



Annual Accounts

31 December 2019

**TE Holding S.à r.l.**

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 2019, 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 2019;
- 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 Ethics Standards Board for Accountants’ Code of Ethics for Professional 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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### **Other Matter**

The comparative information of the Company has not been audited in accordance with International Standards on Auditing as adopted for Luxembourg by the CSSF.

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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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### **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, 25 May 2020

Claude Jacoby

**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> 01/01/2019 **to** <sup>02</sup> 31/12/2019 (in <sup>03</sup> USD )

TE Holding SARL  
 3, rue Marcel Fischbach  
 L-1547 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>607.659.361,25</u>	110 <u>3.707.328.020,56</u>
I. Intangible assets	1111 _____	111 _____	112 _____
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 _____	124 _____
II. Tangible assets	1125 _____	125 <u>18.128,10</u>	126 <u>17.501,10</u>
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

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	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 <u>3</u>	131 <u>18.128,10</u>	132 <u>17.501,10</u>
4. Payments on account and tangible assets in the course of construction	1133 _____	133 _____	134 _____
III. Financial assets	1135 _____	135 <u>607.641.233,15</u>	136 <u>3.707.310.519,46</u>
1. Shares in affiliated undertakings	1137 <u>4</u>	137 <u>607.641.233,15</u>	138 <u>3.707.310.519,46</u>
2. Loans to affiliated undertakings	1139 _____	139 _____	140 _____
3. Participating interests	1141 _____	141 _____	142 _____
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Investments held as fixed assets	1145 _____	145 _____	146 _____
6. Other loans	1147 _____	147 _____	148 _____
<b>D. Current assets</b>	1151 <u>5</u>	151 <u>1.869.013.117,26</u>	152 <u>1.869.907.055,75</u>
I. Stocks	1153 _____	153 _____	154 _____
1. Raw materials and consumables	1155 _____	155 _____	156 _____
2. Work in progress	1157 _____	157 _____	158 _____
3. Finished goods and goods for resale	1159 _____	159 _____	160 _____
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 _____	163 <u>1.868.699.029,58</u>	164 <u>1.869.281.798,29</u>
1. Trade debtors	1165 _____	165 _____	166 _____
a) becoming due and payable within one year	1167 _____	167 _____	168 _____
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 <u>5a/5b</u>	171 <u>1.868.218.948,37</u>	172 <u>1.868.527.330,68</u>
a) becoming due and payable within one year	1173 _____	173 _____	174 <u>1.868.527.330,68</u>
b) becoming due and payable after more than one year	1175 _____	175 <u>1.868.218.948,37</u>	176 _____
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 <u>5a</u>	177 <u>5.524,70</u>	178 <u>62.461,19</u>
a) becoming due and payable within one year	1179 _____	179 <u>5.524,70</u>	180 <u>62.461,19</u>
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____
4. Other debtors	1183 _____	183 <u>474.556,51</u>	184 <u>692.006,42</u>
a) becoming due and payable within one year	1185 _____	185 <u>474.556,51</u>	186 <u>692.006,42</u>
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____

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	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>314.087,68</u>	198 <u>625.257,46</u>
<b>E. Prepayments</b>	1199 _____	199 <u>2.970,00</u>	200 <u>1.075,39</u>
<b>TOTAL (ASSETS)</b>		201 <u>2.476.675.448,51</u>	202 <u>5.577.236.151,70</u>



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**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
I. Subscribed capital	1301 _____ 1303 _____ 6a	301 _____ 1.291.666.311,71 303 _____ 4.639.123.121,00	302 _____ 3.941.802.187,52 304 _____ 4.639.123.120,00
II. Share premium account	1305 _____ 6b	305 _____ 6.755.148.642,05	306 _____ 6.256.239.575,05
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 _____ 194.816.088,29	310 _____ 172.953.053,35
1. Legal reserve	1311 _____ 6c/6d	311 _____ 194.816.088,29	312 _____ 172.953.053,35
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 _____ 6d	319 _____ -7.148.376.595,82	320 _____ -7.563.774.259,67
VI. Profit or loss for the financial year	1321 _____ 6d	321 _____ -3.149.044.943,81	322 _____ 437.260.698,79
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 _____ 1.185.009.136,80	436 _____ 1.635.433.964,18
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 _____

