Press release
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Repsol posts net income of €648 million for the first quarter of 2021

- Repsol posted a **net income of €648 million** in the first quarter of 2021, thanks to efficient management that has enabled the company to endure the challenging global panorama while continuing to make strides in its strategic decarbonization plan.

- **Adjusted net income**, which specifically measures the performance of the company's business units, reached **€471 million**. Repsol's integrated business model has proven itself in this quarter's positive results that feature sound performance from Exploration and Production and Chemicals, despite the current difficulties affecting Refining and Mobility.

- The launch of the company's 2021–2025 Strategic Plan and the measures implemented against the pandemic are reflected in a **positive cash flow** in all business units and a net **debt reduction** of €326 million.

- Over the first months of the year, Repsol has put various industrial transformation initiatives into action, allowing the company to **make progress in the energy transition** and contribute to **Spain's economic recovery**. A total of 40% of first quarter investments went to low-carbon projects.

- At the company's Annual General Meeting, shareholders approved a **complementary dividend of €0.30** gross per share in cash charged to 2020 profits, in addition to the scrip dividend paid last January, the last of this kind to be paid in the 2021–2025 period. Shareholders also approved the distribution, similar to the traditional payment charged to 2021, of **€0.30** gross per share.

Josu Jon Imaz, CEO of Repsol

- "We have delivered **positive performance** in extremely difficult circumstances that require us to continue our hard work, as efficiently and with as much flexibility as possible. We are laying the foundations for Repsol's future and **advancing towards our decarbonization objectives** with cutting-edge projects that will reinforce Spanish industry and contribute to the recovery from this crisis."

€471 M

Adjusted net income was 5.4% higher than the same period in 2020, in a context that has remained challenging

€1.030 B

Positive operating cash flow in all business units

- €326 M

Net debt was reduced by 5% in the first quarter, down to €6.452 billion

40%

of first quarter investments went to low-carbon projects

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Repsol posted a net income of €648 million in the first quarter of 2021, thanks to efficient management that has enabled the company to endure the difficult context brought about by the COVID-19 crisis. Despite the pandemic continuing to hinder the global economy over the first months of the year, the measures implemented by the company have enabled it to take advantage of the recovery of crude oil prices following their abrupt drop in 2020, thereby improving upon the numbers from the same quarter of last year.

The health crisis crippled worldwide demand throughout 2020, sending commodity prices plummeting to unprecedented lows. This included the Brent crude price falling as far as $15 per barrel last April, with an average for the year of $41. Between January and March of 2021, the average Brent climbed up to $61 per barrel, leading to an appreciation of stocks, while the Henry Hub sat at $2.70 MBtu, similar to the previous quarter.

All business units obtained positive operating cash flow, totaling €1.030 billion

As such, adjusted net income — a specific metric of business unit performance — reached €471 million, 5.4% higher than the same period in 2020 and featuring sound results from the Exploration and Production and the Chemicals areas. Repsol's integrated business model has proven decisive in achieving this positive result despite the enormous difficulty of the present context, which has significantly affected Refining and Mobility.

The launch of the 2021–2025 Strategic Plan and the measures implemented against the pandemic have demonstrated their efficiency. This is reflected in the improvement of the forementioned results in comparison to the same period in 2020. Moreover, all business areas obtained positive operating cash flow, reaching a total of €1.030 billion for the entire Repsol Group. Free cash flow was also positive, totaling €507 million.

At the same time, Repsol managed to reduce its net debt by €326 million in the first three months of the year, a 5% reduction that lowers total debt to €6.452 billion. Liquidity stands at €8.456 billion, which is 2.93 times the value of short-term maturities. And further bolstering its financial position, in March, the company issued subordinated bonds that garnered €750 million.

Repsol has shown its steadfast commitment to Spain's economic recovery through a series of industrial decarbonization initiatives

Repsol continues to comply with its strategic role as a supplier of essential services to society, providing indispensable products and services whose importance has become increasingly clear throughout the health crisis. The company has shown its steadfast commitment to assisting in Spain's economic recovery through a series of initiatives focused simultaneously on decarbonization and industrial transformation.

Repsol announced in late March that it had responded to the Spanish government's call for expressions of interest with a portfolio of 31 projects eligible for Next Generation EU recovery funds, amounting to a total investment of €6.359 billion. The projects combine technology, decarbonization and the circular economy, creation of quality employment, and geographical balance. Eight of them are renewable hydrogen projects, nine are focused on the circular economy, four on renewable generation and storage, eight distributed energy and electric mobility projects, one addresses digital industrial transformation infrastructure, and the last one is focused on the transformation of the energy value chain using artificial intelligence and data analysis.

