

# **TotalEnergies Marketing Denmark A/S**

Amerika Plads 29  
2100 København Ø

CVR No. 63855618

## **Annual Report 2021**

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on XXXX

Christine Richard  
Chairman

**TotalEnergies Marketing Denmark A/S**

**Contents**

|                                  |    |
|----------------------------------|----|
| Management's Statement           | 3  |
| Independent Auditor's Report     | 4  |
| Company Details                  | 6  |
| Management's Review              | 7  |
| Key Figures and Financial Ratios | 8  |
| Income Statement                 | 9  |
| Balance Sheet                    | 10 |
| Statement of changes in Equity   | 12 |
| Notes                            | 13 |

**TotalEnergies Marketing Denmark A/S**

## **Management's Statement**

Today, Management has considered and adopted the Annual Report of TotalEnergies Marketing Denmark A/S for the financial year below:

1 January 2021 - 31 December 2021

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at year end and of the results of the Company's operations for the financial year

1 January 2021 - 31 December 2021

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen,  
**Executive Board**

Jacek Szelag

## **Supervisory Board**

Christine Richard  
Chairman

Brett Boshoff

Jacek Szelag

## Independent auditor's report

### To the shareholders of TotalEnergies Marketing Denmark A/S

#### Opinion

We have audited the financial statements of TotalEnergies Marketing Denmark 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 2020 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' 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.

#### Independent auditor's report

##### 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.

# Independent auditor's report

## 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, May 12th 2022

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

David Olafsson  
State Authorised  
Public Accountant  
mne#19737

## **TotalEnergies Marketing Denmark A/S**

### **Company details**

**Company** TotalEnergies Marketing Denmark A/S

Amerika Plads 29

2100 København Ø

CVR No. 63855618

Financial year: 1 January 2021 - 31 December 2021

#### **Supervisory Board**

Christine Richard

Brett Boshoff

Jacek Szelag

#### **Executive Board**

Jacek Szelag

#### **Auditor** KPMG

Statsautoriseret Revisionspartnerselskab

Dampfærgevej 28

2100 København Ø

CVR-no.: 25578198

## Management's Review

### Principal activities of the Company

The Company's activities consist of production and trade in bitumen, lubricants, aviation fuel and other oil and petroleum products.

### Development in activities and financial matters

|                                 | 2021 tkr. | 2020 tkr. |
|---------------------------------|-----------|-----------|
| Profit for the year amounts to: | 13.350    | 14.536    |

|                                   |        |        |
|-----------------------------------|--------|--------|
| Equity at 31 December amounts to: | 52.743 | 53.929 |
|-----------------------------------|--------|--------|

The results are above expectations for the year. Revenue is below expectations, but gross profit is above budget. This contributed to the profit for the year, which is considered satisfactory.

The revenue has decreased in the aviation activity as a result of the pandemic situation with less flights. The profit for the year is proposed as dividend.

### Outlook

For next year the Company expects a result in line with this year or slightly above.

The Company's earnings do, however, depend on the general development in global market trends and the development of the current situation in Ukraine.

Subsequent to the end of the Company's financial year, the global COVID-19 pandemic has continued to cause problems. The company experience challenges in terms of production and delivery of products to the Danish market.

At the date of approving these financial statements we can clearly see the impact in our aviation business where the turnover has drastically decreased during 2020. Our other segments did not see such an impact. We are taking operational and financial actions where we can to reduce our sensitivity to economic shocks.

### Risks

#### Foreign exchange risks

The Company's transactions primarily take place in DKK and EUR where the foreign exchange risks are assessed as being limited and in USD where the major exchange risks are normally covered through hedging.

#### Price risks

The Company's cost prices are conditional on the price development in crude oil and related raw materials, which can fluctuate in an unstable world economy. Earnings may stagnate if the increasing purchase price to a certain extent cannot be fully compensated through the Company's sales prices because of the market situation.

### Research and development activities

The Company has no significant research and development activities, as research and development are performed by the parent abroad.

