

Total Energy Marketing A/S

CVR-No. 33057695

Annual Report 2020



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

Company information

Total Energy Marketing A/S
Amerika Plads 29
2100 Copenhagen Ø
Denmark

CVR-No.: 33057695
Date of incorporation: 5 July 2010
Registered office: Copenhagen
Financial year: 1 January 2020 - 31 December

Board of Directors

Emmanuelle Irene Genevieve Dusausoy (Chairman)
Martin Rune Pedersen
Deidre Eleese Derworiz

Executive Board

Christina Sjøberg Heineke Petersen

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen Ø

Directors' Report

Activities

The Company is a wholly owned subsidiary of Total E&P Danmark A/S.

In 2020, Total Energy Marketing A/S mainly administered a dispute on offshore gas transmission tariffs.

Up until December 2019, Total Energy Marketing A/S bought, sold and marketed natural gas and oil. The Company purchased Total's Danish entitlement gas on a producer's nomination contract and transported the gas to wholesale customers in Denmark and the Netherlands.

During 2019, all the Company's activities related to oil and natural gas were terminated.

Financial review

Financial performance of the year

The result for 2020 shows sales revenue of USD 2 million, which is result of prior years' operations settlement after termination of oil and gas sales in 2019, and an after-tax net loss of USD 2 million (2019: after tax profit USD 24 million).

Key figures for the Company are as follows:

USD million	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Income statement:					
Revenue	0	360	1,234	1,723	850
Profit before financial items and tax	(2)	31	32	43	23
Financial items, net	(3)	2	4	1	(1)
Profit for the year after tax	(3)	24	29	35	18
Balance sheet:					
Total assets	4	51	164	241	301
Equity	1	34	55	26	181
Profit margin	N/A	9%	3%	3%	3%
Solvency ration	28%	67%	34%	11%	60%
Return on equity	(450%)	96%	65%	169%	12%

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

Guidance for 2021

The estimated result for 2021 is expected to be on par with 2020 as most of the Company's activities were terminated in 2019 and as expenses related to a legal dispute on offshore gas transmission tariffs are expected.

The Company has been part in a dispute which was ruled upon by Western High Court in April 2020. The legal dispute between the Company and Danish Offshore Gas Systems A/S (DOGS) are related to the historic terms for transportation of natural gas in the Tyra-Nybro pipeline connecting the DUC offshore production facilities at Tyra with Nybro Gas Treatment facility located at the Western Coast of Denmark. The ruling does not in itself have any significant impact on the financial position of the Company, as it remits a redetermination of the disputed tariffs to the Danish Utilities Regulator ("DUR"). However, an arbitration process has been initiated against the Company claiming repayment as the Company has rejected the interim claim for repayment prior to the DUR decision.

Corporate Social Responsibility

Social responsibility is important for Total Energy Marketing A/S' business and the Company has in 2020 continued its activities in line with the Total SE strategy.

For more information, reference is made to Total SE's Universal Registration Document 2020, page 217 at:

<https://www.total.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 Total SE.

Goals and policies for the underrepresented gender

The Board believes that its members should be elected on the basis of their combined qualifications and at the same time recognise the advantages of a Board comprising a wide range of backgrounds such as global experience, style, culture and gender.

As of 31 December 2020, there is 1 man among the 3 board members appointed at the general meeting. Consequently, the Company's board is according to the Danish

Companies Act considered having equal representation of genders among the Company's shareholder-appointed board members.

Total SE has adopted a group policy for the complete group with the aim to increase the share of the under-represented gender on the Company's other management levels. In accordance with this policy the Company has taken steps to look into how the Company can attract qualified women to relevant management positions. In addition, this is a focus area when identifying candidates to key positions. A description of the policy and reporting on the gender composition can be found in Total SE's Universal Registration Document 2020, page 228 at:

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

Requirements according to the Danish Financial Statements Act, section 99b have been fulfilled, reference to reporting for parent company Total SE.

Risks and uncertainties

Total Energy Marketing A/S is subject to a variety of risks which derive from the nature of its former oil and gas trading activities, and trading of oil derivatives related hereto.

