

**Total Upstream Danmark A/S**

**CVR-No. 39403706**

**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 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 2020 - 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**

The Company is a wholly owned subsidiary of Total SE, 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 year is a profit of EUR 3,675 thousand, compared to a loss of EUR 559 thousand in 2019.

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

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

Due to restructuring of the exploration group in Total and the transfer of activities from Copenhagen to Paris, 2021 revenue is expected to be within the range of 110 million Euros or drop by 40 million Euros vs. 2020. Expenses are expected to be reasonably consistent with the nature of the entity and Revenue fluctuation.

### **Corporate Social Responsibility**

Social responsibility is important for Total Upstream Danmark A/S' business and the Company has in 2020 initiated 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 recognises 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 were 1 woman 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.

## **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 2020.

The annual report for 2020 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 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.

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:



Arnaud Le Foll  
(Chairman)

Deidre Eleese Derworiz



Martin Rune Pedersen

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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: \_\_\_\_\_  
Arnaud Le Foll  
(Chairman)

  
\_\_\_\_\_  
Deidre Eleese Derwoitz

\_\_\_\_\_  
Martin Rune Pedersen

## **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 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 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 are unchanged from last year.

The cash flow of Total Upstream Danmark A/S are recognized in the consolidated financial statements of Total 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 Total 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 Total SE where this is presented for the Group 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 7.4393 at 31 December 2020 (2019: 7.4697).

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 Total 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 Total 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 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.

#### 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.

**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.

**TOTAL UPSTREAM DANMARK A/S**  
**INCOME STATEMENT FOR 2020**  
**(EUR 1,000)**

Note	2020	2019	
1.	Revenue	150,594	139,815
	Other operating income	843	0
	Other external costs	(67,666)	(60,958)
	Gross profit/(loss)	83,771	78,857
2.	Staff costs	(75,377)	(76,775)
3.	Amortisation of intangible assets	(3,643)	(2,563)
	Operating profit/(loss)	4,751	(481)
	Financial income	1	21
	Financial expenses	(80)	(82)
	Result before tax	4,672	(542)
4.	Tax on result for the year	(997)	(17)
5.	<b>RESULT FOR THE YEAR</b>	<b>3,675</b>	<b>(559)</b>

**TOTAL UPSTREAM DANMARK A/S**  
**BALANCE SHEET AT 31.12.2020**  
**(EUR 1,000)**

Note	2020	2019
<b>ASSETS</b>		
NON-CURRENT ASSETS		
3. Intangible fixed assets		
Software	10,215	11,659
Assets under construction	2,228	3,288
	12,443	14,947
Long-term Deposits	2,001	2,389
	14,444	17,336
CURRENT ASSETS		
Receivables		
Receivables Group companies	44,582	56,332
Deposits	459	195
Other receivables	435	272
Prepayments	1,857	768
	47,333	57,567
Cash	334	389
	47,667	57,956
<b>TOTAL ASSETS</b>	<b>62,111</b>	<b>75,292</b>

**TOTAL UPSTREAM DANMARK A/S**  
**BALANCE SHEET AT 31.12.2020**  
**(EUR 1,000)**

Note	2020	2019
<b>LIABILITIES AND EQUITY</b>		
EQUITY		
Share capital	70	70
Retained earnings	3,953	278
<b>TOTAL EQUITY</b>	<b>4,023</b>	<b>348</b>
NON CURRENT LIABILITES		
6. Deferred tax	2,721	670
<b>TOTAL NON-CURRENT LIABILITES</b>	<b>2,721</b>	<b>670</b>
CURRENT LIABILITIES		
Trade payables	4,387	2,266
Payables to Group companies	34,375	58,417
Other payables	16,605	13,591
<b>TOTAL CURRENT LIABILITES</b>	<b>55,367</b>	<b>74,274</b>
<b>TOTAL LIABILITIES</b>	<b>58,088</b>	<b>74,944</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>62,111</b>	<b>75,292</b>
7. Contingencies etc.		
8. Related parties		

