

TotalEnergies EP Danmark A/S

CVR-No. 22757318

Annual Report 2023

Approved at the Annual General Meeting: 24 June 2024

Chairman: Morten West

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 - 31 December 2023

Board of Directors

Jean-Luc Guiziou (Chairman)
Martin Rune Pedersen
Christina Sjøberg Heineke Petersen

Executive Board

Eric Dèsirè Delattre

Auditors

PRICEWATERHOUSECOOPERS
Statsautoriseret Revisionspartnerselskab
CVR-No.: 33771231
Strandvejen 44
DK-2900 Hellerup

Table of Contents

| | |
|---|----|
| Management's Review | 4 |
| Management's Statement | 12 |
| Independent auditors' report | 13 |
| INCOME STATEMENT FOR 2023 | 16 |
| BALANCE SHEET AT 31.12.2023 | 17 |
| STATEMENT OF CHANGES IN EQUITY AT 31.12.2023 | 19 |
| Notes as at 31.12.2023 | 20 |

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 are produced from 15 fields, making a valuable contribution to Denmark's economy, energy supply, employment and net export of oil and gas.

The Company joined TotalEnergies in 2018 in connection with the acquisition of 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 15 of the 21 fields.

For the Company, a key priority has been to prepare for the restart of Tyra in the winter season 2023/24 after a massive redevelopment. During 2023, many crucial milestones were achieved, such as the reconnection of Tyra to the surrounding fields and Denmark, repowering of systems, reestablishment of communications and network, unplugging wells, and verifying safe working conditions. In March 2024, the production from Tyra restarted. Tyra is one of the most technologically advanced offshore gas installations in the world, producing with 30% lower greenhouse gas emissions than the old facilities. It is Denmark's largest natural gas field and the centre for processing and exporting more than 80% of the natural gas produced in the Danish part of the North Sea. When the Tyra field is back to full capacity in Q4 2024, it will enable Denmark to become once again self-sufficient and a net exporter of gas.

At the beginning of 2023, the first Danish tender for CO₂ storage licensing was concluded, with the award of two Carbon Capture and Storage (CCS) exploration licences to TotalEnergies EP Danmark as operator (80%) and Nordsøfonden (20%). The licences cover an area including the depleted Harald fields and a nearby saline aquifer (Dagny). The Harald field has been the subject of a CCS study supported by the Energy Technology

Development and Demonstration Programme (EUDP). Under this state-funded program, TotalEnergies and the DUC have worked with DTU and Ørsted as partners to develop a concept for transporting and storing CO₂. The project is known as Project Bifrost, and the preliminary results are positive and establish the North Sea's extensive carbon storage potential with certainty.

The Company is working to realize its strategy of transporting and storing 5 million tons of CO₂ annually from 2030. CCS is a technology that will make a difference for Denmark and Europe in reaching their climate targets.

TotalEnergies in Denmark has an ambition to enter the offshore wind market and has, in the beginning of 2024, entered into a partnership with European Energy for the development of two offshore wind projects. The agreement entails the acquisition by TotalEnergies of an 85% equity stake in the Jammerland Bugt offshore wind project and a 72.2% equity stake in the Lillebaelt South nearshore wind project. Once developed and in production, expected by 2030, the two projects will add 405 MW capacity to the Danish consumption and to the Company's global renewables portfolio.

Financial review

Financial performance for the year

The 2023 result shows a profit after tax of USD 251 million, which is lower than the profit of USD 540 million for 2022.

The profit after tax for 2023 is above expected. The expectation in 2022 was to achieve a profit after tax in 2023 of between USD 115 million and USD 125 million. The growth in profit compared to expectations is mainly impacted by oil price and lower costs.

The profit was lower compared to 2022, impacted in 2023 by a decreased average oil price to USD 82 per barrel compared to USD 95 per barrel for 2022 (14% decrease). It was again in 2023 negatively impacted by the continued shutdown of Tyra. Cost reduction initiatives have also in 2023 positively offset the negative impact of the Tyra shutdown. The Company did not in 2023 receive any dividends from subsidiaries vs. USD 269 million received in previous year, which negatively affected the 2023 results.

