Press release
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# Repsol posts net income of €2.785 billion and advances its transformation

- Repsol posted **net income** of €2.785 billion in the first nine months of the year in a context of significantly lower crude oil and gas prices than in the year-ago period.
- At the same time, the company advanced in its **transformation** by developing low-carbon industrial projects, increasing its portfolio of renewable assets and launching a unique **multi-energy offer** for customers in Spain.
- From September 6 until January 10, 2024, Repsol **doubled the discounts** on its **Planes Energías** program, which covers mobility and household supply. Thanks to this initiative, customers who use the Waylet application benefit from savings of up to **40 eurocents per liter** of fuel and can recharge electric vehicles for free at public charging stations.
- **Investments** through September totaled €4.362 billion (+82%), mainly in **Spain and the United States** and aligned with the aim to allocate 35% of total investments in the year to low-carbon projects. At the same time, the company's fiscal contribution totalled €**10.89 billion**.
- Repsol strengthened its **renewable generation** portfolio and its presence in the **United States** with the acquisition of ConnectGen, a company with a pipeline of 20,000 MW.
- The company will shortly commission Spain's first **renewable fuels** plant in Cartagena. The second, announced in July will be built in Puertollano. The production of **renewable hydrogen** began at the Petronor refinery (Vizcaya) in October.
- Repsol approved the development of the **Campos 33** project in Brasil, a key country in the focused upstream strategy. This project will produce significant volumes of **gas** – a fuel critical to ensuring a secure, affordable and sustainable energy transition.

**€0.4 /share**

Shareholder remuneration of €0.4/share in January 2024, a 14% increase from the year-earlier month.

**€40 cts/liter**

Repsol has doubled the savings the company offers for customers, with discounts of up to 40 eurocents per liter of fuel.

**7 M customers**

Waylet has surpassed 7 million customers and delivered more than **€100 million** in savings to its users between January and September.

- The cash dividend paid in 2023 was **€0.70 gross per share**, **11% higher** than in 2022. The combination of dividends and capital reductions will result in the distribution of close to **€2.4 billion to shareholders this year**. In addition, Repsol has announced the payment of a gross remuneration of **€0.4/share** in January 2024.

- **Josu Jon Imaz, Repsol CEO:**

  "2023 is proving to be a year of profound transformation for Repsol, with steady progress in decarbonization and the consolidation of our multi-energy profile. In a volatile environment like the current one, we are delivering solid results, increasing our shareholder returns and supporting our customers."

Repsol posted net income of €2.785 billion between January and September 2023, 14% less than in the same period of the previous year. During the period, Repsol continued to make progress in meeting its strategic objectives, despite an international environment marked by volatility. Adjusted income, which specifically measures the performance of the businesses, was €3.816 billion. The performance of the Industrial and Customer business units was crucial to achieving these solid results, while the company made progress in its transformation to zero net emissions.

**Repsol's integrated model and management guided by the 2021-2025 Strategic Plan enabled the company to achieve solid results.**

Repsol's integrated model and the operation guided by the 2021-2025 Strategic Plan enabled the company to perform robustly in an unpredictable context, with commodity prices falling significantly from the anomalous levels they reached in 2022.

In the first nine months of 2023, Brent crude oil traded at an average of $82.1 per barrel, 22% lower than in the same period of the previous year. Meanwhile, the average price of Henry Hub gas fell sharply by 60% to $2.7 per MBtu. In the last quarter of the year, production cuts in some countries pushed prices up again and, together with uncertainty about global economic growth, strained a market that is expected to continue to be characterized in the coming months by the volatility derived from the uncertain geopolitical scenario.

## A year of profound transformation

During the first nine months of 2023, Repsol took firm steps to advance in its transformation and decarbonization to achieve zero net emissions by 2050, reinforcing its multi-energy profile and the solutions provided to customers.

