# Strategic Plan

2021-2025

# Stepping up the Transition

## Building a fast-growth Renewable Generation Business


**The Repsol Commitment**
**Net Zero Emissions**
**by 2050**

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# Repsol Renewables at a glance

**25 months**
In the RES Business

**>600M€**
Capex in 2020E

**Focused international presence with material positions**

Management with an average of
**10+ years**
of RES experience and a total of more
**15,000 MW**
developed

**1,078 MW**
In operation[1] end of 2020
Wind: 379 MW
Hydro: 699 MW

**445 MW**
Currently under construction[2]
Wind: 55 MW
Solar: 390 MW

**3.5 GW**
High visibility pipeline
(>90% estimated success rate)

**8 GW**
Under development & negotiations

**145**
Employees in RES

1. Operating capacity of Delta I (335 MW), Windfloat (5 MW), Cabo Leonés III phase I (78 MW – 50% WI) and hydro (699 MW) 2. Valdesolar (264 MW), Kappa (126 MW), Cabo Leonés III phase II (110 MW - 50% WI)

# RES Strategy

# 01.

# Develop a relevant RES player with International platforms by 2025

## Our roadmap

| Phase I | Phase II | Phase III |
|---|---|---|
| **2019** | **2020-2025** | **2026-2030** |
| ✓ Launch organic grow<br>✓ Develop RES capabilities | ✓ Build and put in operation pipeline<br>✓ Create international platforms | – Accelerate organic development<br>– Optimize portfolio with an opportunistic approach |
| I | II | III |
| **Launch development** of Ready to Build and earlier stage assets<br><br>**Acquire** technical and development capabilities and project pipeline | **Develop pipeline to >500 MW[1]** per year in early-stage assets<br><br>**Selective acquisitions** of local companies in priority countries | **Accelerate development to > 1 GW** per year |

1. Greenfield or R-t-B projects

**Global trends are pushing for acceleration of delivery**

# Main levers to build an advantaged RES player

**Technology and geographical diversification**

**Solid growth platforms**

**Advantaged energy management**

**Flexible financing**

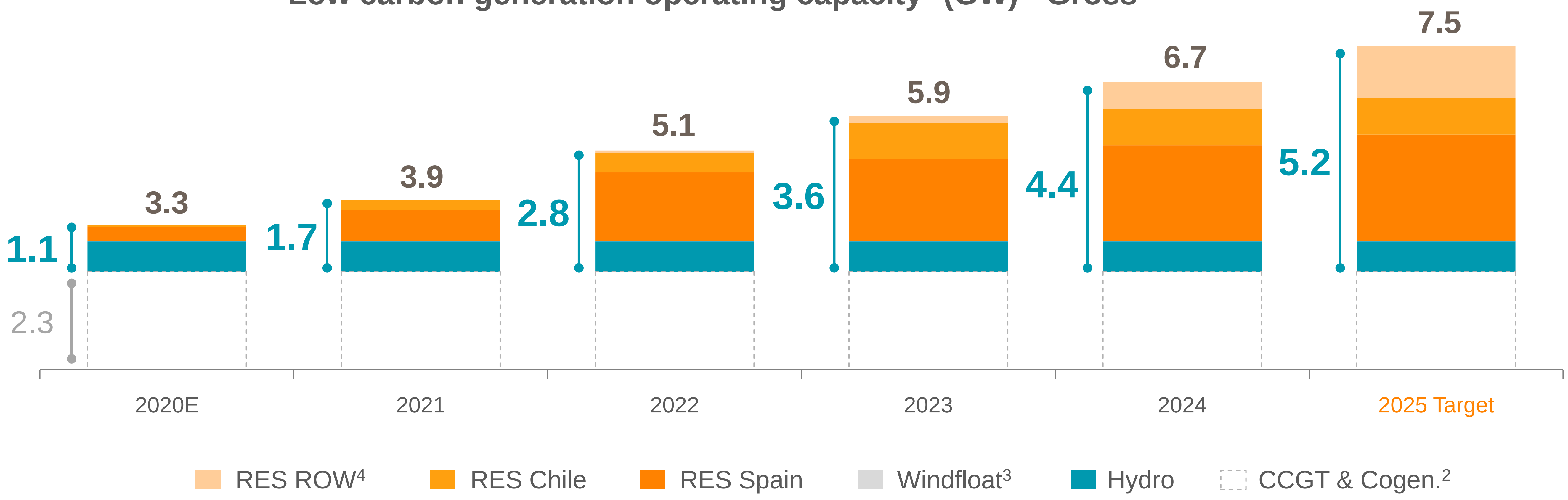
**Highly disciplined capital allocation framework with target return on equity >10%**

# Ambition and targets

Target to reach more than 5GW in RES by 2025

**Ambition is to become a relevant international renewable generation player by 2030**

Low carbon generation operating capacity[1] (GW) - Gross




**15 GW**

Low carbon generation capacity[1]

