

TotalEnergies EP Danmark A/S

CVR-No. 22757318

Annual Report 2022



Approved at the General Assembly: 27 June 2023

Chairman of the meeting: Majbritt Perotti Carlson

Amerika Plads 29, DK-2100 Copenhagen Ø

Company information

TotalEnergies EP Danmark A/S

Amerika Plads 29

DK-2100 Copenhagen Ø

CVR-No.: 22757318

Date of incorporation: 26 September 1962

Registered office: Copenhagen

Financial year: 1 January 2022 - 31 December 2022

Board of Directors

Jean-Luc Guiziou (Chairman)

Martin Rune Pedersen

Christina Sjøberg Heineke Petersen

Executive Board

Eric Désirè Delattre

Auditors

PRICEWATERHOUSECOOPERS

Statsautoriseret Revisionspartnerselskab

CVR-No.: 33771231

Strandvejen 44

DK-2900 Hellerup

Management's Review

Activities

TotalEnergies EP Danmark A/S (the "Company" or "TotalEnergies EP Danmark") is a wholly owned subsidiary of TotalEnergies SE.

The Company is TotalEnergies' Danish oil and gas exploration and production affiliate, participating as operator for Danish Underground Consortium's (DUC's) activities in the Danish North Sea. In addition, the Company holds non-DUC assets in Denmark and participates in other exploration and production activities through affiliates within Denmark and outside of Denmark.

Oil was first discovered in the Danish sector of the North Sea in 1967, with commercial production beginning in 1972. Today, oil and gas stems from 15 fields, making a valuable contribution to Denmark's economy, energy supply, labor market and net export of oil and gas.

The Company joined the TotalEnergies group of companies in 2018, when TotalEnergies acquired Maersk Oil. Through that acquisition, TotalEnergies assumed the operatorship of the DUC. In the Danish part of the North Sea production takes place on around 55 platforms split into 21 oil and gas fields. TotalEnergies is the operator for 16 of the 21 fields.

The Company is gearing up for a new chapter, with the TotalEnergies-led full redevelopment of the Tyra Field and its associated gas infrastructure.

TotalEnergies and its Danish Underground Consortium (DUC) partners have joined forces with Ørsted and Technical University of Denmark (DTU) to mature Project Bifrost, CO₂ transport and storage at the DUC Harald field in the Danish North Sea. The project aims to reuse existing North Sea infrastructure while demonstrating CO₂ storage in a depleted offshore gas field. The study is a 2-year program to be finalized by the end of 2023.

Financial review

Financial performance for the year

The 2022 result shows a profit of USD 540 million, which is higher than the profit of USD 282 million for 2021.

The actual result 2022 is above expected. The expectation in 2021 was to achieve an operating result after tax in 2022 of between USD 150 million and USD 175 million. The growth in profit is mainly impacted by oil price and dividends received.

The profit was positively impacted in 2022 by an increased average oil price to USD 95 per barrel compared to USD 66 per barrel for 2021 (44% increase), however it was negatively impacted by the continued shutdown of Tyra. Cost reduction initiatives have positively offset the negative impact of the Tyra shutdown. Further, the Company received higher dividends than in previous year, which positively affected the 2022 results.

Key figures for TotalEnergies EP Danmark are as follows:

USD million	2022	2021	2020	2019	2018
Income statement:					
Revenue	946	518	271	689	1,002
Profit before financial items and tax	660	288	(78)	303	369
Financial items, net	313	92	230	258	(20)
Profit for the year after tax	540	282	297	407	247
Balance sheet:					
Total assets	4,739	4,262	5,123	4,907	5,311
Investments in property, plant and equipment	1,471	1,394	1,130	913	860
Equity	3,476	2,936	2,653	2,357	1,950
Profit margin	70%	56%	(29%)	44%	37%
Solvency ratio	73%	69%	52%	48%	37%
Return on equity	28%	13%	6%	26%	24%

For definitions, see under accounting policies.

Guidance for 2023

TotalEnergies EP Danmark expects to achieve an operating result after tax in 2023 of between USD 115 million and USD 125 million and a daily production of 21 thousand barrels of oil (boe) per day after having taken into account the development of the situation in Ukraine as well as global inflation.

The oil price has decreased during 2023 compared to 2022 and is at the time of filing this annual report at a level over USD 82 per barrel of crude oil (bbl), but the oil price for the rest of 2023 depends on the world situation.

