



Annual report 2019
Equinor Danmark A/S
Melbyvej 10, 4400 Kalundborg
CVR no. 56 15 14 19

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

Kalundborg 13 May 2020

Niklas Korsgaard Christensen
chairman

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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 Equinor Danmark A/S for the financial year 1 January – 31 December 2019.

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 financial position of the Company at 31 December 2019 and of the results of its operations for the financial year 1 January – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Kalundborg 13 May 2020

CEO:

Sølvi Storsæter Bjørgum

Board of Directors:

Giuseppina Ragone
chair

Grete Birgitte Haaland

Mette Ferkingstad

Jofrid Tone Klokkehaug

Tore Aarreberg

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 2019, which comprise income statement, balance sheet, statement of changes in equity 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 financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are

free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance 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 users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and 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 note 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 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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen 13 May 2020

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Ole Hedemann
State Authorised Public Accountant
mne14949

Kennet Hartmann
State Authorised Public Accountant
mne40036

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
Jofrid Tone Klokkehaug
Tore Aarreberg

CEO

Sølvi Storsæter Bjørgum

Auditors

ERNST & YOUNG
Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg
Denmark
CVR no.: 30 70 02 28

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%

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 2019, the Company realised an income after tax of DKK 642 million compared to DKK 836 million in 2018, 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

Following changes in market conditions in 2020 an evaluation of the subsidiary's asset value has resulted in an impairment of DKK 983 million by end of Q12020. Main factors for the impairment are changes to future margin, energy assumptions and new plan for shutdowns.

Ownership

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

Financial statements 1st January – 31st December
Income statement

DKK'000

Note		2019	2018
	Administrative expenses	-241	-287
2	Income from investments in subsidiaries	557.825	836.595
	Operating income / loss	557.584	836.308
3	Financial income	2	29
4	Financial expenses	-15	-11
	Income / Loss before tax	557.571	836.326
5	Tax on profit for the year	84.260	0
	Income / Loss for the year	641.831	836.326
Proposed profit appropriation			
	Proposed dividends for the financial year	0	0
	Retained earnings	641.831	836.326
		641.831	836.326

Financial statements 1st January – 31st December
Balance sheet

DKK'000

Note		2019	2018
Assets			
Non-current assets			
Investments			
2 & 6	Investments in subsidiaries	4.463.984	3.906.160
5	Other non-current assets		
	Deferred tax asset	50.303	0
Total non-current assets		4.514.287	3.906.160
Current assets			
Receivables			
	Intercompany receivables	39.846	6.141
		39.846	6.141
Total current assets		39.846	6.141
Total assets		4.554.133	3.912.301

Financial statements 1st January – 31st December
Balance sheet

DKK'000

Note		2019	2018
Equity and liabilities			
Equity			
7	Share capital	1.639.700	1.639.700
	Retained earnings	2.914.398	2.272.567
	Proposed dividends for the financial year	0	0
		4.554.098	3.912.267
Current liabilities			
	Intercompany payables	35	34
		35	34
Total liabilities		35	34
Total equity and liabilities		4.554.133	3.912.301

8 Contractual obligations, contingencies, etc.

9 Related party disclosures

Financial statements 1st January – 31st December Statement of changes i equity

DKK'000

	Share capital	Retained earnings	Proposed dividend	Total equity
Equity at 1 January 2019	1.639.700	2.272.567	0	3.912.267
Distributed dividend	0	0	0	0
Transferred over the profit appropriation	0	641.831	0	641.831
Equity at 31 December 2019	1.639.700	2.914.398	0	4.554.098

Financial statements 1st January – 31st December

Notes

Accounting policies

The annual report of Equinor Danmark A/S for 2019 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.

Financial statements 1st January – 31st 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.

Financial statements

1st January – 31st 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.

Notes

DKK'000

(Continued)

		Investments in subsidiaries	Total
		DKK'000	DKK'000
2	Investments in subsidiaries		
	Cost at 1 January 2019	4.631.498	4.631.498
	Dividends	0	0
	Disposals	0	0
	Cost at 31 December 2019	4.631.498	4.631.498
	Value adjustments at 1 January 2019	-725.338	-725.338
	Rounding	-1	-1
	Profit for the year	557.825	557.825
	Value adjustments at 31 December 2019	-167.514	-167.514
	Carrying amount at 31 December 2019	4.463.984	4.463.984
		2019	2018
3	Financial income		
	Financial income from associated companies	2	29
	Other financial income	0	0
		2	29
4	Financial expenses		
	Financial expenses from associated companies	-14	-10
	Other financial expenses	-1	-1
		-15	-11

Notes

DKK'000

(Continued)

	2019	2018
5 Tax on profit for the year		
Deferred tax at 1 January	0	0
Adjustment for the year of deferred tax	84.260	0
Receivable for tax loss utilization, joint taxation	-33.957	0
Deferred tax at 31 December	50.303	0

	Share capital	Profit for the year	Equity value at 31 December 2019	Carrying amount at 31 December 2019
	'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	557.825	4.463.984	4.463.984
	1.288.200	557.825	4.463.984	4.463.984

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

	2019	2018	2017	2016	2015
1,900.000 shares of DKK 863	1.639.700	1.639.700	1.639.700	1.639.700	1.639.700
	1.639.700	1.639.700	1.639.700	1.639.700	1.639.700

All shares rank equally

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>

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Giuseppina Ragone

Formand / Chairman

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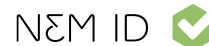
Kennet Hartmann

Revisor / Auditor

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Ole Hedemann

Revisor / Auditor

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Niklas Korsgaard Christensen

Dirigent / Chairman of the meeting

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Jofrid T Klokkehaug

Bestyrelsesmedlem / Member of the board of directors

Serial number: 9578-5995-4-157985

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Sølvi Storsæter Bjørgum

Adm. direktør / CEO

Serial number: 9578-5994-4-467438

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Grete Birgitte Haaland

Bestyrelsesmedlem / Member of the board of directors

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Grete Birgitte Haaland

Mette Ferkingstad

Bestyrelsesmedlem / Member of the board of directors

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