



2023

REPSOL
International
Finance B.V

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

Repsol International Finance B.V.



PricewaterhouseCoopers
Accountants N.V.
For identification
purposes only





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Management board report



Management board report

The Managing Directors present their report together with the audited financial statements of Repsol International Finance B.V. (the 'Company') for the year ended 31 December 2023. All 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 which mission (its reason for being) is to be an energy company committed to a sustainable world and its vision (where it is heading) is to be a global energy company that, based on innovation, efficiency, and respect, creates value in a sustainable way for the progress of society. This commitment is reflected in Repsol's core values of "Efficiency, Respect, Anticipation, and Value Creation," which guide its operations and decision-making. Repsol also emphasizes "Orientation to Results, Responsibility, Entrepreneurial Attitude, Inspirational Leadership, and Collaboration" as key behaviours to achieve its mission and vision. The Company is a wholly owned subsidiary of Repsol, S.A., Madrid, Spain (the 'Parent Company').

The company's principal activity is to provide financing to other members of the Repsol Group. The company obtains its own funding through the issuance of subordinated bonds, bonds under a Euro Medium Term Note Programme, and loans from other Repsol Group companies.

To support the Repsol Group's financial requirements, the Company has established a Euro Medium Term Note Programme (EMTN Programme), which is jointly issued with Repsol Europe Finance S.a.r.l. and guaranteed by Repsol S.A. On May 31, 2023, the EMTN Programme increased from a maximum of EUR 10 billion to EUR 13 billion and was renewed to allow hybrid bond issues.

No new bonds were issued by the Company during 2023 under the EMTN Programme, but in 2023 the below listed bonds issued under the EMTN Programme suffered the following changes:

- A 2-year bond issued by the Company on 25 May 2021, in the amount of EUR 300 million at 100.815% of the aggregate nominal amount with a floating coupon equivalent to EURIBOR 3 months plus 0.7%, matured and was repaid on 25 May 2023.
- 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 thousand 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% with an expiration date on 26 January 2023. The final acceptance amount was EUR 229,015 thousand which was 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.
- In May and June 2023, the Company acquired an additional EUR 45,000 thousand of the EUR 1,000,000 thousand 10-year non-call securities due in 2075, that were cancelled on 26 June 2023.
- On 5 October 2023 the Company's Senior Bond 0.125% 2024 was reclassified from non-current financial liabilities to current financial liabilities given that its maturity date is 5 October 2024.



The outstanding bonds as at 31 December 2023 are the following:

Bond	Nominal outstanding (in Millions)	Currency	Issue Date	Maturity
Senior Bond 0.125% 2024	850	EUR	05/10/2020	05/10/2024
Subordinated Bond 4.500% 60PNC10	726	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	6,676			

Corporate structure

The Company holds no investments in other companies following the liquidation in December 2023 of Repsol Exploración Karabashsky B.V., in which it held one share with a nominal value of 1 EUR.

Statement of compliance

The financial statements for the year ended 31 December 2023 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 16,691 thousand (2022: EUR 159,054 thousand). This profit is primarily caused by positive results from financial intermediation activities which improved compared to previous year. The decrease in profit from 2022 to 2023 is related to the profit obtain from the sale of SierraCol Energy Arauca, LLC.

The issued and paid-in share capital of the Company amounts to EUR 300,577 thousand (2022: EUR 300,577 thousand).

Total assets of the Company amount to EUR 7,447,629 thousand (2022: EUR 8,006,853 thousand). The decrease in Company assets from 2022 to 2023 was primarily attributable to the repurchase and maturity of bonds and the subsequent reduction of loans.



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

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.

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.



As per 31 December 2023 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-1	Stable	June 1, 2023

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.

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 2023 and 31 December 2022. 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.

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
- Detours on the expectation of results in processes of investment/disinvestment
- Administrative, judicial and arbitration proceedings
- Regulatory risks
- Accident rate
- Deviations in organizational management and employee's management
- Cyberattacks
- 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.



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 2023, 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

Energy plays a key role in enabling progress and improve the well-being of society. The technology and its industrial application have led us to have access today to secure and affordable energy in much of the world, but its production and use generate greenhouse gas emissions that contributes to climate change. Therefore, the Energy industry faces an unprecedented challenge, decarbonize the energy cycle while guarantees a reliable and affordable energy supply for the consumer.

Climate change is a collective challenge that requires decisive action by producers and consumers of energy, as well as international collaboration, to advance in the energy transition and reduce gas emissions greenhouse gases from oil and gas.