With the current oil and gas prices, the turnover is forecasted in the range of USD 500 million to USD 550 million.

Management will continue to closely monitor the development in market conditions and expected earnings during the coming year.

In February 2023 TotalEnergies was awarded two licenses to explore the CO₂ storage potential in the Danish North Sea. Alongside Nordsøfonden, TotalEnergies will be the future operator of the offshore Carbon Capture and Storage (CCS) licenses and the overall project integrator carrying out evaluation and appraisal work to develop a project that is expected to transport and permanently store more than 5 million tons (Mt) CO₂/year by 2030. Together, the licenses will provide Denmark with a long-term CCS solution by repurposing existing infrastructure in the Danish North Sea and building new facilities.

On January 27, 2022 the Danish Minister of Taxation presented a legislative proposal for the Danish implementation of the EU Solidarity Contribution to the Danish Parliament. The Proposal is aligned with the EU Council Regulation, however, it only applies to the income year 2023. The Proposal contains a specific Danish provision for the payment of the Solidarity Contribution for TEPDK being subject to Hydrocarbon Tax.

The Solidarity contribution will be fully creditable against any Hydrocarbon Tax payable for 3A, and therefore, on this basis, any payment of Solidarity Contribution will not lead to increased Government take.

Activities in subsidiaries

During 2022, the Company's subsidiary structure changed as part of the planned international alignment of the legacy Mærsk Oil activities into the TotalEnergies group of companies.

On July 12, 2021, a Sales and Purchase Agreement (SPA) was entered into with ShaMaran Petroleum Corp with regards to the shares in Company's wholly held subsidiary TEPKRI Sarsang A/S. The sale was completed on September 19, 2022.

On November 28, 2022, Company signed an agreement for the sale of its wholly held subsidiary Total E&P Dunga GmbH to the Kazakh company, Oriental Sunrise Corp Ltd, for an amount of \$330 million. The sale is expected to be completed by the end of 2023.

Total E&P Ethiopia A/S has closed out a Joint Venture in Ethiopia, and Total Oil Colombia A/S is in process of closing its branch in Colombia. Following those steps, voluntary liquidations of the subsidiaries are planned to be started in 2023.

The changes are disclosed in Note 4 within the annual report.

Production

In 2022, TotalEnergies EP Danmark's production share of crude oil from the DUC fields in the Danish part of the North Sea have reached an average 17.4 thousand barrels of oil equivalent per day (kboepd) (2021: 17.5 kboepd). The Company's share of the gas production in 2022 was 7.1 kboepd (2021: 7.1 kboepd). Both oil and gas production in 2022 have been significantly impacted by the shutdown for the Tyra Redevelopment project.

Development

In Denmark, the DUC partnership, of which the Company holds 31.2% ownership, has continued the redevelopment of the Tyra field. The DUC investment cost for the modification to existing facilities and construction of new facilities (CAPEX) is estimated at approx. DKK 23.0bn (USD 3.5bn), and the removal and decommissioning of current facilities (ABEX) is estimated at approx. DKK 3.3bn (USD 0.5bn). The redeveloped Tyra field is expected to deliver approximately 65 thousand boepd at peak, and it is estimated that the redevelopment can enable the production of more than 200 million boe in total. Approximately 2/3 of the production is expected to be gas and 1/3 to be oil. The Tyra field was shut down for redevelopment in September 2019, and production is expected to recommence by 31 March 2024.

Exploration

Exploration studies continue in the North Sea for 2023.

The Company did not complete any exploration/appraisal wells in 2022, nor are there any plans to drill any exploration wells in 2023.

Innovation

TotalEnergies EP Danmark is seeking to enhance business competitiveness by developing new knowledge and technologies to more efficiently produce hydrocarbons from complex reservoirs such as tight chalk reservoirs in the North Sea and high-pressure, high-temperature fields. An increasing part of the Company's efforts in research and development is conducted at the Danish Hydrocarbon & Technology Centre (funded by the Company and the other DUC partners). Here major technology programmes focus on many things, including advanced water flooding and enhanced oil recovery in the Dan & Halfdan fields; materials research and corrosion mitigation of wells and offshore installations; low-cost production platforms; and innovative use of Big Data.

