

**Total E&P Algérie Berkine A/S**

**CVR-No. 14030573**

**Annual Report 2020**

  
Approved at the General Assembly: 25 May 2021  
Chairman of the meeting: Majbritt Perotti Carlson  
Amerika Plads 29, 2100 Copenhagen Ø

### **Company information**

Total E&P Algérie Berkine A/S  
Amerika Plads 29  
2100 Copenhagen Ø  
Denmark

CVR-No.: 14030573  
Date of incorporation: 28 March 1990  
Registered office: Copenhagen  
Financial year: 1 January 2020 - 31 December

### **Board of Directors**

Romarc Pascal Marie Roignan (Chairman)  
Martin Rune Pedersen  
Christina Sjøberg Heineke Petersen

### **Executive Board**

Samir Oumer

### **Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 Copenhagen Ø

### **Representation office**

Total E&P Algérie Berkine A/S  
18, Rue Mustapha Khalef  
16306 Ben Aknoun, Alger  
Algeria

## Directors' Report

### Activities

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

Total E&P Algérie Berkine A/S participates in production activities in two onshore blocks in partnership with Anadarko, ENI and the state-owned oil company Sonatrach.

### Financial review

#### Financial performance for the year

The result for 2020 shows a profit of USD 63 million, which is much lower than the last year result (2019: USD 156 million) mainly reflecting the decrease in Brent price to an average of USD/bl 41.8 (vs USD/bl 63.0 in 2019) and the decrease in production.

In 2020, Total E&P Algérie Berkine A/S delivered an entitlement oil production of 22.8 kboepd, slightly lower than last year (2019: 29.1 kboepd), following the enforcement of OPEC quotas, in line with the stop of drilling program following the economic crisis and the drop of oil prices in March 2020, and also due to the accident on train 2 of the El Merk plant at the end of October.

Key figures for the Company are as follows:

USD million	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Income statement:</b>					
Revenue	377	709	823	612	555
Profit before financial items and tax	256	576	674	468	383
Financial items, net	1	4	2	1	0
Profit for the year after tax	63	156	200	143	85
<b>Balance sheet:</b>					
Total assets	411	545	644	470	700
Investments in property, plant and equipment	224	260	313	357	409
Equity	367	504	588	389	621
Profit margin	68%	81%	82%	76%	69%
Solvency ratio	89%	93%	91%	83%	89%
Return on equity	70%	115%	115%	121%	62%

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

#### Guidance for 2021

Due to the current volatility of the oil prices since the beginning of the Covid crisis and the works planned around El Merk plant heater during the first semester of 2021 to resume full field production, it is hard to predict the Revenue and Result for 2021 but a higher result than in 2020 is expected.

#### **External environment**

Total E&P Algérie Berkine A/S continuously supports the Operator in ensuring operations are conducted in the safest and most efficient manner. Furthermore, Total E&P Algérie Berkine A/S, through its active engagement in the Algerian joint operation, seeks to make use of environmentally friendly and energy efficient solutions to reduce negative impact on the environment.

In 2020 Total E&P Algérie Berkine A/S has promoted the implementation of quarantine and strict workers separation and masks utilization to ensure the limitation of the Covid propagation within the production areas.

#### **Corporate Social Responsibility**

Social responsibility is important to Total's business and Total E&P Algérie Berkine A/S continues its activities in line with the Total SE strategy.

For more information, reference is made to Total SE's Universal Registration Document 2020, page 217 at:

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

Requirements according to the Danish Financial Statements Act, section 99a and 99c have been fulfilled, reference to reporting for parent Company Total SE.

#### Goals and policies for the underrepresented gender

The Board believes that its members should be elected on the basis of their combined qualifications and at the same time recognise the advantages of a Board comprising a wide range of backgrounds such as global experience, style, culture and gender.

As of 31 December 2020, there was 1 woman among the 3 board members appointed at the general meeting. Consequently, the Company's board is according to the Danish Companies Act considered having equal representation of genders among the Company's shareholder-appointed board members.

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.

