

nordsøfonden

ANNUAL REPORT

2022

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Nordsøfonden & Nordsøenheden

Unofficial translation





Nordsøfonden is administrated by Nordsøenheden, which is an independent state company. Nordsøfonden is owned by the Danish State through the Minister for Industry, Business and Financial Affairs.

The Annual Reports 2022 for Nordsøfonden (page 1-36) and for Nordsøenheden (page 37-56) are gathered in this document.



ANNUAL REPORT 2022 **NORDSØFONDEN**





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NORDSØFONDEN

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Photos: Nordsøfonden, TotalEnergies, Adobe Stock



Information on Nordsøfonden

Nordsøfonden
Rentemestervej 8
DK-2400 Copenhagen NV

Telephone: +45 72 26 57 50
Homepage: www.eng.nordsoefonden.dk
CVR No: 29 43 50 65

Municipality of reg. office: Copenhagen

Financial period: 1 January 2022 - 31 December 2022. 17th accounting year.

Nordsøfonden is administered by Nordsøenheden.

Auditors: Rigsrevisionen (external auditors) and PricewaterhouseCoopers,
Statsautoriseret Revisionspartnerselskab (internal auditors)

Nordsøfonden is the Danish state company, tasked with generating value for Danish society by exploiting the potential of Denmark's subsurface assets.

Nordsøfonden rests on two pillars: We produce oil and gas, thus helping to assure supplies of energy and raw materials. At the same time, we are the state participant in all licences for underground carbon storage, where we work to ensure reduction of emissions to the atmosphere.

Nordsøfonden manages the interests of the Danish State, and the framework for our work is defined at a political level. We are involved from start to finish, thus assuring continuity in the activities in the Danish subsurface resources.

Nordsøfonden is a public fund, owned by the Danish state as represented by the Minister of Industry, Business and Financial Affairs. Nordsøfonden is administered by Nordsøenheden, which is an independent public company.





Key Figures

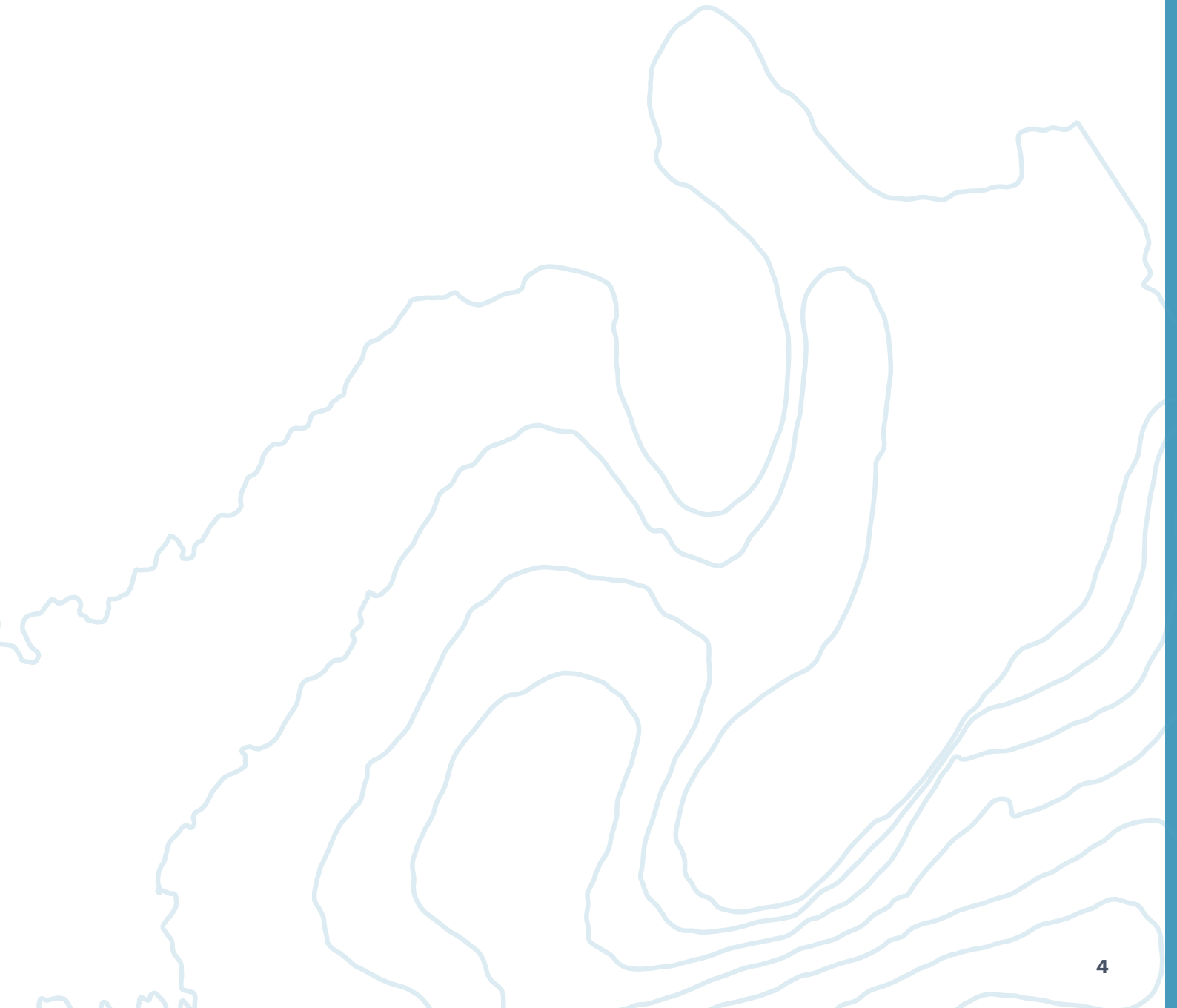
	2022	2021	2020	2019	2018
Oil production - average bbl per day (rounded)	11,100	11,200	12,100	17,700	20,100
Gas production, MWh per day (rounded)	5,800	5,800	6,800	15,700	21,600
Average oil price for the year (Brent) DKK/bbl	717	446	275	427	449
Average gas price per MWh for the year DKK	899	313	50	85	143

mill. DKK	2022	2021	2020	2019	2018
Net turnover	4,756	2,481	1,273	3,280	4,382
Exploration activities	11	16	44	84	34
Profits/loss before financial income and expenses	3,049	665	-473	791	1,455
Net financial result	-29	-133	-176	-168	-155
Net profits/loss for the year	1,054	341	125	565	464
Investments in tangible fixed assets	922	768	831	666	669
Equity	3,035	2,543	2,202	2,077	1,913
Total assets	9,069	8,987	8,032	7,455	7,795
Taxes paid	1,139	14	263	806	1,429
Transferred to the State	1,200	-	-	400	1,000



MANAGEMENT'S REPORT

NORDSØFONDEN





Management's Report

Significant activities during the year

2022 was a year marked by uncertainty in multiple areas at global level. In Europe, the year brought an energy crisis, previously unseen rises in prices – of energy in particular – spiralling inflation and great economic uncertainty. These developments are primarily attributable to the tense geopolitical situation.

Nordsøfonden's business has been heavily influenced by the recent geopolitical developments and the ongoing energy crisis. The sharp rises in the prices of oil and gas, combined with higher production than expected, produced profits in 2022 that were significantly higher than in 2021, enabling Nordsøfonden to transfer DKK 1.2 billion in dividends to the Danish treasury.

The new Tyra II project remains Nordsøfonden's largest ongoing activity, and the remaining new topsides were installed in the North Sea over the past year. Production start-up from the new Tyra II has been delayed, however, and is now scheduled for the winter season 2023/24. There are several factors behind the delay, including the consequential effects of the Coronavirus pandemic. In addition, there have been a number of general issues with regard to the delivery of materials and equipment, as well as other delays arising from shut-downs in various parts of the world.

The year also brought a long-awaited investment decision concerning the Solsort oil field, which is expected to commence production in Q4 2023.

The promising development in recent years regarding the storage of carbon dioxide in underground facilities in Denmark continued in 2022, with the launch of the first round of tenders for Danish storage licences. In this context, Nordsøfonden has been designated the state participant in all future storage licences.



Nordsøfonden's taxes and dividends to the Danish state for 2022 amount to DKK 2.7 billion

The new Tyra II is in place

The redevelopment of the Tyra field installations was once again the most significant activity undertaken by Nordsøfonden and DUC in 2022. All the new platforms are now in place at the Tyra field in the North Sea, and Tyra II has thus attained its definitive shape.

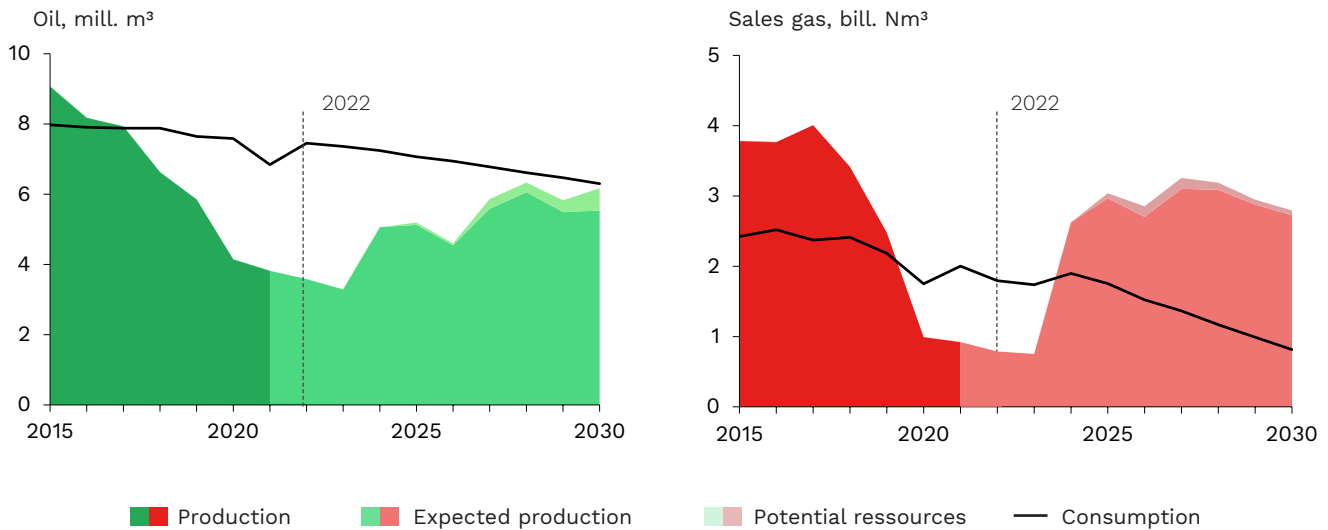
During an installation campaign in April, three new well head modules and two bridges were installed at Tyra. At the same time, the control and accommodation module was lifted into position by Sleipnir, the world's largest floating crane.

