

TEPKRI SARSANG A/S

CVR-No. 33870434

Annual Report 2021



Approved at the General Assembly: 17 May 2022
Chairman of the meeting: Majbritt Perotti Carlson
Amerika Plads 29, 2100 Copenhagen Ø

Company information

TEPKRI Sarsang A/S
Amerika Plads 29
2100 Copenhagen Ø

CVR-No.: 33870434
Date of incorporation: 17 August 2011
Registered office: Copenhagen
Financial year: 1 January 2021 - 31 December

Board of Directors

Dunia Chalabi (Chairman)
Martin Rune Pedersen
Christina Sjøberg Heineke Petersen

Executive Board

Richard Alistair Doidge

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen Ø

Branch

375 English Village
Erbil
Kurdistan
Iraq

Directors' Report

Activities

TEPKRI Sarsang A/S (the "Company") is a wholly owned subsidiary of TotalEnergies EP Danmark A/S.

The Company participates in exploration and production of oil outside Denmark.

The Company holds an 18% non-operated equity interest in the Sarsang Production Sharing Contract (PSC) in the Kurdistan Region of Iraq. The license is operated by HKN Energy Ltd, and comprises two oil field accumulations, Swara Tika and East Swara Tika.

Following a slow-down in 2020, the pace of development activities was increased in 2021, including the resumption of construction work on the new production facility, plus the drilling of a number of new production wells that will be tied into this facility. The new facility is designed to increase total Sarsang oil production by 25,000 barrels per day (b/d), and it is expected to become operational in 2022.

Production operations were maintained at a steady level throughout the year, generally at just above 30,000 b/d.

The entire Sarsang production continues to be sold to the Kurdistan Regional Government (KRG) under an oil sales agreement.

On July 12th 2021, ShaMaran Petroleum Corp signed a Sales and Purchase Agreement (SPA) with TotalEnergies EP Danmark A/S to acquire TEPKRI Sarsang A/S.

Financial review

Financial performance for the year

The result for 2021 is a profit of USD 47 million, compared to a profit of USD 7 million in 2020. The increase is mainly due to an increase in oil price from an average of USD 41.84/barrel for 2020 to an average of USD 70.91/barrel for 2021, and, in addition, an increase of the 100% production from 9.2M barrels of oil equivalent (BOE) in 2020 to 10.9M BOE in 2021.

Key figures for the Company are as follows:

USD million	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Income statement:					
Revenue	102	44	70	56	21
Profit before financial items and tax	47	7	25	17	(8)
Financial items, net	0	0	1	0	2
Profit for the year after tax	47	7	29	23	(14)
Balance sheet:					
Total assets	230	180	173	144	117
Investments in property, plant and equipment	162	142	130	99	90
Equity	219	172	165	136	113
Profit margin	46%	17%	36%	30%	-40%
Solvency ratio	95%	96%	95%	94%	96%
Return on equity	21%	4%	15%	12%	-7%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysis. For definitions, see section called "Accounting Policies".

Guidance for 2022

The result for 2022 is expected to be in line with 2021 provided the market conditions in 2022 remain similar to 2021.

During 2022, it is expected that the share purchase agreement will be completed.

External environment

The Company seeks to make use of environmentally friendly and energy-efficient solutions to reduce the negative impact on the environment.

Corporate Social Responsibility (CSR)

The Company follows the policies, guidelines and procedures of TotalEnergies, including considerations of climate and environment, human rights, and anti-corruption and bribery.

Business model

The Sarsang Contractor Group (comprising the Operator HKN Energy Ltd and TEPKRI Sarsang A/S) commits to an annual CSR budget of USD 300,000. In 2021, eight (8) projects were undertaken, creating tangible and sustainable livelihood benefits for the local community in the area of the Sarsang block. In addition, the upstream activities in the Sarsang block sustained, directly and indirectly, over 50,000 jobs during 2021.

Climate and environmental concerns

As part of TotalEnergies, the Company considers respect for the environment to be a priority and is committed to contributing to the United Nations Sustainable Development Goals, particularly with regards to those subjects that are connected to climate change and the development of more available and cleaner energy. To such, the Company participates in the TotalEnergies' active policy of avoiding, reducing, managing and monitoring the environmental footprint of its operations. As non-operator, the Company refers to this policy, but does not identify or monitor the emissions.