**TOTAL UPSTREAM DANMARK A/S**  
**STATEMENT OF CHANGES IN EQUITY AT 31.12.2020**  
**(EUR 1,000)**

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 01.01	70	278	348
Result for the year	0	3,675	3,675
<b>Equity 31.12</b>	<b>70</b>	<b>3,953</b>	<b>4,023</b>

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 31.12.2020**  
**(EUR 1,000)**

**Note 1, Revenue** Sale of services rendered to other Total entities

	<b>2020</b>	<b>2019</b>
<u>Segments (geographical)</u>		
France	22,985	14,304
United Kingdom	32,539	34,744
Norway	18,466	15,302
Qatar	17,199	15,566
Denmark	54,618	54,554
Others	4,787	5,345
	150,594	139,815

**Note 2, Staff costs**

Salaries	71,889	73,658
Pension contribution	3,214	2,809
Other social security costs	274	308
	75,377	76,775
 Average number of employees	 364	 407

	<b>2020</b>	<b>2019</b>
Board of directors and Executive Board Remuneration	533	519
	533	519

In accordance with the Danish Financial Statements Act Section 98b (3), the exemption has been applied, and remuneration for Executive Management and Board of Directors remuneration are combined.

Remuneration for Executive Management for both 2019 and 2020 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 Total Group has a performance shares program, where 119 employees were enrolled in the program for 2020 (in 2019 125 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 2020 is estimated at USD 1.8 million (2019: USD 4.6 million).

**Note 3, Intangible assets**

**Software**

	<b>2020</b>	<b>2019</b>
Cost price at 01.01	15,205	9,074
Additions during the period	2,199	6,131
Cost price 31.12	<u>17,404</u>	<u>15,205</u>
Amortisation at 01.01	3,546	984
Amortisation for the period	3,643	2,562
Amortisation at 31.12	<u>7,189</u>	<u>3,546</u>
Carrying amount 31.12	<u>10,215</u>	<u>11,659</u>

**Assets under construction**

Cost at 01.01	3,288	0
Additions during the period	0	3,288
Transfers	(1,060)	0
Carrying amount 31.12	<u>2,228</u>	<u>3,288</u>

**Note 4, Corporate tax**

Tax on result for the year is an expense of EUR 997 thousand (2019: EUR 17 thousand).

	<b>2020</b>	<b>2019</b>
Current tax for the year	(828)	59
Prior year tax	56	(76)
Deferred tax for the year	(225)	0
<b>Total tax for the year</b>	<u>(997)</u>	<u>(17)</u>

**Note 5, Proposed distribution of net result**

	<b>2020</b>	<b>2019</b>
Retained earnings	3,675	(559)
	<u>3,675</u>	<u>(559)</u>

**Note 6, Deferred tax liabilities**

	<u>2020</u>	<u>2019</u>
Deferred tax at 01.01	670	0
Deferred tax for the year	225	670
Deferred tax adjustment	1,826	0
Deferred tax at 31.12	<u>2,721</u>	<u>670</u>

**Note 7, Contingencies**

The Company has entered into operating leasing agreements for the lease of 24 cars and IT hardware. The residual maturity is 20 months and 33 months respectively on average and the total lease payments during the maturity amounts to a total of EUR 372 thousand and EUR 1,703 respectively.

The Company has entered into an agreement for the lease of the offices at Amerika Plads. The residual maturity is up to 84 months and the total lease payment during the maturity amounts to a total of EUR 23,894 thousand.

<b>Maturity</b>	<b>&lt;1 year</b>	<b>1 - 5 years</b>	<b>&gt;5 years</b>	<b>Total</b>
Car leases	197	175	0	372
IT equipment	492	1,212	0	1,703
Office lease	3,394	13,640	6,860	23,894
Total	<u>4,083</u>	<u>15,027</u>	<u>6,860</u>	<u>25,969</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 8, Related parties**

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

*Transactions with related parties:*

	<u>2020</u>	<u>2019</u>
Revenue	150,594	139,815
Expenses related to Personnel, Technical assistance and IT licenses and support	(64,023)	(42,961)
Financial income. Interest received from group companies	1	21

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 Total SE, France.

The consolidated Financial Statements of Total SE 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.