Other focus areas are enhanced reservoir modelling, cost effective well completions and conformance control measures in horizontal wells.

Risks and uncertainties

TotalEnergies EP Danmark is subject to a variety of risks, which derive from the nature of oil and gas production and exploration activities. In the Danish North Sea, the Company and its DUC partners have secured safe operations by provision of stand-by rigs and hereby mitigated the risk caused by the subsiding seabed.

TotalEnergies EP Danmark's future is dependent upon success in finding and developing oil and gas reserves as well as developing long term CCS and renewable solutions. Further, strategic, operational, compliance, financial and emerging risks are monitored through a structured approach, including systematic identification, assessment and mitigation of the potential risks.

The Total Recordable Incident Frequency (TRIF) for 2022 was 2.7 per million working hours compared to 0.5 per million working hours in 2021. TotalEnergies EP Danmark is focused on eliminating incidents and has set a target of zero incidents.

Moreover, a major accident or oil spill remains an inherent risk in the operations. A high severity incident would first and foremost present a risk to our employees as well as potentially to the marine environment, wildlife and local communities. Additionally, it could result in large-scale impact on assets, liquidity and reputation and put our license to operate at risk. TotalEnergies EP Danmark is proactively building and supporting incident free operations to mitigate this risk.

Corporate Social Responsibility

Social responsibility is important for TotalEnergies EP Danmark's business and the Company has in 2022 continued its activities in line with the TotalEnergies SE's strategy.

For more information, reference is made to TotalEnergies SE's Universal Registration Document 2022, page 263 at:

<https://www.totalenergies.com/en/investors/publications-and-regulated-information/regulated-information/annual-financial-reports>

Requirements according to the Danish Financial Statements Act, section 99a have been fulfilled, reference to reporting for parent company TotalEnergies SE.

External environment

TotalEnergies EP Danmark continuously develops the production process using the best and safest technologies. Furthermore, the Company seeks to make use of environmentally friendly and energy efficient solutions to reduce the negative impact on the environment.

Goals and policies for the underrepresented gender

The Board believes that its members should be elected on the basis of their combined qualifications and, at the same time, recognises the advantages of a Board comprising a wide range of backgrounds such as global experience, style, culture and gender.

As of 31 December 2022, there was 1 woman among the 3 board members appointed at the general meeting. Consequently, the Company's board is, according to the Danish Companies Act, considered to have equal representation of genders among the Company's shareholder-appointed board members.

TotalEnergies SE has adopted a policy for the complete TotalEnergies group of companies with the aim to increase the share of the under-represented gender on the Company's other management levels. In accordance with this policy, the Company has taken steps to look into how the Company can attract qualified women to relevant management positions. In addition, this is a focus area when identifying candidates to key positions. A description of the policy and reporting on the gender composition can be found in TotalEnergies SE's Universal Registration Document 2022, page 335 at:

<https://www.totalenergies.com/en/investors/publications-and-regulated-information/regulated-information/annual-financial-reports>

Requirements according to the Danish Financial Statements Act, section 99b have been fulfilled, reference to reporting for parent company TotalEnergies SE.

Payments to governments

Requirements according to the Danish Financial Statements Act, section 99c have been fulfilled, reference to reporting for parent company TotalEnergies SE. The information can be found from the TotalEnergies SE's Universal Registration Document 2022 page 349, 387, 558 and 587 at:

<https://www.totalenergies.com/en/investors/publications-and-regulated-information/regulated-information/annual-financial-reports>

Subsequent events

Reference is made to note 14 in the Financial Statements.

Data Ethics Policy

The Company has established a policy for data ethics.

A statement on data ethics, ref. the Danish Financial Statements Act, Section 99d can be found here:

<https://corporate.totalenergies.dk/data-ethics-policy>

Management's Statement

The Board of Directors and Executive Board have today discussed and approved the annual report of TotalEnergies EP Danmark A/S for 2022.


The annual report for 2022 of the Company has been prepared in accordance with the Danish Financial Statements Act and, in our opinion, gives a true and fair view of the Company's assets, liabilities and the financial position at 31 December 2022 and of the results of the Company's operations for the financial year 2022.

