt, Chair
Randi Skytte, Deputy Chair
Jeppe Hoff Nielsen

Executive Board
Lars Bach, Director

Auditors
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

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 Danish Oil Pipe 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.

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 June 2024

Executive Board:

Lars Bach,
Director

Board of Directors:

Mikael Brandt, Chair	Randi Skytte, Deputy Chair	Jeppe Hoff Nielsen

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 Danish Oil Pipe 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.

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.

Independent auditor's report

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.

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.

Independent auditor's report

- 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.

Hellerup, 12 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. *33771231*

Thomas Wraae Holm	Daniel Kønigfeld Sitch
State Authorised Public Accountant	State Authorised Public Accountant
mne30141	mne47889

Management's review

Financial highlights

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	316.011	287.564	326.131	377.441	621.882
Profit/loss before amortisation/depreciation and impairment losses	8.737	29.608	29.662	56.019	125.962
Profit/loss before net financials	(780)	23.351	23.405	49.762	120.284
Net financials	17.541	(24.069)	(27.977)	(42.853)	(49.244)
Profit/loss for the year	12.576	(2.043)	(3.349)	3.954	55.488
	TDKK	TDKK	TDKK	TDKK	TDKK
Balance sheet					
Balance sheet total	1.188.066	1.177.130	1.907.861	2.381.737	3.185.438
Investment in property, plant and equipment	77.067	39.153	39.667	3.854	1.285
Equity	456.459	443.883	445.926	449.275	445.321

Management's review

	%	%	%	%	%
Financial ratios					
Gross margin	3	10	9	15	20
EBIT margin	0	8	7	13	19
Return on assets	0	2	1	2	4
Solvency ratio	38	38	23	19	14
Return on equity	3	(1)	(1)	1	12

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and key figures. For definitions, see the summary of accounting policies.

Management's review

Management commentary

Business review

Danish Oil Pipe A/S handles the transport of crude oil and condensate from the Gorm E platform in the North Sea to the crude oil terminal in Fredericia. The oil transport system is owned and operated by the company in accordance with the Danish Pipeline Act and the Danish Payment Order (Betalingsbekendtgørelsen). All costs for plants and operation of the oil transport system are paid by the users.

In connection with the transport of crude oil and condensate, the company, in 2016, established specific separation facilities in order to handle a specific crude oil composition from the Hejre field in the North Sea. The separation facility was built to separate crude oil and condensate with a high volume of gasses, if the Hejre crude oil stream where to be transported through the crude oil pipeline. The facility was never taken into use and has awaited a decision from INEOS to produce crude from the Hejre field. In 2023, Danish Oil Pipe A/S was informed by INEOS (the owner of the Hejre field) that the facilities will not be used as the Hejre crude oil stream would not be routed through the crude oil pipeline. The financial impact is zero, as the facility was not yet taken into use and the users are regardless the decision obliged to pay back the cost for the construction of the facility as well as removal On this basis Danish Oil Pipe A/S has applied for permission to remove the specific separation facility. The permit to remove the facility is pending the Danish Energy Agency’s decision

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with uncertainty.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of 12.576 TDKK (2022: loss of 2.043 TDKK), and the balance sheet at 31 December 2023 shows equity of 456.461 TDKK (2022: 443.883 TDKK).

Net profit (loss) relation to expected development assumed in previous report

The Financial performance for 2023 was impacted by rapidly rising interest rates, and as such the net profit before tax for 2023 was significantly higher than expected.

Management's review

Outlook

Profit before taxes for 2024 is expected to be between TDKK 4.000 to TDKK 6.000.

In connection with the possible Tie-in of the Hejre Field at Gorm E, Danish Oil Pipe A/S has performed a modification project on the platform to accommodate the new riser to be installed under the Hejre Tie-in. The project has included modification of piping and valves in order to facilitate pumping to the Hejre production over Gorm E. The project has been put on hold since 2016 and awaits the Danish Energy Agency’s decision on the Hejre fields future.
In case the Hejre field will not be connected to Gorm or the field is terminated the modification project on Gorm will be terminated and invoiced to the producers as a one off payment. The estimated value of the project is currently 128 mio DKK.

