

Registre de Commerce et des Sociétés

Numéro RCS : B176368

Référence de dépôt : L220165729

Déposé et enregistré le 01/08/2022

DBSBIUP20220609T14135101_002

RCSL Nr. : B176368

Matricule : 2013 2412 309

eCDF entry date : 07/07/2022

ABRIDGED BALANCE SHEET**Financial year from** ⁰¹ 01/01/2021 **to** ⁰² 31/12/2021 (in ⁰³ USD)

Cenovus International Investments S.à r.l.

8-10, Avenue de la Gare

L-1610 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 <u>1.801.308.753,60</u>	110 <u>1.802.293.038,39</u>
I. Intangible assets	1111 _____ 3	111 <u>1,00</u>	112 <u>1,00</u>
II. Tangible assets	1125 _____	125 _____	126 _____
III. Financial assets	1135 _____ 4	135 <u>1.801.308.752,60</u>	136 <u>1.802.293.037,39</u>
D. Current assets	1151 _____	151 <u>12.203.941,35</u>	152 <u>6.704.896,04</u>
I. Stocks	1153 _____	153 _____	154 _____
II. Debtors	1163 _____	163 <u>5.052.675,34</u>	164 <u>5.040.804,19</u>
a) becoming due and payable within one year	1203 _____ 5	203 <u>5.052.675,34</u>	204 <u>5.040.804,19</u>
b) becoming due and payable after more than one year	1205 _____	205 _____	206 _____
III. Investments	1189 _____	189 _____	190 _____
IV. Cash at bank and in hand	1197 _____	197 <u>7.151.266,01</u>	198 <u>1.664.091,85</u>
E. Prepayments	1199 _____	199 _____	200 _____
TOTAL (ASSETS)		201 <u>1.813.512.694,95</u>	202 <u>1.808.997.934,43</u>

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

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 <u>6</u>	301 <u>17.883.750,08</u>	302 <u>13.353.276,56</u>
I. Subscribed capital	1303 _____	303 <u>3.100.100,00</u>	304 <u>3.100.100,00</u>
II. Share premium account	1305 _____	305 <u>8.150.000,00</u>	306 <u>8.150.000,00</u>
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>1.932.904,20</u>	310 <u>1.932.904,20</u>
V. Profit or loss brought forward	1319 _____	319 <u>170.272,36</u>	320 <u>953.452,86</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>85.130.473,52</u>	322 <u>85.216.819,50</u>
VII. Interim dividends	1323 _____	323 <u>-80.600.000,00</u>	324 <u>-86.000.000,00</u>
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions	1331 _____	331 _____	332 _____
C. Creditors	1435 <u>7</u>	435 <u>1.795.628.944,87</u>	436 <u>1.795.644.657,87</u>
a) becoming due and payable within one year	1453 _____	453 <u>1.795.628.944,87</u>	454 <u>1.795.644.657,87</u>
b) becoming due and payable after more than one year	1455 _____	455 _____	456 _____
D. Deferred income	1403 _____	403 _____	404 _____
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 <u>1.813.512.694,95</u>	406 <u>1.808.997.934,43</u>

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RCSL Nr. : B176368

Matricule : 2013 2412 309

eCDF entry date : 07/07/2022

ABRIDGED PROFIT AND LOSS ACCOUNT**Financial year from** ⁰¹ 01/01/2021 **to** ⁰² 31/12/2021 (in ⁰³ USD)

Cenovus International Investments S.à r.l.

8-10, Avenue de la Gare

L-1610 Luxembourg

	Reference(s)	Current year	Previous year
1. to 5. Gross profit or loss	1651 <u>8</u>	651 <u>-100.494,95</u>	652 <u>-78.671,72</u>
6. Staff costs	1605 <u>9</u>	605 <u>-5.752,65</u>	606 <u>-5.682,53</u>
a) Wages and salaries	1607 _____	607 <u>-5.116,37</u>	608 <u>-5.060,51</u>
b) Social security costs	1609 _____	609 <u>-636,28</u>	610 <u>-622,02</u>
i) relating to pensions	1653 _____	653 <u>-636,28</u>	654 <u>-598,77</u>
ii) other social security costs	1655 _____	655 _____	656 <u>-23,25</u>
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 _____	621 <u>-18.906,35</u>	622 <u>-19.293,66</u>