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	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>50.942,52</u>	368 <u>23.954,68</u>
a) becoming due and payable within one year	1369 _____	369 <u>50.942,52</u>	370 <u>23.954,68</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>7a</b>	379 <u>1.183.742.182,53</u>	380 <u>1.613.884.417,30</u>
a) becoming due and payable within one year	1381 _____	381 <u>273.286.292,97</u>	382 <u>1.613.884.417,30</u>
b) becoming due and payable after more than one year	1383 _____	383 <u>910.455.889,56</u>	384 _____
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 <u>21.220.609,53</u>
a) becoming due and payable within one year	1387 _____	387 _____	388 <u>21.220.609,53</u>
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____	451 <u>1.216.011,75</u>	452 <u>304.982,67</u>
a) Tax authorities	1393 _____ <b>7b</b>	393 <u>1.175.040,93</u>	394 <u>253.966,91</u>
b) Social security authorities	1395 _____ <b>7b</b>	395 <u>14.775,96</u>	396 <u>18.543,78</u>
c) Other creditors	1397 _____	397 <u>26.194,86</u>	398 <u>32.471,98</u>
i) becoming due and payable within one year	1399 _____	399 <u>26.194,86</u>	400 <u>32.471,98</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>2.476.675.448,51</u>	406 <u>5.577.236.151,70</u>

**Annual Accounts Helpdesk :**

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**Email** : centralebilans@statec.etat.lu

RCSL Nr. : B149867

Matricule : 2009 2434 657

eCDF entry date :

**PROFIT AND LOSS ACCOUNT**

**Financial year from** 01 01/01/2019 **to** 02 31/12/2019 (in 03 USD )

TE Holding SARL  
 3, rue Marcel Fischbach  
 L-1547 Luxembourg

**PROFIT AND LOSS ACCOUNT**

	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 _____ <b>8</b>	713 _____ <b>155.237,00</b>	714 _____ <b>256.688,66</b>
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____	671 _____ <b>-7.851,20</b>	672 _____ <b>-15.166,28</b>
a) Raw materials and consumables	1601 _____	601 _____ <b>-7.851,20</b>	602 _____ <b>-15.166,28</b>
b) Other external expenses	1603 _____	603 _____	604 _____
<b>6. Staff costs</b>	1605 _____	605 _____ <b>-333.419,96</b>	606 _____ <b>-337.732,80</b>
a) Wages and salaries	1607 _____	607 _____ <b>-277.740,14</b>	608 _____ <b>-291.687,09</b>
b) Social security costs	1609 _____	609 _____ <b>-32.527,06</b>	610 _____ <b>-44.856,59</b>
i) relating to pensions	1653 _____	653 _____ <b>-22.289,96</b>	654 _____ <b>-2.763,67</b>
ii) other social security costs	1655 _____	655 _____ <b>-10.237,10</b>	656 _____ <b>-42.092,92</b>
c) Other staff costs	1613 _____	613 _____ <b>-23.152,76</b>	614 _____ <b>-1.189,12</b>
<b>7. Value adjustments</b>	1657 _____	657 _____ <b>-6.973,80</b>	658 _____ <b>-5.833,68</b>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____ <b>3</b>	659 _____ <b>-6.973,80</b>	660 _____ <b>-5.833,68</b>
b) in respect of current assets	1661 _____	661 _____	662 _____
<b>8. Other operating expenses</b>	1621 _____ <b>9</b>	621 _____ <b>-252.715,33</b>	622 _____ <b>-987.911,95</b>