The process platform was installed in early October – the eighth and final module of the Tyra II project – once again using the giant Sleipnir vessel. The lift of the 17,000-tonne process platform set a new world record for the heaviest crane lift ever performed at sea. During the same campaign, two bridges and a flare tower were installed on Tyra.

The large process module, which was built in Asia, should have been installed earlier in 2022, but the departure from Indonesia was delayed



Danish production and consumption of oil and gas 2015-2030



GRAPHS BASED ON DANISH ENERGY AGENCY'S RESSOURCS AND FORECASTS, AUGUST 2022

to allow to complete as much of the module as possible in the shipyard. The module was not completely finished before shipping out, and the remaining work will need to be performed offshore instead. This work will be carried out in addition to the planned hook up and commissioning work on the new installations on Tyra prior to production start-up.

In principle, offshore work is always more difficult, more expensive and more time-consuming than the corresponding work performed onshore, due in part to the highly complicated logistics involved and the limited space available at offshore installations. In August the operator, TotalEnergies, was therefore obliged to announce on behalf of the DUC partners that production was not expected to recommence until the winter season 2023/24 instead of the summer 2022 as originally planned.

Over the coming year, the numerous extra employees working offshore with the hook up and commissioning of Tyra II will be lodged at an accommodation platform temporarily linked by a bridge to the new facilities on Tyra. At times, up to 500 people will be working on the Tyra field installations.

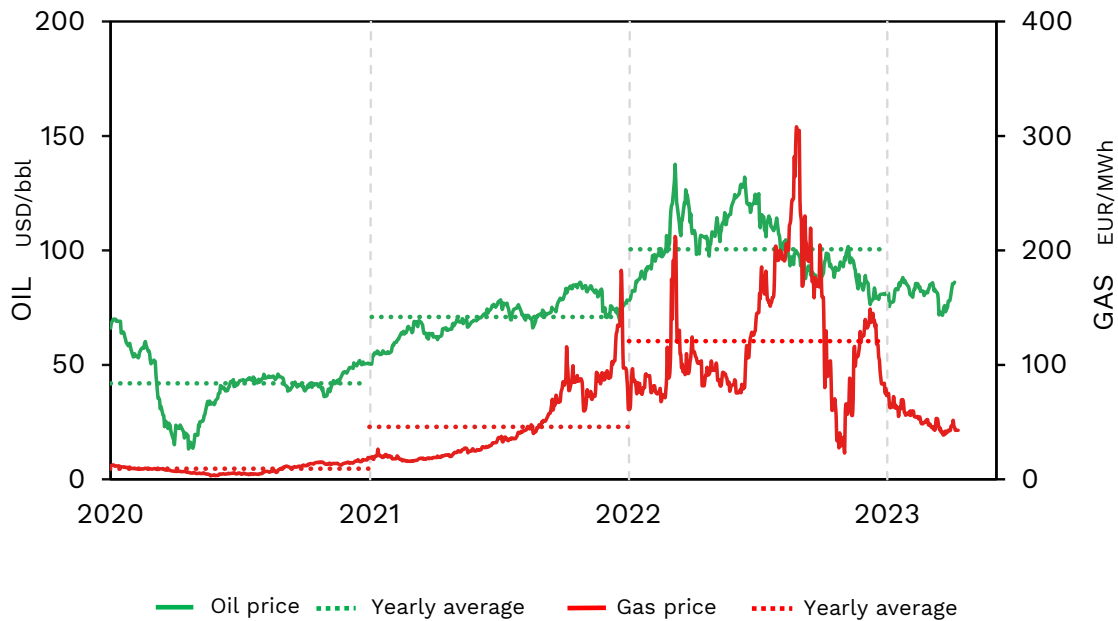
The dismantling and reuse of the old Tyra platforms constituted one of the key elements in the Tyra project, and the emphasis from the start was on reusing the platforms in the eco-friendliest manner possible. In Frederikshavn the company M.A.R.S. was tasked with disassembling the old process facilities from the Tyra field. The project was completed in December 2022 after 2.5 years' work, and 98.5 percent of the material has been reused.

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All the new platforms are now in place at the Tyra field in the North Sea, and Tyra II has thus attained its final shape.

In total, DUC is investing more than DKK 20 billion in Tyra II, which will serve as an important hub for the gas produced in the Danish section of the North Sea. Once the Tyra facilities is brought on stream again, the increased Danish production of oil and gas will help security of energy supply in Europe, as seen in the two graphs above, and have a positive impact on Denmark's balance of payments and trade.



Development of oil and gas prices 2020-2023



SOURCES: PLATTS AND ICIS.COM

Dramatic rises in oil and gas prices

The tense geopolitical situation sparked an energy crisis in Europe in 2022. As a result of the war in Ukraine, gas prices in particular fluctuated wildly over the course of the year. Both oil and gas prices were unstable in 2022, affected by the volatility of the market on account of the gas supply situation in Europe, periodic shutdowns of several French nuclear plants, and reactions from OPEC+.

Historically, gas prices tend to fall in the summer on account of a decline in consumption, but this was not the case in 2021 and 2022. Rather, the price of gas rose dramatically in the summer of 2022. The rises in gas prices over the year were largely attributable to reductions in imports from Russia to Europe, and to the efforts of the EU during the summer to fill its gas storages in preparation for the winter months. The autumn weather was relatively mild, which made it possible for the EU to meet its targets for the size of its gas storage. The shortfall in Russian gas to Europe has principally been offset using Liquid Natural Gas (LNG) imported by ship.

At the start of 2022, the price of gas was approximately EUR 85 per MWh. The average gas price

for the year was EUR 121 per MWh, a level never seen previously, and by the end of the year it had fallen back to EUR 75 per MWh. By way of comparison, the average price in 2021 was EUR 46 per MWh.

At the start of 2022, oil was selling at around USD 80 per barrel and the price rose throughout the year, peaking at USD 137 per barrel. The price then dropped back to USD 80 per barrel at the end of the year, i.e. approximately the same level as before the war in Ukraine. The average price of oil in 2022 was USD 101 per barrel. By way of comparison, the average price in 2021 was approximately USD 71 per barrel.

The dramatic fluctuations in the price of oil are attributable in part to the EU's sanctions on Russia, which have significantly limited imports into the EU of crude oil from Russia.

Investment decision about Solsort

The long-awaited decision to develop the western part of the Solsort field was finally taken in September 2022. The oil field is located in the northern area of the Danish part of the North



Sea, just east of the South Arne field. Ineos is the operator of both the Solsort and the South Arne fields.

The development encompasses two wells drilled from the South Arne platform. This means the development work will be much less comprehensive than if the field were to have its own platform. It is thus expected that production from Solsort West will commence in Q4 2023, and forecasts indicate that the field will initially produce around 12,000 barrels of oil per day.

The Solsort field is expected to produce

12,000

barrels of oil per day

State participant in carbon storage

In June 2022 the political decision was taken for the state to participate as partner in the licences for carbon storage in Denmark, and Nordsøfonden was appointed to safeguard the interests of the state in these activities. In December 2022 the necessary changes were made to the law concerning Nordsøenheden and Nordsøfonden, subsequent to which Nordsøfonden is able to participate as a partner in Danish carbon activities.

Pursuant to a political agreement from 2021, CCS (Carbon Capture and Storage) technology, including the storage of carbon dioxide, is to play a key role in achieving both Danish and European climate goals. State participation entails guaranteeing the Danish state insight into and influence

on the activities. Furthermore, it will ensure that Danish society shares in any tangible gains of carbon storage.

In August 2022 the Danish Energy Agency launched the first round of tenders for licences for storing CO₂ in an area of the North Sea, and three licences were awarded in February 2023. Two of the licences cover the areas with ongoing storage projects – Bifrost and Greensand – which have received subsidy from the Energy Technology Development and Demonstration Programme (EUDP). Nordsøfonden holds a 20 percent share in all three licences.

As early as 2021 Nordsøfonden and the other partners in DUC entered into a CCS partnership entitled “Project Bifrost”, together with the energy company Ørsted and the Technical University of Denmark (DTU). The project is intended to mature the potential for the transport and long-term storage of carbon dioxide offshore, reusing the existing infrastructure at DUC’s Harald Field. TotalEnergies, which is the operator of two of the new storage licences, expects that the Bifrost project and an adjacent licence have capacity for the storage of 5 million tonnes of CO₂ per year, starting in 2030. Denmark needs to cut a further 20 million tonnes or so from its total emissions of greenhouse gases in order to achieve the goal of reducing emissions by 70 percent in 2030.

Activities in DUC

The reconstruction of the Tyra facility has been the principal area of focus for DUC for several years. This has unfortunately resulted in a reduction other activities within DUC, including work to mature new development projects and wells in existing fields. If new projects are completed, they will make a considerable contribution to production increase at a time when demand for locally produced gas is rising in Europe.

In 2022 production of oil and gas in DUC was more than 10 percent higher than expected. There are a number of reasons for this, including increased emphasis on well maintenance and, in particular, more stable operation, which has resulted in fewer production shutdowns.



A successful re-stimulation campaign of a number of existing gas wells was carried out at the Halfdan field over the course of the summer. This led to gas production from the field rising by as much as 30 percent, equivalent to the annual heating requirements of around 200,000 Danish households. A corresponding campaign was launched towards the end of 2022, focusing on re-stimulating wells at the Dan field, and the results of this initiative have also made a positive contribution to production.

Maturation and planning of four new wells in the Halfdan field – primarily gas wells – are well under way. It is expected that two of the wells will be drilled as early as the summer of 2023, with the two others following in 2024. The drilling of the wells has thus been brought forward a couple of years, which Nordsøfonden considers highly positive.



