



2023

REPSOL Group

Alternative
Performance
Measures
reconciliations

*Translation of a report
originally issued in Spanish.
In the event of a discrepancy,
the Spanish language
version prevails*



ALTERNATIVE PERFORMANCE MEASURES

Repsol's financial disclosures contain figures and measures prepared in accordance with the regulations applicable to financial information, as well as other measures prepared in accordance with the Group's Reporting Model known as Alternative Performance Measures (APMs). APMs are measures which are "adjusted" compared to those presented as IFRS-EU or with the *Report on oil and gas exploration and production activities*, and readers should therefore consider them in conjunction with, rather than instead of, the latter.

APMs are useful for users of financial information as they are the measures employed by Repsol's Management to evaluate its financial performance, cash flows or financial position when making operational or strategic decisions for the Group.

1. Financial performance measurements

Adjusted income

	Cumulative twelve months													
	Adjusted income		ADJUSTMENTS										IFRS-EU profit/loss	
			Reclassif. of joint ventures		Special items		Inventory effect ⁽²⁾		Non-controlling interests		Total adjustments			
Million euros	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Operating income	7,250 ⁽¹⁾	10,648 ⁽¹⁾	(305)	(1,819)	(2,041)	(3,072)	(610)	103	—	—	(2,956)	(4,788)	4,294	5,860
Financial result	8	86	176	178	(147)	67	—	—	—	—	29	245	37	331
Net income of companies accounted for using the equity method - net of tax	1	(22)	124	1,030	(91)	(19)	—	—	—	—	33	1,011	34	989
Net Income before tax	7,259	10,712	(5)	(611)	(2,279)	(3,024)	(610)	103	—	—	(2,894)	(3,532)	4,365	7,180
Income tax	(2,248)	(3,938)	5	611	1,005	517	157	(25)	—	—	1,167	1,103	(1,081)	(2,835)
Consolidated net income for the year	5,011	6,774	—	—	(1,274)	(2,507)	(453)	78	—	—	(1,727)	(2,429)	3,284	4,345
Net income attributed to non-controlling interests	—	—	—	—	—	—	—	—	(116)	(94)	(116)	(94)	(116)	(94)
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY	5,011	6,774	—	—	(1,274)	(2,507)	(453)	78	(116)	(94)	(1,843)	(2,523)	3,168	4,251

⁽¹⁾ Net income from continuing operations at current cost of supply (CCS).

⁽²⁾ The Inventory effect represents an adjustment to "Supplies" and "Changes in inventory of finished goods and work in progress" on the IFRS-EU income statement.

	Fourth quarter													
	Adjusted income		ADJUSTMENTS										IFRS-EU profit/loss	
			Reclassif. of joint ventures		Special items		Inventory effect ⁽²⁾		Non-controlling interests		Total adjustments			
Million euros	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Operating income	1,641 ⁽¹⁾	2,993 ⁽¹⁾	79	(365)	(1,221)	(1,122)	(396)	(793)	—	—	(1,538)	(2,280)	103	713
Financial result	(26)	143	57	37	(137)	177	—	—	—	—	(80)	214	(106)	357
Net income of companies accounted for using the equity method - net of tax	(11)	(25)	117	313	(86)	(16)	—	—	—	—	31	297	20	272
Income before tax	1,604	3,111	253	(15)	(1,444)	(961)	(396)	(793)	—	—	(1,587)	(1,769)	17	1,342
Income tax	(409)	(1,072)	(253)	15	901	586	101	201	—	—	749	802	340	(270)
Consolidated net income for the year	1,195	2,039	—	—	(543)	(375)	(295)	(592)	—	—	(838)	(967)	357	1,072
Net income attributed to non-controlling interests	—	—	—	—	—	—	—	—	26	(43)	26	(43)	26	(43)
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY	1,195	2,039	—	—	(543)	(375)	(295)	(592)	26	(43)	(812)	(1,010)	383	1,029

⁽¹⁾ Net income from continuing operations at current cost of supply (CCS).

⁽²⁾ The Inventory effect represents an adjustment to "Supplies" and "Changes in inventory of finished goods and work in progress" on the IFRS-EU income statement.

Special items

Million euros	Cumulative twelve months		Fourth quarter	
	2023	2022	2023	2022
Divestments	14	84	33	23
Indemnities and workforce restructuring	(83)	(65)	(40)	(48)
Impairment of assets ⁽¹⁾	(1,184)	(1,793)	(1,553)	(303)
Provisions and others	(21)	(733)	1,017	(47)
TOTAL	(1,274)	(2,507)	(543)	(375)

⁽¹⁾ The difference with the heading “(Charges for)/reversal of impairment provisions” in the IFRS-EU income statement is largely down to the fact that the latter includes impairment of credit risk and dry wells and impairment of exploratory wells in the normal course of business and excludes the tax effect of impairment, impairment of deferred tax assets and impairment of joint ventures.