The Company is currently involved in a transfer pricing case with the Danish tax authorities, but the claim for this case has been settled upfront in previous years and is described in note 16.

Key figures for TotalEnergies EP Danmark are as follows:

| USD million | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|-------|-------|-------|-------|-------|
| Income statement: | | | | | |
| Revenue | 572 | 946 | 518 | 271 | 689 |
| Profit before financial items and tax | 374 | 660 | 288 | (78) | 303 |
| Financial items, net | 43 | 313 | 92 | 230 | 258 |
| Profit for the year after tax | 251 | 540 | 282 | 297 | 407 |
| Balance sheet: | | | | | |
| Total assets | 4,864 | 4,739 | 4,262 | 5,123 | 4,907 |
| Investments in property, plant and equipment | 1,627 | 1,471 | 1,394 | 1,130 | 913 |
| Equity | 3,727 | 3,476 | 2,936 | 2,653 | 2,357 |
| Profit margin | 65% | 70% | 56% | (29%) | 44% |
| Solvency ratio | 77% | 73% | 69% | 52% | 48% |
| Return on equity | 11% | 28% | 13% | 6% | 26% |

For definitions, see under accounting policies.

Guidance for 2024

TotalEnergies EP Danmark expects to achieve a profit after tax in 2024 of between USD 160 million and USD 185 million and a daily production of 36 thousand barrels of oil equivalent (boe) per day after having taken into account the development of the world situation.

The oil price has been, during 2024 and 2023, at a stable level and is, at the time of filing this annual report, at a level over USD 84 per barrel of crude oil (bbl), but the oil price for the rest of 2024 will also depend on the world situation.

With the current oil and gas prices, the turnover is forecasted in the range of USD 0.8 billion to USD 0.9 billion.

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

Activities in subsidiaries

During 2023, 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 20 November 2023, the Company's wholly held subsidiary Total E&P Dunga GmbH was sold to the Kazakh company, JSC NC Kazmunaygas, for an amount of \$355 million.

A subsidiary of TotalEnergies EP Holdings Ethiopia B.V., Total E&P Ethiopia A/S was closed on 20 December 2023 and Total Oil Colombia A/S closed its branch in Colombia in 2023. Following those steps, voluntary liquidations of the subsidiaries are planned in 2024.

The Company's subsidiary TotalEnergies EP Algerie Berkine A/S ceased its activities in 2023, and the process of the subsidiary liquidation has started, but the subsidiary will not be liquidated in year 2024.

The changes are disclosed in note 10 within the annual report.

Production

In 2023, TotalEnergies EP Danmark's production share of crude oil from the DUC fields in the Danish part of the North Sea reached an average 16.2 thousand barrels of oil equivalent per day (kboe/d) (2022: 17.4 kboe/d). The Company's share of the gas production in 2023 was 6.9 kboe/d (2022: 7.1 kboe/d). Both oil and gas production in 2023 have been significantly impacted by the shutdown for the Tyra Redevelopment project since 2019.

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 24.3bn (USD 3.6bn), and the removal and decommissioning of current facilities (ABEX) is estimated at approx. DKK 3.1bn (USD 0.5bn). The redeveloped Tyra field is expected to deliver approximately 65 thousand boe/d 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 recommenced on 22 March 2024.

Exploration

Exploration studies continue in the North Sea for 2024.

The Company has planned to drill an exploration well from the Harald platform during 2024.

Knowledge resources

The Company has built an extensive knowledge and development program for all employees, and it features both the current activities as well as the energy transition the company is moving towards. The training programs available aim not only to help people in their current roles, but to prepare them for future opportunities in a global organization. There are more than 2,200 training programs available to all employees, covering a huge range of topics from gas, renewables and electricity to digital transformation, health and safety.