The new Tyra II facilities are expected to cut carbon emissions from production by as much as 30 percent.

At the Valdemar field, work continues on assessing a larger area in the southern part of the field, known as Valdemar Bo South. The area holds considerable production potential, but cannot be reached from the existing installations on the Valdemar field. Any development will therefore require a new production platform. It is expected that DUC will be able to make an investment decision towards the end of 2023.

In addition to Valdemar Bo South, a number of other oil and gas discoveries have been identified with the potential to make a considerable, positive contribution to the challenging energy supply situation over the coming years. Nordsøfonden is working to make it possible to mature and commence production from new projects more quickly than envisaged in the current plans. This applies, for example, to the Adda gas field which is expected to be able to cover the gas-heating requirements of up to 350,000 households over a ten-year period.

Within DUC, a variety of measures have been introduced in recent years to reduce flaring – gas burned in a controlled manner without being put to any use. Flaring is carried out in part for reasons of safety and in part as a routine aspect of standard operating practice.

The Gorm field has been responsible for an appreciable share of the total routine flaring, but in 2022 the practice at Gorm was reduced by more than half. A permanent solution that is expected to eliminate routine flaring at the Gorm field entirely is scheduled for implementation over the course of 2023. It is also expected that Denmark will prohibit the routine flaring in 2023.

Furthermore, DUC is working to reduce the consumption of fuel at its facilities in the North Sea. The new Tyra II will be one of the most modern offshore gas plant in the world, and the new facilities are expected to cut carbon emissions from production by as much as 30 percent. Work is likewise being focused on reducing fuel consumption at the Dan field facilities.

Exploration and appraisal in oil and gas licences

As a consequence of the North Sea Agreement of December 2020, no new licencing rounds will be launched for oil and gas licences in the Danish section of the North Sea. This means that exploration and appraisal activities may only be carried out within the previously granted licences. However, it is still possible to apply for exploration licences in what are known as “mini-rounds” in the Danish sector.

Exploration activities have again been beset by postponements and cancellations in 2022. The most significant are the following:

- In the Sole Concession, DUC is now planning to drill an exploration well at the Harald East field in 2024 rather than in 2023.
- The Robin Hood area covered by licence 12/06 comprises the two discoveries known as Broder Tuck and Lille John. Dana is the operator under the licence. Changes in the



ownership structure have delayed the work to clarify whether the development of one or both discoveries would be commercially viable.

- Licence 1/06, where Ineos is the operator, contains an obligation to drill an exploration well in the Finke prospect. A decision is therefore to be taken in the course of 2023 as to whether the well is to be drilled, or whether the licence is to be relinquished.

Corporate social responsibility and data ethics

Nordsøfonden's social responsibility requires the organisation to contribute to Denmark becoming a carbon neutral society. Nordsøfonden is aware that the production of oil and gas has a negative impact on the environment and the climate. At the same time, there is currently a pronounced need for a reliable supply of energy to the European market as a result of the war in Ukraine and the cessation of supplies of Russian gas. Nordsøfonden is therefore seeking to increase the production of oil and gas in Denmark, while simultaneously working with the other players in the Danish sector of the North Sea to ensure that production has as little impact as possible on the climate and environment.



Nordsøfonden is aware that the production of oil and gas has a negative impact on the environment and the climate. At the same time, there is currently a pronounced need for a reliable supply of energy to the European market

As from 2023 Nordsøfonden will also be participating in carbon storage licences, which are intended to reduce emissions into the atmosphere. Denmark's underground assets contain appreciable potential for storing carbon dioxide offshore, nearshore and onshore, and the devel-

opment of CCS technology will constitute a significant step towards achieving Danish reduction goals. With its estimated storage capacity and central location, Denmark has the potential to become a European hub for carbon storage. In 2022 Nordsøfonden has therefore worked to develop and reinforce Denmark's position in the field of carbon storage by applying experience and knowledge from its oil and gas activities.



The development of CCS technology will constitute a significant step towards achieving Danish reduction goals

Nordsøfonden's and Nordsøenheden's CSR report for 2022, cf. Section 99a of the Danish Financial Statements Act, is published (in Danish) on the Nordsøfonden website: nordsoefonden.dk/our-responsibility/. The CSR report has been prepared in accordance with the requirements in the Danish Financial Statements Act concerning the reporting of companies' corporate social responsibility. It includes Nordsøfonden's and Nordsøenheden's policies for corporate social responsibility, how these are applied in practice and an appraisal of the results achieved.

Nordsøfonden's and Nordsøenheden's report on data ethics policy for 2022, cf. Section 99d of the Danish Financial Statements Act, is included in the CSR Report and states how Nordsøfonden works with issues of data ethics.

Nordsøfonden is not subject to the provisions of Section 99b of the Danish Financial Statements Act.



Risks

Nordsøfonden works to generate value from the utilisation of Denmark's underground assets for the benefit of Danish society, and Nordsøfonden maintains constant focus on addressing the risks that may have a negative impact on this value generation.

In recent years, oil and gas prices have been decisive in determining the level of Nordsøfonden's value generation. The sharp fluctuations in prices have caused uncertainty in the industry and has had an impact on companies' willingness to invest. Nordsøfonden has also noted that the sector is taking a short-term approach to investments, which naturally limits the opportunities open to Nordsøfonden to generate value.

The tendency towards reticence with regard to launching new projects witnessed in recent years among oil and gas companies continued in 2022. These are projects that could potentially increase production and reinforce the supply of gas in particular towards 2030 – through the development of DUC's Adda discovery, for example. As a state participant, Nordsøfonden is devoted to ensuring that as much as possible of the value of Danish oil and gas production is realised prior to the termination of production in the Danish Sector of North Sea in 2050. The income from this production could help finance the development of Danish society, including the green transition.



Nordsøfonden works to generate value from the utilisation of Denmark's underground assets for the benefit of Danish society and address risks that may have a negative impact on this value generation.

Maintenance of the older platforms in particular has been a focus area in recent years, because the condition of these platforms otherwise can constitute a significant risk to both the environ-

ment and safety. In order to address this risk, Nordsøfonden is working hard to ensure that maintenance work on and modifications to installations are carried out as and when the need for same arises. This also helps ensure reliable operation which, all else being equal, translates into increased production.

Carbon storage is a new business area for Nordsøfonden. A market model has not yet been established for this area, and there is a risk that a model that provides sufficient incentive to execute projects will not be established. This would naturally limit Nordsøfonden's opportunities to generate value. For this reason, Nordsøfonden is maintaining close contact with the relevant authorities and operators with a view to boosting understanding of the opportunities and challenges inherent in the area.

Financial performance

Nordsøfonden's share of DUC oil production for 2022 amounted to 4.1 million barrels, equivalent to 11,100 barrels per day, while the share of gas production totalled 2.1 million MWh. As such, production was on a par with 2021.

The unchanged figures for oil and gas production can principally be attributed to greater focus on production optimisation, and to the two new gas wells in the Halfdan field which have offset the natural decline in production at the fields.

With Brent crude fetching an average price of USD 101 per barrel in 2022, which is almost 50 percent higher than in 2021, and an average gas price of EUR 121/MWh during the same period, almost three times as high as in 2021, Nordsøfonden's total turnover amounted to DKK 4.8 billion. Nordsøfonden does not undertake financial hedging of oil and gas prices.

Nordsøfonden's share of the production costs amounted to DKK 1.2 billion. Nordsøfonden invested almost DKK 800 million in the redevelopment of the Tyra field in 2022, and Nordsøfonden's total investments for the year amounted to DKK 920 million.



Nordsøfonden devoted DKK 11 million to exploration and appraisal activities in 2022. The Nordsøfonden accounts include ordinary and hydrocarbon taxes paid in the amount of DKK 1.1 billion. In addition, a total of DKK 1.2 billion in dividends was transferred to the Danish state, after repayment of all state loans in the amount of DKK 1 billion.

Nordsøfonden's net result for 2022 was a profit of DKK 1,504 million, compared to 341 million in 2021. The profit for 2022 is much better than expected, largely on account of significantly higher average prices of oil and gas for the year.

Expectations for 2023

The war in Ukraine has resulted in a sharp rise in oil and gas prices, and it is difficult to predict the development in these prices over the coming years. Nordsøfonden's financial results are heavily dependent on the prevailing oil and gas prices.

The ongoing redevelopment of the Tyra field facilities is once more likely to entail a reduction

of production in DUC in 2023. The forecast for 2023 indicates oil and gas production below 2022 levels as a result of the natural decline in production of the fields. Nordsøfonden's investments in 2023 comprise significant investments in the redevelopment of the Tyra field and are expected to amount to around DKK 1.5 billion, which is significantly above the 2022 investments.

Production costs in 2023 are expected to be at the same level as in 2022, while the scope of the forecast exploration activities is severely limited.

Sharp rises or falls in oil and gas prices will naturally affect the result for 2023. With a price level for the rest of the year of USD 80 per barrel for oil and EUR 40 per MWh of gas as a result of around DKK 500 million is forecast.

