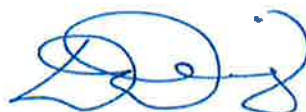


TotalEnergies EP Danmark A/S

CVR-No. 22757318

Annual Report 2021

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke.

Approved at the General Assembly: 30 June 2022

Chairman of the meeting: Deidre Eleese Derworiz

Amerika Plads 29, 2100 Copenhagen Ø

Company information

TotalEnergies EP Danmark A/S
Amerika Plads 29
2100 Copenhagen Ø

CVR-No.: 22757318
Date of incorporation: 26 September 1962
Registered office: Copenhagen
Financial year: 1 January 2021 - 31 December

Board of Directors

Arnaud Le Foll (Chairman)
Martin Rune Pedersen
Christina Sjøberg Heineke Petersen

Executive Board

Eric Dèsirè Delattre

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen Ø

Directors' Report

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 1973. 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. This consortium is responsible for 85% of the oil and 97% of the gas production in Denmark.

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

Financial review

Financial performance for the year

The 2021 results show a profit of USD 282 million, which is lower than the profit of USD 297 million for 2020.

The profit was positively impacted by an increased average oil price to USD 66/barrel compared to USD 35/barrel for 2020 (87% increase), however it was negatively impacted by decreased oil production and sales due to drop in demand, as well as continued shutdown of Tyra. Furthermore, cost reductions, and investment valuation had a positive impact while lower dividend had a negative effect in the results.

Key figures for TotalEnergies EP Danmark are as follows:

USD million	2021	2020	2019	2018	2017
Income statement:					
Revenue	518	271	689	1,002	914
Profit before financial items and tax	288	(78)	303	369	556
Financial items, net	92	230	258	(20)	1,355
Profit for the year after tax	282	297	407	247	1,636
Balance sheet:					
Total assets	4,262	5,123	4,907	5,311	8,017
Investments in property, plant and equipment	1,394	1,130	913	860	1,113
Equity	2,936	2,653	2,357	1,950	5,942
Profit margin	56%	(29%)	44%	37%	61%
Solvency ratio	69%	52%	48%	37%	74%
Return on equity	13%	6%	26%	24%	32%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysis. For definitions, see under accounting policies.

Guidance for 2022

TotalEnergies EP Danmark expects to achieve an operating result after tax in 2022 of between USD 150 million and USD 175 million and a daily production of 15-17 thousand barrels (bbls) per day after having taken into account the development in the situation in Ukraine as well as the global inflation increases.

The oil price has recovered during 2021 and is at the time of filing this annual report at a level over USD 100 per bbl, but the oil price for the rest of 2022 depends on the development in the situation in Ukraine.

With the current high oil and gas prices, the turnover is forecasted in the range of USD 600 million to USD 650 million.

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

Activities in subsidiaries

During 2021, the Company's subsidiaries structure changed as part of the planned international alignment of the legacy Mærsk Oil activities into the TotalEnergies group of companies.

The subsidiaries voluntarily liquidated were:

- Total E&P NCE A/S with its subsidiary TEPKRI Qala Dze A/S
- Total E&P Three PL B.V.

On July 12, 2021, ShaMaran Petroleum Corp signed a Sales and Purchase Agreement (SPA) with TotalEnergies to acquire TEPKRI Sarsang A/S. As per the date of signing of these accounts, the sale has not been finalized but is expected to be completed during second half of 2022.

During 2021, Total E&P Dunga GmbH decreased its share capital by USD 100 million, resulting in a pay out to the Company.

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

Production

In 2021, TotalEnergies EP Danmark's production share of crude oil from the DUC's fields in the Danish part of the North Sea reached an average 17.5 thousand barrels of oil per day (bopd) (2020: 19.0 thousand bopd). The Company's share of the gas production in 2021 was 7.1 thousand barrels of oil equivalent per day (boepd) (2020: 7.0 thousand boepd). Both oil and gas production in 2021 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 commenced 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 17bn (approximately USD 2.5bn - 3.0bn), and the DUC cost in relation to removal and decommissioning of current facilities (ABEX) is estimated at approx. DKK 4bn

(approximately USD 0.6bn - 0.7bn). The redeveloped Tyra field is expected to deliver approximately 60 thousand boepd at peak, and it is estimated that the redevelopment can enable the production of more than 200 million boepd 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 the redevelopment in September 2019, and production is expected to recommence in Q2 2023.

Exploration

Exploration studies continue in the North Sea for 2022.

The Company did not complete any exploration/appraisal wells in 2021, nor are there any plans to complete any exploration wells in 2022.

