2022

REPSOL
International
Finance B.V

Financial statements
for the year
ended December 31
Together with
independent
auditor's report

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Management board report

REPSOL

Management board report

The Managing Directors present their report together with the audited financial statements for the year ended 31 December 2022 of Repsol International Finance B.V. (the 'Company'). The financial statements of the Company as at and for the year ended 31 December 2022 comprise the Company and the Company's interest in its associates. Amounts in this Management board report are presented in thousands of EUR, unless otherwise indicated.

General information

The Company is part of the Repsol Group, a group of companies with a presence worldwide that, with a vision of being a multi-energy efficient, sustainable and competitive company, performs activities in the hydrocarbon sector throughout its entire value chain (exploration, development and production of crude oil and natural gas, refining, production, transportation and sale of a wide range of oil and petrochemical products, oil derivatives and natural gas), as well as activities for the generation and sale of electricity. The Company is a wholly owned subsidiary of Repsol, S.A., Madrid, Spain (the 'Parent Company').

The principal activity of the Company is to provide funding to other members of the Repsol Group. The company obtained its own funding by issuing subordinated bonds, bonds under a Euro Medium Term Note Programme, issuing commercial paper under a Euro Commercial Paper Programme in various markets and advancing the net proceeds to various members of the Repsol Group.

Funds denominated in EUR and USD are raised on the international capital markets using a short-term commercial paper programme and a medium and long-term notes programme, which are lent to subsidiaries and affiliated companies, also in other currencies than EUR. In this case, the Repsol Group hedges the foreign currency exposure by entering into foreign exchange contracts with major international banks.

As part of the Repsol Group financing needs, the Company has in place a Euro Medium Term Note Programme (hereinafter 'EMTN') and a Euro Commercial Paper Programme (hereinafter 'ECP') both guaranteed by Repsol, S.A. As per 31 December 2022 the Company has no any outstanding ECP.

During 2022, the Company continue to have in place an EUR 10,000,000,000 Guaranteed Euro Medium Term Note Programme (the "EMTN Programme"), together with Repsol Europe Finance S.a.r.l. No new bonds were issued by the Company during 2022 under the EMTN Programme.

In 2022 the below listed bond issued under the EMTN Programme, matured:

- A bond issued by the Company on 23 May 2017, in the amount of EUR 500 million, which carried a fixed annual coupon of 0.5000%, matured on 23 May 2022.

The outstanding bonds as at 31 December 2022 are the following:

Bond	Nominal outstanding (in Millions)	Currency	Issue Date	Maturity
Senior Bond E3m+0.7% 2023	300	EUR	25/05/2021	25/05/2023
Senior Bond 0.125% 2024	850	EUR	05/10/2020	05/10/2024
Subordinated Bond 4.500% 60PNC10	1,000	EUR	25/03/2015	25/03/2075
Senior Bond 2.000% 2025	750	EUR	15/04/2020	15/12/2025
Subordinated Bond 3.750% PNC6	750	EUR	11/06/2020	Undated
Senior Bond 2.250% 2026	500	EUR	10/12/2014	10/12/2026
Subordinated Bond 2.500% PNC6	750	EUR	22/03/2021	Undated
Senior Bond 0.250% 2027	750	EUR	02/08/2019	02/08/2027
Subordinated Bond 4.247% PNC8.5	750	EUR	11/06/2020	Undated
Senior Bond 2.625% 2030	750	EUR	15/04/2020	15/04/2030
Senior Bond 5.375% 2031	100	EUR	27/01/2016	27/01/2031
Total	7,250			

Corporate structure

On 14 October 2022, as part of a restructuring of the Repsol Group, the Company sold its 25% investment in SierraCol Energy Arauca, LLC for an amount of USD 147 million (EUR 151 million) to REPSOL LUX E&P S.A R.L. with a profit of EUR 107,895 thousand.

Additionally, the Company owns one share with a nominal value of 1 EUR in Repsol Exploración Karabashsky B.V. The issue and paid-in capital of Repsol Exploración Karabashsky B.V. consist of 131.166.275 shares with a par value of 1 EUR and, with the exception of the share held by the Company, they are hold by Repsol Exploración S.A.

Statement of compliance

The financial statements for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS).
To the best of our knowledge, and in accordance with the applicable reporting principles of International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, the Financial Statements gives a true and fair view of the assets, liabilities, financial position and Statement of Income of the Company and the Company's Management Board Report includes a fair view of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Financial information

The Company made a profit of EUR 159,054 thousand (2021: EUR 33,386 thousand). This profit is primarily caused by positive results from financial activities, the share of the profit of SierraCol Energy Arauca, LLC , and the sale of SierraCol Energy Arauca, LLC.

The issued and paid-in share capital of the Company amounts to EUR 300,577 thousand (2021: EUR 300,577 thousand).

Total assets of the Company amounts to EUR 8,006,853 thousand (2021: EUR 10,452,945 thousand).

Risk management

Taking into consideration the nature of the activities of the Company the most important category of risks to be considered are financial risks. The Company identifies, evaluates, and mitigates financial risks in close cooperation with its Parent Company's Financial Risk Department. This department, with the aim to promote best practices, monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyse exposures by degree and magnitude of risks.

The Company has procedures and policies in place to control risks related to financial instruments. These policies and procedures include a clear segregation of duties between operating, settlement, accounting and controlling of all financial instruments used. The management of the Company is involved in the risk management process. Management qualifies itself as risk averse.

The main financial risks are market risk, credit risk and liquidity risk.

Market risk

The Company's activities expose it primarily to the market risks of changes in currency exchange rates, interest rates and credit ratings. Market risk (the risk of changes in market prices, such as foreign exchange rates and interest rates) will affect the Company's income or the value of its holdings of financial instruments.

Exchange rate fluctuation risk

Fluctuations in exchange rates may adversely affect the result of transactions and the value of the Company's equity. In general, this exposure to fluctuations in currency exchange rates stems from the fact that the Company has assets, liabilities and cash flows denominated in a currency other than the functional currency of the Company.

In order to mitigate the risk, and when considered appropriate, the Company performs investing and financing transactions, using the currency for which risk exposures have been identified. The Company can also carry out transactions by means of financial derivative instruments for currencies that have a liquid market, with reasonable transaction costs.

The Company effectively monitors and limits its net financial position in financial instruments by currency. The Company effectively monitors and limits the exposure to the statement of comprehensive income to a minimum. The main uncertainty in achieving this objective is the timing of cash flows.

Interest rate risk

The market value of the Company's net financing and net interest expenses could be affected as a consequence of interest rate fluctuations that could affect the interest income and interest costs of financial assets and liabilities tied to floating interest rates, as well as the fair value of financial assets and financial liabilities tied to a fixed interest rate.

When considered appropriate, the Company may decide to mitigate the interest rate risk by means of derivative financial instruments for which there is a liquid market, these hedging mechanisms are limited and, therefore, could be insufficient. Consequently, changes in interest rates could have an adverse effect on the Company's business, results and financial position.

The Company effectively monitors and limits its net financial position in financial instruments tied to fixed interest rates. Furthermore, the Company effectively monitors and limits the interest rate spreads applied in order to ensure positive financial margin irrespective of the fluctuations in interest rates.

In relation to the process of transition to new benchmark interest rates in different jurisdictions worldwide (IBOR reform), the Company has reviewed its contracts according to the calendar of implementation of the IBOR reform, with the objective to identify those with interest rate clauses that impacted, as well as on the substitute interest rate clauses ("fall back" clauses) included in them. The reform has not meant a change in the interest rate financial risk management policy.

Credit rating risk

Credit ratings affect the pricing and other conditions under which the Company is able to obtain financing. Any downgrade in the credit rating could restrict or limit the Company's access to the financial markets, increase its new borrowing costs and have a negative effect on its liquidity.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's loans receivable from related parties and unsettled derivatives whose fair value is positive. The Company attempts to minimize the counterparty credit risk associated with the financial instruments used by selecting counterparties that it assumes to be creditworthy, given their high credit ratings.

The carrying amount of financial assets represents the maximum credit exposure. The credit risk of each loan and receivable is influenced by the individual characteristics of each counterparty. The Company considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in the credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. However, the Company is not exposed to a significant credit risk due to the credit rating and liquidity of the debtors. No loan was overdue as at 31 December 2022 and 31 December 2021. The derivative financial instruments are entered into with high credit quality bank and financial institution counterparties that meet the standards of solvency in accordance with the market conventions regulating these kinds of financial transactions. The Company holds minimal amount of cash and banks, which are all held with bank and financial institution counterparties.

As per 31 December 2022 the credit ratings assigned to the Company by the ratings agencies are as follows:

AGENCY	LONG-TERM	SHORT-TERM	OUTLOOK	LAST REVIEW DATE
Standard & Poor's	BBB+	A-2	Stable	November 16, 2022
Moody's	Baa1	P-2	Stable	December 20, 2022
Fitch	BBB	F-2	Positive	October 11, 2022

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company controls and monitors its financial needs ranging from the production of daily cash flow forecasts to the financial planning involved in the annual budgets and Repsol Group's strategic plan; it maintains diversified and stable sources of financing that facilitate efficient access to financial markets, all within the framework of a financing structure that is compatible with Repsol Group's credit rating in the investment grade category. As a result, the Company relies on its shareholder to cover any incidental liquidity needs through issuance of additional loans.

For further information, including quantitative information and sensitivity analysis, please refer to Notes 14 and 15 of the financial statements.

Other risks

The exposure to other than financial risks is mainly due to the fact that the Company is part of the Repsol Group. Repsol Group's operations and results are subject to risks as a result of changes in the competitive, economic, political, legal, regulatory, social, industrial, business and financial conditions. The Group's main risks are identified below taking into account a 5 year time horizon:

- Fluctuations in the reference prices of hydrocarbons, derivative products and other commodities
- Competitive positioning
- Drop in demand
- Administrative, judicial and arbitration proceedings
- Regulatory risks
- Accident rate
- Deviations in organizational management and employees management
- Errors and failures in production and/or transport processes
- Attacks against people or assets

Some of these risks are sensitive to the phenomenon of climate change and to the scenarios of transition to a low carbon economy, particularly those associated with regulation, future trends in demand, fluctuations in hydrocarbon and other commodity prices and the potential upswing in competition. Given the emerging nature of the climate change risks in the current energy context, and consistently with the commitments made, the Repsol Group is extending the scope of the analysis of these risks according to a long-term time horizon.

