Press release
Madrid, July 27, 2023

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Repsol posts net income of €1.420 billion in the first half of 2023

- Repsol posted **net income** of €1.42 billion in the first six months of 2023 amid falling energy prices and demand, while the company continued to take decisive steps in its transformation and in launching an innovative multi-energy offer for its customers.
- The increase in production, the efficiency of the refining business and greater customer acquisition and loyalty, mainly through the Waylet app, led to strong earnings.
- Between January and June, **Repsol invested €3.047 billion**, mainly **in Spain and the United States**. In 2023, the company will allocate 35% of its investments to low-carbon projects. The fiscal contribution stood at €7.343 billion in the first half of the year.
- Repsol paid a final dividend of €0.35 gross per share in July. Together with that paid in January, this brought the cash dividend for the year to **€0.70 gross per share, 11% more** than in the previous year.
- Repsol yesterday approved a new capital reduction through the **redemption of 60 million own shares**, in addition to the 50 million shares already redeemed in June.
- The combination of dividends and capital reduction will result in the distribution of close to **€2.4 billion to shareholders** in 2023. By the end of the current year, Repsol **will have reduced its share capital by 20%** compared to that existing at December 2021, well above the target set by the 2021-2025 Strategic Plan.
- **Josu Jon Imaz, CEO of Repsol:**

"We are consistently delivering strong earnings in challenging environments as we continue to transform the company and build a unique multi-energy offering that facilitates a just transition for our customers."

€2.4 B

Distributed to shareholders in cash dividends and share buybacks

20%

Share capital reduction between December 2021 and the end of 2023

35%

Share of investments dedicated to low carbon projects

20cents/l

The new Connected Energies program offers discounts of up to 20 cents per liter of fuel

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Repsol posted net income of €1.42 billion euros in the first half of 2023, driven by increased production, integrated management of the refining system in Spain and progress in customer acquisition and loyalty, especially through the Waylet app. Adjusted income, which specifically measures the performance of the businesses, stood at €2.718 billion between January and June.

The earnings reflect the significant progress made in implementing the 2021-2025 Strategic Plan and the success achieved in managing an environment marked by falling hydrocarbons prices

The first half of 2023 saw slow growth in the world economy, marked by monetary policy decisions and international tensions resulting from the war in Ukraine. In this context of uncertainty, global inflation and slow recovery of the Chinese economy, energy product prices plummeted compared to 2022, when there was an anomalous rise in commodity prices. Between January and June, refining margins fell by 29%, Brent crude oil prices fell by 26% and the US gas benchmark, the Henry Hub, fell by 54%.

In this environment of normalization of energy prices and supply, after a turbulent 2022, Repsol's performance reflects the robustness of the 2021-2025 Strategic Plan and the company's integrated model, which has materialized in strong earnings.

Progress in transformation: renewable fuels and low-carbon generation

During the first six months of 2023, Repsol continued to make progress in its transformation and decarbonization process, with the aim of becoming a net zero-emissions company by 2050.

The group invested €3,047 million in the period, mainly in low-carbon projects. In line with its Strategic Plan, Repsol has earmarked 35% of investments in 2023 to low-carbon projects, which emphasizes their transformational nature. During the first half of the year, 43% of total investment went to Spain and 39% to the United States.

Repsol allocated most of its investments in the first half of the year to projects in Spain (43%) and the United States (39%).

One of the main levers of its emissions reduction strategy is the transformation of industrial facilities into decarbonized multi-energy centers capable of generating products with a low, neutral, or even negative carbon footprint. To this end, Repsol has launched several initiatives, including the production of renewable fuels from alternative raw materials such as vegetable oils, used cooking oils and biomass, as well as the implementation of new technologies for processing solid urban waste.

During the semester, Repsol became the first company to serve 100% renewable fuel in the Iberian Peninsula, after launching the supply of 100% renewable diesel in ten service stations in Spain and Portugal. It was also a pioneer in the collection of used cooking oil at its service stations in the Community of Madrid, to facilitate the sustainable processing of this domestic waste.

In addition to this, progress was made in the construction in Cartagena of the first plant on the Iberian Peninsula dedicated exclusively to the production of renewable fuels, which will be commissioned this year.

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To promote the use of renewable fuels in mobility, Repsol has forged alliances with leading companies in both heavy road and passenger transport. It has also signed agreements with airlines and the maritime sector, as well as with institutions and regional governments. During the first half of the year, the company continued to make progress in this area and has formed new alliances with leading companies such as Ryanair, Vueling and Gestair for the supply of sustainable aviation fuels (SAF); a pioneering pilot project with Iberia Airport Services to supply 100% renewable fuel for handling activities at Bilbao airport; and a collaboration with New Holland to evaluate its use in agricultural machinery. It has also signed an agreement with transport and logistics company XPO for the supply of one million liters of renewable fuel.

Repsol has reached 2,016 MW of renewable assets in operation renewable projects in Spain

In the chemicals business, construction began in March on the project to expand the industrial complex in Sines, which includes the installation of two new plants that will produce 100% recyclable materials that can be used in highly specialized applications in industries such as pharmaceuticals, automobiles and food.