EBITDA

Million euros	Cumulative twelve months					
	Group Reporting Model		Reclassifications of joint ventures		IFRS-EU ⁽²⁾	
	2023	2022	2023	2022	2023	2022
Upstream	4,760	7,485	(1,486)	(2,527)	3,274	4,958
Industrial	3,438	5,223	5	(49)	3,443	5,174
Customer	1,094	956	(38)	(22)	1,056	934
LCG	176	292	—	(1)	176	291
Corporate and others	(214)	(143)	31	(7)	(183)	(150)
EBITDA	9,254	13,813	(1,488)	(2,606)	7,766	11,207
Upstream	—	—	—	—	—	—
Industrial	538	(74)	(20)	8	518	(66)
Customer	72	(29)	—	—	72	(29)
LCG	—	—	—	—	—	—
Corporate and others	—	—	—	—	—	—
Inventory effect ⁽¹⁾	610	(103)	(20)	8	590	(95)
CCS EBITDA	9,864	13,710	(1,508)	(2,598)	8,356	11,112

⁽¹⁾ Before tax.

⁽²⁾ Relates to “Profit/(loss) before tax” and “Adjusted profit/(loss)” on the consolidated Statement of Cash Flows under IFRS-EU.

Million euros	Cumulative twelve months					
	Group Reporting Model		Reclassifications of joint ventures		IFRS-EU ⁽¹⁾	
	2023	2022	2023	2022	2023	2022
Net income before tax	4,371	7,791	(6)	(611)	4,365	7,180
(-) Financial result	138	(153)	(175)	(178)	(37)	(331)
(-) Net income from investments accounted for using the equity method	90	41	(124)	(1,030)	(34)	(989)
Operating income	4,599	7,679	(305)	(1,819)	4,294	5,860
Depreciation of property, plant and equipment	2,983	2,935	(547)	(596)	2,436	2,339
Operating provisions	1,916	3,288	(639)	(189)	1,277	3,099
(Provision for) / Reversal of impairment	931	3,005	(621)	(332)	310	2,673
(Provision for) / Reversal of provisions for risks	985	283	(18)	143	967	426
Other items	(244)	(89)	3	(2)	(241)	(91)
EBITDA	9,254	13,813	(1,488)	(2,606)	7,766	11,207

⁽¹⁾ Relates to “Profit/(loss) before tax” and “Adjusted profit/(loss)” on the consolidated Statement of Cash Flows under IFRS-EU.

Million euros	Fourth quarter					
	Group Reporting Model		Reclassifications of joint ventures		IFRS-EU ⁽²⁾	
	2023	2022	2023	2022	2023	2022
Upstream	1,279	1,641	(386)	(558)	893	1,083
Industrial	520	956	1	(2)	521	954
Customer	235	273	(12)	(7)	223	266
LCG	40	52	—	(1)	40	51
Corporate and others	(14)	28	(9)	(33)	(23)	(5)
EBITDA	2,060	2,950	(406)	(601)	1,654	2,349
Upstream	—	—	—	—	—	—
Industrial	391	762	—	(3)	391	759
Customer	5	31	—	—	5	31
LCG	—	—	—	—	—	—
Corporate and others	—	—	—	—	—	—
Inventory effect ⁽¹⁾	396	793	—	(3)	396	790
CCS EBITDA	2,456	3,743	(406)	(604)	2,050	3,139

⁽¹⁾ Before tax.

⁽²⁾ Relates to “Profit/(loss) before tax” and “Adjusted profit/(loss)” on the consolidated Statement of Cash Flows under IFRS-EU.

Million euros	Fourth quarter					
	Group Reporting Model		Reclassifications of joint ventures		IFRS-EU ⁽¹⁾	
	2023	2022	2023	2022	2023	2022
Net income before tax	(235)	1,357	252	(15)	17	1,342
(-) Financial result	162	(320)	(56)	(37)	106	(357)
(-) Net income from investments accounted for using the equity method	96	41	(116)	(313)	(20)	(272)
Operating income	23	1,078	80	(365)	103	713
Depreciation of property, plant and equipment	814	776	(122)	(161)	692	615
Operating provisions	1,430	1,129	(366)	(75)	1,064	1,054
(Provision for) / Reversal of impairment	1,164	973	(364)	(56)	800	917
(Provision for) / Reversal of provisions for risks	266	156	(2)	(19)	264	137
Other items	(207)	(33)	2	—	(205)	(33)
EBITDA	2,060	2,950	(406)	(601)	1,654	2,349

⁽¹⁾ Relates to “Profit/(loss) before tax” and “Adjusted profit/(loss)” on the consolidated Statement of Cash Flows under IFRS-EU.

