

2025

Repsol Upstream
Group

Consolidated
Financial
Statements



Repsol E&P, S.à r.l. and investees
comprising the Repsol Upstream Group

Auditor's report,
Consolidated financial statements at 31 December 2025
Consolidated management report



Audit report

To the Shareholders of
Repsol E&P S.à r.l.

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Repsol E&P S.à r.l. (the “Company”) and its subsidiaries (the “Group”) as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

What we have audited

The Group’s consolidated financial statements comprise:

- the Balance sheet as at 31 December 2025;
- the Income statement for the year then ended;
- the Statement of recognized income and expense for the year then ended;
- the Statement of changes in equity for the year then ended;
- the Statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the consolidated financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the annual report but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers;
- conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities and business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on distribution and use

This report, including the opinion, has been prepared for and only for the Shareholders and the Board of Managers in accordance with the terms of our engagement letter and is not suitable for any other purpose. We do not accept any responsibility to any other party to whom it may be distributed.

Luxembourg, 26 February 2026

PricewaterhouseCoopers Assurance, Société coopérative

Represented by

Signed by:

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Anthony Dault

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NOTE: The Appendices form an integral part of the consolidated Financial Statements.

Repsol E&P, S.à r.l. and investees comprising the Repsol Upstream Group

Balance Sheet at December 31, 2025 and 2024

	Note	\$ Million	
		12/31/2025	12/31/2024
Intangible assets	10	345	379
Property, plant and equipment	11	11,469	12,094
Investments accounted for using the equity method	12	2,680	2,081
Non-current financial assets	7	388	260
Deferred tax assets	22	830	1,625
Other non-current assets	13	1,048	1,190
NON-CURRENT ASSETS		16,760	17,629
Non-current assets held for sale	15	532	544
Inventories	16	55	137
Trade and other receivables	17	649	829
Current tax assets	22	138	336
Other current assets	17	36	33
Other current financial assets	7	411	653
Cash and cash equivalents	7	181	358
CURRENT ASSETS		2,002	2,890
TOTAL ASSETS		18,762	20,519
	Note	\$ Million	
		12/31/2025	12/31/2024
Shareholders' equity		5,301	5,274
Other cumulative comprehensive income		(1)	(27)
EQUITY	5	5,300	5,247
Non-current provisions	14	2,427	4,386
Non-current financial liabilities	6	7,784	5,662
Deferred tax liabilities	22	1,505	1,562
Other non-current liabilities	13	178	161
NON-CURRENT LIABILITIES		11,894	11,771
Liabilities related to non-current assets held for sale	15	2	4
Current provisions	14	186	573
Current financial liabilities	6	288	1,226
Trade and other payables	18	867	1,407
Current tax liabilities	22	225	291
CURRENT LIABILITIES		1,568	3,501
TOTAL EQUITY AND LIABILITIES		18,762	20,519

Repsol E&P, S.à r.l. and investees comprising the Repsol Upstream Group

Income Statement for the years ending December 31, 2025 and 2024

	Note	\$ Million	
		2025	2024
Sales		4,632	5,484
Changes in inventories of finished goods and work in progress		91	(55)
Procurements		(76)	(123)
Amortization and depreciation of non-current assets		(1,114)	(1,729)
(Charges of)/Reversal of impairments		47	(1,554)
Personnel expenses		(521)	(588)
Transport and freights		(247)	(281)
Supplies		(45)	(29)
Gains/(Losses) on disposal of assets		71	10
Other operating income / (expenses)		(961)	(1,093)
OPERATING INCOME	19	1,877	42
Interest income		80	68
Interest expenses		(383)	(366)
Change in fair value of financial instruments		123	(33)
Exchange gains (losses)		(122)	21
Impairment of financial instruments		(2)	(149)
Other financial income and expenses		34	(61)
FINANCIAL RESULT	21	(270)	(520)
Net income from investment accounted for using the equity method ⁽¹⁾	12	143	529
NET INCOME / (LOSS) BEFORE TAX		1,750	51
Income tax	22	(777)	(574)
CONSOLIDATED NET INCOME / (LOSS) FOR THE PERIOD		973	(523)

⁽¹⁾ Net of taxes.

EARNINGS PER SHARE ATTRIBUTABLE TO THE PARENT	23	USD/share	
Basic		374	(201)
Diluted		374	(201)

Repsol E&P, S.à r.l. and investees comprising the Repsol Upstream Group

Statement of recognized income and expense corresponding to the years ending December 31, 2025 and 2024

	\$ Million	
	2025	2024
CONSOLIDATED NET INCOME / (LOSS) FOR THE PERIOD	973	(523)
Due to actuarial gains and losses	6	(1)
Equity instruments with changes through other comprehensive income	-	3
OTHER COMPREHENSIVE INCOME/ (LOSS). ITEMS NOT RECLASSIFIABLE TO NET INCOME	6	2
Cash flow hedges:	14	(49)
Valuation gains / (losses)	13	(4)
Amounts transferred to the income statement	(5)	(45)
Investments accounted for using the equity method	6	-
Translation differences:	15	(12)
Valuation gains / (losses)	15	(12)
Tax effect	(3)	12
OTHER COMPREHENSIVE INCOME / (LOSS). ITEMS RECLASSIFIABLE TO NET INCOME	26	(49)
TOTAL COMPREHENSIVE INCOME / (LOSS)	32	(47)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	1,005	(570)

Repsol E&P, S.à r.l. and investees comprising the Repsol Upstream Group

Statement of changes in equity corresponding to the years ending December 31, 2025 and 2024

<i>\$ Million</i>	Equity attributable to the parent and other equity instrument holders				
	Shareholders' equity				Equity
	Share Capital	Share premium and reserves	Net income for the year attributable to the parent	Other cumulative comprehensive income	
Closing balance at 12/31/2023	3	5,831	1,171	19	7,024
Total recognized income/(expenses)	-	(1)	(523)	(46)	(570)
Transactions with partners or owners:					
Dividends and shareholder remuneration (see Note 5)	-	(1,210)	-	-	(1,210)
Other changes in equity:					
Transfers between equity-line items	-	1,171	(1,171)	-	-
Other changes	-	3	-	-	3
Closing balance at 12/31/2024	3	5,794	(523)	(27)	5,247
Total recognized income/(expenses)	-	6	973	26	1,005
Transactions with partners or owners:					
Dividends and shareholder remuneration (see Note 5)	-	(950)	-	-	(950)
Other changes in equity:					
Transfers between equity-line items	-	(523)	523	-	-
Other changes	-	(2)	-	-	(2)
Closing balance at 31/12/2025	3	4,325	973	(1)	5,300

Repsol E&P, S.à r.l. and investees comprising the Repsol Upstream Group

Statement of cash flows corresponding to the years ending December 31, 2025 and 2024

	Note	\$ Million	
		2025	2024
Income before tax		1,750	51
Adjustments to income:		1,169	3,207
Amortization and depreciation of non-current assets		1,114	1,729
Operating provisions and impairment losses		(14)	1,563
Other (net)		69	(85)
Changes in working capital:		(214)	(176)
Other cash flows from operating activities:		(695)	434
Dividends received		84	329
Income tax refunded / (paid)		(595)	505
Other proceeds from / (payments for) operating activities		(184)	(400)
CASH FLOWS FROM OPERATING ACTIVITIES	24.1	2,010	3,516
Payments for investments:		(1,819)	(2,065)
Group companies, associates and loans to investees		(27)	(49)
Property, plant and equipment, intangible assets and others		(1,792)	(2,016)
Proceeds from divestments:		716	636
Group companies, associates and loans to investees		364	158
Property, plant and equipment, intangible assets and others		352	478
Other cash flows from investing activities		68	62
CASH FLOWS FROM INVESTMENT ACTIVITIES	24.2	(1,035)	(1,367)
Proceeds from and (payments for) financial liability instruments:		143	(124)
Issuance		2,485	-
Redemption		(2,342)	(124)
Payments on shareholder remuneration and other equity instruments		(950)	(1,210)
Other cash flows from financing activities:		(345)	(586)
Interest paid		(325)	(389)
Other proceeds from / (payments for) financing activities		(20)	(197)
CASH FLOWS FROM FINANCING ACTIVITIES	24.3	(1,152)	(1,920)
EXCHANGE RATE FLUCTUATIONS EFFECT		-	(5)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	24	(177)	224
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		358	134
CASH AND CASH EQUIVALENTS AT END OF PERIOD:	7	181	358
Cash and banks		166	346
Other financial assets		15	12

GENERAL INFORMATION

(1) About these Financial Statements

These consolidated Financial Statements of Repsol E&P S.à r.l.¹ and its investees (hereinafter "the Upstream Group", "the Group", "Repsol Upstream Group"), present fairly the Upstream Group's equity and financial position and its results, as well as the consolidated equity and the consolidated cash flows for the period ending December 31, 2025.

They are presented in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), adopted by the European Union (EU) ("IFRS Accounting Standards") as of December 31, 2025, and other provisions of the applicable regulatory framework. Compliance with accounting regulations requires the Group to apply criteria and policies (see Note 3.4); preparing the information contained in these financial statements also requires accounting estimates and judgments to be made that may be significant (see Note 3.5).

These consolidated Financial Statements are composed by Balance Sheet, Income Statement, Statement of recognized profit or loss, Statement of changes in equity and Statement of cash flows, as well as the Notes and its Appendices (which form an integral part of the notes to these consolidated Financial Statements). The preparation of the consolidated Financial Statements is the responsibility of the Board of Managers of Repsol E&P S.à r.l. (hereinafter "the Company"). They were authorized for issue by the Board of Managers of the Company at its meeting held on February 26, 2026, and they will be submitted for approval at the Annual General Meeting; it is expected that they will be approved without any modifications.

The Upstream Group's consolidated Management Report, which includes financial, non-financial and other information, is presented together with the consolidated Financial Statements.

(2) About Repsol Upstream Group

2.1 Parent Company

The corporate name of the parent company of the Upstream Group that prepares and files these consolidated Financial Statements is Repsol E&P S.à r.l.

Repsol E&P S.à r.l. is a limited liability company (société à responsabilité limitée), incorporated on August 4, 2022, under the laws of the Grand Duchy of Luxembourg, having its registered office located at 11 Rue Aldringen, L-1118, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (Registre de commerce et des sociétés Luxembourg), company registration number B270286.

Repsol, S.A. through its participation in Repsol Upstream B.V. is the controlling entity of Repsol Upstream Group, holding 75% of the shares of the Company. Repsol, S.A. is a public company based in Spain.

The consolidation perimeter consists of the companies detailed in Appendix IA together with the consolidation method and the control interest.

2.2 Repsol Upstream Group

Repsol Upstream Group is a group of companies with the purpose of sharpening the focus of Repsol Upstream as a group delivering efficient, resilient, gas-weighted operations and with a focus on but not limited to the United States, United Kingdom, Norway, Peru, Libya and Brazil. Upstream business includes, inter alia, hydrocarbon exploration, development and production activities worldwide including ancillary activities such as the provision of services in respect of such activities, transfer, processing and treatment of hydrocarbons, the storage, transportation, sale and marketing of hydrocarbons and the ownership and operation of plants and facilities (hereinafter, "Exploration and Production", "Upstream" or "E&P").

(3) Criteria for the preparation of these Financial Statements

3.1 General principles

The consolidated Financial Statements are presented in accordance with the IFRS Accounting Standards as adopted by the European Union (IFRS-EU) as of December 31, 2025, and other provisions of the applicable regulatory framework.

They have been prepared based on the accounting records of Upstream Group and its subsidiaries (including subsidiaries, joint arrangements and associates), whose accounting standards are consistent with those of the parent in order to present consolidated financial statements by applying uniform accounting policies.

These consolidated Financial Statements are presented in millions of US dollars, which is also the functional currency of the parent, except when another unit is mentioned.

¹ As supplementary information, the ultimate parent company of Repsol E&P S.à r.l., Repsol S.A., publishes the "Information on hydrocarbon Upstream activities" and the "Report on payments to public administrations for hydrocarbon Upstream activities", available at www.repsol.com.

3.2 Comparative information

The new developments in the accounting standards applied by the Upstream Group as of January 1, 2025² did not have a significant impact given their nature and scope, beyond certain disclosure requirements in additional notes.

3.3 New standards issued for mandatory application in future years

Below is a breakdown of the standards and their amendments issued by the IASB and of future mandatory application:

Adopted by the European Union	Date of first application
Amendments to IFRS 9 and IFRS 7 - Amendments to the classification and measurement of financial instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7 - Contracts referencing nature-dependent electricity	January 1, 2026
Annual Improvements to IFRSs - Volume 11 ⁽¹⁾	January 1, 2026
IFRS 18 — Presentation and disclosure in financial statements	January 1, 2027

Pending adoption by the European Union ⁽²⁾	Date of first application
IFRS 19 - Subsidiaries without public accountability	January 1, 2027
Amendments to IFRS 19 - Subsidiaries without public accountability	January 1, 2027
Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Translation into a Hyperinflationary Presentation Currency ³	January 1, 2027

⁽¹⁾ Improvements affecting IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows.

⁽²⁾ In addition to the amendments presented in this Note, the IASB issued the Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture," without a mandatory effective date, pending completion of its "Equity Method" project and a decision regarding these amendments.

Regarding the regulatory changes adopted by the EU, the Group has not identified any significant impact on the consolidated financial statements, either due to their nature or their scope.

The Group is analyzing the potential impacts that regulatory changes pending adoption by the European Union may have on the consolidated financial statements. No significant effects have been identified to date. Nevertheless, the future application of IFRS 18 'Presentation and Disclosure in Financial Statements' is noteworthy. Although this standard will not have an impact on the consolidated result, total cash flows, or the Group's financial position, it will introduce new presentation criteria—primarily affecting the income statement and the statement of cash flows, and to a lesser extent the statement of financial position. In addition, it will establish new disclosure requirements, as well as new aggregation and disaggregation criteria, both in the primary financial statements and in the notes. Preliminarily, the main impacts identified relate to the introduction of three categories for the presentation of income and expenses (operating, investing, and financing), together with the resulting new mandatory subtotals, including "Operating Profit or (Loss)" and "Profit or (Loss) before financing and income tax". Further impacts are expected in the presentation of certain items in the income statement—most notably the presentation of foreign exchange differences within each category based on the nature of the underlying item—as well as in the statement of cash flows, including the classification of dividends received within investing cash flows and the use of operating profit or (loss) as the new starting point for the preparation of the statement of cash flows.

3.4 Accounting policies

It should be noted that the material accounting policies and options are highlighted, in text boxes, throughout the notes to these Financial Statements, except for those that, due to their more cross-cutting or general nature, are detailed below.

3.4.1 Consolidation principles

The Upstream Group classifies investments as subsidiaries, joint arrangements and associates based on the degree of control or influence exercised over them:

- Subsidiaries: companies over which Upstream Group exercises control by having a majority of members on the board of directors or equivalent governing body or by holding rights that give it the current ability to steer the relevant activities that significantly affect the variable returns of the investee, being exposed to or having rights over them through its involvement at the investee. Repsol Upstream Group manages the operations and relevant activities of these companies. Subsidiaries may have non-controlling shareholders with various protective rights, depending on the percentage of ownership they hold. Subsidiaries are fully consolidated.
- Joint arrangements: those in which strategic operational and financial decisions require the unanimous consent of the parties sharing control (joint control) and are classified as: a) joint operations arranged through a Joint Operating Agreement (JOA) or similar vehicle that does not limit the risks and rewards of the ventures and that are

² The standards adopted by the European Union and applied from January 1, 2025 are: *Lack of Exchangeability - Amendments to IAS 21*.

included in the financial statements of the parties based on their share of the assets, liabilities, income and expenses arising from the agreement; or b) Joint Ventures (JVs) that represent an interest in the net assets of the agreement and that are accounted for using the equity method.

- Associates: those entities over which the Group has significant influence (which do not require consent from Upstream Group in making strategic operational and financial decisions but over which it has the power to participate) are accounted for using the equity method.

Additionally, interests in those entities over which the Group neither has control, joint control nor significant influence are classified as financial investments and are measured in accordance with the provisions of IFRS 9 Financial Instruments.

3.4.2 Functional currency

The items included in these consolidated Financial Statements of the companies comprising the Upstream Group are measured using their functional currency; when this differs from the presentation currency of the financial statements, the conversion is carried out as stated below: (i) the assets and liabilities in each of the balance sheets presented are translated applying the closing exchange rate on the balance sheet date, (ii) income and expense items are translated applying the average cumulative exchange rate for the financial year in which the transactions were performed (however, the transaction-date exchange rate is used to translate significant transactions), and (iii) any exchange differences arising as a result of the foregoing are recognized under "Equity - Translation differences".

Transactions in currencies other than the functional currency of a Group company are deemed to be 'foreign currency transactions' and are translated to the functional currency by applying the exchange rates prevailing at the date of the transaction. At each year end, the foreign currency monetary items on the balance sheet are measured applying the exchange rate prevailing at that date and the exchange rate differences arising from such measurement are recognized under "Financial result - Exchange gains/(losses)".

3.4.3 Business combinations

Business combinations in which the Upstream Group gains control over one or several businesses through the merger or spin-off of several companies or by acquiring all assets and liabilities of all or part of a company that constitutes one or more businesses are accounted for using the acquisition method in accordance with that set out in IFRS 3 "Business Combinations". The acquisition method involves, except for the recognition and measurement exceptions established in IFRS 3, recognizing at the acquisition date the identifiable assets acquired and liabilities assumed at their fair value at that date, provided this value can be measured reliably. Within the liabilities assumed in the business combination, any identified contingent liability is also recognized at the acquisition date, even if it has not been recognized in accordance with the general accounting policies for recognizing provisions because the outflow of economic benefits is not probable, provided that it corresponds to a present obligation arising from past events and its fair value can be measured reliably. Acquisition costs are recognized as expenses in the income statement.

The difference between the cost of the business combination and the value of the identifiable assets acquired less that of the liabilities assumed is recognized as goodwill, if positive, or as income in the income statement, if negative.

The measurement period of the business combination begins on the acquisition date and ends when Upstream Group concludes that no further information can be obtained on the facts and circumstances that existed at the acquisition date. Under no circumstances will this period exceed one year from the acquisition date. During the measurement period, the business combination is considered to be provisional.

3.4.4 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

3.4.5 Hydrocarbon exploration and production activities

Upstream Group recognizes hydrocarbon exploration and production activities using mainly successful-efforts accounting.

