

# 2022

Repsol  
Europe  
Finance S.à r.l.

Audited Annual  
Accounts  
as at December 31  
Together with  
independent  
auditor's report

14-16, Avenue Pasteur  
L - 2310, Luxembourg  
RCSL: B149867



Repsol Compromiso  
Cero Emisiones Netas  
2050





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# MANAGEMENT REPORT

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## MANAGEMENT REPORT

The Board of Managers present their report together with the audited Annual Accounts for the year ended 31 December 2022 of Repsol Europe Finance S.à r.l. (the 'Company').

### 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 Company does not have any quoted participations directly or indirectly owned, nor branches. Being a 100% owned subsidiary of Repsol S.A there are no shareholders with special right of control, nor restrictions on voting rights.

The Company did not have any capitalized research and development activity during the financial year ended on 31 December 2022.

As of 2021 the Company is engaged in a Euro-Commercial Paper Programme (hereinafter 'ECP Programme') and in a Guaranteed Euro Medium Term Note Programme (hereinafter 'EMTN Programme') both guaranteed by Repsol, S.A. to meet the Repsol Group financing needs. The maximum amount on the ECP Programme is capped at EUR 3,000,000,000 while the EMTN Programme at EUR 10,000,000,000.

Funds denominated in EUR are raised on the international capital markets and are lent to affiliated companies. During the year the funds raised via the ECP Programme amounted to EUR 9,138,000,000 of which EUR 7,605,500,000 was repaid. The amount outstanding equals EUR 1,532,500,000 as at 31.12.2022.

In 2021, the Company issued under the EMTN Programme and with the approval of the Luxembourg Commission de Surveillance du Secteur Financier ("CSSF"), the below listed Sustainability-Linked Bonds:

- On 6 July 2021 a EUR 650 million bond at 99.077% of the aggregate nominal amount with a fixed rate of 0,375% and a term of 8 years linked to a 12% reduction target for the Carbon Intensity Indicator (CII\*) by 2025. If Repsol Group were to fail to meet these targets, the Bond coupon would increase by 0.25% (to be paid in 2027, 2028 and 2029).
- On 6 July 2021 a EUR 600 million bond at 99.108% of the aggregate nominal amount with a fixed rate of 0,875% and a term of 12 years linked to a 25% reduction target for the CII by 2030. If Repsol Group were to fail to meet these targets, the Bond coupon would increase by 0.375% (to be paid in 2032 and 2033).

\*CII is an indicator that measures carbon dioxide equivalent (g CO<sub>2</sub>e) emissions per unit of energy that the Group makes available to society, measured in grams of carbon dioxide equivalent per megajoule (g CO<sub>2</sub>e/MJ), calculated as per the Base Prospectus as supplemented available at [www.repsol.com](http://www.repsol.com).



On 06 July 2022 the Company paid interest amounting to EUR 2,437,500 at a fixed rate of 0,375% for the EUR 650 million bond and EUR 5,250,000 at a fixed rate of 0,875% for the EUR 600 million bond.

#### **Statement of compliance**

The Annual Accounts for the year ended 31 December 2022 have been prepared in accordance with Luxembourg Accounting Law of 19 December 2002, as amended (hereafter, the Accounting Law).

#### **Financial information**

The Company made a profit of USD 270,364,811 (2021: USD 163,185,776). This profit is primarily the result of positive results from financial activities.

The issued and paid-in share capital of the Company amounts to USD 4,639,123,120 (2021: USD 4,639,123,120).

Total assets of the Company amount to USD 13,282,807,293 (2021: USD 13,079,323,339).

#### **Risk management**

Considering 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.

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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 profit and loss account 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 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 currently underway in different jurisdictions worldwide (IBOR reform), the Company has initiated a revision of its contracts according to the calendar of implementation of the IBOR reform, with the objective to identify those with interest rate clauses that may be impacted, as well as on the substitute interest rate clauses ("fall back" clauses) included in them.

In relation to the transition process, the new contracts incorporate the reference to risk free rates, except where the rates so allow (renewals of contracts entered into prior to January 1, 2022 referenced to USD LIBOR), and in any case, specific clauses are included to regulate the event of permanent discontinuation. In relation to the previously existing contracts, which will remain in effect after the final discontinuation dates (GBP LIBOR in late 2022 and USD LIBOR in mid-2023), the transition to the new rates is proceeding in accordance with the Company's rolling plan for their completion within the required timeframe.

#### *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.

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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 forward-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 amount of cash and banks with high credit quality bank and financial institution counterparties.

The credit ratings assigned to the Company by the rating agencies are published on [www.repsol.com](http://www.repsol.com).

#### ***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 ultimate shareholder to cover any incidental liquidity needs through issuance of additional loans.

#### ***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 depositioning
- 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.

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 1.5°C 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 on the website [www.repsol.com](http://www.repsol.com).

#### **Other operational risks related to the Russian Invasion of Ukraine**

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.

### **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. Repsol Group's best practice also applies to the financial reporting process. The internal regulations of the Repsol Group regarding corporate governance are available on the website [www.repsol.com](http://www.repsol.com).

The Company is managed by one or more managers (together the "Board") appointed by a resolution of the shareholders, which sets the term of their office. The managers may be removed at any time (with or without cause) by a resolution of the shareholders. If several managers are appointed, they shall constitute the Board. All powers not expressly reserved to the shareholders by the Law or the Articles fall within the competence of the Board, which has full power to carry out and approve all acts and operations consistent with the Company's corporate object. The power to issue and buy back shares by the Board is not applicable.