Other operational risks related to the Ukrainian war

Following the Russian invasion of Ukraine that began on February 24, 2022, economies around the world, including the United States, the European Union, and the United Kingdom, announced the imposition of trade sanctions targeting Russian individuals, companies, and institutions. These sanctions, as well as the countersanctions imposed by Russia, have triggered a significant reduction in commercial operations between these economies and Russia, which has led to an increase in the prices of raw materials in the world markets for oil, natural gas and wheat, among other products, as well as exacerbated inflationary pressures, bottlenecks in the supply chain, and volatility in financial and commodity markets.

The European Central Bank (ECB) has raised its inflation projections and cut its growth outlook as the conflict is likely to keep commodity prices high, weakening household purchasing power and the investment capacity of the companies. In response to rising inflation, the ECB has also decided to modify its monetary policy, reducing its bond-buying program, and raising interest rates. Lower business and consumer confidence and activity and energy-led inflationary pressure have led to a slowdown in the global economy that is still recovering from the effects of the COVID-19 pandemic.

Even though the Company has neither equity exposure nor operative position in these countries, it is exposed to indirect risks derived from the new macroeconomic scenario marked by the war. Specifically, regarding regulatory changes that may affect borrower's activities, such as the extraordinary temporary discount on the retail price of certain energy products and additives or the change in the monetary policies of the central banks, which entail a significant increase in interest and discount rates. With respect to loans issued by the Company, currently there is no indications that there is a deterioration of the credit risk of these companies or a change in their payment behaviour. On the other side the obligations to bondholders are supported by guarantees from Repsol, S.A.

For further information on Repsol Group's risks and risk management, please refer to the Repsol Group Management Report for the financial year 2022, available on the website www.repsol.com.

Corporate Governance

The Company applies the same corporate governance principles as applied within Repsol Group. Repsol Group's system of corporate governance, which was established in accordance with best national and international practice and standards, guides the structure, organization, and operation of its corporate bodies in the interests of the Company and of its shareholder, and is based on the principles of transparency, independence, and responsibility. The internal regulations of the Repsol Group regarding corporate governance are available on the website www.repsol.com.

The board took into consideration Directive 2006/43/EC as amended by Directive 2014/56/EU and its implementation by Royal Decree of 8 December 2016, effective as of 1 January 2017 (the "Decree"). Pursuant to such current EU and Dutch legislation, every public interest entity (a "PIE") is required to have an audit committee. The Company, because of its listed securities, qualifies as a PIE and is therefore, in principle, bound by this obligation. However, since its Parent Company has an audit committee that complies with the requirements included in Directive 2006/43/EC as amended by Directive 2014/56/EU and Regulation (EU) No 537/2014, the Decree exempts the Company from the obligation to have its own audit committee, where there is a delegation of the public governance compliance obligations as regards the Company to the Audit Committee of the Parent Company.

For further information on Repsol Group's Corporate Governance, please refer to the Repsol Annual Corporate Governance Report for the financial year 2022, available on the website www.repsol.com.

Risk assessment including error and fraud

The Company identifies the main risks that could affect the financial reporting objectives related to the existence or occurrence, integrity, assessment and allocation, presentation, breakdown of transactions and to the rights and obligations that could have a significant impact on the reliability of the financial information.

The following risks have been identified:

- Regulatory changes that impact the financial statements.
- Valuations subject to analysis and complex estimates.
- Late and improper detection of transactions with an impact on the financial statements and inadequate analysis and valuation of transactions through existing processes, manual means, and systems.
- Fraud in generating regulated financial information.
- Failure to comply with the requirements of economic and financial reporting in due time and form.

The controls implemented by the Company to manage and mitigate significant financial reporting and operating risks can be characterised as:

- Preventive: intended to prevent errors or fraud situations that may give rise to an error in the financial information of the Company.
- Detecting: the aim of which is to detect errors or fraud situations that have already occurred and that may give rise to an error in the Company´s financial information.

These controls are integrated into the Company through the establishment of a scheme of roles and responsibilities for the different functions, set out in the procedures approved and disseminated within the Company.

The Company has developed a segregation of duties model in the systems for preventing and reducing the risk of errors (intentional or otherwise), especially the fraud factor in the financial reporting process.

Research and development

The Company, due to its nature of business primarily being financing, does not engage in research and development activities.

Climate Change

Over the last 20 years, Repsol Group has built a leadership position in relation to climate change in the global oil and gas sector. It was the first company in the sector to support the Kyoto Protocol and to set the ambitious goal of guiding its strategy to be a net zero emissions Group by 2050, in line with the goal of limiting global warming to 1.5ºC compared to pre-industrial levels.

Repsol Group wants to be an active part of the solution to climate change while supplying the energy that society needs in a safe, sustainable and efficient manner. Its commitment to the energy transition is in line with the goals of the Paris and Glasgow summits, and with the United Nations Sustainable Development Goals.

Likewise, aware of the importance of collaboration in climate matters, Repsol Group has adhered to initiatives related to energy transition and climate change –such as the Oil&Gas Climate Initiative (OGCI)–, actively participates in debate and standardization forums and maintains a close relationship with interest groups, in particular with investors and financial entities.

In accordance with its explicit commitment to transparency, Repsol Group prepares its information on climate change following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Detailed information can be found in the Repsol Group Management Report which is available on the website www.repsol.com. The entire Repsol Group, including the Company and its employees, are involved in achieving the climate change goals defined by Repsol Group. No immediate significant impacts are expected in the Company's financial position.

Corporate responsibility

Repsol Group in general, is strengthening its business strategy with the search for better energy solutions that contribute to sustainable development. This is possible thanks to a forward-looking vision that is based on the corporate responsibility as one of its key attributes.

Throughout 2022, the Company, through its Parent Company, has continued to expand the implementation of its corporate responsibility coordination system, through Sustainability Committees, the development of studies for identifying expectations and the publication of sustainability plans.

Number of employees

During 2022, the average number of employees was 7 (2021: 9).

Board of directors

The directors of the Company during the year were as follows:
R.W.A. van Nauta Lemke
J. Salmeron Molina
S. Mera Uriarte
A. Manero Ruiz

Male/female partitioning of board members

Although the Company qualifies as a PIE, as it does not have its shares listed, it is not subject to the mandatory diversity requirement to have a supervisory board with at least 1/3 female and 1/3 male members. However, inter alia, diversity goals have to be set pursuant to articles 2:142b jo. 2:187 of the Dutch Civil Code. Furthermore, new Dutch legislation applies as per 1 January 2022, (i.e., the Act of 29 September 2021 regarding adequate gender diversity ratios applies) and as per 1 January 2023 (i.e., the Royal Decree of 22 April 2022 regarding adequate gender diversity targets in management report). This legislation creates mandatory reporting obligation as regards gender diversity for large legal entities. Pursuant to article 2:397 of the Dutch Civil Code the Company qualifies as such entity and therefore, in principle, has to comply with such mandatory reporting obligations. However, the Company is exempted from meeting these obligations since its Parent Company meets the requirements of the new Dutch legislation or has in fact, as part of its governance, for itself implemented the obligations that otherwise would have complied with by the Company. Without prejudice to the foregoing, the Company itself, when a board vacancy appears, will continue to strive to appoint at least one more female board member if suitable candidates can be identified as part of its divert goals.

Subsequent events

On 20 January 2023 the Company, with the idea to optimize the hybrid bond program and to reduce the future refinancing risk, announced an invitation to holders of its EUR 1,000,000 10 year non-call securities due in 2075 to tender their securities for purchase for cash up to EUR 325,000 thousand for a purchase price of 98.70 per cent with an expiration date on 26 January 2023. The final acceptance amount was EUR 229,015 thousand to be paid on 30 January 2023 together with the accrued interest on such securities accepted for purchase in an amount of EUR 38.34 per EUR 1,000 in principal amount. This event is considered as a non-adjusting event since it arose after the end of the reporting period and do not result in adjustment to the financial statements.

No other significant events, which could have a material impact, occurred between year-end 2022 and the date on which the Directors approved and authorized these financial statements for issue.

Future outlook

It is envisaged that the Company will continue to provide loan capital to related parties. The future level of profits will be dependent mainly in its financing activities after the sale of SierraCol Energy Arauca, LLC. In the forecast environment, the Company will maintain its financial strength to perform the required demand while maintaining its returns.

Signing

The Hague, 9 February 2023
The Board of Directors:

R.W.A. van Nauta Lemke

J. Salmeron Molina

S. Mera Uriarte

A. Manero Ruiz

Ms. Sonia Mera, that attended the board meeting via video conference, was not able to co-sign the management report and the accounts to be presented to the annual general meeting of shareholders but has agreed with the content of the management report and the accounts and has empowered the undersigned to state such in this note.

Signed:

J. Salmerón

Financial Statements

Statement of financial position as at 31 December 2022

(before appropriation of result)

ASSETS	Notes	2022 EUR 1,000	2021 EUR 1,000
Non-current assets			
Equity-accounted investees	8	-	26,741
Loans and borrowings	9	6,904,887	7,206,638
Deferred tax assets	7	1,782	2,445
Total non-current assets		6,906,669	7,235,824
Current assets			
Loans and borrowings	9	1,098,739	3,211,957
Trade and other receivables	9	408	2,286
Cash and cash equivalents	10	1,037	2,878
Total current assets		1,100,184	3,217,121
TOTAL ASSETS		8,006,853	10,452,945

EQUITY AND LIABILITIES	Notes	2022 EUR 1,000	2021 EUR 1,000
Shareholders' equity			
Issued share capital	11	300,577	300,577
Share premium	11	146,449	286,449
Other reserves		-	(4,415)
Retained earnings		76,806	43,420
Unappropriated result		159,054	33,386
Total shareholders´ equity		682,886	659,417
Non-current liabilities			
Loans and borrowings	12	6,926,750	7,221,888
Total non-current liabilities		6,926,750	7,221,888
Current liabilities			
Loans and borrowings	12	395,944	2,570,337
Trade and other payables	13	1,273	1,303
Total current liabilities		397,217	2,571,640
Total liabilities		7,323,967	9,793,528
TOTAL EQUITY AND LIABILITIES		8,006,853	10,452,945

The notes on pages 18 to 47 are an integral part of these financial statements.

