

**Total Danmark Pipelines A/S**

**CVR-No. 27929028**

**Annual Report 2020**



Approved at the General Assembly: 25 May 2021  
Chairman of the meeting: Majbritt Perotti Carlson  
Amerika Plads 29, 2100 Copenhagen Ø, Denmark

### **Company information**

Total Danmark Pipelines A/S  
Amerika Plads 29  
2100 Copenhagen Ø  
Denmark

CVR-No.: 27929028  
Date of incorporation: 28 June 2004  
Registered office: Copenhagen  
Financial year: 01 January - 31 December

### **Executive Board**

Philippe Marie Rene Maurice Groueix

### **Board of Directors**

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

### **Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø

## **Management's Review**

### **Activities**

As of fiscal year end 2020, the Company is a wholly owned subsidiary of Total E&P Danmark A/S.

Total Danmark Pipelines A/S has a 35.1% share of the Tyra WE Gas Pipeline.

The gas pipeline runs from Tyra West to the F3 Platform in the Dutch sector of the North Sea and has the corporate purpose to run and commercialise gas and oil transport via the pipeline and other related businesses.

### **Financial review**

#### **Financial performance for the year**

The result for 2020 shows a gain of USD 5.6 million compared to a loss of USD 2.5 million in 2019. It is a higher result than expected for 2020 and the gain this year is mainly due to an adjustment to an impairment of the pipeline relating to a 3-yearly update of the abandonment provision. Due to the change in Partner shares in the Tyra WE Gas Pipeline, costs have increased since 2019.

#### **Guidance for 2021**

The Company expects a positive operating result for 2021, although at this stage the possible effects of the Corona Virus on our activities are unknown. No outages due to maintenance activities are expected for 2021.

#### **Subsequent Events**

There are no material events affecting the assessment of the Annual Report which have occurred after the balance sheet date.

**Management's Statement**

The Executive Board has today discussed and approved the annual report of Total Danmark Pipelines A/S for 2020.

The annual report for 2020 of Total Danmark Pipelines A/S has been prepared in accordance with 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 2020 and of the results of the Company's operations for the financial year 2020.

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, 25 May 2021

Executive Board:



Philippe Marie Rene Maurice Groueix

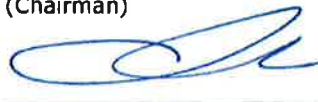
Board of Directors:



Arnauld Le Foll  
(Chairman)



Christina S. Heineke Petersen  
(Vice Chairman)



Martin Rune Pedersen

## **Independent auditor's report**

### ***To the shareholders of Total Danmark Pipelines A/S***

#### ***Opinion***

We have audited the financial statements of Total Danmark Pipelines A/S for the financial year 1 January – 31 December 2020, comprising income statement, balance sheet 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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 skepticism 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, 25 May 2021

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



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



Martin Pieper  
State Authorised  
Public Accountant  
MNE no. 44063

## **Accounting Policies**

The Annual Report for 2020 of Total Danmark Pipelines A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to class B companies with options from higher reporting classes.

The accounting policies for the financial statements are unchanged from last year.

The Annual Report is presented in USD.

### Functional Currency

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 6.0576 at 31 December 2020 (2019: DKK 6.6759).

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.

### Income Statement

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

**Revenues** are recognised as delivery takes place and consists of sales of pipeline capacity as per the invoiced tariff during the financial year.

**Production costs** include expenses occurred to achieve revenue for the year. These costs comprise of maintenance, depreciation, impairment related costs, administration and management of pipeline abandonment liabilities.

**Administrative expenses** comprise parent company overhead, insurance and other general administrative expenses including amortisation and depreciation.

**Financial items** comprise interest, realised and unrealised exchange adjustments, non-deductible charge and tax-free allowance under the on-account taxation scheme.

**Tax for the year** consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity.



Current tax is calculated on the basis of the tax rate in force for the year.

Current tax receivable is recognised in receivables in the balance sheet in the event of overpayment, and current tax liabilities are recognised in short-term debt in the event of non-payment.

### The Balance Sheet

**Tangible fixed assets** are measured at cost less accumulated depreciation and impairments.

Cost covers purchase price and costs directly attributable to the acquisition including paid/received amount from farm-in and farm-out until the date on which the asset is ready for use. Cost also includes estimated asset retirement costs if the related obligation meets the conditions for recognition as a liability. Interest is not recognised.

Depreciation based on cost reduced by any residual value and impairment losses is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Pipeline        25 years

Depreciation of fixed assets commences when the assets are put into use.

The carrying amounts of assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation.

If so, the asset is written down to its lower recoverable amount.

**Receivables** are recognised in the balance sheet at amortised cost, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

**Deferred tax** is recognised in the balance sheet as the tax on all temporary differences. Deferred tax is calculated at the tax rate which, based on legislation passed before the end of the financial year, will apply at the time when it is expected to be realised.

Deferred tax assets are recognised at the value at which they are expected to be realised.

**Accrued liabilities** are recognized when – as a consequence of an event occurring before or on the balance sheet date – the Company has a legal or constructive obligation, where it is probable that economic benefits must be sacrificed to settle the obligation, and the amount of the obligation can be estimated reliably.

**Payables Group companies trade and other payables** are recognised at cost at the time of contracting the debt. Subsequently, it is stated at amortised cost, which in respect of short-term and non-interest-bearing debt and of floating rate loans usually corresponds to nominal value.