The Company is a public-interest entity within the meaning of article 2 point 13. of the Directive 2006/43/EC as amended by article 1 point 2. (f) of the directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts (the "EU Directives") and the implementation measures set out in the Luxembourg law of 23 July 2016, as amended, concerning the audit profession (the "Lux Audit Law"). The board also took Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities (the "EU Regulation" and together with the EU Directives and the Lux Audit Law, the "Audit Committee Regulations") into consideration and particularly its statutory auditor selection procedure as well as the exemptions thereto. The Company benefits from the exemption of having to have an audit committee as provided for in Article 52, section (5) a) of the Lux Audit Law and the EU Regulation. The board took into consideration the Audit Committee Regulations and acknowledged that the public governance compliance obligations as regards the Company in this respect were satisfied by virtue of 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, available on the website [www.repsol.com](http://www.repsol.com).

### **Corporate responsibility**

The Board of Managers of the Parent Company has analyzed the role of Repsol Group in the fight against climate change and took a new step in its commitment to leading the energy transition in line with the objectives of the Paris Agreement and the Sustainable Development Goals of the United Nations. Accordingly, Repsol Group will direct its strategy towards achieving net zero emissions by 2050. Repsol Group was the first in its industry to set



this ambitious goal, which aims to limit global warming to less than 2 °C compared with pre-industrial levels. These objectives are the basis for the 2021-2025 Strategic Plan.

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 7.5 (2021: 4.5).

#### **Board of managers**

The managers of the Company during the year remained unchanged and were as follows:

V. Gillet

S. Mera Uriarte

J. Salmerón Molina

#### **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 on developments of the investments and financing activities. In the forecast environment, the Company will maintain its financial strength to perform the required demand while maintaining its returns.

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# AUDIT REPORT

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## Audit report

To the Partners of  
**Repsol Europe Finance S.A.R.L**

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## Report on the audit of the annual accounts

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### Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Repsol Europe Finance S.A.R.L (the "Company") as at 31 December 2022, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

#### *What we have audited*

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2022;
  - the profit and loss account for the year then ended; and
  - the notes to the annual accounts, which include a summary of significant accounting policies.
- 

### Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

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

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

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

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### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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



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**Key audit matter****How our audit addressed the key audit matter**

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*Recoverability of loans to affiliated undertakings*

We have performed audit procedures which included the following:

Financial assets are recorded at the lowest amount between their repayment value and their recoverable value (see Note 2.3).

- Ensured compliance of the valuation policy with the valuation methods and rules permitted under applicable Luxembourg legal and regulator requirements;

The loans to and receivables from affiliated undertakings (included in the captions “Loans to affiliated undertakings” and “Amounts owed by affiliated undertakings becoming due and payable within one year”) amount to USD 13,125,899,768 (including accrued interests). We focused our audit on their recoverability because these items are the most significant ones on the balance sheet and a recoverability issue could have a significant impact on the earnings of the Company and its ability to continue as a going concern.

- Assessed the financial position and performance of the loans’ counterparties by obtaining relevant information (including accounts and financial information of the counterparties). We also analyzed Management’s assessment relating to the recoverability of the loans, and its conclusion thereon; finally, we engaged in discussion with the Group auditor in respect of the creditworthiness of the loans’ counterparties.

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**Other information**

The Board of Managers is responsible for the other information. The other information comprises the information stated in the annual report including the management report, “2022 Appropriation of the results” and the Corporate Governance Statement but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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



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

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

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

### **Report on other legal and regulatory requirements**

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” by the General Meeting of the Shareholders on 18 October 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 10 February 2023

Anthony Dault



## BALANCE SHEET AS AT 31 DECEMBER 2022

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**Annual Accounts Helpdesk :**

Tel. : (+352) 247 88 494

Email : centralebilans@statec.etat.lu

RCSL Nr. : B149867

Matricule : 2009 2434 657

eCDF entry date :

**BALANCE SHEET**Financial year from <sup>01</sup> 01/01/2022 to <sup>02</sup> 31/12/2022 (in <sup>03</sup> USD )

Repsol Europe Finance  
 14-16, Avenue Pasteur  
 L-2310 Luxembourg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101	101	102
I. Subscribed capital not called	1103	103	104
II. Subscribed capital called but unpaid	1105	105	106
<b>B. Formation expenses</b>	1107	107	108
<b>C. Fixed assets</b>	1109	8.572.658.404,65	6.451.733.519,74
I. Intangible assets	1111	75.388,65	99.340,34
1. Costs of development	1113		
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	57.186,34	95.310,57
a) acquired for valuable consideration and need not be shown under C.I.3	1117		
b) created by the undertaking itself	1119	57.186,34	95.310,57
3. Goodwill, to the extent that it was acquired for valuable consideration	1121		
4. Payments on account and intangible assets under development	1123	18.202,31	4.029,77
II. Tangible assets	1125	1.900,19	3.420,35
1. Land and buildings	1127		
2. Plant and machinery	1129		

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

RCSL Nr.: B149867

Matricule : 2009 2434 657

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	1.900,19	3.420,35
4. Payments on account and tangible assets in the course of construction	1133		
III. Financial assets	1135	8.572.581.115,81	6.451.630.759,05
1. Shares in affiliated undertakings	1137		
2. Loans to affiliated undertakings	1139 5	8.572.581.115,81	6.451.630.759,05
3. Participating interests	1141		
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		
5. Investments held as fixed assets	1145		
6. Other loans	1147		
<b>D. Current assets</b>	1151	<b>4.693.470.810,93</b>	<b>6.609.652.567,14</b>
I. Stocks	1153		
1. Raw materials and consumables	1155		
2. Work in progress	1157		
3. Finished goods and goods for resale	1159		
4. Payments on account	1161		
II. Debtors	1163	4.565.744.352,87	6.092.172.628,92
1. Trade debtors	1165		
a) becoming due and payable within one year	1167		
b) becoming due and payable after more than one year	1169		
2. Amounts owed by affiliated undertakings	1171 6	4.553.318.652,59	6.091.711.874,05
a) becoming due and payable within one year	1173	4.553.318.652,59	6.091.711.874,05
b) becoming due and payable after more than one year	1175		
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		
a) becoming due and payable within one year	1179		
b) becoming due and payable after more than one year	1181		
4. Other debtors	1183 7, 8	12.425.700,28	460.754,87
a) becoming due and payable within one year	1185	12.425.700,28	460.754,87
b) becoming due and payable after more than one year	1187		

