

**CC (Indonesia) 2 ApS**

**CVR-nr. 26 32 58 38**

**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

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*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 CC (Indonesia) 2 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 CC (Indonesia) 2 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 CC (Indonesia) 2 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

CC (Indonesia) 2 ApS  
Holbergsgade 14, 2. tv.  
DK-1057 København K

CVR -nr. 26 32 58 38  
Financial period: 1 January - 31 December  
Incorporated: 8 November 2001  
Financial year: 18th 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

## Financial Highlights and Ratios

Seen over a five-year period, the development of the Company is described by the following financial highlights and ratios:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
	<u>DKK 1,000</u>	<u>DKK 1,000</u>	<u>DKK 1,000</u>	<u>DKK 1,000</u>	<u>DKK 1,000</u>
<b>Key figures</b>					
<b>Profit/loss</b>					
Profit/loss before financial income and expenses	663,734	826,726	785,369	782,574	559,612
Financial income	66,329	12,537	1,161	6,894	7,834
Net profit/loss for the year	520,299	596,465	599,009	662,442	393,271
<b>Balance sheet</b>					
Balance sheet total	4,007,717	3,555,940	2,889,562	4,523,140	5,588,089
Equity	1,130,476	798,241	839,626	2,154,293	3,608,125
Number of employees	0	0	0	0	0
<b>Ratios</b>					
Return on assets	17%	23%	27%	17%	10%
Solvency ratio	28%	22%	29%	48%	65%
Return on equity	54%	73%	40%	23%	11%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Financial Society. For definitions, see under accounting policies.



## **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 profit for 2019 amounted to DKK 520,299k after tax which is a decrease of DKK 76,166k compared to 2018. Profit before tax amounts to 730,063k and is in line with expectations. The investment in PT Chevron Pacific Indonesia amounts to DKK 1,486,042k per 31 December 2019. On 28 November 2019, the shareholders resolved to approve a capital injection of Rp 5,072,144 million (equivalent to DKK 2,434,114) in the form of issuance of 7,245,920 new shares, under which each shareholder subscribed for 3,622,960 shares.

### **Special risks - operating risks and financial risks**

#### **Financial risks**

The Company is exposed to exchange rate adjustments. No attempts are made to minimize this exposure in the Company. The ultimate Parent acts upon any financial risks. For further information we refer to our owner Chevron Corporation's consolidated Financial Statements, which is published on page 49 on:

<https://www.chevron.com/-/media/chevron/annual-report/2019/documents/2019-Annual-Report.pdf>

#### **Intellectual capital resources**

The Company has no employees.

#### **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.

## Management's Review

### Subsequent events (continued)

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.

### 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.

## Statement on corporate social responsibility according to the Danish Financial Statements Act 99 a

### Business model

The Company's business model consists of holding shares in subsidiaries that are active in the Oil & Gas extractive sector. The company is a 50% shareholder in PT Chevron Pacific Indonesia which holds Chevron's exploration and production interests in the Rokan Block and is operator of other Chevron PSC blocks in Indonesia.

### Significant risks in relation to corporate social responsibility

Chevron yearly maps the significant risks in relation to corporate social responsibility. Chevron interviewed subject matter experts from across our business segments to identify and validate relevant environmental, social and governance (ESG) topics. In addition, Chevron worked with a research firm that conducted anonymous surveys of institutional investors, nongovernmental organizations and other external stakeholders. Chevron's Global Issues Committee, a subcommittee of Chevron's Executive Committee, reviewed and validated our assessment and prioritization. For current year the following have been prioritized matters for our stakeholders and our business.

Environment	Social	Governance
<ul style="list-style-type: none"><li>• Protecting the environment through innovative and responsible operations</li><li>• Addressing climate change</li><li>• Stewarding responsible water management</li></ul>	<ul style="list-style-type: none"><li>• Promoting diversity and inclusion</li><li>• Creating prosperity</li><li>• Respecting human rights</li></ul>	<ul style="list-style-type: none"><li>• Building an enduring culture of safety</li><li>• Focus in governance issues</li><li>• Advancing operational excellence together</li></ul>

There have not been identified significant risks in relation to anticorruption and bribery, which needs prioritizing in the current year.

