

**Annual report 2018**  
**Equinor Danmark A/S**  
**Melbyvej 10, 4400 Kalundborg**

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**CVR no. 56 15 14 19**

The annual report has been presented and approved  
at the Company's annual general meeting

Kalundborg 3 May 2019

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Niklas Korsgaard Christensen  
chairman

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# Equinor Danmark A/S

## 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 Equinor Danmark A/S for the financial year 1 January – 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

In our opinion, the Management's review gives a fair review of the development in the Company's operations and financial conditions, 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.

Kalundborg 3 May 2019

CEO:

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Jofrid Tone Klokkehaug

Board of Directors:

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Giuseppina Ragone  
chair

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Grete Birgitte Haaland

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Mette Ferkingstad

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Michael Joh Adam Serink

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Tore Aarreberg

# Equinor Danmark A/S

## Independent auditor's report

To the shareholder of Equinor Danmark A/S

### Opinion

We have audited the financial statements of Equinor Danmark A/S for the financial year 1 January – 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and 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, 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 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 financial statement users taken on the basis of these financial statements.

## Equinor Danmark A/S

### Independent auditor's report

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 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 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.

# Equinor Danmark A/S

## Independent auditor's report

### Statement on the Management's review

Management is responsible for 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 Acts. We did not identify any material misstatement of the Management's review.

Copenhagen 3 May 2019

### KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Lau Bent Baun  
State Authorised  
Public Accountant  
mne26708

Joakim Juul Larsen  
State Authorised  
Public Accountant  
mne32803

# Equinor Danmark A/S

## Company details

Equinor Danmark A/S  
Melbyvej 10  
4400 Kalundborg  
Denmark  
CVR no.: 56 15 14 19

### Board of directors

Giuseppina Ragone, chair  
Grete Birgitte Haaland  
Mette Ferkingstad  
Michael John Adam Serink  
Tore Aarreberg

### CEO

Jofrid Tone Klokkehaug

### Auditors:

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø  
Denmark  
CVR no.: 25 57 81 98

### Parent company:

Equinor ASA, Stavanger, Norway

### Ownership:

100%

### Main subsidiary:

#### Company name and address:

Equinor Refining Denmark A/S  
Melbyvej 17  
4400 Kalundborg  
Denmark  
CVR no. 29 97 58 84

### Ownership:

100%

## **Equinor Danmark A/S**

### **Management's review**

Equinor Danmark A/S' primary purpose is to conduct business in the energy sector and related activities.

Equinor Danmark A/S is the owner of the subsidiary Equinor Refining Denmark A/S.

### **Income for the year**

In 2018, the Company realised an income after tax of DKK 836 million compared to DKK 1,014 million in 2017, which is satisfactory for the company.

### **Outlook**

A positive result for the coming year is expected. Outlook is to a high degree influenced by the result of the subsidiary Equinor Refining Denmark A/S.

### **Events after the balance sheet date**

No material events have occurred after balance sheet date.

### **Ownership**

Equinor Danmark A/S is 100% owned by Equinor ASA, Norway.



**Financial statements 1 January – 31 December**  
**Income statement**

*DKK'000*

| Note |   | 2018           | 2017             |
|------|---|----------------|------------------|
|      | Administrative expenses                 | -287           | -240             |
| 2    | Income from investments in subsidiaries | 836,595        | 1,014,631        |
|      | Operating income / loss                 | <b>836,308</b> | <b>1,014,391</b> |
| 3    | Financial income                        | 29             | 23               |
| 4    | Financial expenses                      | -11            | -29              |
|      | Income / Loss before tax                | <b>836,326</b> | <b>1,014,385</b> |
| 5    | Tax on loss for the year                | 0              | 0                |
|      | Income / Loss for the year              | <b>836,326</b> | <b>1,014,385</b> |

**Proposed profit appropriation**

|  |   |                |                |
|--|---|----------------|----------------|
|  | Proposed dividends for the financial year | 0              | 700,000        |
|  | Retained earnings                         | 836,326        | 314,385        |
|  |   | <b>836,326</b> | <b>314,385</b> |

# Equinor Danmark A/S

## Financial statements 1 January – 31 December

### Balance sheet

*DKK'000*

| Note  |                                 | 2018             | 2017             |
|-------|---------------------------------|------------------|------------------|
|       | <b>Assets</b>                   |                  |                  |
|       | Non-current assets              |                  |                  |
| 2 & 6 | Investments                     |                  |                  |
|       | Investments in subsidiaries     | 3,906,160        | 3,771,064        |
|       | <b>Total non-current assets</b> | <b>3,906,160</b> | <b>3,771,064</b> |
|       | Current assets                  |                  |                  |
|       | Receivables                     |                  |                  |
|       | Intercompany receivables        | 6,141            | 4,906            |
|       |                                 | 6,141            | 4,906            |
|       | <b>Total current assets</b>     | <b>6,141</b>     | <b>4,906</b>     |
|       | <b>Total assets</b>             | <b>3,912,301</b> | <b>3,775,970</b> |