Special risks apart from generally occurring risks in industry

Operating risks

In connection with a assessment of environmental impact, in the case of any oil spills or other pollution, the waste is cleaned up and recoverable in accordance with agreements with the Danish Environmental Protection Agency.

Financial risks

The company's targets and policies on financial risk management.
The operation of the oil transportation system entails potentially large financial risks, which can be triggered by, for example, breaches of the oil pipeline. The risk is considered to be extremely limited due to systematic monitoring, preventive maintenance and regular site condition assessments. The company's system is insured against damage. The company is also insured against damage caused to third parties. The company has no operating loss insurance. Any incidents during operating losses will be covered by the users. The ongoing financial risk associated with the oil transport system is borne by users

Corporate social responsibility

Environmental aspects

Policy

The company works with environmental management to continuously reduce its environmental impact through improved processes and procedures, set environmental priorities and targets, develop action plans as well as to ensure compliance with applicable laws and regulations.

Management's review

The company affects the external environment through emissions of VOC gases from crude oil tanks to the atmosphere. These emissions have been reduced by using degassing facilities which capture the volatile components from the crude oil. These volatile components are used as process gas in operations at our neighbouring DOP crude oil terminal.
Other significant impacts include the emissions of water transported from the North Sea to shore along with crude oil. The company has tested and established a wastewater treatment step, so that the public sewer can be used. The plant was commissioned in 2023.The company has not shipped water for cleaning from external parties in 2023.
In connection with a assessment of environmental impact, in the case of any oil spills or other pollution, the waste is cleaned up and recoverable in accordance with agreements with the Danish Environmental Protection Agency.

In pursuance of Section 99a (7) of the Danish Financial Statements Act, the Company has omitted information on corporate social responsibility.
Reference is made to the Sustainability report, which is part of the Annual report 2023 of the parent company Ørsted A/S:
https://orstedcdn.azureedge.net/-/media/annual-report-2023/orsted-ar-2023.pdf?rev=
526307f68e2047b3a1df8dd2cdf719ec&hash=
E6069E12C1792AD620FA12898587394C

Goals and policies for the underrepresented gender

Description of target figures for the underrepresented gender

Due to equal representation of men and women in the board of directors in accordance with the rules in Section 99b in the Danish Financial Statements Act, no targets for the share of the underrepresented gender have been set.
As from 1 January 2023, the rules on gender targets in section 99b in the Danish Financial Statements Act was expanded so that companies in scope should put in place gender targets for other managerial levels (defined as the executive board and people managers reporting to the executive board) and prepare a policy to increase gender diversity, such policy only to cover the specific legal entity.

Danish Oil Pipe A/S is covered by the existing regulation (accounting class C). Due to changes in Board of directors, Danish Oil Pipe A/S has met the target, defined as 33:67 by the Danish Business Authority, hence no target for coming years have been set.

Danish Oil Pipe A/S has only 1 employee in the other managerial levels why the company has not set a target.

Management's review

	2023	2024	2025	2026	2027
Top management					
Total members	3				
Underrepresented gender %	33%				
Target %	33%				
Year for meeting target	2023				

	2023	2024	2025	2026	2027
Other management level					
Total members	1				
Underrepresented gender %					

Description of policies for the underrepresented gender

Statement that the company is not required to publish policies on the underrepresented gender at other executive levels.

The company has no or less than 50 employees and is therefore not required to prepare policies on the underrepresented gender at other executive levels.

Data ethics

In pursuance of Section 99d of the Danish Financial Statements Act, the Company has omitted information on data ethics. Reference is made to the 2023 Data Ethics statement of Ørsted A/S:

https://orstedcdn.azureedge.net/-/media/www/docs/corp/com/about-us/corporate-governance/2024/report-on-data-ethics-section-99d-for-2023.pdf?rev=460810ae8e1f4ca0babb2a638542ada8&hash=5AC42443B53BB81C47908F48EBC939FF

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 Danish Oil Pipe A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to Reporting class C, large enterprise entities.