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	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 <u>6.296,98</u>	722 <u>1.903.356,36</u>
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725 <u>4c</u>	725 <u>6.296,98</u>	726 <u>1.903.356,36</u>
<b>11. Other interest receivable and similar income</b>	1727	727 <u>81.897.052,95</u>	728 <u>72.659.306,44</u>
a) derived from affiliated undertakings	1729 <u>5a</u>	729 <u>81.860.685,06</u>	730 <u>72.587.222,64</u>
b) other interest and similar income	1731	731 <u>36.367,89</u>	732 <u>72.083,80</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>4</u>	665 <u>-3.179.978.749,84</u>	666 <u>406.319.679,49</u>
<b>14. Interest payable and similar expenses</b>	1627	627 <u>-49.663.945,35</u>	628 <u>-44.347.892,52</u>
a) concerning affiliated undertakings	1629 <u>7a</u>	629 <u>-49.598.450,01</u>	630 <u>-44.234.015,21</u>
b) other interest and similar expenses	1631	631 <u>-65.495,34</u>	632 <u>-113.877,31</u>
<b>15. Tax on profit or loss</b>	1635 <u>10</u>	635 <u>220.389,57</u>	636 <u>1.812.176,31</u>
<b>16. Profit or loss after taxation</b>	1667	667 <u>-3.147.964.678,98</u>	668 <u>437.256.670,03</u>
<b>17. Other taxes not shown under items 1 to 16</b>	1637 <u>10</u>	637 <u>-1.080.264,83</u>	638 <u>4.028,76</u>
<b>18. Profit or loss for the financial year</b>	1669	669 <u>-3.149.044.943,81</u>	670 <u>437.260.698,79</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.

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.

The Company may borrow in any form, except by way of public offer. It may 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. may be obtained from the Corporate Secretary, Repsol S.A., Calle Méndez Álvaro, 44, 28045 Madrid, Spain or [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.

The Company presents its annual accounts in the format similar to the layout of the law 18 December 2015.

Accounting policies and valuation rules are, besides the ones laid down by the law of 19 December 2002, 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.

**a. Financial Asset**

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 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.

**b. Tangible Asset**

Tangible fixed assets are valued at purchase price including the expenses incidental thereto. Tangible fixed 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 fixed 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.

**c. 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.

**d. 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 gains and losses are recorded in the Profit and Loss account.

Non-monetary assets in foreign currencies are kept at historical exchange rates or revalued at exchange rates prevailing at the Balance Sheet date, if the latter is lower.

Non-monetary liabilities in foreign currencies are kept at historical exchange rates or revalued at exchange rates prevailing at the Balance Sheet date, if the latter rate is higher.

Accordingly, exchange losses on non-monetary assets and liabilities are recognized immediately in the Profit and Loss account. Exchange gains on non-monetary assets and liabilities are only recorded in the Profit and Loss account at the moment of their realization.

Assets and liabilities items which are fair valued are converted at the exchange rates effective at the balance sheet date. Foreign exchange differences on those items which are accounted at fair value are recognised in the profit and loss account or revaluation reserves with the change in fair value

#### **e. 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.

#### **f. Debts**

Debts 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.

#### **g. 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.

#### **h. Comparative information**

Income from disposal of affiliated undertakings linked by virtue of participating interest have been reclassified and comparative information is disclosed in Note 4.

Balances with affiliated undertakings and with affiliated undertakings linked by virtue of participating interest have been reclassified and comparative information is disclosed in Note 7. These reclassifications have no impact on the result for the year or the shareholders' equity.