### Subsequent events

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

### Diversity in the board

Currently there are 3 board members of whom 1 is a woman. Therefore, there is no need to set additional targets under 99 b, as the initial target set in 2016 to have 40% of the board to consist of women by end of 2018 have been completed in 2018 with women representation in the Board of 33% and men 66%. The company hasn't prepared its own policy to other management levels and follow the Group's policy on the topic. Therefore, the company uses the exemption rule under 99 b and refer to the consolidated Registration document for the year provided by the headquarter in Paris. The information can be found from p. 40.  
[https://totalenergies.com/system/files/documents/2022-03/DEU\\_21\\_VA.pdf](https://totalenergies.com/system/files/documents/2022-03/DEU_21_VA.pdf)

### Corporate social Responsibility

The company hasn't prepared its own statement on CSR, including policies to climate, human rights and environment. Therefore, the company used the exemption rule under 99 a and refer to the consolidated Registration document for the year provided by the headquarter in Paris. The CSR information can be found from p. 279.  
[https://totalenergies.com/system/files/documents/2022-03/DEU\\_21\\_VA.pdf](https://totalenergies.com/system/files/documents/2022-03/DEU_21_VA.pdf)

The main page to find previous years can be found following the below link.

<https://totalenergies.com/investors>

The Group's Registration Document can also be obtained from TotalEnergies Marketing Denmark A/S on request.

### 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 that may exist in order to determine whether a data ethics policy is necessary. We do 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. We apply and comply with all national and international laws and standards, and we are guided by our five core values: safety, respect for each other, pioneer spirit, stand together, and performance-minded.

Links:

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

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

**TotalEnergies Marketing Denmark A/S**

**Key Figures and Financial Ratios**

The development in the Company's key figures and financial ratios can be described as follows:

*Numbers appear in millions*

|   | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> |
|---|-------------|-------------|-------------|-------------|-------------|
| Revenue                                     | 614         | 575         | 1.077       | 1.284       | 1.037       |
| Gross result                                | 45          | 67          | 74          | 75          | 46          |
| Profit before financial income and expenses | 16          | 33          | 40          | 41          | 17          |
| Net financials                              | 2           | -15         | -18         | -15         | 0           |
| Profit/loss for the year                    | 13          | 15          | 17          | 21          | 12          |
| Total assets                                | 325         | 163         | 359         | 216         | 197         |
| Total equity                                | 53          | 54          | 56          | 61          | 52          |
| Solvency ratio (%)                          | 16,24       | 33,09       | 15,67       | 28,02       | 26,32       |
| Return on equity (ROE) (%)                  | 25,31       | 26,95       | 29,96       | 35,02       | 23,87       |
| Return on capital employed (%)              | 33,15       | 34,40       | 39,99       | 43,83       | 33,38       |
| Avg. number of full-time employees          | 41          | 41          | 41          | 38          | 38          |

For definitions of key ratios, see Accounting and Valuation Principles



**TotalEnergies Marketing Denmark A/S****Income Statement**

|  | <b>Note</b> | <b>2021 tkr.</b> | <b>2020 tkr.</b> |
|--|-------------|------------------|------------------|
| Revenue  | 1           | 613.517          | 574.874          |
| Cost of sales  |             | -535.669         | -470.922         |
| External expenses  |             | -32.805          | -37.411          |
| <b>Gross result</b>  |             | <b>45.043</b>    | <b>66.541</b>    |
| Staff expenses   | 2           | -28.491          | -32.634          |
| Depreciation on property, plant and equipment,<br>amortisation of intangible assets and impairment<br>losses | 3           | -922             | -752             |
| <b>Profit from ordinary operating activities</b>   |             | <b>15.630</b>    | <b>33.155</b>    |
| Financial income   | 4           | 2.017            | 2.579            |
| Financial expenses   | 5           | -161             | -17.181          |
| <b>Profit from ordinary activities before tax</b>  |             | <b>17.486</b>    | <b>18.553</b>    |
| Tax expense on ordinary activities   | 6           | -4.136           | -4.017           |
| <b>Profit</b>  | 7           | <b>13.350</b>    | <b>14.536</b>    |