The various costs incurred are treated as follows for accounting purposes:

- The costs of acquiring new interests in areas with reserves, including those acquired in business combinations, are capitalized under "Investments in areas with reserves" in property, plant and equipment.
- The costs of acquiring exploration permits and the geological and geophysical (G&G) costs incurred during the exploration phase are capitalized under "Exploration permits" in intangible assets. They are not amortized during the exploration and evaluation phase, and they are tested for impairment at least once a year and, in any case, when there is an indication that they may have become impaired, in accordance with the indicators of IFRS 6 "*Exploration for and evaluation of mineral resources*". Once the exploration and evaluation phase is over, if no economically viable reserves are found, the amounts capitalized are recognized as an expense in the income statement.
- Exploratory drilling costs are capitalized under "Investments in exploration" in property, plant and equipment until it is determined whether reserves justifying their commercial development have been found. If no economically viable reserves are found, the capitalized drilling costs are recognized in the income statement. In the event that reserves are found, but remain under evaluation for their classification as proved (see next section), their recognition depends on the following:
 - If additional investments are required prior to the start of production, they continue to be capitalized as long as the following conditions are met: (i) the amount of reserves found justifies the completion of a productive well if the required investment is made, and; (ii) satisfactory progress has been made in the evaluation of reserves and the operational viability of the project. If any of these conditions fails to be met, they are treated as impaired, and are expensed in the income statement.
 - In all other cases, if there is no commitment to carry out significant activities to evaluate the reserves or develop the project within a reasonable period after well drilling has been completed, they are recognized as an expense in the income statement.
- The costs incurred in exploratory drilling work that have yielded a commercially exploitable reserve are reclassified at their carrying amount to "Investments in areas with reserves" under property, plant, and equipment.
- Exploration costs other than G&G costs, excluding the costs of drilling exploration wells and exploration licenses, are recognized as an expense in the income statement along with the associated exploration and G&G licenses, when incurred.
- Development expenditure incurred for extracting, processing, or storing hydrocarbon is capitalized under "Investments in areas with reserves" in property, plant and equipment.
- Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset), are capitalized as part of the cost of the respective assets. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include i) interest expense calculated using the effective interest method as described in IFRS 9 "Financial Instruments" and ii) interest in respect of lease liabilities recognized in accordance with IFRS 16 "Leases".
- Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using the average of rates applicable to relevant general borrowings of the Group during the period.
- Borrowing costs which are not eligible for capitalization are recognized as expense in the period when they are incurred.
- Capitalization of borrowing costs will cease when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete. An asset is normally ready for its intended use or sale when the physical construction of the asset is complete, even though routine administrative work might continue. When the construction of a qualifying asset is completed in parts and each part is capable of being used while construction continues on other parts, capitalization of borrowing costs will cease when substantially all the activities necessary to prepare that part for its intended use or sale are completed by the Group.
- Future field abandonment and decommissioning costs are capitalized at their present value when they are initially recognized under "Investments in areas with reserves" against the line item for decommissioning provisions (see Note 14).
- The investments capitalized are depreciated according to the unit of production method and in accordance with the following criteria:
 - Investments made for the acquisition, discovery, development, and production of proven and probable reserves (including exploration costs reclassified to investments in areas with reserves), are amortized based on the relationship between production for the year and the reserves that are expected to be produced without needing to incur additional investment.
 - The costs incurred in drilling surveys for the development and extraction of hydrocarbon reserves are depreciated on the basis of the relationship between the production for the year and the total proven reserves expected to be obtained that are most likely to be developed. (see Note 3.5).

The changes in estimated reserves are considered on a prospective basis in calculating depreciation.

3.4.6 Leases

The Group assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying asset over the lease term. The lease term of the agreements was determined as the non-cancellable period of a lease taking into consideration the option to extend or terminate the lease when there is reasonably high probability that this option will be exercised.

The Group has decided to make use of the options envisaged in the standard for lessees, which permits lease liabilities and right-of-use assets corresponding to lease agreements for assets of low value (amount up to USD 5,000) and short-term leases (leases for a period equal to or less than one year) not to be recognized in the balance sheet.

Lastly, in relation to the recognition of leases in joint operations, common in hydrocarbon exploration and production activities, the Group recognizes all those arrangements for which it has a contractual obligation with the lessor in the balance sheet, i.e. all those arrangements that: (i) it has signed in full as operating partner on its own behalf; (ii) it has jointly signed with the other partners in a joint arrangement, in line with its percentage of ownership in the arrangement; or (iii) have been signed by the operating partner on behalf of the consortium (jointly and severally) or the other partners of the joint arrangement, in line with the terms and percentage of ownership of each partner in the arrangement. With regard to the arrangements signed on its behalf by a third party in the position of operating partner in a joint arrangement, the Group will recognize, as its percentage of ownership in the arrangement, those contracts for which it is determined that a sub-lease exists, considering in this assessment, both the repayment obligation to the operating partner of the costs of the head lease arrangement, and the control by the Group of the right to use the asset identified.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of a right-of-use asset also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period. Right-of-use assets are depreciated on a straight-line basis over the asset's lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment assessment (See Note 3.5.1).

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group generally uses the incremental borrowing rate of the lessee taking into consideration, among other factors, the term of the agreement, the economic conditions of the country and the currency in which it was denominated and, when relevant, the characteristics of the underlying asset.

3.4.7 Financial instruments

The Group classifies its financial instruments in accordance with IFRS 9 "*Financial Instruments*".

The Group classifies its non-derivative financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit and loss); or
- those to be measured at amortized cost.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

Non-derivative financial assets and financial liabilities – recognition and derecognition

The Group initially recognises loans and receivables and debt securities issued on the trade date. All other financial assets and financial liabilities are also initially recognized on the trade date.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets – measurement

Financial assets at amortized cost

The Group classifies its financial assets as at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

These are financial assets with fixed or determinable payments that the Company does not intend to sell immediately or in the near term. They arise when the Company delivers goods or provides services or financing directly to a related or third party. These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

Derivative financial instruments

Derivative financial instruments are measured at fair value and changes therein, including any interest and dividend income, are recognized in the statement of comprehensive income. Directly attributable transaction costs are directly recognized in the statement of comprehensive income, as incurred.

3.4.8 Finance income and finance costs

The Upstream Group finance income and finance costs include:

Interest income or expense is recognized under the effective interest method. Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

The "effective interest rate" is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.4.9 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed in the income statements under "Personnel expenses" heading as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount, and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary under the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest), and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

3.5 Accounting estimates and judgements

The preparation of consolidated financial statements in accordance with applicable accounting principles makes it necessary to make judgments and estimates that affect the recognition and valuation of assets and liabilities, income and expenses for the period, and the breakdown of the contingent assets and liabilities. The actual results could differ significantly depending on the estimates made. It should be noted that several of the estimates must include the uncertainties related to the energy transition and decarbonization scenarios in which our businesses are carrying out their activities.

The accounting policies and areas that require the highest degree of judgment and estimates in the preparation of these financial statements are: (i) crude oil and natural gas reserves (see Note 3.5.1); (ii) recoverable amount of assets (see Note 3.5.1 and Note 20); (iii) provisions for litigation, decommissioning and other contingencies, such as those caused by environmental damage (see Note 14); (iv) income tax, tax credits and contingencies, and deferred tax assets (see Note 22); (v) market value of derivative financial instruments (see Note 6, Note 7 and Note 8); ; (vi) assessment of investments and expected loss on financial instruments in Venezuela (see Note 12 and Note 20.3); and (vii) business combinations and consolidation criteria (see Note 3.4.1, Note 3.4.3 and Note 12). In any event, it should be noted that several of the aforementioned estimates incorporate uncertainties associated with the energy transition and decarbonisation policy scenarios in which the Group's businesses operate, as well as those arising from the geopolitical context.

The main accounting estimates and judgments made by management and directors in preparing the consolidated financial statements are described below. Lastly, those aspects of the estimates that are specifically related to the expected effects of climate change and the energy transition are described.

3.5.1 Estimation of the recoverable value of assets

Methodology

The methodology used by the Group to estimate the recoverable amount of the assets is, in general, value in use calculated by discounting to present value the future cash flows expected to arise from the operation of these assets³.

The cash flow projections are based on the best available estimates of the income, expenses and investments of the different cash-generating units (CGUs)⁴, whereby they use sector forecasts, prior results and the outlook for the performance of the business and development of the market. The estimates take into consideration the scenarios of the energy transition and decarbonization of the economy and are consistent with the decarbonization commitments made by the Group, as well as with its strategic objectives.

Main macroeconomic assumptions

The macroeconomic variables used to measure the assets are consistent with those used in the preparation of the budgets and business plans of the assets:

- The macroeconomic framework for the countries in which the Upstream Group operates takes into consideration variables such as inflation, GDP, exchange rate, etc. and is prepared on the basis of the content of internal reports that use in-house estimates, based on updated external information of relevance (forecasts prepared by consultants and specialized entities).

³ In addition, in some cases, the prices of recent or expected transactions are also used as an approximation of recoverable amount.

⁴ Cash-generating unit: the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverability of the Group's investments in associates or joint ventures is assessed by comparing their recoverable amount with their carrying amount (see Note 12 and Note 20). The recoverable amount of an investment in an associate or joint venture is assessed individually, unless the associate or joint venture does not generate cash inflows that are largely independent from the Group's other assets or CGUs.

- The oil and natural gas price forecast used for the impairment test are our own estimates, which are compared with the scenarios given by international agencies and other market players. The paths are developed on the basis of available macroeconomic, financial and market information and the forecasts provided by analysts.

In particular, crude oil and gas prices are calculated by analyzing key market variables and their foreseeable trend, including our own forecasts of the balance of supply and demand of energy and prices. The longer-term vision is also explained by monitoring other variables such as the decline of crude oil and gas fields, the current CAPEX, the financial sustainability of companies in the sector to certain price environments, and the dynamics in OPEC countries in terms of tax sustainability.

- To estimate near-term price trends, forecast reports produced by a selection of investment banks, macro consultants (S&P, Platts, Wood Mckenzie, Energy Aspects and Oxford Economics), the International Energy Agency (IEA) and the U.S. Energy Information Administration (EIA) are taken into account.
- The source that provides a sufficiently detailed analysis of long-term forecasts is the IEA, a benchmark agency that also carries out detailed studies of supply, demand and price forecast under different scenarios.

With all these elements, econometric models of prices are made, which are compared with external forecasts, both public and private⁵.

To complete the information, given the inherent uncertainty of the long-term assumptions used, sensitivities (positive and negative) to reasonable variations in the main assumptions used in the impairment test (crude oil and gas prices, discount rates, etc.) are provided in Note 20.2.

Discount rates

Future cash flows are discounted to their present value at a specific rate for each CGU, determined based on the currency of its cash flows and the risks associated with them. The discount rate used by Upstream Group is the weighted average cost of capital employed after tax for each country and business. This rate seeks to reflect current market assessments with regard to the time value of money and the specific risks of the business. Therefore, the discount rate used takes into account the risk-free rate, the country risk, the currency in which the cash flows are generated, and the market, credit and business risk. For the sake of consistency, estimated future cash flows do not reflect the risks that have already been considered in the discount rate or vice versa. The discount rate used considers the average leverage of the sector over the last five years, as a reasonable approximation of the optimal capital structure, using comparable oil companies as a reference and their main components are as follows:

- The risk-free interest rate for cash flows in US dollars is the U.S. 10-year treasury bond;
- With regard to country risk, the following are used: (i) market quotations, such as the spread of sovereign bonds in US dollars over debt issued by the U.S. (USD), (ii) country risk estimates contained in the EMBI (Emerging Markets Bond Index) published by JP Morgan, and (iii) country risk estimates published by three external providers — Country Risk Rating (IHS Global Insight), International Country Risk Guide (PRS Group) and Business Monitor (Fitch Group) — all adjusted for specific risks of the business and/or country; and
- Business risk premiums (Betas) are specifically calculated on the basis of 5-year historical series from comparable companies.

Estimated cash flows

To estimate the cash flows⁶, the expected performance of key variables is calculated in accordance with the forecasts considered in the annual budget and in the business plans, which are prepared using scenarios that consider the energy transition and decarbonization of the economy, and that are consistent with the decarbonization targets (see Note 3.5.2).

However, the estimation of cash flows for assets in the production phase is carried out based on their condition at the time of the estimate. Specifically, future investments aimed at improving asset performance or resulting from technological changes are not considered, even those that can currently be anticipated and could represent a valid strategy for transforming the assets within the foreseeable context of the energy transition.

Hydrocarbon exploration and production assets

Valuations of the production assets of Repsol Upstream use cash flow projections for a period that covers the economically productive useful lives of the oil and gas fields, limited by the contractual expiration of the operating permits, agreements, or contracts and consistent with the climate and environmental regulations of each country. The maturity of the cash flows ranges between 2026 and 2074. Conventional assets in production do not go past the year 2054, while non-conventional assets, located in the US, have a longer productive life. Approximately 92% (2024: 93%) of the value of the cash flows of these assets will be recovered before 2040, which demonstrates the Group's low exposure to what are known as "stranded assets".

⁵ The comparison is made to position the internal forecast with respect to the averages and standard deviations calculated from the market consensus that includes, among others, the prices estimated by the IEA in its scenarios: the "Stated Policies Scenario" (STEPS), which considers the climate and decarbonization policies already established by governments, and the "Current Policies Scenario" (CPS), which considers exclusively the policies adopted in current legislation and regulations, also assuming that there will be no future changes, even when there are signals of intent from governments. Both scenarios come from the IEA's annual report, World Energy Outlook 2025 (WEO 2025). In this edition of the WEO, the IEA has discontinued the Announced Pledges (APS) scenario, which assumed that governments would meet, in full and on time, all the climate-related commitments they have announced, including long-term net zero emissions targets and commitments to Nationally Determined Contributions (NDCs), as well as commitments in related areas, such as access to energy. For more information, see www.iea.org.

⁶ The CGUs include the rights of use associated with lease agreements (IFRS 16), with the subsequent exclusion of fixed lease payments when calculating the value in use.

The general principles applied to determine the variables that most affect the cash flows of this business are described below:

- Hydrocarbon sale prices. The main international benchmark prices used by the Group are: Brent, WTI (West Texas Intermediate) and HH (Henry Hub). In countries where international list prices do not reflect local market circumstances, the prices modeled factor in local market prices.
- Reserves, resources and production profiles. Production profiles are estimated on the basis of the productive life of existing wells and the development plans in place for each productive field. To estimate oil and gas reserves and resources, Upstream Group uses the criteria established by the "SPE/WPC/AAPG/SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System", commonly referred to by its acronym "SPE-PRMS (SPE-Society of Petroleum Engineers)". The forecast used in this estimation is the same as in the asset impairment test.

The estimate of oil and gas reserves⁷ and resources is a key component of the Group's⁸ decision-making process. These volumes are used to calculate depreciation and amortization charges, to assess the recoverability of the investments in assets and calculate decommissioning provisions.

Changes in volumes of reserves and resources could have a significant impact on the Group's results.

- Operating expenses and investments. These are calculated for the first year on the basis of the Group's annual budget and thereafter in accordance with the asset development plans.
- Taxes. The taxes applicable to each contract are considered in accordance with current legislation when the cash flows are calculated.

Investments in associates and joint ventures

The recoverability of the Group's investments in associates or joint ventures is assessed by comparing their recoverable amount with their carrying amount (see Note 12). The recoverable amount of an investment in an associate or joint venture is assessed on an individual basis, unless it does not generate cash inflows that are largely independent of those from other assets or CGUs, taking into consideration the same assumptions described above.

3.5.2 Estimates and accounting judgments related to the risks and implications of climate change, decarbonization and the energy transition

Upstream Group considers that its decarbonization strategy is the way for adapting to foreseeable changes in the economic environment and, in particular, in the energy sector, that best responds to the interests of its shareholders, customers and employees, more precisely, that which guarantees the Group's long-term sustainability and maximizes the profitability of its businesses and the value of its investments in the context of the energy transition.

The main accounting estimates and judgments made in the preparation of the consolidated financial statements that are most closely related to the effects of climate change and the energy transition, are described below.

Recoverable amount of the assets

In accordance with IFRS Accounting Standards, the Group's financial statements are based on reasonable and sound assumptions that represent management's best current estimate of the range of economic conditions that may exist in the foreseeable future in relation to climate change and energy transition (see Note 3.5.1).

Both the price forecast and the demand used for the valuation of the assets in the impairment test take account of the commitments to decarbonize the economy. Specifically, the assumptions used consider energy transition scenarios, driven by decarbonization policies.

It is foreseeable and likely that the energy transition will bring with it volatility and uncertainty regarding the evolution of prices and demand for hydrocarbons over the coming decades.

Useful lives of property, plant and equipment

The energy transition and the rate at which it progresses may impact the remaining useful life of certain assets.

The Group's assets are generally amortized using an unit of production methodology where amortization depends on the relationship between production (see Note 3.4.5) and the reserves that are expected to be produced. Expected production and reserve calculations take into account future demand and price impacts from decarbonization. It is estimated that 37% (2024: 42%) of the expected production will have been extracted by 2030 and 79% by 2040. The Group's hydrocarbon reserves are predominantly gas (65%).

⁷ Reserves are classified as (i) Proven: the quantities of crude oil, natural gas and natural gas liquids that, with the information available to date, are estimated to be recoverable with reasonable certainty (there should be at least a 90% probability that the recovered quantities will equal or exceed the 1P estimate), (ii) Probable: additional reserves, which, added to the proven reserves, make up the 2P scenario (there should be at least a 50% probability that the quantities recovered will equal or exceed the 2P estimate; this scenario reflects the best estimate of reserves), and (iii) Contingent resources: quantities of oil and natural gas that are estimated, at a given date, to be potentially recoverable from accumulations known from the application of development projects, but which are not currently considered commercially recoverable due to one or more contingencies. Proven or probable reserves can be developed (expected to be recovered from existing wells and facilities) or undeveloped (expected to be recovered through future investments.)

⁸ Independent engineering firms periodically audit registered volumes (at least 95% of the reserves are audited externally in a three-year cycle).

Decommissioning provisions

The assumptions initially used in the valuation of decommissioning provisions (both in the initial recognition of the current value of estimated future costs and subsequent adjustments to reflect the passage of time) are subject to changes due to technological advances, regulatory changes, economic, political, and environmental security factors, variations in the schedule or in the conditions of operations, etc. The energy transition may bring forward decommissioning of the assets. For the purposes of calculating the corresponding provisions, it is considered that most of these assets will begin to be dismantled in the next two decades. The risk of the schedule of decommissioning and restoration activities is limited given the expected production plans.