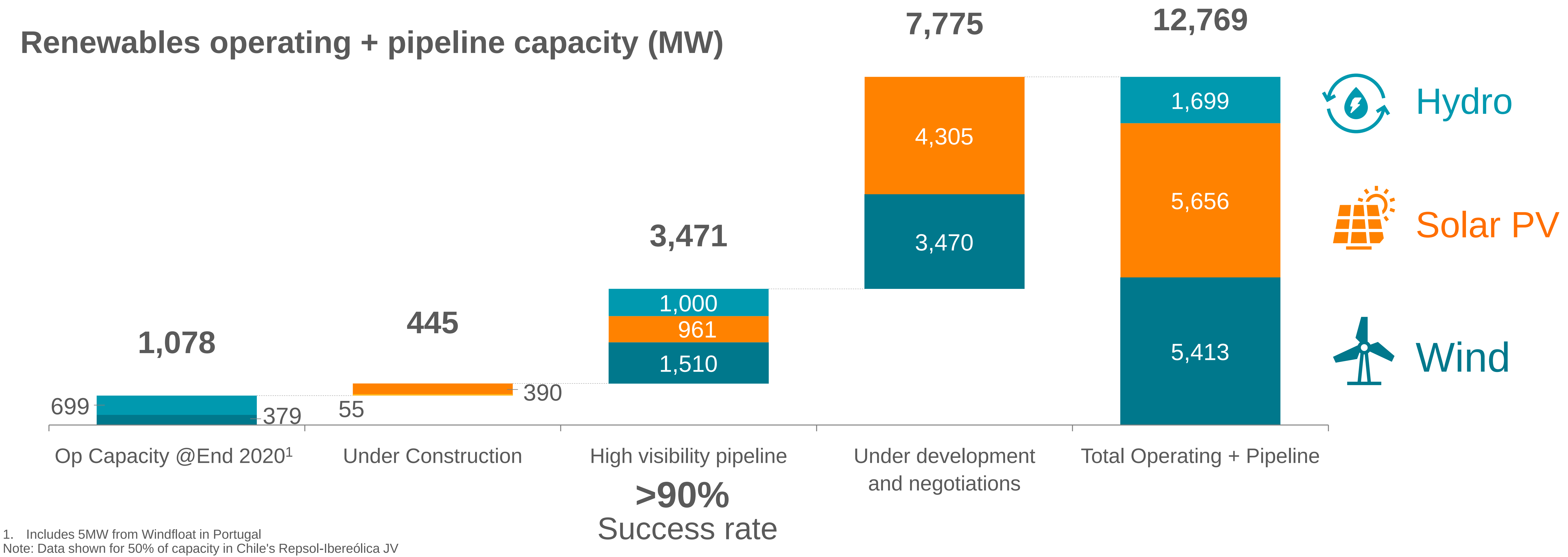
**2030 Target**

1. RES: Data shown for 50% of the capacity of the JV in Chile; 2. Cogeneration (622 MW) and CCGTs (1,648 MW) 3. Includes Repsol stake in Windfloat (5MW) 4. Rest of the World

# Attractive portfolio

# 02.

# Attractive and balanced pipeline across technologies…




1. Includes 5MW from Windfloat in Portugal

Note: Data shown for 50% of capacity in Chile's Repsol-Ibereólica JV

# … and across geographies

## Renewables operating and pipeline by geography (MW)

| | Op. Capacity @End 2020 | Under Construction | High visibility pipeline **(>90%** success rate) | Under development and negotiations | **Total** |
|---|---|---|---|---|---|
| **Iberian Peninsula** | **1,039** (of which hydro: 699) | **390** | **2,721** (of which hydro: 1,000) | **3,100** | **7,250** |
| **Chile** | **39** | **55** | **750** | **475** | **1,319** |
| **Rest of the world** | **-** | **-** | **-** | **4,200** | **4,200** |
| **Total** | **1,078** | **445** | **3,471** | **7,775** | **12,769** |