In support of this process and in line with its Strategic Plan, the company invested €4.362 billion in the period - an 82% increase from January-September 2022 - mainly in low-carbon projects. The company estimates that 35% of its investments in 2023 will go to low-carbon initiatives, reflecting its transformational drive. The main focus in the first nine months of the year continued to be on Spain, where 41% of the total amount was invested, and the United States, where 37% of investments were directed.

The transformation of industrial complexes into decarbonized multi-energy hubs is part of the company's emissions reduction strategy that increases energy security for the country and contributes to maintaining thousands of jobs. Repsol is investing heavily – organic spending is expected to reach approximately 5.2

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billion for the full year - so that these facilities, five of which are located in Spain, manufacture products with low, neutral and even negative carbon footprints.

The possible continuation of a tax on energy companies that had been designed to be temporal and extraordinary punishes the companies that, like Repsol, are investing in industrial assets, creating jobs and guaranteeing the country's energy independence and instead favor importers that neither create jobs nor any relevant economic activity in Spain. The lack of stability of the country's regulatory and fiscal framework may impact Repsol's future industrial projects Spain.

The latest milestone in industrial transformation was the start-up in early October of the company's first electrolyzer, located at its Petronor refinery (Vizcaya). The renewable hydrogen produced will be used industrially at the facility itself, which will reduce the carbon footprint of its products. This is one of the pillars for reducing emissions at the company, which will install electrolyzers in the vicinity of its five industrial centers in Spain.

**Repsol allocated most of its investments between January and September to projects in Spain (41%) and the United States (37%). Spain's lack of stability in the regulatory and fiscal framework could affect the company's future industrial projects in the country.**

Another key element of this strategy is renewable fuel, which can be manufactured from organic waste (such as used cooking oil or biomass) or by combining renewable hydrogen and captured $CO_2$. Besides contributing to the reduction of emissions, they make a significant contribution to Spain's energy security.

To date in 2023, Repsol has continued with the work that will culminate with the start-up in Cartagena of the first plant on the Iberian Peninsula dedicated exclusively to the production of renewable fuels (with a capacity of 250,000 tons/year). This facility will be joined by a second similar one in Puertollano, announced in July, with an investment of more than €120 million. When it comes into operation in 2025, it will produce 240,000 tons of renewable fuels per year. The company plans to have a total renewable fuel production capacity of 1.3 million tons in 2025 and more than two million tons in 2030.

Repsol became the first company to make 100% renewable fuel available to customers on the Iberian Peninsula in 2023, after launching the supply of 100% renewable diesel at more than twenty service stations in Spain and Portugal. The company also highlighted the benefits of this product in promoting sustainable waste management, with the installation of collection points for used cooking oil, the raw material for its manufacture, at service stations in the Community of Madrid.

The company is promoting renewable fuels through alliances with leading companies in both heavy and passenger transportation. This is an effective solution for reducing emissions which, for sectors such as aviation and maritime transport, represents the fastest way to contribute to their decarbonization. So far this year, Repsol has partnered with leading companies in the heavy road transport sector in Spain and Portugal, such as Grupo Sesé, XPO, Serveto Havi, Joanca, Carreras and Luis Simoes; with end customers such as Coca Cola, Freixenet and Seat; with companies in the passenger transport sector in Spain, such as Alsa, Avanza and Samar; with airlines such as Iberia, Ryanair and Vueling; and also collaborates with Navantia to decarbonize maritime transport, as well as with institutions and regional governments such as Madrid, Murcia, Castilla-La Mancha, Aragon and the province of Granada (Andalusia) to promote the use of renewable fuels in mobility.

Regarding Chemicals, the expansion project of another of the company's industrial facilities, the Sines complex in Portugal, began in March. The project includes the installation of two new plants that will produce 100% recyclable materials, with highly specialized applications for sectors such as the pharmaceutical, automotive and food industries.