Innovation

TotalEnergies EP Danmark is seeking to enhance business competitiveness by developing new knowledge and technologies to produce hydrocarbons more efficiently from complex reservoirs such as tight chalk reservoirs in the North Sea. An increasing part of the Company's efforts in research and development is conducted at the Danish Offshore 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.

The Company's future is dependent upon success in finding and developing oil and gas reserves, as well as developing long term CCS and renewable solutions. 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 2023 was 2.1 per million working hours compared to 2.7 per million working hours in 2022. TotalEnergies EP Danmark is very focused on eliminating incidents and has set a target of zero incidents.

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 licence to operate at risk. TotalEnergies EP Danmark is proactively building and supporting incident free operations to mitigate this risk.

Financial risk

TotalEnergies EP Denmark's activities expose it to various financial risks, such as currency risks, interest risk, credit risk and liquidity risk. The Company does not have any financial instruments.

The market risk is the risk of changes in market prices for oil and gas, such as exchange rate, interest, and the world situation.

The Currency risk is due to income being mainly in USD and EUR, while expenses are incurred mainly in USD, EUR and DKK, but also a wide range of other currencies.

Reporting on Corporate Social Responsibility, cf. Danish Financial Statement Act §99a

Social responsibility is important for TotalEnergies EP Danmark's business, and the Company has in 2023 continued its activities in line with the TotalEnergies SE's strategy.

For more information, reference is made to TotalEnergies SE's Universal Registration Document 2023, page 273 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 is amongst the world leaders in implementing cutting edge technologies to reduce greenhouse gas and has set ambitious global targets to measure that. TotalEnergies EP Danmark has taken a leading role in this work. Globally, TotalEnergies invests in renewable power, expands its capacity within low-carbon gases like hydrogen and biogas, secures a strong position within natural gas, and develops carbon storage facilities. During 2023 progress was made regarding biodiversity efforts within Denmark. TotalEnergies EP Danmark continued to support various research initiatives by universities and research institutes around our offshore facilities and prepared the first detailed Biodiversity Action Plan. Furthermore, the Company seeks to make use of environmentally friendly and energy efficient solutions to reduce the negative impact on the environment.

Reporting on goals and policies for the underrepresented gender, cf. Danish Financial Statement Act §99b

The Board of Directors 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 of Directors comprising a wide range of backgrounds such as global experience, style, culture and gender.

As of 31 December 2023, there was 1 woman among the 3 board members appointed at the general meeting and there were 3 women amongst the 8 managers at other management levels.

2023

Board of Directors

| | |
|---|--------|
| Total members of the Board of Directors | 3 |
| Underrepresented gender in percentage | 33.33% |
| Target in percentage | 33.33% |

Other management

| | |
|---------------------------------------|--------|
| Total members of the other management | 8 |
| Underrepresented gender in percentage | 37.50% |
| Target in percentage | 37.50% |

Consequently, according to the Danish Companies Act, the Company's board and other management level are considered to have equal representation of genders among the Company's shareholder-appointed board members and among the other management level.

Requirements according to the Danish Financial Statements Act, section 99b have been fulfilled.

Reporting on payments to governments, cf. Danish Financial Statement Act §99c

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 2023 page 356, 395,556 and 583 at:

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

Subsequent events

Reference is made to note 18 in the Financial Statements.

Reporting on Data Ethics Policy, cf. Danish Financial Statement Act § 99d

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 2023.


The annual report for 2023 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 2023 and of the results of the Company's operations for the financial year 2023.

