Press release
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Repsol posts net income of €3.222 billion

- Repsol, in the first nine months of the year, made progress on its **strategic objectives**, accelerating its energy transition and its multi-energy profile with profitable business growth, financial strength, and shareholder remuneration among the best in the sector and in the Spanish IBEX-35 stock market index.
- In a period in which it has brought in strategic partners to its Upstream and Renewables businesses, the company has applied fuel **discounts** (more than €300 million in savings for its customers since March); closed the **Framework Agreement** with its employees; and announced today the proposal an 11% **increase in cash remuneration to shareholders in 2023**.
- **Net income** from January to September was **€3.222 billion**.
- The recovery in the first half of the year is allowing Repsol to **partially offset the losses** in 2019 and 2020 of more than €7.1 billion due to asset adjustments linked to the zero net emissions ambition and the global health pandemic.
- **Adjusted net income amounted to €4.564 billion**, of which close to 60% came from the company's international businesses, whose main exponent is the Upstream unit (Exploration and Production).
- **The generation of cash** during the period was particularly significant. This, in line with the company's Strategic Plan, has led to a 62% reduction in debt since the beginning of the year, an increase in shareholder remuneration, and a 47% increase in investments to a total of €2.397 billion.
- The company plans to redeem an additional 50 million shares this year, **bringing forward by three years** the repurchase of 200 million shares and the redemption target set in the 2021-2025 Strategic Plan.
- **Josu Jon Imaz, CEO of Repsol:**

  "We have taken significant steps to boost Repsol's transformation and its multi-energy and decarbonization profile. The alliances we are building to promote growth and development in key areas are key to continue advancing in our objectives. Among them is offering attractive shareholder remuneration, an area in which we are advancing our strategic commitments and increasing value for our company's more than 500,000 investors."

200 million shares redeemed, the total foreseen for the entire period of the 2021-2025 Strategic Plan

0.70 €/sh.

11% increase in the cash dividend, bringing forward the remuneration foreseen for 2024 under the Strategic Plan.

€300 million earmarked for discounts at Repsol's service stations in Spain, benefitting the clients

Framework Agreement signed in which relevant aspects, such as salary increases and new teleworking formulas were agreed upon.

5 M clients

Repsol reached five million digital customers thanks to its Waylet application

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Repsol obtained net income of €3.222 billion between January and September, a period in which the company brought strategic partners into its Upstream (Exploration and Production) and Renewables businesses to boost its transformation and its multi-energy and decarbonization profile. Thanks to these agreements, the company is ahead of schedule in meeting the objectives in its 2021-2025 Strategic Plan, based on accelerating the energy transition, with profitable business growth, financial strength, and shareholder remuneration among the best in the sector and the Spanish IBEX-35 stock market index. To further strengthen this last aspect, today the company announced a proposal to increase cash remuneration to its shareholders by 11% in 2023.

Repsol allocated more than €2B to increase its inventories, helping to guarantee the supply in Spain

In a context marked by international tensions, Repsol continued to provide essential services to society, guaranteeing supply in Spain by allocating more than €2 billion to increase its inventories in the first nine months of 2022. It provided significant discounts to its customers, who since March have benefited from savings of more than €300 million at Repsol service stations in Spain.

Additionally, in the last quarter the company reached a consensus with the employee representatives on a Framework Agreement, which will be in force until the end of 2024, establishing relevant aspects such as salary increases and new teleworking formulas. The company also continued with its investment efforts, mainly focused on the Iberian Peninsula. Total investments in the first nine months of the year amounted to €2.397 billion, 47% higher than in the same period of the previous year.

Repsol remains on the positive trajectory of the first half of the year, which led to partially offsetting the losses from 2019 and 2020 of more than €7.1 billion, derived from asset adjustments to achieve zero net emissions and the global health crisis. Adjusted net income for the first nine months of the year came to €4.654 billion, with the international business contributing close to 60%. The Upstream and Industrial businesses performed outstandingly well, maximizing their results thanks to the management impetus provided by the 2021-2025 Strategic Plan.

In the Upstream area, efficiency measures and the increased focus on the value of the oil and gas asset portfolio, which were implemented in an environment of very low prices, were vital to take advantage of the full profitability of the current cycle. This business, which carries out its entire activity outside Spain, obtained a result of €2.431 billion.