The timing of decommissioning and restoration activities is also reflected in the discount rate, in line with the average remaining useful life of the assets concerned. For more information, see Note 14.1.

At December 31, 2025, the provisions for asset decommissioning costs amounted to USD 1,694 million (USD 4,073 million in 2024), predominantly due in Spain and Norway. It is estimated that approximately 17% of the costs related to decommissioning will have been made over the next 5 years and approximately 91% by 2050.

Deferred taxes

The recoverability of deferred tax assets is measured using the same scenarios and assumptions used to calculate the recoverable amount of the assets (see Note 3.5.1) and, therefore, they include the decarbonization and energy transition processes. Sufficient cash flows are expected for the recovery of the deferred tax assets recognized at December 31, 2025 (see Note 22).

Onerous contracts

The closing or early termination of certain assets or activities may convert some supply contracts into onerous contracts. At December 31, 2025 and December 31, 2024, the onerous contract provisions are not significant for the Group.

Legal proceedings

In the normal course of the Group's business, entities are subject to legal and regulatory proceedings arising from current and past laws, including matters related to environmental issues. At December 31, 2025, Upstream Group had not recognized any provisions in the Group's financial statements for lawsuits related to climate change (see Note 14.2).

CAPITAL STRUCTURE AND FINANCIAL RESOURCES

(4) Financial structure

The determination of the target financial structure considers a leverage ratio that ensures the Group's financial stability, defined as the relationship between Net debt⁹ and Capital employed¹⁰.

The calculation of these ratios at December 31, 2025 and 2024, are as follows:

Financial structure	\$ Million	
	2025	2024
Equity	5,300	5,247
Net debt	7,092	5,617
Capital employed	12,392	10,864
Leverage ratio (%)	57.2%	51.7%

(5) Equity

Equity	\$ Million	
	2025	2024
Shareholders' equity:	5,301	5,274
Share capital	3	3
Share premium and Reserves:	4,325	5,794
Share premium	10,427	11,377
Retained earnings and other reserves	(6,102)	(5,583)
Net income for the period attributable to the parent	973	(523)
Other cumulative comprehensive income	(1)	(27)
Hedging transactions	22	11
Translation differences	(23)	(38)
TOTAL EQUITY	5,300	5,247

5.1 Share capital

The share capital of Repsol E&P S.à r.l at December 31, 2025 and 2024 is represented by 2,600,000 shares of USD 1.00 par value each, fully subscribed and paid up.

At the incorporation of the Company Repsol Upstream B.V. was the sole shareholder of the entity. On March 2, 2023, after the reorganization of the Repsol Upstream Group, Repsol Upstream B.V. transferred to Breakwater Energy Holdings S.à r.l. (hereinafter "EIG") the 25% of the shares.

As of December 31, 2025 and 2024, Repsol Upstream B.V. holds 1,950,000 shares, representing 75%, and EIG holds 650,000 shares, representing the remaining 25% of the subscribed capital of the Company.

5.2 Share premium and reserves

This heading includes (i) the contribution capital paid in 2022 and (ii) retained earnings attributable to the parent.

5.3 Dividends and shareholder remuneration

There were no dividends declared in 2025. Subject to meeting the legal obligations, there are no other restrictions on the payment of dividends.

In 2025, the Board of Managers of Repsol E&P, S.à r.l. approved share premium repayments for a total amount of USD 950 million (2024: USD 1,210 million). As of December 31, 2025 and 2024, the share premium and other contributions account amounts to USD 10,427 million and USD 11,377 million, respectively.

⁹ Alternative Performance Measures. Refer to Appendix I of the Consolidated Management Report for more information.

¹⁰ Alternative Performance Measures. Refer to Appendix I of the Consolidated Management Report for more information.

The movements on the "Share premium" item during the year and the balances are as follows:

Share premium and similar premiums	\$ Million		
	Share premium	Contributions to account 115 ⁽¹⁾	Total
As at December 31, 2024	11,220	157	11,377
Reductions for the year	(950)	-	(950)
As at December 31, 2025	10,270	157	10,427

⁽¹⁾ Share premium account 115: Contributions by a shareholder to the equity without issuance of shares.

(6) Financial resources

6.1 Financial liabilities

The breakdown of the current and non-current financial liabilities included under the headings of the balance sheet is as follows:

Financial liabilities	\$ Million	
	2025	2024
Non-current liabilities:		
Non-current financial liabilities	7,784	5,662
Non-current trade derivatives ⁽¹⁾	-	6
Current liabilities:		
Current financial liabilities	277	1,203
Current trade derivatives ⁽²⁾	11	23
TOTAL	8,072	6,894

⁽¹⁾ Recognized under "Other non current liabilities" (see Note 13).

⁽²⁾ Recognized under "Current financial liabilities" on the balance sheet.

The detail of these financial liabilities at December 31, 2025 and 2024, is provided below:

Financial liabilities	December 31, 2025 and 2024									
	At fair value through profit or loss		At fair value through other comprehensive income		At amortized cost		Total		Fair value ⁽¹⁾	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<i>\$ Million</i>										
Loans	-	-	-	-	5,005	5,249	5,005	5,249	5,388	5,835
Bonds	-	-	-	-	2,486	-	2,486	-	2,542	-
Lease liabilities	-	-	-	-	177	277	177	277	n/a	n/a
Bank borrowings	-	-	-	-	116	136	116	136	120	136
Derivatives	-	-	-	6	-	-	-	6	-	-
Non-current	-	-	-	6	7,784	5,662	7,784	5,668		
Loans	-	-	-	-	92	1,054	92	1,054	92	1,055
Bonds	-	-	-	-	40	-	40	-	40	-
Lease liabilities	-	-	-	-	125	129	125	129	n/a	n/a
Bank borrowings	-	-	-	-	20	20	20	20	20	20
Derivatives	11	23	-	-	-	-	11	23	-	-
Current	11	23	-	-	277	1,203	288	1,226		
TOTAL	11	23	-	6	8,061	6,865	8,072	6,894		

⁽¹⁾ The fair value levels are: Loans, Bank borrowings and bonds (Level 2). For more information on the valuation techniques and key variables used, see Note 6.2

The breakdown of average financial balances outstanding and cost by instrument is as follows:

Average financing and cost \$ Million	2025		2024	
	Average balance	Average cost ⁽¹⁾	Average balance	Average cost ⁽¹⁾
Loans	6,042	5.51 %	6,305	5.58 %
Bonds	729	5.55 %	-	- %
Bank borrowings	144	5.20 %	166	5.14 %
TOTAL	6,915	5.43 %	6,471	5.50 %

NOTE: It does not include lease liabilities nor derivatives.

⁽¹⁾ The average cost is calculated as the quotient of the interest expense of the financing and its average balance, not including lease liabilities or derivatives.

6.2 Fair value of financial liabilities

Fair value of financial instruments

Financial instruments recognized at fair value are classified, based on their calculation methodology, into three levels:

Level 1: Valuations based on a quoted price in an active market for the same instrument, referring mainly to derivatives held to trade.

Level 2: Valuations based on a quoted price in an active market for similar financial assets or based on other valuation techniques that take into account observable market data.

Level 3: Valuations based on certain variables that are not directly observable in the market, such as financial investments.

The valuation techniques used for financial instruments classified in level 2 and 3 hierarchies are based, in accordance with accounting regulations, on an income approach, which consists of discounting known or estimated future flows using discount curves built from the reference interest rates in the market (in derivatives, they are estimated through market-implied forward curves, with adjustments for credit risk based on the life of the instruments, or other types of adjustments. In the case of options, pricing models based on the Black & Scholes formulas are used.

The essential variables for the valuation of financial instruments depend on the type of instrument but are basically: exchange rates (spot and forward), interest rate curves, counterparty risk curves, commodity prices (spot and forward) and equity prices, as well as the volatility of all the aforementioned factors. In all cases, market data is obtained from recognized information agencies or corresponds to quotes from official organizations.

The financial liabilities recognized in the financial statements at fair value through profit or loss, for an amount of USD 11 million 2025 and USD 23 million in 2024, are classified in Level 2.

In 2025 there have been no transfers between levels of hierarchy in financial instruments.

6.3 Loans

This heading reflects the loans granted by Repsol affiliates and loans from joint ventures, that are not eliminated in the consolidation process.

The breakdown of the loans, all of them denominated in US dollars, outstanding at December 31, 2025, is provided below:

\$ Million							
Borrower	Lender	Loan principal	Accrued interest payable	Starting date	Maturity date	Interest rate at 31/12/2025	
Repsol Exploración Inversiones, S.L. ⁽¹⁾	Repsol Europe Finance, S.à r.l.	3,200	-	01/12/2022	01/12/2029	5.46 %	
FEHI Holding, S.à r.l.	Neo Resources UK, LTD ⁽²⁾	1,228	-	29/07/2025	-	5.70 %	
Repsol Holdings Upstream USA, Inc.	Repsol Europe Finance, S.à r.l.	552	-	01/12/2022	01/12/2029	5.46 %	
FEHI Holding, S.à r.l.	BP Trinidad & Tobago, LLC ⁽⁴⁾	25	-	21/11/2022	-	4.08 %	
Total due and payable after more than one year		5,005					
FEHI Holding, S.à r.l.	Neo Resources UK, LTD ⁽²⁾⁽³⁾	60	32	29/07/2025	-	5.70 %	
Total due and payable within one year		60	32				
TOTAL		5,065	32				

⁽¹⁾ Universal successor of Repsol Exploración, S.A.U.

⁽²⁾ Formerly known as Repsol Resources UK, Ltd.

⁽³⁾ The loan represents approximately 40% of the decommissioning obligations contributed within the NEO NEXT merger (see Note 12) and the maturity matching the timing of the decommissioning provisions. Short term portion is the expected amount to be paid in 2026 related to these decommissioning liabilities. Accrued interest is the total for both the long-term and short-term principal.

⁽⁴⁾ No contractual maturity date and repayment is not expected within the operating cycle.

The breakdown of the loans, all of them denominated in US dollars, outstanding at December 31, 2024, is provided below:

\$ Million						
Borrower	Lender	Loan principal	Starting date	Maturity date	Interest rate at 31/12/2024	
Repsol Exploración, S.A.U.	Repsol Europe Finance, S.à r.l.	3,200	01/12/2022	01/12/2029	5.46 %	
Repsol Holdings Upstream USA, Inc.	Repsol Europe Finance, S.à r.l.	2,046	01/12/2022	01/12/2029	5.46 %	
FEHI Holding S.à r.l.	BP Trinidad & Tobago, LLC	3	21/11/2022	-	4.65 %	
Total due and payable after more than one year		5,249				
FEHI Holding, S.à r.l.	Repsol Europe Finance, S.à r.l.	406	16/03/2023	15/03/2025	5.74 %	
FEHI Holding, S.à r.l.	Repsol Europe Finance, S.à r.l.	648	01/03/2023	01/03/2025	5.74 %	
Total due and payable within one year		1,054				
TOTAL		6,303				

The interest rates on the loans granted to Repsol Exploración Inversiones, S.L., Repsol Holdings Upstream USA, Inc. and Neo Resources UK, LTD are fixed, while the other rates are variable.

6.4 Bonds

In 2025, the Upstream Group, through its wholly owned indirect subsidiary Repsol E&P Capital Markets US LLC, carried out an issuance of three series of bonds, totaling 2.5 billion dollars. The bonds are unconditionally and irrevocably guaranteed by the Company, which holds a BBB+ credit rating from S&P and Fitch. Coupons will be paid semiannually.

\$ Million							
ISIN	Price	Nominal amount ⁽¹⁾	Accrued interest payable	Date of issue	Maturity	Annual fixed coupon %	
US76026AAA51	100 %	500	7	16/09/2025	16/09/2028	4.805 %	
US76026AAB35	100 %	1,000	15	16/09/2025	16/09/2030	5.204 %	
US76026AAC18	100 %	1,000	18	16/09/2025	16/09/2035	5.976 %	
		2,500	40				

⁽¹⁾Transaction costs amounted to USD 15 million.

Financial conditions and debt obligations

The financial debt agreements include the early termination clauses customary in agreements of this nature:

The ordinary bonds issued contain certain debt acceleration and early redemption clauses (including cross-acceleration and cross-default, applicable to the issuer and the guarantor) and negative pledge clauses in relation to future bond issuances, whereby liens may not be created on the assets of the issuer or the guarantor. In the event of failure to comply with any of the terms and conditions of the issues, the trustee, at its sole discretion or at the request of the holders of at least one-fifth of the series of bonds affected or on the basis of an extraordinary resolution, may declare the early redemption of the bonds. In addition, the holders of these bonds may redeem them if, as a result of a change in control of Repsol E&P S.à r.l, credit ratings are downgraded to below investment grade status.

At the date of authorization for issue of these consolidated Financial Statements, the Group was not in breach of any of its financial obligations or of any other obligation that could give rise to the early repayment of any of its financial commitments.

At December 31, 2025 and 2024 there are no amounts secured by the Group companies in issuances, repurchases or redemptions made by associates, joint arrangements or companies that are not part of the Group.

6.5 Lease liabilities

The liabilities recognized¹¹ for lease payables on December 31, 2025 and 2024, amounted to USD 302 million and USD 406 million respectively. The main lease agreements are described in Note 11.

¹¹ The liabilities recognized do not include: (i) variable lease payments, which are not significant with respect to fixed payments; and (ii) the options for expanding the current portfolio of contracts for which there is no sufficient certainty to date regarding their exercise.

6.6 Bank and other borrowings

The breakdown of the borrowing, denominated in US dollars, outstanding at December 31, 2025, is:

\$ Million						
Borrower	Lender	Loan principal	Starting date	Maturity date	Interest rate at 31/12/2025	
Repsol Norge AS	Havila Sirius AS	116	27/10/2021	27/10/2031	5.21 %	
Total due and payable after more than one year		116				
Repsol Norge AS	Havila Sirius AS	20	27/10/2021	27/10/2031	5.21 %	
Total due and payable within one year		20				
TOTAL		136				

The breakdown of the bank borrowing, denominated in US dollars, outstanding at December 31, 2024, is:

\$ Million						
Borrower	Lender	Loan principal	Starting date	Maturity date	Interest rate at 31/12/2024	
Repsol Norge AS	Havila Sirius AS	136	27/10/2021	27/10/2031	5.21 %	
Total due and payable after more than one year		136				
Repsol Norge AS	Havila Sirius AS	20	27/10/2021	27/10/2031	5.21 %	
Total due and payable within one year		20				
TOTAL		156				

The interest rate on the borrowing granted to Repsol Norge AS is fixed.

(7) Financial assets

The breakdown of the current and non-current financial assets included under the headings of the balance sheet is as follows:

Financial assets	\$ Million	
	2025	2024
Non-current assets:		
Non-current financial assets	388	260
Non-current trade derivatives ⁽¹⁾	1	-
Current assets:		
Other current financial assets	411	653
Current trade derivatives ⁽²⁾	22	21
Cash and cash equivalents	181	358
TOTAL	1,003	1,292

⁽¹⁾ Recognized under "Other non-current assets" on the balance sheet.

⁽²⁾ Recognized under "Trade and other receivables" on the balance sheet.

The detail of these assets at December 31, 2025 and 2024, is as follows:

Asset details	December 31, 2025 and 2024									
	At fair value through profit or loss		At fair value through other comprehensive income		At amortized cost		Total		Fair value ⁽¹⁾	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Derivatives	-	-	1	-	-	-	1	-	-	-
Loans ⁽²⁾	-	-	-	-	388	260	388	260	462	282
Non-current	-	-	1	-	388	260	389	260		
Derivatives	5	5	22	21	-	-	27	26	-	-
Loans ⁽²⁾	-	-	-	-	406	646	406	646	406	646
Cash and cash equivalents ⁽³⁾	-	-	-	-	181	358	181	358	181	358
Other financial assets	-	-	-	-	-	2	-	2	-	2
Current	5	5	22	21	587	1,006	614	1,032		
TOTAL	5	5	23	21	975	1,266	1,003	1,292		

⁽¹⁾ The fair value levels are Loans (Level 2). For more information on the valuation techniques and key variables used, see Note 6.2

⁽²⁾ Includes loans and deposits with related entities, mainly Repsol Europe Finance, S.à r.l. for an amount of USD 163 million and BPRY Caribbean Ventures, LLC (BPRY) for an amount of USD 631 million (see Note 26).

⁽³⁾ Includes at December 31, 2025 "Cash and banks" for USD 166 million and "Other financial assets" for USD 15 million. At December 31, 2024 includes USD 346 millions and USD 12 millions, respectively.

The loans provided are recorded at amortized cost using the effective interest rate method. At the end of the year, the carrying value of these loans is a reasonable approximation of their fair value. This assessment is based on the fact that the loan terms, including interest rates, maturities, and associated risks, align with the market conditions. The average return¹² on the financial assets was accrued at an average interest rate of 9.77% in 2025 (2024: 10.73%). These financial assets mature between 2026 and 2030.

7.1 Fair value of financial assets

The classification of the financial assets recognized in the financial statements based on the methodology for calculating their fair value, is as follows:

Fair value of financial assets	Level 1		Level 2		Total	
	2025	2024	2025	2024	2025	2024
At FV through profit or loss	-	-	5	5	5	5
At FV through other comprehensive income	23	21	-	-	23	21
TOTAL	23	21	5	5	28	26

No financial instruments were transferred between hierarchy levels in 2025 and 2024.

(8) Accounting hedges

In cash flow hedges, the effective portion of changes in fair value is recognized under "Hedging transactions" in equity and the gain or loss relating to the ineffective portion (absolute excess of the cumulative change in fair value of the hedging instrument over the hedged item) is recognized in the income statement. Accumulated amounts in equity are transferred to the income statement in periods in which the hedged items affect the income statement or, in the case of a hedge of a transaction that results in the recognition of a non-financial asset or liability, are included in the cost of the asset or liability when the asset or liability is recognized in the balance sheet.

The Upstream Group carries out derivative transactions to hedge exposure to changes in cash flow in its transactions due to variations in natural gas and oil prices. Cash flows from the sale of oil and gas are hedged through collars.

Supported by its risk management model, the Group enters and entered in the past, into commodity derivatives to reduce the risk of variations in future cash flows.

¹² The average return is calculated as the quotient of the interest income of the investment and its average balance, not including cash and cash equivalents, lease assets or derivatives.