Renewable electricity generation is another of Repsol's fundamental energy transition pillars. During the first half of the year, the company has taken significant steps towards reaching the target of 6 GW in 2025 and 20 GW in 2030, with the incorporation of Asterion Energies' portfolio of renewable assets (7,700 MW) and the start of projects under development in Italy, in addition to the progressive commissioning of new facilities in Spain, the United States and Chile. In total, a renewable capacity in operation of 2,016 MW has been reached

Institutional and financial backing for the investment and transformation strategy

Repsol's transformation strategy to achieve zero net emissions has been backed by a number of institutions. Last April, the Official Credit Institute (ICO) signed a €300 million loan linked to sustainability criteria and focused on the evolution of Repsol's industrial facilities into multi-energy poles. For its part, the IDAE granted €25 million in aid for the construction of a 30 MW electrolyzer in Puertollano and another in the old thermal power plant of Meirama (A Coruña).

In addition, in mid-July, the 150 MW electrolyzer in Tarragona, the largest in Spain, was selected to receive funding from the European Union. It will receive €63 million under the third call of the Innovation Fund, one of the world's largest programs for the development of innovative low-carbon technologies. This project is in addition to others led by Repsol, which had already been awarded funding in previous calls for proposals under this program, such as the Ecoplanta, which will also be in Tarragona, Spain.

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

For its part, the European Investment Bank (EIB) this week granted a €575 million loan to Repsol for the deployment and commissioning in Spain of wind farms and photovoltaic plants with a total capacity of 1.1 GW. These electricity production facilities are expected to be operational before the end of 2025.

Support for the company's management was also made tangible with the upgrade of Repsol's rating announced by Fitch Ratings on June 1. The U.S. agency raised the company's long-term credit rating to BBB+, with a stable outlook, and increased its short-term rating to F-1. With this decision, which endorses Repsol's solid financial profile, Fitch aligned itself with the other two major agencies in the market, S&P and Moody's, which made upward revisions to their ratings at the end of 2022.

Increased shareholder remuneration and tax contribution

The company's solid performance during the first six months of the year enabled the company to bring forward its shareholder remuneration objectives and take advantage of investment and growth opportunities.

Following its approval by the General Shareholders' Meeting, in July the company paid a final dividend of €0.35 gross per share - charged to 2022 profits - in addition to the remuneration paid in January of this year. This increased the cash dividend by 11% compared to the previous year, to €0.70 gross per share. The shareholders also agreed to pay out a further €0.375 gross per share from free reserves, which is expected to be distributed in January 2024, on a date to be determined by the Board of Directors.

In addition, the General Shareholders' Meeting approved a share capital reduction through the redemption of 50 million of own shares, which was carried out in June. In addition, yesterday the Board of Directors agreed to a further capital reduction through the redemption of 60 million own shares before the end of 2023.

The combination of dividends and capital reduction will result in the distribution of nearly €2.4 billion to shareholders in 2023.

The combination of dividends and capital reductions being carried out by the company will result in the distribution of around €2.4 billion in 2023 to its more than 520,000 shareholders, of which most are minority holders in Spain.

The capital reductions during 2023, added to the 200 million shares redeemed in 2022, 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.

In terms of tax contributions, in the first half of 2023, Repsol maintained its high level of contribution with €7.343 billion, of which 67% (€4.960 billion) corresponds to Spain. Own taxes accrued amounted to 2,186 million euros and accounted for 59% of profits. Repsol contributed a corporate income tax rate of 31% during the period, well above the nominal rate applicable in Spain - 25% - and the average for OECD countries.

Repsol's tax contribution between January and June amounted to 7,343 million euros, 67% of which corresponds to Spain.

At the end of the period, net debt stood at €797 million, 9% lower than at the end of March and 65% lower than on December 31, 2022. Liquidity reached €11,441billion, almost six times the gross short-term debt maturities.

6.8 million digital customers, with a unique multi-energy offer in Spain

In the first half of the year, Repsol not only made progress in its transformation, but also in strengthening its multi-energy profile, with a comprehensive offer that brings together all types of energy to facilitate a fair and affordable transition for society. The company produces 20% of all energy consumed in Spain.

In this regard, on April 1, it launched the *Connected Energies* (Energías Conectadas) program, a pioneering commercial proposal in Spain, which allows savings and a single supplier for all energy needs for mobility and the home (fuel, electricity, heating, solar or electric mobility). This strategy, focused on the customer and supported by digitalization, boosted the performance of service stations in Spain and the number of digital customers, reaching 6.8 million at the end of the half-year, mainly through its Waylet app.

Repsol has increased its portfolio of electricity and gas customers to 2 million, following the acquisition of a 50.01% stake in CHC Energía.

Another milestone was the acquisition in July of a 50.01% stake in the CHC Energía marketing company, recently authorized by the CNMC, which has increased its portfolio of electricity and gas customers to 2 million. With this purchase, Repsol brings forward by two years the achievement of the target set in its 2021-2025 Strategic Plan, increases its geographical expansion in the Iberian Peninsula and consolidates its position as the fourth largest market operator in Spain in terms of the number of electricity customers.

In electric mobility, Repsol currently has one of the most significant electric recharging networks in Spain, with more than 1,500 public access points installed, of which more than 690 are operational.

In the Exploration and Production business, during the first half of the year Repsol completed the incorporation of the US investment group EIG as a strategic partner in this business, in a transaction that values this area at approximately $19 billion. Average production in the first half of the year was 602,000 barrels of oil equivalent per day, 10% more than in the same period of 2022.