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Statement of comprehensive income for the year ended 31 December 2022

	Notes	2022 EUR 1,000	2021 EUR 1,000
Interest income	5	193,970	229,172
Interest expense	5	(187,426)	(222,518)
Changes in the fair value of financial instruments	5	19,612	(289)
Foreign currency translation difference	5	(18,510)	21
Net impairment gain/(loss) on financial assets	9	2,724	307
Other financial income/(expense)		(1,680)	(3,325)
Financial result		8,690	3,368
Employee benefit costs	6	(708)	(885)
Other operating expenses		(1,414)	(1,930)
Operating expenses		(2,122)	(2,815)
Share of profit of equity-accounted investees	8	55,566	33,493
Disposal of equity-accounted investees	8	107,895	-
Result before tax		170,029	34,046
Income tax expense	7	(10,975)	(660)
Result for the year		159,054	33,386
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences translation foreign operations	8	4,415	(2,244)
Total comprehensive income		*163,469*	*31,142*

The notes on pages 18 to 47 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2022

	Issued share capital	Share premium	Other reserves	Retained earnings	Unappropriated result	Total equity
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Balance as at 31 December 2021	300,577	286,449	(4,415)	43,420	33,386	659,417
Result for the year	-	-	-	-	159,054	159,054
Exchange differences translation foreign operations	-	-	4,415	-	-	4,415
Total comprehensive income for the year	-	-	4,415	-	159,054	163,469
Allocation of prior year result	-	-	-	33,386	(33,386)	-
Share Premium reduction	-	(140,000)	-	-	-	(140,000)
Balance as at 31 December 2022	300,577	146,449	-	76,806	159,054	682,886

The notes on pages 18 to 47 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2021

	Issued share capital	Share premium	Other reserves	Retained earnings	Unappropriated result	Total equity
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Balance as at 31 December 2020	300,577	286,449	(2,171)	22,882	20,538	628,275
Result for the year	-	-	-	-	33,386	33,386
Exchange differences translation foreign operations	-	-	(2,244)	-	-	(2,244)
Total comprehensive income for the year	-	-	(2,244)	-	33,386	31,142
Allocation of prior year result	-	-	-	20,538	(20,538)	-
Balance as at 31 December 2021	300,577	286,449	(4,415)	43,420	33,386	659,417

The notes on pages 18 to 47 are an integral part of these financial statements.

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Statement of cash flows for the year ended 31 December 2022

	Note	2022 EUR 1,000	2021 EUR 1,000
Result before tax		170,029	34,046
Adjustments for:			
· Fair value changes derivative financial instruments		(19,633)	173
· Net finance costs investing and financing activities		(9,268)	(6,960)
· Profit from equity-accounted investees	8	(163,461)	(33,493)
Changes in working capital		21,060	414
Income tax received (paid)		(9,510)	10,033
I. Cash flows from operating activities		(10,783)	4,213
Investments in loans and receivables		(888,171)	(8,506,472)
Proceeds from loans and receivables settlement		3,305,343	8,646,882
Interest on loans and receivables received		191,122	221,762
Proceeds from disposal of equity accounted investee	8	151,281	-
Dividends received	8	43,336	28,579
II. Cash flows from in investing activities		2,802,911	390,751
Proceeds from loans and borrowings		362,448	8,235,236
Repayments of loans and borrowings		(2,834,332)	(8,423,513)
Interest on loans and borrowings paid		(182,085)	(210,255)
Dividends paid to shareholders		-	-
Share premium redemption		(140,000)	-
III. Cash flows used in financing activities		(2,793,969)	(398,532)
Net increase / (decrease) in cash and cash equivalents		(1,841)	(3,568)
Cash and cash equivalents at the beginning of the year		2,878	6,446
Cash and cash equivalents at the end of the year	10	1,037	2,878
Net increase / (decrease) in cash and cash equivalents		(1,841)	(3,568)

The notes on pages 18 to 47 are an integral part of these financial statements.

Notes to the financial statements

1. Reporting entity

Repsol International Finance B.V. (hereafter the 'Company'), is a company domiciled in the Netherlands. The address of the Company's registered office is Koninginnegracht 19, 2514 AB, The Hague, the Netherlands. The Company's Chamber of Commerce registration number is 24251372.

The financial statements of the Company as at and for the year ended 31 December 2022 comprises the Company and the Company's interest in its associates.

The Company is a wholly owned subsidiary of Repsol S.A., located in Madrid, Spain. The Company belongs to the Repsol Group, a Spanish multi-energy group engaged in all aspects of the petroleum and energy businesses and one of the largest industrial groups in Spain. The Company is consolidated in the financial statements of Repsol S.A. available on the website www.repsol.com.

The principal activity of the Company is financing of affiliated companies.

The Company is primarily involved in:

- issuing subordinated bonds, bonds under a Euro Medium Term Note Programme and issuing commercial paper under a Euro Commercial Paper Programme in various markets and advancing the net proceeds to various members of the Repsol Group;
- lending funds to and borrowing funds from affiliated companies.

Related to its activities as issuer of bonds that are listed in the Luxembourg Stock Exchange, the Company has chosen Luxembourg as its home Member State.

These financial statements were authorized for issue by the Board of Directors on 9 February 2023.

2. Basis of preparation

(a) Statement of compliance

The financial statements for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS).

(b) Functional and presentation currency

These financial statements are presented in EUR, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The Company determined the EUR as its functional currency based on management analysis of all relevant indicators.

(c) Changes in accounting Standards

The changes in accounting standards that have been applied by the Company as at 1 January 2022 have not had a significant impact on disclosures in the financial statements. The standards applicable from 1 January 2022 are:

- Amendments to IFRS 3 *Business Combinations*

- IAS 16 *Property, Plant and Equipment*
- IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- Annual Improvements 2018-2020

Given the nature and scope that the application of the new standards or its prospective application, there was no material impact on the financial statements for the year.

(d) Basis of measurement

The Management board considers it appropriate to adopt the going concern basis of accounting in preparing these financial statements based on a forecast analysis which supports the going concern assumption.

The financial statements, except for derivatives which were measured at fair value according to IFRS-EU, have been prepared on the historical cost basis.

(e) Statement of cash flows

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at the exchange rates at the dates of the transactions. Interest on loans and borrowings received and dividends received are included in cash from investing activities. Interest on loans and borrowings paid and dividends paid are recognised as cash used in financing activities. Transactions not resulting in inflow or outflow of cash, such as entering into a direction to pay agreement as a method of loan settlement, are not recognised in the cash flow statement. The transactions within this type of payments that are not reflected in bank accounts are presented as non-cash transactions.

(f) Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment at year end, is the measurement of fair value of derivatives and financial instruments.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, specifically for financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: Valuation based on a quoted price in an active market for identical assets or liabilities.
- Level 2: Valuation is based on a quoted price in an active market for similar financial assets or liabilities that rely on observable market inputs.
- Level 3: Valuation based on inputs for the asset or liability that are not directly observable in the market.

The second type mainly corresponds to derivative financial instruments, based on the income approach, in accordance with accounting regulations, which entail the discounting to present value of future cash flows associated with said instruments, estimated using forward curves offered in the market, including adjustments for credit risk based on the duration of the instruments.

The most significant variables for valuing financial instruments vary depending on the type of instrument, but fundamentally include: exchange rates (spot and forward), interest rate curves, counterparty risk curves, prices of equity securities, and the volatilities of all the aforementioned factors. In all cases, market data is obtained from reputed information agencies or correspond to quotes issued by official bodies.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3. Significant accounting policies

(a) Employee benefits

Defined contribution pension plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Repsol International Finance B.V. has recognized defined contribution pension plans for employees.

The annual cost of these plans is recognized under *Employee benefit costs* in the statement of comprehensive income.

(b) Finance income and finance costs

Finance income (the revenue of the company) comprises interest income on funds invested and gains on derivatives financial instruments that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, impairment losses recognized on financial assets (other than trade receivables and derivatives) and losses on derivatives financial instruments that are recognized in profit or loss.

Changes in the fair value of derivatives are reported on a net basis as either finance income or finance costs depending on whether the changes in the fair value of derivatives represent a net gain or net loss position.

Foreign currency gains and losses are reported on a net basis as either finance income or finance costs depending on whether foreign currency movements are in a net gain or net loss position.

(c) Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(d) Income taxes

Corporate income tax expense comprises current and deferred tax. It is recognized in profit or loss.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(e) Financial instruments

The Company classifies its non-derivative financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit and loss)
- those to be measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Company initially recognises loans and receivables and debt securities issued on the trade date. All other financial assets and financial liabilities are also initially recognized on the trade date.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – measurement

Financial assets at amortized cost

The Company classifies its financial assets as at amortized cost only if both of the following criteria are met:

a. the asset is held within a business model whose objective is to collect the contractual cash flows, and
b. the contractual terms give rise to cash flows that are solely payments of principal and interest.

These are financial assets with fixed or determinable payments that the Company does not intend to sell immediately or in the near term. They arise when the Company delivers goods or provides services or financing directly to a related or third party.

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

(iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

(iv) Derivative financial instruments

The Company held derivative financial instruments to mitigate its foreign currency exposures.

Derivative financial instruments were measured at fair value and changes therein, including any interest and dividend income, were recognized in the statement of comprehensive income. Directly attributable transaction costs were directly recognized in the statement of comprehensive income, as incurred.

(f) Equity-accounted investees

The Company's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates are accounted for using the equity method. They are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees after adjustments to align with the accounting policies of the Company from the date that significant influence or joint control commences, until the date on which significant influence or joint control ceases.

(g) Impairment

Financial instruments

The Company assesses the expected credit losses associated with its debt instruments carried at amortized cost and fair value through operating comprehensive income. Expected credit losses are updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses. Under this model, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance for that financial instrument is measured at an amount equal to 12-month expected credit losses.