In our opinion, the Management's Review includes a fair review of the development in and the result of the Company's operations and financial conditions, the result for the year and financial position.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 27 June 2023

Executive Board:


Eric Désirè Delattre

Board of Directors:

Jean-Luc Guiziou
(Chairman)

Martin Rune Pedersen

Christina S. Heineke Petersen

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Copenhagen, 27 June 2023

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Board of Directors: _____

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(Chairman)



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Copenhagen, 27 June 2023

Executive Board: _____

Eric D  sir   Delattre

Board of Directors: _____

Jean-Luc Guiziou
(Chairman)

Martin Rune Pedersen



Christina S. Heineke Petersen

Independent auditors' report

To the shareholder of TotalEnergies EP Danmark A/S.

Opinion

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

We have audited the Financial Statements of TotalEnergies EP Danmark A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on 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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 27 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31



Bo Schou-Jacobsen

State Authorised

Public Accountant

MNE no. 28703



Christina Maria Davidsen

State Authorised

Public Accountant

MNE no. 34174

TOTALENERGIES EP DANMARK A/S
INCOME STATEMENT FOR 2022

Note	USD 1,000	
	2022	2021
1. Revenue	946,116	517,544
2, 3. Production costs	(234,631)	(206,757)
	Gross Profit	310,787
2, 3. Administrative expenses	(49,510)	(22,912)
Other operating income	347	332
Other operating costs	(1,826)	(567)
	Result before financial items and tax	287,640
4. Reversal of Impairment, subsidiaries	50,668	115,000
4. Income from equity investments in subsidiaries	269,007	60,000
5. Financial income	32,805	639
6. Financial expenses	(39,125)	(83,892)
	Result before tax	379,387
7. Tax on result for the year	(433,499)	(97,263)
	RESULT FOR THE YEAR	282,124
8. Proposed distribution of net profit		

TOTALENERGIES EP DANMARK A/S
BALANCE SHEET AT 31.12.2022

Note	USD 1,000	
	2022	2021
ASSETS		
NON-CURRENT ASSETS		
3.	Intangible fixed assets	
	Software	877 3,750
		877 3,750
3.	Property, plant and equipment	
	Land and buildings, etc	3,897 4,105
	Production facilities, etc.	467,399 616,690
	Production facilities, etc. under construction	999,542 773,135
		1,470,838 1,393,930
	Financial assets	
4.	Investment in subsidiaries	579,666 698,998
9.	Deferred tax assets	256,181 263,382
		835,847 962,380
	TOTAL NON-CURRENT ASSETS	2,307,562 2,360,060
CURRENT ASSETS		
	Inventories	
	Crude oil and consumables	21,121 21,308
	Receivables	
	Trade receivables	135,000 96,000
	Receivables from group companies	1,997,676 1,364,119
	Receivables from Joint Venture partners	157,994 131,502
9.	Deferred tax asset	0 222,058
	Other receivables	106,092 30,017
10.	Prepayments	78 23,825
		2,396,840 1,867,521
	Cash	13,863 13,401
	TOTAL CURRENT ASSETS	2,431,824 1,902,230
	TOTAL ASSETS	4,739,386 4,262,290

TOTALENERGIES EP DANMARK A/S
BALANCE SHEET AT 31.12.2022

Note	USD 1,000		
	2022	2021	
LIABILITIES AND EQUITY			
EQUITY			
	Share capital	30,086	30,086
	Retained earnings	3,445,839	2,905,487
		3,475,925	2,935,573
NON-CURRENT LIABILITIES			
11.	Other provisions	950,191	1,003,948
		950,191	1,003,948
CURRENT LIABILITIES			
11.	Other provisions	12,224	27,626
	Trade payables	251,505	238,765
	Payables to group companies	1,378	29,221
	Other payables	37,771	27,157
9.	Deferred tax liabilities	10,392	0
		313,270	322,769
	TOTAL LIABILITIES	1,263,461	1,326,717
	TOTAL LIABILITIES AND EQUITY	4,739,386	4,262,290
12.	Contingencies etc.		
13.	Related parties		
14.	Subsequent events		
15.	Accounting policies		

TOTALENERGIES EP DANMARK A/S
STATEMENT OF CHANGES IN EQUITY AT 31.12.2022
(USD 1,000)

	Share capital	Retained earnings	Total
Equity 01.01	30,086	2,905,487	2,935,573
Profit for the year	0	540,352	540,352
Equity 31.12	30,086	3,445,839	3,475,925

Share capital consists of the following shares:

	Number	Nominal, DKK
	174,000	1,000
Total nominal		174,000,000

TOTALENERGIES EP DANMARK A/S**Notes as at 31.12.2022****(USD 1,000)**

Note 1, Revenue	2022	2021
<u>Segments (geographical)</u>		
Denmark	946,116	517,544
<u>Revenue by activities</u>	2022	2021
Oil sales	580,775	375,510
Gas sales	362,904	140,350
Condensates sales	2,437	1,684
	946,116	517,544
Note 2, Staff costs	2022	2021
Salaries	119,830	136,717
Pension contribution	8,833	11,075
Other social security costs	802	963
	129,465	148,755
Average number of full-time employees	824	877

Staff costs included in the income statement are contained under the items of Production costs and Administrative expenses, and in the balance sheet under production facilities etc. under construction.

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B (3) of the Danish Financial Statements Act. There has been no remuneration to the Board of Directors in 2022.

For 2021, remuneration for Executive Board amounts to USD 879 thousand and Board of Directors amounts to USD 38 thousand.

Remuneration for Executive Board for 2021 represents the total remuneration received. Remuneration of the Board of Directors is based on the proportional time spent on the assignment as a member of the Board of Directors. The disclosed will therefore differ from the actual total remuneration of the Board of Directors.

TotalEnergies has a performance shares program, and 177 people (2021: 171 employees) are enrolled in the program. The Performance Shares will vest 3 years after the grant provided that the vesting conditions (presence and performance conditions) are met. After the vesting period, the employee becomes the owner of the Performance Shares. The employee must own the Performance Shares for 2 years calculated from end of the Vesting Period prior to selling the shares.

The value of the performance shares granted in 2022 is estimated at USD 3.3 million (2021: USD 2.7 million).

Note 3, Software, Property, plant and equipment

Software	2022
	<u>Software</u>
Cost at 01.01	8,648
Additions during the year	<u>23</u>
Cost price 31.12	8,671
Amortisation and impairments at 01.01	4,898
Amortisation during the year	<u>2,896</u>
Amortisation and impairments at 31.12	<u>7,794</u>
Carrying amount 31.12	<u>877</u>

**Note 3, Software, Property,
plant and equipment (continued)****Property, plant and equipment**

	2022			Total
	Production facilities, buildings etc.	Production facilities etc. under construction	Land and buildings etc.	
Cost at 01.01	6,430,433	773,135	7,560	7,211,128
Additions during the year, including change in abandonment	0	231,670	0	231,670
Disposals during the year	(26,891)			(26,891)
Adjustments	5,263	(5,263)		0
Cost price 31.12	6,408,805	999,542	7,560	7,415,907
Depreciation and impairments at 01.01	5,813,743	0	3,455	5,817,198
Depreciation during the year	127,663	0	208	127,871
Depreciation and impairments at 31.12	5,941,406	0	3,663	5,945,069
Carrying amount 31.12	467,399	999,542	3,897	1,470,838

Note 4, Financial assets**Shares in subsidiaries**

	2022
Cost at 01.01	1,706,292
Disposals	(414,585)
Cost at 31.12	1,291,707
Value adjustments at 01.01	(1,007,294)
Disposals during the year	244,585
Reversed impairment losses	50,668
Value adjustments at 31.12	(712,041)
Carrying amount at 31.12	579,666

As of 31 December 2022, the carrying amount is USD 579,666 thousand. Subsidiaries with a negative equity are impaired to USD nil.

Reversed impairment losses consist of the revaluation of investment to the net realizable value of a subsidiary held for sale.

	2022	2021
Income from equity investment in subsidiaries		
Dividends received from subsidiaries during the year	269,007	60,000

As of 31 December 2022, TotalEnergies EP Danmark A/S a wholly owned subsidiary of TotalEnergies SE (Paris) and is included in the accounts for TotalEnergies SE.

