Press release
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Repsol reports net income of €1.112 billion in the first quarter

- Repsol posted **net income** of €1.112 billion in the first quarter of 2023, a period in which the company accentuated its multi-energy profile with the launch of an innovative program, unique in Spain, that links all its customer energy offerings.
- The company made progress guided by its 2021-2025 **Strategic Plan** and its **integrated business model**, which were key to achieving this result in a quarter in which crude oil prices fell by an average of 20%, compared to the same period the previous year.
- Repsol continues to offer discounts at its service stations in Spain. During the whole of 2022 and the first quarter of 2023, this effort has resulted in **additional savings** for customers of close to **€550 million**.
- Thanks to the launch of its new *Connected Energies* program, Repsol, from April 1, offers discounts ranging **from 5 to 20 euro cents** per liter of fuel depending on the number of products contracted: fuel, electricity, heating, solar, and electric mobility.
- During the quarter, Repsol invested €1.726 billion, mainly in Spain and the United States. The company expects 35% of investments in 2023 to be allocated to low-carbon projects.
- In January, a cash dividend of €0.35 gross per share was paid out. The same amount will be proposed to the Annual General Meeting for distribution in July. With these payments, Repsol will **increase cash remuneration for its shareholders by 11%** in 2023, in addition to a capital reduction of 50 million shares.
- **Josu Jon Imaz, CEO of Repsol**

  "Our **integrated business model**, as well as the fulfillment and ambition of our **Strategic Plan**, are key to delivering solid results. At the same time, we continue to raise our **multi-energy** profile and make progress in decarbonization. We have launched a pioneering commercial offer in Spain, which helps our customers day-to-day by linking all the energies needed for mobility and the home and reinforces our vision as a company."

€550 M

in additional **savings** at Repsol service stations in Spain in 2022 and the first quarter of 2023.

€0.20 /l.

The new Connected Energies program offers discounts of up to €0.20 per liter of fuel.

35%

Of the investments planned for 2023 will be allocated to low-carbon projects.

€0.70 /sh.

11% increase in cash dividend and capital reduction of 50 million shares.

Repsol posted a net income of €1.112 billion in the first quarter of 2023. The company's integrated business model and the 2021-2025 Strategic Plan were key to achieving this result in an international context of uncertainty and market volatility. The company continues to make progress in its transformation and to strengthen its multi-energy profile, especially after the launch on April 1st of *Connected Energies*, a pioneering commercial offer in Spain that enables savings for customers with a single supplier to cover all their energy needs for mobility and at home.

Hydrocarbon prices fell sharply between January and March, weighed down by the uncertain economic outlook in the United States and Europe in the face of difficulties in curbing global inflation. The average price of Brent crude fell to $81 per barrel, 21% less than in the first quarter of 2022, with a significant drop in March to $72 per barrel due to the banking crisis experienced in the middle of that month. For its part, Henry Hub gas averaged $3.4 per MBtu, 32% lower than in the same period of 2022.

The discounts offered by Repsol at its service stations in the face of the difficult international situation amounted to nearly €550 million in 2022 and 2023.

In this context, all the company's business units posted positive results. In the case of Client, Industrial, and Low Carbon Generation, all results were higher than the year-earlier period. Exploration and Production reflected the considerable fall in hydrocarbon prices in its earnings. Repsol's integrated model played an essential role in achieving an adjusted result, which specifically measures the performance of the businesses, of €1.891 billion.

The international environment continued to be influenced by the invasion of Ukraine and the resulting sanctions imposed on Russian products. To help alleviate the consequences, Repsol, in line with its responsibility as an essential service to society, extended the discounts at its service stations throughout the quarter. This measure was first announced at the end of 2022, after the Spanish government communicated that it would not extend the state discount on fuel prices. During the whole of 2022 and the first three months of 2023, Repsol has offered additional savings to its customers of close to €550 million.

A pioneering multi-energy offer in Spain

On April 1, Repsol launched an innovative program that raises the multi-energy profile of the offer to its customers. It provides them with a unique value proposition, with competitive advantages derived from having a single supplier that can meet all their energy needs (fuel, electricity, heating, solar, or electric mobility). Once deployed, it replaced the discounts previously provided by the company and linked them to customers contracting their energy products and paying for them through Waylet, its free payment and loyalty app.