The expected credit loss is impacted by the exposure to default, the probability of default and the loss given default. The exposure to default represents the gross amounts of the financial assets. The probability of default is determined based on available statistics regarding the default rates of enterprises with a similar credit rating, in the same region and for the applicable time horizon, resulting in a general default rate of 0.15% (2021: 0.16%).

There have not been any significant changes in the assumptions used and methodology applied between 2021 and 2022 in determining the expected credit loss.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

4. New standards and interpretations not yet adopted

A) The standards and amendments to standards that have been issued by the IASB and endorsed by the European Union and which will be mandatory in future reporting periods are listed below:

Mandatory application in 2023:

- Amendments to IFRS 17 *Insurance contracts*: Initial Application of IFRS 17 and IFRS 9 – Comparative information
- Amendments to IAS 12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- IFRS 17 *Insurance Contracts*; including Amendments to IFRS 17

With respect to the standards and amendments outlined above, given their nature and scope, the Company believes that their application will not have a material impact on its financial statements.

B) At the date of issuance of these financial statements, the standards and amendments that have been issued by the IASB but not yet endorsed by the European Union are the following:

- Amendments to IAS 12 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

Regarding the amendments and interpretations outlined in this section, the Company is currently assessing the impact their application may have on the financial statements. Given their nature and scope, the Company believes that their application will not have a material impact on its financial statements.

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5. Financial result

A breakdown of interest income and interest expense can be presented as follows:

	2022 EUR 1,000	2021 EUR 1,000
Loans and receivables to shareholder	190,066	212,755
Loans and receivables to related parties	2,877	10,064
Bonds and other securities	1,027	6,353
Total interest income	193,970	229,172
Loans and borrowings from and to related parties	(1,473)	(7,719)
Bonds and other securities	(185,953)	(214,799)
Total interest expense	(187,426)	(222,518)

The foreign currency translation differences changed from an income of EUR 21 thousand for the year ended 31 December 2021, to an expense of EUR 18,510 thousand for the year ended 31 December 2022. The foreign currency translation differences are mainly influenced by (i) movements and fluctuations in the exchange rate of the functional currency compared to other currencies and (ii) movements and fluctuations in the net financial position in other currencies. Derivative financial instruments are traded with the objective to limit the exposure of foreign currencies to the statement of comprehensive income, leading to an income of EUR 19,612 thousand for the year ended 31 December 2022 (2021: expense of EUR 289 thousand). For additional information on derivatives refer to note 14 "Financial instruments".

6. Employee benefit costs

	2022 EUR 1,000	2021 EUR 1,000
Wages and salaries	598	726
Social security contributions	110	159
Total employee benefit costs	708	885
Average number of employees	7	9

Repsol International Finance B.V. has defined contribution plans for its employees, which conform to current legislation. The annual cost included in 'Employee benefit costs' in the statement of comprehensive income in relation to the defined contribution plans detailed above amounted to EUR 39 thousand in 2022 (2021: EUR 41 thousand). None of the employees work outside the Netherlands.

7. Income taxes

Corporate income tax

The Company is subject to Dutch corporate income tax at the general rate of 25.8% (2021: 25%) (15% on the first EUR 395 thousand taxable profits (2021: 15% on the first EUR 245 thousand)). As from January 1, 2023, the lower bracket of taxable profits has been decreased to EUR 200 thousand and the applicable tax rate to such lower bracket has been increased from 15% to 19%.

Corporate income tax recognized in statement of comprehensive income

	2022	2021
	EUR 1,000	EUR 1,000
Current income tax expense	10,994	604
Deferred income tax expense	(19)	56
Income tax expense	10,975	660

Reconciliation of effective tax rate

	2022		2021	
	%	EUR 1,000	%	EUR 1,000
Result before tax		170,029		34,046
Tax using the Company's domestic tax rate	25.8	43,867	25.0	8,512
Tax effect of:				
· Non-deductible expenses	0.1	179	0.7	225
· Share of profits of equity-accounted investees	(8.4)	(14,336)	(24.6)	(8,373)
· Sale of equity-accounted investees	(11.0)	(18,671)	-	-
Other impact	(0.0)	(64)	0.9	296
Income tax expense	6.5	10,975	1.9	660

The variance between the effective tax rate and the nominal tax rate of 25.8% is shaped by several items, including share of profits of equity-accounted investees with a pre-tax impact of EUR 14,336 thousand (2021: EUR 8,373 thousand) and tax impacts on the sale of the investee with a pre-tax impact of EUR 18,671 thousand (2021: EUR nil). These items are partly offset by non-deductible expenses of EUR 179 thousand (2021: EUR 225 thousand). No income tax credit related to withholding taxes regarding interest on loans with counterparties from countries with whom The Netherlands has a tax treaty has been considered in determining the income tax payable to the Dutch tax authorities (2021: nil).

In 2022 the Company paid EUR 9,166 thousand foreign taxes related to the sale of its participating interest in SierraCol Energy Arauca, LLC.

Movement in deferred tax balances

2022	Net balance as at 1 January EUR 1,000	Deferred tax movements EUR 1,000	FX and other movements EUR 1,000	Net balance as at 31 December EUR 1,000	Deferred tax assets EUR 1,000	Deferred tax liabilities EUR 1,000
Loans and borrowings	2,445	(681)	18	1,782	1,782	-
Net deferred tax assets (liabilities)	**2,445**	**(681)**	**18**	**1,782**	**1,782**	**-**

2021	Net balance as at 1 January EUR 1,000	Deferred tax movements EUR 1,000	FX and other movements EUR 1,000	Net balance as at 31 December EUR 1,000	Deferred tax assets EUR 1,000	Deferred tax liabilities EUR 1,000
Loans and borrowings	2,499	(77)	23	2,445	2,445	-
Net deferred tax assets (liabilities)	**2,499**	**(77)**	**23**	**2,445**	**2,445**	**-**

Considering the deferred tax balances are related to the impairment on financial assets, which is calculated as the 12 months expected credit losses, the deemed recovery of the deferred tax asset is within 12 months.

Unrecognized deferred tax assets and liabilities

As at 31 December 2022, the Company does not have unrecognized deferred tax assets or deferred tax liabilities (2021: none).

Government and legal proceedings with tax implications

In accordance with prevailing tax legislation, tax returns cannot be considered final until they have been inspected by the tax authorities or until the inspection period has expired. The Dutch Tax Authorities have imposed final corporate income tax assessments for the Company regarding the years up to and including 2019. Whenever discrepancies arise between the Company and the tax authorities with respect to the tax treatment applicable to certain operations, the company acts with the authorities in a transparent and cooperative manner in order to resolve the resulting controversy, using the legal avenues at its disposition with a view to reaching non-litigious solutions. Neither as at 31 December 2022 nor as at 31 December 2021, the Company has not recognized any provisions to cover contingencies associated with lawsuits and other tax matters in the statement of financial position.

8. Equity-accounted investees

Movements in equity-accounted investees can be shown as follows:

	2022 EUR 1,000	2021 EUR 1,000
Balance as at 1 January	26,741	24,071
Dividends	(43,336)	(28,579)
Share of profit from continuing operations	55,566	33,493
Disposal of Participations	(43,386)	-
Foreign currency translation differences	4,415	(2,244)
Balance as at 31 December	-	26,741

On 14 October 2022, as part of a restructuring of the Repsol Group, the Company sold its 25% investment in SierraCol Energy Arauca, LLC for an amount of USD 147 million (EUR 151 million) to REPSOL LUX E&P S.A R.L. The profit of the sale amounted to EUR 107.895 thousand. The proceeds from the sale were used for intragroup financing.

9. Loans and borrowings and trade and other receivables

	2022 EUR 1,000	2021 EUR 1,000
Loans to shareholder	7,306,568	7,306,339
Loans to related parties	704,024	3,121,946
Loss allowance debt investments at amortised cost	(6,966)	(9,690)
Total loans and borrowings	8,003,626	10,418,595
Derivative financial instruments	-	478
Tax receivables	-	222
Other receivables	408	1,586
Total trade and other receivables	408	2,286
Total receivables	8,004,034	11,357,345

	2022 EUR 1,000	2021 EUR 1,000
Non-current	6,904,887	7,206,638
Current	1,098,739	3,211,957
Total loans and borrowings	8,003,626	10,418,595

The total of accrued interest included in current loans and borrowings amounts to EUR 92,283 thousand (2021: EUR 96,641 thousand). The principal of the loans and borrowings amounts of EUR 7,911,342 thousand (2021: EUR 10,321,954 thousand).

More information regarding the loans to shareholder and other related parties is included in Note 16.

Loss allowance debt investments at amortized cost

The Company has one type of financial assets that is subject to the expected credit loss model:

- Loans and borrowings at amortized cost

If at the reporting date the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance for that financial instrument is measured at an amount equal to 12-month expected credit losses. Applying the expected credit risk model resulted in a loss allowance of EUR 9,690 thousand on 31 December 2021 and a decrease to EUR 6,966 thousand in the current reporting period. The reversal of expense of EUR 2,724 thousand (2021: EUR 307 thousand less expense) has been presented as part of the financial result in the statement of comprehensive income.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates based on past history, existing market conditions and information obtained from international rating agencies.

The company has not and has not been asked to grant any payment holidays on their loans issued to group companies.

10. Cash and cash equivalents

	2022 EUR 1,000	2021 EUR 1,000
Cash (equivalents) at bank and on hand	1,037	2,878

All cash and bank balances are available on demand.

11. Shareholder's equity

Issued share capital

The authorized and paid-in share capital of the Company consist of 300,577 shares with a par value of EUR 1,000. There are no specific rights, preferences and/or restrictions applicable.

Share premium

The share premium reserve concerns the receipts from the issuance of shares as far as this exceeds the nominal value of the shares and amounts EUR 146,449 thousand (2021:EUR 286,449 thousand) . During 2022 the Company reduced its Share Premium by EUR 140,000 thousand (2021:nil) using excess liquidity. The reduction was performed in accordance with Dutch law.