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 and predictive data analytics.

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. 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 2021 was 0.5 per million working hours compared to 2.4 per million working hours in 2020. 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 2021 continued its activities in line with the TotalEnergies SE's strategy.

For more information, reference is made to TotalEnergies SE's Universal Registration Document 2021, page 271 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 2021, 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 2021, page 326 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 2021 page 338, 371, 541 and 570 at:

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

Subsequent events

TotalEnergies EP Danmark confirms that there are no subsequent events that have a significant impact to the Financial Statement of the Company. All detailed information about all significant transactions and events that concerns the period after 31st of December 2021 up to the current date has been reviewed, disclosed, included and/or mentioned in the financial statement for 2021.

Data Ethics Policy

The Company does not have a Data Ethics Policy as of the submission of this report. The Company is working on identifying and assessing data ethical issues to form the basis for the development of an adequate data ethics policy. The Company uses Artificial Intelligence (AI) only on technical data, such as operational- or subsurface data from energy operations. It does not use AI on personal data, including but not limited to data related to employees, contractors, job applicants, visitors or customers.

TotalEnergies has a strong ethical culture. It applies and complies with all national and international laws and standards, and it is guided by its five core values: safety, respect for each other, pioneer spirit, stand together, and performance minded.

Links:

<https://totalenergies.com/group/identity/five-strong-values-embedded-our-dna>

<https://totalenergies.com/group/ethics/exemplary-behavior>

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 2021.

The annual report for 2021 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 2021 and of the results of the Company's operations for the financial year 2021.

In our opinion, the Directors' report 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, as well as a description of the most significant risks and uncertainty factors that the Company faces.

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

Copenhagen, 30 June 2022

Executive Board:


Eric Désiré Delattre

Board of Directors:

Arnaud Le Foll
(Chairman)


Martin Rune Pedersen


Christina S. Heineke Petersen

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 2021.

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

Copenhagen, 30 June 2022

Executive Board:

Eric Désirè Delattre

Board of Directors:



Arnaud Le Foll
(Chairman)

Martin Rune Pedersen

Christina S. Helneke Petersen

Independent auditors' report

To the shareholder of TotalEnergies EP Danmark A/S.

Opinion

We have audited the financial statements of TotalEnergies EP Danmark A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

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.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control, that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

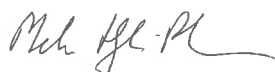
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 30 June 2022

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Morten Høgh-Petersen
State Authorised
Public Accountant
MNE no. 34283

TOTALENERGIES EP DANMARK A/S
INCOME STATEMENT FOR 2021

Note	USD 1,000	
	2021	2020
1. Revenue	517,544	271,242
2, 3. Production costs	(206,757)	(266,210)
Gross Profit	310,787	5,032
2, 3. Administrative expenses	(22,912)	(31,347)
Other operating income	332	2,491
Other operating costs	(567)	(53,732)
Result before financial items and tax	287,640	(77,556)
4. Impairment/Revaluation subsidiaries	115,000	144
4. Income from equity investments in subsidiaries	60,000	302,357
5. Financial income	639	10,030
6. Financial expenses	(83,892)	(82,654)
Result before tax	379,387	152,321
7. Tax on result for the year	(97,263)	144,477
RESULT FOR THE YEAR	282,124	296,798
8. Proposed distribution of net profit		

TOTALENERGIES EP DANMARK A/S
BALANCE SHEET AT 31.12.2021

Note	USD 1,000	
	2021	2020
ASSETS		
NON-CURRENT ASSETS		
3.	Intangible fixed assets	
	Software	0
		3,750
3.	Property, plant and equipment	
	Land and buildings, etc	4,302
	Production facilities, etc.	576,757
	Production facilities, etc. under construction	549,181
		1,393,930
	Financial assets	
4.	Investment in subsidiaries	689,669
4.	Long term deferred tax assets	325,867
		962,380
	TOTAL NON-CURRENT ASSETS	2,145,776
CURRENT ASSETS		
	Inventories	
	Crude oil and consumables	27,652
	Receivables	
	Trade receivables	19,082
	Receivables from group companies	2,431,570
	Receivables from Joint Venture partners	184,655
9.	Deferred tax asset	259,700
	Other receivables	16,515
10.	Prepayments	26,403
		1,867,521
	Cash	11,571
	TOTAL CURRENT ASSETS	2,977,147
	TOTAL ASSETS	5,122,923