Total SE has adopted a group policy for the complete group with the aim to increase the share of the under-represented gender on the Company's other management levels. In accordance with this policy the Company has taken steps to look into how the Company can attract qualified women to relevant management positions. In addition, this is a focus area when identifying candidates to key positions. A description of the policy and reporting on the gender composition can be found in Total SE's Universal Registration Document 2020, page 228 at:

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

Requirements according to the Danish Financial Statements Act, section 99b have been fulfilled, reference to reporting for parent company Total SE.

#### Payments to governments

Requirements according to the Danish Financial Statements Act, section 99c have been fulfilled, reference to reporting for parent Company Total SE. The information can be found from the Total SE's Registration Document 2020, page 261, 285, 445 and 464 at:

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

#### **Risks and uncertainties**

Total E&P Algérie Berkine A/S is subject to a variety of risks which derive from the nature of the oil production activities.

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

## **Management's Statement**

The Board of Directors and Executive Board have today discussed and approved the annual report of Total E&P Algérie Berkine A/S for 2020.

The annual report for 2020 of Total E&P Algérie Berkine A/S has been prepared in accordance with Danish Financial Statements Act and in our opinion gives a true and fair view of the Company's assets, liabilities and the financial position at 31 December 2020 and of the results of the Company's operations for the financial year 2020.

In our opinion, the Directors' Report includes a fair review of the development in and the result of the Company's operations and financial conditions, the result for the year and financial position as well as a description of the most significant risks and uncertainty factors that the Company faces.

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

Copenhagen, 25 May 2021

Executive Board:



Samir Ourner

Board of Directors:



Romaric Pascal Marie Rognan  
(Chairman)



Martin Rune Pedersen



Christina S. Heineke Petersen

## **Independent auditors' report**

To the shareholder of Total E&P Algérie Berkine A/S

### **Opinion**

We have audited the financial statements of Total E&P Algérie Berkine A/S for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the

economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the Company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Statement on the Management's review**

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the



requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 25 May 2021

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



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



Martin Pieper  
State Authorised  
Public Accountant  
MNE no. 44063

### Accounting Policies

The Annual Report for 2020 of Total E&P Algérie Berkine 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.

The Cash Flow Statement of Total E&P Algérie Berkine A/S is recognized in the consolidated financial statements of Total SE, Tour Coupole, 2 place Jean Millier, 92078 Paris la Défense, France. Therefore, cash flow statement is not presented in the annual report of Total E&P Algérie Berkine A/S, cf. Danish Financial Statements Act provision 86 section 4.

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 Total SE where this is presented for the Group as a whole.

### Key Figures

The ratios shown in the Directors' Report are computed as follows:

$$\begin{aligned} \text{Profit margin} &= \frac{\text{Result before financial items}}{\text{Revenue}} \\ \text{Solvency ratio} &= \frac{\text{Equity, closing}}{\text{Total assets, closing}} \\ \text{Return on equity} &= \frac{\text{Result before taxes}}{\text{Equity, closing}} \end{aligned}$$

### 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 6.0576 at 31 December 2020 (2019: DKK 6.6759).

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 as well as oil traded. If the Company sells more than its share of the produced oil (overlift), this is recognised at sales price in the balance sheet under "Deferred income". If the Company

sells less than its share of the produced oil (underlift), this is recognised at cost price under "Inventories". Tax settled in oil is recognised both as revenue and tax expenses.

**Production costs** is 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, depreciation and amortisation of production related non-current assets and other indirect production costs.

**Administrative expenses** include parent company overhead, depreciation and amortisation of not related to production non-current assets and other general administrative expenses including non-production staff cost.

**Financial items** comprise interest and currency exchange rate gains and losses from translation of balances in foreign currencies other than USD.

The Company is jointly taxed with a number of Danish companies in the Total Group. **Tax on profit** for the year includes the amount estimated to be paid for the year as well as adjustments regarding previous years. Furthermore, tax cost includes oil tax based on gross measures.

The tax amount includes the special taxes relating to extraction and production of hydrocarbons in Algeria.