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

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715 <u>4</u>	715 <u>86.703.385,99</u>	716 <u>86.940.929,53</u>
a) derived from affiliated undertakings	1717 <u>4</u>	717 <u>86.703.385,99</u>	718 <u>86.940.929,53</u>
b) other income from participating interests	1719 _____	719 _____	720 _____
10. Income from other investments and loans forming part of the fixed assets	1721 _____	721 _____	722 _____
a) derived from affiliated undertakings	1723 _____	723 _____	724 _____
b) other income not included under a)	1725 _____	725 _____	726 _____
11. Other interest receivable and similar income	1727 _____	727 <u>64.193,29</u>	728 <u>98,75</u>
a) derived from affiliated undertakings	1729 _____	729 _____	730 _____
b) other interest and similar income	1731 _____	731 <u>64.193,29</u>	732 <u>98,75</u>
12. Share of profit or loss of undertakings accounted for under the equity method	1663 _____	663 _____	664 _____
13. Value adjustments in respect of financial assets and of investments held as current assets	1665 <u>4</u>	665 <u>-984.284,79</u>	666 <u>-1.323.882,95</u>
14. Interest payable and similar expenses	1627 _____	627 <u>-62.850,20</u>	628 <u>-17.367,41</u>
a) concerning affiliated undertakings	1629 _____	629 _____	630 _____
b) other interest and similar expenses	1631 _____	631 <u>-62.850,20</u>	632 <u>-17.367,41</u>
15. Tax on profit or loss	1635 <u>10</u>	635 <u>-366.848,96</u>	636 <u>-250.772,33</u>
16. Profit or loss after taxation	1667 _____	667 <u>85.228.441,38</u>	668 <u>85.245.357,68</u>
17. Other taxes not shown under items 1 to 16	1637 _____	637 <u>-97.967,86</u>	638 <u>-28.538,18</u>
18. Profit or loss for the financial year	1669 _____	669 <u>85.130.473,52</u>	670 <u>85.216.819,50</u>

Registre de Commerce et des Sociétés

Numéro RCS : B176368

Référence de dépôt : L220165729

Déposé le 01/08/2022

**Cenovus International Investments S.à r.l.
Société à responsabilité limitée**

**Annual Accounts
for the financial year ended December 31, 2021**

Registered office :

8-10 Avenue de la Gare

L-1610 Luxembourg

Luxembourg Trade and Companies Register number: B176 368

Share capital: USD 3,100,100

Cenovus International Investments S.à r.l.

Notes to the accounts (expressed in USD)

Note 1 - General information

Cenovus International Investments S.à r.l., hereinafter the Company, was incorporated on March 26, 2013 as a private limited liability company (société à responsabilité limitée) for an unlimited period. The Company is organised under the laws of Luxembourg, in particular the law of August 10, 1915 on commercial companies, as amended.

The registered office of the Company was established in 9 Allée Scheffer, L-2520 Luxembourg. Since October 1, 2021, the Company's registered office is established in 8-10 Avenue de la Gare, L-1610 Luxembourg. The Company is registered with the Trade and Companies register in Luxembourg under the number B176368.

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

OBJECT

The Company's object is the acquisition of participations and/or interests, in Luxembourg or abroad, in any companies, enterprises or assets in any form whatsoever, and the creation, development, management and control of those participations and/or interests. The Company may in particular acquire, by subscription, purchase and exchange or in any other manner, any stock, shares and other instruments and, more generally, any securities and financial instruments issued by any public or private entity. It may participate in the creation, development, management and control of any company, enterprise or assets. Without limiting the generality of the foregoing, it may invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin.

The Company may borrow in any form, except by way of public offer. It may issue, by way of private placement only, notes, bonds and any kind of debt and equity securities. It may lend funds, including, without limitation, the proceeds of any borrowings, to its subsidiaries, affiliates and any other companies or persons. It may also give guarantees and pledge, transfer, encumber or otherwise create and grant security over some or all of its assets to guarantee its own obligations and those of any other company or person, and, generally, for its own benefit and that of any other company or person. For the avoidance of doubt, the Company may not carry out any financial sector activities without having obtained the requisite authorisation.

