

CDC ApS

CVR-nr. 24 23 80 16

**Holbergsgade 14, 2. tv.
DK-1057 København K**

Annual Report for 2019

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

02-10-2020

Chairman

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Management's Statement on the Annual Report

The Executive Board has today considered and adopted the Annual Report of CDC ApS for the period 1 January - 31 December 2019.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the review.

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

Copenhagen, *02-10-2020*

Executive Board

Ole Meier Sørensen

Board of Directors

Ole Meier Sørensen

Flemming Helgeland

Simon John Owens

Independent Auditor's Report

To the Shareholder of CDC ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of CDC ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's Responsibilities 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 as 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 about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 users taken 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.

Independent Auditor's Report

- 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.

Copenhagen, *02-10-2020*

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31

Kim Danstrup
State Authorised Public Accountant
mne32201

Lone Vindbjerg Larsen
State Authorised Public Accountant
mne34548

Company Information

Company

CDC ApS
Holbergsgade 14, 2. tv.
DK-1057 København K

CVR -nr. 24 23 80 16
Financial period: 1 January - 31 December
Incorporated: 15 September 1999
Financial year: 20th financial year
Municipality of reg. office: Copenhagen

Board of Directors

Ole Meier Sørensen
Flemming Helgeland
Simon John Owens

Executive Board

Ole Meier Sørensen

Lawyers

Accura Advokatpartnerselskab
Tuborg Boulevard 1
DK-2900 Hellerup

Auditors

PricewaterhouseCoopers
Statsautoriseret revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Bankers

Citibank
Vesterbrogade 1 L
DK-1620 København

Management's Review

Main Activity

The Company's main activities are worldwide to grant and obtain loans within the group, to invest group funds, to act as holding company for investments in other group companies and to provide services to other group companies.

Development in activities and financial circumstances

The loss for 2019 amounted to DKK 378,288k after tax which is an decrease of DKK -86,090k compared to 2018. Equity for the year is positively affected by a hyperinflation adjustments in the Argentinian subsidiaries with DKK 665,602k.

Expected development

The COVID-19 outbreak is affecting the global economy, however, the extent to the future development is hard to predict. The Management follows the situation closely to ensure that the Company's future obligations are met.

Subsequent Events

Since March 2020 Chevron is confronted with the consequences of the COVID-19 crisis. This crisis impacts society and has negative effects on businesses and supply chains.

In addition Chevron is confronted with the current low oil price, which will have a negative impact on the financial and operational results of the group.

In response to these market conditions Chevron Corporation announced that the 2020 capital spending plan will be reduced and that the share repurchase program is suspended. Chevron continues to execute its plans to reduce run-rate operating costs by year-end 2020.

To ensure as much as possible operational continuity and in response to COVID-19, the Company has adopted protective measures to reduce the risk of spreading the virus in the work force. Government requirements related to social distancing and others are respected at all times.

Crisis management teams have been established (globally and locally). They meet continuously to evaluate the impact of the situation on the workforce, demand and supply, as well as to take actions to support the supply chain as much as possible.

Due to the circumstances evolving rapidly, it is still too early to make a reliable estimate of the impact on the Company's results. The board of directors follows the situation closely and there are enough means to meet the Company's future obligations.

The COVID-19 outbreak has no impact on the annual accounts of the financial year ending on 31 December 2019.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty despite what has already been described regarding hyperinflation in accounting policies.

Significant events

The financial position at 31 December 2019 of the Company and the results of the activities of the Company for the financial year for 2019 have not been affected by any other significant events.

Accounting Policies

Basis of preparation

The Annual Report of CDC ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Annual Report for 2019 is presented in DKK 1,000.

Consolidated Financial Statements

In accordance with Danish Financial Statements Act section 112(2), a consolidated Financial Statements has not been prepared. The Annual Report CDC ApS are included in the Consolidated Financial Statements of Chevron Corporation, USA.

The Consolidated Financial Statements may be obtained at the following address:

Chevron Corporation 6001 Bollinger Canyon Road San Ramon, CA 94583-2324, USA

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts previously recognized in the income statement.

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm to invalidate affairs and conditions existing at the balance sheet date.

Accounting Policies

Basis of preparation (continued)

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognized in financial income and expenses in the income statement.

Income statements of foreign subsidiaries that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date.

Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statement

Other external expenses

Other external expenses comprise expenses for administration, Management, office premises as well as office expenses, etc.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit before tax less goodwill amortization.

Financial income and expenses

Financial income and expenses comprise interests and realized and unrealized exchange adjustments.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Current tax is calculated on the basis of the tax rate in force for the year.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Accounting Policies

Balance sheet

Investment in subsidiaries

Investments in subsidiaries are recognized and measured under the equity method.

