REPSOL EUROPE FINANCE

(Formerly TE Holding S.à r.l.; a private company with limited liability (société à responsabilité limitée) incorporated under the laws of the Grand Duchy of Luxembourg and having its statutory seat at 14-16 Avenue Pasteur, L-2310 Luxembourg, in the Grand Duchy of Luxembourg, and registered with the Luxembourg trade and companies register under number B149867)

and

REPSOL INTERNATIONAL FINANCE B.V.

(A private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under the laws of the Netherlands and having its statutory seat in The Hague)

EURO 13,000,000,000
Guaranteed Euro Medium Term Note Programme

Guaranteed by

REPSOL, S.A.

(*A sociedad anónima organised under the laws of the Kingdom of Spain*)

This supplement (the **Supplement**) to the base prospectus dated 31 May 2023 (the **Base Prospectus**) constitutes a supplement, for the purposes of Article 23(1) of Regulation (EU) 2107/1129, as amended or superseded (the **Prospectus Regulation**), and is prepared in connection with the Euro 13,000,000,000 Guaranteed Euro Medium Term Note Programme (the **Programme**) established by Repsol Europe Finance (**REF**) and Repsol International Finance B.V. (**RIF**, and together with REF, the **Issuers** and each an **Issuer**) and guaranteed by Repsol, S.A. (the **Guarantor**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to and should be read in conjunction with the Base Prospectus.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Supplement has been prepared for the purpose of supplementing the sections of the Base Prospectus entitled "*Documents Incorporated by Reference*" to incorporate by reference certain financial information as of and for the six-month period ended 30 June 2023 in respect of the Guarantor and the Group, as well as to supplement the sections entitled "*Important Notices*", "*Risk Factors*", "*Description of the Guarantor and the Group*" and "*General Information*".

The Dealers, the Trustee and the Arranger have not separately verified the information contained in the Base Prospectus, as supplemented by this Supplement. None of the Dealers, the Trustee or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in the Base Prospectus, as supplemented by this Supplement.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy since the publication of the Base Prospectus.

If there has been an inconsistency between any information included in this Supplement and information included in the Base Prospectus, the information included in this Supplement should prevail.

This Supplement is available on the website of the Guarantor (www.repsol.com) alongside the Base Prospectus and is also available on the website of the Luxembourg Stock Exchange (www.luxse.com).

(I) IMPORTANT NOTICES

Both the Issuers and the Guarantor consider advisable, pursuant to Article 23 of the Prospectus Regulation, to update the section entitled "*Important Notices*" on pages 1 to 6 of the Base Prospectus. To that end, and by virtue of this Supplement, the last sentence of the first paragraph of the sub-section entitled "*Alternative Performance Measures*" on page 4 of the Base Prospectus shall be replaced in its entirety with the following wording:

> "The relevant metrics are identified as APMs and accompanied by an explanation of each such metric's components and calculation method in "Appendix II: Alternative performance measurements" to the "Interim Management Report 2023", "Appendix II: Alternative performance measures" to the "Consolidated Management Report 2022" and in "Appendix II: Alternative performance measures" to the "Consolidated Management Report 2021", which are incorporated by reference in this Base Prospectus".

(II) RISK FACTORS

Both the Issuers and the Guarantor consider advisable, pursuant to Article 23 of the Prospectus Regulation, to update the section entitled "*Risk Factors*" on pages 16 to 44 of the Base Prospectus. To that end, and by virtue of this Supplement, the following risk factors set forth under "*(I) Risk factors that may affect the Issuers' and the Guarantor's ability to fulfil their obligations under the Notes*" shall be replaced in their entirety with the wording set out further below:

- "*Risks related to uncertainty in the current economic context*" on pages 19 and 20 of the Base Prospectus and set forth under "*2. Risks relating to geopolitical and macroeconomic conditions*",

- "*Risks related to fluctuations in international commodity prices and demand*" on pages 21 and 22 of the Base Prospectus and set forth under "*3. Risks related to Repsol's business activities and industry*",

- *"Credit rating risk" on page 29 of the Base Prospectus as set forth under "5. Financial risks".*

*"**Risks related to uncertainty in the current economic context***

The Group is directly and indirectly subject to inherent risks arising from general economic conditions in Spain, the other countries in which it operates and the global economy more generally.