Hydrocarbon prices, which reflected the unstable environment, influenced earnings averaging, in the case of Brent crude, 55% higher than in the same period of the previous year. Thus, between January and September, this crude benchmark was commanded an average of $105.5 per barrel, although since peaking in the month of March its price has fallen by more than 30%. Henry Hub gas averaged $6.8 per MBtu, 112% more than that recorded up to September 2021.

The commitment to refining offers Spain a competitive advantage that guarantees supply in the current environment and allows it to maintain quality employment

The tension in the international price scenario led Repsol to implement in March measures to alleviate the economic effort of consumers, before any other operator and in anticipation of the rebate approved by the State that came into force on April 1. Since then, the company has been applying significant discounts on fuel sales at its service stations in Spain, which have resulted in total savings for its customers of approximately €300 million. This decision explains the drop to €373 million in the result of the Commercial and Renewables area. This figure was also influenced by the company's efforts to try to

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cushion the consequences that the context of electricity and gas market prices is having on its close to 1.5 million customers in this business.

On the other hand, Repsol's commitment to the Industrial business, with investments in refining facilities averaging €1 billion a year since 2008, allowed it to increase and optimize the use of its assets to respond to the tensions in the international fuel market resulting from the war in Ukraine. It should be noted that this line of action, which offers Spain a competitive advantage that guarantees supply in the current environment and allows it to maintain quality employment, has been continued while Europe reduced its refining capacity. In addition, investments are improving aspects such as the flexibility and efficiency of these assets, as evidenced by the fact that the company's industrial centers have reduced their gas consumption by 45%. The area achieved a result of €2.031 billion.

Notwithstanding the current positive momentum of the refining business, Repsol decided to record provisions for impairment in the book value of its refineries, whose long-term profitability and competitiveness would be impacted if aspects such as the insecurity of the business environment and regulatory and fiscal pressure in Europe were not corrected. These provisions account for most of the specific results for the January-September period, which amounted to €-2.086 billion.

Since 2008, Repsol has invested around €1B annually in its refining business, while the refining capacity in Europe was reduced

The volatility of the environment was evident in the case of the refining margin indicator, which was depressed throughout last year and in the first months of the current year due to the decline in fuel demand. This situation was reversed in the second quarter, with strong increases that took it up to $23.3 per barrel. However, between July and September margins fell again, to $12.7 per barrel, due to factors including the rise in energy costs. In the latter period, volatility was at its highest, with margin swings between $0 and $20 per barrel.

Average recent margins were well above those recorded in previous years. The endemic state of refining in the European Union, which has reduced its capacity by more than 10% in the last decade, mainly due to the closure of 24 facilities caused by an environment of low profitability and regulatory uncertainty, contributed to this rise.

The Chemicals business suffered the consequences of a worsening environment, with falling demand and margins, and was affected by rising energy costs.

The transformation of the industry to establish a decarbonized model that enables its sustainability for the future is strategic for Repsol. It is an activity that provides a solid source of employment (200,000 families depend directly on the refining sector in our country), reinforces Spain's energy independence, and is an key lever in the energy transition. The company has not stopped investing in the future of this business, even in 2020 and 2021 when the COVID-19 crisis deeply affected refining, and the business posted a negative result of €612 million.

Repsol’s activity during the first nine months of the year led it to make a tax contribution of more than €11.8 billion, of which more than 70% was paid in Spain.

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INCREASING SHAREHOLDER REMUNERATION

Cash generation was particularly relevant in the period, which, in implementation of the company's Strategic Plan, has allowed a significant reduction in debt and a proposed increase in shareholder remuneration.

Repsol will pay its shareholders €0.70 gross/share in 2023, thereby advancing the increase in remuneration foreseen in the Strategic Plan for 2024

The company will increase to €0.35 gross/share the cash retribution to be distributed to the shareholders next January, while the Board of Directors will propose to next year's General Shareholders' Meeting a complementary payment of €0.35 gross/share, so that the remuneration in 2023 will increase by 11%, to €0.70 gross/share. This will bring forward the remuneration target set by the Strategic Plan for 2024.

In addition, Repsol will bring forward its share buyback and redemption target for the entire 2021-2025 period by three years, expecting to reach 200 million redeemed shares by the end of this year. To this end, Repsol will set in motion a new buyback program, which will allow it to redeem the 50 million shares that remain to achieve this multi-year target.

