



Annual Accounts

31 December 2020

**TE Holding SARL**

Société à responsabilité limitée

14-16, Avenue Pasteur

L-2310 Luxembourg

R.C.S. Luxembourg: B149.867

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## **Audit report**

To the Board of Managers of  
**TE Holding S.à r.l.**

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### **Our opinion**

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of TE Holding S.à r.l. (the “Company”) as at 31 December 2020, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

#### *What we have audited*

The Company’s annual accounts comprise:

- the balance sheet as at 31 December 2020;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the annual accounts” section of our report.

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

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

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### **Responsibilities of the Board of Managers for the annual accounts**

The Board of Managers is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Managers 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 unless the Board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



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## **Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the annual accounts**

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, 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 the Board of Managers;
- conclude on the appropriateness of the Board of Managers’ use of the going concern basis of accounting 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 audit report to the related disclosures in the annual accounts 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 audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.



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.

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**Restriction on Distribution and Use**

This report, including the opinion, has been prepared for and only for the Board of Managers in accordance with the terms of our engagement letter and is not suitable for any other purpose. We do not accept any responsibility to any other party to whom it may be distributed.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 23 March 2021

Anthony Dault

**Annual Accounts Helpdesk :**

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RCSL Nr. : B149867

Matricule : 2009 2434 657

eCDF entry date :

**BALANCE SHEET**

**Financial year from** <sup>01</sup> 01/01/2020 **to** <sup>02</sup> 31/12/2020 (in <sup>03</sup> USD )

TE Holding SARL  
 14-16, Avenue Pasteur  
 L-2310 Luxembourg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>	1109 _____	109 <u>2.529.932.331,10</u>	110 <u>2.472.289.931,68</u>
I. Intangible assets	1111 _____ <u>3</u>	111 <u>96.106,38</u>	112 <u>0,00</u>
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 <u>96.106,38</u>	124 <u>0,00</u>
II. Tangible assets	1125 _____ <u>4</u>	125 <u>10.774,26</u>	126 <u>18.128,10</u>
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B149867

Matricule : 2009 2434 657

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	10.774,26	18.128,10
4. Payments on account and tangible assets in the course of construction	1133		
<b>III. Financial assets</b>	1135	<b>2.529.825.450,46</b>	<b>2.472.271.803,58</b>
1. Shares in affiliated undertakings	1137 5a	96.081.348,55	607.641.233,15
2. Loans to affiliated undertakings	1139 5b	2.433.744.101,91	1.864.630.570,43
3. Participating interests	1141		
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		
5. Investments held as fixed assets	1145		
6. Other loans	1147		
<b>D. Current assets</b>	1151	<b>4.543.965.812,63</b>	<b>4.382.546,83</b>
<b>I. Stocks</b>	1153		
1. Raw materials and consumables	1155		
2. Work in progress	1157		
3. Finished goods and goods for resale	1159		
4. Payments on account	1161		
<b>II. Debtors</b>	1163	<b>4.543.244.536,95</b>	<b>4.068.459,15</b>
1. Trade debtors	1165		
a) becoming due and payable within one year	1167		
b) becoming due and payable after more than one year	1169		
2. Amounts owed by affiliated undertakings	1171 6	4.542.759.862,91	3.593.902,64
a) becoming due and payable within one year	1173	4.542.759.862,91	3.593.902,64
b) becoming due and payable after more than one year	1175		
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		
a) becoming due and payable within one year	1179		
b) becoming due and payable after more than one year	1181		
4. Other debtors	1183	484.674,04	474.556,51
a) becoming due and payable within one year	1185	484.674,04	474.556,51
b) becoming due and payable after more than one year	1187		

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Matricule : 2009 2434 657

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>721.275,68</u>	198 <u>314.087,68</u>
<b>E. Prepayments</b>	1199 _____	199 <u>2.461,48</u>	200 <u>2.970,00</u>
<b>TOTAL (ASSETS)</b>		201 <u>7.073.900.605,21</u>	202 <u>2.476.675.448,51</u>