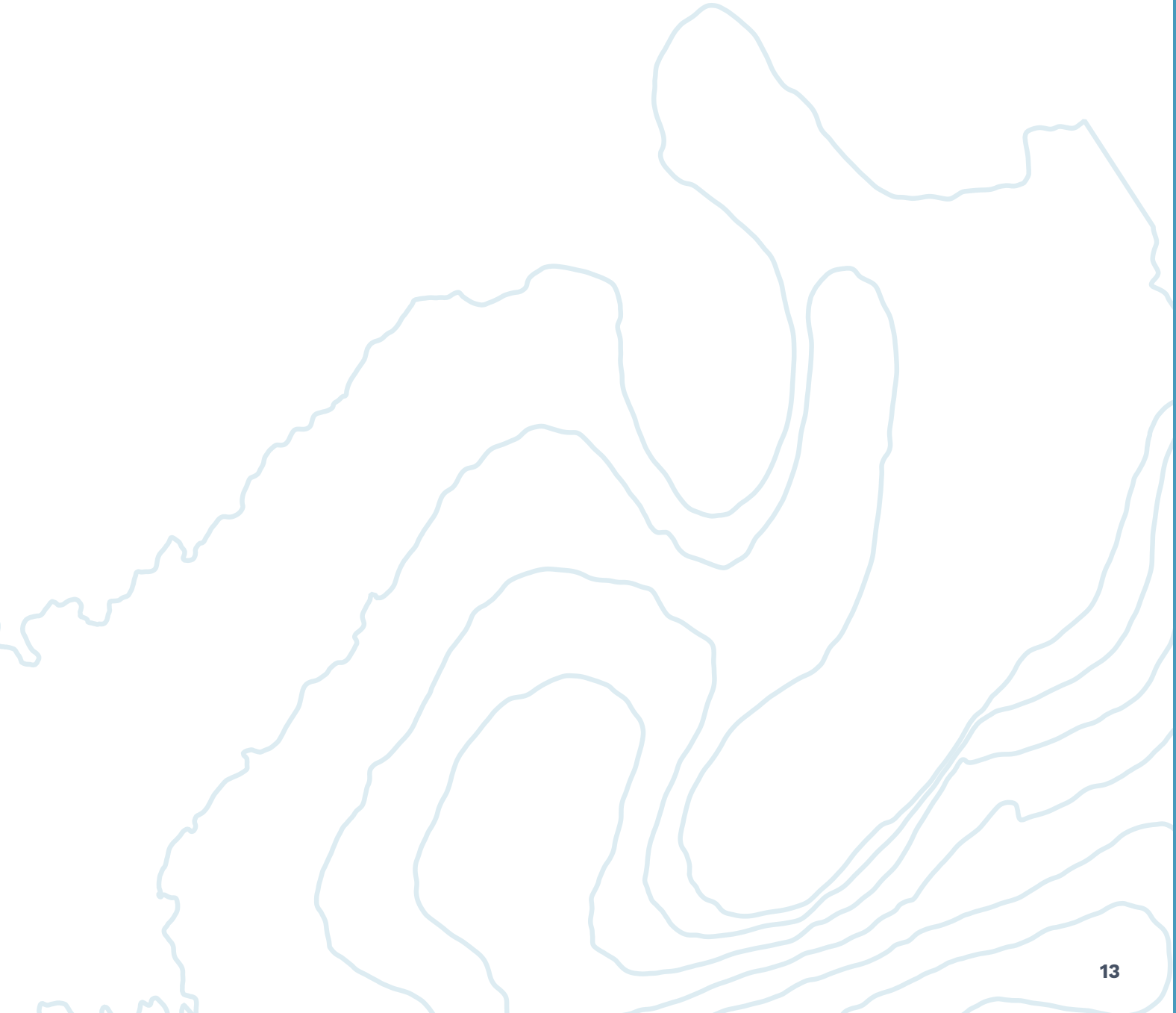
Subsequent incidents

No subsequent incidents have been observed that have an influence on the assessment of the Annual Report for 2022.





ACCOUNTING POLICIES **NORDSØFONDEN**





Accounting Policies

Basis of preparation

The Annual Report of Nordsøfonden for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies are the same as those applied last year.

Format, classifications and designations in the income statement and the balance sheet have been adapted to the special nature of Nordsøfonden.

Opening balance regarding entrance into DUC reflects the present value calculated, which was established as cost price as of 9 July 2012.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period.

Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Joint operations

Joint operations include jointly operated licences within oil exploration and production.

On consolidation, joint operations investments are recognised on a proportionate basis as the share of the jointly controlled assets and liabilities, classified by the nature of the assets and liabilities, and the share of the expenses incurred by the jointly controlled operation.

Accounting treatment of exploration and production

Nordsøfonden recognises exploration costs using the successful efforts method.

Exploration costs that are not directly attributable to individual exploration wells and exploration wells that turn out unsuccessfully (dry) are expensed as incurred. Costs for other exploration wells are capitalised on a licence by licence basis under exploration assets and are not amortised.

Acquired shares in exploration and appraisal licences are, as a rule, capitalised on a licence by licence basis.

The result of subsequent appraisal activities is reviewed on a licence by licence basis. On completion of an appraisal well, the wells are ex-



pensed together with the associated capitalised exploration costs, unless the results indicate with reasonable probability the existence of reserves that can be utilised commercially. If no subsequent appraisal activities are performed, capitalised exploration costs from exploration assets are written down.

Once a decision has been made on a development and operating plan for a licence, and the plan has been approved by the relevant authorities, the exploration and appraisal costs are transferred to property, plant and equipment in the course of construction.

When the field is ready for start-up of commercial production, such capitalised costs and other investments in production assets are transferred to production assets in the balance sheet.

The cost of production assets comprises direct and indirect expenses incurred in respect of fields that are considered to be commercial.

Depreciation commences when the field comes on stream. Production assets are depreciated over their useful lives, which are assessed on the basis of production expectations for the individual field/process centre.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the rates at the dates of transaction and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income statement

Revenue comprises the value of Nordsøfonden's share of oil and gas production. A provision is made at the selling price obtained under deferred income in the balance sheet to the extent that the volume of oil sold exceeds the share of the produced oil (overlift). A provision is made at sales price under prepayments in the balance sheet to the extent that the volume of oil sold is less than the share of the produced oil (underlift).

The item production costs comprise costs for the production and transport of oil and gas to the point of delivery.

Exploration expenses mainly include expenses relating to geological and geophysical analyses expenses and exploratory dry hole costs.

Administrative expenses primarily comprise administration fee to Nordsøenheden, expenses for insurances and advisory services, etc.

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, accretion related to asset retirement obligations as well as extra interest payments and repayment under the on-account taxation scheme.

Tax on the profit/loss for the year comprises the amount expected to be payable for the year and adjustment concerning previous years as well as adjustment of deferred tax. The amount includes the special taxes paid in connection with extraction and production of hydrocarbons.

Provision for deferred tax is made on the basis of the difference between the carrying amount and the tax base of assets and liabilities.

Deferred tax is not recognised on temporary differences which at the time of transaction have no effect on either net profit/loss or taxable income. Deferred tax assets are only recognised to the extent it is probable that the tax asset can be utilised against future taxable income and/or be repaid at cease of licence. The estimate hereof is subject to significant uncertainty.



Balance sheet

Property, plant and equipment are valued at cost less accumulated depreciation and less any accumulated impairment losses.

The cost of production facilities etc. comprises direct and indirect costs incurred in respect of appraisal and production wells and production equipment etc. relating to fields assessed to be commercial. Cost comprises the net present value of estimated asset retirement costs, which include disassembly and removal of the asset as well as cleanup. Production facilities etc. are depreciated over the expected production period/ useful lives determined individually for each field/process centre.

The periods of depreciation and amortisation of property, plant and equipment are reassessed on an annual basis.

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined on a total assessment.

Raw materials and auxiliary items as well as oil stock are measured at the lower of average cost and net realisable value and are recognised in the item prepayments.

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made based on a specific assessment of each receivable.

Prepayments comprise prepaid expenses and underlift.

Nordsøfonden recognises provisions for asset retirement obligations relating to oil fields etc. The provisions are recognised on the basis of an actual assessment and at net present value. The provision assumptions are reassessed on an annual basis. A considerable portion of the obligation will not become payable in 20-30 years and, therefore, major uncertainty is associated with the statement of the obligation, including the assumptions applied for especially the useful lives of fields which depends on the future oil prices.

Deferred income comprises overlift.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Deferred tax assets and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Short-term debts are measured at amortised cost, which all-in-all corresponds to nominal value.

Long-term debt comprise debt to the State and are measured at amortised cost.

Draw on State undertaking ref. The Finance Act § 08.25.02 to cover incurred cost of abandonment are recognised in Equity.

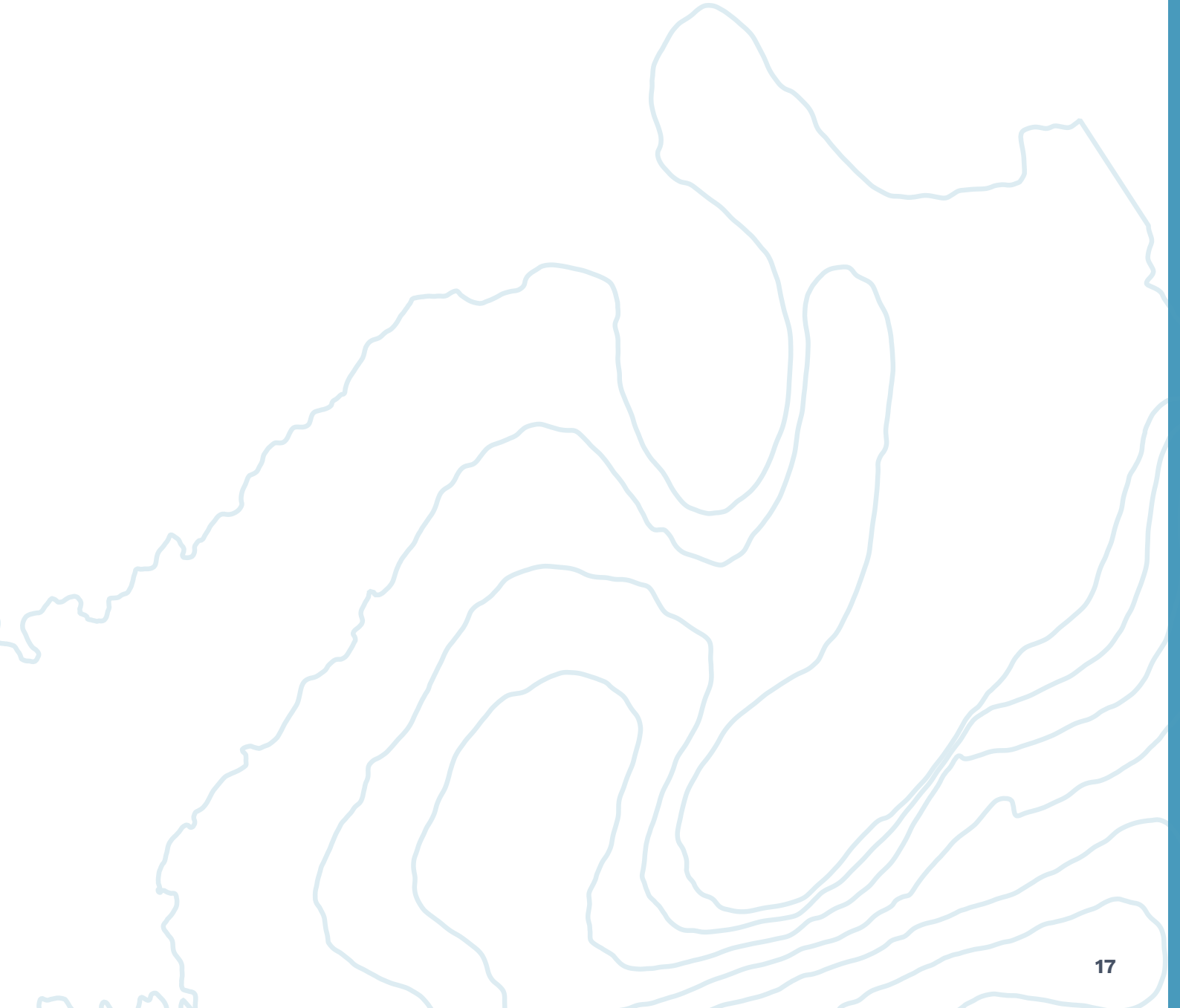
Cash Flow statement

The Cash Flow statement shows Nordsøfonden's Cash Flows for the year broken down by operating, investing and financing activities.