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, 24 June 2024

Executive Board:



Eric Dèsirè Delattre

Board of Directors:

Jean-Luc Guiziou
(Chairman)

Martin Rune Pedersen

Christina S. Heineke Petersen

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Copenhagen, 24 June 2024

Executive Board:

Eric D  sir   Delattre

Board of Directors:

Jean-Luc Guiziou
(Chairman)



Martin Rune Pedersen

Christina S. Heineke Petersen

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

Copenhagen, 24 June 2024

Executive Board: _____

Eric Dèsirè 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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a 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 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, 24 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

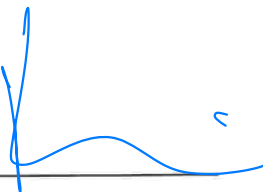


Bo Schou-Jacobsen

State Authorised

Public Accountant

MNE no. 28703



Henrik Trangeled Kristensen

State Authorised

Public Accountant

MNE no. 23333

INCOME STATEMENT FOR 2023

USD 1,000

| Note | | 2023 | 2022 |
|--------|---|----------------|----------------|
| 1. | Revenue | 571,736 | 946,116 |
| 2, 3. | Production costs | (166,249) | (234,631) |
| | Gross Profit | 405,487 | 711,485 |
| 2,3. | Administrative expenses | (30,840) | (49,510) |
| | Other operating income | 390 | 347 |
| | Other operating costs | (1,167) | (1,826) |
| | Result before financial items and tax | 373,870 | 660,496 |
| 10. | Impairment/reversal of impairment, subsidiaries | (53,000) | 50,668 |
| 10, 11 | Income from equity investments in subsidiaries/gain from sale of subsidiaries | 25,127 | 263,323 |
| 4. | Financial income | 109,350 | 32,805 |
| 5. | Financial expenses | (38,775) | (33,441) |
| | Result before tax | 416,572 | 973,851 |
| 6. | Tax on result for the year | (165,708) | (433,499) |
| | RESULT FOR THE YEAR | 250,864 | 540,352 |
| 7. | Proposed distribution of net profit | | |

BALANCE SHEET AT 31.12.2023**USD 1,000**

| Note | 2023 | 2022 |
|--------------------|--|-----------------------------------|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| 8. | Intangible assets | |
| | Software | 82 877 |
| | | <u>82 877</u> |
| 9. | Property, plant and equipment | |
| | Land and buildings, etc | 3,690 3,897 |
| | Production facilities, etc. | 416,806 467,399 |
| | Production facilities, etc. under construction | 1,206,865 999,542 |
| | | <u>1,627,361 1,470,838</u> |
| | Financial assets | |
| 10. | Investment in subsidiaries | 196,666 579,666 |
| 12. | Deferred tax assets | 119,931 256,181 |
| | | <u>316,597 835,847</u> |
| | TOTAL NON-CURRENT ASSETS | <u>1,944,040 2,307,562</u> |
| CURRENT ASSETS | | |
| | Inventories | |
| | Crude oil and consumables | 19,932 21,121 |
| | Receivables | |
| | Trade receivables | 98,000 135,000 |
| | Receivables from group companies | 2,469,716 1,997,676 |
| | Receivables from Joint Venture partners | 147,942 157,994 |
| | Other receivables | 154,171 106,092 |
| 13. | Prepayments | 3,328 78 |
| | | <u>2,873,157 2,396,840</u> |
| | Cash | 26,453 13,863 |
| | TOTAL CURRENT ASSETS | <u>2,919,542 2,431,824</u> |
| | TOTAL ASSETS | <u>4,863,582 4,739,386</u> |

BALANCE SHEET AT 31.12.2023

| Note | USD 1,000 | | |
|-------------------------------|-------------------------------------|------------------|------------------|
| | 2023 | 2022 | |
| LIABILITIES AND EQUITY | | | |
| EQUITY | | | |
| 14. | Share capital | 30,086 | 30,086 |
| | Retained earnings | 3,696,703 | 3,445,839 |
| | | 3,726,789 | 3,475,925 |
| NON-CURRENT LIABILITIES | | | |
| 15. | Other provisions | 819,948 | 950,191 |
| | | 819,948 | 950,191 |
| CURRENT LIABILITIES | | | |
| 15. | Other provisions | 18,480 | 12,224 |
| | Trade payables | 269,522 | 251,505 |
| | Payables to group companies | 40 | 1,378 |
| | Other payables | 28,803 | 37,771 |
| 12. | Deferred tax liabilities | 0 | 10,392 |
| | | 316,845 | 313,270 |
| | TOTAL LIABILITIES | 1,136,793 | 1,263,461 |
| | TOTAL LIABILITIES AND EQUITY | 4,863,582 | 4,739,386 |
| 16. | Contingencies etc. | | |
| 17. | Related parties | | |
| 18. | Subsequent events | | |
| 19. | Accounting policies | | |