Note: Data shown for 50% of capacity in Chile's Repsol-Ibereólica JV

# High visibility Projects with COD before 2023

## Wind and Solar – Spain & Portugal


**Op. Capacity @ End 2020**

| DELTA – Aragón | |
|---|---|
| Capacity | 335 MW |
| COD | 2020 |

| Windfloat – Portugal | |
|---|---|
| Capacity | 5 MW |
| COD | 2020 |

Op. Capacity @ End 2020: **340 MW**

**Under construction**

| Valdesolar – Extremadura | |
|---|---|
| Capacity | 264 MW |
| COD | 2021 |

| KAPPA – C. La Mancha | |
|---|---|
| Capacity | 126 MW |
| COD | 2021 |

Under construction: 390 MW

**High Visibility Pipeline**

| SIGMA – Andalucía | |
|---|---|
| Capacity | 204 MW |
| COD | 2022 |

| PI – C. y León | |
|---|---|
| Capacity | 175 MW |
| COD | 2021/2022 |

| DELTA II – Aragón | |
|---|---|
| Capacity | 860 MW |
| COD | 2021/2023 |

**Greenfield projects**

482 MW of greenfield projects with interconnection rights
- Including solar hybridization projects in wind portfolio

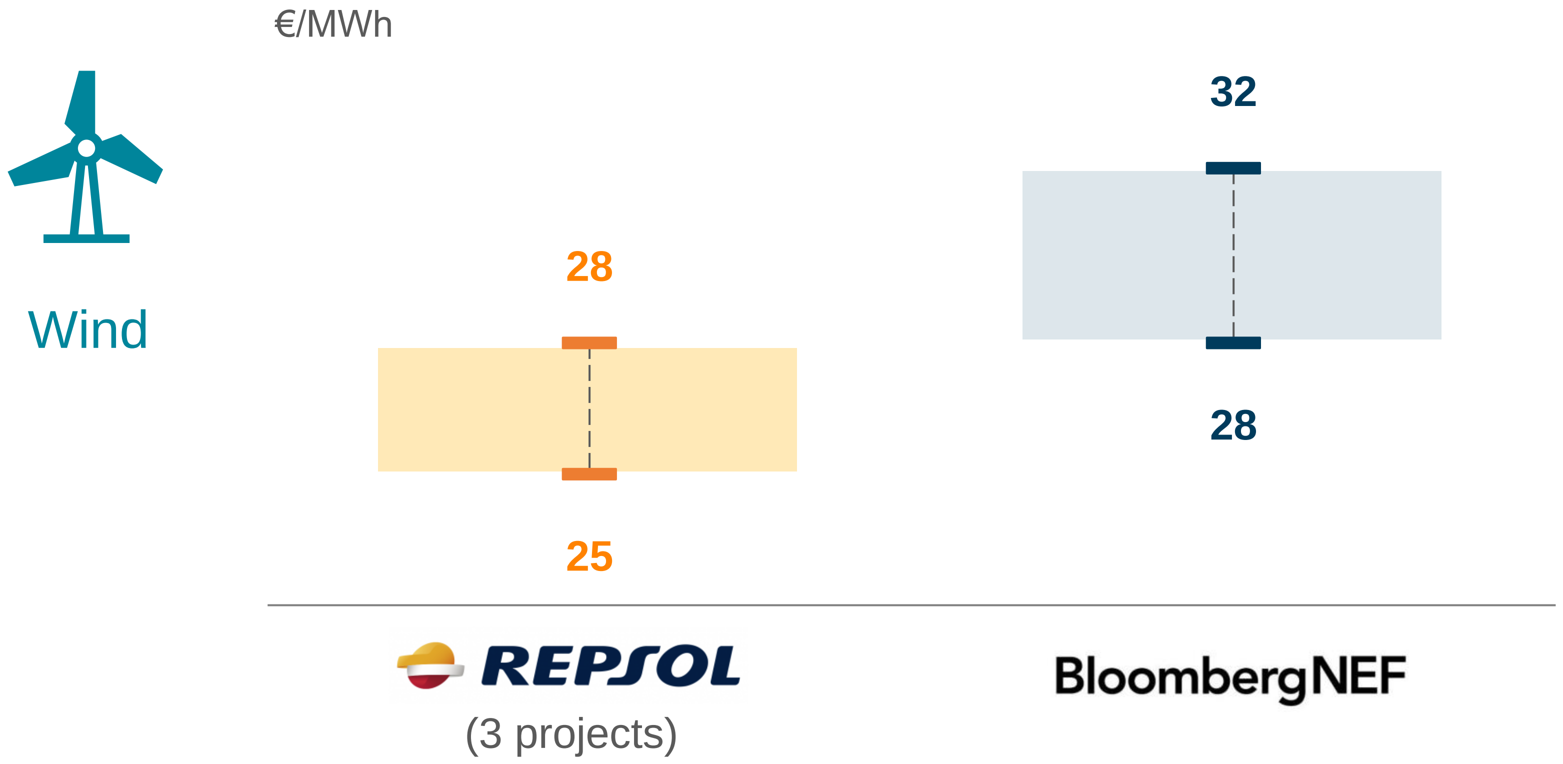
High Visibility Pipeline: **1,721 MW**

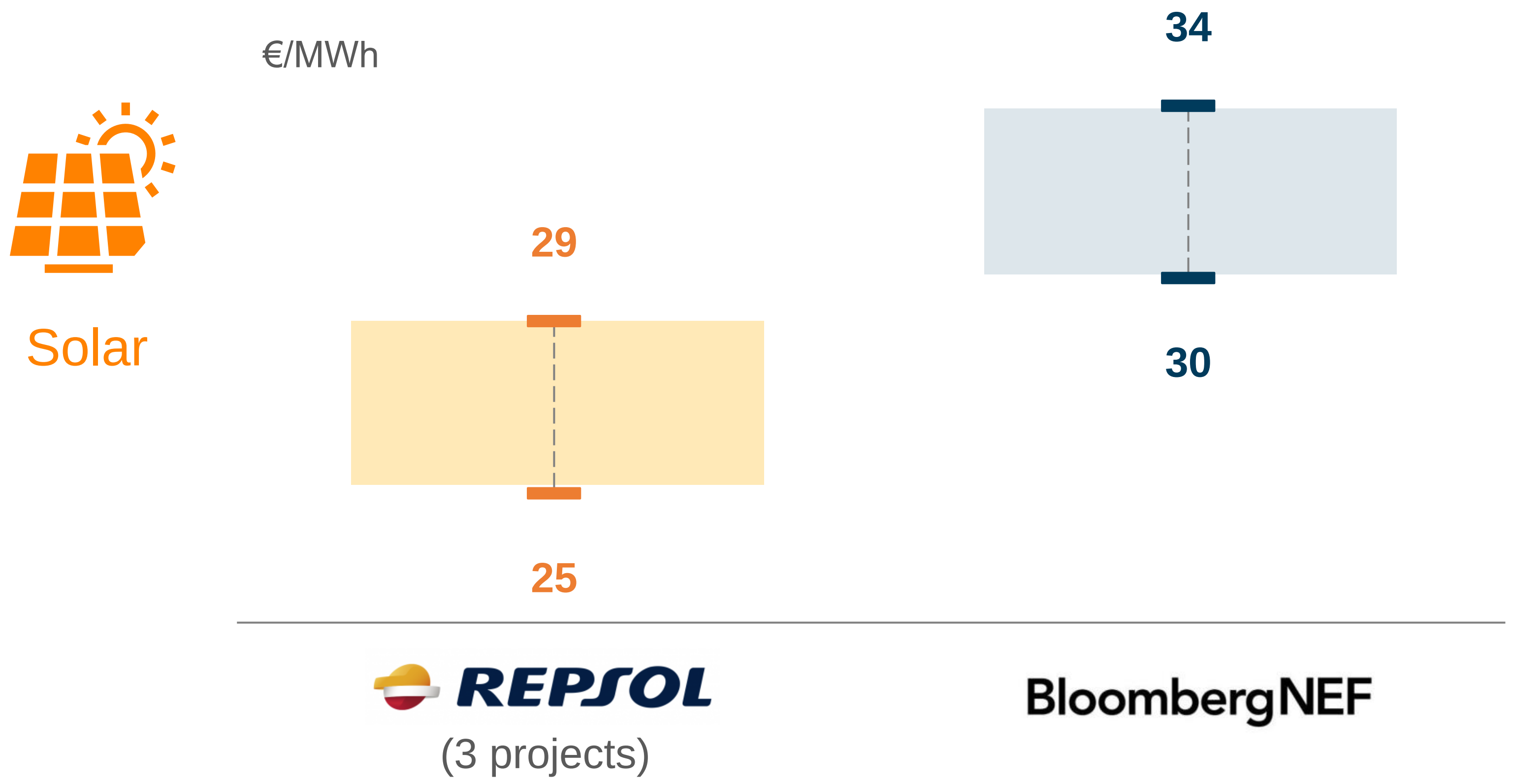
Repsol has developed these projects from early stage to ensure value capture