TOTALENERGIES EP DANMARK A/S
BALANCE SHEET AT 31.12.2021

Note	USD 1,000	
	2021	2020
	LIABILITIES AND EQUITY	
	EQUITY	
	Share capital	30,086 30,086
	Share premium	192,556 192,556
	Retained earnings	2,712,931 2,430,807
		<u>2,935,573 2,653,449</u>
	NON-CURRENT LIABILITIES	
11.	Other provisions	1,003,948 891,623
		<u>1,003,948 891,623</u>
	CURRENT LIABILITIES	
11.	Other provisions	27,626 33,240
	Trade payables	238,765 264,502
	Loans to group companies	0 1,201,088
	Payables to group companies	29,221 18,951
	Other payables	27,157 60,066
		<u>322,769 1,577,851</u>
	TOTAL LIABILITIES	<u>1,326,717 2,469,474</u>
	TOTAL LIABILITIES AND EQUITY	<u>4,262,290 5,122,923</u>
12.	Contingencies etc.	
13.	Related parties	
14.	Accounting policies	

TOTALENERGIES EP DANMARK A/S
STATEMENT OF CHANGES IN EQUITY AT 31.12.2021
(USD 1,000)

	Share capital	Share premium	Retained earnings	Total
Equity 01.01	30,086	192,556	2,430,807	2,653,449
Profit for the year	0	0	282,124	282,124
Equity 31.12	30,086	192,556	2,712,931	2,935,573

Share capital consists of the following shares:

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

Share capital, changes:

Increase of capital 8 December 2017	1,000,000
-------------------------------------	-----------

TOTALENERGIES EP DANMARK A/S**Notes as at 31.12.2021****(USD 1,000)**

Note 1, Revenue	2021	2020
<u>Segments (geographical)</u>		
Denmark	517,544	271,242
<u>Revenue by activities</u>	2021	2020
Oil sales	375,510	265,384
Gas sales	140,350	4,594
Condensates sales	1,684	1,264
	<u>517,544</u>	<u>271,242</u>
Note 2, Staff costs	2021	2020
Salaries	136,717	162,945
Pension contribution	11,075	13,415
Other social security costs	963	1,196
	<u>148,755</u>	<u>177,556</u>
Average number of full-time employees	<u>877</u>	<u>1,102</u>

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

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

For 2020, remuneration for Executive Management amounted to USD 617 thousand and Board of Directors amounted to USD 63 thousand.

Remuneration for Executive Management for both 2020 and 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 171 people (2020: 174 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 2021 is estimated at USD 2.7 million (2020: USD 1.6 million).

Note 3, Software, Property, plant and equipment

Software	2021
	Software
Cost at 01.01	0
Additions during the year	234
Adjustments	8,414
Cost price 31.12	8,648
Amortisation and impairments at 01.01	0
Amortisation during the year	2,824
Adjustment	2,074
Amortisation and impairments at 31.12	4,898
Carrying amount 31.12	3,750

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

	2021			
	Production facilities, buildings etc.	Production facilities etc. under construction	Land and buildings etc.	Total
Cost at 01.01	6,304,419	549,181	7,560	6,861,160
Additions during the year, including change in abandonment	129,926	228,456	0	358,382
Adjustments	(3,912)	(4,502)	0	(8,414)
Cost price 31.12	6,430,433	773,135	7,560	7,211,128
Depreciation and impairments at 01.01	5,727,662	0	3,258	5,730,920
Depreciation during the year	88,155	0	197	88,352
Adjustment	(2,074)	0	0	(2,074)
Depreciation and impairments at 31.12	5,813,743	0	3,455	5,817,198
Carrying amount 31.12	616,690	773,135	4,105	1,393,930

Note 4, Financial assets

	2021	2020
Long-term Deferred tax assets		
Deferred tax asset at 01.01	325,867	448,222
Deferred tax adjustment during the year	(62,485)	(122,355)
Deferred tax asset at 31.12	<u>263,382</u>	<u>325,867</u>

Shares in subsidiaries

	2021
Cost at 01.01	4,304,569
Disposals	(2,498,609)
Capital reduction	(99,668)
Cost at 31.12	<u>1,706,292</u>
Value adjustments at 01.01	(3,614,900)
Disposals during the year	2,492,500
Reversed impairment losses	115,106
Value adjustments at 31.12	<u>(1,007,294)</u>
Carrying amount at 31.12	<u>698,998</u>

As of 31 December 2021, the carrying amount is USD 698,998 thousand. Subsidiaries with a negative equity are impaired to USD nil.

