



2024

Ordinary
General Shareholders'
Meeting

REPSOL S.A.

Reports by the Board
of Directors on the
Proposed Resolutions

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



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Report by the Board of Directors on the Proposed Resolutions

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This report is prepared by the Board of Repsol, S.A. (the "**Company**" or "**Repsol**") in compliance with sections 286 and 318 Spanish Companies Act to justify the proposed reduction of the Company's share capital for an amount of 40,000,000 euros through the redemption of 40,000,000 own shares, delegating to the Board of Directors or, by substitution, the Delegate Committee or the Chief Executive Officer, to establish the terms of the reduction, in relation to all matters not determined by the General Shareholders' Meeting, and to execute the reduction the approval of which is proposed to the General Shareholders' Meeting of the Company under seventh item on the Agenda (the "**Capital Reduction**" or the "**Reduction**").

1. Justification of the proposal

Within the context of the shareholder remuneration policy, the Board of Directors considers that it is appropriate to reduce the share capital by the redemption of own shares of the Company. The main effect of the Capital Reduction will be to increase the Company's earnings per share, benefiting its shareholders.

2. Main terms and conditions of the capital reduction

It is proposed to reduce the Company's share capital by an amount of 40,000,000 euros, through the redemption of 40,000,000 of the Company's own shares with a par value of one euro each.

In the Capital Reduction will be redeemed all the shares that are or have been acquired through the share buy-back program aimed to all shareholders, up to 35,000,000 of own shares, which the Board of Directors agreed to implement on February 21, 2024 pursuant to: (a) the authorization conferred by the General Shareholders' Meeting held on May 6, 2022 under item tenth of the Agenda (the "**General Meeting's Authorization**"); and (b) Article 5 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing the Market Abuse Regulation as regards regulatory technical standards concerning the conditions applicable to buy-back programs and stabilization measures (the "**Buy-Back Program**" or the "**Program**").

In addition, depending on the final number of shares to be acquired under the Buy-Back Program and up to a total of 40,000,000 own shares to be redeemed in the Capital Reduction, own shares will be redeemed: (a) included in the treasury shares at February 21, 2024, with a par value of one euro each (the "**Existing Treasury Shares**"); and/or (b) acquired through the settlement, prior to the execution of the Capital Reduction, of derivatives on own shares entered by the Company prior to February 21, 2024 (the "**Derivatives**").

In any case, the number of own shares to be redeemed through the Capital Reduction will be 40,000,000 shares.

Depending on the final number of shares to be acquired within the framework of the Buy-Back Program, with a maximum of 35,000,000 shares, the Board of Directors will determine, within the parameters and limits established in the proposed resolution, the number of shares included in the Existing Treasury Shares and/or from the settlement of Derivatives to be redeemed in the context of the Capital Reduction, until the figure of 40,000,000 own shares is reached. The Derivatives would not be liquidated, in any case, during the term of the Buy-Back Program and, if applicable, in order to be considered for the purposes of the Capital Reduction, they must be settled prior to the moment in which the Capital Reduction is declared closed and executed.

Likewise, if the proposal is approved, articles 5 and 6 of the Company's Bylaws will be amended to reflect the new share capital amount and the new number of outstanding shares after the own shares whose redemption is proposed are deducted.

The Capital Reduction will not entail the return of contributions to the shareholders, given that, at the time of execution of the Reduction, the Company will be the owner of the shares to be redeemed.

The proposal also details the accounting allocation of the capital reduction. Accordingly, it is set forth for the record, for the purposes of article 335 Spanish Companies Act, that the Company plans to set up a reserve for redeemed share capital for an amount equal to the nominal value of the redeemed shares, which it will be possible to use only in accordance with the same requirements in place as for the reduction of share capital and which may be set up with a charge to free reserves (including the share issue premium reserve). Consequently, creditors will not have the right of opposition referred to in article 334 of the same Act.

Furthermore, it is proposed that the General Shareholders' Meeting authorize the Board of Directors to execute the resolution to reduce the share capital (with express authorization to delegate to the Delegate Committee and/or the Chief Executive Officer pursuant to article 249 bis.1) Spanish Companies Act), within one year of the date on which the proposed resolution object of this report is adopted.

Likewise, it is proposed that the Board of Directors be authorized to determine matters not expressly established in the proposed resolution or that arise as a result of it and to carry out the actions and execute the public or private instruments necessary or appropriate for the most comprehensive execution of the Capital Reduction. Specifically, it is proposed that the Board of Directors be authorized to carry out the procedures and actions necessary for, once the share capital resolution is executed, the delisting of the redeemed shares from the Madrid, Barcelona, Bilbao and Valencia stock exchanges, through the Stock Exchange Interconnection System (Continuous Market), and the derecognition from the corresponding accounting records; and to request and carry out all procedures and actions necessary for the redeemed shares to be delisted from any other stock exchanges or securities markets where the Company's shares are or may be traded, in accordance with the procedures established in each of these stock exchanges or securities markets, and for the cancellation of the corresponding accounting records.

Lastly, it is proposed that the Board of Directors be in turn expressly authorized to delegate, (with the power of substitution, where appropriate) to the Delegate Committee and/or the Chief Executive Officer, pursuant to article 249 bis.1) Spanish Companies Act, all powers that may be delegated and that are referred to in the proposed resolution object of this report.