# Repsol RES project portfolio in Spain with attractive economics

## Wind and Solar - Spain

### Repsol COD 2020-23 projects Levelized Cost of Energy vs. BNEF[1] Spain LCOE references




1. BloombergNEF models estimate LCOEs range for each technology and geography in a given period. Repsol projects' LCOEs are calculated with the same methodology used by BNEF. Comparable LCOEs from BNEF used for each set of projects.

**Repsol Spain project IRR range (Levered): 10% - 12%**

# 800+ MW projects and pipeline with COD 2020-2023 in an attractive RES market

## Wind and Solar - Chile


**Op. Capacity @ End 2020**

| Cabo Leonés III | |
|---|---|
| Capacity | 39 MW |
| COD | 2020 |

**Op. capacity @ End 2020**: **39 MW**

**Under Construction**

| Cabo Leonés III | |
|---|---|
| Capacity | 55 MW |
| COD | 2021 |

**Under Construction**: **55 MW**

**High Visibility Pipeline**

| | Elena[1] | Atacama | Antofagasta PE |
|---|---|---|---|
| Capacity | 275 MW | 90 MW | 385 MW |
| COD | 2021/2022 | 2022 | 2023 |

**High Visibility Pipeline**: **750 MW**

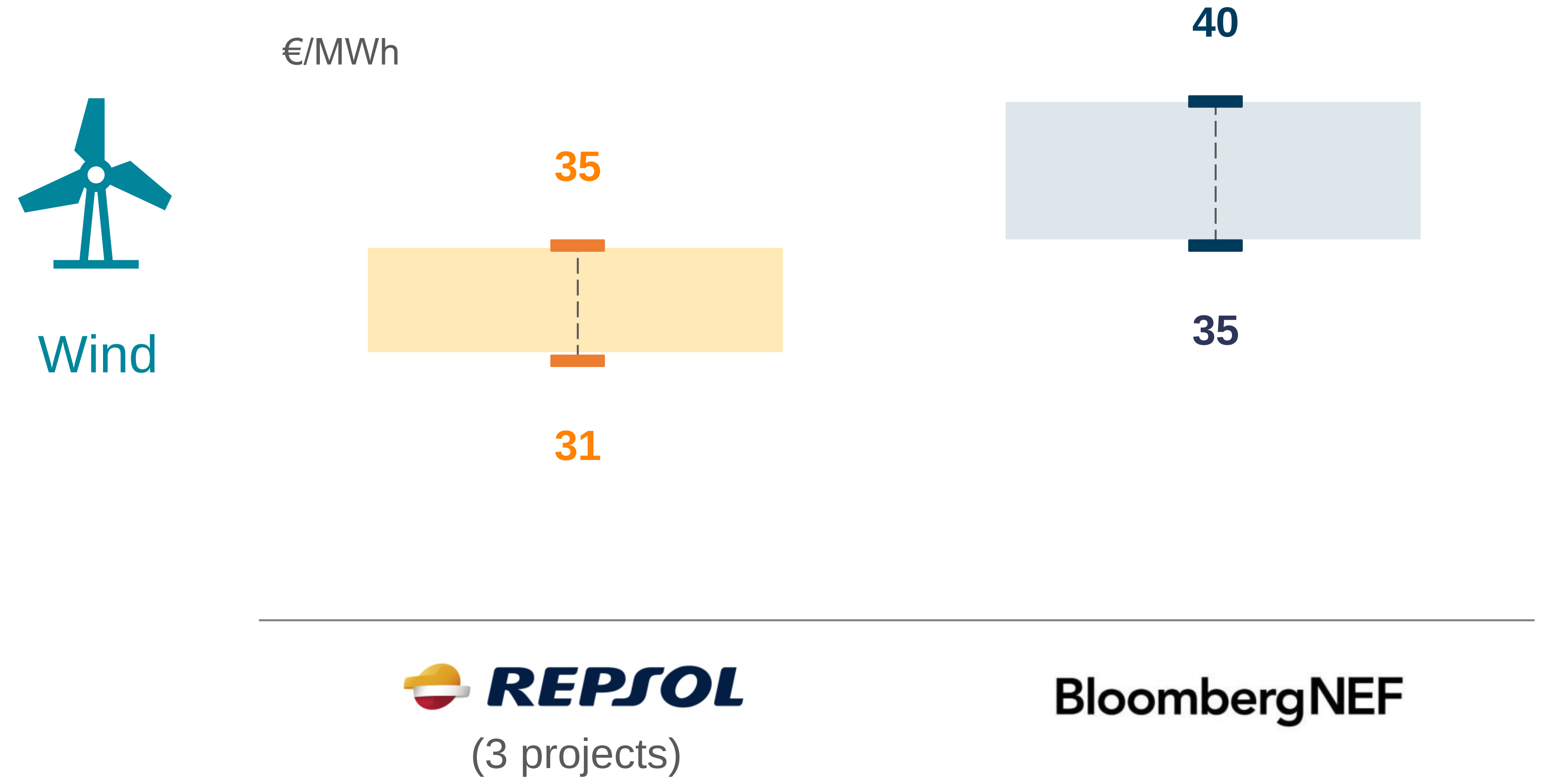
1. 50% of the capacity (137.5 MW) with COD 2021 and 50% (137.5 MW) with COD in 2022