For more information, see TotalEnergies SE's 'Fourth quarter and full-year 2021 results' Press Release, page 5 at:

<https://totalenergies.com/investors/results-investor-presentations/results>

which states:

3.1 Environment* – liquids and gas price realizations, refining margins

4Q21	3Q21	4Q20	4Q21 vs 4Q20	4Q19	4Q21 vs 4Q19		2021	2020	2021 vs 2020
79.8	73.5	44.2	+80%	63.1	+26%	Brent (\$/b)	70.9	41.8	+69%
4.8	4.3	2.8	+74%	2.4	+100%	Henry Hub (\$/Mbtu)	3.7	2.1	+75%
32.8	16.9	5.8	x5.9	5.1	x6.4	NBP (\$/Mbtu)	18.4	3.3	x4.9

3.2 Greenhouse gas emissions⁽¹³⁾

4Q21*	3Q21*	GHG emissions (MtCO ₂ e)	2021	2021 (excluding Covid effect)	2020	2020 (excluding Covid effect)
10	9	Scope 1+2 from operated facilities ⁽¹⁴⁾	35.7	37.0	38.4	41.5
98	94	Scope 3 from energy product sales ⁽¹⁵⁾	370	400	350	400
53	49	Scope 1+2+3 in Europe ⁽¹⁶⁾	195	215	212	239
47	44	of which Scope 3 in Europe	175	193	190	215

* Estimated emissions.

⁽¹³⁾ The six greenhouse gases in the Kyoto protocol, namely CO₂, CH₄, N₂O, HFCs, PFCs and SF₆, with their respective GWP (Global Warming Potential) as described in the 2007 IPCC report. HFCs, PFCs and SF₆ are virtually absent from the Company's emissions or are considered as non-material and are therefore not counted.

Requirements of the Danish Financial Statements Act section 99a have been fulfilled via the reporting for the parent company, TotalEnergies SE.

In 2021, there were no CSR policy changes from the previous year. Going forward, the Company will continue to support the TotalEnergies policy and actions.

Human rights

As part of TotalEnergies, the Company is committed to respecting internationally recognized human rights, in particular the Universal Declaration of Human Rights, the Fundamental Conventions of the International Labor Organization, the UN Guiding Principles on Business and Human Rights, and the Voluntary Principles on Security and Human Rights. The Company implements the TotalEnergies' Human Rights Guide, last updated in 2015 as compliment to the TotalEnergies' Code of Conduct.

In 2021, there were no reports of violations of the policies within the entity. Going forward, the Company will continue to support the TotalEnergies policy and actions.

Anti-corruption and bribery

As part of TotalEnergies, the Company has a zero tolerance for corruption, which is reflected in the Code of Conduct, a document which sets out the behavior to be adopted. The Company implements a robust, regularly updated anti-corruption compliance program agreed upon and implemented by TotalEnergies. The aim of this program is to promote a culture of compliance, transparency and dialog. Such a culture is key to ensuring the sustainability of the TotalEnergies' operations and activities, to meeting legal requirements, and to complying with applicable anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act, the UK Bribery Act or the French "Sapin II" law. Additionally, the TotalEnergies has implemented a whistle-blower system and various mechanisms for assessing and monitoring the implementation of the program. As part of the TotalEnergies group of companies, the Company is also member of other initiatives that contribute to the global effort to fight against corruption, such as the UN Global Compact since 2002.

In 2021, there were no reports of violations of the policies within the entity. Going forward, the Company will continue supporting the TotalEnergies anti-corruption policies and actions.

Social and employee matters

As the Company has no employees, it has not been deemed necessary to formulate a formal policy within the area of social and employee matters.

Risks and uncertainties

The Company is subject to a variety of risks within the areas of climate and environment and anti-corruption and bribery, all of which derive from the nature of the oil production activities. The most material risks identified are the following:

- Risks related to the physical characteristics of oil fields, particularly during drilling operations, which can cause blow outs, explosions, fires or other damage, in particular to the environment, and lead to a disruption of the Company's operations or a reduction in its production.
- A major industrial accident, e.g., blow out, explosion, fire, leakage of highly toxic products, or massive leakage, resulting in death or injury and/or accidental pollution on a large scale or at an environmentally sensitive site.
- Acts of terrorism or malicious acts against employees, plants, sites, pipelines and transportation, or computer systems of the Company or its contractors. Such incidents could disrupt the Company's business activities and could cause harm or damage to people, property and the environment and could have a material adverse effect on the Company's financial condition.

The Company has crisis management plans in place to deal with emergencies. However, these plans cannot exclude the risk that the Company's business and operations may be severely disrupted in a crisis situation, nor can they ensure the absence of impacts on third parties or the environment.

As noted above, TotalEnergies has a strong anti-corruption compliance program. Failure to comply with anti-corruption legislation could expose TotalEnergies to high financial, criminal, and reputational risks.