The changes relating to hedging instruments at December 31, 2025 and 2024 recognized under "Other cumulative comprehensive income" in the balance sheet are detailed below:

Hedging instruments	2025	2024
<i>\$ Million</i>	Cash flow hedges	
Balance at January 1	11	46
Gains/(Losses) for measurement allocated to other comprehensive income	13	(4)
Gains/ (losses) recognized under the equity method	6	-
Amounts transferred to the income statement	(5)	(45)
Tax effect	(3)	12
Others	-	2
Balance at December 31	22	11

Natural gas hedging

Cash flows from the sale of gas are hedged through options tied to international indexes in the U.S. (HH) with maturities between 2026 and 2027. At December 31, 2025, their notional amount was 196 TBtu sold (equivalent to USD 489 million) (2024: 288 TBtu sold, equivalent to USD 726 million) and their fair value was USD 23 million (2024: USD 15 million).

The instruments designated as accounting hedges at December 31, 2025 and 2024 are detailed below:

Hedging instruments	Notional amounts hedging instruments ⁽¹⁾		Balances of hedging instruments on the balance sheet								Changes in FV of the hedging instrument ⁽³⁾	
			Non-current assets		Current assets		Non-current liabilities		Total FV			
	<i>\$ Million</i>	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Cash flows:	(489)	(726)	1	-	22	21	-	(6)	23	15	13	(4)
Product price	(489)	(726)	1	-	22	21	-	(6)	23	15	13	(4)
TOTAL ⁽²⁾	(489)	(726)	1	-	22	21	-	(6)	23	15	13	(4)

⁽¹⁾ Correspond to the physical units at the contract price.

⁽²⁾ The fair value valuation methods are described in Note 6.2.

⁽³⁾ In 2025 and 2024, changes in the fair value of the hedged items generally coincide with those of the hedging instruments, with no significant amounts due to ineffectiveness having been recognized.

Crude oil hedging

The Group, through its joint venture NEO NEXT Energy Limited, entered into a series of collar options on future crude oil with maturities between 2026 and 2027. The accounting effects of this cash flow hedge have been recognized since August 1, 2025, using the equity method due to the transaction described in Note 12. The impact in other comprehensive income amounts to USD 6 million, net of taxes.

(9) Financial risks

The Upstream Group's business activities are exposed to different types of financial risk, including market risk, liquidity risk and credit risk, and which have been affected to a greater or lesser extent as a result of the current market volatility affected by the geopolitical environment. Repsol Upstream Group has a risk management structure and systems that enable it to identify, measure and mitigate the risks to which the Group is exposed.

9.1 Market risk

Market risk is the potential loss that could be incurred in the event of adverse changes in market variables. The Group is exposed to several types of market risks: exchange rate risk, interest rate risk and commodities risk.

The Group monitors exposure to market risk through ongoing sensitivity analysis. This strategy is complemented with other risk management measures when required by the nature of the risk exposure. Accordingly, the risk that affects the result is subject to maximum risk levels, measured in terms of Value at Risk (VaR), in line with the different authorization levels and supervised on a daily basis by an area that is separate from the area responsible for management.

A sensitivity analysis of the main risks inherent in financial instruments is included for each of the market risks described below, showing how profit could be affected (under "Other comprehensive income") as a result of the financial instruments held by the Group at the reporting date.

Exchange rate risk

The Group's income is exposed to fluctuations in the exchange rates of the currencies in which it transacts, with the Euro and the Norwegian krone generating the greatest level of exposure.

The exchange rates at December 31, 2025 and 2024, were as follows:

Exchange rate	December 31, 2025		December 31, 2024	
	Closing rate	Accumulated average rate	Closing rate	Accumulated average rate
Euro (€)	0.85	0.89	0.96	0.92
Norwegian krone (NOK)	10.07	10.39	11.34	10.75

Exposure to exchange rate risk can be traced to financial assets and investments, liabilities, and monetary flows in currencies other than the functional currency of the Company and to the translation to USD dollars of the financial statements of Group companies with a different functional currency.

Upstream Group constantly monitors the exposure to fluctuations in the exchange rate of currencies in which it undertakes significant operations and actively manages exchange rate risk positions that affect the financial result of the income statement.

The sensitivity of net income to exchange rate risk, as a result of the effect on the financial assets and liabilities held by the Upstream Group at December 31, 2025 and 2024 due to the appreciation or depreciation of the dollar against the different currencies, is illustrated below:

• Dollar sensitivity against Euro:

Exchange rate sensitivity	Appreciation (+) / depreciation (-) in exchange rate	\$ Million	
		2025	2024
Effect on net income before tax	10%	-	(26.4)
	(10)%	-	32.20

• Dollar sensitivity against Norwegian krone:

Exchange rate sensitivity	Appreciation (+) / depreciation (-) in exchange rate	\$ Million	
		2025	2024
Effect on net income before tax	10%	(0.5)	24.8
	(10)%	0.4	(20.3)

Interest rate risk

The Group's income is exposed to fluctuations in interest rates in the markets in which it operates. In the current environment, there is a divergence in monetary paths between the ECB and the Fed, although it has become less noticeable in recent months. The ECB began a cycle of cuts in June 2024, bringing its deposit rate close to 2.0% by mid-2025. The Fed, on the other hand, has remained more cautious (given the dynamic growth still shown by the US economy and the persistent inflationary risks linked to tariffs) by postponing cuts until September 2025, at which point it implemented two cuts that left federal funds rate in the range of 3.75-4.00%. This change in tone is explained by a slowdown in the labor market that is beginning to outweigh the inflationary risk.

Fluctuations in interest rates can affect interest income and expense from financial assets and liabilities with variable interest rates; which may also impact the fair value of financial assets and liabilities with a fixed interest rate. Furthermore, these fluctuations can affect the carrying amount of assets and liabilities due to variations in the discount rates of applicable cash flows, the return on investments and the future cost of raising financial resources.

At December 31, 2025, financing (gross debt) at fixed rates amounted to USD 7,734 million (USD 5,402 million in 2024). This amount represents 96% (78% in 2024) of gross debt, excluding leases and derivative financial instruments.

The Group's debt is linked to the most competitive financial instruments at any given time, both in terms of the capital market and banking market, and based on those market conditions considered to be ideal for each of them.

The sensitivity of net income as a result of the effect of fluctuations in interest rates on the financial assets and liabilities held by the Group at December 31, 2025 and 2024 is shown in the following table:

Interest rate sensitivity	Increase (+) / decrease (-) in interest rates (basis points)	\$ Million	
		2025	2024
Effect on net income before tax	50 b.p -50 b.p	4.4 (4.4)	1.0 (1.0)

Commodity price risk

The Group's results are exposed mainly to volatility in the prices of oil and natural gas, as well as other commodities used in its activities.

In some cases Upstream Group arranges derivatives to mitigate its exposure to commodity price risk (see Note 8).

At December 31, 2025 and 2024 a 10% increase or decrease in commodity prices (mainly natural gas) would have resulted approximately in the following changes in net income and in equity before taxes, as a result of changes in value of the financial derivatives:

Commodities sensitivity	Increase (+) / decrease (-) in commodity prices	\$ Million	
		2025	2024
Effect on equity	10% (10)%	(27.0) 28.0	(43.0) 47.0

The positive sensitivity of the derivatives to decreases in commodity prices partially offsets the adverse exposure of Upstream Group physical operations inherent to its activity.

9.2 Liquidity risk

The liquidity policy applied by Repsol Upstream Group is structured around guaranteeing the availability of the necessary funds to ensure compliance with the obligations assumed and the evolution of the Group's business plans, while maintaining the ideal amount of liquid resources and seeking the highest level of efficiency in the management of financial resources at all times.

Liquidity at the end of the period stood at USD 181 million as is detailed as follows:

	2025	2024
Cash and banks	166	346
Cash equivalents	15	12
Cash and cash equivalents	181	358

The Group controls and monitors its financial needs ranging from the production of daily cash flow forecasts to the financial planning involved in the annual budgets and its strategic plan; it maintains stable sources of financing.

In a volatile international environment, and within the framework of the Group's financial policy, Repsol Upstream Group has ensured the ready availability of funds so as to be able to honour its obligations and see its business plans through to completion, seeking for an efficient management of these funds.

The following table contain an analysis on the maturities of the financial liabilities existing at December 31, 2025 and 2024:

Maturity of financial liabilities	\$ Million													
	2025							2024						
	2026	2027	2028	2029	2030	Seq	Total	2025	2026	2027	2028	2029	Seq	Total
Loans and other financial debts ⁽¹⁾	112	21	22	3,775	24	1,279	5,233	1,074	21	21	22	5,269	52	6,459
Bonds	40	-	498	-	994	994	2,526	-	-	-	-	-	-	-
Lease payments ⁽¹⁾	106	90	68	12	11	55	342	182	114	91	68	9	16	480
Derivatives ⁽²⁾	11	-	-	-	-	-	11	23	-	-	-	-	-	23
Suppliers	141	-	-	-	-	-	141	187	-	-	-	-	-	187
Other payables	726	-	-	-	-	-	726	1,220	-	-	-	-	-	1,220

NOTE: The amounts shown are the contractual undiscounted cash flows and, therefore, they differ from the amounts included in the balance sheet.

⁽¹⁾ Correspond to future maturities of amounts recognized under "Non-current financial liabilities" and "Current financial liabilities", including interest related to these financial liabilities. It does not include financial derivatives.

⁽²⁾ The contractual maturities of the derivatives included under this heading are outlined in Note 8. It does not include trade derivatives recognized under "Other non-current liabilities" and "Other payables" on the balance sheet.

9.3 Credit risk¹³

EXPECTED LOSS:

Expected credit losses are a probability-weighted estimate of losses (in the present value of all cash deficits) over the expected life of the financial instrument. A cash deficit is defined as the difference between the cash flows owed to the entity in accordance with the contract and the cash flows that the entity expects to receive. Since expected credit losses take into account both the amount and timing of payments, there will be a credit loss if the entity expects to collect in full, but later than contractually agreed.

The Group calculates the expected credit loss on its **trade receivables** using its own risk assessment models for its customers, taking into account the probability of default, the balance at risk and the estimated loss given default. The general criteria for considering objective evidence of impairment (in the absence of other evidence of default such as bankruptcy, etc.) is that it has exceeded 180 days in default.

The remaining **financial instruments**, mainly certain loans and financial guarantees granted to joint ventures, are individually monitored.

The expected loss on financial instruments is calculated based on the stage of the debtor's credit risk in accordance with the following formula:

$$\text{Expected credit loss} = \text{Probability of default}^{(1)} \times \text{Exposure}^{(2)} \times \text{LDG}^{(3)}$$

Phase 1: At the time of initial recognition, expected loss is calculated taking into account the probability of default in the first 12 months (for trade receivables, the calculation is spread over the life of the instrument).

Phase 2: When there is a significant increase in risk, expected loss is calculated for the entire life of the instrument.

Phase 3: For instruments that are already impaired, expected loss is calculated for the entire life of the instrument with effective interest on amortized cost net of the amount of the impairment.

⁽¹⁾ Calculated individually for each debtor except for individuals, for whom an average default rate is used. The models take into account quantitative information (economic-financial variables of the customer, payment behavior, etc.), qualitative information (sector of activity, macroeconomic data on the country, etc.), and market sensitivity variables (e.g. price performance). An internal rating and an associated probability of default are obtained for each debtor, according to the models.

⁽²⁾ Calculated taking into account the amount of the outstanding receivable and a potential future exposure according to the available risk limit.

⁽³⁾ Percentage of unrecovered exposure in the event of default, based on the historical behavior and taking into account whether or not such exposure is guaranteed.

Credit risk is defined as the possibility of a third party not complying with their payment obligations, thus giving rise to losses on the Group's receivables. The Group specifically evaluates all available information consistent with internal credit risk management for each financial instrument, including those of a commercial nature.

The Group updated its credit risk management model using economic forecasts for the main countries where it operates, without this having a significant impact on the Group's financial statements as a result of the change in the payment behavior of its debtors. For credit risk arising from financial instruments relating to operations in Venezuela refer to Note 20.3.

The Group's exposure to credit risk, according to the type of financial instrument together with the impairment recognized at December 31, 2025 for each of them, is broken down as follows:

Credit Risk	Gross balance	Average impairment	Impairment	Net balance 31/12/2025	Net balance 12/31/2024
Current financial assets and Cash	592	- %	-	592	1,011
Non-current financial assets	388	- %	-	388	260
Other current and non-current assets ⁽¹⁾	3,709	(71)%	(2,625)	1,084	1,223
Trade and other receivables ⁽¹⁾	687	(6)%	(38)	649	829

⁽¹⁾ Impairment losses recognized at December 31, 2025 under "Other current and non-current assets" correspond mainly to non-current accounts receivable for the activity in Venezuela (see Note 20.3).

¹³ The credit risk information included in this section does not include the credit risk of investees or joint ventures, the impact of which is recognized under "Net income from investments accounted for using the equity method" (mainly Petroquiriquire and Cardón IV as a result of their activity in Venezuela, see Note 12).

Trade and other receivables

The trade receivables are shown on the balance sheet at December 31, 2025 and 2024, net of provisions for impairment, for an amount of USD 649 million and USD 829 million, respectively. The following table shows the age of the trade receivables net of impairment (including expected loss):

Maturities of trade and other receivables	2025			2024
	Debt	Impairment	Balance	Balance
<i>\$ Million</i>				
Unmatured debt	580	(25)	555	701
Matured debt 0-30 days	31	(2)	29	8
Matured debt 31-180 days	19	(6)	13	22
Matured debt over 180 days	57	(5)	52	98
TOTAL	687	(38)	649	829

The Upstream Group credit risk on trade receivables is not significantly concentrated as it is spread out among a large number of customers.

As a general rule, the Group establishes a bank guarantee issued by financial institutions as the most suitable instrument of protection from credit risk. In some cases, the Group has contracted credit insurance policies whereby this partially transfers to third parties the credit risk related to the business activity of some of their customers in part of their business.

As part of its business activities, the Group has guarantees extended by third parties amounting to USD 10,467 million at December 31, 2025, and USD 8,870 million at December 31, 2024. Of this balance, the trade receivables secured by guarantees stood at USD 2,611 million at December 31, 2025 and USD 2,655 million at December 31, 2024.

NON-CURRENT ASSETS AND LIABILITIES

(10) Intangible assets

The main categories of intangible assets (goodwill, exploration permits, computer software, etc.) at December 31, 2025 and 2024, are as follows:

\$ Million	Goodwill	Other intangible assets			Total	Total
		Exploration permits	Computer software	Others		
Net cost at January 1, 2024	61	257	69	14	340	401
Gross cost	245	1,380	238	105	1,723	1,968
Depreciation and impairment	(221)	(1,113)	(162)	(93)	(1,368)	(1,589)
Net cost at December 31, 2024	24	267	76	12	355	379
Gross cost	275	1,149	261	107	1,517	1,792
Depreciation and impairment	(256)	(907)	(187)	(97)	(1,191)	(1,447)
Net cost at December 31, 2025	19	242	74	10	326	345

Goodwill

In 2025 the value of the goodwill in Repsol Norge, decreased by USD 5 million, mainly due to a decline in key assumptions affecting the estimated recoverable amount of the future cash flows.

In 2024 the balance of USD 24 million was fully represented by the goodwill of Repsol Norge.

Other intangible assets

The changes in the gross cost under "Other intangible assets" in 2025 and 2024 are as follows:

\$ Million	Exploration permits	Computer software	Other	Total
Balance at January 1, 2024	1,803	208	105	2,116
Investments	74	10	2	86
Disposals or reductions	(435)	(1)	(2)	(438)
Translation differences	(2)	(2)	-	(4)
Reclassifications and other	(60)	23	-	(37)
Balance at December 31, 2024	1,380	238	105	1,723
Investments	45	13	3	61
Disposals or reductions ⁽¹⁾	(168)	-	(1)	(169)
Translation differences	1	3	-	4
Changes in the scope of consolidation ⁽²⁾	(119)	(2)	-	(121)
Reclassifications and other	10	9	-	19
Balance at December 31, 2025	1,149	261	107	1,517

⁽¹⁾ Includes mainly the derecognition of fully amortized exploration costs in the U.S.

⁽²⁾ Indonesia: mainly sale of Repsol Sakakemang, B.V.

The changes in accumulated amortization and impairment losses in 2025 and 2024 are as follows:

<i>\$ Million</i>	Exploration permits	Computer software ⁽¹⁾	Others	Total
Balance at January 1, 2024	(1,546)	(139)	(91)	(1,776)
Depreciation	(6)	(25)	(2)	(33)
Disposals or reductions	435	1	-	436
Provision for impairment	(24)	-	-	(24)
Reversal of provision for impairment	1	-	-	1
Translation differences	2	1	-	3
Reclassifications and other	25	-	-	25
Balance at December 31, 2024	(1,113)	(162)	(93)	(1,368)
Depreciation	(25)	(27)	(4)	(56)
Disposals or reductions	139	-	-	139
Provision for impairment ⁽²⁾	(168)	-	-	(168)
Reversal of provision for impairment ⁽²⁾	143	-	-	143
Changes in the scope of consolidation	114	2	-	116
Reclassifications and other	3	-	-	3
Balance at December 31, 2025	(907)	(187)	(97)	(1,191)

⁽¹⁾ Computer software is amortized on a straight-line basis and generally over a period of 3 or 6 years.

⁽²⁾ Impairment recognition mainly in Mexico -142 MUSD offset by impairment reversal in Alaska of 141 MUSD (see Notes 19.3 and 20.3).

Accumulated impairment losses at December 31, 2025 and 2024 amounted to USD 564 and USD 656 million, respectively.

Repsol Upstream Group has taken out insurance to cover potential security incidents that may occur in its Computer System, including computer applications, due to malicious acts (cyber-attacks) or accidental acts, which cause the system to become unavailable.

(11) Property, plant and equipment

The main categories of property, plant and equipment at December 31, 2025 and 2024 are as follows:

<i>\$ Million</i>	Investments in areas with reserves	Investments in exploration	Other PPE	Total
Net cost at January 1, 2024	11,954	460	1,228	13,642
Gross cost	28,340	1,509	2,266	32,115
Depreciation and impairment	(18,472)	(1,158)	(391)	(20,021)
Net cost at December 31, 2024	9,868	351	1,875	12,094
Gross cost	25,275	1,214	2,473	28,962
Depreciation and impairment	(15,989)	(1,151)	(353)	(17,493)
Net cost at December 31, 2025	9,286	63	2,120	11,469

The main assets of property, plant and equipment are Investments in areas with hydrocarbon reserves in the production phase (most notable assets in the US, Peru and Norway).