### **3. Tangible assets**

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

In USD	2019	2018
Gross book value – opening balance	172,507	172,507
Addition for the year	7,601	-
Gross book value - closing balance	180,108	172,507

Accumulated value adjustments – opening balance	(155,006)	(149,172)
Allocations for the year	(6,974)	(5,834)
Accumulated value adjustments - closing balance	(161,980)	(155,006)
Net book value – closing balance	18,128	17,501
Net book value – opening balance	17,501	23,335

#### 4. Financial assets

The movements for the year are as follows:

Shares in affiliated undertakings in USD	2019	2018
Gross book value – opening balance	4,961,703,208	17,471,753,495
Additions for the year	80,309,464	1,244,158,159
Repayments for the year	-	(80,605,675)
Disposals for the year	-	(13,673,602,771)
Gross book value – closing balance	5,042,012,672	4,961,703,208
Accumulated value adjustment – opening balance in USD	2019	2018
Accumulated value adjustment – opening balance	(1,254,392,689)	(12,498,220,548)
Allocations for the year	(3,180,552,864)	(12,173,000)
Reversals for the year	574,114	418,492,679
Disposals of the year	-	10,837,508,180
Accumulated value adjustment – closing balance	(4,434,371,439)	(1,254,392,689)
Net book value closing balance	607,641,233	3,707,310,519
Net book value opening balance	3,707,310,519	4,973,532,946

The movement in shares in affiliated undertakings can be explained as follows:

In USD	Shares Purchased	Share premium contribution
FEHI Holding S.à r.l.	-	80,160,000
Talisman Perpetual (Norway) Ltd	149,463	1
Total	149,463	80,160,001



**a. Value adjustments on financial fixed assets**

The valuation adjustment in 2019 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 3,180,552,864 (2018: USD 12,173,000) and is attributable to the following affiliated undertakings:

Fixed asset in USD	2019	2018
FEHI Holding S.à r.l.	(3,180,452,223)	-
Talisman Colombia Holdco Limited	N/A	(7,655,000)
Repsol Oil & Gas RTS Sdn. Bhd.	N/A	(4,518,000)
TEGSI (UK) Limited	N/A	-
Talisman Perpetual (Norway) Ltd	(100,641)	-
<b>Total value adjustments</b>	<b>(3,180,552,864)</b>	<b>(12,173,000)</b>

**b. Reversal of value adjustments on financial fixed assets**

The amount of the financial income derived from the reversal of value adjustments on financial assets is equal to USD 574,114 (2018: USD 418,492,679) and is attributable to the following affiliated undertakings:

In USD	2019	2018
FEHI Holding S.à r.l.	-	403,728,881
Paladin Resources Limited	574,114	14,329,091
Repsol Oil & Gas SEA Pte. Ltd.	N/A	434,707
<b>Total reversal of value adjustments</b>	<b>574,114</b>	<b>418,492,679</b>

**c. Other income from investments forming part of the fixed assets**

Due to the disposal of financial assets the income for the year amounted to USD 6,297 in relation to overprovision of TEGSI (UK) Limited assumed debts (2018: USD 1,903,356 composed of a gain in the amount of USD 1,984,293 due to the disposal of Repsol Oil & Gas SEA Pte. Ltd. and a loss of USD 80,936 attributed to TEGSI (UK) Limited dissolution, reclassified from reversal of adjustment).

**d. Net book value of financial fixed assets**

Undertakings in which the Company holds 100% of the share capital are as follows:

List of participations (100% held) in USD	Net book value 31 December 2019	Net book value 31 December 2018	Net equity at 31 Dec 2019*	Profit (loss) at 31 Dec 2019*
FEHI Holding S.à r.l.	513,228,296	3,613,520,519	513,228,295	(2,986,666,714)
Paladin Resources Limited	94,364,114	93,790,000	33,712,000	(6,000)
Talisman Perpetual (Norway) Ltd	48,823	-	48,823	(36,090)
<b>Total</b>	<b>607,641,233</b>	<b>3,707,310,519</b>	<b>546,989,118</b>	<b>(2,986,708,804)</b>

(\*)Based on audited or reviewed annual accounts as part of the consolidation process

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
FEHI Holding S.à r.l.	14-16, Avenue Pasteur, Luxembourg L-2310 Luxembourg

## 5. Debtors

### a. Amounts owed by affiliated undertakings

Debtors are mainly composed of loans to affiliated undertakings, including accrued interest:

In USD	2019	2018	2019	2018
Loans to affiliated undertakings	Principal	Principal	Accrued interest	Accrued interest
Due within one year	-	1,864,831,739	-	3,590,124
Due within one to five years	1,864,630,570	-	3,588,378	-
<b>Total</b>	<b>1,864,630,570</b>	<b>1,864,831,739</b>	<b>3,588,378</b>	<b>3,590,124</b>

The total interest derived from the loans to affiliated undertakings amounts to USD 81,860,685 for the year (2018: USD 72,587,223).