The various decarbonization initiatives that Repsol has put into action have enabled the company to make strides towards reaching its goal of zero net emissions by 2050, despite the adverse scenario caused by the pandemic. Following the path laid out in its 2021–2025 Strategic Plan, Repsol has focused 40% of its first quarter investments in low-carbon projects.

The new Strategic Plan also establishes shareholder remuneration as one of the company's priorities. In January, the company paid out its last scrip dividend for the 2021–2025 period. In keeping with the plan, shareholders, at the company's Annual General Meeting on March 26, approved a complementary dividend of €0.30 gross per share in cash charged to 2020 profits, in addition to the scrip dividend paid in January. Shareholders also approved the distribution, similar to the traditional payment charged to 2021, of €0.30 gross per share.

Solid results for a company in transformation

Over the first three months of 2021, Repsol has continued working towards the company's transformation, as laid out in its 2021–2025 Strategic Plan. At the same time, it has faced a challenging panorama which, despite signs of recovery, remains far from pre-pandemic levels and has affected its business areas unevenly. Thus, the company's integrated business model has proven decisive in achieving a robust performance, creating value for both the Repsol Group and society as a whole while continuing its progress in the energy transition.

The **Exploration and Production** business posted earnings of €327 million for the first quarter of 2021, far more than the €90 million earned in the same period last year. With a focus on efficiency, optimization of operations, and the cost reductions that have been implemented, the business was able to take advantage of the rise in average hydrocarbon prices as compared to the first three months of 2020: a 22% spike for the Brent and 35% for the Henry Hub.

Sound performance in exploration is especially significant considering the 49% reduction in costs, compared to the first quarter of 2020

Exploration and Production's crude and natural gas price realizations were superior to international benchmarks. Between January and March, crude rose 23.4% while natural gas climbed 41.7%. And all the while, the business unit continued advancing in its decarbonization strategy that will lead to a 75% cut in emissions of CO_2e per barrel by 2025.

Average production rose to 638,000 barrels of oil equivalent per day, in line with the figures projected in the new Strategic Plan and slightly higher than those of the previous quarter. In exploration, the successes of 2020 continued in 2021 with a discovery in the Boicobo Sur-X-1ST well in Bolivia, where the volume of hydrocarbons found totaled around 1 TCF of reserves and prospective resources. This noteworthy performance in exploration is especially significant considering the cost reductions being carried out by the company in this activity, amounting to a 49% reduction as compared to the first quarter of 2020.

In relation to the arbitration process with Sinopec for the purchase of 49% of Talisman Energy UK in 2012, in April a new partial award was announced in which the Arbitral Tribunal rejected three of the four pending claims by Sinopec. The preliminary assessment is positive for Repsol, as it is considered to reduce the risk estimate initially recorded by the company.

The **Industrial** business posted earnings of €73 million, compared to €288 in the first quarter of 2020, due to the negative impact of COVID-19 on international markets. While the Chemicals and the Gas Wholesale and Trading areas experienced positive results despite the circumstances, Refining has suffered the same consequences as the rest of the sector due to the pandemic, with low margins and activity shutdowns. This area is also being affected by the uncertainty created by the energy transition, as major projects and investments will be necessary in the coming years to meet Repsol's transformation and decarbonization objectives.

In 2021, €66 million of a €188 million budget will be invested in the first advanced biofuels plant in Spain, in Cartagena

In line with Repsol's 2021–2025 Strategic Plan, its decarbonization objectives, and its determination to contribute to economic recovery, the company in the first quarter has made progress in the transformation of its industrial facilities into multi-energy hubs capable of manufacturing products with a low, zero, or even negative carbon footprint. The company will invest in all its refineries in Spain to advance the decarbonization of the economy in a way that will stimulate industry through digitalization and technology.

The investment plans announced for the Tarragona Industrial Complex will be mainly focused on circular economy projects. In January, the Tarragona facility produced the second batch of biofuel ever made in Spain.

This batch followed another one produced last year in Puertollano, where Repsol is also planning to invest through 2025 in decarbonization and circular economy projects.

In Cartagena in southeastern Spain, construction has begun on the new advanced biofuels plant, the first of its kind in the country. Over the last few months, the 3D design of the facilities has begun, and advances have been made in engineering projects and new equipment acquisition. In 2021, €66 million of the total budget of €188 million will be invested in this project.

Solid performance based on greater power generation in the case of the Renewables and Generation business. Lubricants increased sales volumes

As for renewable hydrogen, a clear growth vector for Repsol, at the end of January the company applied for EU funding through the H24All project, a Repsol-led consortium to develop Europe's first 100-MW alkaline electrolyzer plant. Petronor and Repsol are leading another major hydrogen project, the Basque Hydrogen Corridor, BH2C, which was announced on February 22. More than 78 organizations will participate in this project, which will entail an investment of more than €1.3 billion through 2026 and will generate more than 1,340 direct jobs, in addition to the 6,700 jobs created indirectly.

