

Total Upstream Danmark A/S

CVR-No. 39403706

Annual Report for the period 9 March 2018 - 31 December 2018



Approved at the General Assembly: 24 May 2019
Chairman of the meeting: Majbritt Perotti Carlson

Amerika Plads 29, 2100 Copenhagen Ø

Company information

Total Upstream Danmark A/S
Amerika Plads 29
2100 Copenhagen Ø

CVR-No.: 39403706
Date of incorporation: 9 March 2018
Registered office: Copenhagen
Financial year: 9 March 2018 - 31 December 2018

Board of Directors

Michael Borrell (Chairman)
Isabelle Emma Billat
Martin Rune Pedersen
Troels Albrechtsen

Executive Board

Anders Peter Damgaard

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen Ø

Directors' Report

Activities

The Company is a wholly owned subsidiary of Total S.A, France.

Total Upstream Danmark A/S was formed on 9 March 2018. The purpose of the Company is to provide technical and administrative services and counseling to other Total group entities.

Financial review

Financial performance for the year

The result for the period 9 March 2018 to 31 December 2018 is a gain of EUR 837 thousand.

Key figures for Total Upstream Danmark A/S are as follows:

EUR million	<u>2018</u>
Income statement:	
Revenue	64,465
Profit before financial items and tax	1,108
Financial items, net	12
Profit for the year after tax	837
Balance sheet:	
Total assets	86,874
Investments in property, plant, equipment and intangible assets	8,090
Equity	907
Profit margin	1%
Solvency ratio	1%
Return on equity	134%

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 2019

In 2019 a result in line with 2018 is expected.

Corporate Social Responsibility

Social responsibility is important for Total Upstream Danmark A/S' business and the company has in 2018 initiated activities in line with the Total S.A. strategy.

For more information, reference is made to Total S.A.'s Registration Document 2018, page 177 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 S.A.

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 recognises the advantages of a Board comprising a wide range of backgrounds such as global experience, style, culture and gender.

As of 31 December 2018 there is 1 woman among the 4 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 S.A. 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 S.A.'s Registration Document 2018, page 185 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 S.A.

Management's Statement

The Board of Directors and Executive Board have today discussed and approved the annual report of Total Upstream Danmark A/S for 2018.

The annual report for the period 9 March 2018 to 31 December 2018 of Total Upstream Danmark 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 2018 and of the results of the Company's operations for the period 9 March 2018 to 31 December 2018.

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.

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

Copenhagen, 24 May 2019

Executive Board:



Anders Peter Damgaard

Board of Directors:



Michael Borrell
(Chairman)

Isabelle Emma Billat



Martin Rune Pedersen



Troels Albrechtsen

Management's Statement

The Board of Directors and Executive Board have today discussed and approved the annual report of Total Upstream Danmark A/S for 2018.

The annual report for the period 9 March 2018 to 31 December 2018 of Total Upstream Danmark 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 2018 and of the results of the Company's operations for the period 9 March 2018 to 31 December 2018.

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.

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

Copenhagen, 24 May 2019

Executive Board:



Anders Peter Damgaard

Board of Directors:

Michael Borrell
(Chairman)

Martin Rune Pedersen

Isabelle Billat

Isabelle Emma Billat

Troels Albrechtsen

Independent auditors' report

To the shareholder of Total Upstream Danmark A/S

Opinion

We have audited the financial statements of Total Upstream Danmark A/S for the financial year 9 March – 31 December 2018 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 2018 and of the results of the Company's operations for the financial year 9 March – 31 December 2018 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 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, 24 May 2019

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Henrik O. Larsen
State Authorised
Public Accountant
MNE no. 15839



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

Accounting Policies

The Annual Report for the period 9 March 2018 to 31 December 2018 of Total Upstream Danmark A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to class large C companies.

It is the Company's first financial year. Consequently, no comparative figures are included, and the financial year covers the period 9 March 2018 to 31 December 2018.

Total Upstream Danmark A/S has with reference to the Danish Financial Statements Act § 86 section 4 refrained from preparing cash flow statement.

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 EUR. The Annual Report is presented in EUR, in accordance with provision 16 of the Danish Financial Statements Act. The exchange rate of EUR to DKK was 7.4673 at 31 December 2018.

Monetary assets and liabilities in currencies other than EUR are translated at the exchange rate at the balance sheet date. Transactions in currencies other than EUR 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 of sale of services.