**TotalEnergies Marketing Denmark A/S**

**Balance Sheet as of 31. December**

**Assets**

|  | Note | 2021 tkr.      | 2020 tkr.      |
|--|------|----------------|----------------|
| Property, plant and equipment under construction | 8    | 0              | 749            |
| Plant and machinery                              | 9    | 2.839          | 1.942          |
| Fixtures, fittings, tools and equipment          | 10   | 7              | 20             |
| <b>Property, plant and equipment</b>             |      | <b>2.846</b>   | <b>2.711</b>   |
| Equity investments in associates                 | 11   | 3.568          | 4.116          |
| <b>Investments</b>                               |      | <b>3.568</b>   | <b>4.116</b>   |
| <b>Fixed assets</b>                              |      | <b>6.414</b>   | <b>6.827</b>   |
| Manufactured goods and goods for resale          |      | 30.979         | 20.466         |
| <b>Inventories</b>                               |      | <b>30.979</b>  | <b>20.466</b>  |
| Trade receivables                                |      | 37.208         | 40.031         |
| Receivables from group enterprises               |      | 234.396        | 89.456         |
| Deferred tax asset                               | 12   | 62             | 369            |
| Other receivables                                |      | 3.799          | 1.185          |
| <b>Receivables</b>                               |      | <b>275.465</b> | <b>131.041</b> |
| <b>Cash and cash equivalents</b>                 |      | <b>12.008</b>  | <b>4.623</b>   |
| <b>Current assets</b>                            |      | <b>318.452</b> | <b>156.130</b> |
| <b>Assets</b>                                    |      | <b>324.866</b> | <b>162.957</b> |

**TotalEnergies Marketing Denmark A/S**

**Balance Sheet as of 31. December**

| <b>Liabilities and equity</b>                                | <b>Note</b> | <b>2021 tkr.</b> | <b>2020 tkr.</b> |
|--|-------------|------------------|------------------|
| Contributed capital  |             | 1.500            | 1.500            |
| Retained earnings  |             | 37.893           | 37.893           |
| Proposed dividend  |             | 13.350           | 14.536           |
| <b>Equity</b>  |             | <b>52.743</b>    | <b>53.929</b>    |
| Trade payables   |             | 13.224           | 4.941            |
| Payables to group enterprises                                |             | 219.772          | 50.111           |
| Tax payables to group enterprises                            |             | 38.069           | 34.932           |
| Other payables   |             | 1.058            | 19.044           |
| <b>Short-term liabilities other than provisions</b>          |             | <b>272.123</b>   | <b>109.028</b>   |
| <b>Liabilities other than provisions within the business</b> |             | <b>272.123</b>   | <b>109.028</b>   |
| <b>Liabilities and equity</b>                                |             | <b>324.866</b>   | <b>162.957</b>   |
| Contingent liabilities                                       | 13          |                  |                  |
| Related parties  | 14          |                  |                  |
| Fees for auditors elected on the general meeting             | 15          |                  |                  |
| Derivative financial instruments                             | 16          |                  |                  |

**Statement of changes in Equity**

|                                | <b>Contributed<br/>capital</b> | <b>Retained<br/>earnings</b> | <b>Proposed<br/>dividend</b> | <b>Total</b>  |
|--------------------------------|--------------------------------|------------------------------|------------------------------|---------------|
| <b>Equity 1 January 2021</b>   | 1.500                          | 37.893                       | 14.536                       | 53.929        |
| <b>Dividend paid</b>           | 0                              | 0                            | -14.536                      | -14.536       |
| <b>Profit</b>                  | 0                              | 0                            | 13.350                       | 13.350        |
| <b>Equity 31 December 2021</b> | <b>1.500</b>                   | <b>37.893</b>                | <b>13.350</b>                | <b>52.743</b> |

| The Share capital consist of :              | <u>2021</u>  | <u>2020</u>  |
|---|--------------|--------------|
| A shares, 400 shares of nom. DKK 1,000 each | 400          | 400          |
| A shares, 38 shares of nom. DKK 10,000 each | 380          | 380          |
| A shares, 1440 shares of nom. DKK 500 each  | 720          | 720          |
|   | <u>1.500</u> | <u>1.500</u> |

All shares rank equally.