STATEMENT OF CHANGES IN EQUITY AT 31.12.2023
(USD 1,000)

| | Share capital | Retained earnings | Total |
|---------------------|----------------------|-------------------------|-------------------------|
| Equity 01.01 | <u>30,086</u> | <u>3,445,839</u> | <u>3,475,925</u> |
| Profit for the year | 0 | 250,864 | 250,864 |
| Equity 31.12 | <u>30,086</u> | <u>3,696,703</u> | <u>3,726,789</u> |

Notes as at 31.12.2023
(USD 1,000)

| Note 1, Revenue | 2023 | 2022 |
|---------------------------------------|----------------|----------------|
| <u>Segments (geographical)</u> | | |
| Denmark | 571,736 | 946,116 |
| <u>Revenue by activities</u> | | |
| | 2023 | 2022 |
| Oil sales | 463,674 | 580,775 |
| Gas sales | 105,741 | 362,904 |
| Condensates sales | 2,321 | 2,437 |
| | 571,736 | 946,116 |
| | | |
| Note 2, Staff costs | 2023 | 2022 |
| Salaries | 120,385 | 119,830 |
| Pension contribution | 8,752 | 8,833 |
| Other social security costs | 791 | 802 |
| | 129,928 | 129,465 |
| | | |
| Average number of full-time employees | 778 | 824 |

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 2023 and 2022.

TotalEnergies has a performance shares program, and 162 people (2022: 177 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 2023 is estimated at USD 3.8 million (2022: USD 3.3 million).

Note 3, Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

| | 2023 | 2022 |
|---|---------------|----------------|
| Depreciation of software | 795 | 2,896 |
| Depreciation of buildings | 207 | 208 |
| Depreciation of property, plant and equipment | 71,303 | 127,663 |
| | 72,305 | 130,767 |

Note 4, Financial income

| | 2023 | 2022 |
|--------------------------------------|----------------|---------------|
| Interest income from group companies | 106,965 | 26,465 |
| Exchange rate adjustments, etc. | 2,385 | 6,340 |
| | 109,350 | 32,805 |

Note 5, Financial expenses

| | 2023 | 2022 |
|---|---------------|---------------|
| Interest expenses | 278 | 2,494 |
| Other financial expenses (discounting effect of provisions) | 38,497 | 30,947 |
| | 38,775 | 33,441 |

Note 6, Corporate tax

| | 2023 | 2022 |
|-------------------------------|------------------|------------------|
| Corporate Tax current year | (38,351) | (189,607) |
| Adjustment to prior years | (1,499) | (6,682) |
| Deferred tax for the year | (125,858) | (237,210) |
| Total tax for the year | (165,708) | (433,499) |

Note 7, Proposed distribution of net profits

| | 2023 | 2022 |
|-------------------|----------------|----------------|
| Retained earnings | 250,864 | 540,352 |
| | 250,864 | 540,352 |

Note 8, Intangible assets

| | 2023 |
|---------------------------------------|-------------|
| Cost at 01.01 | 8,671 |
| Cost price 31.12 | 8,671 |
| Amortisation and impairments at 01.01 | 7,794 |
| Amortisation during the year | 795 |
| Amortisation and impairments at 31.12 | 8,589 |
| Carrying amount 31.12 | 82 |