# Equinor Danmark A/S

## Financial statements 1 January – 31 December Balance sheet

DKK'000

| Note |  | 2018             | 2017             |
|------|--|------------------|------------------|
|      | <b>Equity and liabilities</b>                |                  |                  |
|      | Equity                                       |                  |                  |
| 7    | Share capital                                | 1,639,700        | 1,639,700        |
|      | Retained earnings                            | 2,272,567        | 1,436,241        |
|      | Proposed dividends for the financial year    | 0                | 700,000          |
|      |  | <hr/>            | <hr/>            |
|      |  | 3,912,267        | 3,775,941        |
|      |  | <hr/>            | <hr/>            |
|      | Current liabilities                          |                  |                  |
|      | Intercompany payables                        | 34               | 29               |
|      |  | <hr/>            | <hr/>            |
|      |  | 34               | 29               |
|      |  | <hr/>            | <hr/>            |
|      | <b>Total liabilities</b>                     | <b>34</b>        | <b>29</b>        |
|      |  | <hr/>            | <hr/>            |
|      | <b>Total equity and liabilities</b>          | <b>3,912,301</b> | <b>3,775,970</b> |
|      |  | <hr/>            | <hr/>            |
| 8    | Contractual obligations, contingencies, etc. |                  |                  |
| 9    | Related party disclosures                    |                  |                  |

# Equinor Danmark A/S

## Financial statements 1 January – 31 December Statement of changes in equity

*DKK'000*

|   | <b>Share<br/>capital</b> | <b>Retained<br/>earnings</b> | <b>Proposed<br/>dividend</b> | <b>Total<br/>equity</b> |
|---|--------------------------|------------------------------|------------------------------|-------------------------|
| Equity at 1 January 2018                  | 1,639,700                | 1,436,241                    | 700,000                      | 3,775,941               |
| Distributed dividend                      | 0                        | 0                            | -700,000                     | -700,000                |
| Transferred over the profit appropriation | 0                        | 836,326                      | 0                            | 836,326                 |
| Equity at 31 December 2018                | 1,639,700                | 2,272,567                    | 0                            | 3,912,267               |

# **Equinor Danmark A/S**

## **Financial statements 1 January – 31 December**

### **Notes**

#### **1. Accounting policies**

The annual report of Equinor Danmark A/S for 2018 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C. The financial statements have been prepared in Danish Kroner.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Pursuant to section 112 (1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The financial statements and cash flow statement of Equinor Danmark A/S are included in the consolidated financial statements of Equinor ASA, Stavanger, Norway.

#### **Recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All costs, depreciation, amortisation 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 cost 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.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described below.

#### **Foreign currency translation**

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

# Equinor Danmark A/S

## Financial statements 1 January – 31 December

### Notes

#### 1. Accounting policies (continued)

##### Income statement

Receivables, payables and other monetary items denominated in foreign currencies which have not been settled at the balance sheet date 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 is recognised in the income statement as financial income or financial expenses.

##### Income from investments in subsidiaries

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the income statement after full elimination of intercompany gains/losses.

##### Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, office premises, office expenses, office supplies, etc.

##### Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and unrealised gains and losses on receivables, payables and transactions in foreign currencies. Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

##### Tax on profit/loss for the year

Tax for the year comprising current tax for the year, deferred tax provisions and tax relating to previous years is recognised in the income statement. Tax on entries directly in equity are recognised in equity.

The entities in the Equinor Danmark Group are jointly taxed. The Danish entities which Equinor Danmark A/S' parent company Equinor ASA controls are also included in the joint taxation. The computed corporation tax is distributed between the jointly taxed entities in accordance with the full distribution method.

Equinor Danmark A/S serves as the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

# Equinor Danmark A/S

## Financial statements 1 January – 31 December

### Notes

#### 1. Accounting policies (continued)

As a minimum, jointly taxed entities with excess tax are compensated in accordance with the applicable rates for interest subsidy by the administrative company, and jointly taxed entities with residual tax pay a surcharge in accordance with the applicable rates for interest rate premiums to the administrative company.

#### Balance sheet

##### Investments

Investments in subsidiaries and associates are recognised in the balance sheet at the proportionate share of the subsidiaries' net asset value calculated in accordance with the Parent Company's accounting policies. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Net revaluation of investments in subsidiaries and associates is tied as a reserve for net revaluation under equity in accordance with the equity method to the extent that the carrying amount exceeds cost less goodwill amortisation.