The Company has assessed the areas of human rights issues and social, labor and employees and found no material risks.

The Company's strategic, operational, compliance, financial and emerging risks are monitored through a structured approach including systematic identification, assessment and mitigation of the risks.

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, recognizes the advantages of a Board comprising a wide range of backgrounds, such as global experience, style, culture and gender.

As at 31 December 2021, there is 1 man among the 3 board members appointed at the general meeting. Consequently, according to the Danish Companies Act, the Company's board is considered to have equal gender representation among the Company's shareholder-appointed board members and is therefore not required to set a target for increasing the number of the underrepresented gender.

The Company has no employees and is therefore not required to set a target for increasing the number of the underrepresented gender in the management.

Payments to governments

Section 99C of the Danish Financial Statements Act requires large undertakings that are active in the extractive industry to disclose annual payments of at least USD 112 thousand (DKK 750,000) made to governments in the countries in which they operate.

The Company paid USD 17,098 thousand in 2021 as royalties for the Sarsang project to Ministry of Natural Resources, Erbil, Iraq.

Data Ethics Policy

The Company does not have a Data Ethics Policy, cf. the Danish Financial Statements Act section 99d (1). The reason for this is that the Company as non-operator does not carry out any data processing that gives rise to data ethical questions.

Management's Statement

The Board of Directors and Executive Board have today discussed and approved the annual report of TEPKRI Sarsang A/S for 2021.

The annual report for 2021 of the Company has been prepared in accordance with the Danish Financial Statements Act and, in our opinion, gives a true and fair view of the Company's assets, liabilities, the financial position and cash flow statement at 31 December 2021 and of the results of the Company's operations for the financial year 2021.

In our opinion, the Directors' Report includes a fair review of the development in and the result of the Company's operations and financial conditions, the result for the year and financial position.

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

Copenhagen, 17 May 2022

Executive Board:



Richard Alistair Doidge

Board of Directors:

Dunia Chalabi
(Chairman)

Martin Rune Pedersen

Christina S. Heineke Petersen

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Richard Alistair Doidge

Board of Directors:

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Copenhagen, 17 May 2022

Executive Board:

Richard Alistair Doidge

Board of Directors:

Dunia Chalabi
(Chairman)



Martin Rune Pedersen

Christina S. Heineke Petersen

Independent auditors' report

To the shareholder of TEPKRI Sarsang A/S.

Opinion

We have audited the financial statements of TEPKRI Sarsang for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity, cash flow statement 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 2021 and of the results of the Company's operations and cash flows 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 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.

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, 17 May 2022

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
MNE no. 34283

Martin Pieper
State Authorised
Public Accountant
MNE no. 44063

Accounting Policies

The Annual Report for 2021 of TEPKRI Sarsang A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to large class C companies.

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

Fee to auditors appointed at the general meeting has not been disclosed in accordance with section 96 section 3 of the Danish Financial Statements Act. Reference is made to the consolidated Financial Statements of TotalEnergies SE where this is presented for TotalEnergies as a whole.

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 6.5612 at 31 December 2021 (2020: DKK 6.0576). Unless otherwise stated, all monetary amounts are in thousand USD.

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 share of the oil production.

Production costs are comprised of the Company's share of production cost under the production sharing contract incurred in generating the revenue. Production costs include materials, direct labour, royalties, depreciation of production facilities, amortisation of production intangible assets and other indirect production costs.

Other operating costs comprise of Exploration expenses, which are capitalized unless the costs do not qualify for capitalization and are then recognized in the income statement as incurred.

Expenses for initial surveys incurred before acquisition of license for hydrocarbon extraction are also included in the income statement as they are incurred.

Administrative expenses includes parent company overhead, administrative staff cost, amortisation of software and other general administrative expenses.

Other operating income comprises of gain from secondary activities of the Company not related to oil production.

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

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

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets.

Intangible assets in connection with proved oil rights are amortised from commencement of production and over the fields' expected production periods of up to 20 years. Oil rights are transferred from unproven to proven based on an assessment.

Proved oil rights is amortised over a useful life of 14 years.

IT software is amortised over a useful life of 3 years.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The cost price of production facilities etc. comprises direct and indirect costs for appraisal and production wells and production equipment, etc. for fields considered commercial. Depreciation on production facilities etc. is made over the expected production period/economic life.

Depreciation periods and residual values for property, plant and equipment are re-evaluated annually.

Production facilities and wells are depreciated over a useful life of 14 years.

Impairment losses are recognized when the carrying amount of an asset or a cash-generating unit exceeds the higher of the estimated value in use and fair value less costs to sell.