**The share capital has remained unchanged for the last 5 years.**

**TotalEnergies Marketing Denmark A/S****Notes**

|  | 2021 tkr.      | 2020 tkr.      |
|--|----------------|----------------|
| <b>1. Revenue</b>  |                |                |
| Denmark  | 610.449        | 572.024        |
| Export   | 3.068          | 2.850          |
|  | <b>613.517</b> | <b>574.874</b> |
| <b>2. Employee benefits expense</b>  |                |                |
| Wages and salaries   | 26.021         | 30.520         |
| Post-employment benefit expense  | 2.090          | 1.878          |
| Social security contributions  | 380            | 236            |
|  | <b>28.491</b>  | <b>32.634</b>  |
| Average number of employees  | 41             | 41             |
| <p>Remuneration to the Company's Executive Board amounts to DKK 2.569.050 in 2021.<br/> Remuneration for 2020 is not disclosed pursuant to section 98b (3) of the danish Financial Statements Act.</p> |                |                |
| <b>3. Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses</b>   |                |                |
| Plant and machinery  | 890            | 715            |
| Fixtures, fittings, tool and equipment   | 32             | 37             |
|  | <b>922</b>     | <b>752</b>     |
| <b>4. Finance income</b>   |                |                |
| Finance income group enterprises   | 439            | 977            |
| Other finance income   | 40             | 17             |
| Profit on financial instruments  | 1.538          | 1.585          |
|  | <b>2.017</b>   | <b>2.579</b>   |
| <b>5. Finance expenses</b>   |                |                |
| Finance expenses group enterprises   | 161            | 77             |
| Other finance expenses   | 0              | 17.104         |
|  | <b>161</b>     | <b>17.181</b>  |
| <b>6. Tax expense</b>  |                |                |
| Current tax for the year   | 3.829          | 4.206          |
| Deferred tax adjustments for the year  | 307            | -189           |
|  | <b>4.136</b>   | <b>4.017</b>   |

**TotalEnergies Marketing Denmark A/S**

| <b>Notes</b>   | <b>2021 tkr.</b> | <b>2020 tkr.</b> |
|--|------------------|------------------|
| <b>7. Profit</b>   |                  |                  |
| Proposed dividend  | 13.350           | 14.536           |
| Retained earnings  | 0                | 0                |
|  | <b>13.350</b>    | <b>14.536</b>    |
| <b>8. Property, plant and equipment under construction</b> |                  |                  |
| Cost at the beginning of the year                          | 749              | 864              |
| Additions of the year                                      | 0                | 0                |
| Transfer of assets   | -749             | -115             |
| <b>Cost at the end of the year</b>                         | <b>0</b>         | <b>749</b>       |

## Notes

|  | 2021 tkr.      | 2020 tkr.      |
|--|----------------|----------------|
| <b>9.Plant and machinery</b>                                     |                |                |
| Cost at the beginning of the year                                | 22.832         | 22.038         |
| Retirement during the year                                       | -62            | 0              |
| Addition during the year   | 1.057          | 679            |
| Transfer of assets   | 749            | 115            |
| <b>Cost at the end of the year</b>                               | <b>24.576</b>  | <b>22.832</b>  |
|  |                |                |
| Impairment losses and depreciation at the beginning of the year  | -20.890        | -20.175        |
| Adjustment prior years beginning cost                            | -19            | 0              |
| Retirement during the year                                       | 62             | 0              |
| Depreciation for the year  | -890           | -715           |
| <b>Impairment losses and depreciation at the end of the year</b> | <b>-21.737</b> | <b>-20.890</b> |
|  |                |                |
| <b>Carrying amount at the end of the year</b>                    | <b>2.839</b>   | <b>1.942</b>   |
|  |                |                |
| <b>10.Fixtures, fittings, tools and equipment</b>                |                |                |
| Cost at the beginning of the year                                | 2.230          | 2.230          |
| Adjustment prior years beginning cost                            | 19             | 0              |
| Addition during the year   | 0              | 0              |
| <b>Cost at the end of the year</b>                               | <b>2.249</b>   | <b>2.230</b>   |
|  |                |                |
| Impairment losses and depreciation at the beginning of the year  | -2.210         | -2.173         |
| Depreciation for the year  | -32            | -37            |
| <b>Impairment losses and depreciation at the end of the year</b> | <b>-2.242</b>  | <b>-2.210</b>  |
|  |                |                |
| <b>Carrying amount at the end of the year</b>                    | <b>7</b>       | <b>20</b>      |