For Repsol, the energy transition is only understood if includes principles of economic viability, efficiency, sustainability, and justice, and must be achieved with solutions that provide a positive social and economic impact on the workers, local communities, and society in general, always based on respect for the rights human rights and with special attention to the most vulnerable. This is stated in the Sustainability Policy of the Company, existing since 2015 and updated in 2022.

Repsol's goal is to satisfy the demand for energy and products, contributing to sustainable development and reaching net emissions neutrality in 2050. This is what includes the Sustainability Policy. The Sustainability Policy is specified in a model that establishes six axes of action: climate change, environment, innovation and technology, security, people, and ethics and transparency.

Repsol recognizes the urgency of this challenge and has made a bold commitment to achieve net-zero emissions by 2050, aligning with the Paris Agreement's ambitious goals. Repsol's commitment to sustainability is not merely a corporate responsibility initiative; it is an integral part of its long-term strategy and financial planning. Repsol believe that by leading the transition to a low-carbon economy can not only contribute to a more sustainable future but also create new opportunities for growth and value creation.

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, long term impacts are closely monitored.



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 2023, 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.

Minimum taxation (OECD Pillar II)

In October 2021, 137 countries of the OECD Inclusive Framework reached a political agreement to establish common rules to ensure minimum taxation of multinational groups. This agreement was finalized in December 2021 with the publication of model rules that guarantee an effective global taxation of 15%.

In December 2022, the 27 Member States of the EU approved a Directive, based substantially on the OECD model rules, which must be transposed into the national legislation of each Member State before the end of 2023, for its entry into force in the fiscal year 2024.

The Netherlands has already approved national legislation with the bill for the Minimum Tax Act 2024. The Company does not expect significant economic impacts from the application of this new regulation, as it is already subject to effective tax rates much higher than 15%. The Company's profits and average effective tax rate are expected to be like the commercial result and the domestic effective tax rate.

Number of employees

During 2023, the average number of employees was 7 (2022: 7).

Board of directors

The directors of the Company during the year were as follows:

R. Harinck
J. Salmeron Molina
S. Mera Uriarte

The changes to the composition of the Board of Directors during 2023 were as follows:

- Appointment of R. Harinck on 3 October after the resignation of R.W.A. van Nauta Lemke.
- Resignation of A. Manero Ruiz on 19 December.

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 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 diversity goals.

Subsequent events

No significant events, which could have a material impact, occurred between year-end 2023 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. In the forecast environment, the Company will maintain its financial strength to perform the required demand while maintaining its returns.

Signing

The Hague, 20 February 2024
The Board of Directors:

R. Harinck

J. Salmeron Molina

S. Mera Uriarte



Financial Statements

Statement of financial position as at 31 December 2023

(before appropriation of result)

ASSETS	Notes	2023 EUR 1,000	2022 EUR 1,000
Non-current assets			
Loans and borrowings	9	5.786.875	6.904.887
Deferred tax assets	7	1.583	1.782
Other non-current assets		31	-
Total non-current assets		5.788.489	6.906.669
Current assets			
Loans and borrowings	9	1.658.432	1.098.739
Trade and other receivables	9	71	408
Cash and cash equivalents	10	637	1.037
Total current assets		1.659.140	1.100.184
TOTAL ASSETS		7.447.629	8.006.853
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued share capital	11	300.577	300.577
Share premium	11	146.449	146.449
Retained earnings		235.861	76.806
Unappropriated result		15.691	159.054
Total shareholders' equity		698.578	682.886
Non-current liabilities			
Loans and borrowings	12	5.808.548	6.926.750
Total non-current liabilities		5.808.548	6.926.750
Current liabilities			
Loans and borrowings	12	935.492	395.944
Trade and other payables	13	5.011	1.273
Total current liabilities		940.503	397.217
Total liabilities		6.749.051	7.323.967
TOTAL EQUITY AND LIABILITIES		7.447.629	8.006.853

The notes on pages 17 to 45 are an integral part of these financial statements.