In addition, the company's strong generation of operating cash flow enabled it to achieve a significant reduction in net debt, which closed September at €2.181 billion. This figure represents a decrease of €3.581 billion compared with the figure recorded at the beginning of the year. Liquidity increased to €12.426 billion, enough to cover short-term debt maturities 4.81 times.

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Milestones of the first nine months of 2022

- Repsol agreed in September to incorporate EIG, a US institutional investor, as a partner in its upstream business. EIG will acquire 25% of this business, worth €4.8 billion. This values Repsol's total Exploration and Production business at €19 billion, which is above analysts' consensus. The agreement contemplates a potential IPO, expected in the United States, from 2026, subject to favorable market conditions.
- In June, the sale of 25% of Repsol Renovables for €905 million was announced. The transaction values the company's Renewables business at €4.383 billion. This demonstrates the soundness of Repsol's business and growth model in this segment, created just over three years ago. The incorporation of Crédit Agricole Assurances and EIP as partners entails an investment commitment that reinforces the growth of Repsol Renovables.
- On January 19, SHYNE was presented, the largest renewable hydrogen consortium in Spain, made up of 33 entities from different sectors, which will deploy projects expected to generate more than 13,000 jobs. Repsol is leading this initiative in line with its renewable hydrogen strategy, which it presented in October 2021. The company plans to invest €2.549 billion by 2030 in this area, which is of great importance for the energy model of the future.
- Repsol reached agreements for the sale of minority stakes in several renewable assets, which contribute to the objective of obtaining double-digit returns on its investments in this sector. In July, it agreed on the incorporation of Pontegadea, with a 49% stake, in the Kappa photovoltaic complex. At the end of March, it signed an agreement with the investment company TRIG for the sale of a 49% stake in the Valdesolar photovoltaic project (Badajoz, Spain). In addition, in November 2021, Pontegadea also acquired a 49% stake in the Delta wind farm.
- In early March, work began on the first advanced biofuels plant in Spain, which the company is building at its Cartagena refinery. This facility, in which Repsol will invest €200 million, will supply 250,000 tons of advanced biofuels per year, to be used in current aircraft, ships, trucks, and cars without the need for engine modifications. These fuels will be produced from waste, and their use will reduce emissions by 900,000 tons of CO_2 per year.
- In April, the company acquired a stake in Canadian company Enerkem, a world leader in the production of renewable fuels and chemicals through the gasification of non-recyclable waste. This investment will enable Repsol to accelerate its decarbonization projects by integrating Enerkem's technology into its industrial facilities and future plants.
- On April 27, Repsol began producing electricity at the 62.5 MW Jicarilla 2 PV solar farm, its first renewable project in the United States. At the same site it is developing another PV solar project, Jicarilla 1, with 62.5 MW of installed capacity and 20 MW of battery storage. In addition, the company announced its intention to invest in a project of more than 600 MW in the state of Texas, which will become the group's largest solar installation to date.
- Also in April, the company signed an agreement with Ørsted to identify and, if appropriate, jointly develop floating offshore wind projects in Spain. This alliance will combine Repsol's expertise as a global multi-energy provider and Ørsted's experience as a world leader in offshore wind.
- In July, Repsol began marketing 100% renewable electricity and gas to residential customers in Portugal, as well as electricity to businesses.
- In early February, Repsol acquired Capital Energy's portfolio of 25,000 residential and SME electricity customers in Spain.
- In early March, Repsol formed a joint venture with Telefónica to offer a comprehensive self-consumption solution to its customers.
- In July, Repsol and Suma Capital created SC Net Zero Tech Ventures, a new venture capital investment fund focused on energy transition technologies. The fund will accompany companies that develop technologies aimed at decarbonization and the circular economy, to foster their growth and international expansion and accelerate their application on an industrial scale.

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- Repsol obtained a permit to evaluate the geothermal potential on the Spanish island of Gran Canaria. Geothermal energy produces renewable energy in a continuous and stable manner, without CO_2 emissions, and it could provide greater energy independence for the Canary Islands archipelago.
- Average hydrocarbon production for the first nine months of the year was 549,000 barrels of oil equivalent per day.

This document contains information and statements that constitute forward-looking statements about Repsol.

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In October 2015, the European Securities Markets Authority (ESMA) published Guidelines on Alternative Performance Measures (ARMs), mandatory for regulated information to be published on or after July 3, 2016. The information and breakdowns relating to the MARs used in this document are updated quarterly on Repsol's website.

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