RCSL Nr. : B149867

Matricule : 2009 2434 657

**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301 _____	301 <u>4.275.834.309,99</u>	302 <u>1.291.666.311,71</u>
I. Subscribed capital	1303 _____ 7a	303 <u>4.639.123.121,00</u>	304 <u>4.639.123.121,00</u>
II. Share premium account	1305 _____ 7b	305 <u>9.388.973.427,55</u>	306 <u>6.755.148.642,05</u>
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>194.816.088,29</u>	310 <u>194.816.088,29</u>
1. Legal reserve	1311 _____ 7c	311 <u>194.816.088,29</u>	312 <u>194.816.088,29</u>
2. Reserve for own shares	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 _____	430 _____
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 _____	434 _____
V. Profit or loss brought forward	1319 _____ 7d	319 <u>-10.297.421.539,63</u>	320 <u>-7.148.376.595,82</u>
VI. Profit or loss for the financial year	1321 _____ 7d	321 <u>350.343.212,78</u>	322 <u>-3.149.044.943,81</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
<b>B. Provisions</b>	1331 _____	331 _____	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
<b>C. Creditors</b>	1435 _____	435 <u>2.798.066.295,22</u>	436 <u>1.185.009.136,80</u>
1. Debenture loans	1437 _____	437 _____	438 _____
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____	445 _____	446 _____
i) becoming due and payable within one year	1447 _____	447 _____	448 _____
ii) becoming due and payable after more than one year	1449 _____	449 _____	450 _____
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	1357 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B149867

Matricule : 2009 2434 657

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 <u>132.909,83</u>	368 <u>50.942,52</u>
a) becoming due and payable within one year	1369 _____	369 <u>132.909,83</u>	370 <u>50.942,52</u>
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____ <b>8a</b>	379 <u>2.792.880.920,64</u>	380 <u>1.183.742.182,53</u>
a) becoming due and payable within one year	1381 _____	381 <u>2.576.699.399,64</u>	382 <u>273.286.292,97</u>
b) becoming due and payable after more than one year	1383 _____	383 <u>216.181.521,00</u>	384 <u>910.455.889,56</u>
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____	451 <u>5.052.464,75</u>	452 <u>1.216.011,75</u>
a) Tax authorities	1393 _____ <b>8b</b>	393 <u>5.019.169,37</u>	394 <u>1.175.040,93</u>
b) Social security authorities	1395 _____ <b>8b</b>	395 <u>9.968,28</u>	396 <u>14.775,96</u>
c) Other creditors	1397 _____	397 <u>23.327,10</u>	398 <u>26.194,86</u>
i) becoming due and payable within one year	1399 _____	399 <u>23.327,10</u>	400 <u>26.194,86</u>
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
<b>D. Deferred income</b>	1403 _____	403 _____	404 _____
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		405 <u>7.073.900.605,21</u>	406 <u>2.476.675.448,51</u>

**Annual Accounts Helpdesk :**

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RCSL Nr. : B149867

Matricule : 2009 2434 657

eCDF entry date :