# Management's Review

## Policy

### Environmental matters including climate

We are committed to pursuing innovations that improve our environmental performance and reduce the potential environmental impacts of our operations.

This commitment is built into the way we manage our operations. Our Operational Excellence Management System establishes standards and objectives that extend from the corporate level to local management, allowing our businesses to focus on the risks and potential environmental issues that affect specific operating locations.

### Social and employee aspects

Our company policies and procedures adhere to all applicable domestic laws and are consistent with core international labor principles, including:

- Freedom of association and collective bargaining
- Nondiscrimination at the workplace
- Decent working and living conditions

Our people are our most valuable resource. Chevron's commitment to diversity and inclusion includes a set of initiatives to ensure all employees are empowered to realize their full potential.

### Human rights

Respecting human rights is central to who we are, what we do and how we work. This approach applies to all our employees and contractors and requires ongoing, proactive two-way communication with community members in operating and project areas. Chevron's Human Rights Policy complies with international standards, including the United Nations Guiding Principles on Business and Human Rights, the United Nations Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work, that are applicable to business. We expect our business partners to demonstrate their respect for human rights by complying with these standards.

### Anticorruption and bribery

At Chevron, good corporate governance means having structures and processes in place to ensure that our decisions and actions advance the best interests of shareholders. Our Investor Relations and Corporate Governance departments enable us to be responsive to shareholders while engaging with investors to discuss operational, financial, governance, executive compensation, environmental, safety, social and policy issues. Fostering long-term relationships and maintaining shareholder trust and goodwill are core Chevron objectives.

The Company is governed by Chevron's internal policies called 'The Chevron Way' which is applicable for everybody working on behalf of Chevron worldwide. Part of the Chevron Way covering the Company's policies on anti-corruption and bribery is referred to the Business Conduct and Ethics Code.

## Activities

### Environmental matters including climate

Innovative technologies help us access and manage our environmental performance. Here are some examples from across our company.

# Management's Review

## Activities (continued)

### Leak imaging

Leak imaging provides real-time visuals to help find gas and liquid leaks that might otherwise go undetected. Hand-held, portable leak imagers, also called gas detection cameras, are used for proactive leak detection and regulatory compliance. Chevron is an industry leader in piloting new automated leak detection imagers that monitor around the clock. This technology enables earlier detection, more ground coverage and better source identification than traditional methods, improving Chevron's environmental performance.

### Reducing greenhouse gas emissions

In 2019, Chevron began operating a carbon dioxide injection system at one of its natural gas facilities. While standard industry practice for natural gas is to vent the separated CO<sub>2</sub> to the atmosphere, this specific project injects the reservoir CO<sub>2</sub> into a rock formation beneath an island. An ongoing monitoring program, including observation wells and seismic surveys, assists in managing the performance of the injected reservoir. The project is one of the world's largest integrated carbon capture and storage projects. Chevron's plan is to inject up to 4 million tonnes of reservoir CO<sub>2</sub> each year, reducing greenhouse gas emissions from this specific project by approximately 40 percent.

### Partnering with renewable energy innovators

Chevron continues its commitment to increasing renewables in support of its business. In 2019, Chevron advanced its international renewable power strategy in solar through partnership and innovation which are helping Chevron to develop more energy at a lower carbon intensity. Construction is by example underway on a project containing a 29-megawatt system of solar panels that will deliver low-carbon electricity to one of the international operations. Chevron agreed to purchase the solar energy from a commercial solar provider under a power purchase agreement (PPA). The supplier built the project, which is scheduled for completion in 2020, on Chevron land. Over the PPA's 20-year potential term, this specific project is expected to produce more than 1.4 billion kilowatt-hours of solar energy and provide 80 percent of the power needs of that oil field. When fully operational, it will be the largest solar electric system in the Net Energy Metering program of that area.