The item "Investment in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealized intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill). Positive differences are amortized in proportion to the oil production for the year of the subsidiaries stated in proportion to the oil reserves stated at the time of acquisition of the subsidiaries.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Subsidiaries with a negative net asset value are recognized at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognized in provisions.

Hyperinflation adjustments as a result of subsidiaries operating in a hyperinflationary economy departs from the Danish Financial Statements Act and is treated in accordance with IAS 29 and IAS 21. Inflation adjustment is recognized as a revaluation adjustment of investments in subsidiaries and under "reserve for net revaluation under the equity method" under equity. Profit or loss on net monetary positions as a result of loss of purchasing power is recognized in income from investments in subsidiaries. Profit/loss and equity is converted to the year-end currency rate and currency translation adjustments is recognized under equity.

Receivables

Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognized in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Equity

Dividend equalisation fund

Dividend equalisation fund is formed as per shareholder's discretion for potential dividend payments of the Company.

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Current liabilities

Other debt is measured at amortized cost which substantially corresponds to nominal value.

Income Statement for the period 1 January 2019 - 31 December 2019

	Note	2019	2018
		DKK 1,000	DKK 1,000
Income from investments in subsidiaries	2	-378,601	-293,042
Other external expenses		-707	-395
Profit/loss before financial income and expenses		-379,307	-293,437
Financial income	3	1,239	1,258
Financial expenses	4	-141	-69
Profit/loss before tax		-378,209	-292,248
Tax on profit/loss for the year	5	-78	50
Net profit/loss for the year		-378,288	-292,198
 Distribution of profit			
Amount available for distribution:			
Retained earnings from prior years		1,620,058	100,000
Reserve for net revaluation under the equity method		61,571	530,783
Capital increase		1,171,621	0
Dividend equalisation fund		0	1,281,473
Net profit/loss for the year		-378,288	-292,198
Available for distribution		2,474,963	1,620,058
 Proposed distribution of profit			
Dividend equalisation fund		1,281,473	1,281,473
Retained earnings		1,193,490	338,585
Total		2,474,963	1,620,058

Balance Sheet 31 December 2019

Assets

	Note	2019	2018
		DKK 1,000	DKK 1,000
Investments in subsidiaries	6	2,454,051	1,599,455
Fixed asset investments		2,454,051	1,599,455
Fixed assets		2,454,051	1,599,455
Receivables from group enterprises		490	480
Prepayments and accrued income		48	0
Receivables		539	480
Cash and Cash equivalents		25,112	23,938
Current assets		25,651	24,418
Assets		2,479,702	1,623,873

Balance Sheet 31 December 2019

Liabilities and equity

	Note	2019	2018
		DKK 1,000	DKK 1,000
Share capital	7	128	124
Dividend equalisation fund		1,281,473	1,281,473
Retained earnings		1,193,490	338,585
Equity		2,475,091	1,620,182
Trade payables		277	133
Payables to group enterprises		4,333	3,558
Short-term debt		4,611	3,691
Debt		4,611	3,691
Liabilities and equity		2,479,702	1,623,873
Mention of significant events, which occurred after the end of the financial year	1		
Contingent liabilities	8		
Related parties and ownership	9		
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Statement of Changes in Equity

	Share capital	Dividend equalisation fund	Reserve under equity method	Retained earnings	Total
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Equity at 1 January 2019	124	1,281,473	0	338,585	1,620,182
Capital increase 2019	4	0	0	1,171,621	1,171,625
Inflation adjustment concerning independent foreign entities, beginning year	0	0	665,602	0	665,602
Inflation adjustment concerning independent foreign entities, current year	0	0	71,223	0	71,223
Exchange rate adjustment concerning independent foreign entities	0	0	-675,254	0	-675,254
Net profit/loss for the year	0	0	-61,571	-316,716	-378,288
Equity at 31 December 2019	128	1,281,473	0	1,193,490	2,475,091

The Company's share premium has been increased throughout the year 2019 and amounts to DKK 1,171,621,075.

Notes to the Financial Statements

1 Mention of significant event, which are occurred after the end of the financial year

Since March 2020 Chevron is confronted with the consequences of the COVID-19 crisis. This crisis impacts society and has negative effects on businesses and supply chains.

In addition Chevron is confronted with the current low oil price, which will have a negative impact on the financial and operational results of the group.

In response to these market conditions Chevron Corporation announced that the 2020 capital spending plan will be reduced and that the share repurchase program is suspended. Chevron continues to execute its plans to reduce run-rate operating costs by year-end 2020.

To ensure as much as possible operational continuity and in response to COVID-19, the Company has adopted protective measures to reduce the risk of spreading the virus in the work force. Government requirements related to social distancing and others are respected at all times.