Note 9, Property, plant and equipment

| | 2023 | | | |
|---|--|--|----------------------------------|------------------|
| | Production facilities, buildings etc. | Production facilities etc. under construction | Land and buildings etc. | Total |
| Cost at 01.01 | 6,408,805 | 999,542 | 7,560 | 7,415,907 |
| Additions during the year, including change in abandonment | 0 | 262,638 | 0 | 262,638 |
| Disposals during the year | (34,605) | | | (34,605) |
| Adjustments | 55,315 | (55,315) | | 0 |
| Cost price 31.12 | 6,429,515 | 1,206,865 | 7,560 | 7,643,940 |
| Depreciation and impairments at 01.01 | 5,941,406 | 0 | 3,663 | 5,945,069 |
| Depreciation during the year | 71,303 | 0 | 207 | 71,510 |
| Depreciation and impairments at 31.12 | 6,012,709 | 0 | 3,870 | 6,016,579 |
| Carrying amount 31.12 | 416,806 | 1,206,865 | 3,690 | 1,627,361 |

Note 10, Investment in subsidiaries

| | 2023 |
|----------------------------|----------------|
| Cost at 01.01 | 1,291,707 |
| Disposals | (422,431) |
| Cost at 31.12 | 869,276 |
| Value adjustments at 01.01 | (712,041) |
| Disposals during the year | 92,431 |
| Impairment | (53,000) |
| Value adjustments at 31.12 | (672,610) |
| Carrying amount at 31.12 | 196,666 |

Impairment of 53 million USD consists of the revaluation of TotalEnergies E&P International Ltd. investments value to zero as per IAS36 rules due to the business being relinquished in 2023.

Income from equity investment in subsidiaries

| | 2023 | 2022 |
|--|---------------|----------------|
| Gain/(loss) on sale of subsidiaries | 25,127 | (5,684) |
| Dividends received from subsidiaries during the year | 0 | 269,007 |
| | <u>25,127</u> | <u>263,323</u> |

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 reports:

| | Statutory Reporting Currency | Income Statement Amount, thousand | Equity Amount, thousand |
|---|------------------------------------|--|-------------------------------|
| Total E&P ALS A/S, Copenhagen | USD | 433 | 29,291 |
| TotalEnergies EP Algerie Berkine A/S, Copenhagen | USD | 245,609 | 562,022 |
| Total Oil Colombia A/S, Copenhagen | USD | (529) | (695) |
| Total Energy Marketing A/S, Copenhagen | USD | (824) | 1,132 |
| TotalEnergies EP TPH A/S, Copenhagen | USD | 13 | 375 |
| TotalEnergies EP Holdings Ethiopia B.V., Netherlands | USD | (2) | (1) |
| TotalEnergies E&P International Ltd., United Kingdom | USD | 7 | 52,419 |
| Total E&P Aktobe Limited, United Kingdom | USD | (3) | 288 |
| TotalEnergies EP Pipelines Danmark A/S, Copenhagen | USD | 1.059 | 5,394 |

Note 11, Special items

On 20 November 2023, the Company's wholly held subsidiary Total E&P Dunga GmbH was sold to the Kazakh company, JSC NC Kazmunaygas, for an amount of \$355 million. Gain from the sale in amount of 25M USD is included in the Income statement, line Income from equity investments in subsidiaries/gain from sale of subsidiaries.

Note 12, Deferred tax

| | 2023 | 2022 |
|---|----------------|----------------|
| Deferred tax assets, non-current | | |
| Deferred tax asset at 01.01 | 256,181 | 263,382 |
| Deferred tax adjustment during the year | (136,250) | (7,201) |
| Deferred tax asset at 31.12 | <u>119,931</u> | <u>256,181</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.

| | 2023 | 2022 |
|---|-------------|-----------------|
| Deferred tax, current | | |
| Deferred tax asset/(liabilities) at 01.01 | (10,392) | 222,058 |
| Deferred tax adjustment during the year | 10,392 | (232,450) |
| Deferred tax asset/(liabilities) at 31.12 | <u>0</u> | <u>(10,392)</u> |

Note 13, Prepayments

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

Note 14, Share capital

Share capital consists of the following shares:

| Share capital consists of the following shares: | Number | Nominal, DKK |
|---|---------|--------------|
| | 174,000 | 1,000 |
| Total nominal | | 174,000,000 |

The share capital consists of 174,000 shares of a nominal value of DKK 1,000. No shares carry any special rights.