**TOTAL DANMARK PIPELINES A/S**  
**INCOME STATEMENT**  
**FOR 2020**

Note	USD 1,000	
	2020	2019
	<b>4,693</b>	<b>(881)</b>
	(98)	(210)
	<b>4,595</b>	<b>(1,091)</b>
1.	664	0
2.	0	(662)
	<b>5,259</b>	<b>(1,753)</b>
3.	371	(760)
	<b>5,630</b>	<b>(2,513)</b>
Proposed distribution of net result		
	5,630	(2,513)
	5,630	(2,513)

**TOTAL DANMARK PIPELINES A/S**  
**BALANCE SHEET AT 31.12.2020**

Note	USD 1,000	
	2020	2019
<b>ASSETS</b>		
NON-CURRENT ASSETS		
Tangible fixed assets:		
4.	Property, plant and equipment	0      1,014
		<u>0      1,014</u>
	TOTAL NON-CURRENT ASSETS	<u>0      1,014</u>
CURRENT ASSETS		
	Receivables Group companies	8,074      6,279
	Trade receivables	0      175
	Deferred tax asset	377      650
	Other receivables	69      78
		<u>8,520      7,182</u>
	Cash	0      322
		<u>0      322</u>
	TOTAL CURRENT ASSETS	<u>8,520      7,504</u>
	<b>TOTAL ASSETS</b>	<b><u>8,520      8,518</u></b>

**TOTAL DANMARK PIPELINES A/S**  
**BALANCE SHEET AT 31.12.2020**

Note	USD 1,000	
	2020	2019
<b>LIABILITIES AND EQUITY</b>		
EQUITY		
	1,739	1,739
	0	0
	2,191	(3,439)
	<u>3,929</u>	<u>(1,701)</u>
NON-CURRENT LIABILITIES		
5.	4,490	8,842
	<u>4,490</u>	<u>8,842</u>
CURRENT LIABILITIES		
	0	11
	16	1,366
	85	11
	<u>101</u>	<u>1,377</u>
	4,591	10,219
	<u>4,591</u>	<u>10,219</u>
	<b>8,520</b>	<b>8,518</b>
	<b><u>8,520</u></b>	<b><u>8,518</u></b>
6.	Staff	
7.	Contingencies etc.	
8.	Related parties	

**TOTAL DANMARK PIPELINES A/S**  
**STATEMENT OF CHANGES IN EQUITY AT 31.12.2020**  
**(USD 1,000)**

	Share capital	Retained earnings	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Equity 01.01	1,738	(3,439)	(1,701)
Result for the year	0	5,630	5,630
<b>Equity 31.12</b>	<b><u>1,738</u></b>	<b><u>2,191</u></b>	<b><u>3,929</u></b>

Share capital consists of the  
following shares:

	Number	Nominal, DKK
	<u>          </u>	<u>          </u>
	1,000	10,000
Total nominal		<u>10,000,000</u>

**TOTAL DANMARK PIPELINES A/S**  
**Notes as at 31.12.2020**  
**(USD 1,000)**

	<b>2020</b>	<b>2019</b>
<b>Note 1, Financial income</b>		
Exchange rate adjustments	640	0
	<u>640</u>	<u>0</u>
<b>Note 2, Financial expenses</b>		
Exchange rate adjustments	0	276
Other financial expenses	0	386
	<u>0</u>	<u>662</u>
<b>Note 3, Tax for the year</b>		
Current tax for the year	98	0
Deferred tax for the year	273	(760)
Total tax for the year	<u>371</u>	<u>(760)</u>
<b>Note 4, Property, plant and equipment</b>		
Pipeline		
Cost price 1 January	52,373	52,373
Revisions to asset retirement obligation costs	0	0
Cost price 31 December	<u>52,373</u>	<u>52,373</u>
Depreciation 1 January	51,359	31,315
Impairment for the year	0	0
Depreciation for the year	1,014	44
Depreciation 31 December	<u>52,373</u>	<u>51,359</u>
Carrying amount 31 December	<u>0</u>	<u>1,014</u>

**Note 5, Provisions, asset retirement obligation**

Asset retirement obligations, which result from a legal or constructive obligation, are recognized based on a reasonable estimate in the period in which the obligation arises. This estimate is based on information available in terms of costs and work program. It is regularly reviewed to take into account the changes in laws and regulations, the estimates of reserves and production, the analysis of site conditions and technologies. The discount rate is reviewed annually.

**Note 6, Staff**

The Company has no employees in 2020.

**Note 7, Contingencies**

As of 31 December 2020, the Company is jointly taxed with the Danish companies within the Total Group. This entails unlimited joint liability for Danish corporation taxes and withholding taxes on dividends, interests and royalties within the jointly taxed companies. A similar obligation exists for joint registration of VAT.

**Note 8, Related parties****Parties exercising control**

The Company is 100% owned by Total E&P Danmark A/S.

As of 31 December 2020, the ultimate parent company is Total SE. The consolidated financial statements of Total Group are available at

[www.total.com/en/investors/publications-and-regulated-information/reports-and-publications#annualReports](http://www.total.com/en/investors/publications-and-regulated-information/reports-and-publications#annualReports).

The Company is included in consolidated financial statements as a subsidiary.