

TotalEnergies Upstream Danmark A/S

CVR-No. 39403706

Annual Report 2021



Approved at the General Assembly: 17 May 2022
Chairman of the meeting: Majbritt Perotti Carlson
Amerika Plads 29, 2100 Copenhagen Ø

Company information

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

CVR-No.: 39403706
Date of incorporation: 9 March 2018
Registered office: Copenhagen
Financial year: 1 January 2021 - 31 December

Board of Directors

Arnaud Le Foll (Chairman)
Deidre Eleese Derworiz
Martin Rune Pedersen

Executive Board

Christina Sjøberg Heineke Petersen

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen Ø

Directors' Report

Activities

TotalEnergies Upstream Danmark A/S (the "Company") is a wholly owned subsidiary of TotalEnergies SE, France.

The Company was formed on 9 March 2018. The purpose of the Company is to provide technical and administrative services and counseling to other TotalEnergies entities.

Financial review

Financial performance for the year

The result for the year is a loss of EUR 4,781 thousand, compared to a profit of EUR 3,675 thousand in 2020.

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

EUR thousand	2021	2020	2019	2018*
Income statement:				
Revenue	103,374	150,594	139,815	64,465
Result before financial items and tax	(6,027)	4,751	(481)	1,108
Financial items, net	(49)	(79)	(61)	12
Result for the year after tax	(4,781)	3,675	(559)	837
Balance sheet:				
Total assets	28,432	62,111	75,292	86,874
Investments in property, plant, equipment and intangible assets	2,238	12,443	14,947	8,090
Equity	(758)	4,023	348	907
Profit margin	(6%)	3%	0%	1%
Solvency ratio	(3%)	6%	0%	1%
Return on equity	801%	116%	(156%)	134%

*2018 is not a whole year, as the Company was incorporated in March 2018.

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 2022

We anticipate a slight decline in revenues for 2022 as a result of the "TotalEnergies Country Service" (TCS) reconfiguration, which took place around mid-year of 2021. Revenue in 2022 is expected to be within the range of EUR 90 million (revenue in 2021 was EUR 103 million). Expenses are estimated to be reasonably consistent with the nature of the entity and revenue fluctuation and in line with no gain or loss principle.

Corporate Social Responsibility

Social responsibility is important for the Company's business, and in 2021 the Company initiated activities in line with the TotalEnergies strategy.

For more information, reference is made to TotalEnergies SE's Universal Registration Document 2021, page 271 at:

<https://www.totalenergies.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, TotalEnergies 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, recognises the advantages of a Board comprising a wide range of backgrounds, such as global experience, style, culture and gender.

As of 31 December 2021, there was 1 man among the 3 board members appointed at the general meeting. Consequently, according to the Danish Companies Act, the Company's board is considered to have equal representation of genders among the Company's shareholder-appointed board members.

TotalEnergies SE has adopted a policy for the complete TotalEnergies group of companies 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 TotalEnergies SE's Universal Registration Document 2021, page 326 at:

<https://www.totalenergies.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 TotalEnergies SE.

Data Ethics Policy

The Company does not have a Data Ethics Policy as of the submission of this report. The Company is working on identifying and assessing data ethical issues to form the basis for the development of an adequate data ethics policy. The Company uses Artificial Intelligence (AI) only on technical data, such as operational- or subsurface data from our energy operations. It does not use AI on personal data, including but not limited to data related to employees, contractors, job applicants, visitors or customers.

TotalEnergies has a strong ethical culture. It applies and complies with all national and international laws and standards, and it is guided by its five core values: safety, respect for each other, pioneer spirit, stand together, and performance minded.

Links:

<https://totalenergies.com/group/identity/five-strong-values-embedded-our-dna>

<https://totalenergies.com/group/ethics/exemplary-behavior>

Management's Statement

The Board of Directors and Executive Board have today discussed and approved the annual report of TotalEnergies Upstream Danmark A/S for 2021.

The annual report for 2021 of the Company 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 2021 and of the results of the Company's operations for the financial year 2021.

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, 17 May 2022

Executive Board:



Christina Sjøberg Heineke Petersen

Board of Directors:

Arnaud Le Foll
(Chairman)

Deidre Eleese Derworiz

Martin Rune Pedersen

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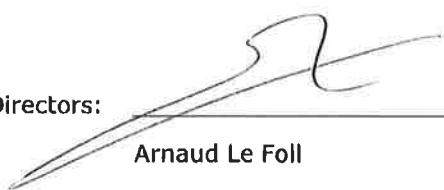
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Copenhagen, 17 May 2022

Executive Board: _____

Christina Sjøberg Heineke Petersen

Board of Directors: _____



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(Chairman)

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Christina Sjøberg Heineke Petersen

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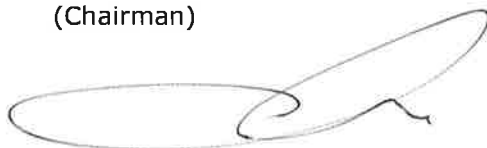
Executive Board:

Christina Sjøberg Heineke Petersen

Board of Directors:

Arnaud Le Foll
(Chairman)

Deidre Eleese Derworiz



Martin Rune Pedersen

Independent auditors' report

To the shareholder of TotalEnergies Upstream Danmark A/S

Opinion

We have audited the financial statements of TotalEnergies Upstream Danmark A/S for the financial year 1 January – 31 December 2021 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 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 May 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

Accounting Policies

The Annual Report for 2021 of TotalEnergies Upstream Danmark A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to class large C companies.