In accordance with industry practice, the Group insures its assets and operations worldwide. The risks insured include damage to property, plant and equipment, with the subsequent interruptions in its business that such damage may cause to the majority of operations. The Group believes that the current level of coverage is, in general, appropriate for the risks inherent to its business.

The changes in the gross cost under "Property, plant and equipment" in 2025 and 2024 are as follows:

\$ Million	Investments in areas with reserves	Investments in exploration	Other PPE	Total
Balance at January 1, 2024	28,715	2,113	1,569	32,397
Investments	1,219	132	583	1,934
Disposals or reductions	(941)	(680)	(43)	(1,664)
Translation differences	(168)	(3)	(5)	(176)
Reclassifications and other ⁽¹⁾	(485)	(53)	162	(376)
Balance at December 31, 2024	28,340	1,509	2,266	32,115
Investments	897	29	520	1,446
Disposals or reductions	(203)	(207)	(23)	(433)
Translation differences	190	3	4	197
Change in scope of consolidation ⁽²⁾	(4,595)	(70)	(116)	(4,781)
Reclassifications and other ⁽¹⁾	646	(50)	(179)	418
Balance at December 31, 2025	25,275	1,214	2,473	28,962

⁽¹⁾ In 2024 mainly includes reclassifications to the line item "Non-current assets held for sale" of Colombian assets (see Note 15) and the capitalized borrowing costs related to the acquisition, construction or production of assets for an amount of USD 109 million, calculated using capitalization rate of 5.57% (2024: USD 186 million, calculated using capitalization rate of 5.79%). In 2025 includes the entry into production of the Leon-Castile Exploration and Production project in the Gulf of America and the reduction of rights of use associated with leases in the US.

⁽²⁾ In 2025, mainly due to Corridor sale and therefore exit from the perimeter and the NEO NEXT joint venture formed in July 2025 (see Note 12).

In 2025 and 2024, investments in property, plant and equipment USD 1,446 million and USD 1,934 million, respectively, mainly relate to the assets in the U.S. (most notably production wells in Eagle Ford and Marcellus, and the development of assets located in Alaska and the Gulf of America).

The changes in depreciation and impairment losses in 2025 and 2024 are as follows:

\$ Million	Investments in areas with reserves	Investments in exploration	Other PPE	Total
Balance at January 1, 2024	(16,761)	(1,653)	(341)	(18,755)
Depreciation	(1,611)	(20)	(85)	(1,716)
Disposals or reductions	649	680	41	1,370
Impairment ⁽¹⁾	(1,807)	(67)	(11)	(1,885)
Reversal of impairment ⁽¹⁾	211	-	-	211
Translation differences	108	2	2	112
Reclassifications and other	739	(100)	3	642
Balance at December 31, 2024	(18,472)	(1,158)	(391)	(20,021)
Depreciation	(981)	(34)	(54)	(1,069)
Disposals or reductions	200	207	19	426
Impairment ⁽¹⁾	(524)	(264)	(6)	(794)
Reversal of impairment ⁽¹⁾	1,059	-	-	1,059
Translation differences	(145)	(3)	(2)	(150)
Change in scope of consolidation ⁽²⁾	2,881	37	50	2,968
Reclassifications and other	(7)	64	31	88
Balance at December 31, 2025	(15,989)	(1,151)	(353)	(17,493)

⁽¹⁾ See Note 19.3 and Note 20.1

⁽²⁾ In 2025, Changes in the scope of consolidation" includes mainly the sale of the 24% interest in the non-operated Corridor block (production asset located in Indonesia) to MedcoEnergi for USD 425 million, and the sale of the interest in the Sakakemang (45%) and South Sakakemang (80%) blocks for USD 25 million (the latter pending government approvals and classified as held for sale for immaterial amount).

Under the Upstream Group's general method for depreciating investments, the acquisition of proved reserves, the development investments subsequently carried out for the production of the reserves of gas and oil and the facilities related to those investments will be depreciated in line with production (through unit of production method or technical depreciation), in order to faithfully represent the consumption pattern of the economic benefits embodied in the assets.

In 2025 the Group recorded a significant decrease in depreciation, mainly driven by (i) the divestment in the UK, Indonesia and Colombia, (ii) the impairment losses recognized at December 31, 2024 and (iii) lower production in the US and Norway.

In general, the rest of items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives (see Note 3.4 in relation to property, plant and equipment related to hydrocarbon exploration and production activities). The estimated initial useful lives of the main assets, by type, are detailed below:

Estimated useful life	Years
Buildings and other constructions	14 - 50
Machinery, plant and tools	8 - 25
Other property, plant and equipment (transport, furniture and fittings, etc.)	4 - 15

"Property, plant and equipment" included fully depreciated items in the amount of USD 689 million and USD 1,144 million at December 31, 2025 and 2024, respectively.

Rights of use and concessions

"Property, plant and equipment" includes rights of use, the breakdown and changes of which are as follows:

Right-of-use assets \$ Million	Areas with reserves	Machinery and facilities	Transport elements	Buildings	Land	Others	Total
Balance at January 1, 2024	184	65	12	23	12	17	313
Acquisitions	152	46	-	3	-	-	201
Disposals or reductions	(4)	-	-	1	-	(2)	(5)
Depreciation and impairment	(74)	(55)	(4)	(8)	(1)	(3)	(145)
Translation differences and other	2	(1)	-	(2)	-	1	-
Balance at December 31, 2024	260	55	8	17	11	13	364
Acquisitions	23	26	3	18	-	9	79
Disposals or reductions	-	-	-	-	-	(2)	(2)
Depreciation and impairment	(74)	(24)	(4)	(10)	(1)	(1)	(114)
Translation differences and other	2	(30)	-	(4)	-	(17)	(49)
Balance at December 31, 2025	211	27	7	21	10	2	278

The most significant lease agreements are as follows:

- Agreement for a gas gathering and treating facility located in Texas, U.S., entered into with Edwards Lime Gathering, LLC. The lease came into effect in May 2012 for a term ending in September 2028. In January 2024, the lease payment terms were amended as a result of the sale of Repsol's participation in Edwards Lime Gathering, LLC. The lease term was not modified as a result of the operation. At December 31, 2025 the corresponding rights of use amounted to USD 136 million and the future payments recognized as financial liabilities totaled USD 174 million.
- Agreement for a gas gathering facility located in Pennsylvania, U.S., entered into with UGI Texas Creek, LLC. The lease came into effect in January 2022 for a term of 8 years and 10 months. At December 31, 2025 the corresponding rights of use amounted to USD 39 million and the future payments recognized as financial liabilities totaled USD 25 million.
- Agreement for a drilling rig entered into with Precision Drilling Company LP, by its general partner, Precision Drilling Holdings Company. The lease came into effect October 2025 (initial spud date of October 21, 2025) for a term of 19 months, with drilling expected to be completed by April 2027. At December 31, 2025 the corresponding right of use asset amounted to USD 15 million and the future payments recognized as financial liabilities totaled USD 14 million.

Amounts recognized in profit or loss:

	\$ Million	
	2025	2024
Interest on lease liabilities	(28)	(31)
Expenses relating to short-term leases and leases of low-value assets	(21)	(25)

(12) Investments accounted for using the equity method

This heading includes investments that qualify as joint ventures under IFRS Accounting Standards and investments in associates (i.e., those in which Upstream Group exercises significant influence). These investments are accounted for in the financial statements using the equity method (see Note 3.4.1).

The changes in this heading in 2025 and 2024 was as follows:

Investments accounted for using the equity method	\$ Million	
	2025	2024
Opening balance for the year	2,081	2,145
Net investments	(85)	17
Changes in scope of consolidation ⁽¹⁾	1,225	(148)
Net income from investments accounted for using the equity method ⁽²⁾	143	529
Dividends declared ⁽³⁾	(84)	(314)
Reclassifications and other movements ⁽⁴⁾	(600)	(148)
Balance at year end	2,680	2,081

⁽¹⁾ In 2025, mainly due to the completion of the strategic merger with NEO Energy Ltd. - see subsequent disclosures within this note. In 2024 mainly includes the divestments in Edwards Lime Gathering, LLC and Oleoducto de Crudos Pesados Ltd. (Ecuador), and the reclassification of Sierracol Energy Arauca, LLC as held for sale (see Note 15).

⁽²⁾ Lower net income in 2025 is mainly due to the Group business in Venezuela and Bolivia.

⁽³⁾ Mainly Repsol Sinopec Brasil, S.A., Sierracol Energy Arauca, LLC, and YPFB Andina, S.A. and 2024 mainly to Cardón IV, Repsol Sinopec Brasil and Sierracol Energy Arauca, LLC.

⁽⁴⁾ In 2025 this mainly includes the reclassification as an asset held for sale of the interest in NEO NEXT subject to the agreement with TotalEnergies described below (see also Note 15).

In 2025, "Changes in the scope of consolidation" includes the following:

- the 45% interest in a new joint venture Neo Next Energy Limited (NEO NEXT) for an amount of USD 1,221 million, formed with NEO Energy Group Limited (NEO UK), to which the entire interest in Repsol Resources UK Limited (RRUK) has been transferred, (Repsol Upstream Group 45% and NEO UK 55%). The Group recognized a financial liability of USD 1,800 million in nominal terms (see Note 6.3), which represents approximately 40% of the decommissioning obligations of the assets contributed by the Group. Upon completion of the merger, Repsol Resources UK Ltd was renamed Neo Energy Resources UK Ltd ("NERUK").
- The consideration transferred for the acquisition of 45% of NEO NEXT, which is comprised of RRUK's assets delivered and financial obligations assumed, has been allocated to the net assets acquired from NEO NEXT based on their estimated fair values at the acquisition date. The consideration and allocation made by Repsol has been compared with that of an independent valuer without there being significant differences between the two values.

This transaction has not had a significant impact on the Group's results and it is accounted for on a provisional basis given that the twelve-month period since the acquisition has not yet ended (see Note 19.6)¹⁴.

Additionally, "Reclassifications and other movements" include the impact of the agreement signed by NEO NEXT with TotalEnergies in December 2025 to merge their UK offshore oil and gas businesses. Once the transaction is completed, the new company will be called NEO NEXT+. Under the terms of the agreement, NEO NEXT+ will be owned by HitecVision (28.875%), TotalEnergies (47.5%) and Repsol Upstream Group (23.625%). Accordingly, TotalEnergies UK will retain up to USD 2,300 million of its asset decommissioning obligations. The transaction is expected to be completed in the first half of 2026, subject to customary approvals from the competent authorities and regulatory consent, and is not expected to have a material impact on the Group's financial statements. At December 31, the investment in NEO NEXT has been partially classified as held for sale, in proportion to the reduction in the ownership interest that the Group will assume in the merger process with TotalEnergies.

The corresponding assets and liabilities of the group affected by the aforementioned transaction have been derecognized during 2025 and the remaining interest in NEO NEXT has been accounted for using the equity method.

The breakdown of the investments accounted for using the equity method is as follows:

Carrying amount of the investment	\$ Million	
	2025	2024
Joint ventures	2,607	2,066
Associates	73	15
TOTAL	2,680	2,081

On the basis of the shareholders agreements signed at each company, where strategic, operational and financial decisions require the unanimous consent of the parties sharing control, these companies are considered joint ventures provided they

¹⁴ The result is calculated as the difference between the fair value of the net assets acquired and the carrying amount of the assets transferred, in proportion to the interest disposed of to third parties, in accordance with IAS 28 "Investments in Associates and Joint Ventures". However, if there is an impairment loss arising from the divestment, the full impairment is recognized.

are not a joint operation. The most significant investments accounted for using the equity method, based on the carrying amount of the investment, as of December 31, 2025, are as follows:

- Repsol Sinopec Brasil, S.A. (RSB). The Group has a 60% interest in RSB through Repsol E&P, S.à r.l. The remaining 40% of this company is owned by Tiptop Luxembourg, S.à r.l., an entity of the Chinese Sinopec Group. The main business is hydrocarbon exploration, production and sale in Brazil.
- YPFB Andina, S.A. (Andina). The Group holds a 48.33% interest in the share capital of Andina through Repsol Bolivia, S.A., with the other shareholders being the state-owned corporation YPF Bolivia (51%) and non-controlling shareholders (0.67%). It engages predominantly in hydrocarbon exploration, operation and sale mainly in Bolivia. For information on the Group's risks and exposure in Bolivia, see Note 20.3.
- In Venezuela, investments most notably include:
 - Petroquirique, S.A. (PQQ). The Group has a 40% interest in PQQ through Repsol E&P Latam, S.L.U., Petroquirique is a Venezuelan partly State-owned company, with Corporación Venezolana de Petróleo, S.A. (CVP) holding a 56% interest and PDVSA Social, S.A. with a 4% interest. Its main activity is the production and sale of oil and gas in Venezuela.
 - Cardón IV, S.A. (Cardón IV). Repsol Upstream Group has a 50% interest in Cardón IV through Repsol Exploración, S.A. The other 50% is owned by the ENI Group. Cardón IV is a gas licensee whose main activity is the production and sale of gas in Venezuela.

In Venezuela, the Group also has a 60% interest in Quirique Gas, S.A. through Repsol Venezuela, S.A.U. and an 11% interest in Petrocarabobo, S.A. through Repsol E&P Latam, S.L.U.¹⁵, their main activities being the exploration and production of oil and gas in Venezuela.

For information on the Group's risks and equity exposure in Venezuela, see Note 20.3.

- NEO NEXT Energy Limited (NEO NEXT): A company owned by Talisman Colombia HoldCo Limited (TCHL) and NEO Energy Group with 45% and 55% stakes respectively. Its main activities are the exploration and production of hydrocarbons in the North Sea.

The tables below provide a summary of the financial information for the main entities accounted for using the equity method, prepared in accordance with IFRS Accounting Standards (see Note 3.1) and its reconciliation with the carrying amount of the investment in the consolidated financial statements¹⁶:

Income from joint ventures	RSB		YPFB Andina		PQQ		Cardón IV		NEO NEXT ⁽²⁾
	2025	2024	2025	2024	2025	2024	2025	2024	2025
<i>\$ Million</i>									
Revenue	967	1,330	143	184	603	271	1,146	1,102	1,073
Amortization and impairment ⁽¹⁾	(416)	(264)	(220)	(91)	(233)	196	(940)	(433)	(315)
Other operating income/ (expenses)	(277)	(451)	(63)	(4)	(146)	(312)	(311)	(282)	(560)
Operating income	274	615	(140)	89	224	155	(105)	387	198
Net interest	(31)	9	-	1	(123)	(130)	1	1	(62)
Financial result	(39)	(10)	(6)	20	(25)	(14)	(14)	(19)	(87)
Net income from investments accounted for using the equity method-net of taxes	-	-	16	9	-	-	-	-	-
Net income before tax	204	614	(130)	119	76	11	(118)	369	49
Tax expense	13	(368)	58	26	(151)	329	(2)	(150)	(82)
Net income attributable to the parent	217	246	(72)	145	(75)	340	(120)	219	(33)
Upstream Group interest	60 %	60 %	48 %	48 %	40 %	40 %	50 %	50 %	45 %
Consolidation income	130	148	(35)	70	(30)	136	(60)	110	(15)
Dividends	58	151	17	7	-	-	-	115	95
Other comprehensive income	-	-	-	-	-	-	-	-	5

⁽¹⁾ Includes net impairment losses on assets of YPFB Andina (see Note 20). For Cardón IV and PQQ, it includes net asset impairment and impairment due to credit risk (see Note 20.3).

⁽²⁾ The dividends reflected in NEO NEXT have been included as net investments in the change in the investments accounted for using the equity method and in the cash flow from investing activities, as they are part of the transaction to form the new joint venture with NEO Energy Group Limited and were considered an investment recovery.

¹⁵ The carrying amount of the investment in Quirique Gas is zero and amounts to USD -68 million to in Petrocarabobo (See Note 14.1 and 20.3).

¹⁶ For significant joint arrangements and associated companies: (i) there are no applicable legal restrictions on the ability to transfer funds to the Group, (ii) the financial statements used refer to the same date as those of the Company and (iii) there are no unrecognized losses.

Carrying amount of the stake	RSB		YPFB Andina		PQQ		Cardón IV		Neo Next ⁽³⁾
	2025	2024	2025	2024	2025	2024	2025	2024	2025
<i>\$ Million</i>									
Non-current assets	5,322	4,815	400	499	439	512	739	913	10,802
Current assets	337	408	328	313	474	224	489	652	361
Cash and cash equivalents	93	201	89	171	-	-	24	24	337
Other current assets ⁽¹⁾	244	207	239	142	474	224	465	628	24
Total Assets	5,659	5,223	728	812	913	736	1,228	1,565	11,163
Non-current liabilities	2,692	2,415	147	140	1,511	1,338	414	426	7,878
Financial liabilities	1,674	1,298	-	-	1,113	1,009	-	-	1,061
Other non-current liabilities	1,018	1,117	147	140	398	329	414	426	6,817
Current liabilities	365	323	62	45	830	751	439	644	807
Financial liabilities	161	82	-	-	-	-	-	-	36
Other current liabilities ⁽¹⁾	204	241	62	45	830	751	439	644	771
Total Liabilities	3,057	2,738	209	185	2,341	2,089	853	1,070	8,685
Net assets	2,602	2,485	519	627	(1,428)	(1,353)	375	495	2,478
Upstream Group interest	60 %	60 %	48 %	48 %	40 %	40 %	50 %	50 %	45 %
Share in net assets ⁽²⁾	1,561	1,491	249	301	(571)	(541)	188	247	1,115
Carrying amount of the investment	1,561	1,491	249	301	-	-	188	247	1,115

⁽¹⁾ With regard to PQQ, "Other current assets" and "Other current liabilities" include the debt-to-equity swap and reciprocal debts with PDVSA under the agreed terms.

⁽²⁾ PQQ: In 2025 and 2024, a provision for risks and expenses was recognized, corresponding to the negative value of PQQ's equity (see note 14).

⁽³⁾ The carrying amount of the investment in NEO NEXT is partially classified as a non-current asset held for sale, in proportion to the reduction in the ownership interest that the Group will assume in the merger process with TotalEnergies (see Note 15).

The Group also has interests in a number of individually immaterial joint ventures and associates:

<i>\$ Million</i>	2025	2024
Carrying amount of interests in other joint ventures and associates	96	42
Joint ventures	73	29
Associates	23	13
Share of profit from continuing operations	153	48
Joint ventures	177	44
Associates	(24)	4

(13) Other non-current assets and liabilities

In 2025 and 2024, "Other non-current assets" mainly included:

- accounts receivables from PDVSA amounting to USD 490 million (2024: USD 504 million), net of impairment (see Note 20.3);
- collection rights in relation to the Alaska Petroleum Tax associated with the investments in Alaska amounting to USD 507 million (2024: USD 360 million);
- deposits associated with the decommissioning of exploration and production assets ("sinking funds") totalling USD 48 million (2024: USD 98 million).