#### 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.

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. Costs include the net present value of estimated costs of abandonment, removal and restoration, where the Company holds this obligation. Depreciation on production facilities etc. is made over the expected production period/economic life, based on production capacity of oil reserves.

Depreciation method for production equipment is UOP: Unit of Production Method.

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

Impairment losses are recognised 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 assessed monthly and transferred to "in service" when considered final.

Impairment losses are recognised 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 of disposals.

**Inventories**, which mainly comprise spare parts etc., are measured at cost following the FIFO principle, less write-down for obsolescence. Underlift is measured at lower of cost and market price.

**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** recognised under assets include prepaid expenses.

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

**Provisions** are recognised when there is an existing legal or actual obligation. Provisions are recognised on the basis of specific estimates and consider discounting when the time element is significant.

**Payable to group companies and trade payables** include balance with operator, related to expenses incurred under the Production Sharing Contract. The debt is measured at amortised cost price or lower net realisable value, which in most situations corresponds to the nominal value.

**Other payables** include balance with operator, related to expenses incurred under the Production Sharing Contract.

**TOTAL E&P ALGÉRIE BERKINE A/S**  
**INCOME STATEMENT**

Note	USD 1,000		
	2020	2019	
1.	Revenue	376,615	708,917
2.	Production costs	(96,233)	(120,337)
	Gross profit	280,382	588,580
3.	Administrative expenses	(24,568)	(12,983)
	Profit before financial items and tax	255,814	575,597
	Financial income	737	4,150
	Financial expenses	(44)	(45)
	Profit before tax	256,507	579,702
4.	Tax on profit for the year	(193,570)	(423,413)
5.	<b>PROFIT FOR THE YEAR</b>	<b>62,937</b>	<b>156,289</b>

**TOTAL E&P ALGÉRIE BERKINE A/S**  
**BALANCE SHEET AT 31.12.2020**

Note	USD 1,000	
	2020	2019
<b>ASSETS</b>		
NON-CURRENT ASSETS		
2.	Intangible fixed assets	
	Software	415
		199
2.	Property, plant and equipment	
	Production facilities etc.	246,722
	Production facilities etc. under construction	12,719
		8,723
		223,341
	TOTAL NON-CURRENT ASSETS	259,856
		223,540
CURRENT ASSETS		
Inventories		
	Raw materials and consumables	36,759
		40,708
Receivables		
	Receivables from sale of oil etc.	2,657
	Receivables Group companies	226,345
	Other receivables	19,062
	Prepayments	138
		0
		146,666
		248,202
		135
	Cash	162
	TOTAL CURRENT ASSETS	285,123
		187,509
	<b>TOTAL ASSETS</b>	<b>544,979</b>
		<b>411,049</b>

**TOTAL E&P ALGÉRIE BERKINE A/S**  
**BALANCE SHEET AT 31.12.2020**

Note	USD 1,000	
	<b>2020</b>	<b>2019</b>
<b>LIABILITIES AND EQUITY</b>		
EQUITY		
	11,040	11,040
	296,371	293,434
	60,000	200,000
	<b>367,411</b>	<b>504,474</b>
NON-CURRENT LIABILITIES		
6.	Other provisions	16,847
		16,847
CURRENT LIABILITIES		
	Trade payables	8,141
	Payables to Group companies	1,523
	Tax payables	0
	Other payables	17,127
		26,791
		23,658
	<b>TOTAL LIABILITIES</b>	<b>43,638</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>411,049</b>
7.	Contingencies etc.	<b>544,979</b>
8.	Related parties	

**TOTAL E&P ALGÉRIE BERKINE A/S**  
**STATEMENT OF CHANGES IN EQUITY AT 31.12.2020**  
**(USD 1,000)**

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed Dividends</u>	<u>Total</u>
Equity 01.01	<b>11,040</b>	<b>293,434</b>	<b>200,000</b>	<b>504,474</b>
Profit for the year	0	2,937	60,000	62,937
Dividend paid	0	0	(200,000)	(200,000)
<b>Equity 31.12</b>	<b>11,040</b>	<b>296,371</b>	<b>60,000</b>	<b>367,411</b>

Share capital consists of the following shares:

<u>Number</u>	<u>Nominal, DKK</u>
70,000	1,000
Total nominal value in DKK	70,000,000

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



**TOTAL E&P ALGÉRIE BERKINE A/S**

**Notes as at 31.12.2020**

**(USD 1,000)**

**Note 1, Revenue**

The revenue was generated from selling oil and liquefied natural gas in Algeria.