Property, plant and equipment under construction includes cost directly related to exploration and improving of production facilities. Assets under construction are transferred to "in service" when considered final.

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.

Prepayments recognized under assets include prepaid expenses.

Dividend for distribution regarding the financial year is included as part of the **equity**.

Provisions are recognized when the Company has an existing legal or actual obligation and provision for unsettled claims and lawsuits. Provisions are recognized on the basis of best estimates and considering discounting when the time element is significant.

Payables to group companies, trade and other payables. mainly include balances with TotalEnergies companies for personnel services. The debt is measured at amortised cost price or lower net realizable value, which in most situations corresponds to the nominal value.

Cash flow statement

The Statement of Cash Flows shows the Company's cash flows from operating activities, investing activities and financing activities for the year, changes in cash and cash equivalents for the year as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid. Financial income received and financial expenses paid includes realized exchange rates.

Cash flows from investing activities comprise payment in connection with acquisitions and disposals of intangible assets, property, plant and equipment.

Cash flows from financing activities comprise changes in size or composition of the Company's contributed capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Liquid funds consist of cash and cash equivalents including bank accounts.

TEPKRI SARSANG A/S
INCOME STATEMENT FOR 2021

Note	USD 1,000	
	2021	2020
1. Revenue	102,323	44,288
2, 3. Production costs	(52,609)	(33,740)
<i>Gross profit</i>	49,714	10,548
2, 4. Administrative expenses	(2,816)	(2,928)
Other operating costs	0	(310)
<i>Result before financial items and tax</i>	46,898	7,310
Financial income	0	39
Financial expenses	(11)	(52)
<i>Result before tax</i>	46,887	7,297
5. Tax for the year	0	1
6. RESULT FOR THE YEAR	46,887	7,298

TEPKRI SARSANG A/S
BALANCE SHEET AT 31.12.2021

Note	USD 1,000	
	2021	2020
ASSETS		
NON-CURRENT ASSETS		
2.	Intangible fixed assets	
	Oil rights, proved	30,034 22,888
	Oil rights, unproved	43,407 53,188
	Software	0 40
		73,441 76,116
3.	Property, plant and equipment	
	Production facilities	47,868 43,691
	Production facilities etc. under construction	40,486 22,173
		88,354 65,864
	TOTAL NON-CURRENT ASSETS	161,795 141,980
CURRENT ASSETS		
	Receivables	
	Receivables from sale of oil	35,503 23,782
	Receivables group companies	32,481 2,863
	Other receivables	9 9
7.	Prepayments	79 50
		68,072 26,704
	Cash	333 11,278
	TOTAL CURRENT ASSETS	68,405 37,982
	TOTAL ASSETS	230,200 179,962

TEPKRI SARSANG A/S
BALANCE SHEET AT 31.12.2021

Note	USD 1,000	
	2021	2020
LIABILITIES AND EQUITY		
EQUITY		
	966	966
	218,223	171,336
	<u>219,189</u>	<u>172,302</u>
NON-CURRENT LIABILITIES		
8.	3,242	3,242
	<u>3,242</u>	<u>3,242</u>
CURRENT LIABILITIES		
	7,769	3,727
	0	691
	<u>7,769</u>	<u>4,418</u>
	11,011	7,660
	<u>11,011</u>	<u>7,660</u>
	230,200	179,962
	<u>230,200</u>	<u>179,962</u>
9.	Contingencies etc.	
10.	Related parties	

TEPKRI SARSANG A/S
STATEMENT OF CHANGES IN EQUITY AT 31.12.2021
(USD 1,000)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 01.01	966	171,336	172,302
Profit for the year		46,887	46,887
Equity 31.12	966	218,223	219,189

Share capital consists of the following shares:

<u>Number</u>	<u>Nominal, DKK</u>
5,500	1,000
Total nominal value in DKK	<u>5,500,000</u>

Share capital, changes:

Increase of capital 25 March 2014	500,000
Increase of capital 21 September 2017	500,000
Increase of capital 22 November 2017	500,000

TEPKRI SARSANG A/S
CASH FLOW STATEMENT
(USD 1,000)

Note	2021	2020
Result before financial items and tax	46,898	7,310
Depreciation and impairment	7,971	6,296
11. Other non-cash items	0	193
12. Change in working capital etc.:		
Change in receivables	(41,368)	12,222
Change in trade and other payables	3,350	(492)
Cash flow from operating activities before financial items	16,851	25,529
Financial income, received	0	39
Exchange rate adjustments	(11)	(52)
Taxes received	1	3,949
Cash flow from operating activities	16,841	24,465
Purchase of intangible assets and property, plant and equipment	(27,786)	(18,414)
Cash flow used for investing activities	(27,786)	(18,414)
Net cash flow for the year	(10,945)	11,051
Liquid funds etc. at 1 January	11,278	227
Liquid funds etc. at 31 December	333	11,278

The cash flow statement cannot be derived directly from the Income statement and Balance sheet.