Statement of comprehensive income for the year ended 31 December 2023

	Notes	2023 EUR 1,000	2022 EUR 1,000
Interest income	5	199.129	193.970
Interest expense	5	(176.332)	(187.426)
Changes in the fair value of financial instruments	5	-	19.612
Foreign currency translation difference	5	95	(18.510)
Net impairment gain/(loss) on financial assets	9	844	2.724
Other financial income/(expense)		(1.670)	(1.680)
Financial result		22.066	8.690
Employee benefit costs	6	(750)	(708)
Other operating expenses		(224)	(1.414)
Operating result		(974)	(2.122)
Share of profit of equity-accounted investees	8	-	55.566
Disposal of equity-accounted investees	8	-	107.895
Result before tax		21.092	170.029
Income tax expense	7	(5.401)	(10.975)
Result for the year		15.691	159.054
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences translation foreign operations	8	-	4.415
<i>Total comprehensive income</i>		<i>15.691</i>	<i>163.469</i>

The notes on pages 17 to 45 are an integral part of these financial statements.



Statement of changes in equity for the year ended 31 December 2023

	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 2022	300.577	146.449	-	76.806	159.054	682.886
Result for the year	-	-	-	-	15.691	15.691
Exchange differences translation foreign operations	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	15.691	15.691
Allocation of prior year result	-	-	-	159.054	(159.054)	-
Share Premium reduction	-	-	-	-	-	-
Balance as at 31 December 2023	300.577	146.449	-	235.860	15.691	698.577

The notes on pages 17 to 45 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 17 to 45 are an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2023

	2023	2022
	EUR 1,000	EUR 1,000
Result before tax	21.092	170.029
Adjustments for:		
· Fair value changes derivative financial instruments	-	(19.633)
· Net finance income	(23.641)	(9.268)
· Profit from equity-accounted investees	8	(163.461)
· Others	3	-
Changes in working capital	(203)	21.060
Income tax received (paid)	(922)	(9.510)
I. Cash flows from operating activities	(3.671)	(10.783)
Investments in loans and receivables	(8.200)	(888.171)
Proceeds from loans and receivables settlement	576.013	3.305.343
Interest on loans and receivables received	190.478	191.122
Proceeds from disposal of equity accounted investee	8	151.281
Dividends received	8	43.336
Investment in other non-current assets	(34)	-
II. Cash flows from in investing activities	758.257	2.802.911
Proceeds from loans and borrowings	297	362.448
Repayments of loans and borrowings	(573.934)	(2.834.332)
Interest on loans and borrowings paid	(181.349)	(182.085)
Share premium redemption	-	(140.000)
III. Cash flows used in financing activities	(754.986)	(2.793.969)
Net increase / (decrease) in cash and cash equivalents	(400)	(1.841)
Cash and cash equivalents at the beginning of the year	1.037	2.878
Cash and cash equivalents at the end of the year	10	1.037
Net increase / (decrease) in cash and cash equivalents	(400)	(1.841)

The notes on pages 17 to 45 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 2023 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 energy group whose vision is to be a global energy company 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 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 8 February 2024.

2. Basis of preparation

(a) Statement of compliance

The financial statements for the year ended 31 December 2023 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 2023 have not had a significant impact on disclosures in the financial statements. The standards applicable from 1 January 2023 are:

- IFRS 17 Insurance Contracts

- Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 12 Income Taxes; and
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

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. Material accounting policy information

(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 may hold derivative financial instruments to mitigate its foreign currency exposures.

Derivative financial instruments would be 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 0.14% (2022: 0.15%).

There have not been any significant changes in the assumptions used and methodology applied between 2022 and 2023 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 2024:

- IFRS 17 Insurance Contracts
- Amendments to IAS 1 Presentation of Financial Statements—Materiality Judgements
- Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income Taxes— International Tax Reform Pillar Two Model Rules; and
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

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 effective:

- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements, and
- Amendments to IFRS 16 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.

5. Financial result

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

	2023	2022
	<u>EUR 1,000</u>	<u>EUR 1,000</u>
Loans and receivables to shareholder	179,932	190,066
Loans and receivables to related parties	19,197	2,877
Bonds and other securities	-	1,027
Total interest income	<u>199,129</u>	<u>193,970</u>
Loans and borrowings from and to related parties	(236)	(1,473)
Bonds and other securities	(176,096)	(185,953)
Total interest expense	<u>(176,332)</u>	<u>(187,426)</u>

The foreign currency translation differences changed from an expense of EUR 18,510 thousand for the year ended 31 December 2022, to an expense of EUR 95 thousand for the year ended 31 December 2023. 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 were not traded during 2023 due to lack of exposure to significant foreign exchange risks (2022: income of EUR 19,612 thousand). For additional information on derivatives refer to note 14 "Financial instruments".