Thanks to the new *Connected Energies* program, to which five million customers have already subscribed, a discount can be obtained in the form of a Waylet balance ranging from 5 to 20 euro cents per liter of fuel and 100% of the amount on electric vehicle recharges.

The savings generated can be used to pay at service stations and electric charging points, on Repsol bills (electricity and gas), on the purchase of butane cylinders, diesel orders, gift cards, and at any of the more than 4,400 stores belonging to the Waylet network.

Business transformation

The launch of its new offer for customers is aligned with the company's vision for the energy sector, with a commitment to integrating all sources that contribute to achieving a just and efficient energy transition at the lowest possible cost for citizens.

In line with this objective, between January and March 2023, Repsol made progress in its transformation and decarbonization. It developed projects in these areas to which it allocated a large part of the €1.726 billion invested in the quarter. The largest part of this amount was spent in Spain and the United States, both key countries in the company's strategy. The company expects 35% of investments in 2023 to be allocated to low-carbon projects, which reinforces its transformational nature and is aligned with the 2021-2025 Strategic Plan.

Repsol allocated most of its first quarter investments to Spain and the United States.

The commitment to the future sustainability of the industry and the transformation of Repsol's industrial centers, six of them in the Iberian Peninsula, continues to be one of the main lines of action. In this sense, it is worth highlighting the start of construction at the end of March of the project to expand the Sines Industrial Complex (Portugal), which will have new plants where 100% recyclable products will be manufactured with highly specialized applications for sectors such as the pharmaceutical, automotive, and food industries.

This initiative is in addition to the development in Cartagena of the first advanced biofuels plant in Spain, where construction work has advanced during the quarter and operations are expected to begin at the end of the year; or the electrolyzers linked to the installations in Bilbao and Tarragona. Repsol is also progressively increasing its production of biofuels, which has contributed positively to the results of the industrial business.

The ICO has backed Repsol's strategy to achieve zero net emissions, granting the company a loan of €300 million.

Repsol's transformation strategy to achieve zero net emissions recently won the backing of the Official Spanish Credit Institute (ICO) that on April 19 signed a loan of €300 million with the company. This financing, linked to sustainability initiatives, focuses on the evolution of Repsol's industrial facilities into multi-energy hubs, capable of generating products with a low, zero, or even a negative carbon footprint, based on innovation, circular economy, and the company's commitment to lead the production of renewable fuels and renewable hydrogen.

This contribution, which reaffirms the decarbonization track record of Repsol, is in addition to that agreed, in 2022 with the European Investment Bank (EIB) which granted a loan of €120 million to support the construction and operation of the advanced biofuels plant in Cartagena. The Ecoplanta, another project in which Repsol participates and which will be developed in Tarragona with cutting-edge technology, also signed a financing agreement with the European Commission under its Innovation Fund last year. This initiative will involve the construction of the first plant in Spain to transform non-recyclable municipal solid waste into circular methanol, which will be used to manufacture new materials and advanced biofuels.

Repsol's investment effort to ensure the future of its industrial centers is allowing it to better respond to the current scenario of sanctions on Russian products, given that, among other issues, the company has a high capacity to obtain greater value from the processing of heavy crude oil. Having state-of-the-art industrial facilities reinforces the energy independence, generates significant economic activity, and is an essential part of job creation (200,000 families depend directly on the refining sector in Spain). All this takes on greater relevance in the current European scenario, where 24 refineries have been closed in the last 15 years. This situation contrasts with the trend in the United States and the Persian Gulf region, where there are plans to expand the respective refining capacities by one million barrels per day in the coming years.

Increasing shareholder return

Repsol maintained solid cash generation in the first quarter of 2023. This allowed the company to cope with the volatile environment, take advantage of opportunities for profitable growth, and bring forward its shareholder return targets. In addition, the company reduced its net debt to €880 million at the end of the period.