### Social and employee aspects

Our Operational Excellence Management System enables us to systematically manage risk and comply with legal requirements across the areas:

- Workforce safety and health which search to eliminate fatalities, serious injuries and illnesses
- Process safety, reliability and integrity which search to eliminate high consequence process safety incidents and operate with industry leading reliability

# Management's Review

## Activities (continued)

### Human rights

Chevron supports the United Nations Declaration on the Rights of Indigenous Peoples and is committed to working with indigenous communities in a way that respects their history, culture and customs, within applicable legal and constitutional frameworks.

We are honest with ourselves and others, and honor our commitments. We trust, respect and support each other. We earn the trust of our colleagues and partners by operating with the highest ethical standards in all we do.

### Anticorruption and bribery

The Chevron Way and Business conduct and code Ethics is available for all people working for Chevron or on its behalf. It's part of the obliged introduction training for new employees and a yearly obliged course within Chevron's learning program. An acknowledgement form is yearly submitted by every employee to obtain their confirmation that they are still familiar to the content of Chevron's Business Conduct and Ethics Code.

Bribery of any government official in any country is strictly against The Company's policy, even if the refusal to make such a payment would result in the company losing a business opportunity. The Company's employees and contractors are prohibited from making payments or providing anything of value directly or indirectly to government officials with the intent to improperly influence the performance of their official duties or gain any other improper advantage. The Company requires that internal controls be in place and functioning and that accurate and complete transaction records be kept within the company.

## Results

### Environmental matters including climate

#### Managing greenhouse gases

Chevron is seeking ways to reduce emissions while improving our operations. In 2019, Chevron's Board of Directors established greenhouse gas emissions performance measures, targeting a 20 to 25 percent reduction in methane emissions intensity and a 25 to 30 percent reduction in flaring intensity by 2023, in line with the first "stock-take" under the Paris Agreement. We tie greenhouse gas reduction metrics to compensation for executives and nearly all Chevron employees.

Chevron has committed \$100 million to the over \$1 billion Oil and Gas Climate Initiative (OGCI) Climate Investments fund to lower the carbon footprint of the energy and industrial sectors.

# Management's Review

## Results (continued)

### Social and employee aspects

Chevron's supply chain and workforce investments help develop the skills and capabilities needed to boost local economies and incomes for years to come. In 2019, Chevron spent \$27 billion on total goods and services, much of it on "local content" with companies based in the countries where Chevron operate. We also complement this spending with investments of time and technical capabilities to help build the capacity of these local companies.

### Human rights

2019 marked the 15th consecutive year Chevron achieved a score of 100 percent on the Human Rights Campaign Corporate Equality Index.

Solid operational results and an outstanding safety record were hallmarks of our performance in 2019.

### Anticorruption and bribery

Through the tone at the top, obliged trainings, easily accessible documentation and Internal Audits, The Company manage that policies are effective in mitigating the risk on anticorruption and bribery. This has resulted in no exposure to any potential case of corruption and/or bribery during the year.

### Statement on gender composition of Management in the Danish Financial Statements Act 99 b

The Company currently does not fulfil the gender balanced representation as described in the Danish Financial Statements Act 99 b.

The Management Board's policy is however to implement a representation as described in above mentioned regulation, taking into consideration the skills and competencies of potential candidates as most important appointing criteria for The Company and its operations.

No suitable female candidates were electable during the most recent appointments within the BoD which led to an inequality in the gender composition of the current board.

The Company will reassess its composition of the BoD at the Annual General Meetings to be held. Objective will be to appoint at least one female in the BoD of The Company by 2024 to comply with the gender balanced representation as from that meeting if suitable candidates are electable.

With less than 50 employees, the company falls below the threshold of the requirements to set up policy for women in other management teams, and consequently has not formulated a policy.

## **Accounting Policies**

### **Basis of preparation**

The Annual Report of CC (Indonesia) 2 ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last years.

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 CC (Indonesia) 2 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.

### **Cash Flow Statement**

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated Financial Statements of Chevron Corporation, USA, the Company has not prepared a cash flow statement.

### **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 associates

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

Retained withholding tax on dividend from foreign associates is recognized under "Tax on profit/loss for the year".