In 2024 and 2025 "Other non-current liabilities" mainly include amounts related to the net present value of future payments due to an acquisition of oil & gas field in Peru.

(14) Current and non-current provisions

14.1 Provisions

The Group makes judgments and estimates that affect the recognition and measurement of provisions for litigation, decommissioning and other contingencies. The final cost of settling complaints, claims and litigation may vary from the estimates previously made due to differences in the identification of dates, interpretation of rules, technical opinions and assessments of the amount of damages and liabilities.

The calculations to recognize provisions for the cost of decommissioning its hydrocarbon production operations are complex, on account of the need to initially recognize the present value of the estimated future costs and to adjust this figure in subsequent years in order to reflect the passage of time and changes in the estimates due to changes in the underlying assumptions used as a result of technological advances and regulatory changes, economic, political and environmental security factors, as well as changes in the initially-established schedules or other terms. The decommissioning provisions are updated regularly to reflect trends in estimated costs and the discount rates. These discount rates take into account the risk-free rate, by term and currency and a spread according to debt structure and the cash flow projection period. Specifically, the weighted average rate used by the Group was 5% (2024: 5.2%) .

Additionally, Upstream Group makes judgments and estimates in recognizing costs and establishing provisions for environmental clean-up and remediation costs, which are based on current information regarding costs and expected plans for remediation based on applicable laws and regulations, the identification and assessment of the effects on the environment, as well as applicable technologies.

Therefore, any change in the factors or circumstances related to provisions of this nature, as well as changes in laws and regulations, could therefore have a significant effect on the provisions recognized.

Provisions for current and non-current contingencies and charges	\$ Million		
	Asset decommissioning	Other provisions ⁽¹⁾	Total
Balance at January 1, 2024	4,033	1,011	5,044
Provisions charged to income	454	14	468
Provisions credited to income	(219)	(26)	(245)
Cancellation due to payment	(396)	(38)	(434)
Translation differences, reclassifications and others	201	(75)	126
Balance at December 31, 2024	4,073	886	4,959
Provisions charged to income	174	45	219
Provisions credited to income	(31)	(24)	(55)
Cancellation due to payment	(159)	(21)	(180)
Changes in scope of consolidation	(2,516)	(43)	(2,559)
Translation differences, reclassifications and others	153	76	229
Balance at December 31, 2025	1,694	919	2,613

⁽¹⁾ "Other provisions" include mainly provisions for tax risks not related to income tax (see Note 22) and other provisions to cover obligations arising from the Group's interests in companies, Petroquiriquire, S.A. and Petrocarabobo, S.A. (see Notes 12 and 20.3). The tax provisions related to income tax are presented under "Deferred tax liabilities and other" in the balance sheet (see Note 22).

Provisions charged to / credited to income

It mainly includes: USD 151 million and USD 222 million in 2025 and 2024, respectively, related the unwinding of the discount of the provisions for "Asset decommissioning", predominantly in the United Kingdom.

Cancellation due to payment

In 2025, "Asset decommissioning" includes decommissioning payments mainly in the United Kingdom, and Spain. In 2024, "Other provisions" consists primarily of payments related to arbitration proceedings in the U.S.

Changes in scope of consolidation

In 2025 this mainly includes the impact of the completion of the strategic merger with NEO Energy Ltd. For more information, see Note 12.

Translation differences, reclassifications and others

In 2025, "Asset decommissioning" includes currency translation impacts in Norway and the capitalized decommissioning costs of investments in areas with reserves, mainly in U.S. "Other provisions" includes tax risks not related to income tax (see Note 22).

The following table provides an estimate of maturities of provisions at year-end 2025:

Maturity dates of provisions	Maturity dates ⁽¹⁾			Total
	Less than one year	From 1 to 5 years	> 5 years and/or undetermined	
\$ Million				
Provisions for asset decommissioning	137	242	1,315	1,694
Litigation risks	2	-	3	5
Other provisions	47	190	677	914
TOTAL	186	432	1,995	2,613

⁽¹⁾ Due to the nature of the risks provisioned, these timing assessments are subject to uncertainty and changes that are beyond the Group's control. As a result, this schedule could change in the future depending on the circumstances on which these estimates are based.

14.2 Disputes

The amounts provisioned are calculated on the basis of the best estimate of the amount needed to settle the lawsuit in question, underpinned, among others, by a case-by-case analysis of the facts, the legal opinions of its in-house and external advisors and prior experience from past events.

At December 31, 2025 and 2024, the Group balance sheet includes provisions for litigation in the ordinary course of its activities totaling USD 5 million (2024: USD 5 million). The most significant legal or arbitration proceedings and their status as of the date of authorization for issue of these consolidated Financial Statements is summarized below. For tax litigation risks, see Note 22.

Indemnity Claim by Shell

Shell Australia Pty Ltd ("Shell") has initiated legal proceedings in the Supreme Court of Western Australia against Woodside Energy Ltd ("Woodside") and our subsidiary, Paladin Resources Limited ("Paladin"). The claim pertains to an indemnity provided by Woodside and Paladin when they acquired Shell's participating interest in the petroleum license AC/L5, covering the Corallina and Laminaria Fields in Australia (66.66% by Woodside and 33.33% by Paladin). The sale and purchase agreements included an indemnity clause, which obligates the buyers to reimburse, defend, and indemnify Shell against any claims related to tax, environmental liability, abandonment, reclamation, remediation and restoration. This indemnity covers claims arising from the assets acquired by the buyers, applicable to periods both prior to and after July 2004. On April 1st, 2022, the Offshore Petroleum (Laminaria and Corallina Decommissioning Cost Recovery Levy) Act 2022 was enacted which imposes a levy to recover the net costs incurred by the Commonwealth of Australia for the abandonment and decommissioning of the Corallina and Laminaria fields. The levy applies to any person holding a petroleum production license at any time from 2021 to 2029, with the period subject to adjustment based on the total costs incurred by the Commonwealth of Australia. The levy is calculated at AUD\$0.48 per barrel of oil equivalent measured at the wellhead each year. Shell was levied AUD\$42,263,302 for the year 2022, AUD\$44,317,181 for the year 2023 and AUD\$ 41,272,007 for the year 2024. Shell contends that, under the indemnity provisions of the sale and purchase agreements, Woodside and Paladin are obligated to reimburse Shell for the full amount of the Offshore Petroleum Levy. Conversely, Paladin and Woodside argue that the levy is not covered by the indemnity, as it is imposed on Shell in its capacity as an oil producer in Australia, rather than as a former owner of the license acquired by Paladin and Woodside. Therefore, Paladin and Woodside assert that there is no contractual obligation to reimburse Shell for the levy. Further costs may be incurred by the Australian Government, potentially increasing the amount of the claim. Should Shell continue to hold petroleum licenses and produce oil in Australia, the claim amount may be subject to further adjustments.

Defense has been filed by Paladin on August 1st, 2024 and Shell replied to the defense on August 22nd, 2024. A first hearing was held in September 2024 and the strategic hearing originally scheduled for February 7th, 2025 was postponed sine die, through a court order issued on February 6th, 2025 setting some timetabling. On 12 March 2025, Shell filed a request to include in its claim against Paladin and Woodside the amount of Offshore Petroleum Levy charged to Shell for year 2024 which amount to AUD\$ 41,272,007.00. This request was accepted by the respondents and the judge on March 22, 2025, modifying the amount of the claim to AUD\$ 127,852,490.00. The discovery submissions are undergoing. However, Shell's senior counsel has been appointed as a Judge in Queensland. As a result, Shell has requested an extension of the discovery period until March 2026.

While management qualifies this lawsuit as non-probable, the outcome of this legal dispute remains uncertain, and the financial impact on Paladin will depend on the resolution of the indemnity interpretation and any additional costs levied by the Australian Government. Paladin intends to vigorously defend itself in such matter.

CURRENT ASSETS AND LIABILITIES

(15) Non-current assets held for sale and associated liabilities

The main line items of assets classified as held for sale and associated liabilities in the consolidated balance sheet at December 31, 2025 and 2024, are as follows:

<i>\$ Million</i>	2025	2024
Non-current assets	532	544
<i>Intangible assets</i>	-	38
<i>Property, plant and equipment</i>	-	464
<i>Other Assets</i>	2	-
<i>Investments accounted by using the equity method</i>	530	42
Total assets	532	544
Non-current liabilities	2	4
Total liabilities	2	4
NET ASSETS	530	540

During 2025, the Group completed the sale of (i) its interest in the CPO-9 asset to Ecopetrol for an amount of USD 452 million (USD 220 million collected in 2024); (ii) the 25% stake held by Repsol in SierraCol Energy Arauca LLC to Carlyle, which manages the Llanos Norte asset, for USD 60 million; and (iii) the 20% stake held by Repsol in the Monument asset in the U.S. to Talos Energy for USD 49 million. All of these were recorded as of December 31, 2024 as "Non-current assets and liabilities held for sale". The impact of these divestments on the income statement for the year was not significant (see Note 19.6).

At December 31, 2025 it includes the assets and liabilities related to the agreement reached with TotalEnergies to merge their offshore oil and gas businesses in the United Kingdom. For more information, see Note 12.

(16) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average cost allocation method.

The breakdown of "Inventories" at December 31, 2025 and 2024 is as follows:

Inventories	<i>\$ Million</i>	
	2025	2024
Crude oil	14	14
Finished products	11	10
CO2 emission allowances	2	3
Materials and other inventories	33	115
Provision for depreciation	(5)	(5)
TOTAL	55	137

(17) Trade and other receivables

The breakdown of this heading at December 31, 2025 and 2024 is as follows:

Trade and other receivables	\$ Million	
	2025	2024
Trade receivables for sales and services (gross amount)	361	462
Impairment	(36)	(29)
Trade receivables for sales and services	325	433
Receivables from operating activities and other receivables ⁽¹⁾	247	312
Receivables from operations with staff	3	8
Public administrations	52	56
Trade derivatives	22	20
Other receivables	324	396
TOTAL	649	829

⁽¹⁾ Amount net of impairment.

At December 31, 2025 "Receivables from operating activities and other receivables" are mainly composed by accounts receivable from related parties for an amount of USD 122 million (USD 187 million in 2024) and accounts receivable from third parties net of impairment for an amount of USD 125 million (USD 125 million in 2024).

"Other current assets" amount to USD 36 million (2024: USD 33 million), mainly representing prepayments of services.

(18) Trade and other payables

The Group had the following accounts payable classified under "Trade payables and other payables":

Trade and other payables	\$ Million	
	2025	2024
Suppliers	141	187
Payables and others ⁽¹⁾	678	1,197
Payables to public administrations	48	23
Other payables	726	1,220
TOTAL	867	1,407

⁽¹⁾ "Payables and others" are mainly composed by accounts payable to related parties for an amount of USD 295 million (2024: USD 373 million) and accounts payable to third parties for an amount of USD 307 million (2024: USD 747 million).

The decrease in trade payables during the year is primarily explained by the cancellation of a prepayment received in 2024 in connection with the sale of the Colombian assets (USD 200 million).

INCOME

(19) Operating income

On the same date as these consolidated Financial Statements, Upstream Group published its 2025 consolidated Management Report, which includes an explanation of performance results and other aggregates.

19.1 Sales

Income is recognized based on compliance with performance obligations to customers. Income from ordinary activities represents the transfer of committed goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods and services. There are five distinct steps in income recognition: (i) identify the customer's contract(s), (ii) identify performance obligations, (iii) determine the transaction price, (iv) assign the transaction price to the different performance obligations, and (v) income recognition according to the fulfillment of each obligation.

Most of the Group's business contracts have a single performance obligation that is fulfilled with the delivery of the product, which takes place at a specific point in time. At December 31, there were no relevant performance obligations outstanding with customers.

In sales in which the Group acts as an agent, the Group only recognizes the net interest margin as revenue.

Income was mainly generated either from the sale of crude oil, condensates, natural gas liquids and natural gas, or from the provision of hydrocarbon operation services, depending on the contracts in force in each of the countries in which the Group operates.

In 2025, the decrease in revenues is mainly explained by lower oil prices, country exits, as well as the impact of the NEO NEXT joint venture integration (see Note 12), partially offset by higher gas prices.

Geographic information	\$ Million	
	2025	2024
United States	1,751	1,573
Libya	959	796
Peru	686	708
Norway	505	654
United Kingdom	409	1,021
Indonesia	144	279
Others ⁽¹⁾	178	453
TOTAL	4,632	5,484

⁽¹⁾ Countries included are individually not representative.

The breakdown of ordinary revenues by product type is as follows:

Income by product type	\$ Million	
	2025	2024
Crude Oil	2,445	3,454
Gas ⁽¹⁾	2,187	2,030
TOTAL	4,632	5,484

⁽¹⁾ Correspond mainly to natural gas and liquefied natural gas.

19.2 Procurements

This heading includes the following items:

Procurements	\$ Million	
	2025	2024
Purchases	(80)	(127)
Changes in the inventories (raw materials and goods held for sale)	4	4
TOTAL	(76)	(123)

In 2025 includes the purchase of raw materials mainly in Peru, spare part, materials and others.

19.3 (Charges for) / Reversal of impairment

These headings include the following items:

(Charges for)/Reversal of impairment	\$ Million	
	2025	2024
Impairment charges of assets	(1,006)	(1,899)
Reversal of impairment	1,239	201
Credit risk	(186)	144
TOTAL	47	(1,554)

In 2025, impairment charges were primarily recognized on exploratory assets (abandonment of licenses and impairment of exploratory blocks). However, impairment charges were reversed, mainly for productive assets in the United States, as a result of increased recoverable amounts driven by the upward trend in gas prices (see Note 20.3).

The impairment for credit risk correspond mainly to accounts receivable from PDVSA (see Note 20.3).

In 2024, impairment losses were primarily recognized on productive assets in the U.S. (due to lower price and volume forecasts, for an amount of USD -1,096 million), in Colombia (due to the asset sale process, for an amount of USD -418 million) and in the United Kingdom due to lower hydrocarbon prices (for an amount of USD -150 million).

For detailed information on impairments, see Note 20.

19.4 Personnel expenses

"Personnel expenses" includes the following items:

Personnel expenses	\$ Million	
	2025	2024
Remuneration and other	(453)	(496)
Social Security costs	(68)	(92)
TOTAL	(521)	(588)

This includes remuneration and other personnel obligations such as pension plans and incentive plans.

Staff

The Repsol Upstream Group employed a total of 1,753 people at December 31, 2025, with an average headcount of 2,252 (2024: employed a total of 2,649 with an average headcount of 2,746).

Below is a breakdown of the Group's total staff distributed by professional category at year-end 2025 and 2024:

Headcount by category	2025	2024
Executives	42	46
Technical Managers	481	639
Technicians	968	1,501
Manual workers and junior personnel	262	463
TOTAL	1,753	2,649

The decrease in the Group's workforce is mainly attributable to changes in the consolidation scope: (i) integration of NEO NEXT joint venture and (ii) the Group's exit from certain countries (Colombia, Indonesia).

19.5 Exploration expenses

Hydrocarbon exploration expenses in 2025 amounted to USD 381 million (2024: USD 77 million), of which USD 57 million (2024: USD 26 million) are recognized under "Amortization and depreciation of non-current assets", USD 276 million (2024: USD 5 million) under "(Charges of)/Reversal of impairment", and USD 48 million (2024: USD 46 million) under "Other operating income / (expenses)", respectively.

The geographical distribution of the costs taken to the income statement in respect of exploration activities is as follows:

Exploration expenses	\$ Million	
	2025	2024
North America	(335)	(32)
International	(46)	(45)
TOTAL	(381)	(77)

For more information, see *Information on oil and gas upstream activities* (non-audited information) at www.repsol.com.

19.6 Gains / (Losses) on disposal of assets

In 2025, this item includes gains (USD 100 million) and losses (USD -29 million) from the disposal of assets.

This reflects, among others, the sale of non-strategic assets in Colombia (Sierracol and CPO-9), Iraq (Topkhana project), Indonesia (Corridor and Sakakemang) and in the United Kingdom due to the incorporation of Repsol Resources UK in the Neo Next Joint Venture. None of these transactions, on an individual basis, has had a significant impact on the consolidated income statement.

In 2024, the impact was due to the sale of interests in companies (Edwards Lime Gathering, LLC, Oleoducto de Crudos Pesados, Ltd. and Transasia Pipeline Company Pvt. Ltd), and of certain assets (CPE-6 block in Colombia and ancillary assets at Eagle Ford in the United States), none of which are individually significant.

19.7 Transport and freights, supplies and other operating income / expenses

The transport and freight expenses are related to oil and gas transportation mainly of Repsol Oil & Gas USA, LLC., Repsol Norge AS, Repsol Exploración Perú, S.A.U. and Repsol OCS LLC.

Under the heading "Supplies" supplies such as fuel, electricity, and telecommunications are included.

Additionally, "Other operating income / (expenses)" includes, among others:

Other operating income / [expenses]	\$ Million	
	2025	2024
Other operating income ⁽¹⁾	312	644
Other operating expenses:	(1,273)	(1,737)
Operator expenses ⁽²⁾	(217)	(194)
Services of independent professionals	(110)	(124)
Leases ⁽³⁾	(21)	(25)
Taxes ⁽⁴⁾	(273)	(224)
<i>Taxes on production</i>	<i>(189)</i>	<i>(176)</i>
<i>Other</i>	<i>(84)</i>	<i>(48)</i>
Repair and upkeep ⁽⁵⁾	(80)	(59)
Use of CO ₂ allowances	(35)	(30)
Others ⁽⁶⁾	(537)	(1,081)
TOTAL	(961)	(1,093)

⁽¹⁾Includes, among others, income from services rendered and other E&P income. In 2024, it included USD 209 million reversal of asset decommissioning provisions in the United Kingdom and derecognition of the provision for risks arising from arbitration proceedings in the U.S.

⁽²⁾Storage expenses services from operators.

⁽³⁾Expenses for leases of machinery and tools, see Note 11 .

⁽⁴⁾Other taxes than income tax: taxes on hydrocarbon production mainly in Peru, Libya and US, and other local taxes. For further information on taxes paid see Note 22.

⁽⁵⁾Repair and upkeep expenses related to maintenance activities.