As at the date of this Supplement, there is a higher than usual degree of uncertainty in the current economic context. In this regard, a source of uncertainty derives from what level of monetary tightening will be necessary for inflation to be controlled again in an environment where some supply shocks persist such as Russia's invasion of Ukraine as well as its effects on global activity.

Despite notable headwinds and a backdrop of pessimism, the first half of 2023 was resilient and stronger than expected for the global economy. While the possibility of the global economy falling into recession (defined as two quarters of falling GDP per capita) seemed a clear possibility towards the end of 2022, quarter-on-quarter growth in the first half of 2023 averaged 0.7%, similar to the average growth between 2010 and 2019. This surprise growth has reflected three general trends: i) consumer spending has been supported by excess previous savings, especially in the United States; ii) a smaller impact than expected in the eurozone from the energy crisis; and iii) China's exit from its covid-zero strategy was quicker and more abrupt than anticipated, which favoured a rebound in its activity in the first few months of 2023, although such rebound has subsequently faded.

However, there are increasing signs that a turning point has been reached. Inflation remains high and continues to erode household purchasing power. The lagged impact of policy tightening by central banks is beginning to be felt more clearly, raising the cost of borrowing. Immediate concerns about the health of the banking sector have subsided, but high interest rates are filtering through the financial system, and banks in advanced economies have significantly tightened lending standards, curtailing the supply of credit. And the continued weakness of the Chinese real estate sector is not only slowing investment and confidence in the country, but also threatens to generate new financial instabilities.

Furthermore, the Group is exposed to the uncertain macroeconomic context in several ways:

- An economic downturn in any of the countries in which the Group operates may impact the Group's customers, resulting in their inability to pay amounts owed to the Group and may affect demand for the Group's goods and services.

- Should demand for crude oil, gas, electricity or oil derivatives drop beneath the Group's forecasts as a result of an economic slowdown, the results of its main businesses would be adversely affected as this would affect business volume and the Group may suffer a loss of market share in its marketing business.

- An economic downturn also negatively affects the state of the equity, bond and foreign exchange markets, including their liquidity. This might affect the reasonable value of financial assets and liabilities and increase the Group's financing costs and its exposure to potential credit loss, all of which could give rise to an impairment of the goodwill and the intangible or tangible fixed assets of the Group.

- Other potential negative impacts could derive from the current economic, geopolitical and social instability, including, among other things, regulatory changes in the gas and electricity markets, deterioration of the Group's reputation due to inflation, civil protests, supply interruption or rising costs or prices, deviation in the execution of investment projects, labour unrest, cyberattacks, sanctions and increased costs due to custom duties or tariffs.

The Group is not able to predict how the economic cycle is likely to develop in the short term or the coming years or whether there will be a return to a recessive phase of the global economic cycle. Any further deterioration of the current economic situation in the markets in which the Group operates could have an adverse impact on the business, financial position and results of operations of the Repsol Group."

*"**Risks related to fluctuations in international commodity prices and demand***

World oil prices have fluctuated greatly in recent years, driven by international supply and demand factors, geopolitical events and the economic cycle which are beyond the Group's control.

The increase in crude oil prices and volatility reflects the effects of the extensive sanctions levied by the United States, the European Union, and others on Russian private and state-owned entities. On 5 December 2022, the European Union's embargo on imports of Russian seaborne crude oil and the price cap of U.S.$60/bl on Russian crude agreed by the G7 group, the European Union and Australia took effect. Despite sanctions, Russian seaborne crude oil exports have maintained their pre-invasion volume due to the redirection of crude oil flows from Europe to Asia, and more specifically to India, China and Turkey.