**PROFIT AND LOSS ACCOUNT**

**Financial year from** 01 01/01/2020 **to** 02 31/12/2020 (in 03 USD )

TE Holding SARL  
 14-16, Avenue Pasteur  
 L-2310 Luxembourg

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 _____ <u>9</u>	713 _____ <u>89.866,84</u>	714 _____ <u>155.237,00</u>
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____	671 _____ <u>-399.873,91</u>	672 _____ <u>-291.943,56</u>
a) Raw materials and consumables	1601 _____	601 _____ <u>-12.422,89</u>	602 _____ <u>-7.851,20</u>
b) Other external expenses	1603 _____ <u>10</u>	603 _____ <u>-387.451,02</u>	604 _____ <u>-284.092,36</u>
<b>6. Staff costs</b>	1605 _____ <u>12</u>	605 _____ <u>-226.509,72</u>	606 _____ <u>-333.419,96</u>
a) Wages and salaries	1607 _____	607 _____ <u>-196.307,71</u>	608 _____ <u>-277.740,14</u>
b) Social security costs	1609 _____	609 _____ <u>-20.801,14</u>	610 _____ <u>-32.527,06</u>
i) relating to pensions	1653 _____	653 _____ <u>-15.674,57</u>	654 _____ <u>-22.289,96</u>
ii) other social security costs	1655 _____	655 _____ <u>-5.126,57</u>	656 _____ <u>-10.237,10</u>
c) Other staff costs	1613 _____	613 _____ <u>-9.400,87</u>	614 _____ <u>-23.152,76</u>
<b>7. Value adjustments</b>	1657 _____	657 _____ <u>-7.353,84</u>	658 _____ <u>-6.973,80</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____ <u>4</u>	659 _____ <u>-7.353,84</u>	660 _____ <u>-6.973,80</u>
b) in respect of current assets	1661 _____	661 _____	662 _____
<b>8. Other operating expenses</b>	1621 _____ <u>10</u>	621 _____ <u>-26.061,01</u>	622 _____ <u>31.377,03</u>

RCSL Nr. : B149867

Matricule : 2009 2434 657

	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721	721	722 <u>6.296,98</u>
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726 <u>6.296,98</u>
<b>11. Other interest receivable and similar income</b>	1727	727 <u>100.982.295,99</u>	728 <u>81.897.052,95</u>
a) derived from affiliated undertakings	1729 <u>5b</u>	729 <u>99.416.081,76</u>	730 <u>81.860.685,06</u>
b) other interest and similar income	1731	731 <u>1.566.214,23</u>	732 <u>36.367,89</u>
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663	663	664
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665 <u>5a</u>	665 <u>273.440.115,40</u>	666 <u>-3.179.978.749,84</u>
<b>14. Interest payable and similar expenses</b>	1627	627 <u>-19.773.853,36</u>	628 <u>-49.663.945,35</u>
a) concerning affiliated undertakings	1629 <u>8a</u>	629 <u>-19.191.481,95</u>	630 <u>-49.598.450,01</u>
b) other interest and similar expenses	1631	631 <u>-582.371,41</u>	632 <u>-65.495,34</u>
<b>15. Tax on profit or loss</b>	1635 <u>11</u>	635	636 <u>220.389,57</u>
<b>16. Profit or loss after taxation</b>	1667	667 <u>354.078.626,39</u>	668 <u>-3.147.964.678,98</u>
<b>17. Other taxes not shown under items 1 to 16</b>	1637 <u>11</u>	637 <u>-3.735.413,61</u>	638 <u>-1.080.264,83</u>
<b>18. Profit or loss for the financial year</b>	1669	669 <u>350.343.212,78</u>	670 <u>-3.149.044.943,81</u>

## NOTES TO THE ANNUAL ACCOUNTS

### 1. General

TE Holding S.à r.l. (the Company) is a limited liability company (société à responsabilité limitée) incorporated under the laws of Luxembourg on 4 December 2009 for an unlimited period.

The registered office of the Company is established at 14-16, Avenue Pasteur L-2310 Luxembourg.

The Company's financial year starts on 1 January and ends on 31 December of each year.

The purpose of the Company is the acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such participations. The Company may in particular acquire by subscription, purchase and exchange or in any other manner, any stock shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and more generally, any securities and financial instruments issued by any public or private entity. It may participate in the creation, development, management and control of any company or enterprise.

The Company may carry out any commercial, industrial or financial operations, any transactions in respect of real estate or moveable property, which the corporation may deem useful to the accomplishment of its purposes.

In accordance with its bylaws, the Company may borrow money and issue, by private placement, bonds, notes and any kind of debt and equity securities.

The Company may use any techniques and instruments to efficiently manage its investments and to protect itself against credit risks, currency exchange exposure, interest rate risk and other risks.

The financial statements of the Company and its subsidiaries are included in the consolidated financial statements of the ultimate parent company Repsol S.A. The consolidated financial statements of Repsol S.A., which forms the largest and smallest body of undertaking in which the Company is consolidated may be obtained from [www.repsol.com](http://www.repsol.com).