⁽⁶⁾Includes, among other items, E&P operating expenses such as engineering costs, well intervention and others mainly in the United Kingdom, gas gathering and processing fees mainly in the U.S. and Peru, insurance, and research and development expenses. In 2024, it included provisions predominantly from asset decommissioning in Spain.

19.8 Research and development

Research expenses incurred are recognized under "Other operating income / (expenses)" as expenses for the year and development expenditure are capitalized only if all the conditions established in the accounting standard of reference are met. The expense recognized in the income statement in connection with research and development activities was USD 3 million in 2025 (2024: USD 6 million).

(20) Asset impairment

Impairment test

In order to ascertain whether its assets have become impaired, the Group compares their carrying amount with their recoverable amount at least annually and whenever there are indications that an asset might have become impaired ("impairment test"). If the recoverable amount of an asset is estimated to be less than its net book value, the carrying amount of the asset is reduced to its recoverable amount, and an impairment loss is recognized in the income statement.

After an impairment loss has been recognized, amortization charges are calculated prospectively on the basis of the reduced carrying amount of the impaired asset.

When there are new events, or changes in existing circumstances, which prove that an impairment loss recognized on a prior date could have disappeared or decreased, a new estimate is given for the recoverable amount of the corresponding asset, and, if applicable, the impairment losses recognized in previous years are reversed. An impairment loss of goodwill cannot be reversed in subsequent years.

If a previously recognized impairment loss is reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, up to the limit of the carrying amount that would have been recorded had no impairment loss on the value of the asset been recognized in previous periods.

Cash-generating units

For the "impairment test", assets are grouped into cash-generating units (CGUs) if, when individually considered, they do not generate cash inflows that are independent of the cash inflows from other assets of the CGU. The grouping of assets into the various CGUs implies the use of professional judgments and the determination, among other criteria, of the business units and geographical areas in which the Group operates. Against this backdrop, each CGU generally corresponds to one of the various contractual exploration areas widely known as 'blocks'; exceptionally, if the cash flows generated by more than one asset are mutually interdependent, these asset will be grouped into a single CGU.

Goodwill acquired on a business combination is allocated among the CGUs or groups of CGUs that benefit from the synergies of the business combination.

Calculating the recoverable amount

The recoverable amount is the higher of fair value less costs to sell and value in use. The methodology used by the Group to estimate the recoverable amount of assets is, in general, the value in use, calculated by discounting to present value the future cash flows after tax expected to derive from the operation of these assets. For specific information on the methodology for calculating the recoverable amount, see Note 3.5.1.

20.1 Asset impairment test

Assumptions regarding asset valuations

The Group has assessed the recoverable amount of its cash-generating units as per the methodology described in Note 3 the scenarios consistent with its vision of the market, the expected environment and its strategy. The main assumptions used are described below:

a. Price forecast:

In 2025, global activity has been characterized by relative stability following a prolonged and challenging period marked by significant shocks. However, the global environment has become more uncertain as a result of the shift in U.S. trade and geopolitical policy, including the imposition of tariffs and additional duties. In this context, the impact on inflation is asymmetric: in the United States, tariffs are already exerting upward pressure on goods prices, partially offset by declines in energy and services prices, while in Europe and other regions, the appreciation of the euro and weaker external demand are generating disinflationary effects. As a result, the monetary policy paths of the European Central Bank (ECB) and the U.S. Federal Reserve (Fed) have followed divergent trajectories, although these differences have become less pronounced in recent months. Against this backdrop, the Group has revised its expectations for future prices of crude oil and gas, in light of commodity market dynamics in 2025. The new estimates have been prepared in an environment of high uncertainty regarding developments in the geopolitical and geoeconomic context see Note 24.1.

- The price of a barrel of Brent is revised downward until 2031, as a result of weaker demand prospects in China; however, demand is expected to continue growing at a rate only slightly below one million barrels per day this year and next, supported by dynamics in the rest of Asia and other regions. Thereafter, the trajectory observed in 2024 is maintained, as the underlying assumptions have not changed substantially. Although improvements in energy efficiency are expected—lower energy intensity per unit of GDP—population growth and economic expansion mean that primary energy demand will continue to rise over the coming decades, driven by growth in developing countries (which already account for 65% of total global primary energy consumption and are expected to represent around 70% by 2050).
- The Henry Hub (HH) gas price forecast is revised upwards, reflecting improved demand prospects, particularly in the United States, as well as support from increased exports following the entry into operation of new LNG export capacity in the short to medium term. The energy transition is expected to play a key role in U.S. gas market dynamics, with natural gas maintaining a significant contribution to the electricity generation mix. In addition, higher electricity consumption driven by data centers is expected to further support gas demand for power generation, given its role as a stable and reliable energy source.

The assumptions for the main price references are:

Prices in real terms ⁽¹⁾	2026 - 2050 ⁽²⁾	2026	2027	2028	2029	2030	2031 - 2050 ⁽³⁾
Brent (USD / barrel)	72.1	63.7	67.3	71.6	73.9	76.1	72.5
WTI (USD / barrel)	69.9	60.3	63.4	67.8	70.2	72.5	70.6
HH (USD / Mbtu)	3.7	3.7	3.7	3.7	3.7	3.7	3.7

NOTE: These paths may differ from those published in other corporate documents related to strategic planning, as their purpose is to demonstrate the Company's ability to meet its investment and shareholder remuneration targets, even under stress scenarios, which may not necessarily align with the Company's view on future crude oil and gas prices, which are the ones considered for impairment testing.

⁽¹⁾ To carry out the conversion in real terms, an inflation rate of 2% is used, which corresponds to the medium-term inflation target of the monetary policy established by the European Central Bank.

⁽²⁾ Average prices for the 2026-2050 period.

⁽³⁾ Average prices for the 2031-2050 period.

These assumptions consider the decarbonization of the economy and, therefore, restrictions on the use of fossil fuels and the development of new alternative technologies that drive the energy transition; this will mean a reduction in the demand for hydrocarbon products in the medium and long term (see Note 3.5.2).

b. Discount rates:

The discount rate used by Repsol is the weighted average cost of capital employed after tax for each country and business. This rate seeks to reflect current market assessments with regard to the time value of money and the specific risks of the business. Therefore, the discount rate used takes into account the risk-free rate, the country risk, the currency in which the cash flows are generated and the market, credit and business risk. For more information see Note 3.5.1.

Discount rates	2025	2024
United States	7.80 %	8.80 %
Latin America ⁽¹⁾	7.8% - 37.60%	8.8% - 37.60%
International	7.8% - 11.90%	8.8% - 12.30%

⁽¹⁾In Latin America the high range corresponds to Venezuela and in International corresponds to Libya.

The discount rates are lower than in 2024, as a result of a more favorable macroeconomic environment and a reduction in the volatility of the Group's businesses compared to that of the market.

The recoverable amount of the assets, calculated using the weighted average cost of capital employed after tax in the table above, does not differ from that calculated using pre-tax rates, which (excluding outliers in some countries and businesses) would be an average of 10% for Upstream Impairment recognized.

In 2025 impairment losses were recognized for the Group's assets in these balance sheet headings:

Write-down on assets	Notes	2025	2024
<i>\$ Million</i>			
Impairment losses on intangible assets	10	(32)	(23)
Reversible impairment loss on Property, plant and equipment	11	265	(1,674)
Reversible impairment loss on investments accounted for using the equity method	12	(33)	61

The provisions, net of reversals, amounted to USD 233 million before taxes.

During 2025 net impairment impact amounted to USD 233 million. The amount is mainly represented by:

- net reversal of USD 634 million on US assets due to the impact of higher gas prices and increased production,
- reversal of productive assets in Indonesia as a result of disposal (USD 133 million; see Note 11),
- impairment losses in exploration amounting to USD -276 million due to the abandonment of licenses and impairment of exploratory blocks in Mexico,
- impairment losses in Norway of USD -177 million due to the impact of lower hydrocarbon prices and lower production.

In addition, net provisions of USD 33 million for impairment losses on companies accounted for using the equity method were recognized, of which USD 41 million related to investments in companies in Venezuela (see Note 20.3).

The recoverable amount of the impaired assets during 2025 comes to roughly USD 3,240 million (2024: USD 4,000 million).

20.2 Sensitivities

The changes in estimated future prices or discount rates used would affect the amount of the impairment of the Repsol Upstream Group assets. The main sensitivities to these variations without considering the rebalancing of other related variables or the possible adjustments of the operational plans, which would allow the negative impact of the above-mentioned variations to be mitigated, are indicated in the table below:

Sensitivity of main assumptions	Increase (+) / Decrease (-)	\$ Million	
		Operating income	Net income ⁽¹⁾
Change in hydrocarbons prices	20%	1,345	1,438
	10%	1,058	1,037
	(10)%	(1,630)	(1,367)
	(20)%	(3,572)	(3,057)
Change in hydrocarbons production	10%	1,058	1,078
	(10)%	(1,826)	(1,554)
Change in hydrocarbons prices (+/-20%) and production (+/-10%)	+	1,499	1,830
	-	(5,357)	(4,717)
Change in discount rate	+100 b.p.	(451)	(356)
	-100 b.p.	517	434

⁽¹⁾ Includes impact on investments accounted for using the equity method.

20.3 Geopolitical risks

The Group is exposed to risks arising from specific economic, social, or political circumstances that may arise in certain countries (unexpected regulatory changes, high exchange rate volatility, high inflation, the possibility of economic and financial crises, or situations of political instability or social tensions and public unrest, etc.) and which could have a negative impact on its business.

According to the classifications contained, among others, in the IHS Global Insight Country Risk Rating, the main countries in which the Group is exposed to a particular geopolitical risk are Venezuela, Bolivia, Algeria, and Libya.

Uncertainty in the global geopolitical context:

At the date of preparation of these consolidated financial statements, there is a high degree of uncertainty regarding developments in the geopolitical and geo-economical context.

- Tariffs that are reshaping global trade. On April 2, 2025, the US government imposed tariffs on imports from a large number of countries, including the European Union and China. Shortly thereafter, an extension was granted, first for 90 days, and then for a longer period, to allow time for bilateral negotiations. The reaction of the markets, initially adverse, has since been more favorable, largely due to the exemptions announced, on the understanding that in the short term the dominant effect in the United States is that of increased revenue and a negotiating mechanism, since most countries preferred to negotiate their conditions and concessions rather than start a trade war. The exception was China, which decided to take an aggressive stance, including significant restrictions on rare earth exports. Recently, the United States and China have agreed to a truce that somewhat reduces bilateral tariffs and postpones some restrictions, including those on rare earths, for one year, but does not address structural tensions, so further episodes of instability can be expected in the future. In July 2025, the United States and the European Union reached a framework agreement whereby the United States imposed a general tariff of 15% on most European imports, albeit with differentiated conditions. In order for the agreement to move forward, the EU has committed to importing up to USD 750 billion worth of US energy products over a three-year period, including LNG, oil, refined products, and nuclear technology. There is also a commitment for the EU to invest an additional USD 600 billion in the US economy by 2028.
- Other implications of tariffs: The US Supreme Court is debating the constitutionality of some of the tariffs implemented on national security grounds (IEEPA and fentanyl). In any case, a possible repeal of these tariffs would not eliminate tariff uncertainty; on the contrary, it could increase it, as they would be replaced by new tariffs under other sections, and in any case, the tariffs would surely end up at much higher levels than those prior to 2025. On the other hand, in the US, tariffs appear to have exerted less upward pressure on inflation than anticipated, but we may not have seen the full impact yet. Meanwhile, in the eurozone, US tariffs could have disinflationary effects due to the appreciation of the euro and increased competitive pressure from the diversion of Chinese exports.
- Geopolitical tensions and trade disruptions. Persistent conflicts in the Middle East and Ukraine, together with continued attacks on maritime trade routes in the Red Sea, have been disrupting global supply chains and increasing energy price volatility in recent years. In this context, towards the end of 2025, there has been some easing of geopolitical tensions on a global scale, which has contributed to a moderation in prices, driven, firstly, by the ceasefire reached between Israel and Hamas in October and, secondly, by the intervention of the US to

promote a peace agreement between Russia and Ukraine (which, at the time of publication of this document, has not yet materialized). However, uncertainty remains high, especially in relation to developments in key exporting countries such as Venezuela, Iran, and even Russia, where events could reintroduce episodes of market volatility. Furthermore, trade restrictions—including limitations on the export of certain inputs or technologies—and increased global political uncertainty continue to pose significant risks to commodity markets and investment flows.

- Monetary policy divergence. Although inflation and interest rates are moderating in many major economies, tariffs, together with structural changes such as the adoption of artificial intelligence (AI), are generating regional divergences in inflation and economic activity dynamics. In this context, one possible scenario is that the process of monetary normalization in the United States will be slower and more gradual than anticipated by the market, with interest rates remaining at relatively high levels for an extended period. In addition, growing political pressures could trigger higher inflation and greater volatility in financial markets. This environment could prolong a tightening of global financial conditions, raise financing costs for companies and governments, and trigger capital outflows from more vulnerable economies, with adverse consequences for liquidity, exchange rates, and financial stability.
- Risks to financial stability. In addition to the monetary dimension already mentioned, there are other financial risks of a more structural nature. First, the strong positioning towards segments linked to AI or advanced technology could lead to an abrupt correction if growth expectations moderate. Second, a sudden change in market sentiment could widen credit spreads and put pressure on carry-trade or safe-haven assets. Third, the ecosystem of crypto-assets and stablecoins represents an increasingly relevant risk vector for both financial stability and monetary sovereignty.
- Economic slowdown and demand for raw materials in China. China continues to suffer from persistent weaknesses in the real estate sector and weak consumer confidence. In addition, trade tensions with the US could significantly affect its economy. Lower demand from China could affect commodity prices, while persistent financial tensions in its real estate sector may have broader spillover effects.

These events have generated substantial volatility in global financial and energy markets, which has affected the Group's business activities and results. It is difficult to predict the extent to which and for how long this volatility will affect the future, or whether there will be a recessionary phase in the global economic cycle.

Venezuela

Presence in the country

The Group has had a presence in Venezuela since 1993 and currently carries out its activities through its interests in gas licensees (Cardón IV and Quiriquire Gas) and in crude oil partly State-owned companies (for further details, see Note 12).

During 2025, the Group's average net production in Venezuela reached 71.3 thousand barrels of oil equivalent per day (67 thousand barrels of oil equivalent per day in 2024).

Economic context

The exchange rate of the Venezuelan currency against the USD at December 31, 2025 is 301.371 USD/Bs versus 51.962 USD/Bs at December 31, 2024 (SIMECA¹⁷ exchange rate). The devaluation of the bolivar has not had a significant impact on the Group's financial statements, since the functional currency of most of its subsidiaries in the country is the US dollar¹⁸ (see Note 18). GDP¹⁹ increased by 0.5% in 2025 and inflation remains very high, reaching 270%²⁰ in 2025 and inflation is expected to exceed 600% by 2026.

Significant events during the period

The situation in the country due to the events that occurred in 2025 and the first few weeks of 2026 have caused uncertainty regarding the development of the Group's businesses.

On May 21, 2024, the OFAC granted Repsol a Specific License that allows the Company to continue their operations in Venezuela within a framework of security and stability to carry out its business plans. However, the OFAC revoked the Specific License on March 28, 2025 and issued a wind down License authorizing the Group to carry out the ordinary, incidental, and necessary transactions for the wind down of previously authorized transactions through May 27, 2025.

¹⁷ SIMECA (Exchange Market System) reference exchange rate.

¹⁸ Quiriquire Gas's functional currency is the bolivar (the carrying amount of the investment is nil, so any effect from the conversion to US dollars is not significant).

¹⁹ Source: International Monetary Fund estimate.

²⁰ Values estimated in accordance with the IMF (World Economic Outlook, October 2025) for 2025 and the National Price Index of the National Assembly (INPCAN) for 2024.

The political and economic crisis in the country continued in 2025, influenced by the sanctions imposed by the US on PDVSA and the Venezuelan government. During the last quarter of the year, the situation worsened following US military activities in the Caribbean as part of the counter-narcotics program.

On January 5, 2026, Delcy Rodríguez has been sworn in as interim president before the National Assembly, following the January 3 ruling issued by the Venezuelan Supreme Court of Justice, which has declared the president's forced absence. Delcy Rodríguez was the Vice President of the country and Oil Minister up until that date.

On January 7, 2026, the U.S. Secretary of State presented a strategic plan for Venezuela divided into three main phases (stabilization, economic recovery and political transition), indicating that this process could take years. The US Secretary of Energy also announced that Venezuelan crude oil will be sold under US supervision, all sales proceeds will be deposited in US-controlled accounts and that such funds will be used for the benefit of US and Venezuelan citizens, at the discretion of the US government.

On January 29, 2026, the National Assembly unanimously approved the bill for the partial reform of the Organic Hydrocarbons Law, which includes three main amendments: i) incorporation of "successful business models" of the Anti-Blockade Law; ii) the proposal of mechanisms to guarantee the viability of projects that, due to their technical or economic characteristics, require special considerations (e.g. undeveloped fields); and iii) a proposal to increase the legal safeguards for investment, introducing the possibility of resorting to independent mediation and arbitration mechanisms.

In addition, on January 29, 2026, the OFAC issued General License 46 (GL46), subsequently replaced by General License 46A (GL 46A), which authorizes transactions that are incidental and necessary to the marketing of Venezuelan crude oil (as well as refining) including those involving the Government of Venezuela, Petróleos de Venezuela, S.A. (PDVSA), or any entity in which PDVSA owns, directly or indirectly, an interest equal to or greater than 50% (PDVSA Entities), provided that they are conducted by an "established US entity", that the conditions set out by the laws of the US or any jurisdiction within the US are met, and that monetary payments to a blocked person are deposited into a US controlled fund, excluding payments for local taxes, permits or fees; prohibits specific transactions with payment terms that are not commercially reasonable (e.g., debt swaps, payments in gold, Venezuelan government-issued digital currencies); and requires reports to be sent to the U.S. Department of State and the Department of Energy when crude oil is delivered to non-US countries. Furthermore, on February 3, 2026 the OFAC issued General License 47 (GL 47), which authorizes any person to carry out transactions that are incidental and necessary to the export, re-export, sale, supply, storage, marketing, delivery and transport of US-origin diluents in Venezuela, including those involving the Government of Venezuela, PDVSA, and PDVSA Entities.