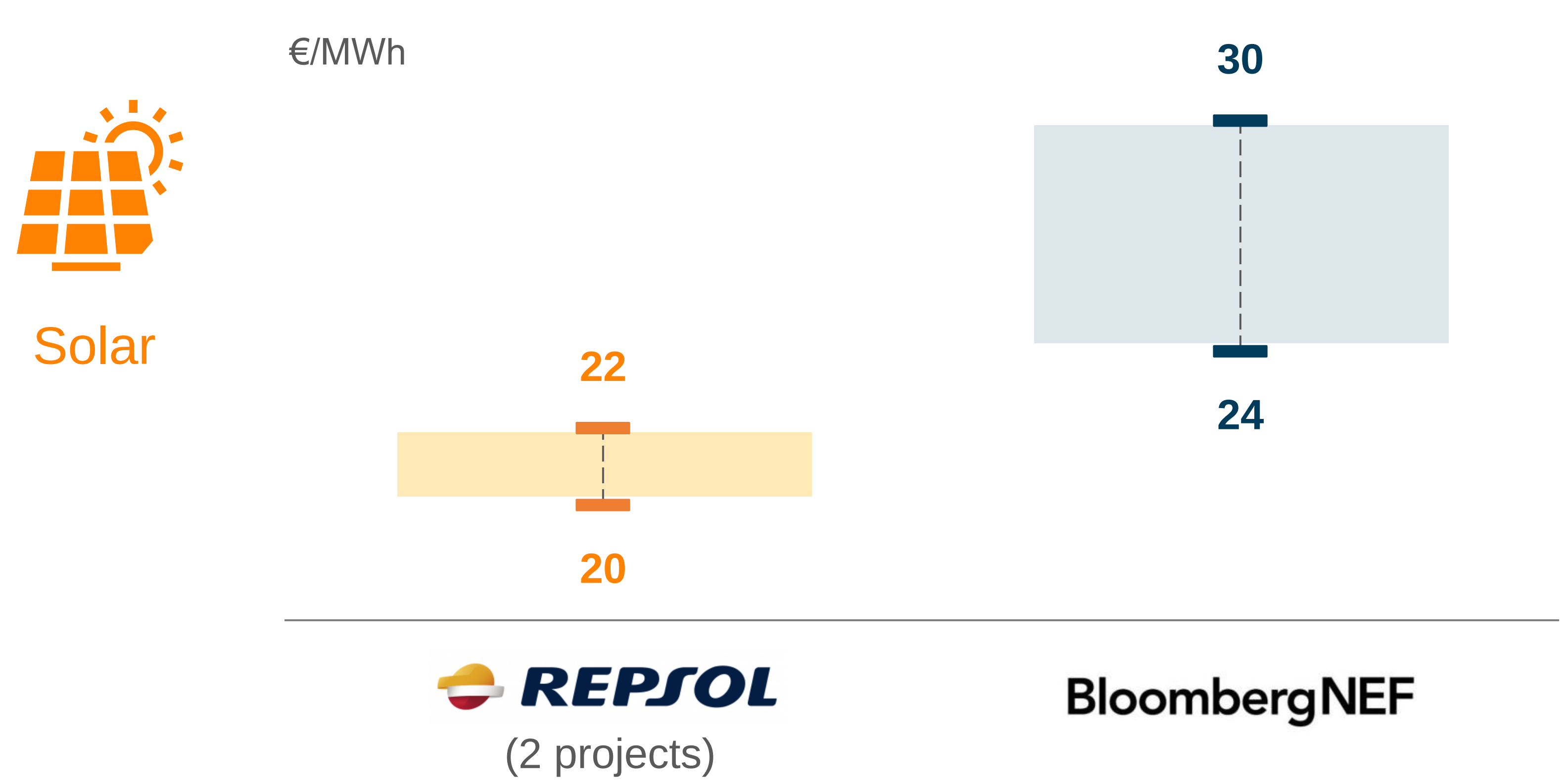
Note: Data shown for 50% stake in Chile's Repsol-Ibereólica JV