ROACE

NUMERATOR (Million euros)	2023	2022
Operating income IFRS-EU	4,294	5,860
Reclassification of joint ventures	305	1,819
Income tax ⁽¹⁾	(1,327)	(3,594)
Net income of companies accounted for using the equity method - net of tax	(90)	(41)
I. ROACE result at weighted average cost	3,182	4,044
DENOMINATOR (Millions euros)	2023	2022
Total equity	29,070	25,973
Net debt	2,096	2,256
Capital employed at period-end	31,166	28,229
II. Average capital employed ⁽²⁾	29,697	28,393
I/II ROACE (%) ⁽³⁾	10.7 %	14.2 %

⁽¹⁾ Does not include income tax corresponding to financial results.

⁽²⁾ Corresponds to the average balance of capital employed at the beginning and end of the year.

⁽³⁾ ROACE on CCS (without taking into account the Inventory Effect) amounts to 12.3%.

2. Cash flow measurements

Free cash flow and Cash generation

Million euros	Cumulative twelve months					
	Adjusted cash flow		Reclassifications of joint ventures and others		IFRS-EU statement of cash flow	
	2023	2022	2023	2022	2023	2022
I. Cash flows from / (used in) operating activities (cash flow from operations)	7,064	8,923	(553)	(1,091)	6,511	7,832
II. Cash flows from / (used in) investing activities	(5,634)	(3,712)	(219)	(391)	(5,853)	(4,103)
Free cash flow (I+II)	1,430	5,211	(772)	(1,482)	658	3,729
Cash generation	1,178	3,228	(941)	(1,450)	237	1,778
III. Cash flows from / (used in) financing activities and others ⁽¹⁾	(3,823)	(4,172)	782	1,360	(3,041)	(2,812)
Net increase / (decrease) in cash and cash equivalents (I+II+III)	(2,393)	1,039	10	(122)	(2,383)	917
Cash and cash equivalents at the beginning of the period	6,945	5,906	(433)	(311)	6,512	5,595
Cash and cash equivalents at the end of the period	4,552	6,945	(423)	(433)	4,129	6,512

⁽¹⁾ Includes payments for dividends and payments on other equity instruments, interest payments, other proceeds from/ (payments for) financing activities, proceeds from / (payments for) equity instruments, proceeds from / (payments for) financial liabilities transactions (proceeds/payments) with minority interests and the exchange rate fluctuations effect.

Million euros	Fourth quarter					
	Adjusted cash flow		Reclassifications of joint ventures and others		IFRS-EU statement of cash flow	
	2023	2022	2023	2022	2023	2022
I. Cash flows from / (used in) operating activities (cash flow from operations)	2,244	2,804	(103)	(378)	2,141	2,426
II. Cash flows from / (used in) investing activities	(1,180)	(1,743)	(24)	(717)	(1,204)	(2,460)
Free cash flow (I+II)	1,064	1,061	(127)	(1,095)	937	(34)
Cash generation	947	88	(290)	(1,093)	657	(1,005)
III. Cash flows from / (used in) financing activities and others ⁽¹⁾	(1,308)	(2,066)	268	1,061	(1,040)	(1,005)
Net increase / (decrease) in cash and cash equivalents (I+II+III)	(244)	(1,005)	141	(34)	(103)	(1,039)
Cash and cash equivalents at the beginning of the period	4,796	7,950	(564)	(399)	4,232	7,551
Cash and cash equivalents at the end of the period	4,552	6,945	(423)	(433)	4,129	6,512

⁽¹⁾ Includes payments for dividends and payments on other equity instruments, interest payments, other proceeds from/ (payments for) financing activities, proceeds from / (payments for) equity instruments, proceeds from / (payments for) financial liabilities transactions (proceeds/payments) with minority interests and the exchange rate fluctuations effect.

Liquidity

Million euros	Group Reporting Model		Reclassifications of joint ventures and others		IFRS-EU	
	2023	2022	2023	2022	2023	2022
Cash and banks	3,151	3,021	(408)	(345)	2,744	2,676
Other financial assets	1,401	3,924	(16)	(88)	1,385	3,836
Cash and cash equivalents	4,552	6,945	(423)	(433)	4,129	6,512
Deposits of immediate availability ⁽¹⁾	3,878	2,389	—	—	3,878	2,389
Undrawn credit lines	2,637	2,681	(18)	(7)	2,619	2,674
Liquidity	11,067	12,014	(441)	(440)	10,626	11,575

⁽¹⁾ Repsol contracts time deposits but with immediate availability, which are recorded under "Other current financial assets" and which do not meet the accounting criteria for classification as cash and cash equivalents.