Administrative expenses comprise of salaries and other general administrative expenses.

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

The Company is jointly taxed with a number of Danish companies in 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 and change in deferred tax.

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.

Deferred tax assets are only recognised to the extent that it is probable that they can be utilised against future taxable income.

The Balance Sheet

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.

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**.

Debt to group, suppliers etc. is measured at amortised cost price or lower net realisable value, which in most situations corresponds to the nominal value.

Deferred income regarding future years is recognised under liabilities.

TOTAL UPSTREAM DANMARK A/S
INCOME STATEMENT
FOR THE PERIOD 9 MARCH 2018 - 31 DECEMBER 2018

Note	EUR 1,000 9/3 2018- 31/12 2018
1. Revenue	64,465
2. Administration	(62,373)
3. Depreciation and amortisation	(984)
Result before financial items and tax	1,108
4. Financial income	20
5. Financial expenses	(8)
Result before tax	1,120
6. Tax on result for the year	(283)
RESULT FOR THE YEAR	837
Proposed distribution of net result	
Retained earnings	837
	837

TOTAL UPSTREAM DANMARK A/S
BALANCE SHEET AT 31.12.2018

Note	EUR 1,000 2018
ASSETS	
NON-CURRENT ASSETS	
3. Intangible fixed assets	
Software	8,090
	8,090
TOTAL NON-CURRENT ASSETS	8,090
CURRENT ASSETS	
Receivables	
Trade receivables	1,237
Receivables Group companies	71,239
Other receivables	2,882
Prepayments	1,148
	76,506
Cash	2,278
TOTAL CURRENT ASSETS	78,784
TOTAL ASSETS	86,874

TOTAL UPSTREAM DANMARK A/S
BALANCE SHEET AT 31.12.2018

Note	EUR 1,000 2018
LIABILITIES AND EQUITY	
EQUITY	
Share capital	70
Retained earnings	837
	907
CURRENT LIABILITIES	
Trade payables	14,836
Payables to Group companies	55,346
Other payables	15,785
	85,967
TOTAL LIABILITIES	85,967
TOTAL LIABILITIES AND EQUITY	86,874
7.	Contingencies etc.
8.	Related parties

TOTAL UPSTREAM DANMARK A/S
STATEMENT OF CHANGES IN EQUITY AT 31.12.2018
(EUR 1,000)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 01.01	0	0	0
Start up capital	70	0	70
Result for the year	0	837	837
Equity 31.12	70	837	907

Share capital consists of the following shares:

<u>Number</u>	<u>Nominal, EUR</u>
70	1,000
Total nominal value in EUR	70,000

Share capital, changes:

Registration 9 March 2018	70,000
	<u>70,000</u>

TOTAL UPSTREAM DANMARK A/S**Notes as at 31.12.2018****(EUR 1,000)**

	9/3 2018- 31/12 2018
Note 1, Revenue	
<u>Segments (geographical)</u>	
France	9,521
United Kingdom	16,415
Norway	5,352
Qatar	5,619
Denmark	25,093
Others	2,465
	<u>64,465</u>
 Note 2, Staff costs	
Salaries	27,131
Pension contribution	2,193
Other social security costs	136
	<u>29,460</u>
 Average number of employees	 <u>265</u>

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.

Note 3, Intangible assets

	2018 Software
Cost at 09.03.2018	0
Additions during the period	<u>9,074</u>
Cost price 31.12	<u>9,074</u>
Amortisation at 09.03.2018	0
Amortisation for the period	<u>984</u>
Amortisation at 31.12	<u>984</u>
Carrying amount 31.12	<u>8,090</u>

**9/3 2018-
31/12 2018**

Note 4, Financial income

Exchange rate adjustments etc.

20

20

Note 5, Financial expenses

Interest paid to group companies

8

8

Note 6, Corporate tax

Tax on profit for the year is EUR 283 thousand.

This Company is part of a joint taxation scheme with the Danish companies within the Total Group. The tax is divided between the members of the joint taxation scheme by use of the full allocation method.

Note 7, Contingencies

The Company is jointly taxed with 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

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

Transactions during 2018 with related parties:

	2018
Revenue	63,228
Expenses	22,782

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 2.

Payables and receivables to group entities are disclosed in the balance sheet, and financial expenses are disclosed in note 5.

Parties exercising control

The Company is 100% owned by Total S.A., France.

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

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

The Company is included in the ultimate parent company's consolidated Financial Statements as a subsidiary.