## 11.Disclosure in long-term investments in group enterprises and associates

| Name                    | Registered Office | Share held in% | Equity        | Profit   | Carrying amount |
|-------------------------|-------------------|----------------|---------------|----------|-----------------|
| Shell-Statoil-Total I/S | Copenhagen        | 33,33          | 4.367         | 0        | 1.456           |
| BKL I/S                 | Copenhagen        | 16,67          | 12.671        | 0        | 2.112           |
|                         |                   |                | <u>17.038</u> | <u>0</u> | <u>3.568</u>    |

The associates' annual reports for some years are drafts; therefore, adjustment related to previous years can occur.

## 12.Deferred tax asset and liability

|                                      | 2021 tkr. | 2020 tkr.  |
|--------------------------------------|-----------|------------|
| Ingoing balance for the year         | 369       | 179        |
| Changes of the year                  | -307      | 190        |
| <b>Outgoing balance for the year</b> | <b>62</b> | <b>369</b> |

Management has assessed that the deferred tax can be utilized against future positive earnings.

## TotalEnergies Marketing Denmark A/S

### Notes

#### 13. Contingent liabilities

The Company has entered into operating lease agreements for car rentals. Remaining operating lease obligations at the balance sheet date fall due with DKK 342 thousand within 1 year and 648 thousand between 1 and 5 years.

Further, the Company has an obligation of DKK 120 thousand (2020: DKK 71 thousand) in relation to rental agreements.

Further, the Company has an obligation of DKK 1.418 thousand in relation to the office at Amerika Plads 29.

As partner in Brændstoflageret, Københavns Lufthavn I/S and Shell-Statoil-Total I/S, the Company is jointly and severally liable for the total debt. The Company's liability at 31 December 2021 amounts to DKK 106,520 thousand (2020: DKK 102,579 thousand).

The Company is jointly taxed with the other Danish companies in the Total Group. A jointly taxed company has unlimited joint and several liability in respect of Danish corporation tax and withholding tax in dividends, interest and royalties within the joint taxation.

#### 14. Related parties disclosures

##### Control

TotalEnergies Marketing Denmark A/S is wholly-owned by TotalEnergies Marketing and Services SE The ultimate parent company is TotalEnergies SE, which prepares financial statements for the group.

Consolidated financial statements for the ultimate parent company can be obtained from TotalEnergies SE at the following address: 24, Cours Michelet, 92800 Puteaux, Paris, France or via [www.totalenergies.com](http://www.totalenergies.com).

##### Related party transactions

| DKK'000  | 2021    |
|--|---------|
| Sale of goods to an affiliated company                         | 213.598 |
| Purchase of goods from an affiliated company                   | 563.235 |
| Sale of administrative services to an affiliated company       | 18.824  |
| Purchase of administrative services from an affiliated company | 9.222   |

Remuneration to the parent company's Executive Board of Directors is disclosed in note 2.

Payables to associates and subsidiaries are disclosed in the balance sheet, and expensed interest and interest income is disclosed in note 4 & 5.

#### 15. Fees for auditors elected on the general meeting

Pursuant to section 96(3) of the Danish Financial Statements Act, fee to the auditor appointed at annual general meeting is not disclosed.

#### 16. Derivative financial instruments

The Company hedges jet fuel oil sales and purchase prices using swap hedges. As the Company has chosen not to use hedge accounting, the fair value of the swap hedges are recognised in the balance sheet, and the net gain/loss is recognised as an financial income or expense.

At 31 December 2021, the net fair value of open hedges have been recognised in the financial statements as receivables to group entities in the amount of DKK 62 thousand (2020: DKK 5 thousand). In 2020, the Company has recognised a net loss in financial expenses related to swap hedges of DKK 476 thousand (2020: net gain DKK 1.730 thousand).