Operating investments (investments)

Million euros	Cumulative twelve months									
	Operating investments						Reclassif. of joint ventures and others		IFRS-EU ⁽¹⁾	
	2023			2022			2023	2022	2023	2022
	Organic	Inorganic	Total	Organic	Inorganic	Total				
Upstream	2,389	238	2,627	2,127	—	2,127	(825)	(236)	1,802	1,891
Industrial	1,155	6	1,161	960	65	1,025	(15)	(26)	1,146	999
Customer	326	97	423	251	7	258	(93)	(10)	330	248
LCG	1,152	724	1,876	590	77	667	(46)	(98)	1,830	569
Corporate and others	80	—	80	103	2	105	(1)	1	79	106
TOTAL	5,102	1,065	6,167	4,031	151	4,182	(980)	(369)	5,187	3,813

⁽¹⁾ This corresponds to “Payments on investments” on the consolidated statement of cash flows prepared under IFRS-EU, and does not include items corresponding to “Other financial assets”.

Million euros	Fourth quarter									
	Operating investments						Reclassif. of joint ventures and others		IFRS-EU ⁽¹⁾	
	2023			2022			2023	2022	2023	2022
	Organic	Inorganic	Total	Organic	Inorganic	Total				
Upstream	644	109	753	778	—	778	(373)	(148)	380	630
Industrial	462	6	468	464	12	476	2	(10)	470	466
Customer	122	48	170	122	—	122	(39)	(23)	131	99
LCG	411	(32)	379	341	31	372	(79)	(27)	300	345
Corporate and others	35	—	35	35	2	37	—	13	35	50
TOTAL	1,674	131	1,805	1,740	45	1,785	(489)	(195)	1,316	1,590

⁽¹⁾ This corresponds to “Payments on investments” on the consolidated statement of cash flows prepared under IFRS-EU, and does not include items corresponding to “Other financial assets”.

3. Financial metrics

Net debt

Million euros	Net debt	Reclassifications of joint ventures	IFRS-EU balance sheet
	Dic-2023	Dic-2023	Dic-2023
Non-current assets			
Non-current financial instruments ⁽¹⁾⁽²⁾	1,060	429	1,489
Current assets			
Other current financial assets ⁽²⁾	4,410	81	4,491
Cash and cash equivalents	4,552	(423)	4,129
Non-current liabilities			
Non-current financial liabilities ⁽²⁾	(8,808)	458	(8,350)
Current liabilities			
Current financial liabilities ⁽²⁾	(3,310)	(4)	(3,314)
NET DEBT ⁽³⁾	(2,096)	541	(1,555)

⁽¹⁾ Amounts included under “Non-current financial assets” in the consolidated balance sheet.

⁽²⁾ Includes net non-current and current leases amounting to €-2,973 and €-633 million, respectively, according to the Reporting model and €-2,452 and €-506 million, respectively, according to the IFRS-EU balance sheet.

⁽³⁾ The reconciliations in previous period are available at www.repsol.com.

Gross debt

<i>Million euros</i>	Gross debt	Reclassifications of joint ventures and others	IFRS - EU balance sheet
	Dic-2023	Dic-2023	Dic-2023
Current financial liabilities (ex derivatives)	(3,148)	5	(3,153)
Net mark to market valuation of current financial derivatives	(92)	—	(92)
Current gross debt	(3,240)	5	(3,244)
Non-current financial liabilities (ex derivatives)	(8,807)	62	(8,348)
Net mark to market valuation of non-current derivatives	—	—	—
Non-current gross debt	(8,807)	62	(8,348)
GROSS DEBT ⁽¹⁾	(12,047)	67	(11,592)

⁽¹⁾ The reconciliations in previous periods for this figure are available at www.repsol.com.

Leverage ratio

<i>Million euros</i>	Group Reporting Model		Reclassifications of joint ventures		IFRS - EU Balance sheet	
	2023	2022	2023	2022	2023	2022
Net debt	2,096	2,256	541	(495)	1,555	2,751
Capital employed	31,166	28,229	(541)	495	30,625	28,724
Leverage (%)	6.7	8.0			5.1	9.6

Solvency ratio

<i>Million euros</i>	Group Reporting Model		Reclassifications of joint ventures		IFRS - EU Balance sheet	
	2023	2022	2023	2022	2023	2022
Liquidity	11,067	12,014	(441)	(440)	10,626	11,575
Current Gross debt	3,240	2,997	5	862	3,244	3,045
Solvency	3.4	4.0			3.3	3.8