RCSL Nr. : B149867

Matricule : 2009 2434 657

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>127.726.458,06</u>	198 <u>517.479.938,22</u>
<b>E. Prepayments</b>	1199 <u>2,7,9</u>	199 <u>16.678.077,89</u>	200 <u>17.937.252,46</u>
<b>TOTAL (ASSETS)</b>		201 <u>13.282.807.293,47</u>	202 <u>13.079.323.339,34</u>

RCSL Nr.: B149867

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<b>CAPITAL, RESERVES AND LIABILITIES</b>
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	Reference(s)		Current year		Previous year
<b>A. Capital and reserves</b>					
I. Subscribed capital	1301	301	6.969.843.989,02	302	6.699.479.178,05
II. Share premium account	1303	303	4.639.123.120,00	304	4.639.123.120,00
III. Revaluation reserve	1305	305	11.649.432.520,49	306	11.649.432.520,49
IV. Reserves	1307	307		308	
1. Legal reserve	1309	309	194.816.088,29	310	194.816.088,29
2. Reserve for own shares	1311	311	194.816.088,29	312	194.816.088,29
3. Reserves provided for by the articles of association	1313	313		314	
4. Other reserves, including the fair value reserve	1315	315		316	
a) other available reserves	1429	429		430	
b) other non available reserves	1431	431		432	
V. Profit or loss brought forward	1433	433		434	
VI. Profit or loss for the financial year	1319	319	-9.783.892.550,73	320	-9.947.078.326,85
VII. Interim dividends	1321	321	270.364.810,97	322	163.185.776,12
VIII. Capital investment subsidies	1323	323		324	
	1325	325		326	
<b>B. Provisions</b>	1331	331		332	
1. Provisions for pensions and similar obligations	1333	333		334	
2. Provisions for taxation	1335	335		336	
3. Other provisions	1337	337		338	
<b>C. Creditors</b>	1435	435	6.312.963.304,45	436	6.379.844.161,29
1. Debenture loans	1437	437	1.338.399.511,55	438	1.420.082.629,29
a) Convertible loans	1439	439		440	
i) becoming due and payable within one year	1441	441		442	
ii) becoming due and payable after more than one year	1443	443		444	
b) Non convertible loans	1445	445	1.338.399.511,55	446	1.420.082.629,29
i) becoming due and payable within one year	1447	447	4.024.511,55	448	4.270.129,28
ii) becoming due and payable after more than one year	1449	449	1.334.375.000,00	450	1.415.812.500,01
2. Amounts owed to credit institutions	1355	355	1.635.945.106,20	356	206,90
a) becoming due and payable within one year	1357	357	1.635.945.106,20	358	206,90
b) becoming due and payable after more than one year	1359	359		360	

The notes in the annex form an integral part of the annual accounts
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RCSL Nr. : B149867

Matricule : 2009 2434 657

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 <u>193.375,61</u>	368 <u>191.896,59</u>
a) becoming due and payable within one year	1369 _____	369 <u>193.375,61</u>	370 <u>191.896,59</u>
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____ <u>12b</u>	379 <u>3.302.939.515,36</u>	380 <u>4.951.496.374,28</u>
a) becoming due and payable within one year	1381 _____	381 <u>2.177.579.757,00</u>	382 <u>3.688.121.581,74</u>
b) becoming due and payable after more than one year	1383 _____	383 <u>1.125.359.758,36</u>	384 <u>1.263.374.792,54</u>
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____	451 <u>35.485.795,73</u>	452 <u>8.073.054,23</u>
a) Tax authorities	1393 _____ <u>12c</u>	393 <u>13.344.412,29</u>	394 <u>7.999.661,61</u>
b) Social security authorities	1395 _____ <u>12c</u>	395 <u>23.793,20</u>	396 <u>18.317,51</u>
c) Other creditors	1397 _____ <u>7, 12d</u>	397 <u>22.117.590,24</u>	398 <u>55.075,11</u>
i) becoming due and payable within one year	1399 _____	399 <u>22.117.590,24</u>	400 <u>55.075,11</u>
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
<b>D. Deferred income</b>	1403 _____	403 _____	404 _____
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		405 <u>13.282.807.293,47</u>	406 <u>13.079.323.339,34</u>

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



# PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2022

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**Annual Accounts Helpdesk :**

Tel. : (+352) 247 88 494  
 Email : centralebilans@statec.etat.lu

RCSL Nr. : B149867

Matricule : 2009 2434 657

eCDF entry date :

**PROFIT AND LOSS ACCOUNT**

**Financial year from** 01 01/01/2022 **to** 02 31/12/2022 (in 03 USD )

Repsol Europe Finance  
 14-16, Avenue Pasteur  
 L-2310 Luxembourg

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 _____ <b>13</b>	713 _____ <b>382.559,85</b>	714 _____ <b>167.725,78</b>
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____	671 _____ <b>-527.513,48</b>	672 _____ <b>-569.065,82</b>
a) Raw materials and consumables	1601 _____	601 _____ <b>-17.876,62</b>	602 _____ <b>-18.652,15</b>
b) Other external expenses	1603 _____ <b>14</b>	603 _____ <b>-509.636,86</b>	604 _____ <b>-550.413,67</b>
<b>6. Staff costs</b>	1605 _____	605 _____ <b>-951.430,98</b>	606 _____ <b>-872.339,45</b>
a) Wages and salaries	1607 _____	607 _____ <b>-833.730,57</b>	608 _____ <b>-779.616,35</b>
b) Social security costs	1609 _____	609 _____ <b>-76.761,89</b>	610 _____ <b>-61.989,78</b>
i) relating to pensions	1653 _____	653 _____ <b>-33.925,13</b>	654 _____ <b>-26.835,58</b>
ii) other social security costs	1655 _____	655 _____ <b>-42.836,76</b>	656 _____ <b>-35.154,20</b>
c) Other staff costs	1613 _____	613 _____ <b>-40.938,52</b>	614 _____ <b>-30.733,32</b>
<b>7. Value adjustments</b>	1657 _____	657 _____ <b>41.793.964,97</b>	658 _____ <b>-26.416,03</b>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____ <b>3,4</b>	659 _____ <b>-39.644,39</b>	660 _____ <b>-26.416,03</b>
b) in respect of current assets	1661 _____ <b>7</b>	661 _____ <b>41.833.609,36</b>	662 _____ <b>0,00</b>
<b>8. Other operating expenses</b>	1621 _____ <b>15</b>	621 _____ <b>-332.348,87</b>	622 _____ <b>-138.622,30</b>