Other reserves

The other reserves as at 31 December 2022 amounts to nil. As at 31 December 2021 it consisted of a legal reserve for currency translation differences related to the Company's equity-accounted investee.

Dividend distribution

During 2022 no dividend was declared by the Company (2021: nil).

Unappropriated result

- Appropriation of result for the financial year 2021

The Annual report 2021 was adopted in the General Meeting held on 7 April 2022. The General Meeting has determined the appropriation of result in accordance with the proposal being made to that end.

- Proposal for appropriation of result for the financial year 2022

The General Meeting of Shareholders will be asked to approve the following appropriation of the result for the year 2022: an amount of EUR 159,054 thousand to be added to the retained earnings. The result for the year 2022 is included under the unappropriated result item in the shareholder's equity.

The Company can only make payments to the shareholder and other parties entitled to the distributable profit in so far as
(1) the Company can continue to pay its outstanding debts after the distribution (the so-called distribution test), and
(2) the shareholder's equity exceeds the legal reserves and statutory reserves under the articles of association to be maintained (the so-called balance sheet test). If not, management of the Company shall not approve the distribution.

Capital management

The Company's primary objective is to maintain an optimal capital structure that supports its ability to continue as a going concern and safeguard the return for its shareholder, as well as the profits for the holders of equity instruments.

The Company's capital structure includes share capital, reserves and retained earnings. Specifically, the capital management policy is designed to ensure that a reasonable level of debt is maintained.

12. Loans and borrowings

Non-current liabilities

	2022	2021
	EUR 1,000	EUR 1,000
Bond and other securities	6,926,750	7,221,888
Total non-current loans and borrowings	6,926,750	7,221,888

Current liabilities

	2022 EUR 1,000	2021 EUR 1,000
Bond and other securities	388,977	2,008,431
Loans from related parties	6,967	561,906
Total current loans and borrowings	395,944	2,570,337

The total of accrued interest included in current bonds and other securities amounts to EUR 88,977 thousand (2021: EUR 90,791 thousand). The amortized cost of the principal of the bonds and other securities amounts to EUR 7,226,750 thousand (2021 EUR 9,139,528 thousand).

The total of accrued interest included in current loans from related parties amounts to EUR 12 thousand (2021: EUR 1,680 thousand). The principal of the loans from related parties amounts of EUR 6,955 thousand (2021: EUR 560,226 thousand).

More information about loans and borrowings is included in Notes 14 and 15.

13. Trade and other payables

	2022 EUR 1,000	2021 EUR 1,000
Accounts payable to shareholder	-	48
Accounts payable to related parties	350	685
Tax liabilities	704	233
Other payables	219	337
Total trade and other payables	1,273	1,303

Tax liabilities

	2022 EUR 1,000	2021 EUR 1,000
Corporate income tax	608	-
Value added tax	80	223
Wage tax and social securities	16	10
Total tax liabilities	704	233

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Other payables

	2022 EUR 1,000	2021 EUR 1,000
Trade payables to suppliers	208	326
Other payables	11	11
Total other payables	219	337

More information about financial liabilities is included in Notes 14 and 15.

14. Financial instruments

The tables below include the carrying amounts and fair values of financial assets, financial liabilities, including information on their levels in the fair value hierarchy. They do not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Current and non-current financial assets

The breakdown of the different concepts that are included on the balance sheet is as follows:

	2022 EUR 1,000	2021 EUR 1,000
Non-current non-derivative financial assets	6,904,887	7,206,638
Current non-derivative financial assets	1,099,776	3,214,835
Current derivative financial assets	-	478
Total financial assets	8,004,663	10,421,951

The details, by type of assets, of the Company's financial assets as at 31 December 2022 and 2021, are as follows:

As at 31 December 2022	Fair value through profit and loss EUR 1,000	Fair value through OCI EUR 1,000	Amortized cost EUR 1,000	Total EUR 1,000
Other financial assets	-	-	6,904,887	6,904,887
Non-current financial assets	-	-	6,904,887	6,904,887
Cash and cash equivalents	-	-	1,037	1,037
Other financial assets	-	-	1,098,739	1,098,739
Current financial assets	-	-	1,099,776	1,099,776
Total financial assets	-	-	8,004,663	8,004,663

As at 31 December 2021	Fair value through profit and loss EUR 1,000	Fair value through OCI EUR 1,000	Amortized cost EUR 1,000	Total EUR 1,000
Other financial assets	-	-	7,206,638	7,206,638
Non-current financial assets	-	-	7,206,638	7,206,638
Derivative financial instruments	478	-	-	478
Cash and cash equivalents	-	-	2,878	2,878
Other financial assets	-	-	3,211,957	3,211,957
Current financial assets	478	-	3,214,835	3,215,313
Total financial assets	478	-	10,421,473	10,421,951

The classification of the financial assets recognized in the financial statements at fair value, by fair value calculation method level hierarchy, is as follows:

EUR 1,000	Level 1 2022	Level 1 2021	Level 2 2022	Level 2 2021	Level 3 2022	Level 3 2021	Total 2022	Total 2021
Derivatives	-	-	-	478	-	-	-	478
Total	-	-	-	478	-	-	-	478

The valuation techniques used for the instruments classified under level 2, which correspond to derivative financial instruments, are based on the income approach, in accordance with accounting regulations, which entail the discounting to present value of future cash flows associated with said instruments, estimated using forward curves offered in the market, including adjustments for credit risk based on the duration of the instruments.

The most significant variables for valuing financial instruments vary depending on the type of instrument, but fundamentally include: exchange rates (spot and forward), interest rate curves, counterparty risk curves, prices of equity securities, and the volatilities of all the aforementioned factors. In all cases, market data is obtained from reputed information agencies or correspond to quotes issued by official bodies.

The fair value of the financial assets measured at amortized cost is detailed in the following table:

	Carrying amount		Fair value	
	2022 EUR 1,000	2021 EUR 1,000	2022 EUR 1,000	2021 EUR 1,000
Non-current	6,904,887	7,206,638	6,412,688	7,658,954
Current	1,098,739	3,211,957	1,099,223	3,216,654
Total loans and receivables	8,003,626	10,418,595	7,511,911	10,875,607

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The techniques used to value the financial assets, all classified as level 2 for fair value hierarchy purposes, are based, in keeping with prevailing accounting rules, on an income approach and consist of discounting known or estimated future cash flows (estimated using implied forward curves provided by the market in the case of derivatives) to present value using discount curves built from benchmark market interest rates adjusted for credit risk as a function of the terms of the various instruments.

The return accrued on the financial assets disclosed in the table above was equivalent to an average interest rate of 2.30% in 2022 and 2.12% in 2021, respectively.

The maturity of non-current financial assets measured at amortized cost is as follows:

	2022 EUR 1,000	2021 EUR 1,000
Year 2	845,776	302,445
Year 3	1,742,853	845,776
Year 4	496,795	1,742,853
Year 5	744,930	496,795
Subsequent years	3,074,534	3,818,770
Balance as at 31 December	6,904,887	7,206,638

Current and non-current financial liabilities

This note discloses the categories of financial liabilities included in the balance sheet line-items outlined below:

	2022 EUR 1,000	2021 EUR 1,000
Non-current non-derivative financial liabilities	6,926,750	7,221,888
Current non-derivative financial liabilities	306,955	2,568,657
Total financial liabilities	7,233,705	9,790,545

The maturity of non-current financial liabilities measured at amortized cost is as follows:

	2022 EUR 1,000	2021 EUR 1,000
Year 2	844,227	294,603
Year 3	1,745,516	844,227
Year 4	496,768	1,745,516
Year 5	748,207	496,768
Subsequent years	847,436	1,595,634
Undated	2,244,596	2,245,140
Balance as at 31 December	6,926,750	7,221,888

Following is a breakdown of the financial liabilities acquired, most of which are secured with a guarantee from Repsol, S.A., as at 31 December 2022 and 2021:

As at 31 December 2022	Financial liabilities held for trading EUR 1,000	Financial liabilities at amortized cost EUR 1,000	Total EUR 1,000	Fair value EUR 1,000
Bonds and other securities	-	6,926,750	6,926,750	6,449,372
Non-current financial liabilities	-	**6,926,750**	**6,926,750**	**6,449,372**
Bonds and other securities	-	300,000	300,000	300,480
Other liabilities	-	6,955	6,955	6,955
Current financial liabilities	-	**306,955**	**306,955**	**307,435**
Total financial liabilities	-	**7,233,705**	**7,233,705**	**6,756,806**

As at 31 December 2021	Financial liabilities held for trading EUR 1,000	Financial liabilities at amortized cost EUR 1,000	Total EUR 1,000	Fair value EUR 1,000
Bonds and other securities	-	7,221,888	7,221,888	7,699,022
Other liabilities	-	-	-	
Non-current financial liabilities	-	**7,221,888**	**7,221,888**	**7,699,022**
Bonds and other securities	-	2,008,431	2,008,431	1,919,416
Derivatives	-	-	-	
Other liabilities	-	560,226	560,226	560,226
Current financial liabilities	-	**2,568,657**	**2,568,657**	**2,479,642**
Total financial liabilities	-	**9,790,545**	**9,790,545**	**10,178,664**

The main inputs used to value financial liabilities vary by instrument but are mainly exchange rates (spot and forward), interest rate curves, counterparty risk curves, equity prices and volatility metrics for all of the listed inputs. In all instances the market data are obtained from reputed information providers or correspond to the prices published by official bodies.

In relation with liquidity risk, disclosure of maturities relevant to Repsol funding as at 31 December 2022 and 2021 is provided in Note 15.

