

Total Upstream Danmark A/S

CVR-No. 39403706

Annual Report 2019

Approved at the General Assembly: 29 May 2020
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: 1 January 2019 - 31 December 2019

Board of Directors

Michael Borrell (Chairman)
Christina Sjøberg Heineke Petersen
Martin Rune Pedersen
Zhanar Dreisig

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 year is a loss of EUR 559 thousand, compared to a gain of EUR 837 thousand in 2018 (9 months).

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

EUR million	2019	2018
Income statement:		
Revenue	139,815	64,465
Profit before financial items and tax	(481)	1,108
Financial items, net	(61)	12
Profit for the year after tax	(559)	837
Balance sheet:		
Total assets	75,292	86,874
Investments in property, plant, equipment and intangible assets	14,947	8,090
Equity	348	907
Profit margin	0%	1%
Solvency ratio	0%	1%
Return on equity	(156%)	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 2020

In 2020 a result in line with 2019 is expected, although at this stage the possible effects of the Corona Virus on our activities is unknown.

Corporate Social Responsibility

Social responsibility is important for Total Upstream Danmark A/S' business and the company has in 2019 initiated activities in line with the Total S.A. strategy.

For more information, reference is made to Total S.A.'s Registration Document 2019, page 203 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 2019 there were 2 women 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 2019, page 211 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 2019.

The annual report for 2019 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 2019 and of the results of the Company's operations for the financial year 2019.

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, 29 May 2020

Executive Board: _____
Anders Peter Damgaard

Board of Directors: _____
Michael Borrell
(Chairman)

Christina S.Heineke Petersen

Martin Rune Pedersen

Zhanar Dreisig

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 2019 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 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 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, 29 May 2020

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 2019 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.

2018 was the Company's first financial year. Consequently, the figures are not comparative as the financial year 2018 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 7.4697 at 31 December 2019 (2018: 7.4673).

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.

Recognition and measurement

Income is recognised in the income statement as earned. All expenses are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and when the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that the future economic benefits will flow out of the Company and when the measurement of the value of the liability is reliable.

On initial recognition, assets and liabilities are recognised at cost. Subsequently, assets and liabilities are measured as described below for each item.

The Income Statement

Revenue comprises of sale of services rendered to other Total entities.

Administrative expenses comprise of salaries, other staff expenses and other general administrative expenses such as rent etc.

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.

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

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

Deferred tax asset is calculated on temporary differences between the carrying amounts and tax bases of assets and liabilities. A deferred tax asset is recognised to the extent that it is probable that it can be utilised within a foreseeable future.

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**.

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 2019
(EUR 1,000)

Note	1/1 - 31/12 2019	9/3 - 31/12 2018
1. Revenue	139,815	64,465
2. Administration	(137,733)	(62,373)
3. Depreciation and amortisation	(2,563)	(984)
Result before financial items and tax	(481)	1,108
4. Financial income	21	20
5. Financial expenses	(82)	(8)
Result before tax	(542)	1,120
6. Tax on result for the year	(17)	(283)
RESULT FOR THE YEAR	(559)	837
Proposed distribution of net result		
Retained earnings	(559)	837
	(559)	837

TOTAL UPSTREAM DANMARK A/S
BALANCE SHEET AT 31.12.2019
(EUR 1,000)

Note	2019	2018
ASSETS		
NON-CURRENT ASSETS		
3. Intangible fixed assets		
Software	11,659	8,090
Assets under construction	3,288	0
	14,947	8,090
TOTAL NON-CURRENT ASSETS		
CURRENT ASSETS		
Receivables		
Trade receivables	0	1,237
Receivables Group companies	56,332	71,239
Deposits	2,584	2,194
Other receivables	272	688
Prepayments	768	1,148
	59,956	76,506
Cash	389	2,278
	60,345	78,784
TOTAL CURRENT ASSETS		
	75,292	86,874
TOTAL ASSETS		

TOTAL UPSTREAM DANMARK A/S
BALANCE SHEET AT 31.12.2019
(EUR 1,000)