In terms of Repsol's more than 520,000 shareholders, most of whom are minority shareholders in Spain, the company paid a cash dividend of €0.35 gross per share last January. This same amount will be distributed in July after its approval by the General Shareholders' Meeting, which is scheduled to be held on May 25. With these payments, shareholder remuneration will be increased by 11% in 2023, to €0.70 gross per share, bringing it ahead of the target set by the Strategic Plan for 2024.

To this cash dividend will be added, before the end of July, a further capital reduction of 50 million shares proposed by the Board to the next General Meeting. This comes after the capital reduction of 200 million shares in 2022, the amount planned for the entire 2021-2025 period. To meet this new target, a new share buyback program was launched on March 6 for up to 35 million shares.

Milestones in the first quarter of 2023

- In March, Repsol finalized the incorporation of EIG as a strategic partner in its Exploration and Production business, in a deal that values this business area at approximately $19 billion. The U.S. investor acquired 25% of Repsol's upstream business, which will continue to sharpen the focus and decarbonizing its asset portfolio.
- During the quarter, Repsol completed the acquisition of the renewable energy platform Asterion Energies, which manages a portfolio of 7,700 MW of which 2,500 are at an advanced stage of development. The assets are mainly located in Spain and Italy.
- On February 28, Repsol announced an agreement with developer ABO Wind to add 250 MW to its portfolio of renewable assets in Spain through the purchase of three wind and two solar projects. All the assets acquired by Repsol in this transaction are at an advanced stage of development, already have a positive Environmental Impact Statement (EIS) and are expected to begin operating between 2024 and 2025.
- Repsol's first renewable project in the Spanish region of Castile and Leon began producing electricity in February. The wind project, named Pi, is located in the provinces of Palencia and Valladolid and consists of seven wind farms with a total installed capacity of 175 MW. Once all of them enter commercial operation, they will produce 596 GWh of renewable energy per year, equivalent to the average annual consumption of 170,900 homes. In addition, the development of Delta II, a wind park comprising 26 farms located in the region of Aragon, has made significant progress. Four of these farms have been completed in less than 11 months and are now operational, with a total capacity of 160 MW.
- In April, Repsol launched a project to collect used cooking oil, which will be used as raw material to produce renewable fuels with zero net CO_2 emissions. The initiative began with 134 collection

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points installed at service stations in the Autonomous Region of Madrid that collaborates in the project.

- On March 3, the company inaugurated its new maritime terminal in the outer port of the city of A Coruña. The new facilities at Punta Langosteira, in addition to allowing the transfer of the inland maritime terminal, will be key to the industrial transformation of the complex, facilitating the logistics of new products and raw materials and thus contributing to the "Green Port" initiative of the A Coruña Port Authority for the creation of a renewable energy hub.
- In January, Repsol signed an agreement with ASAJA to seek solutions to improve the management of agricultural and livestock waste in rural and sparsely populated areas. Repsol will analyze the potential of these residues and by-products to incorporate them into the manufacture of renewable fuels and circular materials in its industrial complexes, thus promoting the circular economy and generating new opportunities in the primary sector.
- In February, the company announced a new investment of €26 million at its Puertollano industrial complex to increase the capacity for manufacturing circular materials to 25,000 tons per year, with a new production line to be commissioned in 2024. This is a new commitment to the circular economy to promote the recovery of waste and the use of 100% circular plastics.
- During the quarter, the company reached several agreements to advance sustainable mobility. In February, it established an agreement with Bolt that will facilitate the energy transition of small fleets and self-employed VTC and cab drivers that operate with this company, thanks to a comprehensive recharging service with the guarantee that the origin of the electricity is 100% renewable. In mid-March, Repsol became SEUR's strategic partner in the process of energy transition and decarbonization of its fleet. At the end of the quarter, in April, the company reached an agreement with Freenow to promote electric mobility in the cab sector and another with the airline Gestair to develop sustainable aviation fuel projects for aviation. Additionally, in March, Wible, a carsharing company in which Repsol has a stake, expanded its fleet with 150 new plug-in hybrid vehicles, bringing the total number of shared cars to 650.

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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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