TotalEnergies EP Danmark is the parent company for the following subsidiaries, 100% owned by the Company with the amounts of Equity and the Income Statement according to the most recently approved annual report:

	Statutory Reporting Currency	Income Statement Amount, thousand	Equity Amount, thousand
Total E&P ALS A/S, Copenhagen	USD	(439)	28,858
TotalEnergies EP Algerie Berkine A/S, Copenhagen	USD	179,002	486,413
Total Oil Colombia A/S, Copenhagen	USD	15	(166)
Total Energy Marketing A/S, Copenhagen	USD	732	1,956
TotalEnergies EP TPH A/S, Copenhagen	USD	(80)	1,062
TotalEnergies EP Holdings Ethiopia B.V., Netherlands	USD	(12)	(207,926)
Total E&P Dunga GmbH., Germany	EUR	65,429	359,182
TotalEnergies E&P International Ltd., United Kingdom	USD	(10)	52,412
Total E&P Aktobe Limited, United Kingdom	USD	(5)	291
TotalEnergies EP Pipelines Danmark A/S, Copenhagen	USD	405	4,335

Note 5, Financial income

	2022	2021
Gain on sale of subsidiaries	0	588
Interest income	0	51
Interest income from group companies	26,465	0
Exchange rate adjustments, etc.	6,340	0
	<u>32,805</u>	<u>639</u>

Note 6, Financial expenses

	2022	2021
Loss on sale of subsidiaries	5,684	0
Interest expenses	2,494	2
Interest expense to group companies	0	25,345
Other financial expenses (discounting effect of provisions)	30,947	27,693
Other financial expenses to group companies	0	29,092
Exchange rate adjustments, etc.	0	1,760
	<u>39,125</u>	<u>83,892</u>

Note 7, Corporate tax

	2022	2021
Corporate Tax current year	(189,607)	448
Adjustment to prior years	(6,682)	2,534
Deferred tax for the year	(237,210)	(100,245)
Total tax for the year	<u>(433,499)</u>	<u>(97,263)</u>

Note 8, Proposed distribution of net profits

	2022	2021
Retained earnings	<u>540,352</u>	<u>282,124</u>
	<u>540,352</u>	<u>282,124</u>

Note 9, Deferred tax

	<u>2022</u>	<u>2021</u>
Deferred tax assets, non-current		
Deferred tax asset at 01.01	263,382	325,867
Deferred tax adjustment during the year	(7,201)	(62,485)
Deferred tax asset at 31.12	<u>256,181</u>	<u>263,382</u>

The deferred tax asset is primarily related to abandonment costs, which will be fully realized when production ceases, and abandonment takes place. This is partially offset by deferred tax liabilities on fixed assets.

	<u>2022</u>	<u>2021</u>
Deferred tax, current		
Deferred tax asset/(liabilities) at 01.01	222,058	259,700
Deferred tax adjustment during the year	(232,450)	(37,641)
Deferred tax asset/(liabilities) at 31.12	<u>(10,392)</u>	<u>222,058</u>

Note 10, Prepayments

Prepayments mainly include prepayments to operators, insurance expenses, rental expenses and other costs related to future periods.

Note 11, Provisions

Other non-current provisions include discounted abandonment provisions of USD 950 million (2021: USD 1,004 million).

Other current provisions include discounted abandonment provisions of USD 12 million (2021: USD 28 million).

Note 12, Contingencies

The Company vouches for its subsidiaries' obligations through performance guarantees with variable periods. The Company has the following guarantees:

- Guarantees to customers and/or suppliers. At the balance sheet date, the maximum amounts to USD 30 million.
- Operating commitment for a subsidiary. At the balance sheet date, the commitment amounts to USD 17 million.

The Company also has guarantees that are not specified with an amount. These guarantees relate to guarantees provided by the Company in its capacity as parent company on behalf of its affiliates within the TotalEnergies group of companies.

At the end of 2022, TotalEnergies EP Danmark has capital commitments amounting to USD 58 million. (2021: USD 68 million). The amount is related to chartering of drilling and production rigs, etc. Operating lease obligations amount to USD 45 million. (2021: USD 55 million).

Capital commitments, million

Maturity	<1 year	1-5 years	>5 years	Total
Tangible asset purchase obligations	25	19	0	44
Other binding purchase obligations for goods and services	7	7	0	14
Total Capital commitments	32	26	0	58

Operating Lease, million

Maturity	<1 year	1-5 years	>5 years	Total
Tangible asset purchase obligations	18	24	3	45

The Company is currently involved in a tax case relating to prior years. The claim towards the Danish tax authorities have been settled upfront in previous years. In 2022, the Eastern High Court has largely rejected the claim from the tax authorities. The tax authorities appealed the ruling to the Supreme Court with a decision expected in 2023. Management assesses that the final ruling of the Supreme Court will be in favour of the Company. However, no contingent asset has been recognised as uncertainty exists.