As at 31 December 2019, other amounts owed by affiliated undertakings were nil (2018: USD 105,468).

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 (2018: USD 32,184 trade with Talisman Perpetual (Norway) Ltd and USD 30,277 with FEHI Holding S.à r.l.).

### b. Amounts owed by affiliated undertakings due to tax unity

As at 31 December 2019, the affiliated undertaking Albatros S.à r.l. (the Head of Tax Unity) owed nil amount (2018: USD 70,559) to the Company, due to the fiscal unity formed in Luxembourg.

## 6. Capital and reserves

### a. Subscribed capital

The subscribed capital amounts to USD 4,639,123,121 (2018: USD 4,639,123,120) 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.

The movements on the “Subscribed capital” item during the year are as follows:

Subscribed capital	Number of ordinary shares	Number of Class A shares	Total
As at 31 December 2018	231,956,156	-	231,956,156
Additions for the year	-	1	1
As at 31 December 2019	231,956,156	1	231,956,157

### b. Share premium and similar premiums

The movements on the “Share premium and similar premiums” item during the year are as follows:

Share premium and similar premiums in USD	Share premium	Contributions to Account 115	Total
As at 31 December 2018	6,256,239,575	-	6,256,239,575
Movements for the year	418,909,067	80,000,000	498,909,067
As at 31 December 2019	6,675,148,642	80,000,000	6,755,148,642

### 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 (2018: USD 172,953,053).

### 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 2018	172,953,053	(7,563,774,260)	437,260,699
Allocation of previous year's profit	21,863,035	415,397,664	(437,260,699)
Profit (loss) for the year	-	-	(3,149,044,944)
As at 31 December 2019	194,816,088	(7,148,376,596)	(3,149,044,944)

## 7. 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 deposits:

In USD	2019	2018	2019	2018
Loans from affiliated undertakings	Principal	Principal	Accrued interest	Accrued interest
Due within one year	272,826,649	1,602,484,840	459,644	11,242,944
Due within one to five years	910,270,776	-	185,114	-
<b>Total</b>	<b>1,183,097,425</b>	<b>1,602,484,840</b>	<b>644,758</b>	<b>11,242,944</b>

The total interest derived from the loans to affiliated undertakings and affiliated undertakings linked by virtue of participating interest amounts to USD 49,598,450 (2018: USD 44,234,015).

As at 31 December 2019 the balances due to other affiliated undertakings in relation to tax unity or intercompany trade were nil (2018: other amounts owed to affiliated undertakings were for an amount of USD 156,634, i) payable tax unity balances of USD 149,693 and ii) the intercompany trade of USD 6,941).

### b. Tax and social security debts

Tax and social security debts 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.

As at 31 December 2019, the following assumed and own tax liabilities, pending the assessment of the tax authorities, remain outstanding:

In USD		2019	2018
Company	Assumed tax debts	Amount	Amount
TE Resources S.à r.l.	Wealth tax	-	12,094
TE Capital S.à r.l.	Corporate income tax	-	32,464
TE Capital S.à r.l.	Municipality income tax	-	8,663
TE Capital S.à r.l.	Wealth tax	-	61,490
TE Finance Sarl	Wealth tax	19,654	42,797
<b>Subtotal</b>		<b>19,654</b>	<b>157,508</b>
TE Holding S.à r.l.	Wealth tax	1,155,387	11,029
TE Holding S.à r.l.	Social security debts	14,776	18,544
TE Holding S.à r.l.	VAT payable	-	85,431
<b>Total</b>		<b>1,189,817</b>	<b>272,511</b>