### 2. Summary of significant accounting policies

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of annual accounts under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the law of 19 December 2002, as amended, determined and applied by the members of the board.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the members of the board to exercise their judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore fairly represent the financial position of the company.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the context of the “Covid-19” pandemic, since the first half of 2020, Management has paid particular attention to the possible impacts linked to the health crisis on certain significant elements of its balance sheet and its income statement, and more particularly to aspects of valuation and recoverability of investments and receivables. Indeed, as mentioned above, forward-looking and / or estimated elements may enter into the calculation of certain items in the financial statements and be impacted by the pandemic and its related events, in particular greater volatility of the financial markets, as well as potential difficulties of loan’s counterparts. Based on its monitoring, controls, analysis, and internal policies put in place, Management has not identified any major impacts on the annual accounts requiring additional mention.

### 2.1. Intangible Assets

Intangible assets are carried at production costs, less accumulated amortisation. Amortisation is recognised on a straight-line basis over the estimated remaining useful life of the assets. The amortization rates and methods applied are as follows:

	Amortization Rate	Amortization Method
Computer applications	17%	Straight line over 6 years

Where the Company considers that an intangible asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

### 2.2. Tangible Assets

Tangible assets are valued at purchase price including the expenses incidental thereto. Tangible assets are depreciated over their estimated useful economic lives. The depreciation rates and methods applied are as follows:

	Depreciation Rate	Depreciation Method
Furniture and fixtures	10%	Straight line over 10 years
Other equipment	20%	Straight line over 5 years
Computer equipment	33%	Straight line over 3 years

Where the Company considers that a tangible asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

### 2.3. Financial Assets

Shares in affiliated undertaking and loans to these undertakings held as fixed assets are valued at nominal value including the expenses incidental thereto.

In the case of durable depreciation in value according to the option of the members of the board, value adjustments are made in respect of Financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

### 2.4. Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

## 2.5. Foreign Currency Translation

The Company maintains its accounting records in US Dollars (“USD”) and its annual accounts are expressed in this currency. Transactions expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction.

Monetary assets and liabilities in foreign currencies are revalued at the exchange rate prevailing at the Balance Sheet date. Exchange losses are recognized immediately in profit and loss account while gains are only recognized in the profit and loss account if realized.

Non-monetary assets and liabilities in foreign currencies are kept at historical exchange rates.

Accordingly, exchange losses and gains on non-monetary assets and liabilities are recognized in the profit and loss account only when realized.

## 2.6. Prepayments

Prepaid expenses (prepayments) are recorded as assets at their nominal value once a payment has been made in advance of receiving the services / goods. When services / goods have been received, the prepayment is charged against the profit and loss account.

## 2.7. Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount on the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Current income tax provision: provisions for taxation corresponding to the tax liability estimated by the Company for the financial years, for which the tax returns have not been assessed by the tax authorities yet, are recorded under the caption “Creditors / Tax and social security debts”. For the financial years, for which the tax return has not yet been filed, provisions are recorded under the caption “Creditors / Amounts owed by affiliated undertakings” due to the Company being part of a horizontal fiscal unity, in accordance with Article 164 bis of the Luxembourg Income Tax Law.

## 2.8. Creditors

Creditors are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear method.

## 2.9. Comparative information

Balances with affiliated undertakings consisting of loan principals have been reclassified to Financial assets / Loans to affiliated undertaking, with comparative information being disclosed in Note 5 and 6. Balances with affiliated undertakings linked by virtue of participating interest have been reclassified and comparative information is disclosed in Note 6.

Certain items of “Other operating expenses” have been reclassified to “Raw materials and consumables and other external expenses”, comparative information being disclosed in Note 10.

These reclassifications have no impact on the result for the year or the shareholders’ equity.

### 3. Intangible assets

During the year the Company incurred costs for a total of USD 96,106 in respect to the development of a software. The same amount of USD 96,106 (2019: nil) was capitalized as an intangible asset pending completion as at 31 December 2020.