## Doubling savings for customers with a multi-energy offer that is unique in Spain

Repsol's transformation is taking place at the same time as the consolidation of its multi-energy profile, from which customers can benefit thanks to the advantages of having a single supplier for all their mobility and household energy needs (fuel, electricity, heating, solar or electric mobility). Supplying all the energy that society needs, to facilitate an efficient and affordable transition, has led Repsol to contribute to the generation of 20% of the total energy consumed in Spain.

**Repsol generates 20% of the total energy consumed in Spain.**

Since the launch of its Planes Energías on April 1, a pioneering proposal in the Spanish market that focuses on the customer, the company has boosted the performance of its mobility business. In addition, the number of users of its Waylet app has exceeded seven million. Daily registrations of the app, whose users can access a range of savings and benefits, have increased by 55%.

In September, the company decided to double the savings offered to customers, who can benefit from a balance of up to €40 cents per liter of fuel and 100% of the amount in electric recharges, depending on the services they have contracted with Repsol. This measure, which will last until January 10, 2024, demonstrates the company's commitment to its customers. In total, thanks to the Waylet application, Repsol customers have saved more than €100 million between January and September.

In the first nine months of the year, the company continued to strengthen its position in the electricity supply market. In July it acquired a 50.01% stake in CHC Energía, which helped to increase its portfolio of electricity and gas customers to 2 million. With this purchase, the company moved two years ahead of the target set by the 2021-2025 Strategic Plan and consolidated its position as the fourth largest market operator in Spain in terms of the number of electricity customers..

## Strengthening the renewable generation business in the United States

Another pillar of the company's energy transition is renewable electricity generation. Between January and September, Repsol took fundamental steps to achieve its objectives in this area: 6,000 MW in 2025 and 20,000 MW in 2030. In October, the portfolio of assets in operation reached 2,300 MW, following the progressive commissioning of new wind and photovoltaic facilities in Spain, the United States and Chile.

**Repsol continues to grow profitably in the renewable generation business, where it has a portfolio of 2,300 MW of assets in operation.**

Repsol continues to grow profitably in this business, with an early-stage entry model for project development and asset value enhancement through the incorporation of partners, which allows for double-digit returns. The company has built a geographically diversified renewable area, with a presence in Spain, the United States, Chile, Italy and Portugal. In the first nine months of 2023, it continued to strengthen this solid platform through asset acquisitions and progress in project execution.

In the first quarter, Repsol completed the acquisition of Asterion Energies, with a portfolio of 7,700 MW, 2,500 MW of which are at an advanced stage of development, located mainly in Spain and Italy. In addition, it agreed with ABO Wind the purchase of three wind farms (150 MW) and two solar plants (100 MW) at an advanced stage of development.

In September, it signed an agreement to acquire the U.S. renewable energy development group ConnectGen for US$768 million (about €715 million). ConnectGen's development portfolio includes 20,000 MW of onshore wind, solar and energy storage, in different phases of execution. It represents Repsol's entry into the onshore wind business in the United States, one of the largest markets with the highest growth potential in the world. The transaction completes the solar and storage development capabilities acquired with the purchase of 40% of Hecate Energy in 2021.

**In May, the company took the final investment decision of the Campos 33 gas project in Brazil, which will be key for that market**

Regarding the Upstream business, the company completed in the first half of the year the incorporation of the U.S. investment group EIG as a strategic partner, in a transaction that valued this area at approximately 19 billion dollars.

In September, Repsol agreed to sell its oil and gas assets in Canada to Peyto for 468 million dollars (about €433 million). The transaction is part of Repsol's portfolio reorganization plan, which is focusing its upstream activity in key regions, preferably within the OECD, and has reduced its presence to 14 countries. The focus is particularly on the United States, where Repsol has built a position that generates synergies and, therefore, greater competitive advantages. The company is prioritizing value over volume and seeks to lead the reduction of $CO_2$ emissions in the sector, focusing on assets with lower emissions per barrel.

The company made progress during the period in the development of key projects, such as the Campos 33 gas field in Brazil. In May, the final investment decision was approved for this asset, which as a key supplier to the Brazilian market will help in the transition to a lower-emission future.