FINANCIAL STATEMENTS

NORDSØFONDEN





Income Statement

Note	mill. DKK	2022	2021
1	Net turnover	4,756.0	2,480.5
	Production costs	-1,166.8	-994.1
7	Depreciations	-509.9	-775.7
	Other income	1.0	0.7
	Gross result	3,080.3	711.4
	Exploration costs	-10.5	-15.5
2	Administrative costs	-20.5	-30.5
	Profits/loss before financial income and expenses	3,049.3	665.4
3	Financial income	140.8	27.9
4	Financial expenses	-170.1	-160.9
	Profits/loss before tax	3,020.0	532.4
5	Tax on profits/loss for the year	-1,965.8	-191.4
	Net profits/loss for the year	1,054.2	341.0
6	Distribution of result		



Balance Sheet 31 December

Assets

Note	mill. DKK	2022	2021
7	Tangible fixed assets		
	Production facilities e.o.	2,453.3	2,699.1
	Production facilities e.o. under construction	2,944.1	2,239.0
	Total fixed assets	5,397.4	4,938.1
	Stock, crude oil and inventory	235.1	214.8
	Receivables		
	Receivables oil and gas sales	387.1	355.8
	Other receivables	22.8	11.5
	Prepayments	323.1	119.4
5	Deferred tax asset	1,520.8	2,001.0
		2,488.9	2,702.5
	Cash	1,182.6	1,346.4
	Total current assets	3,671.5	4,048.9
	Total assets	9,068.9	8,987.0



Balance Sheet 31 December

Liabilities and Equity

Note	mill. DKK	2022	2021
	Equity, refer below	3,034.5	2,543.3
	Total equity	3,034.5	2,543.3
8	Asset retirement obligations	5,035.7	4,834.9
	Total provisions	5,035.7	4,834.9
9	Debt Danish State	-	1,030.1
	Total long-term debt	-	1,030.1
	Operator debt	339.4	504.1
5	Tax payables	369.6	23.5
	Deferred income	289.7	51.1
	Total short-term debt	998.7	578.7
	Total debts	6,034.4	6,443.7
	Total liabilities and equity	9,068.9	8,987.0
	Equity		
	As of 1 January	2,543.3	2,202.3
	Net profits/loss for the year	1,054.2	341.0
	Draw on State undertaking* ref. The Finance Act § 08.25.02	637.0	-
	Transferred to State	-1,200.0	-
	Equity at 31 December	3,034.5	2,543.3
	* Related to incurred abandonment cost of the Tyra area in 2016-2022		
10	Contingent liabilities and other financial obligations		
11	Related parties and ownership		



Cash Flow Statement

Note	mill. DKK	2022	2021
	Profits/loss before financial income and expenses	3,049.3	665.4
	Depreciation and writedowns	509.9	775.7
	Working capital movements	-194.0	-188.2
5	Taxes paid	-1,139.4	-13.6
	Interest income	21.5	6.6
	Interest expenses	-0.9	-3.8
	Cash Flow from operations	2,246.4	1,242.1
	Investment in tangible fixed assets	-921.7	-767.5
	Cash Flow from investments	-921.7	-767.5
	State loan granted	-	495.4
	State loan repaid	-928.0	-
	Draw on State undertaking ref. The Finance Act § 08.25.02	637.0	-
	Transferred to the State	-1,200.0	-
	Cash Flow from financing activities	-1,491.0	495.4
	Cash Flow for the Year	-166.3	970.0
	Cash 1 January	1,346.4	371.3
	Exchange rate adjustment re. cash	2.5	5.1
	Cash 31 December	1,182.6	1,346.4



Notes to the Financial Statements

Note	mill. DKK	2022	2021
1	Net turnover		
	Nordsøfonden's turnover solely comprises the fund's share of oil and gas production in Denmark.		
	Sale of oil	3,044.2	1,851.9
	Sale of gas	1,711.8	628.6
	Net turnover	4,756.0	2,480.5
2	Administrative expenses		
	Nordsøenheden administrates Nordsøfonden and collects a consideration herefore. The consideration is determined in the annual Finance Act and is recognised as an expense in Nordsøfonden's Profit and Loss for 2022 with DKK 20.5 mill. (DKK 30.5 mill. in 2021). Remuneration of management, other employees, rent and other costs are at the expense of Nordsøenheden, and are therefore not a part of the Financial Statements for Nordsøfonden. An administration fee is paid from Nordsøfonden to Nordsøenheden covering the latter's undertaking of these functions, of which management remuneration constitutes DKK 1.8 mill. (DKK 1.7 mill. in 2021) and Board remuneration DKK 1.2 mill. (DKK 1.2 mill. in 2021).		
	Rigsrevisionen does not charge for auditing.		
3	Financial income		
	Interest received in bank	21.0	6.4
	Interest received in joint ventures	0.5	0.2
	Recognition of amortisation gain and bond exchange gain - state loan	102.2	4.3
	Exchange adjustments	17.1	17.0
	Total	140.8	27.9



Notes to the Financial Statements

Note	mill. DKK	2022	2021
4	Financial Expenses		
	Interest paid, credit institutions and state loan	0.8	3.8
	Interest element re. abandonment obligations	169.2	156.8
	Interest paid in joint ventures	0.1	0.1
	Recognition of amortisation loss - state loan	-	0.2
	Total	170.1	160.9
5	Tax on profits/loss for the year		
	Current tax for the year	1,490.9	142.0
	Deferred tax assets adjustment for the year cif below	260.5	-125.5
	Deferred tax liability adjustment for the year cif below	219.8	166.5
	Adjustments of previous year's tax	-5.4	8.3
	Total tax for the year	1,965.8	191.4
	Tax to be specified as follows:		
	Calculated company tax on profit of the year	826.6	142.0
	Calculated hydrocarbon tax on profit of the year	341.7	0.0
	Calculated surplus tax	322.6	-
	Adjustment deferred company tax for the year	-122.1	-11.8
	Adjustment deferred hydrocarbon tax for the year	602.4	52.9
	Adjustment of the previous year	-5.4	8.3
	Total	1,965.8	191.4



Notes to the Financial Statements

Note	mill. DKK	2022	Adjustment for the year	2021
5	Deferred tax Asset related to asset retirement obligations*)			
	Company tax	965.2	58.6	906.6
	Hydrocarbon tax	1,505.8	-319.0	1,824.8
	Total asset	2,471.0	-260.4	2,731.4
	Liability related to differences between carrying amount and the tax base of fixed assets			
	Company tax	-124.4	63.5	-187.9
	Hydrocarbon tax	-825.8	-283.4	-542.4
	Total liability	-950.2	-219.9	-730.4
	Net deferred tax	1,520.8	-480.3	2,001.0

*) The tax asset is recognised, only to the extent it reflects expected utilisation or repayment of the hydrocarbon tax part of the asset, which will be released at licence cessation.

	2022	2021
Tax payable		
As of 1 January	23.5	-113.2
Current tax for the year	1,490.9	142.0
Taxes paid	-1,139.4	-13.6
Adjustment of previous year's tax	-5.4	8.3
Tax payable 31 December	369.6	23.5
6	Proposed distribution of result	
	Year result	1,054.2
	Retained earnings	1,054.2



Notes to the Financial Statements

Note	mill. DKK	Production facilities e.o. u. construction	Production facilities e.o.	Total
7	Tangible fixed assets			
	Cost at 1 January	2,246.5	28,449.1	30,695.6
	Disposals for the year	-	-	-
	Additions for the year	1,016.5	-47.3	969.2
	Transfer	-22.7	22.7	-
	Cost at 31 December	3,240.3	28,424.5	31,664.8
	Depreciation at 1 January	7.5	25,750.0	25,757.5
	Disposals for the year	-	-	-
	Depreciation for the period	-	509.9	509.9
	Depreciation at 31 December	7.5	26,259.9	26,267.4
	Carrying amount at 31 December	3,232.8	2,164.6	5,397.4

Note	mill. DKK	2022	2021
8	Asset retirement obligation		
	Asset retirement obligation on 1 January	4,834.5	4,479.6
	Abandonment expenditure for the year	-15.5	-48.2
	Accretion for the year	169.2	156.8
	Adjustment of obligation ^{*)}	47.5	246.3
	Asset retirement obligation 31 December	5,035.7	4,834.5

^{*)} Adjustment in 2021 and 2022 as a result of partly changed estimate for abandonment expenses and partly addition of new facilities.

Of the total obligation DKK 0.1 bill. (DKK 0.1 bill. in 2021) is expected to be due within the coming 12 months, DKK 1.9 bill. (DKK 1.7 bill. in 2021) is expected to be due in 2-5 years, while the remaining part is expected to be due in more than 5 years.