TEPKRI SARSANG A/S
Notes as at 31.12.2021
(USD 1,000)

Note 1, Revenue

The revenue was generated from selling oil in Kurdistan.

Note 2, Intangible assets	2021	2021	2021
USD'000	Oil rights, proved	Oil rights, unproved	Software
Cost at 01.01	25,514	223,808	274
Additions during the year	0	0	0
Transferred	9,780	(9,780)	0
Cost price 31.12	<u>35,294</u>	<u>214,028</u>	<u>274</u>
Depreciation, amortisation and write-downs at 01.01	2,626	170,620	234
Depreciation and amortisation for the year	2,634	0	40
Depreciation, amortisation and write-downs at 31.12	<u>5,260</u>	<u>170,620</u>	<u>274</u>
Carrying amount 31.12	<u>30,034</u>	<u>43,407</u>	<u>0</u>

Allocation of Depreciation and amortisation in
Income Statement

Production costs	2,634
Administrative expenses	40
	<u>2,674</u>

Note 3, Property, plant and equipment

USD'000	2021 Production facilities etc.	2021 Production facilities etc. under construction
Cost at 01.01	52,979	22,173
Additions during the year	5,504	22,283
Transferred	3,969	(3,969)
Cost price 31.12	<u>62,453</u>	<u>40,486</u>
Depreciation, amortisation and write-downs at 01.01	9,288	0
Depreciation and amortisation for the year	5,297	0
Depreciation, amortisation and write-downs at 31.12	<u>14,585</u>	<u>0</u>
Carrying amount 31.12	<u>47,868</u>	<u>40,486</u>
Allocation of Depreciation and amortisation in Income Statement		2021
Production costs		5,297

Note 4, Staff costs

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

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: Managing Director. The members of the Board of Directors receive 0 in remuneration.

Note 5, Corporate tax

Tax income on profit for the year is USD nil (2020: income of USD 1 thousand) due to an adjustment related to prior years.

Note 6, Proposed distribution of net result	2021	2020
USD'000		
Retained earnings	46,887	7,298
	<u>46,887</u>	<u>7,298</u>

Note 7, Prepayment

Prepayments primarily includes prepaid administrative expenses and insurance.

Note 8, Provisions

Other non-current provisions include discounted abandonment provision of USD 3 million (2020: USD 3 million).

Note 9, Contingencies

For development activities in Kurdistan, the Company is liable jointly and severally with the other partners for development commitment and obligations in connection with field developments.

As of 31 December 2021, the Company is jointly taxed with the Danish companies within the TotalEnergies group of companies. 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. The tax is divided between the members of the joint taxation scheme by use of the full allocation method.

Joint tax liability for previous periods still exists.

Note 10, Related parties

Related party transactions comprise of companies within the TotalEnergies group of companies, the Executive board and board members of the Company.

Transactions during 2021 with related parties:

	2021	2020
Purchase of services from affiliate	(2,281)	(2,152)

Remuneration to the parent company's Executive Board and Board of Directors is disclosed in note 4.

Payables and receivables to group entities are disclosed in the balance sheet.

Parties exercising control

The Company is 100% owned by TotalEnergies EP Danmark A/S.

As of 31 December 2021, the ultimate parent company is TotalEnergies SE, Tour Coupole, 2 place Jean Millier, 92078 Paris la Défense, France. The consolidated Financial Statements of TotalEnergies SE are available at

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

The Company is included in the consolidated Financial Statements as a subsidiary.

Note 11, Other non-cash items in Cash Flow Statement

The other non-cash items in Cash Flow Statement are nil in 2021 and USD 193 thousand in 2020, comprising of changes in "Other provisions" related to abandonment provision under Non-current liabilities and other adjustments in the Balance Sheet.

Note 12, Change in working capital

USD'000	2021	2020
Receivables from sale of oil and gas	(11,721)	(1,568)
Receivables from group companies	(29,618)	13,690
Other receivables	0	1
Prepayments	(29)	99
Change in receivables	<u>(41,368)</u>	<u>12,222</u>
Trade payables	4,042	2,042
Payable to group companies	(692)	(2,534)
Change in trade and other payables	<u>3,350</u>	<u>(492)</u>