The Company is jointly taxed with other Danish companies and branches of the TotalEnergies group. The Company and the other Danish group companies and branches subject to joint taxation have unlimited, joint and several liability for Danish corporation taxes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. A similar obligation exists for joint registration of VAT.

The Company holds a 31.2% share within the Danish Underground Consortium (DUC). The Company is together with the other partners within DUC jointly and severally liable for liabilities incurred.

Note 13, Related parties

Related party transactions comprise of companies within the TotalEnergies group of companies, the Executive Board and Board of Directors of the Company.

Transactions with related parties:

USD 1,000	2022	2021
Revenue and other operating income	943,679	515,860
Expenses	155,465	161,024

Remuneration to the Company's Executive Board and Board of Directors is disclosed in note 2.

Payables and receivables to group entities are disclosed in the balance sheet, and financial items are disclosed in notes 5 and 6. Dividend income is disclosed in note 4.

Parties exercising control

As of 31 December 2022, the Company is 100% owned by TotalEnergies SE.

As of 31 December 2022, the ultimate parent company is TotalEnergies SE, Tour Coupole, 2 place Jean Millier, 92078 Paris la Défense, France. The Consolidated Financial Statements of the TotalEnergies group of companies are available at

<https://www.totalenergies.com/en/investors/publications-and-regulated-information/regulated-information/annual-financial-reports>

The Company is included in the Consolidated Financial Statements as a subsidiary.

Note 14 - Subsequent events

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

Note 15, Accounting Policies

The annual report for 2022 of TotalEnergies EP Danmark has been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to large class C companies.

The accounting policies in the Financial Statements are unchanged from last year.

Pursuant to provision 112, section 1 of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The Company is included in the TotalEnergies annual report of the parent company TotalEnergies SE. TotalEnergies SE's annual report may be obtained at TotalEnergies SE, Tour Coupole 2 place Jean Millier, 92078 Paris la Défense, France or

<https://www.totalenergies.com/investors/publications-and-regulated-information/regulated-information/annual-financial-reports>

The cash flow of TotalEnergies EP Danmark A/S is presented in the consolidated financial statements of TotalEnergies SE, Tour Coupole, 2 place Jean Millier, 92078 Paris la Défense, France. Therefore, a cash flow statement is not presented in the annual report of TotalEnergies EP Danmark A/S, cf. Danish Financial Statements Act provision 86 section 4.

Fee to auditors appointed at the general meeting has not been disclosed in accordance with section 96 section 3 of the Danish Financial Statements Act. Reference is made to the consolidated financial statements of TotalEnergies SE where this is presented for TotalEnergies as a whole.

Key Figures

The ratios shown in the Management's Review are computed as follows:

Profit margin	=	$\frac{\text{Result before financial items}}{\text{Revenue}}$
Solvency ratio	=	$\frac{\text{Equity, closing}}{\text{Total assets, closing}}$
Return on equity	=	$\frac{\text{Result before taxes}}{\text{Equity, closing}}$

Foreign Currency

The presentation currency is USD. The annual report is presented in USD, in accordance with provision 16 of the Danish Financial Statements Act. The exchange rate of USD to DKK was 6.9722 at 31 December 2022 (2021: DKK 6.5612).

Monetary assets and liabilities in currencies other than USD are translated at the exchange rate at the balance sheet date. Transactions in currencies other than USD are translated at the exchange rate prevailing at the date of the transaction.

Exchange rate gains and losses are included in the income statement as financial income and expenses.

The Income Statement

Revenue comprises the value of the Company's share of the oil and gas production as well as oil traded. If the Company sells more or less than its share of the produced oil (overlift/underlift), this is recognised at sales price in the balance sheet under "Deferred income/Inventory". Revenue is measured at the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognized in the revenue.

Business activities are seen as one segment and are reported as oil and gas production, which is in line with the internal management reporting.

Geographical split on revenue is based on geographical location where the asset is located.

Other operating income comprises operator fee, administrative fee and recharges/time writing and gains by sale of licence shares, etc. The operating income consists of services provided to subsidiaries as well as operator fee.

Production costs comprise costs incurred in generating the revenue for the year including purchase of oil and gas.

