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REPSOL Group

Alternative
Performance
Measures
reconciliations

1st Quarter
2022

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



The Repsol Commitment
Net Zero Emissions
by 2050



REPSOL

ALTERNATIVE PERFORMANCE MEASURES

Repsol's financial information contains indicators and measures prepared in accordance with applicable financial reporting standards and regulations, as well as other measures prepared in accordance with the Group's Reporting Model, defined as Alternative Performance Measures (APMs). APMs are measures that are "adjusted" compared to those presented in accordance with IFRS-EU or with Supplementary Information on Oil and Gas Upstream Activities, and the reader should therefore consider them in addition to, but not instead of, the latter.

Repsol presents its segment performance measures including joint ventures or other companies which are jointly managed in accordance with the Group's investment percentage, considering its operational and economic indicators within the same perspective and degree of detail as those for companies consolidated under the full consolidation method. Thus, the Group considers that the nature of its businesses and the way in which results are analyzed for decision-making purposes is adequately reflected.

APMs are useful for users of financial information as they are the measures employed by Repsol's Management to evaluate its financial performance, cash flows or financial position when making operational or strategic decisions for the Group.

For more historical quarterly APM information, see www.repsol.com.

1. Financial performance measures

Adjusted net income

Million euros	First quarter											
	Adjusted net income		ADJUSTMENTS								IFRS-EU profit/loss	
	2022	2021	Reclassification of joint ventures		Special items		Inventory effect ⁽¹⁾		Total adjustments		2022	2021
Operating income	1,814 ⁽¹⁾	762 ⁽¹⁾	(307)	(110)	(474)	(96)	928	442	147	236	1,961	998
Financial result	16	27	72	18	(29)	(12)	—	—	43	6	59	33
Net income of companies accounted for using the equity method - net of tax	1	—	155	14	(5)	—	—	—	150	14	151	14
Income before tax	1,831	789	(80)	(78)	(508)	(108)	928	442	340	256	2,171	1,045
Income tax	(771)	(323)	80	78	167	(36)	(233)	(111)	14	(69)	(757)	(392)
Consolidated net income for the year	1,060	466	—	—	(341)	(144)	695	331	354	187	1,414	653
Net income attributed to non-controlling interests	(4)	5	—	—	3	—	(21)	(10)	(18)	(10)	(22)	(5)
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY	1,056	471	—	—	(338)	(144)	674	321	336	177	1,392	648

⁽¹⁾ Net income from operations at current cost of supply (CCS).

⁽²⁾ The Inventory effect represents an adjustment to "Procurements" and "Changes in inventory of finished goods and work in progress" on the IFRS-EU income statement.

Special items

Million euros	First quarter	
	2022	2021
Divestments	6	6
Indemnities and workforce restructuring	(3)	(23)
Impairment of assets	(166)	10
Provisions and others	(175)	(137)
TOTAL	(338)	(144)

EBITDA

Million euros	First quarter							
	Group Reporting Model		Reclassification of joint ventures and others		Inventory effect ⁽¹⁾		IFRS-EU ⁽²⁾	
	2022	2021	2022	2021	2022	2021	2022	2021
Upstream	1,685	927	(513)	(306)	—	—	1,172	621
Industrial	1,432	708	(14)	(13)	902	419	1,418	695
Commercial and Renewables	297	242	(4)	(2)	26	23	293	240
Corporate and other	(30)	(40)	(1)	24	—	—	(31)	(16)
EBITDA	3,384	1,837	(532)	(297)			2,852	1,540
Inventory effect ⁽¹⁾	(928)	(442)	—	—				
CCS EBITDA	2,456	1,395	(532)	(297)	928	442	2,852	1,540

⁽¹⁾ Before tax.

⁽²⁾ Corresponds to "Income before tax" and "Adjustments to profit" on the consolidated statement of cash flows under IFRS-EU.

Million euros	First quarter					
	Group Reporting Model		Joint venture reclassification and others		IFRS-EU ⁽¹⁾	
	2022	2021	2022	2021	2022	2021
Net income before tax	2,268	1,123	(80)	(78)	2,188	1,045
Adjusted result:					—	—
Depreciation of property, plant and equipment	705	643	(135)	(139)	570	504
Operating provisions	410	101	(89)	(58)	321	43
Other items	1	(30)	(228)	(22)	(227)	(52)
EBITDA	3,384	1,837	(532)	(297)	2,852	1,540

⁽¹⁾ Corresponds to "Income before tax" and "Adjustments to income" on the consolidated statement of cash flows under IFRS-EU.

ROACE

NUMERATOR (Million euros)	Q1 2022	Q1 2021
Operating income (IFRS-EU)	1,961	998
Reclassification of joint ventures	307	110
Income tax ⁽¹⁾	(831)	(455)
Net income of companies accounted for using the equity method - net of tax	(4)	—
ROACE result at weighted average cost	1,433	653
DENOMINATOR (Millions euros)		
Total equity	24,343	20,802
Net debt	5,900	6,452
Capital employed at period-end	30,243	27,254
II. Average capital employed ⁽²⁾	29,400	27,286
ROACE (I/II) ⁽³⁾	4.9	2.4

⁽¹⁾ Does not include income tax corresponding to financial results.

⁽²⁾ Corresponds to the average balance of capital employed at the beginning and end of the year.

⁽³⁾ In the first quarter of 2022, ROACE on CCS (without taking into account the Inventory Effect) amounts to 2.5%.