## TotalEnergies Marketing Denmark A/S

### Notes

#### 17. Accounting Policies

##### Reporting Class

The Annual Report of TotalEnergies Marketing Denmark A/S for the reporting period has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of TotalEnergies SA.

Pursuant to section 96 of the Danish Financial Statements Act, the Company only discloses revenue on geographical markets, as disclosure of business segments will be harmful for the Company under the consideration that the competitors also omits this information.

The accounting policies applied remain unchanged from last year.

##### General Information

##### Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also 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 the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits will flow from the Company, and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for the predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

##### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statements as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet day and at the date which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

## **Notes**

At which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statements as financial income or financial expenses.

### **Derivative financial instruments**

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments classified as or qualifying for recognition as a hedge of future transactions are recognised as other receivables or other payables and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts that were previously recognised in equity are transferred to the cost of the assets or liabilities. If the future transaction results in income or costs, amounts that were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

For derivative financial instruments not qualifying for treatment as hedging instruments, changes in the fair value are recognised in the income statement on an ongoing basis.

## **Income Statement**

### **Revenue**

Income from the sale of goods and finished goods, comprising the sale of oil and petroleum products, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received.

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

### **Cost of sales**

Cost of sales include the raw materials and consumables used in the year's revenue.

### **External expenses**

External costs comprise costs related to sale, advertising, administration, office premises, loss on receivables, operating lease expenses, etc.

### **Staff expenses**

Staff expenses comprise wages and salaries, pensions and social security costs.

### **Financial income and expenses**

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

### **Income from equity investments in associates**

The proportionate share of the individual associates' profit/loss after tax is recognised in the income statements.

### **Tax expense on ordinary activities**

The Company is subject to the Danish rules on compulsory joint taxation of the Total Group's Danish subsidiaries and branch operations under Danish taxation.

## Notes

On payment of joint taxation, the current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. Companies with tax losses receive joint taxation contributions from other companies that have used the tax losses to reduce their own taxable profit.

Tax for the year comprises joint taxation contributions and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

## Balance Sheet

### Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis of maximum 10 years.

### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The basis of depreciation is cost less any projected residual value after the end of useful life.

Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

### Residual

#### Useful life value

|  |             |
|--|-------------|
| Buildings  | 10-50 years |
| Plant and machinery                              | 5-10 years  |
| Other fixtures and fittings, tools and equipment | 3-5 years   |

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

### Investments

Investments in associated companies are measured at the proportional share of the entities' net asset value calculated in accordance with the parent company's accounting policies plus or minus unrealised intra-group profits or losses and with the addition or deduction of the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Investments in associates with negative net asset values are measured at DKK 0, and any amount owed by these enterprises are written down by the parent company's share of the negative net asset value. To the extent that the deficit exceeds the amount owed, the residual amount is recognised as provision.

### Leases

Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations, etc.

## **TotalEnergies Marketing Denmark A/S**

### **Notes**

#### **Inventories**

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

Manufactured goods are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production costs. Indirect production overheads comprise indirect materials and wages and salaries as well as factory administration and management.  
Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

#### **Impairment of non-current assets**

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in the value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

#### **Receivables**

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired, if there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

#### **Equity - dividends**

Proposed dividend are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

#### **Provisions**

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value or fair value if the obligation is expected to be settled in the distant future.

#### **Corporation tax and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account. Receivable and payable joint taxation contributions are recognised as tax receivables from group enterprises or tax payable to group enterprises. Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the assets or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income. Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal entity. Any deferred net assets are measured at net realisable value. Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity respectively.

#### **Liabilities other than provisions**

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

**TotalEnergies Marketing Denmark A/S**

**Notes**

**Financial ratios**

$$\text{Solvency ratio (\%)} = \frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

$$\text{Return on equity (\%)} = \frac{\text{Net profit for the year} \times 100}{\text{Equity}}$$

$$\text{Return on Capital employed (\%)} = \frac{\text{EBIT} \times 100}{\text{Working capital} + \text{fixed assets}}$$