Danish Oilpipe is obliged to follow the act of "Rørledningloven (LBK no. 807 of 13/08/2019) and to follow "betalingsbekendtgørelsen (BEK no. 78 of 26/01/2018). The act of "Rørledningsloven" and the act of "Betalingbekendtgørelse" have preference accordingly.

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.

In accordance with section 96(3) of the Danish Financial Statements Act, the company has not provided information on audit fee, as the company is included in full consolidated financial statements of Ørsted A/S., where the audit fee is disclosed in the Group.

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.

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

Information is provided on geographical markets and different revenue streams. The information is provided in consideration of the company's accounting policies, risks and management control.

Income from contract revenue and 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.
The services related to the oil separation are recognised as they are provided.

Accounting policies

2.2 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.

2.3 Other operating income

Other operating income comprises items secondary to the entities' activities, including gains on disposal of intangible assets and items of property, plant and equipment.

2.4 Other operating expenses

Other operating expenses comprise items secondary to the entities' activities, including losses on disposal of intangible assets and items of property, plant and equipment.

2.5 Other external expenses

Other external expenses include expenses related to distribution, sale, administration, premises, bad debts, payments under operating leases, etc.

2.6 Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

2.7 Depreciation and impairment losses

Depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of property, plant and equipment.

2.8 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, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions and surcharges and allowances under tax payments, etc.

2.9 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.

Accounting policies

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 Intangible assets

On initial recognition, intangible assets are measured at cost.
Intangibel assets are depreciated over period of 9 years.

3.2 Tangible assets

Tangible assets which is not a lease 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. Land and property, plant and equipment in progress are not depreciated.

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

In accordance with section 4 of the "Betalingsbekendtgørelsen", users of the oil pipeline must pay for capital expenses relating to financing of the oil pipeline construction. Value of land is to be paid by users and will be depreciated over 15 years.

In accordance with the Transport Agreement (prepared in accordance with section 2(2) of the Danish Pipeline Act 4) the depreciation and amortisation profile for the separation facilities will run proportionately to the production profiles throughout the lifetime of production. The cost of the separation facilities must be depreciated using the unit of production method, where depreciation is made in step with the volumes produced in relation to the reserves for each field.

In connection with addition to the Transport Agreement entered into in 2019, the redemption of the separation facilities per 31. March 2019, after which these assets have been written down to DKK 0.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Buildings	15 years
Plants and machinery	15 years
Other fixtures and fittings, tools and equipment	15 years

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

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.

3.4 Prepayments

Prepayments recognised under current assets comprise expenses incurred concerning subsequent financial years.

3.5 Provisions

Provisions comprise expected expenses relating to decommisioning 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.

A provision for onerous contracts is recognised when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting the obligations existing under the contract. If it is considered unlikely that an outflow from the enterprise of economic resources will be required to settle a liability, or if the liability cannot be measured reliably, the liability is accounted for as a contingent liability that is not recognised in the balance sheet. Material contingent liabilities are disclosed in the notes.

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'.

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 Deferred income

Deferred income comprises payments received concerning income in subsequent reporting years.

3.9 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.

Accounting policies

4 Cash flow statement

In pursuance of Section 86(4) of the Danish Financial Statements Act, the company has omitted preparing a cash flow statement as the company's cash flow is included in the consolidated cash flow statement of Ørsted A/S.

4.1 Financial highlights

Definitions of financial ratios.

