

Total E&P ALS A/S

CVR-No. 16157473

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 E&P ALS A/S
Amerika Plads 29
2100 Copenhagen Ø
Denmark

CVR-No.: 16157473
Date of incorporation: 21 May 1992
Registered office: Copenhagen
Financial year: 1 January 2019 - 31 December 2019

Board of Directors

Martin Rune Pedersen (Chairman)
Christina Sjøberg Heineke Petersen
Laurent René Louis Wolffsheim

Executive Board

Laurent René Louis Wolffsheim

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen Ø

Branch

Total E&P ALS
Al Jazi Tower
Asia Street 950, Zone 60
West Bay
P.O. Box 22050
Doha
Qatar

Directors' Report

Activities

The Company is a wholly owned subsidiary of Total E&P Danmark A/S.

Until midnight 13 July 2017, Total E&P ALS A/S participated through its branch in exploration and production of oil and gas in Block 5 and Block 5 extension offshore Qatar.

During 2018 the Company entered into service agreements with other Total entities and this activity increased during 2019.

Financial review

Financial performance for the year

The result for 2019 shows a gain of USD 3 million, compared to a gain of USD 11 million last year. The result is negatively influenced by the run of from the handover in 2017.

Since the handover, the Company has been working towards closing out any and all commitments in Qatar.

Key figures for the Company are as follows:

USD million	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Income statement:					
Revenue	18	25	1,080	1,939	2,362
Profit before financial items and tax	2	19	533	608	755
Financial items, net	1	-8	-23	6	1
Profit for the year after tax	3	11	202	168	241
Balance sheet:					
Total assets	44	98	182	991	895
Investments in property, plant and equipment	0	0	0	13	411
Equity	36	78	67	575	557
Profit margin	8%	78%	49%	31%	32%
Solvency ratio	82%	80%	37%	58%	62%
Return on equity	9%	14%	763%	107%	136%

Employees:

Average number of employees	0	1	422	836	964
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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

The result for 2020 is expected to be a gain from rendering services to other Total entities. The result in 2020 could however be influenced by final agreement with local partners.

External environment

Total E&P ALS A/S continuously develops the production process using the best and safest technologies. Furthermore, Total E&P ALS A/S seeks to make use of environmentally friendly and energy efficient solutions to reduce negative impact on the environment.

Corporate Social Responsibility

Social responsibility is important for Total E&P ALS A/S's business and Total E&P ALS A/S continues its 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 has 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 recognise 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 is 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 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.

Payments to governments

Requirements according to the Danish Financial Statements Act, section 99c have been fulfilled, reference to reporting for parent Company Total S.A. The information can be found from the Total S.A. annual report 2019 pages 240, 261 and 421 at:

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

Risks and uncertainties

Total E&P ALS A/S' strategic, operational, compliance, financial and emerging risks are monitored through a structured approach including systematic identification, assessment and mitigation of the risks.

Management's Statement

The Board of Directors and Executive Board have today discussed and approved the annual report of Total E&P ALS A/S for 2019.

The annual report for 2019 of Total E&P ALS 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 as well as a description of the most significant risks and uncertainty factors that the Company faces.

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

Copenhagen, 29 May 2020

Executive Board: _____

Laurent René Louis Wolffsheim

Board of Directors: _____

Martin Rune Pedersen
(Chairman)

Christina S. Heineke Petersen

Laurent René Louis Wolffsheim

Independent auditors' report

To the shareholder of Total E&P ALS A/S

Opinion

We have audited the financial statements of Total E&P ALS A/S for the financial year 1 January – 31 December 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 E&P ALS A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to class C medium companies.

The accounting policies for the Financial Statements are unchanged from last year.

Total E&P ALS A/S has with reference to the Danish Financial Statements Act provision 86 section 4 refrained from preparing cash flow statement.

Presentation, classification and designations in the income statement and balance sheet have been adjusted to the special nature of the Company.

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 USD. The Annual Report is presented in USD, in accordance with provision 16 of the Danish Financial Statements Act. The exchange rate of USD to DKK was 6.6759 at 31 December 2019 (2018: DKK 6.5213).

Monetary assets and liabilities in currencies other than USD are translated at the exchange rate at the balance sheet date. Transactions in currencies other than USD 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 the value of the Company's income for rendering services to other Total entities.

Production expenses comprise costs incurred in generating the revenue for the year.

Administrative expenses comprise parent company overhead and other general administrative costs.