The final assessment by tax authorities of the Company's assumed tax liabilities during the year had an impact of USD 290,105 (2018: USD 14,371) gain in the current tax expense for the year. The tax debts assumed by the Company were due to (i) the liquidation of the subsidiary undertakings TE Resources S.à r.l. on 31 May 2016, Talisman Colombia BV on 29 December 2017 and (ii) the merger of TE Capital S.à r.l. and Fortuna Finance S.à r.l. on 29 December 2017 and TE Finance S.à r.l. on 5 November 2018, respectively.

## 8. 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.

	2019	2018
Affiliated undertaking / affiliated undertaking linked by virtue of participating interest	Amount in USD	Amount in USD
Affiliated undertakings	126,215	170,320
FEHI Holding S.à r.l.	25,793	25,878
Paladin Resources Limited	3,229	11,994
TE Finance S.à r.l.	N/A	42,187
Repsol Oil & Gas SEA Pte. Ltd.	N/A	6,310
<b>Total income</b>	<b>155,237</b>	<b>256,689</b>

## 9. Other operating expenses

Other operating expenses include the following:

Other operating expenses (USD)	2019	2018
Rent and service charges	(142,056)	(166,166)
IT processing fees	(54,723)	(128,013)
Employee related other than salaries and benefits	(6,811)	(13,821)
Non-deductible VAT	45,550	(140,009)
Professional fees	(76,351)	(520,166)
Directors' fees and related expenses	(14,173)	(14,985)
Other office expenses	(4,152)	(4,753)
<b>Total</b>	<b>(252,715)</b>	<b>(987,912)</b>

## 10. Current taxes

The Company, together with affiliated undertakings Albatros S.à r.l. (the Head of Tax Unity), Gaviota RE S.A. and Talisman International (Luxembourg) 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)	2019	2018
Income tax recovery due to tax unity	220,969	72,510
Corporate income tax expense	(579)	2,599,069
Wealth tax for the current year	(1,149,980)	(5,932)
Wealth tax for the previous years	69,715	9,960
Withholding taxes	-	(859,402)
Net current tax recovery / (expense)	(859,875)	1,816,205

#### 11. Staff

The Company employed an average of 3.5 persons during the financial year (2018: 4.5).  
Remuneration paid to the directors amounted to USD 14,173 (2018: USD 14,985).

#### 12. Off Balance Sheet commitments

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

#### 13. Extraordinary income or charges

The Company had no extraordinary income / charges during the year (2018: nil).

#### 14. Post-balance sheet events

The Directors have evaluated subsequent events through the date the financial statements were authorized for issue. After the outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”) in early 2020, a series of precautionary and control measures have been and continue to be implemented globally. The Directors will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Company. Whilst uncertain, the Directors do not believe, however, that the impact of the COVID-19 would have a material adverse effect on the financial condition or liquidity of the Company.

On 21 April 2020 the Executive Committee of Repsol Group authorized a proposal to complete a corporate restructuring in Luxembourg whereby, among other transactions, the Company would sell its shares in FEHI Holding S.à.r.l. This sale has not been analysed yet by the Company and it is subject to its approval by the relevant governing bodies of the Company and, therefore, shall not be considered binding until such approvals are obtained and the relevant agreements are executed by the Company.

No other events or transactions have occurred or are pending that would have a material effect on the financial statements as of 31 December 2019 and for the year then ended.

**TE Holding S.à r.l.**

Société à responsabilité limitée

14-16, Avenue Pasteur

L-2310 Luxembourg

RCS Luxembourg: B149.867

**2019 Appropriation of the results**

After having carefully considered, examined and discussed the 2019 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 2019 results:

	<b>USD</b>
Loss brought forward	(7,148,376,596)
2019 Loss	(3,149,044,944)
Amount brought forward to 2020	<u>(10,297,421,540)</u>