# Chilean projects also highly competitive

## Wind and Solar - Chile

### Repsol COD 2021-23 projects Levelized Cost of Energy vs. BNEF[1] Chile LCOE references




1. BloombergNEF models estimate LCOEs range for each technology and geography in a given period. Repsol projects' LCOEs are calculated with the same methodology used by BNEF. Comparable LCOEs from BNEF used for each set of projects. Average case from BNEF taken. Note: 1.15 $/€ exchange rate used in LCOEs figures

**Repsol Chile project IRR range (Levered): 12% - 18%**

# High-quality hydro portfolio in the North of Spain with 700 MW of installed capacity

Hydro - Spain

### Reservoir and run-off river plants

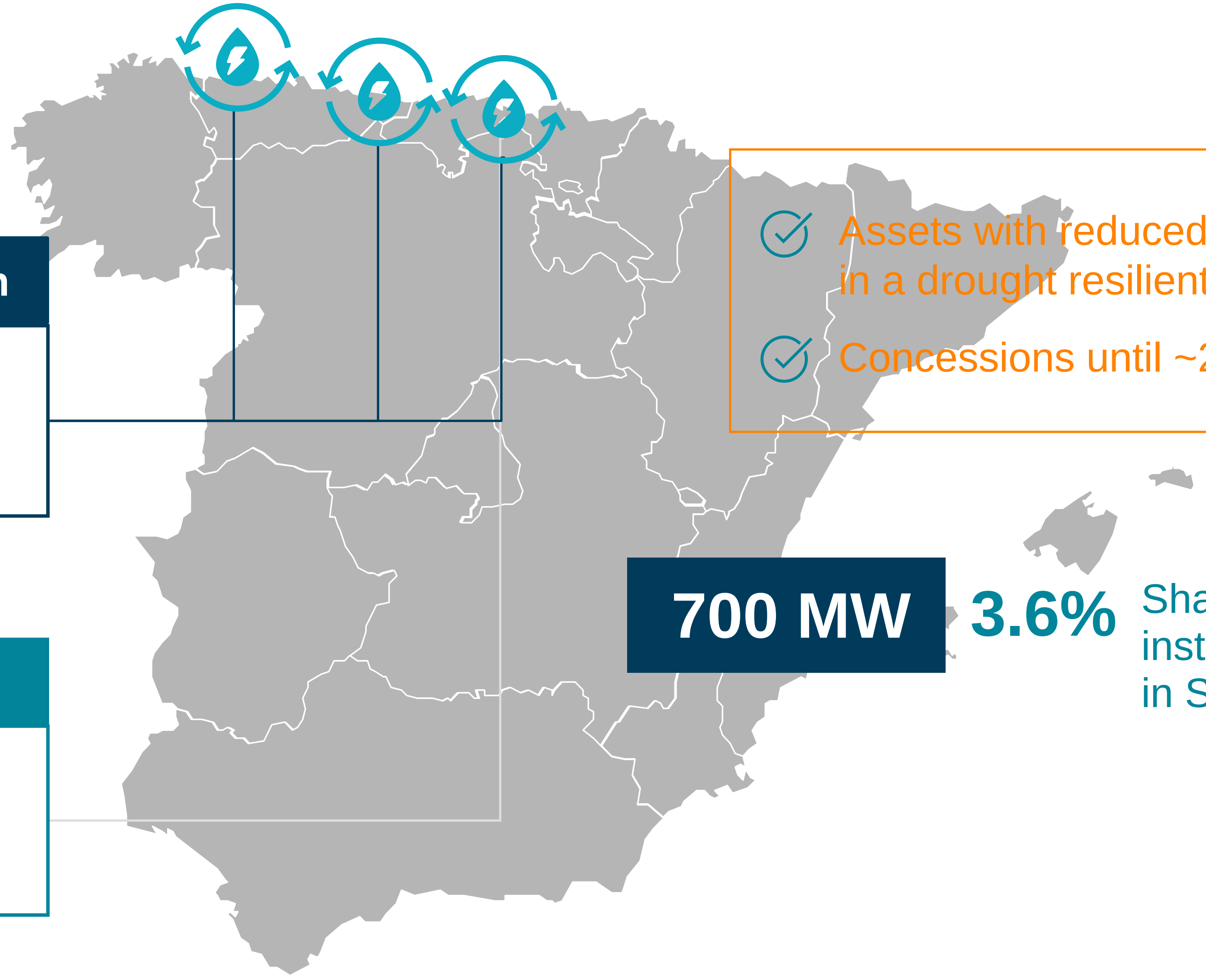
- Located in high hydro regime region (North Spain)
- 306 MW reservoir and 32 MW run-of-river plants

| Conventional Hydro Generation |
| --- |
| 338MW |

### Aguayo

- Provides arbitrage between peak and baseload power prices

| Pumped Storage (Aguayo) |
| --- |
| 361MW |



- Assets with reduced marginal costs in a drought resilient geography
- Concessions until ~2060