### 4. Tangible assets

The tangible assets consist of office furniture and computer equipment. The movements for the year are as follows:

In USD	2020	2019
Gross book value – opening balance	180,108	172,507
Addition for the year	-	7,601
Gross book value - closing balance	180,108	180,108
Accumulated value adjustments – opening balance	(161,980)	(155,006)
Allocations for the year	(7,354)	(6,974)
Accumulated value adjustments - closing balance	(169,334)	(161,980)
Net book value – closing balance	10,774	18,128
Net book value – opening balance	18,128	17,501

### 5. Financial assets

#### a) Shares in affiliated undertakings

The movements for the year are as follows:

Shares in affiliated undertakings in USD	2020	2019
Gross book value – opening balance	5,042,012,672	4,961,703,208
Additions for the year	-	80,309,464
Disposals for the year	(3,693,858,105)	-
Gross book value – closing balance	1,348,154,567	5,042,012,672
Accumulated value adjustment – opening balance in USD	2020	2019
Accumulated value adjustment – opening balance	(4,434,371,439)	(1,254,392,689)
Allocations for the year	(48,823)	(3,180,552,864)
Reversals for the year	273,488,938	574,114
Disposals of the year	2,908,858,105	-
Accumulated value adjustment – closing balance	(1,252,073,219)	(4,434,371,439)
Net book value closing balance	96,081,348	607,641,233
Net book value opening balance	607,641,233	3,707,310,519

The movement in shares in affiliated undertakings is explained by the sale of FEHI Holding S.à r.l. to Repsol Exploracion S.A. on 10 August 2020. The transaction price was USD 785,000,000 while the net book value of FEHI Holding S.à r.l. prior to the sale was USD 513,228,296. Therefore, the transaction had a positive impact of USD 271,771,704, recognised in the profit and loss account (see section ii) of this note).



### i) Value adjustments on financial assets

The valuation adjustment in 2020 reflects an estimate of the charge required to include such investment values at the lower figure attributed to them at the balance sheet date. The amount of the charge is equal to USD 48,823 (2019: USD 3,180,552,864) and is attributable to the following affiliated undertakings:

Fixed asset in USD	2020	2019
FEHI Holding S.à r.l.	-	(3,180,452,223)
Talisman Perpetual (Norway) Ltd	(48,823)	(100,641)
Total value adjustments	(48,823)	(3,180,552,864)

### ii) Reversal of value adjustments on financial assets

The amount of the financial income derived from the reversal of value adjustments on financial assets is equal to USD 273,488,938 (2019: USD 574,114) and is attributable to the following affiliated undertakings:

In USD	2020	2019
FEHI Holding S.à r.l.	271,771,704	-
Paladin Resources Limited	1,717,234	574,114
Total reversal of value adjustments	273,488,938	574,114

### iii) Net book value of financial assets

List of shares in affiliated undertakings (100% held) in USD	GAAP	Net book value 31 December 2020	Net book value 31 December 2019	Net equity at 31 Dec 2020*	Profit (loss) at 31 Dec 2020*
FEHI Holding S.à r.l.	LuxGAAP	N/A	513,228,296	N/A	N/A
Paladin Resources Limited	FRS 101	96,081,349**	94,364,114	33,817,051	(26,599)
Talisman Perpetual (Norway) Ltd	FRS 101	-	48,823	(19,745)	(66,913)
Total		96,081,349	607,641,233	33,797,306	(93,512)

(\*) Based on audited or reviewed annual accounts incorporated in Repsol Consolidated financial statements

(\*\*)Based on available information, management has assessed the level of impairment booked as at 31 December 2020 to be sufficient.