The breakdown of average loan balances outstanding and cost by instrument is as follows:

	2022		2021	
	Average volume EUR million	Average cost %	Average volume EUR million	Average cost %
Bonds	7,381	2.5	7,898	2.7
Other securities	210	(0.5)	1,394	(0.5)
Loans from related parties	145	1.0	498	0.4
Total	7,735	2.4	9,790	2.1

Bonds and other securities

The chart below discloses issues, buybacks and repayments of debt securities (recognized under current and non-current *Bonds and other securities*) in 2022 and 2021 (excluding accrued interest amounts):

	Balance as at 31 Dec 2021 EUR 1,000	(+) Issuances EUR 1,000	(-) Repurchases or reimbursement EUR 1,000	(+/-) Exchange rate and other adjustments EUR 1,000	Balance as at 31 Dec 2022 EUR 1,000
Bonds	7,721,888	-	(500,000)	4,862	7,226,750
Other securities	1,417,641	-	(1,127,552)	(290,089)	-
Total	9,139,529	-	(1,627,552)	(285,227)	7,226,750

	Balance as at 31 Dec 2020 EUR 1,000	(+) Issuances EUR 1,000	(-) Repurchases or reimbursement EUR 1,000	(+/-) Exchange rate and other adjustments EUR 1,000	Balance as at 31 Dec 2021 EUR 1,000
Bonds	8,073,291	1,048,026	(1,406,277)	6,848	7,721,888
Other securities	1,370,000	6,721,257	(6,674,000)	384	1,417,641
Total	9,443,291	7,769,283	(8,080,277)	7,231	9,139,528

Key issues and repayments carried out in 2022

The Company has a medium term note program (the *EUR 10,000,000,000 Guaranteed Euro Medium Term Note (EMTN) Programme*). It is registered with the *Luxembourg Commission de Surveillance du Secteur Financier* and was renewed on 13 May 2022, with a limit up to EUR 10,000,000,000.

Under the scope of this program:

The Company applies for the admission to trading on the Luxembourg Stock Exchange any bonds to be issued under the Programme, as the Company filed with the competent authorities the relevant Base Prospectus (and its Supplements, when appropriate) in accordance with the laws and regulations governing public offers of securities and their admission to trading in regulated markets.

No new bonds were issued by the Company during 2022 under the EMTN Programme.

In 2022 the below listed bond issued under the EMTN Programme, matured:

- A bond issued by the Company on 23 May 2017, in the amount of EUR 500 million, which carried a fixed annual coupon of 0.5000%, matured on 23 May 2022.

In addition, the Company has a EUR 2,000 million Euro Commercial Paper (ECP) Program (arranged on 26 March 2010) which is guaranteed by Repsol, S.A.

The outstanding balances of issues made under this program as at 31 December 2022, were nil. ECPs are short-term in nature.

Key issues and repayments carried out in 2021

The Company has a medium term note program (the *EUR 10,000,000,000 Guaranteed Euro Medium Term Note (EMTN) Programme*). It is registered with the *Luxembourg Commission de Surveillance du Secteur Financier* and was renewed on 7 May 2021, with a limit up to EUR 10,000,000,000.

Under the scope of this program:

The Company applies for the admission to trading on the Luxembourg Stock Exchange any bonds to be issued under the Programme, as the Company filed with the competent authorities the relevant Base Prospectus (and its Supplements, when appropriate) in accordance with the laws and regulations governing public offers of securities and their admission to trading in regulated markets.

In 2021, the Company issued, under the Repsol Europe Finance and Repsol International Finance, B.V. EUR 10,000,000,000 Guaranteed Euro Medium Term Note Programme (the "EMTN Programme"), all guaranteed by Repsol, S.A. and approved by the Luxembourg Commission de Surveillance du Secteur Financier, the below listed bond.

- On 25 May 2021, a EUR 300 million 2-year bond at 100.815% of the aggregate nominal amount with a floating coupon equivalent to EURIBOR 3 months plus 0.7%.

In 2021 the below listed bond issued under the EMTN Programme, matured:

- A bond issued by the Company on 7 October 2013, in the amount of EUR 1,000 million, which carried a fixed annual coupon of 3.6250%, matured on 7 October 2021.

Furthermore, the following issuances and repayments occurred in 2021:

- On 22 March 2021 the Company issued a EUR 750 million 6-year non-call undated subordinated bond with a coupon of 2.500% interest fixed for the first 6 years.
- On 25 March 2021, a 6-year non-call undated subordinated bond issued on 25 March 2015, in the remainder amount of EUR 406.3 million was repaid, which carried a fixed annual coupon of 3.875%.

In addition, the Company has a EUR 2,000 million Euro Commercial Paper (ECP) Program (arranged on 26 March 2010) which is guaranteed by Repsol, S.A.

The outstanding balances of issues made under this program as at 31 December 2021, were EUR 1,418 million. ECPs are short-term in nature.

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Guaranteed debt security issues

In general, the terms and conditions of the bonds include standard early termination events. In the case of the bonds issued by the Company and guaranteed by Repsol, S.A. under the EMTN Programme (face value of EUR 4,000 million (EUR 4,500 million in 2021), the terms and conditions of the bonds (except the undated subordinated bonds and the subordinated bond maturing in 2075, the "Subordinated Bonds") contain certain early termination events (including cross-acceleration and cross default, applicable to the issuer and the guarantor) and negative pledge covenants in relation to bond issues (as long as any of the bonds remain outstanding, the issuer and the guarantor will not create or have outstanding any mortgage, charge, pledge, lien or other security interest upon the whole or any part of its undertaking, assets or revenues or to secure any guarantee of or indemnity in respect to any bonds).

If an event of default is triggered, the trustee, at its sole discretion or at the behest of the holders of at least one-fifth of the bonds or on the basis of an extraordinary bondholder resolution, is entitled to declare all the obligations under the bonds due and payable immediately. In addition, the holders of the bonds issued since 2014 may elect to have their bonds redeemed upon a change of control at Repsol if such change of control results in Repsol's credit ratings being downgraded to below investment grade status.

As regards the undated subordinated bonds and the subordinated bond maturing in 2075, (face value of EUR 3,250 million; EUR 3,250 million in 2021) the issuer can defer the coupon payments without triggering an event of default. Coupons so deferred will be cumulative and must be paid in certain cases described in the related terms and conditions of the issue.

At the date of preparation of the accompanying financial statements for issue, the Repsol Group was not in breach of any of its financial obligations or of any other obligation that could trigger the early repayment of the bonds issued by the Company.

Other financial liabilities

The chart below discloses issuances, repurchases and reimbursements of other financial liabilities (recognized under current and non-current *Loans and borrowings*) in 2022 and 2021 (principal amounts only):

	Balance as at 31 Dec 2021 EUR 1,000	(+) Issuances EUR 1,000	(-) Repurchases or reimbursement EUR 1,000	(+/-) Exchange rate and other adjustments EUR 1,000	Balance as at 31 Dec 2022 EUR 1,000
Loans from related parties	560,226	339,986	(916,780)	23,523	6,955
Total	**560,226**	**339,986**	**(916,780)**	**23,523**	**6,955**

	Balance as at 31 Dec 2020 EUR 1,000	(+) Issuances EUR 1,000	(-) Repurchases or reimbursement EUR 1,000	(+/-) Exchange rate and other adjustments EUR 1,000	Balance as at 31 Dec 2021 EUR 1,000
Loans from related parties	436,125	424,270	(343,236)	43,067	560,226
Total	**436,125**	**424,270**	**(343,236)**	**43,067**	**560,226**

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Net debt

The positive net debt of the Company can be specified as follows:

	2022 EUR 1,000	2021 EUR 1,000
Cash and cash equivalents	1,037	2,878
Investments - receivable within one year	1,098,739	3,211,957
Borrowings - repayable within one year	(395,944)	(2,570,337)
Current net debt	703,832	644,498
Investments - receivable after one year	6,904,887	7,206,638
Borrowings - repayable after one year	(6,926,750)	(7,221,888)
Non-current net debt	(21,863)	(15,250)
Total net debt	681,969	629,248

A breakdown of the net debt by interest rate profile can be shown as follows:

	2022 EUR 1,000	2021 EUR 1,000
Cash and cash equivalents	1,037	2,878
Net debt - fixed interest rates	(103,980)	(12,575)
Net debt - variable interest rates	784,912	638,945
Total net debt	681,969	629,248

Derivative transactions

The table below reflects the impact on the balance sheet of derivative financial instruments as at 31 December 2022 and 2021 as a result of changes in their fair value since their origination and their maturities:

Classification as at 31 Dec 2022 EUR 1,000	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Fair value
Other derivative financial instruments					
Exchange rate	-	-	-	-	-
Total	-	-	-	-	-

Classification as at 31 Dec 2021 EUR 1,000	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Fair value
Other derivative financial instruments					
Exchange rate	-	478	-	-	478
Total	-	478	-	-	478

Other derivative transactions

The Company arranged a series of derivatives to manage its exposure to foreign exchange and price risk that do not qualify as accounting hedge under IFRS 9. These derivatives included currency forward contracts as part of its strategy to manage the exposure to exchange-rate risk.

Guarantees

Neither as at 31 December 2022 nor 31 December 2021, the Company does not have extended guarantees to third parties or Repsol Group companies whose assets, liabilities and earnings are not presented in the financial statements (joint-ventures and equity-accounted investees).

15. Financial risk management

The Company identifies, evaluates and mitigates financial risks in close cooperation with its Parent Company's Financial Risk Department. This department, with the aim to promote best practices, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks.

The Company has procedures and policies in place to control risks related to financial instruments. These policies and procedures include a clear segregation of duties between operating, settlement, accounting and controlling of all financial instruments used. The management of each Group entity is involved in the risk management process.

The main financial risks are market risk, credit risk and liquidity risk.

In relation to the process of transition to new benchmark interest rates in different jurisdictions worldwide (IBOR reform), the Company has reviewed its contracts according to the calendar of implementation of the IBOR reform, with the objective to identify those with interest rate clauses that impacted, as well as on the substitute interest rate clauses ("fall back" clauses) included in them. The reform has not meant a change in the interest rate financial risk management policy.

Market risk

The Company's activities expose it primarily to the market risks of changes in currency exchange rates, interest rates and credit ratings. Market risk (the risk that changes in market prices, such as currency exchange rates and interest rates) will affect the Company's income or the value of its holdings of financial instruments.

Exchange rate fluctuation risk

Fluctuations in exchange rates may adversely affect the result of transactions and the value of the Company's equity. In general, this exposure to fluctuations in currency exchange rates stems from the fact that the Company has assets, liabilities and cash flows denominated in a currency other than the functional currency of the Company.