Report of the Board of Directors on the resolution proposed under eighth item on the Agenda (“Approval of a capital reduction for a maximum amount of 121,739,605 euros, equal to 10% of the share capital, through the redemption of a maximum of 121,739,605 own shares of the Company. Delegation of powers to the Board or, by substitution, to the Delegate Committee or the Chief Executive Officer, to resolve on the execution of the reduction, and to establish the other terms for the reduction in relation to all matters not determined by the shareholders at the General Shareholders' Meeting, including, among other matters, the powers to redraft articles 5 and 6 of the Company's Bylaws, relating to share capital and shares, respectively, and to request the delisting and derecognition from the accounting records of the shares that are being redeemed.”)

This report is prepared in compliance with the provisions of articles 286 and 318 Spanish Companies Act to justify the proposed capital reduction of Repsol, S.A. (the “**Company**”) by the redemption of own shares, delegating to the Board of Directors or, by substitution, the Delegate Committee or the Chief Executive Officer, the execution of the reduction and the setting of the terms the approval of which is proposed to the Company's Ordinary General Shareholders' Meeting under eight item on the Agenda (the “**Capital Reduction**” or the “**Reduction**”).

1. Justification of the proposal

The Company aims to offer its shareholders an attractive remuneration policy through, among other mechanisms, an increase in earnings per share by the redemption own shares.

In this regard, the Company's Board of Directors is authorized to resolve to launch share buy-back programs with no need to call a General Shareholders' Meeting. Nevertheless, the full implementation of the program and the achievement of the earnings per share improvement targets would additionally require a resolution to redeem the own shares acquired, to which end the General Shareholders' Meeting needs to adopt a capital reduction resolution such as the one being proposed.

Consequently, the Board of Directors considers that the Company should have all the mechanisms needed to make it possible to completely implement and execute the share buy-back programs for their redemption that the Board of Directors approves and implements after holding the General Shareholders' Meeting as well as to redeem other own shares that have been acquired by other legally permitted means, with no need to call and hold a General Shareholders' Meeting at the time of each execution. All of this, of course, within the limits, terms and conditions set forth in the Spanish Companies Act and by the General Shareholders' Meeting.

In addition, the proposal is similar to the proposal already submitted to the General Shareholders' Meeting of May 25, 2023 under item eight of its agenda and which, as of the date of issuance of this report, has been partially implemented through a resolution of the Board of Directors of July 26, 2023 by virtue of which the share capital was reduced by a nominal amount of 60,000,000 euros through the redemption of 60,000,000 of the Company's own shares. Likewise, it is proposed to cancel, as necessary and in the unexecuted part, the aforementioned agreement of reducing the share capital approved by the General Shareholders' Meeting held on May 25, 2023 under the eighth item of the agenda.

2. Main terms of the capital reduction

The Reduction is proposed for a maximum amount of up to 121,739,605 euros, equal to 10% of the Company's share capital at the date of preparation of this report (rounded down), corresponding to a maximum of 121,739,605 shares of 1 euro of nominal value each. In accordance with the proposal being

presented to the General Shareholders' Meeting, the final amount of the Reduction will be set by the Board of Directors within that maximum limit, based on the final number of own shares that the Board of Directors resolves to redeem and that the Company has acquired under the authorization granted by the General Shareholders' Meeting held on 6 May 2022 under item tenth of the Agenda, under any other authorization replacing it in the future or under any other General Shareholders' Meeting resolution relative to the acquisition of treasury shares.

The purpose of the Capital Reduction is to redeem own shares, contributing to the Company's shareholder remuneration through the increase in earnings per share, inherent to the reduction in the number of shares. The Capital Reduction will not entail the return of contributions to shareholders, given that, at the time of execution of the Reduction, the Company will be the owner of the shares to be redeemed.

The Reduction must be executed before the expiration of one year or the Company's next Ordinary General Shareholders' Meeting is held, whichever occurs first. Subsequently, the part of the resolution relative to the Reduction that has not been executed until then will be null and void. Likewise, the Reduction will be null and void if, within the period set forth by the General Shareholders' Meeting for its execution, the Board of Directors does not exercise the powers delegated to it in the resolution.

During this period, the Reduction may be executed in whole or in part in the manner and on the occasions that the Board of Directors deems most suitable, within the limits set forth in the resolution and in the law.

In addition, the recognition of the Capital Reduction for accounting purposes is set out in the proposal. Accordingly, it is set forth for the record, for the purposes of article 335 Spanish Companies Act and relative to each execution of the Capital Reduction, that the Company plans to set up a reserve for redeemed share capital for an amount equal to the nominal value of the redeemed shares, which it will be possible to use only in accordance with the same requirements in place for reducing share capital and which may be allocated with a charge to free reserves (including the share issue premium reserve). Consequently, creditors will not have the right of opposition referred to in article 334 of the same Act.

It is also proposed that, in relation to each execution of the Capital Reduction, the excess of the amount of the balance of the legal reserve account over the figure that is equivalent to 20% of the share capital after the execution of the capital reduction will be reclassified and will become part of the voluntary reserve account once such capital reduction is effective.

3. Delegation of powers

It is proposed that the Board of Directors be authorized to execute the Capital Reduction resolution and to determine matters not expressly established in the proposed resolution or that arise as a result of it and to carry out the actions and execute the public or private instruments necessary or appropriate for the most comprehensive execution of the capital reduction. In particular, it is proposed that the Board of Directors be authorized to carry out the procedures and actions necessary for, once the share capital resolution is executed, the delisting of the redeemed shares from the Madrid, Barcelona, Bilbao and Valencia stock exchanges, through the Stock Exchange Interconnection System (Continuous Market), and the derecognition of the corresponding accounting records.

Lastly, it is also proposed that the General Shareholders' Meeting authorize the Board of Directors to, in turn, delegate to the Delegate Committee and/or the Chief Executive Officer all the powers that may be delegated that are referred to in the proposed resolution object of this report.