2. Cash flow measures

Free cash flow and cash flow generated

Million euros	First quarter					
	Adjusted cash flow		Reclassification of joint ventures and others		IFRS-EU statement of cash flow	
	2022	2021	2022	2021	2022	2021
I. Cash flows from / (used in) operating activities (cash flow from operations)	1,091	1,030	(386)	(215)	705	815
II. Cash flows from / (used in) investing activities	(722)	(523)	(89)	303	(811)	(220)
Free cash flow (I+II)	369	507	(475)	88	(106)	595
Cash flow generated	(220)	(188)	(466)	97	(686)	(91)
III. Cash flows from / (used in) financing activities and others ⁽¹⁾	(918)	(559)	382	(158)	(536)	(717)
Net increase / (decrease) in cash and cash equivalents (I+II+III)	(549)	(52)	(93)	(70)	(642)	(122)
Cash and cash equivalents at the beginning of the period	5,906	4,578	(311)	(257)	5,595	4,321
Cash and cash equivalents at the end of the period	5,357	4,526	(404)	(327)	4,953	4,199

⁽¹⁾ Includes payments for dividends and returns on other equity instruments, interest payments, other proceeds from/ (payments for) financing activities, proceeds from / (payments for) the issue / (return) of equity instruments, proceeds from / (payments for) financial liabilities and the exchange rate fluctuations effect.

Liquidity

Million euros	First quarter					
	Group Reporting Model		Reclassification of joint ventures and others		IFRS-EU	
	Mar-2022	Dec-2021	Mar-2022	Dec-2021	Mar-2022	Dec-2021
Cash and cash equivalents	5,357	5,906	(404)	(311)	4,953	5,595
Undrawn credit lines	2,766	2,675	(11)	(12)	2,756	2,664
Deposits of immediate availability ⁽¹⁾	1,700	2,025	—	—	1,700	2,024
Liquidity	9,823	10,606	(415)	(323)	9,409	10,283

⁽¹⁾ Repsol contracts on-demand cash deposits, which are recorded under "Other current financial assets" and which do not meet the accounting criteria for classification as cash and cash equivalents.

Operating investments

Million euros	First quarter					
	Operating investments		Reclassification of joint ventures and others		IFRS-EU ⁽¹⁾	
	2022	2021	2022	2021	2022	2021
Upstream	296	206	110	(84)	406	122
Industrial	166	74	(2)	(1)	164	73
Commercial and Renewables	102	213	(5)	20	97	233
Corporate and other	12	8	—	—	12	8
TOTAL	576	501	103	(65)	679	436

⁽¹⁾ This corresponds to "Payments on investments" on the consolidated statement of cash flows prepared under IFRS-EU, and does not include items corresponding to "Other financial assets".

3. Financial position measures

Net debt

<i>Million euros</i>	Net debt	Reclassification of joint ventures	IFRS-EU balance sheet
	Mar-2022	Mar-2022	Mar-2022
Non-current assets			
Non-current financial instruments ⁽¹⁾	614	675	1,289
Current assets			
Other current financial assets	2,330	(6)	2,324
Cash and cash equivalents	5,357	(404)	4,953
Non-current liabilities			
Non-current financial liabilities ⁽²⁾	(10,905)	627	(10,278)
Current liabilities			
Current financial liabilities ⁽²⁾	(3,295)	(1,111)	(4,406)
NET DEBT ^{(3) (4)}	(5,900)	(218)	(6,118)

⁽¹⁾ Amounts included under “Non-current financial assets” in the consolidated balance sheet.

⁽²⁾ Includes net non-current and current leases amounting to €3,106 and €659 million, respectively, according to the Reporting model and €2,488 and €521 million, respectively, according to the IFRS-EU balance sheet.

⁽³⁾ The reconciliations in previous period are available at www.repsol.com.

Gross debt

<i>Million euros</i>	Gross debt	Reclassification of joint ventures and others	IFRS - EU balance sheet
	Mar-2022	Mar-2022	Mar-2022
Current financial liabilities	(2,437)	(1,249)	(3,686)
Net mark to market valuation of current exchange rate financial derivatives	309	—	309
Current gross debt	(2,128)	(1,249)	(3,377)
Non-current financial liabilities	(7,733)	3	(7,730)
Mark-to-market of non-current exchange rate derivatives	(43)	—	(43)
Non-current gross debt	(7,776)	3	(7,773)
GROSS DEBT ⁽¹⁾	(9,904)	(1,246)	(11,150)

⁽¹⁾ The reconciliations in previous periods for this figure are available at www.repsol.com.

Leverage ratio

<i>Million euros</i>	First quarter					
	Group Reporting Model		Joint venture reclassification		IFRS - EU Balance sheet	
	2022	2021	2022	2021	2022	2021
Net debt	(5,900)	(6,452)	(218)	(2,735)	(6,118)	(9,187)
Capital employed	30,243	27,254	218	2,735	30,461	29,989
Leverage	-19.5%	-23.7%			-20.1%	-30.6%

Solvency ratio

<i>Million euros</i>	First quarter					
	Group Reporting Model		Joint venture reclassification		IFRS - EU Balance sheet	
	2022	2021	2022	2021	2022	2021
Liquidity	9,823	8,457	(413)	(338)	9,410	8,119
Current Gross debt	2,798	2,892	1,110	837	3,908	3,729
Solvency	3.5	2.9			2.4	2.2