In order to mitigate the risk, and when considered appropriate, the Company performs investing and financing transactions, using the currency for which risk exposures have been identified. The Company can also carry out transactions by means of financial derivative instruments for currencies that have a liquid market, with reasonable transaction costs.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the EUR against all other currencies as at 31 December 2022 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The only individual currency with material impact is USD.

EUR (million)	Result for the year		Other comprehensive income	
	2022	2021	2022	2021
Functional currency strengthens 5%	(9)	(3)	-	(1)
Functional currency weakens 5%	9	3	-	1

Interest rate risk

The market value of the Company's net financing and net interest expenses could be affected as a consequence of interest rate fluctuations that could affect the interest income and interest costs of financial assets and liabilities tied to floating interest rates, as well as the fair value of financial assets and financial liabilities tied to a fixed interest rate.

When considered appropriate, the Company may decide to mitigate the interest rate risk by means of derivative financial instruments for which there is a liquid market, these hedging mechanisms are limited and, therefore, could be insufficient. Consequently, changes in interest rates could have an adverse effect on the Company's business, results and financial position.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to management of the Company is as follows:

Sensitivity analysis

EUR (million)	2022	2021
Fixed-rate financial instruments	(104)	(13)
Variable rate financial instruments	785	639
Net interest bearing financial instrume	**681**	**626**

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

EUR (million)	Result for the year	
	2022	2021
Increase of 50 bps	4	3
Decrease of 50 bps	(4)	(3)

There is no significant impact on equity.

Credit rating risk

Credit ratings affect the pricing and other conditions under which the Company is able to obtain financing. Any downgrade in the credit rating could restrict or limit the Company's access to the financial markets, increase its new borrowing costs and have a negative effect on its liquidity.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's loans receivable from related parties and unsettled derivatives whose fair value is positive. The Company attempts to minimize the counterparty credit risk associated with the financial instruments used by selecting counterparties that it assumes to be creditworthy, given their credit ratings.

The carrying amount of financial assets represents the maximum credit exposure.

Loans receivable from related parties

The credit risk of each loan is influenced by the individual characteristics of each counterparty. The Company applies IFRS 9 therefore if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance for that financial instrument is measured at an amount equal to 12-month expected credit losses. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. However, the Company is not exposed to a significant credit risk due to the credit rating and liquidity of the debtors. No loan was overdue as at 31 December 2022and 31 December 2021.

Derivative financial instruments

The derivative financial instruments are entered at investment grade with bank and financial institution counterparties that meet the standards of solvency in accordance with the market conventions regulating these kinds of financial transactions.

Cash and cash equivalents

The Company held cash and cash equivalents of EUR 1,037 thousand as at 31 December 2022 (2021: EUR 2,878 thousand). The cash and cash equivalents are held with bank and financial institution counterparties.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. In this regard, the Company has a positive net debt balance of EUR 681 million as at 31 December 2022 (2021: EUR 629 million) and an excess of current assets over current liabilities of EUR 703 million as at 31 December 2022 (2021: EUR 645 million).

The Company's Treasury Department controls and monitors its financial needs ranging from the production of daily cash flow forecasts to the financial planning involved in the annual budgets and Repsol Group's strategic plan; it maintains diversified and stable sources of financing that facilitate efficient access to financial markets, all within the framework of a financing structure that is compatible with Repsol Group's credit rating in the investment grade category. As a result, the Company relies on its shareholder to cover any incidental liquidity needs through issuance of additional loans.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments:

EUR (million)	Financial liabilities as at 31 December 2022 2023	2024	2025	2026	2027	subsequent	TOTAL
Bonds	478	178	1,028	1,927	617	4,146	8,374
Other securities	-	-	-	-	-	-	-
Other liabilities	7	-	-	-	-	-	7
Total	485	178	1,028	1,927	617	4,146	8,381

EUR (million)	Financial liabilities as at 31 December 2021 2022	2023	2024	2025	2026	subsequent	TOTAL
Bonds	681	478	1,028	1,927	617	4,146	8,877
Other securities	1,418	-	-	-	-	-	1,418
Other liabilities	564	-	-	-	-	-	564
Total	2,663	478	1,028	1,927	617	4,146	10,859

16. Related parties

Parent and ultimate controlling party

The Company is a wholly owned subsidiary of Repsol, S.A, incorporated in Madrid, Spain. Repsol, S.A. is a Spanish multi-energy company engaged in all aspects of the petroleum and energy business and one of the largest industrial groups in Spain.

The Company undertakes transactions with related parties on an arm's length basis. For the purposes of presenting this information, the following are considered to be related parties:

a. Major shareholders: the Company's significant shareholder that is deemed a related party is Repsol, S.A. (100% share capital as at 31 December 2022 and 2021) and its group companies.
b. Executives and directors: includes members of the Board of Directors.
c. People, other companies or entities: includes transactions with other people, companies or entities (corresponding mainly to transactions undertaken with companies accounted for using the equity method).

Income, expenses and other transactions recorded in 2022 with related parties were as follows:

	Shareholder EUR 1,000	Other related parties EUR 1,000	Executive and Directors EUR 1,000	Investee EUR 1,000	Total EUR 1,000
Expense and income					
Financial expenses	-	1,473	-	-	1,473
Derivative financial instruments	-	15,288	-	-	15,288
Other expenses	81	359	200	-	640
Total expenses	81	17,120	200	-	17,401
Financial income	190,066	2,877	-	-	192,943
Derivative financial instruments	-	35,004	-	-	35,004
Dividends received	-	-	-	43,336	43,336
Total income	190,066	37,881	-	43,336	271,283

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	Shareholder EUR 1,000	Other related parties EUR 1,000	Executive and Directors EUR 1,000	Investee EUR 1,000	Total EUR 1,000
Other transactions					
Finance agreements: credits and capital contributions (lender)	229	(2.417.923)	-	-	(2.417.694)
Finance agreements: credits and capital contributions (borrower)	-	554.939	-	-	554.939
Derivative financial instruments	-	(17)	-	-	(17)
Other receivables	-	(1.104)	-	-	(1.104)
Other payables	48	334	-	-	382

Income, expenses and other transactions recorded in 2021 with related parties were as follows:

	Shareholder EUR 1,000	Other related parties EUR 1,000	Executive and Directors EUR 1,000	Investee EUR 1,000	Total EUR 1,000
Expense and income					
Financial expenses	-	7,719	-	-	7,719
Derivative financial instruments	-	3,537	-	-	3,537
Other expenses	174	417	300	-	891
Total expenses	174	11,673	300	-	12,147
Financial income	212,755	10,064	-	-	222,819
Derivative financial instruments	-	2,909	-	-	2,909
Dividends received	-	-	-	28,579	28,579
Total income	212,755	12,973	-	28,579	254,307

	Shareholder EUR 1,000	Other related parties EUR 1,000	Executive and Directors EUR 1,000	Investee EUR 1,000	Total EUR 1,000
Other transactions					
Finance agreements: credits and capital contributions (lender)	(353.712)	213.187	-	-	(140.525)
Finance agreements: credits and capital contributions (borrower)	-	(125.201)	-	-	(125.201)
Derivative financial instruments	-	(199)	-	-	(199)
Other receivables	(1.372)	1.487	-	-	115
Other payables	(80)	(668)	-	-	(748)

The related party transactions performed by the Company form part of the Company's ordinary business activities in terms of their purpose and terms and conditions. All transactions are considered to be at arm's length.

17. Auditor's remuneration

The fees listed below relate to procedures applied to the Company by PricewaterhouseCoopers Accountants N.V., the Netherlands, the external independent auditor as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta), as well as by other Dutch and foreign-based PricewaterhouseCoopers individual partnerships and legal entities:

	2022 EUR 1,000	2021 EUR 1,000
Financial statements audit fees	60	52
Other assurance and non-assurance fees	-	-
Total auditor's remuneration	60	52

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18. Directors' remuneration

The emoluments, including pension costs as referred to in Section 2:383(1) of the Dutch Civil Code, charged in the financial year to the Company amounted to EUR 0.2 million (2021: EUR 0.3 million) for managing directors and former managing directors. Solely the managing directors qualify as key management personnel and all their emoluments regard short-term employee benefits.

There are no loans, advances and guarantees granted by the Company to its directors.

19. Corporate Governance

The board took into consideration the enactment of the EC Directive 2006/43/EU implemented by a Royal Decree of 26 July 2008 ('the Decree') and the obligations, because of its listed securities, as a public interest organization. The corporate governance compliance obligations in respect of article 2, section 2, sub a to f of the Decree has been delegated to the Audit Committee of its parent company, Repsol, S.A. The board also took Regulation (EU) No 537/2014 into consideration.

20. Non-cash transactions

Certain financial transactions occur without actual cash flows on the Company's bank accounts. There are four relevant categories of these transactions:

1. capitalization of accrued interest in an existing loan
2. netting of existing loans receivable and loans payable with the same related party
3. agreements on assignment of loans receivable and loans payable from one related party to another
4. arrangements on payments to settle transactions without the use of the Company's bank accounts

These transactions are part of the Company's ordinary activities. All relevant transactions are transactions between Repsol Group companies.

The non-cash investing and financing activities of the Company, which are not reflected in the statement of cash flows, can be presented as follows:

	2022 EUR 1,000	2021 EUR 1,000
Loans receivable new issuance	547,558	(2,904)
Loans receivable settlements	21,120	3,968
Interest on loans and receivables received	-	8
Loans payable new issuance	(218,479)	110,525
Loans payable settlements	(350,151)	(111,597)
Interest on loans and borrowings paid	(48)	-

21. Subsequent events

On 20 January 2023 the Company, with the idea to optimize the hybrid bond program and to reduce the future refinancing risk, announced an invitation to holders of its EUR 1,000,000 10 year non-call securities due in 2075 to tender their securities for purchase for cash up to EUR 325,000 thousand for a purchase price of 98.70 per cent with an expiration date on 26 January 2023. The final acceptance amount was EUR 229,015 thousand to be paid on 30 January 2023 together with the accrued interest on such securities accepted for purchase in an amount of EUR 38.34 per EUR 1,000 in principal amount. This event is considered as a non-adjusting event since it arose after the end of the reporting period and do not result in adjustment to the financial statements.