Details of the investments in subsidiaries owned 100% are as follows:

Name of Company	Registered address
Talisman Perpetual (Norway) Ltd	Suite 1, 3rd Floor 11-12 St. James's Square, SW1Y 4LB, London, England
Paladin Resources Limited	13 Queen's Road, Aberdeen, AB15 4YL, United Kingdom

## b) Loans to affiliated undertakings

The loan principals to affiliated undertakings with a maturity over a year that formed part of “Debtors / Amounts owed by affiliated undertakings” were reclassified to item “Financial assets / Loans to affiliated undertakings” with comparative data being shown below:

In USD	2020	2019
Loans to affiliated undertakings	Principal	Principal
Due within one to five years	2,433,744,102	1,864,630,570

The details on the financial positions with affiliated undertakings is as below:

Affiliated undertaking name	Loan currency	Loan principal in USD	Accrued interest receivable in USD	Starting date	Maturity date	Interest rate at 31.12.2020
REPSOL OIL & GAS USA, LLC	USD	497,700,000	957,796	16/12/2016	15/07/2024	4.33000%
REPSOL OIL & GAS USA, LLC	USD	704,380,773	1,355,542	16/12/2016	16/12/2024	4.33000%
REPSOL OIL & GAS USA, LLC	USD	500,000,000	962,222	16/12/2016	16/12/2024	4.33000%
REPSOL OIL & GAS USA, LLC	USD	162,549,797	312,818	16/12/2016	16/12/2024	4.33000%
REPSOL CORRIDOR S.A.	USD	432,602,839	24,033	31/12/2020	31/12/2023	2.40388%
REPSOL NORGE AS	NOK	136,510,693	9,920	28/09/2018	28/09/2023	2.31000%
Total due and payable after more than one year	USD	2,433,744,102	3,622,332			

The total interest derived from the loans to affiliated undertakings amounts to USD 99,416,082 for the year (2019: USD 81,860,685).

Management assessed the recoverability of the loans and considered that no value adjustment is needed on the “Financial assets / Loans to affiliated undertakings” in the accounts of the Company.

## 6. Debtors

Debtors are mainly composed of short-term loans and accrued interest outstanding on both short term and long-term loans to affiliated undertakings:

In USD	2020	2019	2020	2019
	Principal	Principal	Accrued interest	Accrued interest
Due within one year	4,531,789,885	-	10,824,994	3,588,378

The details on the financial positions with affiliated undertakings is as below:

Affiliated undertaking name	Loan currency	Loan principal in USD	Accrued interest receivable in USD	Starting date	Maturity date	Interest rate at 31.12.2020
REPSOL EXPLORACION, S.A.	USD	4,531,789,885	7,202,663	01/06/2020	01/06/2021	1.88763%

As at 31 December 2019, other amounts owed by affiliated undertakings linked by virtue of participating interest were due to intercompany trade with Talisman Perpetual (Norway) Ltd for an amount of USD 5,525. This item has been reclassified to “Amounts owed by affiliated undertakings” becoming due within one year.

As of 31 December 2020, other amounts owed by affiliated undertakings were USD 144,984 (2019: USD 5,525).

Management assessed the recoverability of the loans and considered that no value adjustment is needed on the “Current assets / Amounts owed by affiliated undertakings” in the accounts of the Company.

## 7. Capital and reserves

### a. Subscribed capital

The subscribed capital amounts to USD 4,639,123,121 (2019: USD 4,639,123,121) and is divided into i) 231,956,156 ordinary shares with a nominal value of USD 20.00 each and ii) one Class A repurchasable share having a nominal value of USD 1, all subscribed and fully paid.

On 11 August 2020 the Company was sold by its previous shareholder Repsol Oil & Gas Canada Inc to Albatros S.à r.l. for a purchase price that amounted to USD 1,677,000,000.

There were no movements on the “Subscribed capital” item during the year.

### b. Share premium account

The movements on the “Share premium account” item during the year are as follows:

Share premium and similar premiums in USD	Share premium account	Account 115	Total
As at 31 December 2019	6,675,148,642	80,000,000	6,755,148,642
Movements for the year	-	2,633,824,786	2,633,824,786
As at 31 December 2020	6,675,148,642	2,713,824,786	9,388,973,428

The movement for the year on the share premium is due to equity contributions without issuance of shares following the decision made by the members of the board on 30 October 2020. This contribution was done for the acquisition of certain intragroup loans’ contractual positions (a loan to Repsol Exploracion S.A. of USD 4,337,908,391 and a loan from Repsol Oil & Gas Canada Inc. of USD 1,704,083,605) in the context of the increase of the intragroup finance activity of the Company.