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

The Company is jointly taxed with a number of Danish companies in the 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.

The Balance Sheet

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.

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.

TOTAL E&P ALS A/S
INCOME STATEMENT FOR 2019

Note	USD 1,000	
	2019	2018
1. Revenue	18,078	24,657
2. Production expenses	(15,222)	(6,371)
Gross profit	2,856	18,286
2. Administrative expenses	(822)	998
Profit before financial items and tax	2,034	19,284
3. Financial income	1,244	6,464
4. Financial expenses	0	(14,513)
Profit before tax	3,278	11,235
5. Tax on profit for the year	6	0
PROFIT FOR THE YEAR	3,284	11,235
6. Proposed distribution of net profit		

TOTAL E&P ALS A/S
BALANCE SHEET AT 31.12.2019

Note	USD 1,000	
	2019	2018
ASSETS		
 CURRENT ASSETS		
Receivables		
Trade receivables	698	0
Receivables Group companies	43,530	97,886
Other receivables	0	95
	44,228	97,981
 Cash		
	0	2
 TOTAL CURRENT ASSETS		
	44,228	97,983
 TOTAL ASSETS		
	44,228	97,983

TOTAL E&P ALS A/S
BALANCE SHEET AT 31.12.2019

Note	USD 1,000	
	2019	2018
LIABILITIES AND EQUITY		
EQUITY		
Share capital	28,240	28,240
Proposed dividend	8,000	45,000
Retained earnings	79	4,796
	36,319	78,036
CURRENT LIABILITIES		
Trade payables	2,041	19,755
Payables to group companies	5,866	192
Other payables	2	0
	7,909	19,947
TOTAL LIABILITIES	7,909	19,947
TOTAL LIABILITIES AND EQUITY	44,228	97,983

7. Contingencies etc.

8. Related parties

TOTAL E&P ALS A/S
STATEMENT OF CHANGES IN EQUITY AT 31.12.2019
(USD 1,000)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Dividends</u>	<u>Total</u>
Equity 01.01	28,240	4,795	45,000	78,035
Result for the year	0	3,284	0	3,284
Proposed dividend		(8,000)	8,000	0
Dividend paid	0	0	(45,000)	(45,000)
Equity 31.12	<u>28,240</u>	<u>79</u>	<u>8,000</u>	<u>36,319</u>

Share capital consists of the following shares:

<u>Number</u>	<u>Nominal, DKK</u>
200,000	<u>1,000</u>
Total nominal value in DKK	<u>200,000,000</u>

There have been no changes to the share capital during the past five years.

TOTAL E&P ALS A/S
Notes as at 31.12.2019
(USD 1,000)

Note 1, Revenue

The company revenue was generated from selling oil until 13 July 2017 and thereafter from rendering services to other Total entities.

	<u>2019</u>	<u>2018</u>
Note 2, Staff costs		
Salaries and wages	0	439
Pension contributions	0	0
Other social security costs	0	17
	<u>0</u>	<u>456</u>
 Average number of employees	 <u>0</u>	 <u>1</u>

The Company has no employees, as all those engaged are employed in other group companies.

Staff costs were included in the income statement under the items production expenses and administrative expenses.

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.

	<u>2019</u>	<u>2018</u>
Note 3, Financial income		
Interest received from group companies	1,132	6,464
Exchange rate adjustments etc.	112	0
	<u>1,244</u>	<u>6,464</u>
 Note 4, Financial expenses		
Interest paid	0	10,495
Exchange rate adjustments etc.	0	4,018
	<u>0</u>	<u>14,513</u>

Note 5, Corporate tax

There is a tax income of USD 6 thousand on the result for 2019 (2018: USD 0 thousand).

The Company is jointly taxed 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 6, Proposed distribution of net profits

	<u>2019</u>	<u>2018</u>
Proposed dividend	8,000	45,000
Retained earnings	(4,716)	(33,765)
	<u>3,284</u>	<u>11,235</u>

Note 7, Contingencies

As of 31 December 2019, the Company is jointly taxed with the 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.

Joint liability for previous joint taxation still exists.

Note 8, 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>
Service fee from group company	25,117
Service fee to group company	22,261

Payables and receivables to group entities are disclosed in the balance sheet, and financial income is disclosed in note 3.

Parties exercising control

The Company is 100% owned by Total E&P Danmark A/S.

As of 31 December 2019, the ultimate parent company is 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 consolidated Financial Statements as a subsidiary.