**700 MW**

**3.6%** Share of hydro installed capacity in Spain

# Aguayo II project, reinforcing our ambition to combine RES growth with storage capacity

Hydro - Spain

**Description**

**1 GW of hydroelectric pumping** (Aguayo II) for storage

Reuse of existing upper and lower reservoirs

**Main project characteristics**

**CAPEX: ~700M€**

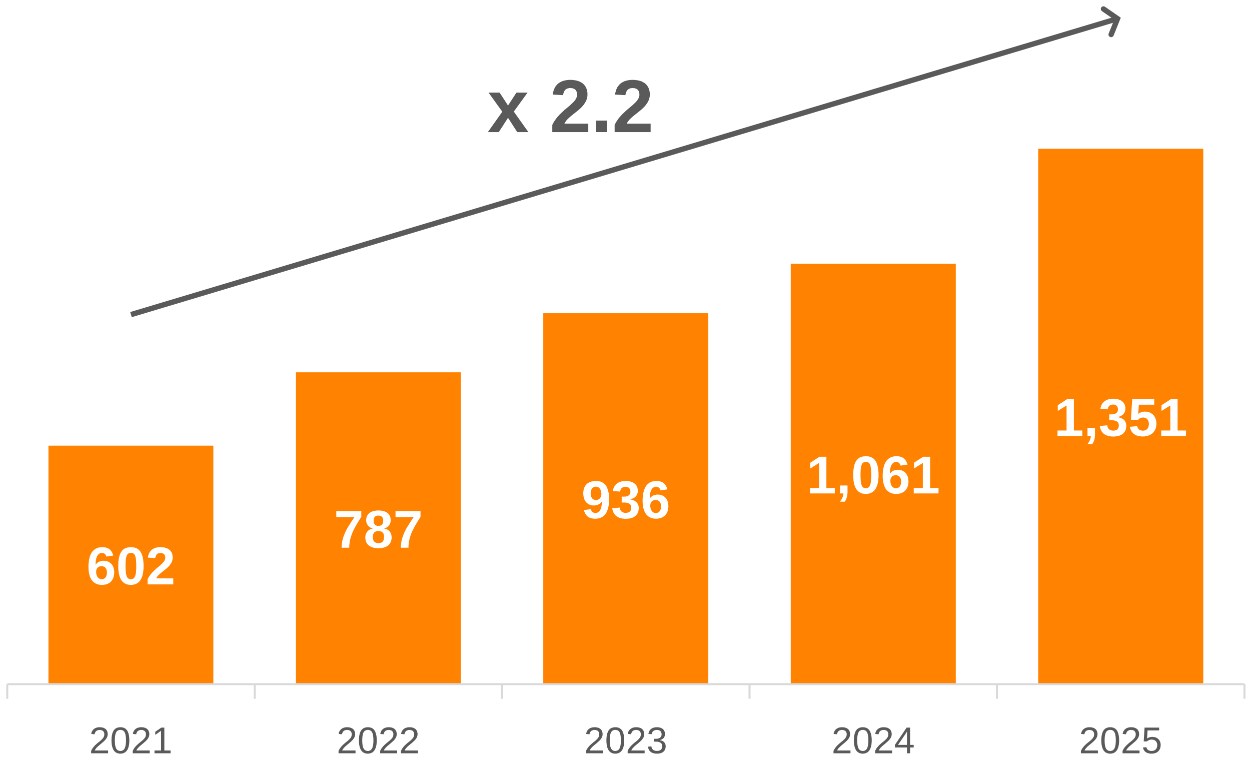
**Power: 4x 250 MW**

**In final stage to guarantee connection**

**Increasing optionality and flexibility of hydro pump storage as RES additions stress the power system**

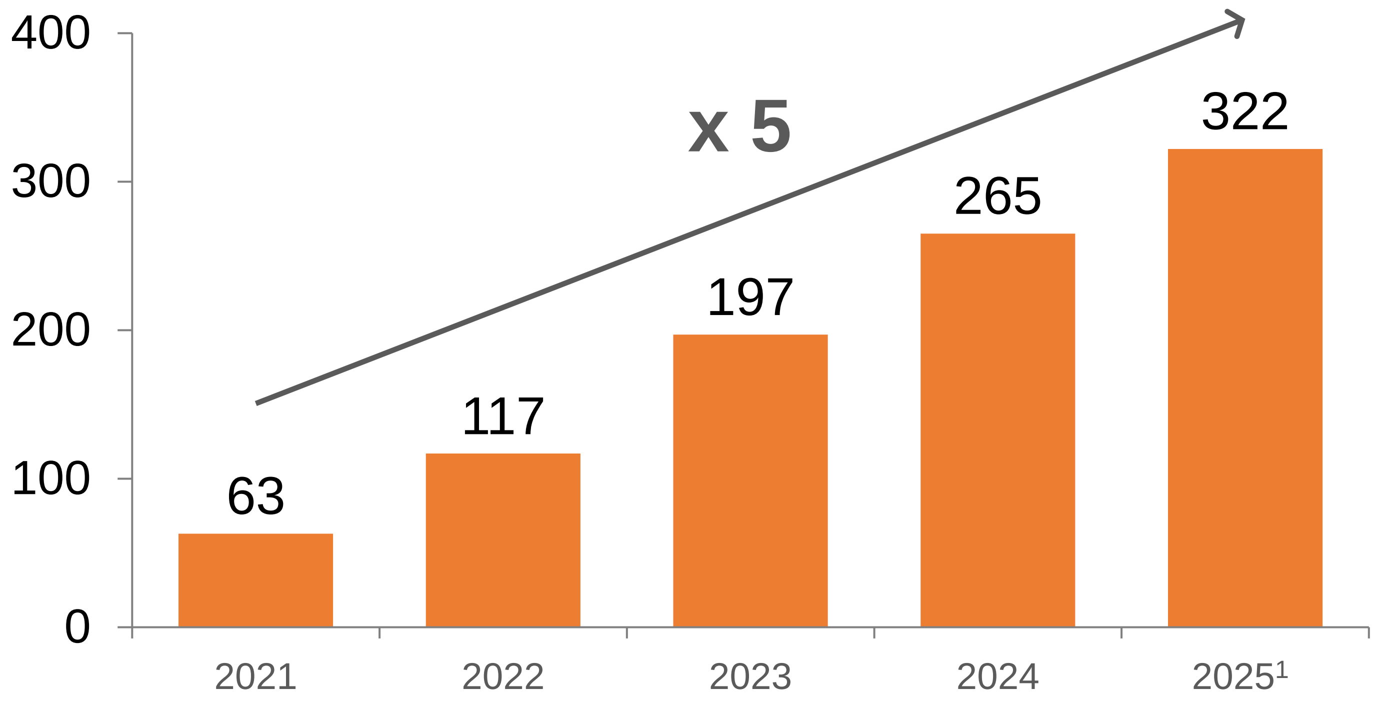
# Key financial metrics

## Renewables CAPEX (M€)




| RES Capacity (GW) | 1.7 | 2.8 | 3.6 | 4.4 | 5.2 |
|---|---|---|---|---|---|

## Renewables Gross EBITDA (M€)




1. 2025 EBITDA estimated assuming 2025 consolidated capacity is operating during the whole year for comparative reasons
Note: For Chile, EBITDA, Capex and Operating MW includes 50% of Chile JV. Note 2: No potential asset divestments are shown. Does not include overheads costs

# Conclusions

**Ambition** to become a relevant player

**Execution and delivery** on-track

**High visibility portfolio** of projects

**Technology and geographical** diversification

**Equity IRR target > 10%**

Challenge of **suitable cost of capital** and **capital structure**

**Management team** with outstanding track-record and experience

RES business as center **pillar of Repsol's carbon neutrality strategy**

# Appendix

# 01.

# Advanced state of planning/consents

Spain back up

| Project | Network access | Land secured | Environmental permit (DIA) | RTB & FID | Start of construction | COD |