Innovation has also been present in the Chemicals area. Guided by the Strategic Plan, this area remains committed to efficiency and the circular economy through its goal of recycling the equivalent of 20% of its polyolefin production by 2030. Chemicals also increased its operating results by €150 million, compared to the first quarter of 2020, posting greater sales numbers. At the same time, the area has maintained its response to the demand from sectors such as health care and food production that are crucial to fighting the pandemic.

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The **Commercial and Renewables** area obtained earnings of €101 million, compared to €121 million in the first quarter of 2020. In Spain, the combination of existing movement restrictions and heavy snowfalls during Storm Filomena in early January reduced quarterly demand at service stations by 14%, affecting the Mobility business' results. In the case of Renewables and Generation, the solid performance was mostly based on greater power generation, while Lubricants enjoyed increased sales volumes.

In the first quarter, Repsol reached various agreements conducive to further developing new products and solutions for more sustainable mobility

The development of new solutions and products to achieve more sustainable forms of mobility were also present throughout the first quarter, as Repsol reached various agreements conducive to advancing towards this goal. In February, Repsol and Nissan signed a collaboration agreement to promote electric mobility. The first action will be to install 15 fast charge points at Repsol service stations, which will provide enough energy to travel more than 144,000 kilometers by car every month.

Also in mobility, Repsol and its investee company IBIL announced the development of the first charging station in Spain for electric vehicles that incorporates energy storage, located at a Repsol service station. This technology allows for the installation of fast charging points (50 kW) in otherwise unfeasible areas.

On April 14, following the close of the first quarter, Repsol agreed to sell its fuel business in Italy, in line with its focus on the geographic areas with the greatest competitive advantages, as prescribed by the 2021–2025 Strategic Plan.

Reinforcing its strategy of expanding its portfolio of digital customers, Repsol obtained full ownership of Klikin. The company has used this acquisition to continue promoting Waylet, its payment and customer loyalty app which now boasts over two million users. Waylet is a key asset in the strategy of Repsol's new Client business and in the growth of its digital user base. The 2021–2025 Strategic Plan contemplates the launch of an All-Repsol Customer Loyalty Program that will take a multi-energy approach to focusing on the needs of the company's more than 24 million customers. The program also has the objective of growing until surpassing eight million 100%-digital customers by the end of 2025.

In March, Repsol finalized the acquisition of Gana Energía which operates online, markets 100% renewable power, and has 37,000 customers

Digitalization is also key to Repsol's power and gas retail business. Here, the company has continued expanding its portfolio of customers, already exceeding 1.2 million. In March, Repsol announced the acquisition of a majority share in the power and gas retailer Gana Energía, which operates exclusively online, markets 100% renewable power, and brings its portfolio of 37,000 customers to the company.

On February 16, the joint venture between Repsol and the Ibereólica Renovables Group inked a 14-year power purchase agreement (PPA) for its Atacama wind farm in Chile, guaranteeing double-digit profitability of this renewable generation asset. Additionally, Repsol signed an agreement with Microsoft that includes providing wind and solar power to the software giant's operations in Europe, including Spain, as well as collaborations in digitalization and the energy transition.

In generation of low-carbon energy, the start-up of all the Delta wind farms has enabled this business to increase its contribution to the earnings of the Commercial and Renewables area. Repsol currently boasts a total installed low-emissions generation capacity of almost 3.30 GW. In line with the Strategic Plan, the company expects to continue increasing this asset portfolio with the goal of becoming a global operator and reaching a generation capacity of 7.5 GW by 2025 and 15 GW by 2030.

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Other milestones in this area include the construction of the company's first wind farm in Chile: Cabo Leones III, with a capacity of 189 MW and whose first phase has been in commercial operation since December of 2020. In January, a shipment of technological components for wind turbines was sent to this wind farm from the port of Bilbao.

Repsol's expansion project for the Aguayo hydroelectric plant, at €700 million, would be the largest-ever investment made in Cantabria

At the end of March, Repsol signed an agreement with Siemens Gamesa to install 24 wind turbines across four wind farms in Spain, with a total installed capacity of 120 MW. In addition to making progress towards its decarbonization goals, this deal underscores Repsol's commitment to generating economic activity, which is of vital importance in Spain right now. This stimulation of activity takes place not only in the engineering phases and in the production, handling, and transport of wind farm components, but also when the wind farms are in operation.

As part of the company's plans for low-carbon power generation, on March 11, Repsol presented its expansion project for the Aguayo hydroelectric energy storage plant. This would entail increasing installed capacity of the current pumped-storage station by 1 GW, thus bringing it to a total of 1.4 GW and making it the second-largest of its kind in Spain.

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