Based on the criteria defined by Luxembourg law, the Company is not required to draw up consolidated accounts and a consolidated management report for the period ended December 31, 2021. Therefore, in accordance with the legal provisions, these annual accounts are presented on a non-consolidated basis to be approved by the sole shareholder during the annual general meeting.

During the financial year, the Company has not had any activity in research and development, and has not bought back any of its own shares. The Company has no branches.

CONSOLIDATION

The accounts of the Company are included in the consolidated accounts of Cenovus Energy Inc. forming at once the largest and smallest body of undertakings included in the body of undertakings of which the Company forms a part as a direct subsidiary. The consolidated financial statements of Cenovus Energy Inc. are available at the registered office of that company, being 4100, 225-6th Avenue S.W., Calgary, Alberta, T2P 1N2, Canada.

Cenovus International Investments S.à r.l.

**Notes to the accounts
(expressed in USD)**

Note 2 - Summary of significant accounting policies

Basis of preparation

These annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the law of December 19, 2002, as amended by the law of December 10, 2010 (the "Law"), determined and applied by the managers of the Company (the "Board of Managers"). The Board of Managers decided to disclose the annual accounts in abridged version as authorised by the article 35 of Luxembourg Commercial company law dated August 10th, 1915 as amended, starting from December 2015.

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

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

The main valuation rules applied by the Company are the following:

Financial assets

Shares in affiliated undertakings, loans to these undertakings held as fixed assets are valued respectively at purchase price and nominal value (loans and claims) including the expenses incidental thereto.

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

Debtors

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

Foreign currency translation

The Company maintains its accounting records in United States Dollars (USD) and the balance sheet and the profit and loss accounts are expressed in this currency.

Transactions expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction.

Cenovus International Investments S.à r.l.

Notes to the accounts (expressed in USD)

Long term non-monetary assets expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain converted using the exchange rate at the time of the transaction (the historical exchange rate).

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. Solely the unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.

Provision for taxation

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under the caption "Other creditors - Tax authorities". The advance payments are shown in the assets of the balance sheet under the caption "Other debtors", if applicable.

Note 3 - Intangible assets

This caption comprises Research and development costs of developing Intellectual Property Rights "Auterra". On April 30, 2013, Cenovus International Enterprises S.à r.l., which the Company absorbed during the financial year, entered into a Purchase and Sale Agreement with Cenovus International Holdings Ltd. to acquire the Intellectual Property Rights at fair value being USD 50,100. The actual value of the investment is now composed of the purchase price and ongoing development costs, which consisted in quarterly instalments of USD 50,000. In November 2016, the Managers decided to impair the value of this investment to a value of USD 1.

The movements for the year are as follows:

Research & Development costs	USD
Gross book value - opening balance	645,100.00
Additions for the year	-
Gross book value - closing balance	645,100.00
Value adjustments - opening balance	(645,099.00)
Allocations for the year	-
Value adjustments - closing balance	(645,099.00)
Net book value - closing balance	1.00
Net book value - opening balance	1.00

Cenovus International Investments S.à r.l.**Notes to the accounts
(expressed in USD)****Note 4 - Financial assets**

a) The movements for the year are as follows:

	2021	2020
Loans & Claims held as fixed assets	USD	USD
Gross book value - opening balance	1,813,597,297.89	1,813,597,297.89
Additions for the year	-	-
Disposals for the year	-	-
Gross book value - closing balance	1,813,597,297.89	1,813,597,297.89
Value adjustments - opening balance	(11,304,260.50)	(10,317,279.04)
Allocations for the year	(984,284.79)	(986,981.46)
Disposals for the year	-	-
Value adjustments - closing balance	(12,288,545.29)	(11,304,260.50)
Net book value - closing balance	1,801,308,752.60	1,802,293,037.39
Net book value - opening balance	1,802,293,037.39	1,803,280,018.85

During the financial year, an amount of USD 984,284.79 (2020: USD 986,981.46) was recorded as a value adjustment in respect of financial assets and of investment held as current assets on the loan granted to Cenovus US Holdings Inc.

b) Loans and claims held as fixed assets are detailed as follows:

Name	Interest rate	Maturity	Net book value 2021	Net book value 2020
Cenovus US Holdings Inc.	4.75%	28/12/2022	1,801,308,752.60	1,802,293,037.39
Total			1,801,308,752.60	1,802,293,037.39

The principal amount of USD 1,800,329,861.11 is subject to an interest rate of 4.75% per annum. The interests are accrued and calculated on the basis of the actual number of days elapsed in a year based on a calculation period of 360 days, and are calculated and payable semi-annually, in arrears, on June 15 and December 15 of each year.