Gross margin $= \dfrac{\text{Gross profit x 100}}{\text{Revenue}}$

EBIT margin $= \dfrac{\text{Profit/loss before financials x 100}}{\text{Revenue}}$

Return on assets $= \dfrac{\text{Profit/loss before financials x 100}}{\text{Average assets}}$

Solvency ratio $= \dfrac{\text{Equity, end of year x 100}}{\text{Total assets at year-end}}$

Return on equity $= \dfrac{\text{Net profit for the year x 100}}{\text{Average equity}}$

Income statement 01 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Revenue	1	316.011	287.564
Cost of sales		(191.249)	(185.097)
Other operating income	2	0	22.734
Other external expenses		(116.025)	(95.593)
Gross profit		**8.737**	**29.608**
Staff costs	3	0	0
Profit before amortisation/depreciation and impairment losses		**8.737**	**29.608**
Depreciation and impairment of property, plant and equipment		(9.517)	(6.257)
(Loss)/profit before net financials		**(780)**	**23.351**
Financial income	4	29.794	13.376
Financial expenses	5	(12.253)	(37.445)
Profit/(loss) before tax		**16.761**	**(718)**
Tax on profit/loss for the year	6	(4.185)	(1.325)
Profit/(loss) for the year		**12.576**	**(2.043)**
Distribution of profit	7		

Balance sheet 31 December

	Note	2023	2022
		TDKK	TDKK
Assets			
Non-current assets			
Intangible assets	**8**		
Completed development projects		0	0
		0	**0**
Tangible assets	**9**		
Plant and machinery		201.484	64.310
Property, plant and equipment under construction		794	202.409
		202.278	**266.719**
Financial assets	**10**		
Receivables from partnerships		128.988	0
		128.988	**0**
Total non-current assets		**331.266**	**266.719**
Current assets			
Receivables			
Trade receivables		41.337	24.060
Other receivables		9.829	397
Deferred tax asset	11	180.462	48.551
Prepayments	12	0	2.086
Receivables from group companies		609.802	835.314
Corporation tax receivable		15.324	0
		856.754	**910.408**
Cash at bank and in hand		46	3
Total current assets		**856.800**	**910.411**
Total assets		**1.188.066**	**1.177.130**
Equity and liabilities			
Equity			
Share capital		2.000	2.000
Retained earnings		454.459	441.883

Balance sheet 31 December

	Note	2023	2022
		TDKK	TDKK
Total equity		**456.459**	**443.883**
Non-current liabilities			
Other provisions	13	441.033	426.119
Other credit institutions		0	9.572
Total non-current liabilities		**441.033**	**435.691**
Current liabilities			
Trade payables		101.514	23.303
Payables to group companies		179.471	17.089
Other payables		7.284	232.699
Deferred income		2.305	10.328
Corporation tax payable		0	14.137
Total current liabilities		**290.574**	**297.556**
Total liabilities		**731.607**	**733.247**
Total equity and liabilities		**1.188.066**	**1.177.130**
Subsequent events	14		
Contingent assets, liabilities and other financial obligations	15		
Related parties and ownership structure	16		

Statement of changes in equity

	Share capital TDKK	Retained earnings TDKK	Total TDKK
Equity at 1 January 2023	2.000	441.883	443.883
Net profit/loss for the year	0	12.576	12.576
Equity at 31 December 2023	**2.000**	**454.459**	**456.459**

Notes to the financial statements

1. Segment information

	2023	2022
	TDKK	TDKK
Revenue from services	316.011	287.564
Geographical segments		
Denmark	316.011	287.564

2. Other operating income

	2023	2022
	TDKK	TDKK
Other operating revenues	0	22.734

3. Staff costs

	2023	2022
Average number of employees	1	1

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

4. Financial income

	2023	2022
	TDKK	TDKK
Interest income from group enterprises	20.955	3.182
Exchange rate gains	8.759	3.267
Other financial income	80	6.927
	29.794	**13.376**

Notes to the financial statements

5. Financial expenses

	2023	2022
	TDKK	TDKK
Interest expense to group enterprises	15	17.623
Exchange rate expense	44	3.268
Other financial expenses	12.194	16.554
	12.253	**37.445**

6. Tax for the year

	2023	2022
	TDKK	TDKK
Tax for the year		
Current tax for the year	(15.324)	14.137
Deferred tax for the year	20.439	(14.295)
Adjustment of tax concerning previous years	(930)	1.483
	4.185	**1.325**

7. Distribution of profit

	2023	2022
	TDKK	TDKK
Recommended appropriation of profit/loss		
Retained earnings	12.576	(2.043)
	12.576	**(2.043)**