6. Employee benefit costs

	2023	2022
	<u>EUR 1,000</u>	<u>EUR 1,000</u>
Wages and salaries	635	598
Social security contributions	115	110
Total employee benefit costs	<u>750</u>	<u>708</u>
Average number of employees	7	7

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 37 thousand in 2023 (2022: EUR 39 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% (2022: 25.8%) 19% on the first EUR 200 thousand taxable profits (2022: 15% on the first EUR 395 thousand). The structure of Corporate

Income Taxes will not change in 2024, remaining at EUR 200 thousand on the lower bracket with a rate of 19% and a general rate of 25.8%.

Corporate income tax recognized in statement of comprehensive income

	2023	2022
	EUR 1,000	EUR 1,000
Current income tax expense	5.202	10.994
Deferred income tax benefit (expense)	199	(19)
Income tax expense	5.401	10.975

Reconciliation of effective tax rate

	2023		2022	
	%	EUR 1,000	%	EUR 1,000
Result before tax		21.092		170.029
Tax using the Company's domestic tax rate	25,8	5.442	25,8	43.867
Tax effect of:				
· Non-deductible expenses	-	-	0,1	179
· Share of profits of equity-accounted investees	-	-	(8,4)	(14.336)
· Sale of equity-accounted investees	-	-	(11,0)	(18.671)
Other impact	(0,2)	(41)	(0,0)	(64)
Income tax expense	25,6	5.401	6,5	10.975

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 (2022: nil).

Movement in deferred tax balances

2023	Net balance as at	Deferred tax	FX and other	Net balance as at	Deferred
	1 January	movements	movements	31 December	tax assets
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Loans and borrowings	1.782	(218)	19	1.583	1.583
Net deferred tax assets (liabilities)	1.782	(218)	19	1.583	1.583
2022	Net balance as at	Deferred tax	FX and other	Net balance as at	Deferred
	1 January	movements	movements	31 December	tax assets
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	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



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 2023, the Company does not have unrecognized deferred tax assets or deferred tax liabilities (2022: 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 2022. 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 2023 nor as at 31 December 2022, the Company has not recognized any provisions to cover contingencies associated with lawsuits and other tax matters in the statement of financial position.

Minimum taxation (OECD Pillar II)

In October 2021, 137 countries of the OECD Inclusive Framework reached a political agreement to establish common rules to ensure minimum taxation of multinational groups. This agreement was finalized in December 2021 with the publication of model rules that guarantee an effective global taxation of 15%.

In December 2022, the 27 Member States of the EU approved a Directive, based substantially on the OECD model rules, which must be transposed into the national legislation of each Member State before the end of 2023, for its entry into force in the fiscal year 2024.

The Netherlands has already approved national legislation with the bill for the Minimum Tax Act 2024. Beyond a significant increase in formal compliance costs, the Company does not expect significant economic impacts from the application of this new regulation, as it is already subject to effective tax rates much higher than 15%. The Company's profits and average effective tax rate are expected to be like the commercial result and the domestic effective tax rate.

8. Equity-accounted investees

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

	2023	2022
	EUR 1,000	EUR 1,000
Balance as at 1 January	-	26,741
Dividends	-	(43,336)
Share of profit from continuing operations	-	55,566
Disposal of Participations	-	(43,386)
Foreign currency translation differences	-	4,415
Balance as at 31 December	-	-

On December 2023, Repsol Exploración Karabashsky B.V., in which it held one share with a nominal value of 1 EUR, was liquidated. No proceeds from the company liquidation were received by the Company.

9. Loans and borrowings and trade and other receivables

	2023	2022
	EUR 1,000	EUR 1,000
Loans to shareholder	6,720,008	7,306,568
Loans to related parties	731,421	704,024
Loss allowance debt investments at amortised cost	(6,122)	(6,966)
Total loans and borrowings	7,445,307	8,003,626

Other receivables	71	408
Total trade and other receivables	71	408

Total receivables	7,445,378	8,004,034
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	2023	2022
	EUR 1,000	EUR 1,000
Non-current	5,786,875	6,904,887
Current	1,658,432	1,098,739
Total loans and borrowings	7,445,307	8,003,626

The total of accrued interest included in current loans and borrowings amounts to EUR 82,630 thousand (2022: EUR 92,283 thousand). The principal of the loans and borrowings amounts (including the expected loss required by IFRS 9) of EUR 7,362,677 thousand (2022: EUR 7,911,342 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 decrease to EUR 6,966 thousand on 31 December 2022 and a decrease to EUR 6,122 thousand in the current reporting period. The reversal of expense of EUR 844 thousand (2022: EUR 2,724 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

	2023	2022
	<u>EUR 1,000</u>	<u>EUR 1,000</u>
Cash (equivalents) at bank and on hand	<u>637</u>	<u>1,037</u>

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 (2022: EUR 146,449 thousand). During 2022 the Company reduced its Share Premium by EUR 140,000 thousand using excess liquidity. The reduction was performed in accordance with Dutch law.