Notes to the Financial Statements

Note	mill. DKK	Principal	Carrying amount
9	State loan		
	Balance at 1 January	1,000.0	1,030.1
	Loan repayment	-1,000.0	-1,030.1
	Balance at 31 December	0.0	0.0

10 **Contingent liabilities and other financial obligations**

Obligations regarding exploration rest upon Nordsøfonden under the licences for exploration and production of hydrocarbons granted by the Minister for Climate, Energy and Utilities. Nordsøfonden is jointly and severally liable with the other partners in the licence for any damages claimed and for the satisfaction of any obligations to the State under the licences.

Nordsøfonden is jointly and severally liable with the other partners in DUC and other licences towards the Operator for contracts regarding field development, chartering of drilling rigs a. o. under contracts entered by the Operator.

Nordsøfonden has brought gas ashore at Nybro via the Ørsted Group's pipeline. There is some disagreement as to what constitutes a reasonable tariff for this operation. In 2022 Ørsted withdrew the arbitration proceedings against Nordsøfonden that Ørsted opened in 2021 with a view to obtaining a higher tariff for the period 2014-2019. Nordsøfonden has submitted a complaint to the relevant authority – the Danish Utility Regulator – and has requested that the tariff charged from 2014 onwards be reduced even further.

11 **Related parties and ownership**

Nordsøfonden is a public Fund, which is responsible for the State's participation in licences for exploration and production of hydrocarbons and licences for carbon storage. Related parties of Nordsøfonden are other state institutions. For information about remuneration of the administration, the management and the Board, see note 2.

Transactions with related parties consists of state loan on market terms.



Management's Statement

As the Board of Directors and Executive Board of Nordsøenheden, which is responsible for the administration of Nordsøfonden, we have today approved the Annual Report of Nordsøfonden for the financial year 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies applied as appropriate and the accounting estimates made to be reasonable.

In our opinion, the Financial Statements give a true and fair view of Nordsøfonden's assets, liabilities and financial position at 31 December 2022, and of the results of Nordsøfonden's activities and cash flows for the financial year 1 January–31 December 2022.

It is likewise our opinion that the transactions comprised by the financial reporting are in accord-

ance with the grants given, legislation and other regulations, as well as with agreements concluded and generally accepted practice. Finally, it is our opinion that due financial consideration has been made in the administration of the funds and the operation of the company covered by the financial statements and that in this connection, systems and processes have been established that support economy, productivity and efficiency.

We are of the opinion that the Management's Report includes a true and fair account of the operational development and the financial circumstances of Nordsøfonden, the results for the year and the financial position.

We recommend that the Annual Report, including the proposed distribution of profit, be adopted by the Minister for Industry, Business and Financial Affairs.

Copenhagen, 14 April 2023

Anna Birgitta B. Jacobsen
CEO, Nordsøenheden

Board of Directors, Nordsøenheden

Henrik Michael Normann
Chairman

Karsten Sivebæk Knudsen
Vice Chairman

Barbara Plucnar Jensen

Christian Herskind Jørgensen

Henrik Martin Sass Larsen

Mads Bo Keis Andersen

Signe Thustrup Kreiner



Auditor's Report

Internal Auditor's Report

To the Danish Minister for Industry,
Business and Financial Affairs

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of Nordsøfonden at 31 December 2022 and of the results of Nordsøfonden's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Nordsøfonden for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including summary of significant accounting policies ("the 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 Nordsøfonden in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the

additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review provides the information required under the Danish Financial Statements Act.

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 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 Nordsøfonden'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 Nordsøfonden 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 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 Nordsøfonden's internal control.
- Evaluate the appropriateness of accounting policies used by Management 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 Nordsøfonden'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, where such disclosures are not adequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Howev-



er, future events or conditions may cause Nordsøfonden 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 achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 14 April 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No: 33 77 12 31

Kim Danstrup
State Authorised Public Accountant
mne32201

Daniel Kønigsfeld Sitch
Statsautoriseret revisor
mne47889



Auditor's Report

Independent Auditor's Report

**To the Danish Minister for Industry,
Business and Financial Affairs**

Report on the Financial Statements

Opinion

The Office of the Auditor General of Denmark has audited the Financial Statements of Nordsøfonden for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant 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 Nordsøfonden at 31 December 2022, and of the results of Nordsøfonden's operations and cash flows 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 public auditing standards. The audit is conducted on the basis of section 2 (1) (iii) of the Danish Executive Order on the Auditing of the Danish Government Accounts (cf. Consolidated Act no. 101 of 19. January 2012) and provisions of the Danish Act on Nordsøenheden (the Danish North Sea Partner) and Nordsøfonden (the Danish North Sea Fund). Our responsibilities under the public auditing standards are further described in the "The Office of the Auditor General of Denmark's responsibilities for the audit of the Financial Statements" section of our report.

The Auditor General is independent of Nordsøfonden in accordance with section 1 (6) of the Danish Executive Order on the Auditing of the Danish Government Accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Nordsøfonden'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 Nordsøfonden or to cease operations, or has no realistic alternative but to do so.

The Office of the Auditor General of Denmark'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 public auditing standards 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.

As part of an audit conducted in accordance with public auditing standards 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 Nordsøfonden's internal control.
- Evaluate the appropriateness of accounting policies used by Management 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 Nordsøfonden'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 Nordsøfonden 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 with our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we are responsible for considering whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

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.



Report on Other Legal and Regulatory Requirements

Statement on compliance audit and performance audit

Management is responsible for the transactions comprised by the financial reporting being in accordance with the grants given, legislation and other regulations as well as with agreements concluded and generally accepted practice. Management is also responsible for due financial consideration having been made in the administration of the funds and the operation of the Institute comprised by the Financial Statements. In this connection, Management is responsible for establishing systems and processes that support economy, productivity and efficiency.

In connection with our audit of the Financial Statements, it is our responsibility to perform a compliance audit and a performance audit of selected subject matters in accordance with public auditing standards. During our compliance audit, we verify with reasonable assurance for the

subject matters selected whether the examined transactions comprised by the financial reporting are in accordance with the relevant provisions relating to the grants given, legislation and other regulations as well as with agreements concluded and generally accepted practice. During our performance audit, we assess with reasonable assurance whether the systems, processes or transactions examined support due financial consideration made in the administration of the funds and the operation of the Institute comprised by the Financial Statements.

If, on the basis of the work performed, we conclude that our audit gives rise to material critical comments, we are to report on these in this statement.

We do not have any material critical comments to report in this respect.

Copenhagen, 14 April 2023

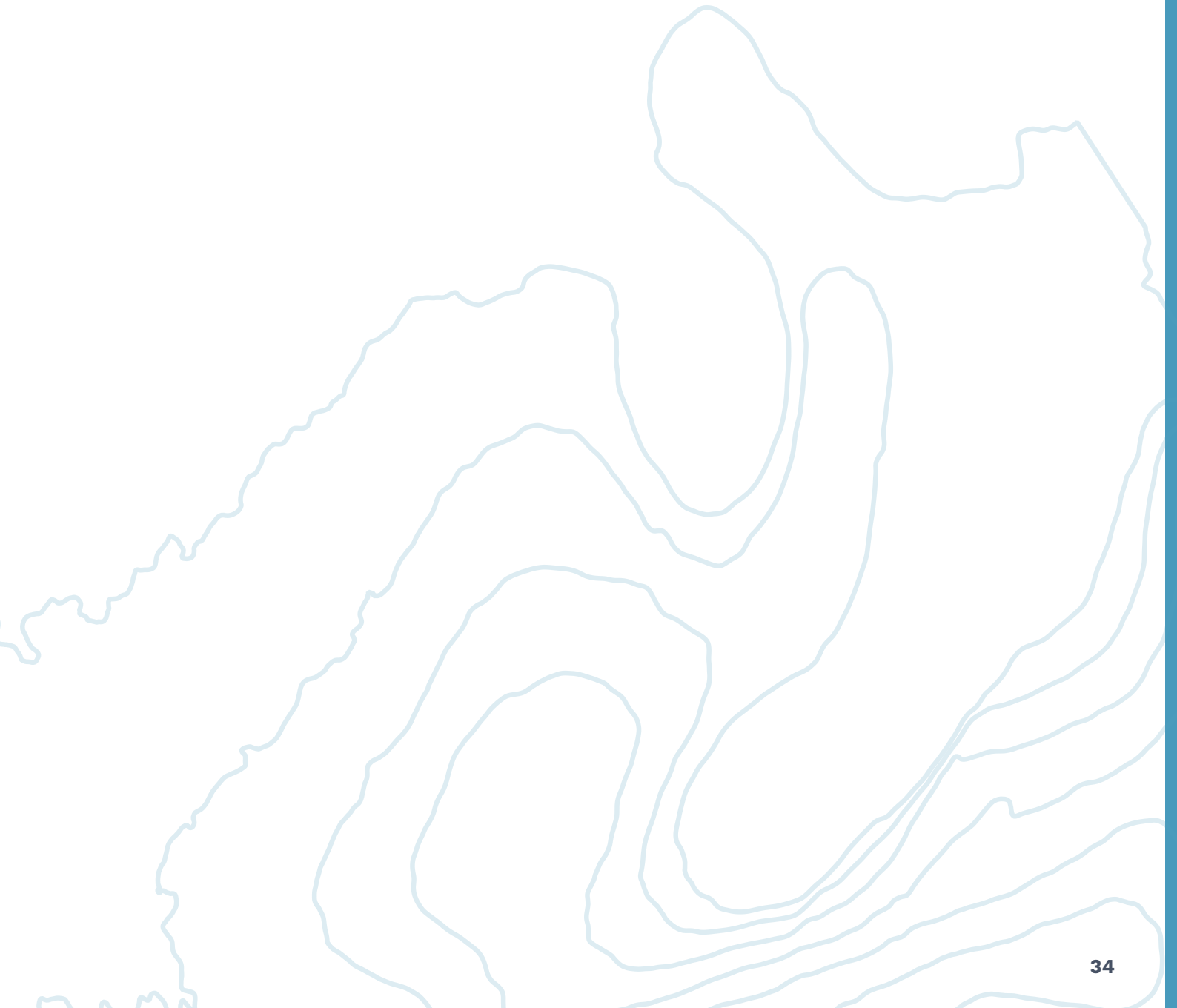
Rigsrevisionen
(The Office of the Auditor General of Denmark)
CVR No: 77 80 61 13

Yvan Pedersen
The Auditor General

Marie Katrine Bisgaard Lindeløv
Head of Office



LICENCES AND MAPS NORDSØFONDEN





Licences with participation of Nordsøfonden, March 2023

Oil and gas licences

Licence		Granted	Operator	Expiry
1/62	DUC	1962/2012	TotalEnergies EP Danmark A/S	2042
5/06*	Ravn, Hibonite	2006	Wintershall Noordzee B.V.	2044/2049
12/06	Broder Tuck, Lille John	2006	Dana Petroleum Denmark B.V.	2046
4/98 3/09	Solsort Unit	1998/2009	INEOS E&P A/S	2045
1/06		2006	INEOS E&P A/S	2040
8/06b		2006	TotalEnergies EP Danmark A/S	2042
2/16*		2016	Wintershall Noordzee B.V.	2046/2049
4/16		2016	Dana Petroleum Denmark B.V.	2046
9/16*		2016	Wintershall Dea International AG	2022

Nordsøfonden has a 20 percent share in all licences except licence 5/06 and 2/16, where Nordsøfonden has a 36.36 percent share and in Solsort Unit, where Nordsøfonden has a 18.44 percent share.