The accounting policies in the Financial Statements changed from last year for the presentation of income received from sub-lease contractors of the building expenses recharged. Previously, the income of that portion was presented as net within expenses, and now it is presented separately under other income. This resulted in a reclassification amounting to EUR 268 thousand for year 2020.

The cash flow of the Company is recognized in the consolidated financial statements of TotalEnergies SE, Tour Coupole, 2 place Jean Millier, 92078 Paris la Défense, France. Therefore, the cash flow statement is not presented in the annual report of TotalEnergies Upstream Danmark A/S, cf. Danish Financial Statements Act provision 86 section 4.

Fee to auditors appointed at the general meeting has not been disclosed in accordance with section 96 section 3 of the Danish Financial Statements Act. Reference is made to the consolidated Financial Statements of TotalEnergies SE where this is presented for TotalEnergies as a whole.

Key Figures

The ratios shown in the Directors' Report are computed as follows:

$$\begin{aligned} \text{Profit margin} &= \frac{\text{Result before financial items}}{\text{Revenue}} \\ \text{Solvency ratio} &= \frac{\text{Equity, closing}}{\text{Total assets, closing}} \\ \text{Return on equity} &= \frac{\text{Result before taxes}}{\text{Equity, closing}} \end{aligned}$$

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 7.4365 at 31 December 2021 (2020: 7.4393).

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 rendered to other TotalEnergies entities. Revenue is recognized by the Company on the income statement when services are delivered to customers.

Other operating income comprises gain from other, secondary activities not related to sales of services rendered to other TotalEnergies entities.

Other external costs comprise of other general administrative expenses such as rent etc. and other personnel expenses not related to Staff costs.

Staff costs comprise salary and wages, pension, social contribution and other security costs of the Company's employees.

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 TotalEnergies. **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.

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.

Assets under construction are assessed and transferred to "in service" when considered final.

IT software is amortised over a useful life of 3 years or 5 years.

Tangible 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.

Assets under construction are assessed and transferred to "in service" when considered final.

Leasehold improvement is amortised over a useful life of 5 years.

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.

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.

Deposits recognised under assets include deposits for rent etc.

Prepayments recognised under assets include prepaid expenses.

Dividend for distribution regarding the financial year is included as part of the **equity**.

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

TOTALENERGIES UPSTREAM DANMARK A/S
INCOME STATEMENT FOR 2021
(EUR 1,000)

Note	2021	2020	
1.	Revenue	103,374	150,594
	Other operating income	3,446	1,111
	Other external costs	(54,044)	(67,934)
	Gross profit (loss)	52,776	83,771
2.	Staff costs	(55,004)	(75,377)
3.	Amortisation of intangible assets	(3,799)	(3,643)
	Operating profit (loss)	(6,027)	4,751
	Financial income	0	1
	Financial expenses	(49)	(80)
	Result before tax	(6,076)	4,672
5.	Tax on result for the year	1,295	(997)
6.	PROFIT (LOSS) FOR THE YEAR	(4,781)	3,675

TOTALENERGIES UPSTREAM DANMARK A/S
BALANCE SHEET AT 31.12.2021
(EUR 1,000)

Note	2021	2020
ASSETS		
NON-CURRENT ASSETS		
3.	Intangible fixed assets	
	Software	1,956 10,215
	Assets under construction	0 2,228
4	Leasehold improvement	282 0
		<u>2,238 12,443</u>
	Long-term Deposits	<u>1,967 2,001</u>
	TOTAL NON-CURRENT ASSETS	<u>4,205 14,444</u>
CURRENT ASSETS		
	Receivables	
	Receivables from group companies	22,743 44,582
	Deposits	251 459
	Other receivables	386 435
	Prepayments	641 1,857
		<u>24,021 47,333</u>
	Cash	<u>206 334</u>
	TOTAL CURRENT ASSETS	<u>24,227 47,667</u>
	TOTAL ASSETS	<u>28,432 62,111</u>

TOTALENERGIES UPSTREAM DANMARK A/S
BALANCE SHEET AT 31.12.2021
(EUR 1,000)

Note	2021	2020
LIABILITIES AND EQUITY		
EQUITY		
Share capital	70	70
Retained earnings	(828)	3,953
TOTAL EQUITY	(758)	4,023
NON CURRENT LIABILITES		
7. Deferred tax	430	2,721
TOTAL NON-CURRENT LIABILITIES	430	2,721
CURRENT LIABILITIES		
Trade payables	2,226	4,387
Payables to group companies	18,365	34,375
Other payables	8,169	16,605
TOTAL CURRENT LIABILITES	28,760	55,367
TOTAL LIABILITIES	29,190	58,088
TOTAL LIABILITIES AND EQUITY	28,432	62,111
8. Contingencies etc.		
9. Related parties		