No other significant events, which could have a material impact, occurred between year-end 2022 and the date on which the Directors approved and authorized these financial statements for issue.

Signing of the financial statements

The Hague, 9 February 2023
The Board of Directors:

R.W.A. van Nauta Lemke

J. Salmerón

J. Salmeron Molina

S. Mera Uriarte

A. Manero Ruiz

Ms. Sonia Mera, that attended the board meeting via video conference, was not able to co-sign the management report and the accounts to be presented to the annual general meeting of shareholders but has agreed with the content of the management report and the accounts and has empowered the undersigned to state such in this note.

Signed:

J. Salmerón

Other information

1. Independent auditor's report

Reference is made to the independent auditor's report included hereafter.

2. Provisions in the Articles of Association governing the appropriation of profit

Article 22 of the Company's Articles of Association provides that the profit is at the disposal of the General Meeting of Shareholders, which can allocate said profit either wholly or partly to the formation of – or addition to – one or more general or special reserve funds.

Independent auditor's report

To: the general meeting of Repsol International Finance B.V.

Report on the financial statements 2022

Our opinion

In our opinion, the financial statements of Repsol International Finance B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2022, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2022 of Repsol International Finance B.V., Den Haag.

The financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the following statements for 2022: the statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

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

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Independence

We are independent of Repsol International Finance B.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Overview and context

The Company's main activity is the financing of group companies, through bond offerings on the international capital markets. The repayment of the bonds to the investors is guaranteed by Repsol S.A. as disclosed in note 14 to the financial statements. We paid specific attention to the areas of focus driven by the operations of the Company, as set out below.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the managing directors made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also paid attention to climate-related risks. In paragraph 2(f) of the financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the significant estimation uncertainty and the related higher inherent risks of material misstatement in the measurement of expected credit losses, we considered these matters as key audit matters as set out in the section 'Key audit matters' of this report. Furthermore, we identified the existence of the loans issued to group companies as key audit matter because of the importance of existence for users of the financial statements.

Other areas of focus, that were not considered as key audit matters, were the impact of COVID-19 and (income) taxation.

The Company assessed the possible effects of climate change on its financial position. We discussed the Company's assessment and governance thereof with the operating member of the board of directors and evaluated the potential impact on the financial position including underlying assumptions and estimates included in the financial statements. Given the nature of the Company's activities, the impact of climate change is not considered a key audit matter.

We ensured that the audit team included the appropriate skills and competences, which are needed for the audit of a finance company.

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Based on our professional judgement, we determined the materiality for the financial statements as a whole at €80,000,000 (2021: €104,000,000). As a basis for our judgement, we used 1% of total assets. We used total assets as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the stakeholders. Inherent to the nature of the Company's business, the amounts in the statement of financial position are large in proportion to the statement of comprehensive income line items employee benefit costs, other operating expenses and income tax expense. Based on qualitative considerations, we performed audit procedures on those statement of comprehensive income line items, applying a benchmark of 10% of the total of those expenses.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the managing directors that we would report to them any misstatement identified during our audit above €4,000,000 (2021: €5,200,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we updated our understanding of Repsol International Finance B.V. and its environment and the components of the internal control system. This included the operating member of the board of directors' risk assessment process and the operating member of the board of directors' process for responding to the risks of fraud and monitoring the internal control system, as well as the outcomes. We refer to section 'Risk assessment including error and fraud' of the management board report.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct and whistle-blower procedures, among other things. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

We asked the operating member of the board of directors whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risk and performed the following specific procedures:

Identified fraud risk	*Audit work and observations*
The risk of management override of control The managing directors are in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in: • The appropriateness of journal entries and other adjustments made in the preparation of the financial statements. • Estimates. • Significant transactions, if any, outside the normal course of business for the entity. We pay particular attention to tendencies due to possible interests of the managing directors.	We evaluated the design and implementation of the internal control measures that are intended to mitigate the risk of management override of control. Furthermore, we evaluated the design and implementation of the controls in the processes for generating and processing journal entries and making of estimates. We performed our audit procedures primarily substantive based. We have selected journal entries based on risk criteria and performed specific audit procedures on these, also paying attention to significant transactions outside the normal business operations. We also performed specific audit procedures related to important estimates of the managing directors, including the valuation of loans issued to group companies. We refer to the section 'Key audit matters' for the audit procedures performed. We specifically paid attention to the inherent risk of bias of the managing directors in estimates. We performed substantive audit procedures on significant transactions outside the normal course of business. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of violations of the internal controls.

We incorporated an element of unpredictability in our audit. During the audit, we remained alert to indications of fraud. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance of laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures.

Audit approach going concern

The managing directors performed their assessment of the entity's ability to continue as a going concern for at least twelve months from the date of preparation of the financial statements and have not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going concern risks). Our procedures to evaluate the managing directors' going-concern assessment included, amongst others:

- Considering whether the managing directors' going-concern assessment includes all relevant information of which we are aware as a result of our audit and inquiring with the operating member of the board of directors regarding the managing directors' most important assumptions underlying its going- concern assessment.
- Evaluating the financial position of the Company, the counterparties of loans to group companies (including the financial position of the guarantor to the bonds issued on capital markets) and their ability to repay the notional and interest to the Company, by assessing observable data from rating agencies, developments in credit spreads, current financial data (such as recent financial information and cash flows) and other publicly available data and by discussing and obtaining information from the group auditor.
- Performing inquiries of the operating member of the board of directors as to their knowledge of going-concern risks beyond the period of the managing directors' assessment.

Our procedures did not result in outcomes contrary to the managing directors' assumptions and judgements used in the application of the going-concern assumption.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the managing directors. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

Due to the nature of the Company, key audit matters do not change significantly year over year. As compared to last year there have been no changes in key audit matters.

Key audit matter	*How our audit addressed the matter*
Measurement of expected credit losses *Note 9* We considered the valuation of the loans to group companies, as disclosed in note 9 to the financial statements for a total amount of €8,003,626,000, to be a key audit matter. This is due to the size of the loan portfolio and impairment rules introduced by IFRS 9. The impairment rules of IFRS 9 are complex and require judgement to calculate the ECL. Amongst other things, this applies to choices and judgements made in the impairment methodology, including the determination of the probability of default ('PD'), the loss given default ('LGD') and the exposure at default ('EAD'). With the application of the impairment rules of IFRS 9,	We performed the following procedures to test the managing directors' assessment of the expected credit loss to support the valuation of the loans to Repsol S.A. group companies: • With respect to the ECL calculation, we determined that the loans qualify as stage 1 loans by assessing the actual performance of the loans (i.e. no significant deterioration of credit risk). • We evaluated the financial position of the

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Key audit matter	How our audit addressed the matter
these calculations must also take into account forward-looking information of macro-economic factors considering multiple scenarios. The managing directors monitor the need for changes in the methods, significant assumptions or the data used in making the accounting estimate by monitoring key performance indicators that may indicate unexpected or inconsistent performance. Mainly with respect to the PD and LGD used in the determination of the expected credit losses, the managing directors have applied significant judgement given the low default character of the Company's loan portfolio. As a result, there is limited internal historical data to support and back-test the PD and LGD. The managing directors have determined that all loans to group companies are categorised as stage 1 loans, hence only a twelve-month expected credit loss ('ECL') has been recognised. As disclosed in note 9 to the financial statements, the Company has not granted, nor has been requested to grant, any payment holidays on their loans to group companies. In the absence of internal historical losses and default information, the managing directors used data from external data source providers in determining the ECL.	counterparties of loans to group companies and guarantor by assessing observable data from rating agencies, the latest available financial information and other publicly available data in order to assess if there are no adverse conditions present suggesting to classify the loans as stage 2 or stage 3 loans. We have assessed the managing directors' position on the impact of COVID-19 on the financial position of the counterparties of the loans to group companies as part of our procedures. • For the expected credit loss, we assessed that the impairment methodology and model applied by the entity were in accordance with the impairment requirements of IFRS 9. We assessed that the forward-looking information used by the client as part of the impairment methodology was appropriate considering the characteristics of the loan portfolio of Repsol International Finance B.V. We have assessed the managing directors' position on the impact of COVID-19 on the forward-looking information as part of our procedures. • We assessed for a sample of financial instruments that the PD and LGD and the assumptions applied by the managing directors, are appropriate and were based upon data from external data source providers including indicators for potential management bias. We have recalculated the impairment recorded in the financial statements. We found the managing directors' assessment to be adequate. Our procedures as set out above did not indicate material differences.

Key audit matter	*How our audit addressed the matter*
Existence of the loans to group companies *Note 9* We considered the existence of the loans to group companies, as disclosed in note 9 to the financial statements for a total amount of €8,003,626,000, to be a key audit matter. Significant auditor's attention is necessary because of the size of the loan portfolio and the importance of existence for users of the financial statements.	We performed the following procedures to support the existence of the loans to Repsol S.A. group companies: • We confirmed the existence of the loans with the counterparties on a sample basis. • We compared interest receipts with bank statements. Based on the procedures as set out above, we found no material differences.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the management board report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The managing directors are responsible for the preparation of the other information, including the management board report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of Repsol International Finance B.V. This followed the passing of a resolution by the shareholders at the annual general meeting held on 9 October 2017.
Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of five years.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company, for the period to which our statutory audit relates, are disclosed in note 17 to the financial statements.

As stated in note 17 to the financial statements, no services except for audit services have been provided.

Responsibilities for the financial statements and the audit

Responsibilities of the managing directors

The managing directors are responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the managing directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the managing directors are responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the managing directors should prepare the financial statements using the going-concern basis of accounting unless the managing directors either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so. The managing directors should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They 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 the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Rotterdam, 9 February 2023
PricewaterhouseCoopers Accountants N.V.

Original has been signed by M.P.A. Corver RA

Appendix to our auditor's report on the financial statements 2022 of Repsol International Finance B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 intentional override of internal control.
- Obtaining 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.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the managing directors.
- Concluding on the appropriateness of the managing directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the managing directors 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. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the managing directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the managing directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.