Crisis management teams have been established (globally and locally). They meet continuously to evaluate the impact of the situation on the workforce, demand and supply, as well as to take actions to support the supply chain as much as possible.

Due to the circumstances evolving rapidly, it is still too early to make a reliable estimate of the impact on the Company's results. The board of directors follows the situation closely and there are enough means to meet the Company's future obligations.

The COVID-19 outbreak has no impact on the annual accounts of the financial year ending on 31 December 2019.

	<u>2019</u> DKK 1,000	<u>2018</u> DKK 1,000
2 Income from investments in subsidiaries		
Share in profit in subsidiaries	-326,385	-169,339
Amortisation and impairment of goodwill	-52,216	-123,703
	<u>-378,601</u>	<u>-293,042</u>
3 Financial income		
Exchange adjustments	640	853
Interest income, bank	599	405
	<u>1,239</u>	<u>1,258</u>
4 Financial expenses		
Exchange adjustments	141	69
	<u>141</u>	<u>69</u>

Notes to the Financial Statements

	<u>2019</u>	<u>2018</u>
	<u>DKK 1,000</u>	<u>DKK 1,000</u>
5 Tax on profit/loss for the year		
Current tax for the year	-78	50
	-78	50
6 Investments in subsidiaries		
Cost at 1 January	12,567,727	12,567,727
Additions	1,171,625	0
Cost at 31 December	13,739,352	12,567,727
Value adjustments at 1 January	-10,968,272	-11,206,013
Inflation adjustments at 1 January	665,602	1,703,709
Inflation adjustments, current year	71,223	67,037
Exchange adjustments at year-end exchange rate	-675,254	-1,239,963
Shares of profit/loss of the year	-326,385	-169,339
Amortization and impairment of goodwill	-52,216	-123,703
Value adjustments at 31 December	-11,285,301	-10,968,272
Carrying amount	2,454,051	1,599,455
Name and Registered office	Share capital	Voting and ownership
	1,000	
Chevron Argentina S.R.L., Argentina	AR\$ 10,381,229	50%
Ing. Norberto Priu S.R.L., Argentina	AR\$ 5,112,279	90%

The company Chevron Argentina S.R.L. have been notified by the tax authorities in Argentina ("AFIP") of a preliminary adjustment ("prevista") to income tax for the period 2001 - 2006. The preliminary adjustment is related to the challenge of the deductions of certain exchange differences and interest by the AFIP.

The preliminary adjustment amounts to AR\$ 195,414k (DKK 21,735k). To this are added any fees, fines and interest. The Company and its legal advisors have considered that the adjustment is illegal. Therefore it has been formally rejected and therefore the company has not included an obligation.

7 Share capital

The share capital, DKK 128,000 consists of shares of a nominal value of DKK 8.46 or multiples hereof. No shares carry any special rights.

The Company's share premium has been increased throughout the year 2019 and amounts to DKK 1,171,621,075.

Notes to the Financial Statements

8 Contingent liabilities

On July 30, 2020, the Supreme Court of Argentina unanimously rejected the plaintiff's final bid to enforce a fraudulent \$9.5 billion Ecuadorian judgement against Chevron Corporation.

Argentina's courts have now uniformly and definitively rejected the plaintiff's attempt to recognize and enforce the Ecuadorian judgement in that nation.

The decision is in line with expectations, as earlier concluded to be unenforceable as a matter of international law by the international arbitral tribunal in The Hague as well as courts in The United States, Brazil, Canada and Gibraltar.

As a result of the developments in 2020, the freezing order is no longer in effect in Argentina and Management has reviewed that the extensive disclosure note as included in previous years is no longer needed.

With the decision of the Supreme Court of Argentina the last pending proceeding seeking the recognition of the corrupt Ecuadorian judgement in 2011 has come to an end.

Joint taxation

The Group's Danish companies are jointly and severally liable for tax on the Group's taxable income, etc. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

9 Related parties and ownership

Controlling interest

Basis

CDHC ApS

100% Controlling shareholder

Holbergsgade 14, 2. tv.
DK-1057 København K
Denmark

Chevron Corporation

Ultimate controlling shareholder

6001 Bollinger Canyon Road
San Ramon, CA 94583-2324
United States

Notes to the Financial Statements

9 Related parties and ownership (continued)

Ownership

The following are recorded in the Company's register of holding 100 % of the capital:

CDHC ApS

Holbergsgade 14, 2. tv.
DK-1057 København K
Denmark

10 Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group and can be requested on below mentioned address:

Name

Chevron Corporation

Place of registered office

6001 Bollinger Canyon Road
San Ramon, CA 94583-2324, USA