### c. Legal reserve

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

The current reserve amounts to USD 194,816,088 (2019: USD 194,816,088).

### d. Movements for the year on the reserves and profit and loss items

The movements for the year are as follows:

In USD	Legal reserve	Profit or loss brought forward	Profit or loss for the financial year
As at 31 December 2019	194,816,088	(7,148,376,596)	(3,149,044,944)
Allocation of previous year’s profit	-	(3,149,044,944)	3,149,044,944
Profit (loss) for the year	-	-	317,022,024
As at 31 December 2020	194,816,088	(10,297,421,540)	317,022,024

## 8. Creditors

### a. Amounts owed to affiliated undertakings

The amounts owed to affiliated undertakings and payable after one year and within five years consist of the following:

In USD	2020	2019	2020	2019
Loans from affiliated undertakings	Principal	Principal	Accrued interest	Accrued interest
Due within one year	2,576,253,676	272,826,649	384,313	459,644
Due within one to five years	216,181,521	910,270,776	-	185,114
<b>Total</b>	<b>2,792,435,197</b>	<b>1,183,097,425</b>	<b>384,313</b>	<b>644,758</b>

The details on the financial positions with affiliated undertakings is as below:

Affiliated undertaking name	Loan currency	Loan principal in USD	Accrued interest receivable in USD	Starting date	Maturity date	Interest rate at 31.12.2020
REPSOL OIL & GAS CANADA INC.	USD	2,164,872,500	11,659	08/05/2020	08/05/2021	0.16038%
FORTUNA INT. PETROLEUM CORP.	USD	445,008	27,779	30/11/2020	30/11/2021	0.16438%
FORTUNA RESOURCES (SUNDA) LTD.	USD	22,260,650	7,363	01/12/2020	01/12/2021	0.16538%
OLEUM INSURANCE CO. LTD.	USD	1,148,344	22,778	01/12/2020	01/01/2021	1.95100%
TALISMAN INTERNATIONAL (LUXEMBOURG) SARL	USD	961,736	5,553	01/12/2020	01/12/2021	0.17513%
TALISMAN RESOURCES (NORTH WEST JAVA) LTD	USD	41,329,208	5,886	01/12/2020	01/12/2021	0.16538%
TALISMAN TRANSGASINDO LTD	USD	39,900,179	16,838	01/12/2020	01/12/2021	0.16513%
PALADIN RESOURCES LTD	USD	56,525,413	245	01/12/2020	30/09/2021	0.19388%
REPSOL E&P USA HOLDINGS	USD	50,125,340	13,542	29/04/2020	29/04/2021	0.15438%
REPSOL BOLIVIA S.A.	USD	4,085,847	633	28/02/2020	28/02/2021	0.17438%
REPSOL E&P BOLIVIA, S.A.	USD	194,562,812	28,675	29/11/2020	30/11/2021	0.16438%
REPSOL EXPLORACION ATLAS SUC.BOLIVIA	USD	36,640	15	01/10/2020	01/10/2021	0.16513%
<b>Total due and payable within one year</b>	<b>USD</b>	<b>2,576,253,676</b>	<b>140,965</b>			

  

Affiliated undertaking name	Loan currency	Loan principal in USD	Accrued interest receivable in USD	Starting date	Maturity date	Interest rate at 31.12.2020
REPSOL E&P BOLIVIA, S.A.	USD	140,008,089	239,213	12/09/2018	12/09/2021	0.55413%
REPSOL GESTIÓN DE DIVISA, S.L.	USD	76,173,432	4,134	26/04/2018	26/04/2022	1.92875%
<b>Total due and payable after more than one year</b>	<b>USD</b>	<b>216,181,521</b>	<b>243,348</b>			

The total interest derived from the loans to affiliated undertakings amounts to USD 19,191,482 (2019: USD 49,598,450).

As of 31 December 2020, other amounts owed to affiliated undertakings were USD 61,411 (2019: nil).