Note 15, Provisions

| | 2023 | 2022 |
|-----------------------------|-------------|-------------|
| Other non-current provision | 819,948 | 950,191 |
| Other current provision | 18,480 | 12,224 |
| Provisions at 31.12 | 838,428 | 962,415 |

Other non-current and current provisions include discounted abandonment provisions.

Note 16, Contingencies

The Company has issued performance guarantees relating to its subsidiaries' obligations, with variable durations and conditions. Guarantees have been issued to (customers/suppliers and) various national authorities in the areas in which the Company operates. The largest unexpired financially limited guarantee issued to customers/suppliers is USD 37 million and to a national authority is USD 17 million.

At the end of 2023, TotalEnergies EP Danmark has capital commitments amounting to USD 53 million. (2022: USD 58 million). The amount is related to chartering of drilling and production rigs and logistics contracts, of which USD 39 million is capital.

Operating lease obligations amount to USD 36 million. (2022: USD 45 million).

**Capital commitments,
USD 1,000**

| Maturity | <1 year | 1-5 years | >5 years | Total |
|---|-------------------|------------------|--------------------|---------------|
| Tangible asset purchase obligations | 26,051 | 12,774 | 0 | 38,825 |
| Other binding purchase obligations for goods and services | 9,671 | 4,144 | 0 | 13,815 |
| Total Capital commitments | 35,722 | 16,918 | 0 | 52,640 |

Operating Lease

USD 1,000

| Maturity | <1 year | 1-5 years | >5 years | Total |
|-------------------------------------|-------------------|------------------|--------------------|--------------|
| Operating lease payment obligations | 17,394 | 17,130 | 1,127 | 35,651 |

The Company has been involved in a tax case relating to prior years, which in 2023 was finalized by the Danish Supreme Court in favor of the Danish tax authorities. In this relation, all amounts claimed by the Danish tax authorities have been settled in previous years, for which reason the verdict by the Danish Supreme Court has no impact on the financial positions for the Company.

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. TotalEnergies Upstream Danmark A/S is the administration company.

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 17, Related parties

Transactions with related parties has been carried out at arm's length terms.

Parties exercising control

As of 31 December 2023, the Company is 100% owned by TotalEnergies SE.

As of 31 December 2023, 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 18, Subsequent events

TotalEnergies in Denmark has an ambition to enter the offshore wind market and has entered a partnership with European Energy for the development of two offshore wind projects. The agreement entails the acquisition by TotalEnergies of an 85% equity stake in the Jammerland Bugt offshore wind project and a 72.2% equity stake in the Lillebaelt South nearshore wind project. Financial impact for the new agreement is not settled yet.

No other subsequent events have incurred after 31 December 2023 significantly affecting the financial position.

Note 19, Accounting Policies

The annual report for 2023 of TotalEnergies EP Danmark has been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to large class C companies.

Due to changes in internal registrations in the Company's financial reporting system, reclassifications between financial line items in the income statement have been made in the comparative figures for 2022. The reclassifications have no effect on either profit for the year or equity.

Besides from the before mentioned, the accounting policies applied remain 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:

$$\text{Profit margin} = \frac{\text{Result before financial items}}{\text{Revenue}}$$

$$\text{Solvency ratio} = \frac{\text{Equity, closing}}{\text{Total assets, closing}}$$

$$\text{Return on equity} = \frac{\text{Result before taxes}}{\text{Equity, closing}}$$

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 6.7447 at 31 December 2023 (2022: DKK 6.9722).

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.

Tax on profit. 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.