The movements on prices also reflect the release of 180mb of crude oil from the United States Strategic Petroleum Reserve and the response by OPEC+ by implementing both quota cuts and voluntary cuts. Regarding the OPEC+, in addition to the official production cut of 2 mb/d for the period from November 2022 to December 2024, the group announced another voluntary cut of 1.2 mb/d which started in May 2023 and is estimated to last until late 2024. At the end of September 2023, the price per barrel almost reached U.S.$100, an increase from below U.S. $70 earlier in 2023 due to an additional 1mbpd voluntary cut made by Saudi Arabia and 500kbpd by Russia. These cuts have tightened the supply within the market especially for medium and heavy sour grades of crude oil. Over the winter, the tightness of middle distillate-rich crude oil could help tighten the market for gasoil/heating oil and diesel. Accordingly, the total volume of cuts by OPEC+ amounts to 5.1 mb/d, the equivalent of 5.1% of global demand.

International product prices, and hence refinery margins, are influenced by the supply and price of crude oil and freight and the demand for such products. The European Union set an embargo on Russian petroleum products that came into effect on 5 February 2023, as well as a price cap of U.S.$100/bl for the Russian products that trade at a premium to crude, such as diesel, gasoline or kerosene, and a price ceiling of U.S.$45/bl for those products that typically sell below the crude oil price, such as fuel oil. The impact of the ban on refined product imports Has been less disruptive than forecast as Russian products that previously flowed to Europe has found new homes in Turkey, Brazil and the Middle East. Some of those countries then sell their own products to Europe. Supply chains have stretched and could create problems should any disruptions occur.

The global economy has seen high levels of inflation since Russia's invasion of Ukraine began. It has dropped since but the recent increase in oil price around 40% from earlier in 2023 will bring back inflationary pressure that could see a more inflationary environment for longer and force Central banks to increase interest rates further. This could see a stronger dollar and put pressure on the price of oil as we move into 2024. In addition to the macroeconomic environment, the scenarios associated with the energy transition process and the effects of climate change can also affect the price of other commodities such as electricity and emissions allowances and carbon credits.

Further downside risk may occur if non-OPEC supply reaches the levels forecast. It could see an oversupplied crude market in 2024. Refinery margins may come under pressure in the Atlantic Basin with opening on new refineries in Nigeria, China and the Middle East.

With regard to the gas market, and as at the date of this Supplement, forward prices reached at the end of September 2023 indicate that the current gas price environment is expected to remain at low levels in the short-term when compared to the levels experienced in 2022 due to higher gas storage levels, solid flows of LNG received in Europe and a persistent weak demand. The uncertainty about how Europe will face next winter has progressively diminished, but it could be reactivated in the case of extreme winter temperatures (in normal conditions, prices may further increase during particularly cold weather periods).

Reductions in crude oil and gas prices negatively affect Repsol's profitability and the value of its exploration and production assets. Its investment plans may also have to change due to the delay, renegotiation or cancellation of projects under new rules to get allowances to exploit resources. Likewise, any significant decrease in capital investments allocated to acquire, discover or develop new reserves could have an adverse effect on Repsol's ability to replace its crude oil and gas reserves. Moreover, industrial and commercial activities are exposed to risks which are inherent to such activities, including potential reductions in profit margins or fluctuations in the demand of crude, gas or other reference products due to unexpected increases in prices of other commodities (such as electricity, emissions allowances and carbon credits), which, in turn, could have an adverse impact on the business, financial position and results of operations of the Repsol Group."

*"**Credit rating risk***

Credit rating agencies regularly rate the Group, and their ratings are based on, among other things, external factors, such as the conditions that affect the oil and gas sector, the general state of the economy and the performance of the financial markets.

As at the date of this Supplement, the long-term credit ratings of the Guarantor are as follows:

	Standard & Poor's	**Moody's**	**Fitch Ratings**
Long-term credit rating of the Guarantor	BBB+ (stable outlook)	Baa1 (stable outlook)	BBB+ (stable outlook)

Credit ratings affect the pricing and other conditions under which the Repsol Group is able to obtain financing. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Moreover, there has been an increasing regulatory and market focus on the impact of Environmental, Social and Governance (**ESG**) factors on credit ratings in the recent past. As a global energy group, Repsol is particularly exposed to risks associated with climate change. See "*—Risks Relating to Climate Change and to the Group's Strategy—Risks related to climate change*". As a result, any risks associated with climate change or any failure by the Group (whether real or perceived) to mitigate such risks or to successfully execute its energy transition strategy could have an adverse effect on Repsol's credit rating in the future.