### b. Tax and social security authorities

Balances with tax and social security authorities are composed of the tax debts of the Company and the tax debts assumed by the Company due to the merger of TE Finance S.à r.l. on 5 November 2018.

The following assumed and own tax liabilities, pending the assessment of the tax authorities, remain outstanding:

In USD		2020	2019
Company	Assumed tax debts	Amount	Amount
TE Finance S.à r.l.	Wealth tax	19,654	19,654
TE Holding S.à r.l.	Wealth tax	4,999,516	1,155,387
TE Holding S.à r.l.	Social security debts	9,968	14,776
Total		5,029,138	1,189,817

Tax authorities did not assess any further positions on the assumed tax debts during the year, thus the Company's profit or loss account had nil impact (2019: USD 290,105).

## 9. Other operating income

During the year the Company recharged a portion of its general and administrative costs to affiliated undertakings, such transactions being concluded at arm's length.

In USD	2020	2019
Other affiliates	71,172	126,215
FEHI Holding S.à r.l.	18,695	25,793
Paladin Resources Limited	-	3,229
Total	89,867	155,237

## 10. Other operating expenses

For comparative reasons, following items from 2019 were reclassified to "Raw materials and consumables and other external expenses":

USD	2020	2019
Rent and service charges	(117,313)	(142,055)
IT processing fees	(42,085)	(54,723)
Employee related other than salaries and benefits	-	(6,811)
Professional fees	(223,872)	(76,351)
Other office expenses	(4,181)	(4,152)
Total	(387,451)	(284,092)

Other operating expenses include the following:

Other operating expenses (USD)	2020	2019
Non-deductible VAT	(11,971)	45,550
Directors' fees and related expenses	(14,090)	(14,173)
Total	(26,061)	31,377

## 11. Current taxes

The Company, together with undertakings Albatros S.à r.l. (the Head of Tax Unity), Gaviota RE S.A., Talisman International (Luxembourg) S.à r.l. and Repsol Transgasindo S.à r.l. form a horizontal fiscal unity for income tax purposes (together, the "Tax Unity").

The Tax Unity is a fiscal unity for income tax purposes in accordance with Article 164 bis of the Luxembourg Income Tax Law, in compliance with the requirements stated therein.

Following the adoption of Bill 7020 on 14 December 2016 by the Luxembourg Parliament, tax losses generated after 1 January 2017 can be carried forward for a 17 years' period and not indefinitely in time. In this respect, before entering the Tax Unity, the Company had following carry-forward tax losses:

Fiscal year	Amount (USD)
2012	(3,787,544,851)
2013	(1,381,789,852)
2014	(2,560,647,100)
2015	(1,967,648,361)
Total carry-forward losses	(9,697,630,164)

The current tax recovery / (expense) of the Company for the financial year is broken down as follows:

Current taxes (USD)	2020	2019
Income tax recovery due to tax unity	-	220,969
Corporate income tax expense	-	(579)
Wealth tax for the current year	(3,735,414)	(1,149,980)
Wealth tax for the previous years	-	69,715
Net current tax recovery / (expense)	(3,735,414)	(859,875)

## 12. Staff

The Company employed an average of 2.5 persons during the financial year (2019: 3.5).  
Remuneration paid to the directors amounted to USD 14,090 (2019: USD 14,173).

## 13. Off Balance Sheet commitments

The Company has no items which are not reflected on the Balance Sheets.

## 14. Post-balance sheet events

No events or transactions have occurred or are pending that would have a material effect on the financial statements as of 31 December 2020 and for the year then ended.

**TE Holding SARL**

Société à responsabilité limitée

14-16, Avenue Pasteur

L-2310 Luxembourg

RCS Luxembourg: B149.867

**2020 Appropriation of the results**

After having carefully considered, examined and discussed the 2020 annual accounts of the company, having regard to all circumstances and matters of fact, the members of the board proposed, and the Shareholder should approve the following appropriation of the 2020 results:

	<b>USD</b>
Loss brought forward	(10,297,421,539.63)
2020 Profit	350,343,212.78
	<hr/> <hr/>
Amount brought forward to 2021	(9,947,078,326.85)