Other reserves

The other reserves as at 31 December 2023 amounts to nil. As at 31 December 2022 it amounted to nil.

Dividend distribution

During 2023 no dividend was declared by the Company (2022: nil).

Unappropriated result

- Appropriation of result for the financial year 2022

The Annual report 2022 was adopted in the General Meeting held on 9 February 2023. 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 2023

The General Meeting of Shareholders will be asked to approve the following appropriation of the result for the year 2023: an amount of EUR 16,351 thousand to be added to the retained earnings. The result for the year 2023 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

	2023	2022
	EUR 1,000	EUR 1,000
Bond and other securities	5,808,548	6,926,750
Total non-current loans and borrowings	5,808,548	6,926,750

Current liabilities

	2023	2022
	EUR 1,000	EUR 1,000
Bond and other securities	928,589	388,977
Loans from related parties	6,903	6,967
Total current loans and borrowings	935,492	395,944

The total of accrued interest included in current bonds and other securities amounts to EUR 78,589 thousand (2022: EUR 88,977 thousand).

The amortized cost of the principal of the bonds and other securities amounts to EUR 6,658,548 thousand (2022: EUR 7,226,750 thousand).

The total of accrued interest included in current loans from related parties amounts to EUR 25 thousand (2022: EUR 12 thousand). The principal of the loans from related parties amounts of EUR 6,878 thousand (2022: EUR 6,955 thousand).

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

13. Trade and other payables

	2023	2022
	EUR 1,000	EUR 1,000
Accounts payable to shareholder	6	-
Accounts payable to related parties	-	350
Tax liabilities	4.868	704
Other payables	137	219
Total trade and other payables	5.011	1.273

Tax liabilities

	2023	2022
	EUR 1,000	EUR 1,000
Corporate income tax	4.771	608
Value added tax	63	80
Wage tax and social securities	34	16
Total tax liabilities	4.868	704

Other payables

	2023	2022
	EUR 1,000	EUR 1,000
Trade payables to suppliers	125	208
Other payables	11	11
Total other payables	136	219

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:

	2023	2022
	EUR 1,000	EUR 1,000
Non-current non-derivative financial assets	5,786,875	6,904,887
Current non-derivative financial assets	1,659,069	1,099,776
Total financial assets	7,445,944	8,004,663

The details, by type of assets, of the Company's financial assets as at 31 December 2023 and 2022, are as follows:

As at 31 December 2023	Fair value	Fair value	Amortized	Total
	through	through		
	profit and loss	OCI		
	EUR 1,000	EUR 1,000	cost	EUR 1,000
Other financial assets	-	-	5,786,875	5,786,875
Non-current financial assets	-	-	5,786,875	5,786,875
Cash and cash equivalents	-	-	637	637
Other financial assets	-	-	1,658,432	1,658,432
Current financial assets	-	-	1,659,069	1,659,069
Total financial assets	-	-	7,445,944	7,445,944

As at 31 December 2022	Fair value	Fair value	Amortized	Total
	through	through		
	profit and loss	OCI		
	EUR 1,000	EUR 1,000	cost	EUR 1,000
Other financial assets	-	-	6,904,887	6,904,887
Non-current financial assets	-	-	6,904,887	6,904,887
Derivative financial instruments A	-	-	-	-
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

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

	Carrying amount		Fair value	
	2023	2022	2023	2022
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Non-current	5,786,875	6,904,887	5,617,328	6,412,688
Current	1,658,432	1,098,739	1,636,247	1,099,223
Total loans and receivables	7,445,307	8,003,626	7,253,576	7,511,911

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 2.65% in 2023 and 2.30% in 2022, respectively.