Any downgrade in the credit rating of the Guarantor could restrict or limit the Group's access to the financial markets, increase its new borrowing costs and have a negative effect on its liquidity."

(III) DOCUMENTS INCORPORATED BY REFERENCE

Both the Issuers and the Guarantor consider advisable, pursuant to Article 23 of the Prospectus Regulation, to update the section entitled "*Documents Incorporated by Reference*" on pages 45 to 52 of the Base Prospectus. To that end, and by virtue of this Supplement, the three (3) following documents shall be added as new paragraphs (O), (P) and (Q) in the list of documents on pages 45 and 46 of the Base Prospectus and the cross-reference list on pages 46 to 51 of the Base Prospectus.

"(O) The unaudited condensed consolidated interim financial statements of Repsol, S.A., including the limited review report, as of and for the six-month period ended 30 June 2023: https://www.repsol.com/content/dam/repsol-corporate/en_gb/accionistas-e-inversores/resultados/2023/q2/interim-condensed-consolidated-financial-statements-for-first-half-of-2023.pdf

(P) The Guarantor's interim management report for the first half of 2023 (the **Interim Management Report 2023**): https://www.repsol.com/content/dam/repsol-corporate/en_gb/accionistas-e-inversores/resultados/2023/q2/interim-management-report-first-half-2023.pdf

(Q) The Guarantor's "Q2 2023 Results" presentation: https://www.repsol.com/content/dam/repsol-corporate/en_gb/accionistas-e-inversores/cnmv/2023/ori27072023-information-on-the-second-quarter-2023-results.pdf

The page references indicated for documents (O), (P) and (Q) below are to the page numbering of the electronic copies of such documents as available at the links set forth above.

Information incorporated by reference		**Page references**
(O)	The sections listed below of the unaudited condensed consolidated interim financial statements of Repsol, S.A., including the auditors' limited review report, as of and for the six-month period ended 30 June 2023:	
	(a) Independent auditors' limited review report on the condensed consolidated interim financial statements	2-3
	(b) Interim consolidated financial statements of Repsol, S.A. and Investees comprising the Repsol Group for the first half of 2023:	4-44
	- Balance sheet at 30 June 2023 and 31 December 2022	6
	- Income statement for the interim periods ending 30 June 2023 and 2022	7
	- Statement of recognized income and expense for the interim periods ending 30 June 2023 and 2022	8
	- Statement of changes in equity for the interim periods ending 30 June 2023 and 2022	9
	- Statement of cash flows for the interim periods ending 30 June 2023 and 2022	10
	- Explanatory Notes to the financial statements	11-32
	- Appendix I: Main changes in the composition of the Group	33-36
	- Appendix II: Other detailed information	37-42
	- Appendix III: Segment reporting and reconciliation with IFRS-EU financial statements	43-44
(P)	The sections listed below of the Interim Management Report 2023:	

	- Contents	3
	- Appendix I – Table of conversions and abbreviations	26
	- Appendix II – Alternative performance measurements	27-34
	- Appendix III – Consolidated Financial Statements – Repsol reporting model	35-37
(Q)	The sections listed below of the Guarantor's "Q2 2023 Results" presentation:	
	- Index	2
	- €1.7 bn of Operating Cash Flow and an additional redemption of 60 M shares before year end	3
	- 2Q23: Net debt stood at €797 million	4
	- 2Q23 Highlights	5
	- Adjusted Income performance by Business Segment	6
	- Upstream	7-8
	- Industrial	9-10
	- Customer	11-12
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	- Inventory Effect	16
	- Special Items	16
	- Adjusted Cash Flow Statement Analysis	17
	- Net Debt Evolution and Liquidity	18
	- Relevant Events	19-24
	- Annexes	
	- Appendix I – Metrics by Business Segments	25-31
	- Appendix II – Repsol's Reporting Consolidated Financial Statements	32-35
	- Appendix III – IFRS Consolidated Financial Statements	36-41
	- Appendix IV – Basis of presentation	42-44"

(IV) DESCRIPTION OF THE GUARANTOR AND THE GROUP

Both the Issuers and the Guarantor consider advisable, pursuant to Article 23 of the Prospectus Regulation, to update the section entitled "*Description of the Guarantor and the Group*" on pages 60 to 81 of the Base Prospectus.