Other operating costs comprise other operational expenses not related to primary activity and Exploration expenses, which are capitalised unless the costs do not qualify for capitalisation and are then recognised in the income statement as incurred. Expenses for initial surveys incurred before acquisition of licence for hydrocarbon extraction are also included in the income statement as they are incurred.

Income from equity investments in subsidiaries comprise dividends received, from the Companies' subsidiaries.

Impairment and reversal of impairment of subsidiaries comprise the difference between carrying amount and recoverable amount.

Financial items comprise interest and currency exchange rate gains and losses from translation of cash, receivables and debt in foreign currencies other than USD. Included in financial items are gain and loss on sale of subsidiaries comprising the difference between net book value and sales proceeds.

The Company is jointly taxed with a number of Danish companies within the TotalEnergies group of companies. **Tax on profit** for the year includes the amount estimated to be paid for the year as well as adjustments regarding previous years and change in deferred tax.

The Balance Sheet

Property, plant and equipment are measured at cost less accumulated depreciation and impairments.

The cost price of production facilities etc. comprises direct and indirect costs for appraisal and production wells and production equipment, etc. for fields considered commercial. Cost includes the net present value of estimated costs of abandonment, removal and restoration. The cost of an asset is divided into separate components, which are depreciated separately if the useful lives of the individual components differ. Depreciation on production facilities etc. is made over the expected production period/economic life determined individually for each development plan.

Depreciation method for production equipment is UOP: Unit of Production Method, therefore useful life in years is not relevant for production facilities.

Fixtures and operating equipment are depreciated within three years.

Buildings are depreciated within range of 25-50 years.

Leaseholds improvements are depreciated within range 5-10 years (depending on lease contracts).

Depreciation periods and residual values for intangible assets and property, plant and equipment are re-evaluated annually.

Impairment losses are recognised when the carrying amount of an asset or a cash-generating unit exceeds the higher of the estimated value in use and fair value less costs of disposals.

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets.

IT software is amortised over a useful life of 3 years.

Investments in Joint Ventures. Joint Ventures are meeting the definition of a Joint Operation as per IFRS 11 as all partners have direct access to the assets within the Joint Venture and are jointly and severally liable for the liabilities incurred. Thus, Joint Ventures are included by proportionate consolidation which means the Company's proportionate share of the jointly controlled assets, liabilities, income and expenses are recognised. Recognition and measurement are done in accordance with the Company's accounting policies. The notes include information about other liabilities for which the Company is liable in connection with the joint venture as a consequence of joint and several liability.

Investments in subsidiaries are at initial recognition measured at costs. If there is indication of impairment, impairment testing is carried out. Where the carrying amount exceeds the recoverable amount it is written down to the recoverable amount.

Deferred tax asset is calculated on temporary differences between the carrying amounts and tax bases of assets and liabilities. A deferred tax asset is recognised to the extent that it is probable that it can be utilised within a foreseeable future.

Inventories are measured at cost, following the FIFO method. Write-down is made to net realisable value if lower. Underlift is measured at market price.

Receivables from group companies, trade and other receivables are measured at nominal value which in all material respects corresponds to amortised cost. Write-down is made for anticipated losses on an individual basis.

Prepayments recognised under assets include prepaid expenses.

Dividend for distribution regarding the financial year is included as part of the **equity**.

Provisions are recognised when the Company has an existing legal or actual obligation and includes actuarial calculated pension obligations, deferred tax and provision for abandonment of oil fields, etc. Provisions for asset retirement obligations are measured at

the present value of the expected clearance and closure obligation at the balance sheet date. The provision is based on existing encumbrances and estimated costs discounted to present value. Specific risks considered to attach to the obligation are included in the estimated costs. A discount rate is applied which reflects the current market interest rate. The obligations are included as they occur and continuously adjusted to reflect changed requirements and price levels, etc. The present value of the costs is included in the costs of the relevant tangible assets and depreciated accordingly. The increase in the present value over time is recognized in the Income statement under financial expenses.

Payables to group companies, trade and other payables are measured at amortised cost price or lower net realisable value, which in most situations corresponds to the nominal value.

Provision for deferred tax is made on temporary differences between the accounting and tax values of assets and liabilities. Deferred tax on temporary differences which at the time of the transaction does not affect the financial result or the taxable income is not recognised.