Total Energy Marketing A/S' strategic, operational, compliance, financial and emerging risks are monitored through a structured governance frame work and a mandate structure, which is communicated and approved on Total group level.

Management's Statement

The Board of Directors and Executive Board have today discussed and approved the annual report of Total Energy Marketing A/S for 2020.



The annual report for 2020 of Total Energy Marketing 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 Directors' Report includes a fair review of the development in and the result of the Company's operations and financial conditions, the result for the year and financial position as well as a description of the most significant risks and uncertainty factors that the Company faces.

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

Copenhagen, 25 May 2021

Executive Board: 
Christina Sjøberg Heineke Petersen

Board of Directors:  
Emmanuelle Irene Genevieve Dusausoy
(Chairman) Martin Rune Pedersen

Deidre Eleese Derworiz

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Copenhagen, 25 May 2021

Executive Board:

Christina Sjøberg Heineke Petersen



Board of Directors:

Emmanuelle Irene Genevieve

Dusausoy

(Chairman)

Martin Rune Pedersen

Deidre Eleese Derworiz

Independent auditors' report

To the shareholder of Total Energy Marketing A/S

Opinion

We have audited the financial statements of Total Energy Marketing A/S for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 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 Energy Marketing A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to medium class C companies.

The accounting policies for the Financial Statements are unchanged from last year.

The Cash Flow Statement of Total Energy Marketing A/S is recognised in the consolidated financial statements of Total SE, Tour Coupole, 2 place Jean Millier, 92078 Paris la Défense, France. Therefore, cash flow statement is not presented in the annual report of Total Energy Marketing A/S, cf. Danish Financial Statements Act provision 86 section 4.

Key Figures

The ratios shown in the Directors' Report 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 functional currency is USD. The Annual Report is presented in USD, in accordance with provision 16 of the Danish Financial Statements Act. The exchange rate of USD to DKK was 6.0576 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.

The Income Statement

Revenue comprises resale of gas, oil and emission rights. Revenue is recognised in the income statement as earned.

Other operating income comprises gain on derivatives held for trading and other income from operations, not related to resale of gas, oil and emission rights.

Cost of raw materials and consumables expenses comprise purchase of gas, oil and utilisation of emission rights.

Other external costs comprise distribution cost (transportation costs regarding gas), administrative expenses (parent company overhead and other general administrative costs including legal expenses), loss on derivatives held for trading.

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided **only to disclose gross profit (Profit before financial items and tax)**.

Financial items comprise interest and currency exchange rate gains and losses from translation of cash, receivables and debt in foreign currencies other than USD.

Tax on profit/loss for the year. The Company is jointly taxed with the number of Danish companies in the Total Group. Tax on profit for the year includes the amount estimated to be paid for the year as well as adjustments regarding previous years.

The Balance Sheet

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.

Derivatives are recognised on the trading date and measured at fair value and included in other receivables (positive fair value) or other payables (negative fair value).

Derivatives classified as held for trading are recognised at fair value. Any change in fair value for oil price derivatives is recognised in the income statement under other income/costs. Derivatives comprise of futures and swaps and are settled on a day to day basis at market prices. Fair value of open positions is primarily subject to change in respect of oil price changes and currency exchange rate changes. Operations with derivatives are ceased as of 1st January 2020.

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 provision for unsettled claims and lawsuits. Provisions are recognised on the basis of best estimates and considering discounting when the time element is significant.

Payables to group companies and trade payables is measured at amortised cost price or lower net realisable value, which in most situations corresponds to the nominal value.

TOTAL ENERGY MARKETING A/S
INCOME STATEMENT
FOR 2020

Note	USD 1,000		
	2020	2019	
1.	Profit before financial items and tax	(2,352)	31,106
	Financial income	778	3,378
	Financial expenses	(3,931)	(1,505)
	Profit before tax	(5,505)	32,979
2.	Tax on profit for the year	2,230	(8,491)
3.	PROFIT FOR THE YEAR	(3,275)	24,488