To that end, and by virtue of this Supplement, the following changes shall be made:

Recent Developments

The information below shall be inserted as new paragraphs at the end of the sub-section entitled "*Recent Developments*" on pages 61 and 62 of the Base Prospectus:

> "On 26 July 2023, the Board of Directors of the Guarantor approved a capital reduction through the redemption of 60,000,000 treasury shares with a par value of €1.00 each.
>
> On 7 September 2023, Repsol signed an agreement to sell its oil and gas assets in Canada to Peyto for $468 million (approximately €433 million) as part of its ongoing portfolio management to focus its activity on core regions. As at the date of this Supplement, the acquisition is expected to close in mid-October, subject to customary closing conditions, including the receipt of necessary regulatory approvals.
>
> On 7 September 2023, Repsol signed an agreement to acquire US renewable development company ConnectGen for $768 million (approximately €715 million) from Quantum Capital Group's global renewable energy development platform, 547 Energy."

Strategy

The information below shall be inserted as a new paragraph at the end of the sub-section entitled "*Strategy*" on page 62 of the Base Prospectus:

> "Repsol expects to update the Plan in the first quarter of 2024, after achieving all the main goals set out in the Plan two years ahead of schedule."

Share capital and major shareholders

The information below shall replace in its entirety the sub-section entitled "*Board of Directors, Senior Management and Employees— Share capital and major shareholders*" on page 74 of the Base Prospectus:

> "As at the date of this Supplement, the Guarantor's share capital is comprised of 1,277,396,053 shares at a nominal value of €1 fully subscribed and paid up, and admitted to listing on the automated quotation system (*mercado continuo*) of the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. The Guarantor also has a programme of ADS, currently traded on the OTCQX market in the United States.
>
> In accordance with the latest information available to Repsol, at the date of this Supplement, the Guarantor's major shareholders beneficially owned the following percentages of its ordinary shares:

Shareholder	Percentage of voting rights attributed to shares (direct)	Percentage of voting rights attributed to shares (indirect)	Percentage of voting rights through financial instruments	Percentage of total voting rights
	%	%	%	%
BlackRock, Inc. (1)	—	5.306	0.169	5.475
Millennium Group Management LLC(2)	—	—	1.061	1.061
Norges Bank (3)	4.899	—	—	4.899

(1) BlackRock, Inc. holds its stake through various controlled entities. The information relating to BlackRock, Inc. is based on the statement submitted by this company to the CNMV on 2 May 2022.

(2) The information relating to Millennium Group Management LLC is based on the statement submitted by this company to the CNMV on 14 July 2023.

(3) The information relating to Norges Bank is based on the statement submitted by this company to the CNMV on 29 September 2023."

Legal and Arbitration Proceedings

The information below shall replace in its entirety the sub-subsection entitled "*The Passaic River / Newark Bay lawsuit*" under the sub-section entitled "*Legal and Arbitration Proceedings—United States of America*" on pages 76 and 77 of the Base Prospectus:

"*The Passaic River / Newark Bay lawsuit*

The events underlying this litigation relate to the sale by Maxus Energy Corporation (**Maxus**) of its former chemicals subsidiary, Diamond Shamrock Chemical Company (**Chemicals**) to Occidental Chemical Corporation (**Oxy**). Maxus agreed to indemnify Occidental for certain environmental contingencies relating to the business and activities of Chemicals prior to 4 September 1986. Maxus was subsequently acquired by YPF in 1995 and in 1999 the Guarantor acquired YPF.

On 6 April 2023, YPF, the Maxus Liquidating Trust (the **MLT**) and Repsol signed a settlement and release agreement (the **Trust Settlement Agreement**) by virtue of which the MLT has agreed to dismiss all actions initiated against YPF and Repsol and waive all claims (subject to the satisfaction of certain conditions, including court approvals and other procedural events), in exchange for the payment of U.S.$575 million, of which Repsol has agreed to pay U.S.$287.5 million.