	2021	2020
Income from equity investment in subsidiaries		
Dividends received from subsidiaries during the year	<u>60,000</u>	<u>302,357</u>

As of 31 December 2021, 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:

Total E&P ALS A/S, Copenhagen
TotalEnergies EP Algerie Berkine A/S, Copenhagen
Total Oil Colombia A/S, Copenhagen
Total Energy Marketing A/S, Copenhagen
TEPKRI Sarsang A/S, Copenhagen
TEPKRI Piramagrun Holdings A/S, Copenhagen

Note 4, Financial assets (continued)

TotalEnergies EP Holdings Ethiopia B.V.		
Total E&P Ethiopia A/S, Copenhagen		
Total E&P Dunga GmbH., Germany		
TotalEnergies E&P International Ltd., United Kingdom		
TotalEnergies E&P International K1 Ltd., United Kingdom		
TotalEnergies E&P International K2 Ltd., United Kingdom		
TotalEnergies E&P International K3 Ltd., United Kingdom		
Total E&P Aktobe Limited, United Kingdom		
TotalEnergies EP Pipelines Danmark A/S, Copenhagen		

	<u>2021</u>	<u>2020</u>
Note 5, Financial income		
Gain on sale of subsidiaries	588	0
Interest income	51	2,027
Interest income from group companies	0	8,003
	<u>639</u>	<u>10,030</u>

	<u>2021</u>	<u>2020</u>
Note 6, Financial expenses		
Interest expenses	2	8
Interest expense to group companies	25,345	21,130
Other financial expenses (discounting effect of provisions)	27,693	40,898
Other financial expenses to group companies	29,092	0
Exchange rate adjustments, etc.	1,760	20,618
	<u>83,892</u>	<u>82,654</u>

Note 7, Corporate tax

	<u>2021</u>	<u>2020</u>
Corporate Tax current year	448	4,446
Adjustment to prior years	2,534	43,882
Deferred tax for the year	(100,245)	96,149
Total tax for the year	<u>(97,263)</u>	<u>144,477</u>

Joint tax liability for prior periods still exists.

Note 8, Proposed distribution of net profits

	<u>2021</u>	<u>2020</u>
Retained earnings	282,124	296,798
	<u>282,124</u>	<u>296,798</u>

Note 9, Deferred tax

	<u>2021</u>	<u>2020</u>
Deferred tax asset, current		
Deferred tax asset at 01.01	259,700	41,087
Deferred tax adjustment during the year	<u>(37,641)</u>	<u>218,613</u>
Deferred tax asset at 31.12	<u>222,058</u>	<u>259,700</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 1,004 million (2020: USD 892 million).

Other current provisions include discounted abandonment provisions of USD 28 million (2020: USD 31 million) and other obligations of USD nil (2020: USD 2 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 31 million.
- Operating commitment for a subsidiary. At the balance sheet date, the maximum commitment amounts to USD 16 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 2021, TotalEnergies EP Danmark has capital commitments amounting to USD 68 million. (2020: USD 41 million). The amount is related to chartering of drilling and production rigs, etc. Operating lease obligations amount to USD 55 million. (2020: USD 9 million).

Capital commitments, million

Maturity	<1 year	1-5 years	>5 years	Total
Tangible asset purchase obligations	15	9	1	25
Other binding purchase obligations for goods and services	16	25	2	43
Total Capital commitments	31	34	3	68

Operating Lease, million

Maturity	<1 year	1-5 years	>5 years	Total
Tangible asset purchase obligations	20	31	4	55

As part of the Company's past activities there are various claims that are related to the nature of the Company. Management considers these claims to be less likely and may be passed on to other entities in the TotalEnergies group of companies; therefore, no provision has been made as of 31 December 2021.

The Company is currently involved in a tax case relating to prior years. The provisions made based on exposure, in this relation are deemed to be reasonable and appropriate, and at this point in time Management does not expect additional material impact on the Company's financial position.

Note 13, Related parties

Related party transactions comprise of companies within the TotalEnergies group of companies, the Executive board and board members of the Company.

Transactions with related parties:

USD 1,000	2021	2020
Revenue and other operating income	515,860	272,713
Expenses	161,024	169,316

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 2021, the Company is 100% owned by TotalEnergies SE.

As of 31 December 2021, 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, Accounting Policies

The annual report for 2021 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 recognized 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 Directors' Report 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 functional 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 6.5612 at 31 December 2021 (2020: DKK 6.0576).

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 subsidiaries and associated companies 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.

Long-term deferred tax assets are recognised as the discounted value of future tax benefits from abandonment obligations not included in deferred tax asset.

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.

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.

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.

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.