Notes to the financial statements

8. Intangible assets

	Completed development projects TDKK
Cost at 1 January 2023	20.501
Cost at 31 December 2023	**20.501**
Amortisation and impairment losses at 1 January 2023	20.501
Amortisation and impairment losses at 31 December 2023	**20.501**
Carrying amount at 31 December 2023	**0**

Notes to the financial statements

9. Tangible assets

	Plant and machinery TDKK	Property, plant and equipment under construction TDKK	Total TDKK
Cost at 1 January 2023	1.949.402	202.409	2.151.811
Additions	0	74.064	74.064
Transfers	146.691	(146.691)	0
Cost at 31 December 2023	**2.096.093**	**129.782**	**2.225.875**
Depreciation and impairment losses at 1 January 2023	1.885.092	0	1.885.092
Depreciation	9.517	0	9.517
Impairment for the year	0	128.988	128.988
Depreciation and impairment losses at 31 December 2023	**1.894.609**	**128.988**	**2.023.597**
Carrying amount at 31 December 2023	**201.484**	**794**	**202.278**

Notes to the financial statements

10. Financial assets

	Receivables from partnerships
	TDKK
Cost at 1 January 2023	0
Additions	128.988
Cost at 31 December 2023	**128.988**
Carrying amount at 31 December 2023	**128.988**

Reimbursement from users of establishment costs for modification project in connection with the Tie-in of the Hejre Field at Gorm E.
The repayment is determined for a period of 15 years, but is pending the Danish Energy Agency´s decision

11. Deferred tax

	2023	2022
	TDKK	TDKK
Deferred tax at 1 January	(48.551)	(34.256)
Adjustment of the deferred tax charge	(152.350)	0
Deferred tax recognised in income statement	20.439	(14.295)
Deferred tax at 31 December	**(180.462)**	**(48.551)**
The deferred tax charge relates to:		
Property, plant and equipment	(83.939)	(104.517)
Provisions	(96.523)	(93.746)
Financial instruments	0	152.350
Other non-current liabilities	0	(2.638)
Transferred to deferred tax asset	**(180.462)**	**(48.551)**
Deferred tax asset		
Calculated tax asset	180.462	48.551
Carrying amount	**180.462**	**48.551**

Notes to the financial statements

Deferred tax asset is measured depending on how we plan to use the assets and settle the liabilities. Tax assets and liabilities are set off when the tax assets can be offset against tax liabilities in the year in which the deferred tax assets are expected to be used.

Deferred tax assets are recognised at the value at which they are expected to be used. They may be offset against future earnings. This is done within a joint taxation scheme.

12. Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions etc.

13. Other provisions

	2023	2022
	TDKK	TDKK
Balance at 1 January	426.119	411.709
Provision for the year	0	2.213
Change in net present values in the financial year relating to timing differences, etc.	14.914	12.197
Other provisions at 31 December	**441.033**	**426.119**

14. Subsequent events

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

Notes to the financial statements

15. Contingent assets, liabilities and other financial obligations

15.1 Contingent assets

Liability to pay compensation
The company is covered by the the Danish Payment Order imposed a general liability to pay compensation for damages caused by the company's oil activities even if the damage is accidental (objective responsibility). Insurance has been taken out to cover any claims for damages.

Other contingent liabilities
Subject to the restrictions imposed by the pipelines' capacity, the company is
pipeline to transport all crude oil and condensate obtained on the Danish continental area in the North Sea. The Danish Energy Agency may exempt the company from the obligation in a number of cases where transport through the pipeline according to the Danish Minister for Energy, Utilities and Climate assessment should be considered to be economics-uneconomical or inappropriate.
The company is obliged to the users of the oil pipe to complete the current construction projects under construction.

15.2 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.

16. Related parties and ownership structure

Controlling interest

Ørsted A/S, Kraftværksvej 53, 7000 Fredericia (parent company)

Other related parties

Ørsted A/S (Parent company)
The Danish State represented by the Ministry of Finance
Group enterprises and associates
Board of directors, executive board and senior employee