Average hydrocarbon production between January and September reached 600,000 barrels of oil per day, 10% more than in the same period of the previous year.

In Venezuela, the easing of sanctions by the United States provides future opportunities for the development of greater activity and value creation in the country. Among other aspects, it increases the availability of heavy crude oil for the company's refineries, which have different characteristics to obtain higher yields of this type of oil.

## A transformation project with institutional and financial support

Repsol's transformation path is being backed by institutions such as the European Investment Bank (EIB), the European Union, the Official Credit Institute (ICO) and the IDAE. The four institutions have announced their financial support for various company projects aimed at achieving zero net emissions.

**The EIB granted a €575 million loan to Repsol for renewable projects in Spain**

Last April, the ICO signed a loan of €300 million for the development of Repsol's industrial facilities into multi-energy poles, while the IDAE allocated €25 million for the construction of a 30 MW electrolyzer in Puertollano and another in the former thermal power plant of Meirama (A Coruña).

In July, the European Union's Innovation Fund selected the 150 MW electrolyzer in Tarragona, the largest in Spain, to receive €63 million in financing. Finally, in July, the European Investment Bank (EIB) granted a loan of €575 million to Repsol for the development of renewable projects in Spain, with a total capacity of 1,100 MW.

In addition, support for the company's management and its financial soundness was also made tangible with the upgrade of its rating by Fitch Ratings, announced on June 1. With this decision, Fitch joined the

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other two major market agencies, S&P and Moody's, which made upward revisions to their ratings at the end of 2022. Specifically, Fitch Ratings raised Repsol's long-term credit rating to BBB+, with a stable outlook, and upgraded its short-term rating to F-1.

Likewise, ESG (environment, society and corporate governance) investors are strongly backing Repsol's roadmap, as evidenced by the fact that, since 2016, they have quadrupled their presence in the company. Currently, 39.5% of Repsol's institutional shareholder base is made up of ESG investors, making the company one of the leaders in the sector in this regard.

## Increased shareholder remuneration and significant tax contribution

The financial strength demonstrated by the company in the first nine months of the year enabled it to meet in advance its targets for remunerating its more than 520,000 shareholders, the vast majority of whom are minority shareholders located in Spain. Including dividends and capital reductions, this will result in the distribution of close to €2.4 billion in 2023.

In July, following approval by the Annual General Meeting, the company paid a supplementary dividend of €0.35 gross per share - charged to 2022 earnings - in addition to the remuneration paid in January. This increased the cash dividend by 11% over the previous year, to €0.70 gross per share.

Shareholders will also receive a remuneration of €0.4 gross per share in January 2024, which represents an increase of 14% compared to the amount paid in January 2023.

Additionally, the company plans to reduce its share capital in fiscal year 2023 by 110 million shares which, added to the 200 million shares redeemed in fiscal year 2022, would represent a total of 310 million shares, equivalent to 20% of the existing share capital as of December 2021 and well above the target set by the 2021-2025 Strategic Plan.

**Over half of Repsol's profits were destined to tax payments**

Regarding tax contributions, between January and September Repsol maintained a high level of contribution, with €10.890 billion contributed to the public coffers. Nearly 70% (€7.441 billion) corresponded to Spain. Own taxes accrued amounted to €3.206 billion euros and accounted for more than half of the company's profits (52%). In addition, the company contributed a corporate income tax rate of 37% during the period, well above the nominal rate applicable in Spain -25%- and the average for OECD countries. This makes Repsol the Ibex 35 company that paid the most taxes in the country.

Net debt stood at €1.855 billion at the end of the third quarter. Liquidity reached €10.65 billion, sufficient to cover five times short-term gross debt maturities.

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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. Effective January 1, 2023, Repsol has revised its financial reporting model. For more details on this change and to see all information and breakdowns relating to the MARs used in this document, visit Repsol's website.*

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