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Matricule : 2009 2434 657

	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
<b>11. Other interest receivable and similar income</b>	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663	663	664
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665	665	666
<b>14. Interest payable and similar expenses</b>	1627	627	628
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631	631	632
<b>15. Tax on profit or loss</b>	1635	635	636
<b>16. Profit or loss after taxation</b>	1667	667	668
<b>17. Other taxes not shown under items 1 to 16</b>	1637	637	638
<b>18. Profit or loss for the financial year</b>	1669	669	670



## NOTES TO THE ANNUAL ACCOUNTS

### 1. General

Repsol Europe Finance S.à r.l. (previously TE Holding S.à r.l.) (the Company) is a limited liability company (société à responsabilité limitée) incorporated under the laws of Luxembourg on 4 December 2009 for an unlimited period. On 29 March 2021 during the extraordinary general meeting of the shareholders the change of the name from TE Holding S.à r.l. to Repsol Europe Finance S.à r.l. was decided.

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

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

In accordance with its bylaws the Company may borrow in any form. It may issue notes, bonds, promissory notes, hybrid instruments and any kind of private or public debt or non-equity securities in any manner permitted by Law, simple or exchangeable for securities issued or to be issued by the Company. It may issue equity securities by way of private placement only. It may lend funds, including, without limitation, the proceeds of any borrowing, to its subsidiaries, affiliated companies and any other companies.

The Company may use any techniques and instruments to efficiently manage its investments and to protect itself and the companies belonging to the same group as the Company (the "Group") against credit risks, currency exchange exposure, interest rate risk and other risks.

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

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

### 2. Summary of significant accounting policies

The Annual Accounts have been prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of annual accounts under the historical cost convention except for the derivative financial instruments.

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

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical



experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the context of the Russian invasion of Ukraine, since the first half of 2022, management has paid particular attention to the possible impacts linked to the event. 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. Additional raises in interest rates can increase the cost of debt and limit the access to obtain funds in the capital markets. However, the prudent finance policy of Repsol and its commitment to maintain a high level of liquidity, Repsol could repay all its debts until the first quarter of 2029 without the need of raising new funds.

### 2.1. Intangible Assets

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

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

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

### 2.2. Tangible Assets

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

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

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

### 2.3. Financial Assets

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

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



#### 2.4. Debtors

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

#### 2.5. Derivative financial instruments

Derivative financial instruments, following article 64bis (5bis) of the Accounting Law, are measured at fair value and changes therein, including any interest and dividend income, are recognized in the profit or loss account. Directly attributable transaction costs are directly recognized in the profit or loss, as incurred.

The derivative financial instruments are fair value based on following valuation techniques. 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 valuation techniques used for the derivative financial instruments classified in levels 2 and 3 of the hierarchy are based, in accordance with accounting standards, on an income approach, which consists of discounting known or estimated future flows using discount curves constructed on the basis of reference market interest rates (in the case of derivatives, they are estimated using implied market forward curves), including adjustments for credit risk based on the life of the instruments and other adjustments. In the case of options, price-fixing models based on Black & Scholes formulas are used. The main variables for the valuation of financial instruments vary depending on the type of instrument but are mainly the following: exchange rates (spot and forward), interest rate curves, counterparty risk curves, commodity prices (spot and forward) and equity prices, as well as the volatility of all the aforementioned factors. In all cases, market data are obtained from recognized information agencies or correspond to quotations from 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.

#### 2.6. Foreign Currency Translation

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

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

A handwritten signature in blue ink, consisting of a stylized 'S' followed by a flourish.



Non-monetary assets and liabilities in foreign currencies are kept at historical exchange rates. Accordingly, exchange losses and gains on non-monetary assets and liabilities are recognized in the profit and loss account only when realized.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the unrealised losses are recorded in the profit and loss accounts and the net exchange gains are not recognised.

## 2.7. Prepayments

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

The discounts related to non-convertible loans (i.e., the difference between the issue price and the repayment value) are booked in the caption "Prepayments". These discounts are taken to financial expenses on the duration of the non-convertible loans.

## 2.8. Provisions

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

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

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

## 2.9. Creditors

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

## 2.10. Non-convertible loans

Non-convertible loans are recorded on the liabilities side of the balance sheet at the repayment value.