TOTAL ENERGY MARKETING A/S
BALANCE SHEET AT 31.12.2020

Note	USD 1,000	
	2020	2019
ASSETS		
CURRENT ASSETS		
Receivables		
Receivables from sale of oil and gas	179	4,490
Receivables Group companies	2,922	46,879
Other receivables	0	2
	3,101	51,371
Cash	1,331	0
Cash in total	1,331	0
TOTAL CURRENT ASSETS	4,432	51,371
TOTAL ASSETS	4,432	51,371

TOTAL ENERGY MARKETING A/S
BALANCE SHEET AT 31.12.2020

Note	USD 1,000	
	2020	2019
LIABILITIES AND EQUITY		
EQUITY		
Share capital	86	86
Proposed dividend	0	30,000
Retained earnings	1,138	4,413
	1,224	34,499
NON-CURRENT LIABILITIES		
Other provisions	1,678	1,678
	1,678	1,678
CURRENT LIABILITIES		
Trade payables	0	23
Payables to group companies	1,530	7,725
Tax payables	0	7,445
Other payables	0	0
	1,530	15,194
TOTAL LIABILITIES	3,208	16,872
TOTAL LIABILITIES AND EQUITY	4,432	51,371
4.	Contingencies etc.	
5.	Related parties	

TOTAL ENERGY MARKETING A/S
STATEMENT OF CHANGES IN EQUITY AT 31.12.2020
(USD 1,000)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed Dividends</u>	<u>Total</u>
Equity 01.01	86	4,413	30,000	34,499
Result for the year	0	(3,275)		(3,275)
Dividend paid	0	0	(30,000)	(30,000)
Equity 31.12	86	1,138	0	1,224

Share capital consists of the following shares:

<u>Number</u>	<u>Nominal, DKK</u>
500	1,000
Total nominal value in DKK	<u>500,000</u>

There have been no changes to the share capital during the past five years.

TOTAL ENERGY MARKETING A/S

Notes as at 31.12.2020

(USD 1,000)

Note 1, Staff costs

The Company has no employees, as all those engaged are employed in other group companies.

With reference to provision 98b, 3 of the Danish Financial Statements Act, no Board of Directors' fee and Management remuneration is shown due to only one person receiving remuneration: Managing Director. The Board of Directors members receive 0 in remuneration.

Note 2, Corporate tax

Tax income for the year is USD 2,2 million (2019: expense USD 8,5 million).

	<u>2020</u>	<u>2019</u>
Current tax for the year	1,225	(7,892)
Prior year tax	672	(609)
Adjustment prior years	333	11
Total tax for the year	<u>2,230</u>	<u>(8,491)</u>

Note 3, Proposed distribution of net profits

	<u>2020</u>	<u>2019</u>
Proposed dividend	0	30,000
Retained earnings	<u>(3,275)</u>	<u>(5,512)</u>
	<u>(3,275)</u>	<u>24,488</u>

Note 4, 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.

The Company has been part in a dispute which was ruled upon by Western High Court in April 2020. The ruling does not have any significant impact on the financial position. The legal dispute between the Company and Danish Offshore Gas Systems A/S are related to

the terms for transportation of natural gas in the Tyra-Nybro pipeline connecting the DUC offshore production facilities at Tyra Oil field with Nybro Gas Treatment facility located at the Western Coast of Denmark. Total Energy Marketing A/S has transported a significant amount of gas in the Tyra-Nybro gas pipeline for which the Company on several occasions have complained to the Danish Utility Regulator (DUR) about the terms of such transport. The Company will have expenses (e.g. lawyers) during the proceedings.

Note 5, Related parties

Companies in the Total Group and the Executive board and board members of the Company are related parties.

<i>Transactions during 2020 with related parties:</i>	2020	2019
Sale of oil, gas etc.	(204)	32,861
Purchase of oil, gas etc.	(457)	(302,574)
Expenses related to services received	(1,035)	(5,944)
Financial income. Interest received from Group companies	283	2,448
Financial expenses. Interest paid to group companies	(1,995)	0

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 1.

Payables and receivables to group entities are disclosed in the balance sheet.

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, Tour Coupole, 2 place Jean Millier, 92078 Paris la Défense, France. The consolidated Financial Statements of the Total group are available at:

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

The Company is included in the consolidated Financial Statements as a subsidiary.