### 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 associates

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

The item "Investments in associates" 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 associates stated in proportion to the oil reserves stated at the time of acquisition of the associate.

The total net revaluation of investments in associates 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 associates.

Associates 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.

### 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.

### Deferred tax assets and liabilities

Deferred tax is recognized in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognized in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to be triggered as current tax.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

## Accounting Policies

### Balance sheet (continued)

#### 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.

#### Explanation of financial ratios

Profit margin	$\frac{\text{Net Income} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Net Income} \times 100}{\text{Total Assets}}$
Solvency ratio	$\frac{\text{Total Equity} \times 100}{\text{Total Assets}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average Shareholders' Equity}}$

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

	Note	2019	2018
		DKK 1,000	DKK 1,000
<b>Income from investments in associates</b>	2	664,460	827,567
Other external expenses		-726	-841
<b>Profit/loss before financial income and expenses</b>		<b>663,734</b>	<b>826,726</b>
Financial income	3	66,329	12,537
<b>Profit/loss before tax</b>		<b>730,063</b>	<b>839,263</b>
Tax on profit/loss for the year	4	-209,764	-242,798
<b>Net profit/loss for the year</b>	5	<b>520,299</b>	<b>596,465</b>

## Balance Sheet 31 December 2019

### Assets

	Note	2019	2018
		DKK 1,000	DKK 1,000
Investments in associates	6	1,486,042	0
<b>Fixed asset investments</b>		<b>1,486,042</b>	<b>0</b>
<b>Fixed assets</b>		<b>1,486,042</b>	<b>0</b>
Receivables from group enterprises		1,757,265	2,746,361
Prepayments and accrued income		48	0
<b>Receivables</b>		<b>1,757,313</b>	<b>2,746,361</b>
<b>Cash and Cash equivalents</b>		<b>764,362</b>	<b>809,579</b>
<b>Current assets</b>		<b>2,521,675</b>	<b>3,555,940</b>
<b>Assets</b>		<b>4,007,717</b>	<b>3,555,940</b>

## Balance Sheet 31 December 2019

### Liabilities and equity

	Note	2019 DKK 1,000	2018 DKK 1,000
Share capital	7	236	236
Dividend equalisation fund		14,915	14,915
Retained earnings		1,115,325	783,090
<b>Equity</b>		<b>1,130,476</b>	<b>798,241</b>
Trade payables		202	319
Payables to group enterprises		2,877,039	2,757,380
<b>Short-term debt</b>		<b>2,877,241</b>	<b>2,757,699</b>
<b>Debt</b>		<b>2,877,241</b>	<b>2,757,699</b>
<b>Liabilities and equity</b>		<b>4,007,717</b>	<b>3,555,940</b>
Mention of significant events, which occurred after the end of the financial year	1		
Deferred tax assets	8		
Fee to auditor appointed at the General Meeting	9		
Contingent liabilities	10		
Related parties and ownership	11		
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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	236	14,915	0	783,090	798,241
Exchange rate adjustment concerning independent foreign entities	0	0	-12,255	0	-12,255
Value adjustment concerning independent foreign entities	0	0	-175,809	0	-175,809
Net profit/loss for the year	<u>0</u>	<u>0</u>	<u>188,064</u>	<u>332,235</u>	<u>520,299</u>
<b>Equity at 31 December 2019</b>	<b><u>236</u></b>	<b><u>14,915</u></b>	<b><u>0</u></b>	<b><u>1,115,325</u></b>	<b><u>1,130,476</u></b>

We refer to note 6 in the Financial Statement for a description of the development regarding the investment in the associate PT Chevron Pacific Indonesia.