Note	2019	2018
LIABILITIES AND EQUITY		
EQUITY		
Share capital	70	70
Retained earnings	278	837
	348	907
NON CURRENT LIABILITES		
7. Deferred tax	670	0
	670	0
CURRENT LIABILITIES		
Trade payables	2,266	14,836
Payables to Group companies	58,417	55,346
Other payables	13,591	15,785
	74,274	85,967
	74,944	85,967
	75,292	86,874
8. Contingencies etc.		
9. Related parties		

TOTAL UPSTREAM DANMARK A/S
STATEMENT OF CHANGES IN EQUITY AT 31.12.2019
(EUR 1,000)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 01.01	70	837	907
Result for the year	0	(559)	(559)
Equity 31.12	70	278	348

Share capital consists of the following shares:

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

Share capital, changes:

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

TOTAL UPSTREAM DANMARK A/S

NOTES AS AT 31.12.2019

(EUR 1,000)

	1/1 2019- 31/12 2019	9/3 2018- 31/12 2018
Note 1, Revenue		
<u>Segments (geographical)</u>		
France	14,304	9,521
United Kingdom	34,744	16,415
Norway	15,302	5,352
Qatar	15,566	5,619
Denmark	54,554	25,093
Others	5,345	2,465
	<u>139,815</u>	<u>64,465</u>
 Note 2, Staff costs		
Salaries	73,658	27,131
Pension contribution	2,809	2,193
Other social security costs	308	136
	<u>76,775</u>	<u>29,460</u>
 Average number of employees	 <u>407</u>	 <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.

The Total Group has a performance shares program, where approximately 125 employees were enrolled in the program for 2019.

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 2019 is estimated at USD 4.6 million.

Note 3, Intangible assets**Software**

	2019	2018
Cost price at 01.01	9,074	0
Additions during the period	6,131	9,074
Transfers	0	0
Cost price 31.12	<u>15,205</u>	<u>9,074</u>

Amortisation at 01.01	984	0
Amortisation for the period	2,562	984
Amortisation at 31.12	<u>3,546</u>	<u>984</u>

Carrying amount 31.12	<u>11,659</u>	<u>8,090</u>
-----------------------	---------------	--------------

Assets under construction

Cost at 01.01	0	0
Additions during the period	3,288	0
Transfers	0	0
Carrying amount 31.12	<u>3,288</u>	<u>0</u>

1/1 2019- 31/12 2019	9/3 2018- 31/12 2018
---------------------------------	---------------------------------

Note 4, Financial income

Interest received from group companies	21	0
Exchange rate adjustments etc.	0	20
	<u>21</u>	<u>20</u>

Note 5, Financial expenses

Interest paid to group companies	18	0
Exchange rate adjustments etc.	64	8
	<u>82</u>	<u>8</u>

Note 6, Corporate tax

Tax on profit for the year is EUR 17 thousand (2018: 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, Deferred tax

	<u>2019</u>	<u>2018</u>
Deferred tax		
Deferred tax at 01.01	0	0
Deferred tax adjustment during the year	670	0
Deferred tax at 31.12	<u>670</u>	<u>0</u>

Note 8, Contingencies

The company has entered into operating leasing agreements for the lease of 27 cars and IT hardware. The residual maturity is up to 21 months and 57 months respectively and the total lease payments during the maturity amounts to a total of EUR 373 thousand and EUR 1,969 respectively.

The company has entered into an agreement for the lease of the offices at Amerika Plads. The residual maturity is up to 96 months and the total lease payment during the maturity amounts to a total of EUR 27,538 thousand.

Maturity	<1 year	1 - 5 years	>5 years	Total
Car leases	200	173	0	373
IT equipment	414	1,555	0	1,969
Office lease	3,373	13,688	10,477	27,538
Total	<u>3,987</u>	<u>15,416</u>	<u>10,477</u>	<u>29,880</u>

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 9, Related parties

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

Transactions during 2019 with related parties:

	<u>2019</u>
Revenue	139,815
Expenses	42,961

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 income/expenses are disclosed in note 4 and 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.