The gross book value of USD 1,813,597,297.89 (2020: USD 1,813,597,297.89) includes a premium of USD 13,267,436.78 (2020: USD 13,267,436.78) which is being written off on a straight-line basis over the life of the principal claim.

Outstanding principal amount of this Note, together with all accrued and unpaid interest, shall become due and payable upon the date which is 10 years from the issue date (the "Maturity Date"), that means on December 28, 2022.

During the year, the Company received a total interest income of USD 86,703,385.99 (2020: USD 86,940,929.53) derived from this loan.

Cenovus International Investments S.à r.l.**Notes to the accounts
(expressed in USD)****Note 5 - Debtors**

This caption is detailed as follows:

	2021	2020
	USD	USD
<i>Amounts owed by affiliated undertakings becoming due and payable within one year:</i>		
Claim Cenovus US Holdings Inc (CUHI) - Accrued interest	4,038,239.70	4,038,239.73
	4,038,239.70	4,038,239.73
<i>Other receivables becoming due and payable within one year</i>		
Corporate Income Tax advances 2018	-	364,088.23
Corporate Income Tax advances 2019	24,876.38	358,022.40
Corporate Income Tax advances 2020	363,792.87	-
Corporate Income Tax advances 2021	338,920.72	-
Municipal Business Tax advances 2018	-	125,263.58
Municipal Business Tax advances 2019	-	118,077.74
Municipal Business Tax advances 2020	125,161.96	-
Municipal Business Tax advances 2021	125,136.82	-
Net Wealth Tax advances 2018	-	3.81
Net Wealth Tax advances 2019	-	-
Net Wealth Tax advances 2020	3.81	-
Value Added Tax receivable	36,543.08	37,108.70
	1,014,435.64	1,002,564.46
Total	5,052,675.34	5,040,804.19

Cenovus International Investments S.à r.l.**Notes to the accounts
(expressed in USD)****Note 6 - Capital and reserves****Subscribed capital and share premium account**

The subscribed capital of the Company amounts to USD 3,100,100 (2020: USD 3,100,100.00) and is divided into 31,001 shares fully paid up with a nominal value of USD 100.00 (2020: 100.00) each.

The movements on the "Subscribed capital" and "Share premium" captions during the year are as follows:

	Subscribed capital USD	Share premium USD
As at December 31st, 2020	3,100,100.00	8,150,000.00
Redemptions for the year	-	-
As at December 31st, 2021	3,100,100.00	8,150,000.00

Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of its annual net profit until this reserve equals 10% of the subscribed share capital. The legal reserve is not available for distribution. No allocation to legal reserves is required as at December 31, 2021.

Movements for the year on the reserves and profit/loss captions:

	Legal reserve USD	Net Wealth Tax Special Reserve USD	Profit or loss brought forward USD	Profit or loss for the financial year USD	Interim dividends USD
As at December 31st, 2020	310,010.00	1,622,894.20	953,452.86	82,216,819.50	(86,000,000.00)
Result allocation	-	-	(783,180.50)	(82,216,819.50)	86,000,000.00
Interim dividend distributions	-	-	-	-	(80,600,000.00)
Profit or loss for the year	-	-	-	85,130,473.52	-
As at December 31st, 2021	310,010.00	1,622,894.20	170,272.36	85,130,473.52	(80,600,000.00)

Interim dividend amounting to USD 39,100,000.00 was declared during the Board of Managers' meeting held on June 16, 2021.

Interim dividend amounting to USD 41,500,000.00 was declared during the Board of Managers' meeting held on December 15, 2021.