<u>Revenue by activities</u>	<u>2020</u>	<u>2019</u>
Oil sales	340,418	640,110
Gas sales	16,580	28,591
Condensates sales	19,617	40,216
	<u>376,615</u>	<u>708,917</u>

**Note 2, Intangible assets/Property, plant and equipment**

	<b>2020</b>	<b>2020</b>	<b>2020</b>
	Software	Production facilities etc.	Production facilities etc. under construction
Cost at 01.01	650	1,191,066	12,719
Additions during the year	0	0	11,545
Transferred	0	15,541	(15,541)
Cost price 31.12	<u>650</u>	<u>1,206,607</u>	<u>8,723</u>
Depreciation and impairment losses at 01.01	235	944,344	0
Depreciation and amortisation for the year	217	47,645	0
Depreciation, amortisation and write-downs at 31.12	<u>452</u>	<u>991,989</u>	<u>0</u>
Carrying amount 31.12	<u>199</u>	<u>214,618</u>	<u>8,723</u>

	<b>2020</b>
Allocation of Depreciation and Amortisation in the Income Statement	
Production costs	47,645
Administrative expenses, software amortisation	217
	<u>47,861</u>

Property, plant and equipment in Algeria with the right of use for the consortium are included with a carrying amount of total USD 223 million (2019: USD 260 million). The consortium maintains the right of use of the assets until termination of the concession.

### **Note 3, Staff cost**

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 Board of Directors members receive 0 in remuneration.

### **Note 4, Corporate tax**

<i>Profit/(expenses)</i>	<b>2020</b>	<b>2019</b>
Current tax for the year	(183,222)	(422,666)
Prior year tax	(10,348)	(747)
Total tax for the year	<u>(193,570)</u>	<u>(423,413)</u>

### **Note 5, Proposed distribution of net profits**

	<b>2020</b>	<b>2019</b>
Proposed dividend for distribution	60,000	200,000
Retained earnings	2,937	(43,711)
	<u>62,937</u>	<u>156,289</u>

### **Note 6, Provisions**

Other provisions include discounted abandonment provisions amounting to USD 17 million (2019: USD 17 million) and are due after 5 years.

Asset retirement obligations, which result from a legal or constructive obligation, are recognized based on a reasonable estimate in the period in which the obligation arises. This estimate is based on information available in terms of costs and work program. It is regularly reviewed to take into account the changes in laws and regulations, the estimates of reserves and production, the analysis of site conditions and technologies. The discount rate is reviewed annually.

### **Note 7, Contingencies**

For exploration in Algeria, the Company is liable jointly and severally with the other consortium partners for exploration commitment and obligations in connection with field development.

As a normal part of business operations, Total E&P Algérie Berkine A/S enters into contracts for field development respectively chartering of drilling and production rigs, etc. By the end of 2020, there were commitments of USD 15 million (2019: USD 17 million).

As of 31 December 2020, the Company is jointly taxed with the Danish companies within the Total Group. This entails unlimited joint liability for Danish corporation taxes and withholding taxes on dividends, interests and royalties within the jointly taxed companies. A similar obligation exists for joint registration of VAT.

### **Note 8, Related parties**

Companies in the Total Group and the Executive board and board members of the Company are related parties.

*Transactions during 2020 with related parties:*

	<u>2020</u>	<u>2019</u>
Revenue	139,920	278,876
Expenses (exploration assistance, technical assistance, personnel costs share)	10,831	10,257
Interest received from group companies	705	4,072

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 3.

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

### **Parties exercising control**

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

As of 31 December 2020, the ultimate parent company is Total SE, Tour Coupole, 2 place Jean Millier, 92078 Paris la Défense, France. The consolidated Financial Statements of the Total group are available at:

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

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