|---|---|---|---|---|---|---|
| **DELTA** 335 MW | ✔ | ✔ | ✔ | ✔ | ✔ | Q4 2020 |
| **VALDESOLAR** 264 MW | ✔ | ✔ | ✔ | ✔ | ✔ | Q1/Q2 2021 |
| **KAPPA** 126 MW | ✔ | ✔ | ✔ | ✔ | ✔ | Q1 2021 |
| **SIGMA** 204 MW | ✔ | ✔ | Q4 2020 | Q2 2021 | Q2 2021 | Q1 2022 |
| **PI** 175 MW | ✔ | ✓ | 2020/2021 | Q1 2021 | 2021/2022 | 2021/2022 |
| **DELTA II** 860 MW | ✔ | ✓ | 2020/2022 | 2021/2022 | 2021/2023 | 2021/2023 |

✔ Granted/secured ✓ Partially granted/secured

# State of planning/consents for RES projects

Chile back up

| Project | Network access | Land secured | Environmental permit (DIA) | RTB & FID | Start of construction | COD |
|---|---|---|---|---|---|---|
| **CABO LEONES III** 94 MW | Granted/secured | Granted/secured | Granted/secured | Granted/secured | Granted/secured | Q3 20 (39MW)<br>Q2 21 (55 MW) |
| **ELENA** 275 MW | Granted/secured | Work in progress | Granted/secured | Q3 20 (138 MW)<br>Q4 21 (138 MW) | Q1 20<br>Q2 21 | Q4 21 (138 MW)<br>Q4 22 (138 MW) |
| **ATACAMA** 90 MW | Partially granted/secured | Granted/secured | Work in progress | Q3 21 | Q4 21 | Q4 22 |
| **ANTOFAGASTA PE** 385 MW | Partially granted/secured | Work in progress | Work in progress | Q1 22 | Q2 22 | Q4 23 |
| **ANTOFAGASTA PV** 275 MW | Work in progress | Work in progress | Partially granted/secured | Q1 22 | Q4 25 | 2027 |
| **LOA EOL** 120 MW | Work in progress | Work in progress | Work in progress | Q2 22 | Q4 24 | 2026 |
| **LOA PV** 80 MW | Work in progress | Work in progress | Work in progress | Q2 22 | Q3 24 | 2026 |

Granted/secured    Partially granted/secured    Work in progress

Note: data shown for 50% stake in Chile's Repsol-Ibereólica JV