

Total Denmark ASW Pipeline ApS

CVR-No. 27974740

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 Denmark ASW Pipeline ApS
Amerika Plads 29
2100 Copenhagen Ø
Denmark

CVR-No.: 27974740
Date of incorporation: 14 July 2004
Registered office: Copenhagen
Financial year: 01 January 2020 - 31 December

Executive Board

Philippe Marie Rene Maurice Groueix

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Management's Review

Activities

The Company is a wholly owned subsidiary of Total Denmark ASW, Inc.

The current activity of the Company is to own and operate Total Denmark ASW, Inc.'s 13,5% share of the Tyra-F3 Gas Pipeline. Tyra-F3 Gas Pipeline runs from DUC facilities to the F3 Platform in the North Sea's Dutch sector. It has the corporate purpose to run and commercialise gas and oil transport via the pipeline and other related businesses. Gas exports through this pipeline commenced 19 July 2004.

The owners of the pipeline are North Sea fund, Noreco DK Pipeline ApS, Total E&P Danmark Pipelines A/S and Total Denmark ASW Pipeline ApS.

Since start-up the pipeline has operated without incidents and no operational, health, safety and environmental issues have occurred

Total E&P Danmark A/S is the Operator.

Financial review

Financial performance for the year

The result for 2020 shows a gain of USD 1.5 million compared to a loss of USD 3.0 million in 2019. The gain 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, cost has increased since 2019.

Guidance for 2021

The Company expects an operating result for 2021 in a range of USD 1-1.5 million, although at this stage the possible effects of the Corona Virus on our activities is 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 Denmark ASW Pipeline ApS for 2020.

The annual report for 2020 of Total Denmark ASW Pipeline ApS 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

Independent auditor's report

To the shareholders of Total Denmark ASW Pipeline ApS

Opinion

We have audited the financial statements of Total Denmark ASW Pipeline ApS 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 Denmark ASW Pipeline ApS 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

As of Year 2020 Functional currency has changed from DKK to 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 6.0576 at 31 December 2020 (2019: DKK 6.6759).

The statutory financial information as previously reported for the year ended 31 December 2019 has been restated from DKK into USD using the procedures outlined below:

- Assets and Liabilities where the functional currency is other than USD were translated into USD at the exchange rate at the balance sheet date.
- Non-USD Income Statements results were translated into USD at the exchange rate prevailing at the date of the transaction or at the relevant average rates of exchange.
- Share capital, share premium and other reserves were translated at the historic rates prevailing at the dates of transactions

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

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, administration and management of pipeline abandonment liabilities: accretion of asset retirement obligations.

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 DENMARK ASW PIPELINE APS
INCOME STATEMENT
FOR 2020

Note	USD 1,000	
	2020	2019
1. Revenue	690	1,198
2. Production costs	818	(4,713)
Gross result	1,508	(3,515)
Administrative expenses	(101)	(91)
Result before financial items and tax	1,407	(3,606)
3. Financial income	1,113	0
Financial expenses	0	(196)
Result before tax	2,519	(3,802)
4. Tax for the year	(1,038)	787
RESULT FOR THE YEAR	1,481	(3,015)
Proposed distribution of net result		
Retained earnings	1,481	(3,015)
	1,481	(3,015)

TOTAL DENMARK ASW PIPELINE APS
BALANCE SHEET AT 31.12.2020

Note	USD 1,000	
	2020	2019
ASSETS		
NON-CURRENT ASSETS		
Tangible fixed assets:		
5.	Property, plant and equipment	0 729
		<u>0 729</u>
	Long term deferred tax assets	182 855
		<u>182 855</u>
	TOTAL NON-CURRENT ASSETS	<u>182 1,584</u>
CURRENT ASSETS		
Receivables:		
	Receivables Group companies	69 92
		<u>69 92</u>
	Cash	13,387 12,477
		<u>13,387 12,477</u>
	TOTAL CURRENT ASSETS	<u>13,456 12,569</u>
	TOTAL ASSETS	<u>13,638 14,153</u>

TOTAL DENMARK ASW PIPELINE APS
BALANCE SHEET AT 31.12.2020

Note	USD 1,000		
	2020	2019	
LIABILITIES AND EQUITY			
EQUITY			
	Share capital	3,619	3,619
	Proposed dividend	0	0
	Retained earnings	7,877	6,396
		11,496	10,015
NON-CURRENT LIABILITIES			
6.	Provisions	1,728	3,400
		1,728	3,400
CURRENT LIABILITIES			
	Trade payables	3	390
	Payables Group companies	407	318
	Other payable	4	30
		414	738
	TOTAL LIABILITIES	414	738
	TOTAL LIABILITIES AND EQUITY	13,638	14,153
7.	Staff		
8.	Contingencies etc.		
9.	Related parties		

TOTAL DENMARK ASW PIPELINE APS
STATEMENT OF CHANGES IN EQUITY AT 31.12.2020
(USD 1,000)

	Share capital	Share premium	Retained earnings	Total
	<hr/>	<hr/>	<hr/>	<hr/>
Equity 01.01	34	3,585	6,396	10,015
Result for the year	0	0	1,481	1,481
Equity 31.12	34	3,585	7,877	11,496
	<hr/>	<hr/>	<hr/>	<hr/>

Share capital consists of the following shares:

	Number	Nominal, DKK
	<hr/>	<hr/>
	200,000	1
Total nominal		<hr/> 200,000

TOTAL ASW DENMARK PIPELINE APS
Notes as at 31.12.2020
(USD 1,000)

Note 1, Revenue

The Company's revenue is mainly obtained from an affiliated company and is VAT-exempt as delivery is outside the Danish VAT-area.

	2020	2019
Note 2, Production costs		
Operating costs pipeline	125	519
Depreciation of pipeline	17	173
Impairment of pipeline	0	3,910
Accretion of asset retirement obligation	152	111
Write-off of impairment provision exceeding assets' value	(1,112)	0
	<u>(818)</u>	<u>4,713</u>

Note 3, Financial income

Exchange rate adjustments	1,113	0
	<u>1,113</u>	<u>0</u>

Note 4, Tax for the year

Current tax for the year	365	120
Deferred tax for the year	674	(907)
Total tax for the year	<u>1,038</u>	<u>(787)</u>

	2020	2019
Note 5, Property, plant and equipment		
Pipeline		
Cost price 1 January	19,976	17,200
Other adjustments	(37)	0
Asset retirement obligation and Revisions to asset retirement obligation costs	(372)	2,776
Cost price 31 December	<u>19,577</u>	<u>19,976</u>
Depreciation 1 January	19,247	15,164
Other adjustments	303	0
Impairment for the year	0	3,910
Depreciation for the year	17	173
Depreciation 31 December	<u>19,577</u>	<u>19,247</u>
Carrying amount 31 December	<u>0</u>	<u>729</u>

Note 6, 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 7, Staff

The Company has no employees.

Note 8, 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 9, Related parties**Parties exercising control**

The Company is 100% owned by Total Denmark ASW, Inc.

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.

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