

TotalEnergies Denmark ASW Pipeline ApS

CVR-No. 27974740

Annual Report 2021



Approved at the General Assembly, 17 June 2022

Chairman of the meeting: Majbritt Perotti Carlson

Amerika Plads 29, st., 2100 Copenhagen Ø, Denmark

Company information

TotalEnergies Denmark ASW Pipeline ApS
Amerika Plads 29, st.
2100 Copenhagen Ø
Denmark

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

Executive Board

Eric Désiré Delattre

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Management's Review

Activities

TotalEnergies Denmark ASW Pipeline ApS (the "Company") is a wholly owned subsidiary of TotalEnergies Denmark ASW, Inc.

The current activity of the Company is to own and operate TotalEnergies Denmark ASW, Inc.'s 13.5% share of the Tyra-F3 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.

Gas exports through this pipeline commenced 19 July 2004.

The owners of the pipeline are North Sea Fund, Noreco DK Pipeline ApS, TotalEnergies EP Danmark Pipelines A/S and TotalEnergies Denmark ASW Pipeline ApS. TotalEnergies EP Danmark A/S is the Operator.

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

Financial review

Financial performance for the year

The result for 2021 shows a loss of USD 0.5 million compared to a profit of USD 1.5 million in 2021. In 2020 the profit was mainly due to an adjustment to an impairment of the pipeline in connection with an update of the abandonment provision assumptions.

Subsequent Events

In 2022, the Company has sold part of its share of the pipeline to Nordsøfonden after final approval from the Danish Energy Agency. As a result, the Company's share of the Tyra WE Gas Pipeline changed from 13.5% to 12.0%.

Apart from the sale, there are no further 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 TotalEnergies Denmark ASW Pipeline ApS for 2021.

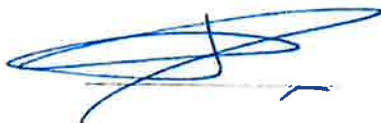
The annual report for 2021 of the Company has been prepared in accordance with the Danish Financial Statements Act and, in our opinion, gives a true and fair view of the Company's assets, liabilities and the financial position at 31 December 2021 and of the results of the Company's operations for the financial year 2021.

In our opinion, the 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, 17 June 2022

Executive Board:



Eric Désiré Delattre

Independent auditor's report

To the shareholders of TotalEnergies Denmark ASW Pipeline ApS

Opinion

We have audited the financial statements of TotalEnergies Denmark ASW Pipeline ApS for the financial year 1 January – 31 December 2021, 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 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, 17 June 2022

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

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Copenhagen, 17 June 2022

KPMG

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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 2021 of TotalEnergies 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

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

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit. Included in gross profit is revenues and production costs.

Revenues consists of transportation service fees for quantities of natural gas transported through the pipeline. Revenue is recognised based on quantity for the period.

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 amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Receivables are recognised in the balance sheet at amortised cost, which corresponds to nominal value. 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 amortized cost at the time of contracting the debt.

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 production expenses.

TOTALENERGIES DENMARK ASW PIPELINE APS
INCOME STATEMENT
FOR 2021

Note	USD 1,000	
	2021	2020
	477	1,508
Gross result		
Administrative expenses	(152)	(101)
	325	1,407
Result before financial items and tax		
1. Financial income	0	1,113
2. Financial expenses	(933)	0
	(608)	2,519
Result before tax		
3. Tax for the year	142	(1,038)
RESULT FOR THE YEAR	(466)	1,481
Proposed distribution of net result		
Retained earnings	(466)	1,481
	(466)	1,481

TOTALENERGIES DENMARK ASW PIPELINE APS
BALANCE SHEET AT 31.12.2021

Note	USD 1,000		
	2021	2020	
ASSETS			
NON-CURRENT ASSETS			
Tangible fixed assets:			
4.	Property, plant and equipment	0	0
		0	0
	TOTAL NON-CURRENT ASSETS	0	0
CURRENT ASSETS			
Receivables:			
	Receivables from Group companies	12,821	13,456
	Tax receivables	8	0
	Deferred tax asset	298	182
	Other receivables	57	0
		13,184	13,456
	TOTAL CURRENT ASSETS	13,184	13,456
	TOTAL ASSETS	13,184	13,638

TOTALENERGIES DENMARK ASW PIPELINE APS
BALANCE SHEET AT 31.12.2021

Note	USD 1,000	
	2021	2020
LIABILITIES AND EQUITY		
EQUITY		
	3,619	3,619
	7,411	7,877
	11,030	11,496
NON-CURRENT LIABILITIES		
5.	1,780	1,728
	1,780	1,728
CURRENT LIABILITIES		
	0	3
	0	407
	374	4
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TOTALENERGIES DENMARK ASW PIPELINE APS
STATEMENT OF CHANGES IN EQUITY AT 31.12.2021
(USD 1,000)

	Share capital	Share premlum	Retained earnings	Total
Equity 01.01	34	3,585	7,877	11,496
Result for the year	0	0	(466)	(466)
Equity 31.12	34	3,585	7,411	11,030

Share capital consists of the following shares:

	Number	Nominal, DKK
	200,000	1
Total nominal		200,000

TOTALENERGIES ASW DENMARK PIPELINE APS

Notes as at 31.12.2021

(USD 1,000)

	2021	2020
Note 1, Financial income		
Exchange rate adjustments	0	1,113
	<u>0</u>	<u>1,113</u>
Note 2, Financial expenses		
Exchange rate adjustments	933	0
	<u>933</u>	<u>0</u>
Note 3, Tax for the year		
Current tax for the year	26	365
Deferred tax for the year	116	674
Total tax for the year	<u>142</u>	<u>1,038</u>
Note 4, Property, plant and equipment		
Pipeline		
Cost price 1 January	19,577	19,976
Other adjustments	0	(37)
Asset retirement obligation and Revisions to asset retirement obligation costs	0	(372)
Cost price 31 December	<u>19,577</u>	<u>19,577</u>
Depreciation 1 January	19,577	19,247
Other adjustments	0	303
Depreciation for the year	0	17
Depreciation 31 December	<u>19,577</u>	<u>19,577</u>
Carrying amount 31 December	<u>0</u>	<u>0</u>

Note 5, Provisions

Other non-current provisions include discounted abandonment provisions of USD 1,780 thousand (2020: USD 1,728 thousand).

Note 6, Staff

The Company has had no employees in 2021 (2020: Nil).

Note 7, Contingencies

As of 31 December 2021, the Company is jointly taxed with the Danish companies within the TotalEnergies group of companies. 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 TotalEnergies Denmark ASW, Inc.

As of 31 December 2021, the ultimate parent company is TotalEnergies SE. The consolidated financial statements of TotalEnergies Group are available at

www.totalenergies.com/en/investors/publications-and-regulated-information/reports-and-publications#annualReports.

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

Note 9, Subsequent events

In 2022, the company has sold part of its share to Nordsøfonden after final approval from the Danish Energy Agency. As a result, the Company's share of the Tyra WE Gas Pipeline changed from 13.5% to 12.0%.