More details on the licences to be found at [eng.nordsoefonden.dk/oil and gas licences](https://eng.nordsoefonden.dk/oil-and-gas-licences)

* Licences are in the process of being relinquished





CO₂ storage licences

Licence		Granted	Operator	Expiry
C2023-01	Greensand	2023	INEOS E&P A/S	2028
C2023-02	Bifrost	2023	TotalEnergies EP Danmark A/S	2028
C2023-03		2023	TotalEnergies EP Danmark A/S	2028

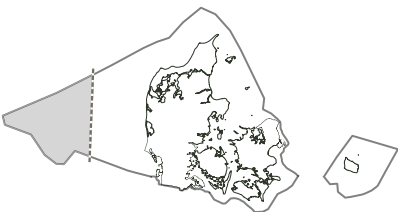
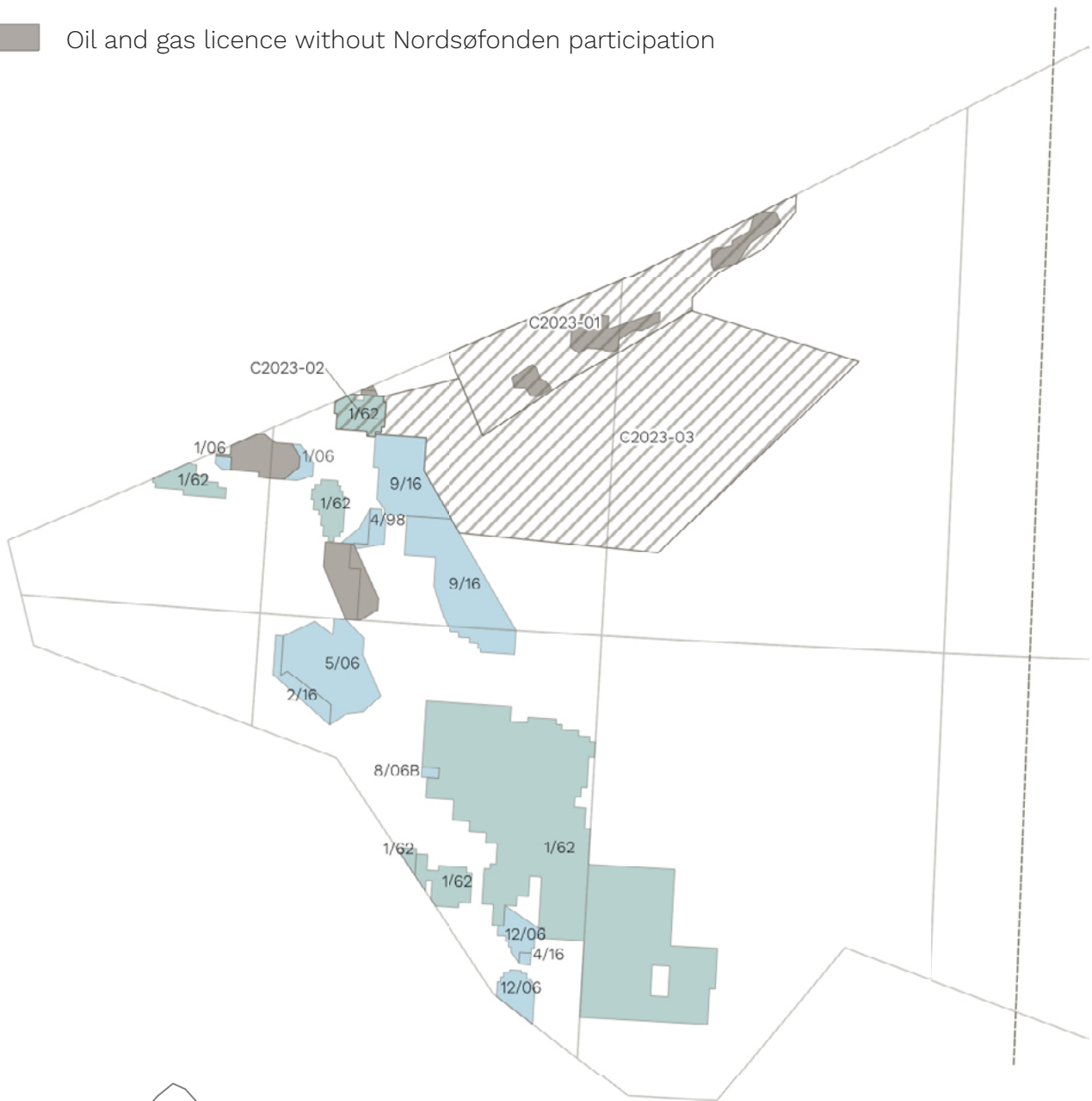
Nordsøfonden has a 20 percent share in all licences. More details on the licences to be found at [eng.nordsoefonden.dk/carbon storage licences](https://eng.nordsoefonden.dk/carbon-storage-licences)



Licence map

-  Carbon storage licence with Nordsøfonden participation
-  Oil and gas licence with Nordsøfonden participation
-  Sole Concession with 20 percent Nordsøfonden participation in DUC
-  Oil and gas licence without Nordsøfonden participation

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March 2023



ANNUAL REPORT 2022

NORDSØENHEDEN





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NORDSØENHEDEN

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Information on Nordsøenheden

Nordsøenheden (independent State company)
Rentemestervej 8
DK-2400 Copenhagen NV

Telephone: +45 72 26 57 50
Homepage: www.nordsoeenheden.dk
CVR No: 31 41 22 42

Municipality of reg. office: Copenhagen

Financial period: 1 January 2022 - 31 December 2022. 9th accounting year

CEO: Anna Birgitta B. Jacobsen

Board of Directors: Henrik Michael Normann (Chairman)
Karsten Sivebæk Knudsen (Vice Chairman)
Barbara Plucnar Jensen
Christian Herskind Jørgensen
Henrik Martin Sass Larsen
Mads Bo Keis Andersen
Signe Thustrup Kreiner

Auditors: Rigsrevisionen (external auditors) and PricewaterhouseCoopers,
Statsautoriseret Revisionspartnerselskab (internal auditors)

The Board has held four ordinary Board meetings and five extraordinary Board meetings in 2022.

Nordsøenheden is an independent public company whose principal assignment is to administrate Nordsøfonden. Nordsøenheden is owned by the Danish State, and the ownership role is handled by the Minister of Industry, Business and Financial Affairs.

Nordsøenheden's income consists of an administration fee from Nordsøfonden, which is set in the annual Danish national budget.





Management's Report

Principal activity

Nordsøenheden's principal task is to generate value through its administration of Nordsøfonden. Value is generated by contributing to the optimal utilisation of Danish subsurface resources. The assignment is handled by running a profitable business in a safe and environmentally responsible manner.

Significant events during the year

Nordsøenheden's input in relation to Nordsøfonden has primarily centred on contributing to the development of, and value generation from, the oil and gas licences in which Nordsøfonden participates. Particular emphasis has been devoted to the work to redevelop the Tyra field installations and to mature the Solsort project.

A broad political majority have concluded an agreement for the capture, transport, storage and use of CO₂ in Denmark (CCS). This process is considered to be an important tool in reducing carbon emissions and achieving the Danish climate goals.

Carbon storage activities constitute a natural extension of Nordsøfonden's current activities, and in June 2022 Nordsøfonden was designated the Danish state's participant in all carbon storage licences. Carbon Storage is now a strategic area of initiative for Nordsøenheden, which has therefore contributed actively to a variety of initiatives associated with the storage of CO₂.

Nordsøenheden's result for 2022 was a loss of kDKK 3,358, compared to a profit of kDKK 6,007 in 2021. This loss is attributable to a reduction of the administration fee from Nordsøfonden.

Expectations for 2023

Gas and oil licence activities will continue to constitute a significant assignment for Nordsøenheden. Nordsøenheden's resources will be used in particular to ensure continued progress in the work to redevelop the Tyra field towards re-establishment of production in 2023/24, and the development of the Solsort field.

In addition, resources will be devoted to increasing the level of activity and to launching initiatives in DUC with a view to boosting production, primarily in order to contribute to the supply of gas towards 2030.

Carbon storage is a new business area. In 2023 Nordsøfonden is to utilise its experience from its work with Denmark's underground resources to develop and strengthen Denmark's position in the area of carbon storage. Over and above participating in the storage licences, Nordsøfonden aims to focus on ensuring knowledge sharing and on creating synergies in the industry.

Subsequent incidents

No subsequent incidents have been observed that have an influence on the assessment of the Annual Report for 2022.