TOTALENERGIES UPSTREAM DANMARK A/S
STATEMENT OF CHANGES IN EQUITY AT 31.12.2021
(EUR 1,000)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 01.01	70	3,953	4,023
Result for the year	0	(4,781)	(4,781)
Equity 31.12	70	(828)	(758)

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>

TOTALENERGIES UPSTREAM DANMARK A/S
NOTES AS AT 31.12.2021
(EUR 1,000)

Note 1, Revenue Sale of services rendered to other TotalEnergies entities

	2021	2020
<u>Segments (geographical)</u>		
France	16,236	22,985
United Kingdom	14,975	32,539
Norway	13,969	18,466
Qatar	12,466	17,199
Denmark	40,874	54,618
Others	4,854	4,787
	103,374	150,594

Note 2, Staff costs

Salaries	52,340	71,889
Pension contribution	2,433	3,214
Other social security costs	231	274
	55,004	75,377
Average number of employees	244	364

Board of directors and Executive Board Remuneration	2021
Executive Board Remuneration	436
Board of directors	34
	470

Board of directors and Executive Board Remuneration in year 2020 is EUR 533 thousand. In accordance with the Danish Financial Statements Act Section 98b (3), the exemption has been applied for year 2020, and remuneration for Executive Management and Board of Directors remuneration are combined.

Remuneration for Executive Management for both 2020 and 2021 represent the total remuneration received. Remuneration of the Board of Directors is based on the proportional time spent on the assignment as a member of the Board of Directors. The disclosed will therefore differ from the actual total remuneration of the Board of Directors.

The TotalEnergies has a performance shares program, where 69 employees were enrolled in the program for 2021 (in 2020 119 employees).

The Performance Shares will vest 3 years after the grant provided that the vesting conditions (presence and performance conditions) are met. After the vesting period, the employee becomes the owner of the Performance Shares. The employee must own the Performance Shares for 2 years calculated from end of the Vesting Period prior to selling the shares.

The value of the performance shares granted in 2021 is estimated at USD 1.4 million (2020: USD 1.8 million).

Note 3, Intangible assets

Software

	2021	2020
Cost price at 01.01	17,404	15,205
Additions during the period	657	2,199
Write-off during the period	(11,663)	0
Cost price 31.12	<u>6,398</u>	<u>17,404</u>
Amortisation at 01.01	7,189	3,546
Amortisation for the period	3,736	3,643
Write-off for the period	(6,483)	0
Amortisation at 31.12	<u>4,442</u>	<u>7,189</u>
Carrying amount 31.12	<u>1,956</u>	<u>10,215</u>

Assets under construction

Cost at 01.01	2,228	3,288
Transfers during the period	(500)	(1,060)
Write-off during the period	(37)	0
Sales during the period	(1,691)	0
Carrying amount 31.12	<u>0</u>	<u>2,228</u>

Note 4, Leasehold improvements

	2021	2020
Cost price at 01.01	0	0
Additions during the period	346	0
Cost price 31.12	<u>346</u>	<u>0</u>
Amortisation at 01.01	0	0
Amortisation for the period	64	0
Amortisation at 31.12	<u>64</u>	<u>0</u>
Carrying amount 31.12	<u>282</u>	<u>0</u>

Note 4, Corporate tax

	2021	2020
Current tax for the year	(1,004)	(828)
Prior year tax	8	56
Deferred tax for the year	2,291	(225)
Total tax for the year	1,295	(997)

Note 5, Proposed distribution of net result

	2021	2020
Retained earnings	(4,781)	3,675
	(4,781)	3,675

Note 6, Deferred tax liabilities

	2021	2020
Deferred tax at 01.01	2,721	670
Deferred tax for the year	(2,291)	225
Deferred tax adjustment	0	1,826
Deferred tax at 31.12	430	2,721

Note 7, Contingencies and lease obligations

The Company has entered into operating leasing agreements for the leases of cars and IT hardware. The Company has entered into an agreement for the lease of the offices at Amerika Plads.

Maturity	<1 year	1 - 5 years	>5 years	Total
Car leases	140	125	0	265
IT equipment	263	376	0	639
Office lease	3,483	14,475	3,756	21,614
Total	3,886	14,876	3,756	22,518

The Company is jointly taxed with 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

Related party transactions comprise of companies within the TotalEnergies group of companies, the Executive board and board members of the Company.

Transactions with related parties:

	2021	2020
Revenue	103,374	150,594
Expenses related to Personnel, Technical assistance and IT licenses and support	(41,781)	(64,023)
Financial income. Interest received from group companies	0	1
Financial expenses. Interest paid to group companies	(35)	0

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.

Parties exercising control

The Company is 100% owned by TotalEnergies SE, France.

The consolidated Financial Statements of TotalEnergies SE Tour Coupole, 2 place Jean Millier, 92078 Paris la Défense, France are available at:

<https://www.totalenergies.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.