### 3. Intangible assets

The movements for the year were as follows:

In USD	Asset created by the undertaking itself	Intangible assets under development
Gross book value – opening balance	114,373	4,030
Addition for the year	-	14,172
Transfer for the year	-	-
Gross book value - closing balance	114,373	18,202
Accumulated value adjustments – opening balance	(19,062)	-
Allocations for the year	(38,125)	-
Accumulated value adjustments - closing balance	(57,187)	-
Net book value – closing balance	57,186	18,202
Net book value – opening balance	95,311	4,030

### 4. Tangible assets

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

In USD	2022	2021
Gross book value – opening balance	180,108	180,108
Addition for the year	-	-
Gross book value - closing balance	180,108	180,108
Accumulated value adjustments – opening balance	(176,688)	(169,334)
Allocations for the year	(1,520)	(7,354)
Accumulated value adjustments - closing balance	(178,208)	(176,688)
Net book value – closing balance	1,900	3,420
Net book value – opening balance	3,420	10,774

### 5. Financial assets

#### Loans to affiliated undertakings

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

Affiliated undertaking name	Loan currency	Loan principal in USD	Accrued interest receivable in USD	Starting date	Maturity date	Interest rate at 31.12.2022
REPSOL EXPLORACION, S.A.	USD	3,200,000,000	970.667	01/12/2022	01/12/2029	5.46000%
REPSOL OIL & GAS HOLDINGS USA, INC.	USD	2,046,000,000	620.620	01/12/2022	01/12/2029	5.46000%
REPSOL TRADING, S.A.	USD	2,010,034,967	26,349,641	20/10/2021	10/04/2024	5.65107%
REPSOL TESORERÍA Y GESTIÓN FINANCIERA, S.A.	EUR	684,833,809	2,045,812	06/07/2021	06/07/2029	0.60080%
REPSOL TESORERÍA Y GESTIÓN FINANCIERA, S.A.	EUR	631,712,340	3,304,975	06/07/2021	06/07/2033	1.05220%
Total due and payable after more than one year	USD	8,572,581,116	33,291,715			



The details on the financial positions with affiliated undertakings as at 31.12.2021 is as below:

Affiliated undertaking name	Loan currency	Loan principal in USD	Accrued interest receivable in USD	Starting date	Maturity date	Interest rate at 31.12.2021
REPSOL TESORERÍA Y GESTIÓN FINANCIERA, S.A.	USD	2,872,825,797	11,394,941	30/09/2021	30/09/2024	1,37850%
REPSOL OIL & GAS HOLDINGS USA, INC.	USD	1,866,200,486	798,734	23/12/2021	23/12/2024	1,71200%
REPSOL CORRIDOR, S.A.	USD	152,784,039	10,074	31/12/2020	31/12/2023	2,37375%
REPSOL TRADING, S.A.	USD	109,190,067	286,925	20/10/2021	10/04/2024	1,29588%
REPSOL TESORERÍA Y GESTIÓN FINANCIERA, S.A.	EUR	726,629,521	3,506,679	06/07/2021	06/07/2033	1,05220%
REPSOL TESORERÍA Y GESTIÓN FINANCIERA, S.A.	EUR	670,266,025	2,170,668	06/07/2021	06/07/2029	0,60080%
REPSOL NORGE, AS	NOK	53,734,824	4,500	28/09/2018	28/09/2023	2,75000%
Total due and payable after more than one year	USD	6,451,630,759	18,172,521			

The total interest income derived from the loans forming part of the fixed assets to affiliated undertakings amounts to USD 179,687,913 for the year (2021: USD 108,961,588).

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

## 6. Debtors

Debtors are mainly composed of short-term loans and accrued interest outstanding on both short term and long-term loans or cash pool position with affiliated undertakings.

The details on the financial positions with affiliated undertakings on short-term loans is as below:

Affiliated undertaking name	Loan currency	Loan principal in USD	Accrued interest receivable in USD	Starting date	Maturity date	Interest rate at 31.12.2022
REPSOL TESORERÍA Y GESTIÓN FINANCIERA, S.A.	EUR	1,629,387,231	5,124,118	18/11/2021		
REPSOL TESORERÍA Y GESTIÓN FINANCIERA, S.A.	USD	209,733,252	3,633,891	01/12/2021	01/12/2023	5,73052%
REPSOL TRADING SINGAPORE PTE., LTD	USD	127,941,065	5,533,137	20/09/2021	10/04/2023	3,17579%
REPSOL CANADA LTD.	USD	5,183,838	57,779	17/10/2022	17/10/2023	5,00522%
REPSOL TRADING USA CORP.	USD	-	312,068	03/10/2022	03/10/2025	4,15716%
Total due and payable within one year	USD	1,972,245,386	14,660,933			

The details on cash pool positions with affiliated undertakings is as below:

Affiliated undertaking name	Loan currency	Loan principal in USD	Accrued interest receivable in USD	Interest rate at 31.12.2022
REPSOL TRADING, S.A. (*)	USD	2,247,582,314	44,092,408	4,19014%
REPSOL PETROLEO, S.A. (*)	USD	217,740,907	23,136,326	4,19014%
Total due and payable within one year	USD	2,465,323,221	67,228,734	

The details on the financial positions with affiliated undertakings as at 31.12.2021 is as below:

Affiliated undertaking name	Loan currency	Loan principal in USD	Accrued interest receivable in USD	Starting date	Maturity date	Interest rate at 31.12.2021
REPSOL EXPLORACION, S.A.	USD	3,181,250,083	4,639,724	01/06/2021	01/06/2022	1,61088%
REPSOL TESORERÍA Y GESTIÓN FINANCIERA, S.A.	USD	1,042,124,985	232,120	01/12/2021	01/12/2022	1,12600%
REPSOL TRADING, S.A.	USD	855,981,112	157,857	28/12/2021	28/12/2022	1,65975%
REPSOL GESTIÓN DE DIVISA, S.L.	USD	765,321,541	7,926	26/04/2018	26/04/2022	0,18788%
REPSOL INTERNATIONAL FINANCE, B.V.	USD	135,249,301	40,745	20/09/2021	01/06/2022	0,14088%
REPSOL TRADING SINGAPORE PTE., LTD	USD	87,353,652	887,043	20/09/2021	10/04/2022	1,23675%
Total due and payable within one year	USD	6,067,280,674	5,965,415			

The cash pool with affiliated undertakings was started in the financial year 2022, whereby there were not cash pool positions with affiliated undertakings as at 31.12.2021.



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

As of 31 December 2022, other amounts owed by affiliated undertakings were USD 568,664 (2021: USD 293,264).