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

	2023	2022
	EUR 1,000	EUR 1,000
Year 2	747,653	845,776
Year 3	496,795	1,742,853
Year 4	1,490,805	496,795
Year 5	-	744,930
Subsequent years	3,051,623	3,074,534
Balance as at 31 December	5,786,875	6,904,887

Current and non-current financial liabilities

This note discloses the categories of financial liabilities acquired (excluding interest) included in the balance sheet line-items outlined below:

	2023	2022
	<u>EUR 1,000</u>	<u>EUR 1,000</u>
Non-current non-derivative financial liabilities	5,808,548	6,926,750
Current non-derivative financial liabilities	856,878	306,955
Total financial liabilities	<u>6,665,426</u>	<u>7,233,705</u>

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

	2023	2022
	<u>EUR 1,000</u>	<u>EUR 1,000</u>
Year 2	745,649	844,227
Year 3	496,768	1,745,516
Year 4	1,498,207	496,768
Year 5	(1,341)	748,207
Subsequent years	848,777	847,436
Undated	2,220,488	2,244,596
Balance as at 31 December	<u>5,808,548</u>	<u>6,926,750</u>

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 2023 and 2022:

As at 31 December 2023	Financial liabilities	Financial liabilities	Total	Fair value
	held for trading	at amortized cost		
	EUR 1,000	EUR 1,000		
Bonds and other securities	-	5,808,548	5,808,548	5,651,006
Other liabilities	-	-	-	-
Non-current financial liabilities	-	5,808,548	5,808,548	5,651,006
Bonds and other securities	-	850,000	850,000	827,705
Other liabilities	-	6,878	6,878	6,878
Current financial liabilities	-	856,878	856,878	834,583
Total financial liabilities	-	6,665,426	6,665,426	6,485,588



As at 31 December 2022	Financial liabilities	Financial liabilities	Total	Fair value
	held for trading	at amortized cost		
	EUR 1,000	EUR 1,000		
Bonds and other securities	-	6,926,750	6,926,750	6,449,372
Other liabilities	-	-	-	-
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

The main inputs used to value financial liabilities vary by instrument but are mainly 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 2023 and 2022 is provided in Note 15.

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

	2023		2022	
	Average volume	Average cost	Average volume	Average cost
	EUR million	%	EUR million	%
Bonds	6,832	2.6	7,381	2.5
Other securities	-	-	210	(0.5)
Loans from related parties	7	3.2	145	1.0
Total	6,839	2.6	7,735	2.4

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 2023 and 2022 (excluding accrued interest amounts):



	Balance as at 31 Dec 2022 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 2023 EUR 1,000
Bonds	7,226,750	-	(573,337)	5,135	6,658,548
Other securities	-	-	-	-	-
Total	7,226,750	-	(573,337)	5,135	6,658,548

	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

Key issues and repayments carried out in 2023

The Company has a medium term note program (the *EUR 13,000,000,000 Guaranteed Euro Medium Term Note (EMTN) Programme*). It is registered with the *Luxembourg Commission de Surveillance du Secteur Financier* and was updated on 31 May 2023, with an increase from EUR 10,000,000,000 to EUR 13,000,000,000.

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 2023 under the EMTN Programme.

In 2023 the below listed bond issued under the EMTN Programme, matured:

- A 2-year bond issued by the Company on 25 May 2021, in the amount of EUR 300 million at 100.815% of the aggregate nominal amount with a floating coupon equivalent to EURIBOR 3 months plus 0.7%, matured and was paid on 25 May 2023.

In 2023 the below listed bonds issued under the EMTN Programme suffered the following changes:

- 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 which was 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.
- In May and June 2023, the Company acquired an additional EUR 45,000 thousand of the EUR 1,000,000 thousand 10-year non-call securities due in 2075, that were cancelled on 26 June 2023.



- On 5 October 2023 the Company's Senior Bond 0.125% 2024 was reclassified from non-current financial liabilities to current financial liabilities given that its maturity date is 5 October 2024.

The Company previously had a EUR 2,000 million Euro Commercial Paper (ECP) Program, which was arranged on 26 March 2010 and was guaranteed by Repsol, S.A. This program expired in the first quarter of 2023. During 2023, the Company did not engage in any ECP transactions, nor did it have any outstanding balances issued under this program.

Key issues and repayments carried out in 2022

The Company had 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 applied 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 had 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.