Cenovus International Investments S.à r.l.**Notes to the accounts
(expressed in USD)****Note 7 – Creditors**

	Within one year USD	After one year and within five years USD	TOTAL 2021 USD	TOTAL 2020 USD
Convertible Promissory Note - COFI (*)	-	1,794,442,059.00	1,794,442,059.00	1,794,442,059.00
Tax and social security debts	1,171,086.02	-	1,171,086.02	1,190,371.84
Trade creditors	15,799.85	-	15,799.85	12,227.03
Total	1,186,885.87	1,794,442,059.00	1,795,628,944.87	1,795,644,657.87

(*) On April 17, 2013, the Company subscribed to a Convertible Promissory Note due to Cenovus Overseas Finance Inc ("COFI") with an initial fair value of USD 2,547,052,059.00.

The first repayment of the Note was made on July 3, 2013 for an amount of USD 40,460,000.00. Further repayment of USD 12,150,000.00 and USD 700,000,000.00 was made on December 15, 2017 and on December 16, 2019, respectively.

The convertible promissory note is not bearing any interest.

The outstanding Principal Amount of this Note shall become due and payable upon the earlier of: (i) the date which is 10 years from the Issue Date (the "Maturity Date") and (ii) the date on which the Holder demands payment of all of the outstanding Principal Amount.

Note 8 - Gross Loss

This caption is detailed as follows:

	2021 USD	2020 USD
Administration fees	57,815.43	42,003.71
Rental fees	20,235.52	20,363.13
Tax advisory fees	17,831.68	9,951.25
Bank charges	2,955.51	2,378.09
Other fees	707.12	3,107.16
Chamber of Commerce contribution	414.82	396.52
IT processing	343.46	252.59
Telephone & other telecommunication costs	191.41	219.27
Total	100,494.95	78,671.72

Note 9 - Staff costs

During the financial year, the Company employed two part-time employees (2020:1 part-time).

Cenovus International Investments S.à r.l.

**Notes to the accounts
(expressed in USD)**

Note 10 – Taxes

Taxes are presented as follows:

	2021	2020
	USD	USD
Tax expenses for the financial year	366,848.96	250,772.33
Tax on profit or loss	366,848.96	250,772.33

The Company is subject to all taxes applicable to a commercial company in Luxembourg.

Note 11 – Related party transactions

There were no significant transactions entered into with related parties that have not been done at arm's length during the year under review (2020: Nil).

Note 12 – Off balance sheet financial commitments

The Company has no off-balance sheet commitment as at December 31, 2021 (2020: Nil).

Note 13 - Subsequent events

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities, and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against Ukraine on February 24, 2022.

The situation, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, has driven a sharp increase in volatility across markets. The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2021 have not been adjusted to reflect their impact.

No other matters or circumstances of importance than those already described in the present notes to the accounts have arisen since the end of the financial period which could have significantly affect the operations of the Company, the results of those operations or the affairs of the Company.

Greg F. W. O'Leary
Manager
[Signature]

Cenovus International Investments S.à r.l.
Société à responsabilité limitée
8-10, Avenue de la Gare, L-1610 Luxembourg
RCS Luxembourg: B176368
(the “Company”)

APPENDIX TO THE ANNUAL ACCOUNTS AS AT 31/12/2021

SHARE CAPITAL

Share capital: USD 3,100,100 composed of 31,001 shares in registered form.

MEMBERS OF THE BOARD OF MANAGERS OF THE COMPANY

Board members:

- Gregor D. DALRYMPLE – manager;
- Karen Jean GRAHAM – manager; and
- Patrick Damian WARDE – manager.

PROPOSAL OF ALLOCATION OF THE RESULT

The allocation of the result for the financial year ended as at December 31, 2021 is proposed as follows:

Profit brought forward from the previous financial year	USD 170,272.36
Profit of the financial year 2021	USD 85,130,473.52
Distribution of interim dividends	USD (80,600,000.00)
Release of the 2016 net wealth tax reserve	USD 112,190.54
Allocation to the 2021 net wealth tax reserve	USD (333,813.96)
Allocation to the 2022 net wealth tax reserve	USD (449,150.00)
Accumulated profit brought forward to the next financial year	USD 4,029,972.46

ALLOCATION OF THE RESULT

The sole shareholder of the Company acknowledged that the Company made a profit amounting to USD 85,130,473.52 during the financial year ended December 31, 2021 and resolved to approve the proposed allocation of the result.

For filing purpose to the Recueil Electronique des Sociétés et Associations (RESA).