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General Shareholders' Meeting 2024

Antonio Brufau defends the competitiveness of European industry as a driver of prosperity

- **Repsol's Chairman, Antonio Brufau,** in his speech at the company's General Shareholders' Meeting stressed the need to make changes so that Europe can compete on equal terms with the United States and China.
- Antonio Brufau called on Europe to "react" to the loss of industrial might, "an essential engine for economic prosperity and social welfare".
- "We advocate an energy transition as efficient and accelerated as possible, which will serve as a basis for the reindustrialization of Europe," said Repsol's Chairman.
- **Repsol's CEO, Josu Jon Imaz,** stressed that Repsol's shareholder remuneration proposal "continues to be one of the most attractive on the Spanish stock market and in the sector".
- Josu Jon Imaz said: "We will continue to offer all the types of energy that society needs, in a competitive and increasingly sustainable and decarbonized way."
- The General Shareholders' Meeting approved a complementary dividend of €0.50 gross per share to be charged to 2023 earnings and the distribution of a further €0.45 gross per share, payable in January 2025.

> €16 billion
Net investment for the Strategic Update period through 2027

>35%
Of Investments in low-carbon initiatives

€10 billion
Maximum amount allocated for shareholder remuneration up to 2027

€0.90 /sh
Cash dividend in 2024

Repsol's Chairman, Antonio Brufau, today at the company's General Shareholders' Meeting defended the need to make changes to and rethink European policies to achieve a competitive landscape in Europe that is on an equal footing with the United States and China.

Antonio Brufau has called on Europe to react to the loss of its industrial might. In 2023, the European Union's industrial GDP stood at 17.5%, far short of the 20% target set for 2020, while it is growing in the United States and China. "Industry is an essential driver of Europe's economic prosperity and social well-being. This strategic sector leads technological development and innovation, but it also stands out for its ability to create quality jobs, its pull on other areas of the economy, and its positive impact on the balance of trade," he added.

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In his speech, the Chairman of Repsol explained that the loss of industrial might is due to complex over-regulation and excessive emphasis on sustainability, without taking into account other essential aspects, such as security of supply. Meanwhile, China and the United States promote, protect, and encourage their industries.

The Chairman said that the European Union must continue to lead the process of energy transition but placing industrial policies at the forefront of its strategic priorities: "The balance between security of energy supply, competitiveness, and sustainability, the energy *trilemma*, is critical for the development and prosperity in our region". As an example, he pointed to energy prices: in 2023 the price of electricity for industry in Europe was 2.6 times higher than that of the United States, and the price of natural gas was 5.8 times higher.

"The balance between security of energy supply, competitiveness, and sustainability is critical," said Repsol's Chairman.

Antonio Brufau acknowledged that there are already signs of change on the continent and that the new mandate of the European Union will reactivate policies to recover the competitiveness of the European economy compared to other regions and reduce industrial decline. Otherwise, industrial fabric will continue to be lost and emissions will continue to be exported to other regions.

"In the coming years we will see whether Europe remains a mere playground for competition between other players or whether we re-launch our presence by revitalizing our industry and creating a real single market. The transition to a low-carbon economy will not be easy, nor will it be cheap, but it is essential," he said. Repsol's Chairman added that, to achieve this, "a long-term political commitment is needed to reindustrialize Europe and to be able to compete on equal terms with other regions, but always within the framework of an energy transition that achieves effective results in the fight against climate change".

Commitment to energy transition

For his part, in his speech to the company's shareholders, Repsol CEO Josu Jon Imaz went over the company's operating and financial performance in 2023 and offered an in-depth review of the 2024-2027 Strategic Update, presented last February, after having achieved, two years early, most of the objectives committed to in the 2021-2025 Strategic Plan.

Josu Jon Imaz recalled that the current strategy sets a new capital allocation framework with three main priorities: improving shareholder remuneration, maintaining the current credit rating and a solid balance sheet, and implementing an investment plan of between €16 and €19 billion net through 2027, of which more than 35% will be allocated to low-carbon initiatives.

Josu Jon Imaz: "We are committed to industrial development, quality employment, and state-of-the-art technology."

Repsol's CEO said that the company's remuneration policy - with a commitment to allocate between 25% and 35% of cash flow from operations - continues to be one of the most attractive in the Spanish stock market and in the sector. Repsol will distribute €4.6 billion in cash in the period 2024-2027 in addition to share buybacks of up to €5.4 billion.

Josu Jon Imaz reviewed the strategy that will mark the future of the company's businesses. He highlighted the importance of the Industrial business unit, where the foundations are being laid to transform its industrial complexes into multi-energy hubs, developing platforms for renewable fuels and other low-carbon forms of energy. At the Cartagena refinery, the company has begun large scale production of 100% renewable fuels, with an investment of €250 million for a production capacity of 250,000 tons per year.

The CEO highlighted the key role of renewable fuels in the company's evolution

In this sense, Josu Jon Imaz said that the tax on energy companies, which "was conceived as temporary and extraordinary", penalizes the effort necessary for the transformation of industrial complexes into progressively more decarbonized multi-energy hubs. It also "punishes companies that, like Repsol, invest in industrial assets, generate employment, and guarantee the country's energy independence". However, he stressed the company's commitment to industrial development, quality employment, and state-of-the-art technology.

Repsol's CEO listed the priorities for all the company's business areas. In Exploration and Production, the focus is on improving the portfolio to achieve a more decarbonized business with greater potential for value creation. The Customer business will continue to grow in electricity and gas users and will reach 11 million digital customers. And the Low Carbon Generation business will reach between 9,000 MW and 10,000 MW of installed capacity by 2027. "We have a digital and sustainable multi-energy offering for our customers. We have a unique value proposition, something that is not easily matched by other competitors," he said.

"We will continue to offer all the forms of energy that society requires, with the only limit being technology and not ideology. We will continue to do so competitively and in an increasingly sustainable and decarbonized manner. Our Strategic Update 2024-2027 evolves the industrial fabric of the Iberian Peninsula towards a more sustainable and circular one," concluded Repsol's CEO.

General Shareholders' Meeting Resolutions

The shareholders, who approved the company's performance in 2023, also approved the proposal for a final dividend of €0.50 gross per share, to be paid on July 8, in addition to the dividend paid in January of this year, to be charged to 2023 earnings. This will increase the cash dividend by 29%, to €0.90 gross per share compared with the previous year.

The shareholders also approved the distribution of a further €0.45 gross per share charged to free reserves, which is expected to be distributed during January 2025, on a date to be determined by the Board of Directors. The General Shareholders' Meeting also gave the green light to a share capital reduction, through the redemption of 40 million treasury shares, and to the delegation to the Board of Directors of the power to carry out additional capital reductions up to a maximum of 121,739,605 treasury shares, equivalent to 10% of the share capital, to have greater flexibility when carrying out share redemptions.

The company's energy transition strategy, which has been submitted to the General Meeting on a consultative basis and focuses on achieving net zero emissions by 2050, was also endorsed by shareholders.