Board of Directors



Henrik Normann

Chairman

Reappointed May 2022 for a 2-year period
Independent

Chairman, Fournais Holding A/S,
Investeringsforeningen Maj Invest, Saga Private
Equity and Syfoglomad Limited
Vice Chairman, Esperante Investments S.à.r.l.
and Saxo Bank A/S



Karsten Knudsen

Vice Chairman

Reappointed May 2022 for a 2-year period
Independent

Chairman, Investeringskomiteen, SEED Capital
Denmark
Member of the Board, Vækst-Invest Nordjyl-
land A/S, D/S NORDEN, A/S Motortramp, A/S D/S
Orientis Fond, Obel-LFI Ejendomme A/S, Polaris
Equity IV Foundation and Velliv Pension og Livs-
forsikring



Barbara Plucnar Jensen

Member of the Board

Appointed May 2022 for a 2-year period
Independent

Group CFO, Tryg A/S
Member of the Board, Kapitalforeningen Tryg
Invest Funds



Christian Herskind

Member of the Board

Reappointed May 2022 for a 2-year period
Independent

Chairman, Taulov Dryport A/S, Fonden Amager
Bakke, Labflex A/S and Skive Holding Aps
Chairman of the Board, SKAKO A/S, SKAKO
Vibration A/S, LM Byg A/S, Su Misura A/S, Fonden
Peter Skram, BNS A/S, Associated Danish Ports
A/S and Pihl & Søn A/S



Henrik Sass Larsen

Member of the Board

Appointed May 2022 for a 2-year period

Independent

CEO, Aktive Ejere



Mads Andersen

Member of the Board

Reappointed May 2022 for a 2-year period

Independent

Chairman, Industrigruppen 3F and
Industriens Pension

Vice Chairman, CO-industri

Member of the Board, Danmarks Innovations-
fond



Signe Thustrup Kreiner

Member of the Board

Appointed May 2022 for a 2-year period

Independent

CFO, Sund&Bælt

CEO, A/S Storebælt

CEO, A/S Øresund



Accounting Policies

Basis of Preparation

The Annual Report of Nordsøenheden for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Format, classifications and designations in the income statement and the balance sheet have been adapted to the special nature of Nordsøenheden.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the rates at the dates of transaction and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Nordsøenheden is not taxable of its activities, and thus taxes are not included in the Financial Statements.

Income Statement

Revenue comprises mainly administration fee related to administration of Nordsøfonden, which is determined by law as well as income from services provided for licences in which Nordsøfonden participates.

Administrative expenses primarily comprise salaries, office expenses and cost of consultancies, professional forums etc.

Financial income and expenses comprise interest and realised and unrealised exchange adjustments.

Balance sheet

Receivables and short term debt are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made based on a specific assessment of each receivable.

Prepayments under assets comprise prepaid expenses in particular covering Insurance Broker.



FINANCIAL STATEMENTS

NORDSØENHEDEN





Income Statement

Note	'000 DKK	2022	2021
	Administration fee	20,500	30,500
	Other income	764	276
	Total income	21,264	30,776
	Administrative costs	-24,739	24,757
	Profits/loss before financial income and expenses	-3,475	6,019
1	Financial income	123	-
2	Financial expenses	-6	-12
	Net profits/loss for the year	-3,358	6,007
3	Proposed distribution of result		



Balance Sheet 31 December

Assets

Note	'000 DKK	2022	2021
	Receivables		
	Other receivables	2,850	466
	Prepayments	1,160	3,392
	Total receivables	4,010	3,858
	Cash	17,926	20,278
	Total current assets	21,936	24,136
	Total assets	21,936	24,136



Balance Sheet 31 December

Liabilities and Equity

Note	'000 DKK	2022	2021
	Equity	18,384	21,742
4	Total equity	18,384	21,742
	Payables		
	Suppliers, goods and services	1,527	692
5	Other payables	2,025	1,702
	Total short-term debt	3,552	2,394
	Total debts	3,552	2,394
	Total liabilities and equity	21,936	24,136
6	Employee matters		
7	Related parties and ownership		



Notes to the Financial Statements

Note	'000 DKK	2022	2021
1	Financial income		
	Interest	104	-
	Exchange adjustments	19	-
	Total	123	-
2	Financial expenses		
	Interest paid	6	12
	Total	6	12
3	Proposed distribution of result		
	Year result	-3,358	6,007
	Retained earnings (in equity)	-3,358	6,007
4	Equity (retained earnings)		
	Equity 1 January	21,742	15,735
	Net profits/loss for the year	-3,358	6,007
	Equity at 31 December	18,384	21,742
5	Other payables		
	Holiday allowance obligation	565	858
	Other	1,460	844
	Total other payables	2,025	1,702



Notes to the Financial Statements

Note	'000 DKK	2022	2021
6	Employee matters		
	In 2022 average number of employees was 16 (18 in 2021)		
	Total employee costs are recognised in administrative costs and compose:		
	Salaries and wages	12,545	12,738
	Pension contributions	2,040	2,073
	Other costs of social security	-56	-240
	Total	14,529	14,571
	Remuneration of Management is included in the above with	1,819	1,711
	In addition, remuneration to the Board:		
	Henrik Normann - Chairman (10/2014)	370	370
	Karsten Knudsen - Vice Chairman (10/2014)	160	160
	Barbara Plucnar Jensen (7/2020)	132	132
	Birgitte Brinch Madsen (10/2014 - 5/2022)	46	132
	Christian Herskind (10/2014)	132	132
	Henrik Sass Larsen (7/2020)	132	132
	Mads Andersen (10/2014)	132	132
	Signe Thustrup Kreiner (5/2022)	86	-
	Total	1,190	1,190

7 Related parties and ownership

Nordsøenheden is an independent State company. Related parties of Nordsøenheden are other State institutions. Transactions with related parties comprise administrative services on market terms.



Management's Statement

The Board of Directors and Executive Board have today examined and approved Nordsøenheden's annual report for the financial year 1 January–31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies applied as appropriate and the accounting estimates made to be reasonable.

In our opinion, the financial statements give a true and fair view of Nordsøenheden's assets, liabilities and financial position at 31 December 2022, and of the results of Nordsøenheden's activities for the financial year 1 January–31 December 2022.

It is likewise our opinion that the transactions comprised by the financial reporting are in ac-

cordance with the grants given, legislation and other regulations as well as with agreements concluded and generally accepted practice. Finally, it is our opinion that due financial consideration has been made in the administration of the funds and the operation of the company covered by the financial statements and that in this connection, systems and processes have been established that support economy, productivity and efficiency.

We are of the opinion that the Management's Report includes a true and fair account of the operational development and the financial circumstances of Nordsøenheden, the results for the year and the financial position.

We recommend that the Annual Report be approved by the annual general meeting.

Copenhagen, 14 April 2023

Anna Birgitta B. Jacobsen
CEO, Nordsøenheden

Board of Directors, Nordsøenheden:

Henrik Michael Normann
Chairman

Karsten Sivebæk Knudsen
Vice Chairman

Barbara Plucnar Jensen

Christian Herskind Jørgensen

Henrik Martin Sass Larsen

Mads Bo Keis Andersen

Signe Thustrup Kreiner



Auditor's Report

Internal Auditor's Report

To the Danish Minister for Industry, Business and Financial Affairs

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of Nordsøenheden at 31 December 2022 and of the results of Nordsøenheden's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Nordsøenheden for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet and notes, including summary of significant accounting policies ("the 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 Nordsøenheden in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional

requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review provides the information required under the Danish Financial Statements Act.

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 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 Nordsøenheden'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 Nordsøenheden 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 Nordsøenheden'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 Nordsøenheden'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 Nordsøenheden 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.

Copenhagen, 14 April 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No: 33 77 12 31

Kim Danstrup
State Authorised Public Accountant
mne32201

Daniel Königsfeld Sitch
Statsautoriseret revisor
mne47889



Auditor's Report

The independent Auditor's Report

To the Danish Minister for Industry, Business and Financial Affairs

Report on the Financial Statements

Opinion

The Office of the Auditor General of Denmark has audited the Financial Statements of Nordsøenheden for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet and notes, including summary of significant 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 Nordsøenheden at 31 December 2022 and of the results of Nordsøenheden'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 public auditing standards. The audit is conducted on the basis of section 2 (1) (iii) of the Danish Executive Order on the Auditing of the Danish Government Accounts (cf. Consolidated Act no. 101 of 19. January 2012) and provisions of the Danish Act on Nordsøenheden (the Danish North Sea Partner) and Nordsøfonden (the Danish North Sea Fund). Our responsibilities under the public auditing standards are further described in the "The Office of the Auditor General of Denmark's responsibilities for the audit of the Financial

Statements" section of our report.

The Auditor General is independent of Nordsøenheden in accordance with section 1 (6) of the Danish Executive Order on the Auditing of the Danish Government Accounts.

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

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of the 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 Nordsøenheden'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 Nordsøenheden or to cease operations, or has no realistic alternative but to do so.

The Office of the Auditor General of Denmark'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 public auditing standards 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.

As part of an audit conducted in accordance with public auditing standards 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 Nordsøenheden'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 Nordsøenheden'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 Nordsøenheden 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 Management's Review

Management is responsible for Management's Review. Our opinion on the Financial Statements does not cover 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 in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.



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.

Report on Other Legal and Regulatory Requirements

Statement on compliance audit and performance audit

Management is responsible for the transactions comprised by the financial reporting being in accordance with the grants given, legislation and other regulations as well as with agreements concluded and generally accepted practice. Management is also responsible for due financial consideration having been made in the administration of the funds and the operation of the Institute comprised by the Financial Statements. In this connection, Management is responsible for establishing systems and processes that support economy, productivity and efficiency.

In connection with our audit of the Financial Statements, it is our responsibility to perform a compliance audit and a performance audit of selected subject matters in accordance with public auditing standards. During our compliance audit, we verify with reasonable assurance for the subject matters selected whether the examined transactions comprised by the financial reporting are in accordance with the relevant provisions relating to the grants given, legislation and other regulations as well as with agreements concluded and generally accepted practice. During our performance audit, we assess with reasonable assurance whether the systems, processes or transactions examined support due financial consideration made in the administration of the funds and the operation of the Institute comprised by the Financial Statements.

If, on the basis of the work performed, we conclude that our audit gives rise to material critical comments, we are to report on these in this statement.


We do not have any material critical comments to report in this respect.

Copenhagen, 14 April 2023

Rigsrevisionen
(The Office of the Auditor General of Denmark)
CVR No: 77 80 61 13

Yvan Pedersen
The Auditor General

Marie Katrine Bisgaard Lindeløv
Head of Office



Our assignments are of major societal significance, now and in the future