Guaranteed debt security issues

In general, the terms and conditions of the bonds include standard early termination clauses. In the case of the bonds issued by the Company and guaranteed by Repsol, S.A. under the EMTN Programme (face value of EUR 3,700 million (EUR 4,000 million in 2022), 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 clauses (including cross-acceleration and cross default, applicable to the issuer and the guarantor) and negative pledge covenants in relation to future bonds issues (as long as any of the bonds remain outstanding, the issuer and the guarantor undertakes not to 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 series of the affected 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 2,976 million; EUR 3,250 million in 2022) 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 2023 and 2022 (principal amounts only):

	Balance as at 31 Dec 2022 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 2023 EUR 1,000
Loans from related parties	6,955	300	(600)	223	6,878
Total	6,955	300	(600)	223	6,878

	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

Net debt

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

	2023	2022
	<u>EUR 1,000</u>	<u>EUR 1,000</u>
Cash and cash equivalents	637	1,037
Investments - receivable within one year	1,658,432	1,098,739
Borrowings - repayable within one year	<u>(935,492)</u>	<u>(395,944)</u>
Current net debt	<u>723,577</u>	<u>703,832</u>
Investments - receivable after one year	5,786,875	6,904,887
Borrowings - repayable after one year	<u>(5,808,548)</u>	<u>(6,926,750)</u>
Non-current net debt	<u>(21,673)</u>	<u>(21,863)</u>
Total net debt	<u>701,904</u>	<u>681,969</u>

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

	2023	2022
	<u>EUR 1,000</u>	<u>EUR 1,000</u>
Cash and cash equivalents	637	1,037
Net debt - fixed interest rates	(23,251)	(103,980)
Net debt - variable interest rates	<u>724,518</u>	<u>784,912</u>
Total net debt	<u>701,904</u>	<u>681,969</u>

Derivative transactions

Neither as at 31 December 2023 nor 31 December 2022, the Company does not have derivative financial instruments.

Other derivative transactions

The Company does not have any other derivatives to manage its exposure to foreign exchange and price risk that do not qualify as accounting hedge under IFRS 9 at 31 December 2023 nor 31 December 2022.

Guarantees

Neither as at 31 December 2023 nor 31 December 2022, 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.

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)	2023	2022
Fixed-rate financial instruments	(23)	(104)
Variable rate financial instruments	725	785
Net interest bearing financial instruments	702	681



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	
	2023	2022
Increase of 50 bps	4	4
Decrease of 50 bps	(4)	(4)

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 2023 and 31 December 2022.

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 637 thousand as at 31 December 2023 (2022: EUR 1,037 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 702 million as at 31 December 2023 (2022: EUR 681 million) and an excess of current assets over current liabilities of EUR 719 million as at 31 December 2023 (2022: EUR 703 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 2023						
	2024	2025	2026	2027	2028	subsequent	TOTAL
Bonds	1,015	898	649	1,623	118	3,205	7,508
Other liabilities	7	-	-	-	-	-	7
Total	1,022	898	649	1,623	118	3,205	7,515

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 liabilities	7	-	-	-	-	-	7
Total	485	178	1,028	1,927	617	4,146	8,381

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

The Company does not hold any material amount denominated in any other currency than EUR which is reflected in the sensitivity analysis performed below.

EUR (million)	Result for the year		Other comprehensive income	
	2023	2022	2023	2022
Functional currency strengthens 5%	-	(9)	-	-
Functional currency weakens 5%	-	9	-	-

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 energy company a Spanish energy group whose vision is to be a global energy company 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:

- Major shareholders: the Company's significant shareholder that is deemed a related party is Repsol, S.A. (100% share capital as at 31 December 2023 and 2022) and its group companies.
- Executives and directors: includes members of the Board of Directors.
- 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 2023 with related parties were as follows:

	Shareholder	Other related parties	Executive and Directors	Investee	Total
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Expense and income					
Financial expenses	-	236	-	-	236
Derivative financial instruments	-	-	-	-	-
Operational Result	142	(664)	200	-	(322)
Total expenses	142	(428)	200	-	(86)
Financial income	179,932	19,197	-	-	199,129
Total income	179,932	19,197	-	-	199,129



Shareholder	Other related parties	Executive and Directors	Investee	Total
EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000

Other transactions

Finance agreements: credits and capital contributions (lender)	(586,560)	27,397	-	-	(559,163)
Finance agreements: credits and capital contributions (borrower)	-	64	-	-	64
Derivative financial instruments	-	-	-	-	-
Other receivables	-	(287)	-	-	(287)
Other payables	(6)	350	-	-	344

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

Shareholder	Other related parties	Executive and Directors	Investee	Total
EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000

Expense and income

Financial expenses	-	1,473	-	-	1,473
Derivative financial instruments	-	15,288	-	-	15,288
Operational Result	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

Shareholder	Other related parties	Executive and Directors	Investee	Total
EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	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

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:

	2023	2022
	EUR 1,000	EUR 1,000
Financial statements audit fees	57	60
Other assurance and non-assurance fees	-	-
Total auditor's remuneration	57	60

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 (2022: EUR 0.2 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:

	2023	2022
	EUR 1,000	EUR 1,000
Loans receivable new issuance	-	547.558
Loans receivable settlements	-	21.120
Loans payable new issuance	-	(218.479)
Loans payable settlements	-	(350.151)
Interest on loans and borrowings paid	-	(48)

21. Subsequent events

No other significant events, which could have a material impact, occurred between year-end 2023 and the date on which the Directors approved and authorized these financial statements for issue.