# 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
<b>2 Income from investments in associates</b>		
Share in profit in associates	664,460	827,567
	<b>664,460</b>	<b>827,567</b>
<b>3 Financial income</b>		
Exchange adjustments	27,584	10,161
Interest income, group enterprises	15,889	2,376
Interest on loans, group enterprises	22,856	0
	<b>66,329</b>	<b>12,537</b>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	-2,353	0
Withholding tax	-207,411	-242,798
	<b>-209,764</b>	<b>-242,798</b>

## Notes to the Financial Statements

	<u>2019</u>	<u>2018</u>
	DKK 1,000	DKK 1,000
<b>5 Distribution of profit</b>		
Amount available for distribution:		
Retained earnings from prior year	798,005	456,242
Distributed ordinary dividend	0	-221,291
Reserve for net revaluation under the equity method	-188,064	181,674
Transfer dividend equalization fund	0	-230,000
Dividend equalisation fund	0	14,915
Net profit/loss for the year	520,299	596,465
<b>Available for distribution</b>	<b><u>1,130,240</u></b>	<b><u>798,005</u></b>
<b>Proposed distribution of profit</b>		
Dividend equalisation fund	14,915	14,915
Extraordinary dividend distributed in the financial year	0	598,233
Extraordinary dividend paid in the financial year	0	-598,233
Retained earnings	1,115,325	783,090
	<b><u>1,130,240</u></b>	<b><u>798,005</u></b>
<b>6 Investments in associates</b>		
Cost at 1 January	6,840,298	6,840,298
Additions	1,217,057	0
Cost at 31 December	<b><u>8,057,355</u></b>	<b><u>6,840,298</u></b>
Value adjustments at 1 January	-6,840,298	-5,990,716
Exchange adjustments at year-end exchange rate	-12,255	5,865
Shares of profit/loss of the year	664,460	827,567
Divident to parent company	0	-1,616,025
Withholding tax	-207,411	-242,798
Value adjustments	-175,809	175,809
Value adjustments at 31 December	<b><u>-6,571,313</u></b>	<b><u>-6,840,298</u></b>
Carrying amount	<b><u>1,486,042</u></b>	<b><u>0</u></b>
Name and Registered office	Share capital	Voting and ownership
	<u>IDR 1,000</u>	
PT Chevron Pacific Indonesia, Jakarta, Indonesia	5,086,144,000	50%

The investment in PT Chevron Pacific Indonesia amounts to DKK 1,486,042k per 31 December 2019. On 28 November 2019, the shareholders resolved to approve a capital injection of Rp 5,072,144 million (equivalent to DKK 2,434,114) in the form of issuance of 7,245,920 new shares, under which each shareholder subscribed for 3,622,960 shares.



## Notes to the Financial Statements

### 7 Share capital

The share capital, DKK 236,200 consists of 1,130 shares of a nominal value of DKK 209.03 or multiples hereof. No shares carry any special rights.

Changes in the share capital during the last 5 years:

	<u>DKK</u>
Share capital at 1 January 2015	236,700
Capital reduction 25 July 2016	-100
Capital reduction 6 March 2017	-100
Capital reduction 11 October 2017	-100
Capital reduction 27 February 2018	-100
Capital reduction 26 July 2018	-100
<b>Share capital at 31 December 2019</b>	<b><u>236,200</u></b>

### 8 Deferred tax assets

The Company has at 31 December 2019 an unrecognized tax assets of DKK 13,419k (2018: DKK 19,422k).

<u>2019</u>	<u>2018</u>
DKK 1,000	DKK 1,000

### 9 Fee to auditor appointed at the General Meeting

Fee to PricewaterhouseCoopers:

Audit fee for the annual report	108	108
Other assistance	<u>63</u>	<u>136</u>
Total	<u>171</u>	<u>244</u>

### 10 Contingent liabilities

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.

# Notes to the Financial Statements

## 11 Related parties and ownership

<b>Controlling interest</b>	<b><u>Basis</u></b>
Chevron Malta Pte, Ltd  3 Fraser Street DUO Tower, Singapore	100% Controlling shareholder
Chevron Corporation  6001 Bollinger Canyon Road San Ramon, CA 94583-2324 United States	Ultimate controlling shareholder

### **Ownership**

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

Chevron Malta Pte, Ltd  
  
3 Fraser Street  
DUO Tower, Singapore

## 12 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:

<b><u>Name</u></b>	<b><u>Place of registered office</u></b>
Chevron Corporation	6001 Bollinger Canyon Road San Ramon, CA 94583-2324, USA