Additionally, Repsol and YPF have entered into a settlement and release agreement (the **Oxy Settlement Agreement**) with Oxy and various other Oxy entities, including Occidental Petroleum Corporation and Occidental Chemical Holding Corporation (together, the **Oxy Parties**), pursuant to which the Oxy Parties agreed to waive all claims they may have against Repsol and YPF in relation to Maxus, the Passaic River and other areas subject to environmental remediation.

Finally, Repsol and YPF signed a settlement and covenant not to sue agreement (the **Government Agreement**) with various US government entities, including the US Department of Justice (on behalf of the Environmental Protection Agency, the Department of the Interior, and the National Oceanic and Atmospheric Association) and the States of Ohio and Wisconsin (the **Government Parties**). The Government Parties have agreed not to sue Repsol and YPF with respect to claims similar to those brought by the MLT, as well as certain claims under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

On 31 July 2023, court approval was obtained for the Trust Settlement Agreement, Oxy

Settlement Agreement and Government Agreement and on 7 August 2023, once the payment of the settlement amount by Repsol and YPF had been verified, the court approved the "stipulations of dismissal" of the litigation, putting an end to this litigation."

The information below shall be inserted as a new paragraph at the end of the sub-section entitled "*Peru*" under the section entitled "*Legal and Arbitration Proceedings*" on pages 77 and 78 of the Base Prospectus:

Peru

"The decision appealed by the Asociación Damnificados por Repsol was ratified by the court of second instance on 9 June 2023, confirming the ruling that rejected the claim. Such decision was not challenged by the Asociación within the legal period and the court therefore issued the relevant ruling definitively closing the case."

Administrative and legal proceedings with tax implications

The information below shall be inserted as new paragraphs at the end of the sub-sections entitled "Bolivia", "Brazil" and "Spain" under the sub-section entitled "*Legal and Arbitration Proceedings—Administrative and legal proceedings with tax implications*" on pages 78 to 81 of the Base Prospectus:

Bolivia

"YPFB Andina has received a favourable decision from the second instance on the lawsuit regarding the non-deductibility of royalty payments and participations paid under the Risk Sharing Contracts from 2000 to 2003 in the corporate income tax. The tax authorities have challenged the decision before the Supreme Court. The Group considers that its position is expressly supported by law."

Brazil

"In connection with certain assessments received by Repsol Sinopec Brasil, S.A. for payments to foreign companies related to charter contracts for exploration platforms (2009 and 2011, CIDE and PIS/COFINS), unfavorable decisions at the administrative and judicial stage have been received. As at the date of this Supplement, these assessments are being duly appealed. The Group considers that it has acted in accordance with the law and in line with general practice in the sector.

Regarding the lawsuit on the transfer pricing adjustment on the methodology for calculating the remuneration for charter services rendered for the drilling and extraction rigs (2016 and 2017), Repsol Sinopec Brasil, S.A. has obtained favorable decisions at the first administrative stage of the appeal procedure. The tax administration has challenged these decisions before the second administrative instance."

Spain

"The audit of tax years 2017 to 2020 has almost ended without the imposition of any penalty and, for the most part, with assessments signed on an uncontested basis or agreements that did not generate significant liabilities for the Group. However, a new dispute regarding the tax credits for foreign investments has been raised and the corresponding claim will be filed."

(V) GENERAL INFORMATION

Both the Issuers and the Guarantor consider advisable, pursuant to Article 23 of the Prospectus Regulation, to update the section entitled "*General Information*" on pages 215 to 218 of the Base Prospectus.

To that end, and by virtue of this Supplement, paragraph 5 of the sub-section "*Significant/Material Change*" on page 215 of the Base Prospectus shall be replaced in its entirety with the following wording:

> "5. To the best of the knowledge of the Guarantor, there has been no material adverse change in its prospects since 31 December 2022 (being the date of the last published audited financial statements) nor has there been any significant change in the financial position or financial performance of the Group since 30 June 2023."