Other interest receivable derived from affiliated undertakings amounts to USD 202,271,879 (2021: USD 80,813,796) and is detailed below:

- Interest income USD 202,245,409 (2021: USD 73,693,595)
- Foreign currency exchange gains USD 26,470 (2021: USD 7,120,201).

## 7. Derivative 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.

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 classification of the financial assets recognized in the balance sheet at fair value (FV), by fair value calculation method, is as follows:

In USD	Level 2	
	2022	2021
At FV through profit and loss	11,983,003	-

The classification of the financial liabilities recognized in the balance sheet at fair value (FV), by fair value calculation method, is as follows:

In USD	Level 2	
	2022	2021
At FV through profit and loss	22,039,112	-

The fair value and notional value of the Company's derivative financial instruments at 31 December 2022 is (base currency is USD):

Derivative assets	Notional (USD)	Fair value (USD)
Non-deliverable forward	(96,796,182)	8,793,623
Forward	11,065,740	3,189,380
TOTAL	(85,730,442)	11,983,003

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The total effect recorded in profit and loss account in relation to the derivatives for the period closed on 31 December 2022 is USD 41,833,609 (2021: nil).

Derivative liabilities	Notional (USD)	Fair value (USD)
Non-deliverable forward	(133,185,895)	1,684,468
Forward	(3,375,195)	153,668
Currency swap	(27,949,796)	20,200,976
<b>TOTAL</b>	<b>(164,510,886)</b>	<b>22,039,112</b>

#### 8. Other debtors

In addition to the derivative assets detailed in Note 7, the other debtors account at 31 December 2022 includes accounts receivable from tax authorities for an amount of USD 442,697 (2021: USD 460,755).

#### 9. Prepayments

The prepayments account includes:

In USD	2022	2021
Deferred charges on bonds	15,035,170	17,928,894
Deferred charges on commercial papers	1,617,390	-
Other prepayments	25,518	8,359
	<b>16,678,078</b>	<b>17,937,253</b>

#### 10. Capital and reserves

##### a. Subscribed capital

The subscribed capital amounts to USD 4,639,123,120 (2021: USD 4,639,123,120) and is represented by 231,956,156 ordinary shares with a nominal value of USD 20.00 each, all subscribed and fully paid.

##### b. Share premium account

There were no movements on the "Share premium account" item during the year:

In USD	Share premium	Contributions to Account 115	Total
As at 31 December 2021	6,675,148,642	4,974,283,878	11,649,432,520
As at 31 December 2022	6,675,148,642	4,974,283,878	11,649,432,520

##### c. Legal reserve

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

The current reserve amounts to USD 194,816,088 (2021: USD 194,816,088).

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

The movements for the year are as follows:



In USD	Legal reserve	Profit or loss brought forward	Profit or loss for the financial year
As at 31 December 2021	194,816,088	(9,947,078,327)	163,185,776
Allocation of previous year's profit	-	163,185,776	(163,185,776)
Profit or (loss) for the year	-	-	270,364,811
As at 31 December 2022	194,816,088	(9,783,892,551)	270,364,811

## 11. Non-convertible loans

Non-convertible loans are comprised of bonds issued on the Luxembourg Stock Exchange. In 2021, the Company issued two Sustainability-Linked Bonds.

- On 6 July 2021 a EUR 650 million bond at 99.077% of the aggregate nominal amount with a fixed rate of 0,375% and a term of 8 years linked to a 12% reduction target for the Carbon Intensity Indicator (CII) by 2025. If Repsol Group were to fail to meet these targets, the Bond coupon would increase by 0.25% (to be paid in 2027, 2028 and 2029). The ISIN code of the bond is XS2361358299.
- On 6 July 2021 a EUR 600 million bond at 99.108% of the aggregate nominal amount with a fixed rate of 0,875% and a term of 12 years linked to a 25% reduction target for the CII by 2030. If Repsol Group were to fail to meet these targets, the Bond coupon would increase by 0.375% (to be paid in 2032 and 2033). The ISIN code of the bond is XS2361358539.

The principal amount outstanding, payable after more than five years is USD 1,334,375,000 (2021: USD 1,415,812,500) and accrued interest outstanding payable within a year is USD 4,024,512 (2021: USD 4,270,129).

During the year the Company incurred total expenses of USD 9,935,089 (2021: USD 5,388,170) related to the bonds, being included in the caption "Other interest and similar expenses" of the Profit and Loss Account.

## 12. Creditors

### a. Amounts owed to credit institutions

During the year the Company raised financing through issuance of Commercial Papers, within the framework of the Euro-Commercial Paper Programme. The outstanding amount on 31 December 2022 is equal to USD 1,635,943,750 (2021: nil).



The outstanding amount on 31 December 2022 consist of the following:

Credit institution name	ISIN code	Principal in USD	Starting date	Maturity date	Interest rate at 31.12.2022
BBVA ESPAÑA	XS2549308653	14,411,250	21/10/2022	20/01/2023	1,65000%
BBVA ESPAÑA	XS2549308653	16,012,500	21/10/2022	20/01/2023	1,66000%
BRED BANQUE POPULAIRE	XS2545649662	16,012,500	10/10/2022	10/01/2023	1,46000%
BRED BANQUE POPULAIRE	XS2555722458	53,375,000	10/11/2022	10/02/2023	1,89000%
CITIBANK EUROPE	XS2559945576	32,025,000	21/11/2022	23/01/2023	1,76500%
CITIBANK EUROPE	XS2556918725	37,362,500	14/11/2022	14/02/2023	1,91000%
CITIBANK EUROPE	XS2552263803	48,037,500	31/10/2022	31/01/2023	1,72000%
CITIBANK EUROPE	XS2550878354	186,812,500	26/10/2022	26/01/2023	1,76000%
CITIBANK EUROPE	XS2554746854	213,500,000	08/11/2022	10/01/2023	1,71500%
CREDIT AGRICOLE CORP AND INVESTMENT BANK	XS2556927478	53,375,000	14/11/2022	16/01/2023	1,75500%
CREDIT AGRICOLE CORP AND INVESTMENT BANK	XS2552272978	195,352,500	31/10/2022	31/01/2023	1,74000%
JP MORGAN SE	XS2545649662	10,675,000	10/10/2022	10/01/2023	1,46500%
JP MORGAN SE	XS2552272978	21,350,000	31/10/2022	31/01/2023	1,72000%
JP MORGAN SE	XS2542746586	64,050,000	03/10/2022	05/01/2023	1,38500%
JP MORGAN SE	XS2556923642	64,050,000	14/11/2022	13/01/2023	1,75500%
JP MORGAN SE	XS2542746404	112,087,500	03/10/2022	03/02/2023	1,63000%
JP MORGAN SE	XS2549305477	309,575,000	20/10/2022	20/01/2023	1,67500%
RABOBANK NETHERLAND	XS2556901754	26,687,500	14/11/2022	16/01/2023	1,75000%
RABOBANK NETHERLAND	XS2556901754	53,375,000	14/11/2022	16/01/2023	1,75000%
SOCIETE GENERALE FRANCIA	XS2559925545	32,025,000	21/11/2022	23/01/2023	1,76500%
SOCIETE GENERALE FRANCIA	XS2546249009	75,792,500	11/10/2022	11/01/2023	1,48000%
<b>Total payable</b>		<b>1,635,943,750</b>			

The remaining balance of USD 1,356 is comprised of the balance on the Company's credit card (2021: USD 207).

#### b. Amounts owed to affiliated undertakings

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

In USD	2022	2021	2022	2021
	Principal	Principal	Accrued interest	Accrued interest
Loans from affiliated undertakings				
Due within one year	2,134,012,053	3,686,739,867	43,478,495	1,152,509
Due within one to five years	1,125,359,758	1,263,374,793	-	-
<b>Total</b>	<b>3,259,371,811</b>	<b>4,950,114,660</b>	<b>43,478,495</b>	<b>1,152,509</b>

The details on the financial positions with affiliated undertakings due within one to five years is as below:

Affiliated undertaking name	Loan currency	Loan principal in USD	Accrued interest payable in USD	Starting date	Maturity date	Interest rate at 31.12.2022
REPSOL FINANCE BRASIL S.À R.L.	USD	1,125,359,758	14,481,474	30/09/2021	30/09/2024	4,98128%
<b>Total due and payable after more than one year</b>	<b>USD</b>	<b>1,125,359,758</b>	<b>14,481,474</b>			



The details on the financial positions with affiliated undertakings due within one to five years at 31.12.2021 is as below:

Affiliated undertaking name	Loan currency	Loan principal in USD	Accrued interest payable in USD	Starting date	Maturity date	Interest rate at 31.12.2021
REPSOL FINANCE BRASIL S.À R.L.	USD	1,123,366,703	518,012	30/09/2021	30/09/2024	0,17850%
REPSOL E&P BOLIVIA, S.A.	USD	140,008,089	105,281	12/09/2021	12/09/2024	0,24388%
Total due and payable after more than one year	USD	1,263,374,793	623,293			

The details on the financial positions with affiliated undertakings due within a year is as below:

Affiliated undertaking name	Loan currency	Loan principal in USD	Accrued interest payable in USD	Starting date	Maturity date	Interest rate at 31.12.2022
FEHI HOLDING S.À R.L.	USD	573,711,542	7,111,619	02/11/2022	02/11/2023	4,19996%
ALBATROS S.À R.L.	USD	433,500,000	1,548,301	05/12/2022	05/12/2023	4,73547%
REPSOL ENERGY NORTH AMERICA CORP.	USD	402,424,286	200,044	28/09/2022	28/09/2023	4,83426%
REPSOL ENERGY NORTH AMERICA CANADA PARTNERSHIP	USD	212,576,323	3,692,772	17/10/2022	17/10/2023	4,24792%
EQUION ENERGIA, LTD	USD	146,314,804	1,337,136	31/01/2022	15/04/2023	4,21789%
SAINT JOHN LNG, LP	USD	126,000,000	1,198,141	17/10/2022	17/10/2023	4,14821%
REPSOL TRADING USA CORP.	USD	103,000,000	238,191	03/10/2022	03/10/2023	4,15716%
REPSOL UPSTREAM B.V.	USD	55,081,920	13,130,021	12/01/2021	12/01/2023	4,02355%
GAVIOTA RE S.A.	USD	30,098,380	72,411	15/06/2021	15/03/2023	4,81249%
REX KARABASHSKY B.V.	USD	28,300,503	249,294	18/01/2022	18/01/2023	4,21671%
SANTIAGO OIL COMPANY	USD	13,752,100	125,677	31/01/2022	15/04/2023	4,21789%
REPSOL TRADING PERU S.A.C.	USD	5,755,034	65,124	27/05/2022	27/05/2023	4,67816%
REPSOL PERU B.V.	USD	1,413,723	14,824	04/04/2022	04/04/2023	3,87790%
COLOMBIA PIPELINES LTD	USD	1,271,428	11,619	31/01/2022	15/04/2023	4,21789%
GREENSTONE ASSURANCE, LTD.	USD	812,010	1,847	01/06/2021	15/03/2023	4,81249%
Total due and payable within one year	USD	2,134,012,053	28,997,021			

The details on the financial positions with affiliated undertakings due within a year as at 31.12.2021 is as below:

Affiliated undertaking name	Loan currency	Loan principal in USD	Accrued interest payable in USD	Starting date	Maturity date	Interest rate at 31.12.2021
REPSOL OIL & GAS CANADA, INC.	USD	1,945,621,498	329,382	08/05/2021	08/05/2022	0,11458%
REPSOL OIL & GAS GULF OF MEXICO, LLC	USD	642,261,212	70,997	17/12/2021	17/12/2022	0,27150%
REPSOL UPSTREAM, B.V.	USD	312,371,655	44,565	12/01/2021	12/01/2022	0,10163%
REPSOL E&P BOLIVIA, S.A.	USD	243,890,570	31,600	30/11/2021	30/11/2022	0,14538%
TALISMAN COLOMBIA HOLDCO, LTD.	USD	115,034,861	16,096	20/09/2021	26/04/2022	0,09488%
REPSOL EXPL.PERU,SUC.PERÚ	USD	90,000,000	1,670	27/12/2021	27/12/2022	0,18788%
PALADIN RESOURCES, LTD.	USD	55,681,606	581	30/09/2021	30/09/2022	0,18788%
GAVIOTA RE, S.A.	USD	50,494,623	3,831	15/12/2021	15/03/2022	0,17275%
REPSOL TRANSGASINDO S.À R.L.	USD	44,958,211	8,144	01/12/2021	01/10/2022	0,10088%
TLM RESOURCES (NW JAVA) LTD.	USD	41,324,193	5,013	01/12/2021	01/12/2022	0,14088%
REPSOL USA HOLDINGS, LLC	USD	36,198,076	378	22/12/2021	22/06/2022	0,18788%
REPSOL BOLIVIA, S.A.	USD	35,593,927	2,702	28/02/2021	28/10/2022	0,14538%
REPSOL DUCTOS COLOMBIA, S.A.S.	USD	28,542,598	4,873	20/09/2021	23/04/2022	0,09388%
FORTUNA RESOURCES (SUNDA) LTD.	USD	22,268,003	2,701	01/12/2021	01/12/2022	0,14088%
REPSOL ANDAMAN, B.V.	USD	11,095,152	472	27/12/2021	27/12/2022	0,30638%
REPSOL E&P USA HOLDINGS, INC.	USD	7,606,789	5,799	29/04/2021	29/04/2022	0,06863%
BP TRINIDAD & TOBAGO, LLC	USD	2,123,006	198	01/10/2021	19/12/2022	0,07925%
TALISMAN INT. (LUXEMBOURG), S.À R.L.	USD	838,176	152	01/12/2021	01/10/2022	0,10088%
GREENSTONE ASSURANCE, LTD.	USD	799,018	54	01/06/2021	15/03/2022	0,17275%
REPSOL EXPLORACION ATLAS SUC.BOLIVIA	USD	36,692	9	01/10/2021	01/10/2022	0,10088%
Total due and payable within one year	USD	3,686,739,866	529,217			



As of 31 December 2022, other amounts owed to affiliated undertakings were USD 89,209 (2021: USD 229,206).

Other interest and similar expenses derived from affiliated undertakings amounts to USD 135,483,338 (2021: USD 5,284,345) and is detailed below:

- Interest expense USD 131,362,126 (2021: USD 5,255,270)
- Foreign currency exchange losses USD 4,121,212 (2021: USD 29,075).

#### c. Tax and social security authorities

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

In USD	2022	2021
Wealth tax	13,028,965	7,925,871
VAT accrued	315,447	73,790
Social security debts	23,793	18,318
	13,368,205	8,017,979

#### d. Other creditors

In addition to the derivative liabilities detailed in Note 7, the other creditors account at 31 December 2022 includes accounts payable to staff for an amount of 78,478 (2021: USD 55,075).

### 13. Other operating income

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

In USD	2022	2021
Other affiliates	202,631	122,612
FEHI Holding S.à r.l.	119,860	11,325
Albatros S.à r.l.	60,069	33,789
Total	382,560	167,726

### 14. Other external expenses

Other external expenses during the year include the following:

In USD	2022	2021
Rent and service charges	(123,011)	(149,222)
IT processing fees	(59,837)	(33,776)
Employee related other than salaries and benefits	(10,655)	(8,665)
Professional fees	(284,273)	(354,815)
Other office expenses	(31,861)	(3,936)
Total	(509,637)	(550,414)



## 15. Other operating expenses

Other operating expenses during the year include the following:

In USD	2022	2021
Non-deductible VAT	(322,012)	(123,799)
Managers fees and related expenses	(10,337)	(14,823)
Total	(332,349)	(138,622)

The Company has no commitments in respect of retirement pensions for Management as at 31 December 2022.

## 16. Staff

The Company employed an average of 7.5 persons during the financial year (2021: 4.5).

## 17. Current taxes

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

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

Following the adoption of Bill 7020 on 14 December 2016 by the Luxembourg Parliament, tax losses generated after 1 January 2017 can be carried forward for a 17 years' period and not indefinitely in time. As at closing date the Company did not file its annual tax return for the year 2022 and had following carry-forward tax losses at 31 December 2022:

Fiscal year	Amount (USD)
2012	(3,619,543,895)
2013	(1,381,789,852)
2014	(2,560,647,100)
2015	(1,967,648,361)
Total carry-forward losses	(9,529,629,208)

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

Current taxes (USD)	2022	2021
Income tax recovery due to tax unity previous years	-	58,775
Wealth tax for the current year	(5,898,258)	(4,859,132)
Net current tax recovery (expense)	(5,898,258)	(4,800,357)



#### 18. Auditor's fee

The accrued fees of the auditor of the Company are:

Fees (USD)	2022	2021
Audit	67,260	50,010
Other	22,592	25,552
Total	89,852	75,562

#### 19. Off Balance Sheet commitments

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

#### 20. Post-balance sheet events

There were no post balance sheet events.

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## APPROPRIATION OF RESULTS

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Repsol Europe Finance S.à r.l.  
Société à responsabilité limitée  
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RCS Luxembourg: B149.867

### 2022 Appropriation of the results

After having carefully considered, examined and discussed the 2022 Annual Accounts of the company, having regard to all circumstances and matters of fact, the members of the board proposed, and the Shareholder should approve the following appropriation of the 2022 results:

	USD
Loss brought forward	(9,783,892,550.73)
2022 Profit	270,364,810.97
Amount brought forward to 2023	<hr/> <u>(9,513,527,739.76)</u>

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