##### Receivables from subsidiaries

Receivables from subsidiaries are recognised in the balance sheet at nominal value.

##### Receivables

Receivables are measured at amortised cost, usually corresponding to nominal value. Write-down for expected bad debts is made to net realisable value.

##### Cash at bank and in hand

Cash at bank and in hand comprise cash and unrestricted bank deposits.

##### Equity

Proposed dividends are recognized as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

##### Liabilities other than provisions

Trade payables and payables to group entities as well as other payables are measured at amortised cost, usually corresponding to the nominal value.

## Equinor Danmark A/S

### Notes

DKK'000

(continued)

|  | <b>Investments<br/>in subsidiaries</b> | <b>Total</b>     |
|--|--|------------------|
|  | <i>DKK'000</i>                         | <i>DKK'000</i>   |
| 2 Investments in subsidiaries                |  |                  |
| Cost at 1 January 2018                       | 5,332,998                              | 5,332,998        |
| Dividends                                    | -700,000                               | -700,000         |
| Disposals                                    | -1,500                                 | -1,500           |
| Cost at 31 December 2018                     | 4,631,498                              | 4,631,498        |
| Value adjustments at 1 January 2018          | -1,561,934                             | -1,561,934       |
| Profit for the year                          | 836,595                                | 836,595          |
| Rounding                                     | 1                                      | 1                |
| Value adjustments at 31 December 2018        | -725,338                               | -725,338         |
| Carrying amount at<br>31 December 2018       | <b>3,906,160</b>                       | <b>3,906,160</b> |
|  | <b>2018</b>                            | <b>2017</b>      |
| 3 Financial income                           |  |                  |
| Financial income from associated companies   | 29                                     | 1                |
| Other financial income                       | 0                                      | 22               |
|  | 29                                     | 23               |
| 4 Financial expenses                         |  |                  |
| Financial expenses from associated companies | -10                                    | -28              |
| Other financial expenses                     | -1                                     | -1               |
|  | -11                                    | -29              |



# Equinor Danmark A/S

## Notes

DKK'000

(continued)

|   | 2018     | 2017     |
|---|----------|----------|
| 5 Tax on income / loss for the year     |          |          |
| Corporation tax paid                    | 0        | 0        |
| Current tax for the year                | 0        | 0        |
| Adjustment for the year of deferred tax | 0        | 0        |
|   | <u>0</u> | <u>0</u> |
| Adjustment for prior years              | 0        | 0        |
| Tax on income / loss for the year       | <u>0</u> | <u>0</u> |

|  | Share capital    | Profit for the year | Equity value at 31 December 2018 | Carrying amount at 31 December 2018 |
|--|------------------|---------------------|----------------------------------|-------------------------------------|
|  | '000 DKK         | '000 DKK            | '000 DKK                         | '000 DKK                            |
| 6 Investments in subsidiaries comprise the following 100% owned enterprises: |                  |                     |                                  |                                     |
| Equinor Refining Denmark A/S   | 1,288,200        | 836,595             | 3,906,160                        | 3,906,160                           |
|  | <u>1,288,200</u> | <u>836,595</u>      | <u>3,906,160</u>                 | <u>3,906,160</u>                    |

7 Changes in the share capital during the past five years are specified as follow:

|                               | 2018             | 2017             | 2016             | 2015             | 2014             |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| 1,900.000 shares of DKK 1,764 | 0                | 0                | 0                | 0                | 3,351,600        |
| 1,900.000 shares of DKK 863   | 1,639,700        | 1,639,700        | 1,639,700        | 1,639,700        | 0                |
|                               | <u>1,639,700</u> | <u>1,639,700</u> | <u>1,639,700</u> | <u>1,639,700</u> | <u>3,351,600</u> |

All shares rank equally

# Equinor Danmark A/S

## Notes

DKK'000

(continued)

### 8 Contractual obligations, contingencies, etc.

The Parent Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries and serves as the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

### 9 Related party disclosures

Equinor Danmark A/S' related parties comprise the following:

#### Control

Equinor ASA, Forusbeen 50, N-4035 Stavanger, Norway

Equinor ASA holds the majority of the share capital in the Company through holding company Equinor Danmark A/S (sub-group).

Equinor Danmark A/S is part of the consolidated financial statements of Equinor ASA, Forusbeen 50, N-4035 Stavanger, Norway, which is the largest group in which the Company is included as a subsidiary. The consolidated financial statements of Equinor ASA can be obtained by contacting the Company or at the following website:

<https://www.equinor.com/en/investors.html#contact-investor-relations>