Signing of the financial statements

The Hague, 20 February 2024
The Board of Directors:

R. Harinck

J. Salmeron Molina

S. Mera Uriarte



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 audit of the financial statements 2023

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 2023, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted in 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 2023 of Repsol International Finance B.V., Den Haag.

The financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the following statements for 2023: the statements of comprehensive income, the statements of changes in equity and the statements of cash flows; and
- the notes to the financial statements, including material accounting policy 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.

NLE00023968.1.1

PricewaterhouseCoopers Accountants N.V., Fascinatio Boulevard 350, 3065 WB Rotterdam, P.O. Box 8800, 3009 AV Rotterdam, the Netherlands

T: +31 (0) 88 792 00 10, F: +31 (0) 88 792 95 33, www.pwc.nl

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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 the individual key audit matter, the audit approach relating to fraud risk and the audit approach related to going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Overview and context

The Company's main activity is the financing of group companies of Repsol S.A., through bond offerings on the international capital markets which the company executes. The repayment of the bonds to the investors is guaranteed by Repsol S.A. as disclosed in note 14 to the financial statements.

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 this matter as a key audit matter as set out in the section 'Key audit matters' of this report.

The Company assessed the possible effects of climate change on its financial position, refer to the paragraph 'Climate change' in the management board report. We discussed the Company's assessment and governance thereof with the managing directors and evaluated the potential impact on the financial position including underlying assumptions and estimates included in the financial statements. We note that management concluded that no immediate significant impacts are expected in the Company's financial position as a result of climate change. Based on the above the impact of climate change is not considered a key audit matter.

Other areas of focus, that were not considered as key audit matters, is the income tax position.

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 €74,000,000 (2022: €80,000,000). 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 income statement line items employee benefit costs, other operating expenses and income tax expense. Based on qualitative considerations, we performed audit procedures on those income statement 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 €3,700,000 (2022: €4,000,000) 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 obtained an understanding of Repsol International Finance B.V. and its environment and the components of the internal control system. This included the managing directors' risk assessment process and the managing directors' process for responding to the risks of fraud and monitoring the internal control system. We refer to section 'Risk assessment including error and fraud' of the management board report for managing directors' fraud risk assessment.

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, whistleblower procedures, among other things. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

We asked members of the managing 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

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.

Audit work and observations

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 specifically paid attention to the inherent risk of bias of the managing directors in estimates.

We did not identify any 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 internal controls.

We incorporated an element of unpredictability in our audit. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

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 has 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 included all relevant information of which we were aware as a result of our audit and inquiring with the managing 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 managing directors as to its 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.

As compared to last year, 'Existence of loans to group companies' changed in our key audit matters. We have concluded that this is no longer a key audit matter because the most significant portion of these loans are closely related to the bonds issued by the Company. There have not been additional bonds issued in the past two years and therefore the existence risk of the loans to group companies is no longer considered an area of most significance in our audit of the financial statements.

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 to be a key audit matter. This is due to the size of the loan portfolio, for a total amount of €7,445,307,000 at 31 December 2023, 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').

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:

- We assessed on a sample basis the data input used to calculate the initial fair value of the loans, including cash flows, based on underlying contracts, credit spread and market interest.
- For the initial fair value calculation, we determined that the valuation methodology and model applied by the Company are in accordance with the requirements of the impairment rules of IFRS 9.
- We recalculated the amortised cost value based on the effective interest method.

Key audit matter

With the application of the impairment rules of IFRS 9, 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.

How our audit addressed the matter

- 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 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.
- 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 the need for forward-looking information 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 assessed that the PD and LGD and the assumptions applied by the managing directors, are reasonable and were, when possible, 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.

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 directors' 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 directors' 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 engagements of six 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.

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.

In preparing 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, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. 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, 20 February 2024
PricewaterhouseCoopers Accountants N.V.

A handwritten signature in blue ink, appearing to read 'F.J.C. Jonker', is written over a circular stamp or seal. The signature is fluid and cursive.

F.J.C. Jonker MSc RA

Appendix to our auditor's report on the financial statements 2023 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, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.