On 10 February 2026, the OFAC issued: i) General License 48 (GL 48), which authorizes any US person to carry out transactions that are incidental and necessary to the provision from the US of goods, technology, software or services for the exploration, development or production of oil and gas in Venezuela, including those involving the Government of Venezuela, PDVSA and PDVSA Entities, provided that contracts with these counterparties are governed by US law, provide for dispute resolution in the US, and that any monetary payments to a blocked person are made into Foreign Government Deposit Funds (FGDF) or any other account as instructed by the U.S. Department of the Treasury. GL 48 also authorizes activities necessary for the maintenance and operation of oil and gas facilities in Venezuela, including the refurbishment or repair of equipment, but strictly prohibits payment terms that are not commercially reasonable, debt swaps, payments in gold, crypto-assets issued by the Venezuelan government, transactions with persons or entities from Russia, Iran, North Korea, Cuba or China, the use of blocked vessels, the formation of new joint ventures and any exportation or reexportation of diluents to Venezuela; and ii) General License 30B (GL 30B), which authorizes all transactions incidental and necessary to operations and use of ports and airports in Venezuela, including those involving the Government of Venezuela and the Instituto Nacional de los Espacios Acuáticos (INEA) or its subsidiaries, provided that such activities are strictly those required to keep the country's port and airport infrastructure in operation.

On 13 February 2026, the OFAC issued GL 49, authorizing negotiations of and entry into contingent contracts for new oil and gas investments in Venezuela, including with the Government of Venezuela, PDVSA and PDVSA Entities provided that their execution is subject to separate authorization from the OFAC. It includes prefatory steps for such activities, such as commercial, legal, technical, safety, security and environmental due diligence. On the same day, the OFAC issued GL 50, authorizing transactions related to the oil and gas sector in Venezuela, including those involving the Government of Venezuela, PDVSA, and the entities included in the Appendix (and their subsidiaries), which includes Repsol, S.A. This authorization is subject, among others, to the following conditions: submission to the laws of the US and any jurisdiction within the US governing contracts; channelling of payments owed to blocked persons (except for local taxes) to Foreign Government Deposit Funds or other accounts designated by the U.S. Department of the Treasury; and prohibition of payment terms that are not commercially reasonable, such as debt swaps and payments in gold or cryptoassets by the Government of Venezuela. Both licenses prohibit transactions involving blocked vessels; transactions with persons located in Russia, Iran, North Korea, Cuba or China or entities controlled by or in a joint venture with such persons; in addition, reports must be sent to the U.S. Department of State or the Department of Energy within 10 days of the first transaction and every 90 days thereafter while such transactions are ongoing.

In this context, the Group continues to closely monitor the country's political and institutional developments, maintaining direct contact with the US and Venezuelan administrations, in an effort to align the scope of the Group's authorized activities in Venezuela with the objective of contributing to the country's energy development, while adopting the necessary measures in full compliance with the applicable international sanctions regulations. In this regard, several events have taken place from year-end to the date of authorization for issue of these consolidated Financial Statements that could have an impact in the future on the Group's operations and assets in the country, in particular the new general license issued on February 13 that authorizes the Group to carry out transactions with the Government of Venezuela or entities of the PDVSA group related to the oil and gas sector in Venezuela. In order to effectively apply these licenses and, therefore, determine their scope and impact on the Group's assets in Venezuela, the contracts must be subject to the laws of the US and any jurisdiction within the US, and certain relevant terms must be negotiated and finalized with the Government of Venezuela

and/or PDVSA, in accordance with that set out in the partial reform of the Organic Law on Hydrocarbons, including, among other aspects, a period of up to 180 days to adapt the contractual models. Therefore, as these are new licenses and not a reactivation of previous licenses, the assumptions used at year-end to assess the recoverability of the Group's equity exposure in Venezuela have not been changed.

Equity exposure and outstanding receivables

The Group's total equity exposure²¹ in Venezuela on December 31, 2025 amounted to USD -117 million (2024: USD 139 million), which includes mainly the investment in Cardón IV and Petroquiriquire, S.A. and the accounts receivable from PDVSA (see Note 13 and Note 17), as detailed below:

Equity exposure	Note	2025			2024
		Debt/ Investment	Impairment	Balance	Balance
\$ Million					
Other non-current assets ⁽¹⁾	13	3,115	(2,625)	490	504
Investments accounted for using the equity method ⁽²⁾	12, 14	(451)	-	(451)	(339)
Other ⁽³⁾		(145)	(11)	(156)	(26)
TOTAL		2,519	(2,636)	(117)	139

⁽¹⁾ Mainly includes trade accounts receivable from PDVSA. It also includes accounts receivable for late payment interest of USD 528 million, for which provisions have been recognized for the full amount.

⁽²⁾ Cardón IV, S.A. (50%), Petroquiriquire, S.A. (40%) and Petrocarabobo, S.A. (11%). These amounts include accounts receivable from PDVSA for a net amount of USD 161 million (USD 1,102 million of gross debt and USD -912 million in provisions, including accounts receivable for late payment interest of USD 448 million, for which provisions have been recognized for the full amount.)

At December 31, 2025 a provision for risks and expenses was recognized corresponding to the negative value of the investments in Petroquiriquire and Petrocarabobo, for an amount of USD 571 million and USD 68 million, respectively, to cover obligations arising from the Group's interests in these entities (see Note 14.1). The negative equity of Petroquiriquire, S.A. includes the financing received from a Repsol affiliate for an amount of USD 445 million, corresponding to the credit facility signed by Petroquiriquire, S.A., the Repsol affiliate and Petróleos de Venezuela, S.A. (PDVSA) in October 2016.

⁽³⁾ Includes accounts payable to investees; it also includes accounts receivable from PDVSA for a net amount of USD 8 million (USD 19 million of gross debt and USD -11 million in provisions). In 2024, it included trade accounts receivable from PDVSA (USD 62 million, net of impairment).

The Group assesses the recoverability of its investments and the credit risk on accounts receivable from PDVSA. In order to evaluate investments in this country, it is necessary to use certain hypotheses and assumptions (such as asset development plans, compliance with signed agreements, and changes in the environment) that involve significant judgments and estimates subject to high uncertainty (see Notes 3.5, 9.3, and 12).

Regarding financial instruments, expected loss is calculated considering the cash flow scenarios forecast for the business, weighted by their estimated probability. Three severity scenarios are applied (moderate, significant and serious) with different assumptions and economic impacts on the estimated cash flows. The probability of occurrence of these scenarios is based on historical information on sovereign defaults (Moody's "Sovereign Default and recovery rates 1983-2024" report) and management's expectations. The assessment of credit risk impairment in Venezuela has required estimates to be made regarding the implications and evolution of a highly uncertain environment, which has made it advisable to seek the opinion of an independent expert to validate the management's judgments.

In 2025, the Group updated the valuation of its investments accounted for using the equity method and accounts receivable related to its businesses in Venezuela. The update of PDVSA's credit risk profile and the foreseeable business environment has led to the recognition in the income statement for the year of an impairment of trade receivables in the amount of USD 160 million (see Note 19.3 and Note 20.3) and a loss recorded as part of the result of investments accounted for using the equity method amounting to USD 510 million (USD -468 million for trade accounts and USD -42 million for impairment of property, plant and equipment).

Bolivia

The Group has been involved in hydrocarbon exploration and production activities in Bolivia since 1994. As of December 31, 2025, it has interests in three contractual areas, in addition to holding a 48.33% stake in YPFB Andina, S.A.

Net proven reserves estimated as of December 31, 2025, amount to 44 million barrels of oil equivalent. Around 56% of these reserves correspond to the Margarita-Huacaya field, which is located in southern Bolivia, in the departments of Tarija and Chuquisaca. The Group is the project operator with a 37.5% stake, alongside Shell (37.5%) and Pan American Energy (25%). Average net production in Bolivia in 2025 has reached 29.5 thousand barrels of oil equivalent per day (32.1 thousand barrels of oil equivalent per day during the same period in 2024).

The Group's equity exposure in Bolivia at December 31, 2025 amounted to USD 430 million (2024: USD 542 million) (comprising mainly the value of productive assets - property, plant and equipment and value of the investment by the equity method - at that date).

Social pressure and protests (mainly transporters, merchants, health sector, etc.) are increasing due to the shortage of dollars, the uncertainty in the supply of fuels and the inflation of food and medicines mainly.

The decline in the international reserves of the Central Bank of Bolivia as a result of international fuel prices that must be imported (sold on the local market at subsidized prices), and the decline in domestic production, with the consequent drop

²¹Equity exposure relates to the value on the Group's balance sheet of net consolidated assets exposed to own risks of the countries reported.

in foreign sales of natural gas (the main export product), is one of the main factors that has led to a shortage of foreign currency in the country and, therefore, delays in payments to suppliers. During 2024 and 2025, the financial regulator has established measures in the banking system (commissions applicable to US dollars and other currencies for foreign transactions exceeding USD 1,000), which also reflects the movement of foreign currency on the parallel market. Cumulative inflation as of December 31 stands at 20% vs. 10% for the same period in 2024.

Amid political pressure due to the situation described above, the presidential elections ended with the election of the Christian Democratic Party, implying a change of course in the country's policy and orientation toward a free market economy.

Since the new government took office in early November 2025, announcements and messages have generated expectations of measures aimed at fiscal stabilization, liquidity recovery, and exchange rate normalization. In this regard, the National Government issued Supreme Decrees 5503, 5516, and 5517 which, among other macroeconomic adjustment measures, have withdrawn the subsidy on liquid fuel prices in the domestic market (gasoline and diesel), making an adjustment towards import parity for these fuels. Although other structural measures have not yet been issued, the general announcements and the aforementioned decrees contributed to a substantial reduction in country risk and a moderation of the parallel exchange rate.

Political and economic instability continued throughout the year, without significantly affecting the Group's operations.

Algeria

The Group has been present in Algeria since 1973, currently through two blocks in production: Reggane Nord and Block 405a (with the MLN, EMK, and Ourhoud licenses).

In 2024, the Algerian Council of Ministers approved the extension of operations for 25 years with an option for an additional 10 years in Block 405a. In January 2025, it was published in the Algerian Official Gazette (at the time of its entry into force).

Estimated net proven reserves as of December 31, 2025, amount to 20.3 million barrels of oil equivalent.. Average net production in Algeria in 2025 reached 9 thousand barrels of oil equivalent per day from the Reggane Nord and 405a blocks (11.0 thousand barrels of oil equivalent per day in 2024).

Repsol Upstream Group's equity exposure in Algeria as of December 31, 2025 amounts to approximately USD 207 million (2024: USD 216 million) (comprising mainly property, plant and equipment at that date).

Diplomatic and trade relations between Spain and Algeria are normalized.

Libya

The Group has been present in Libya since the 1970s, when it began exploration activities in the Sirte Basin. As of December 31, 2025, Repsol Upstream Group holds mining rights in this country over two contractual areas with exploration and production activities located in the Murzuq Basin, known as the El Sharara oil field, whose estimated proven net reserves as of December 31, 2025, amount to 90.4 million barrels of oil equivalent. The Group's average net crude oil production in Libya in 2025 amounted to 39.8 thousand barrels of oil per day (27.0 thousand barrels of oil per day in 2024).

The Group's equity exposure in Libya as of December 31, 2025 amounts to approximately USD 392 million (2024: USD 395 million), mainly including tangible fixed assets as of that date.

The country remains divided into two administrations: the Government of National Unity (GNU) in the west, recognized by the UN and based in Tripoli, and the eastern government based in Tobruk, which maintains its alliance with the Parliament and the Libyan National Army, controlling most of the territory from Benghazi and playing a key role in the security and stability of our operations.

In 2025, there have been no interruptions to production due to geopolitical situations, despite heavy armed clashes between militias and fuel shortages, as well as a shortage of cash in circulation in various parts of the country.

(21) Financial result

The breakdown of finance income and expenses in 2025 and 2024 is as follows:

Financial Result	\$ Million	
	2025	2024
Finance income	80	68
Finance expenses	(383)	(366)
Net interest ⁽¹⁾	(303)	(298)
By interest rate	(18)	2
By exchange rate	141	(35)
Change in fair value of financial instruments ⁽²⁾	123	(33)
Exchange gains / (losses) ⁽³⁾	(122)	21
Impairment of financial instruments ⁽⁴⁾	(2)	(149)
Accretion expenses	(151)	(222)
Interest on leases ⁽⁵⁾	(28)	(31)
Other	(7)	(7)
Other finance income and expenses	(186)	(260)
Borrowing cost capitalized	220	199
FINANCIAL RESULT	(270)	(520)

⁽¹⁾ Includes interest income and expenses from financial instruments valued at amortized cost.

⁽²⁾ Includes the results from the valuation and settlement of derivative financial instruments (see Note 9).

⁽³⁾ Includes the exchange gains and losses generated by the valuation and settlement of monetary items in foreign currency.

⁽⁴⁾ In 2024 included impairment losses on accounts receivables from investments accounted for using the equity method in Venezuela.

⁽⁵⁾ Corresponds to the financial discounting of lease liabilities.

For all financial instruments measured at amortized cost, interest income or expense is calculated using the effective interest rate (EIR) method. EIR is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income and interest expense is included in finance costs in the statement of profit or loss and other comprehensive income, respectively.

(22) Income tax

The appropriate assessment of the income tax expense is dependent on several factors, including estimates on the timing and realization of tax credits and deferred tax assets and the timing of income tax payments. Collections and payments may be materially different from these estimates as a result of changes in the expected performance of the Repsol Upstream Group's businesses or in tax regulations or their interpretation, as well as unforeseen future transactions that impact the Group's tax balances.

Deferred tax assets are only recognized when it is considered probable that the entities (individually or on a consolidated basis) that have generated them will have sufficient taxable income in the future against which they can be utilized.

Deferred tax assets are reviewed when there are indications that they are not recovered, and in any event once a year, to verify that they still qualify for recognition and they are considered to be recoverable in the future, and the appropriate adjustments are made on the basis of the outcome of the analyses performed. These analyses are based on: (i) assumptions made to verify the existence or otherwise of sufficient future earnings for tax purposes that might offset the tax losses or apply existing tax credits; (ii) the assessment of earnings estimates for each entity or tax group in accordance with their individual business plans; and (iii) the statute of limitations period and other limits established under prevailing legislation in each country for the recovery of the tax credits.

22.1 Applicable taxes

With regard to taxation and, in particular, income tax, the Upstream Group is subject to the regulations of several tax jurisdictions due to the broad geographic mix and the significant international nature of the business activities carried out by the companies comprising the Upstream Group.

For this reason, the Upstream Group's effective tax rate is shaped by the breakdown of earnings obtained in each of the countries where it operates and, occasionally, by the taxation of these earnings in more than one country (double taxation).

a) Luxembourg

All of the Luxembourg entities that form part of this Upstream Group are subsidiaries of Repsol E&P S.à r.l.

Repsol E&P, S.à r.l. is the parent of the Luxembourg Tax Unity, which comprises Repsol Transgasindo S.à r.l., FEHI Holding S.à r.l., Repsol E&P Capital Markets Europe S.à r.l. and Repsol E&P Holdings S.à r.l. (entities being at least 95% directly or indirectly owned by the parent).

Luxembourg companies, whether taxed individually or on a consolidated basis, were subject to a general tax rate of 23.87% in 2025.

b) In Spain

Most of the entities resident in Spain for tax purposes are subject to taxation for corporate income tax under Spain's consolidated tax regime. Under this regime, the companies comprising the tax group jointly determine the Group's taxable profit and tax liability.

Repsol, S.A. is the parent of the Spanish Tax Unity so called "Tax Group 6/80", which comprises all the companies resident in Spain that are at least 75%-owned, directly or indirectly, by the parent and that meet certain prerequisites. Most of the Spanish entities of the Upstream Group form part of this Consolidated Tax Group, which consists of 151 companies in 2025. The most significant are Repsol Exploración, S.A., Repsol Exploración Murzuq, S.A., Repsol Exploración Peru, S.A., Repsol Exploración 405A, S.A.U.

Spanish companies, whether taxed individually or on a consolidated basis, were subject to a general tax rate of 25% in 2025.

c) In United States

Most of the entities that forms part of this Upstream Group and are resident for tax purposes in the United States (US), are subject to corporate income taxation under the federal consolidated tax regime. Repsol Holdings Upstream USA Inc. (formerly named Repsol Oil & Gas Holdings USA Inc.) is the parent company of the tax consolidated group in the US, which comprises a total of 15 entities resident in the U.S. that are directly or indirectly 80% owned by the parent. The most significant are Repsol Holdings Upstream USA Inc, Repsol Oil & Gas USA, LLC, Repsol Leon-Castile, LLC, Repsol OCS, LLC, Repsol E&P USA, LLC, Repsol Service Company and Repsol Capital Markets US, LLC.

These companies are subject to a federal tax rate of 21% and also under the scope of the so-called "Corporate alternative minimum tax" (CAMT), which is determined as a 15% minimum tax on adjusted financial statement income.

d) Other countries

The rest of the Upstream Group companies are subject to taxation in each of the countries in which they do business, applying the income tax rate in force under applicable local tax regulations. Upstream Group companies in some countries are also subject to a tax on their presumed minimum income in addition to income tax.

In turn, the Upstream Group companies resident in EU Member States that conduct some of their business in other countries are also subject to prevailing income tax in respect of the profits obtained there. This is the case, for example, of the permanent establishments of the Spanish companies that carry out hydrocarbon exploration and production activities in other countries (including Algeria, Indonesia, Libya or Peru).

Below is a list of the statutory income tax rates applicable in 2025 in the Upstream Group's main tax jurisdictions:

Country	Tax rate	Country	Tax rate
Algeria ⁽¹⁾	38 %	Norway	78 %
Bolivia	25 %	Netherlands	25,8%
Brazil	34 %	Peru ⁽³⁾	29,5%
Colombia ⁽²⁾	35 %	United Kingdom ⁽⁴⁾	25% - 40%
Indonesia	37,6% - 44%	Trinidad and Tobago	55% - 57,2%
Libya	65 %	Venezuela	34% (Gas) and 50% (Oil)
Mexico	30 %		

⁽¹⁾ Plus tax on exceptional profits (TPE).

⁽²⁾ The applicable rate could reach 50% subject to the evolution of crude oil prices.

⁽³⁾ General rate.

⁽⁴⁾ Does not include the Energy Profit Levy (tax rate of 38%).

e) New developments in the tax regulatory framework

e.1) *Main tax reforms of the period*

- In Spain, the 50% limit on offsetting losses in tax consolidation groups was applicable during 2025. This limit, which was initially approved for 2023, was subsequently extended to 2024 and 2025. The amount of the individual negative tax bases not included in the tax base of the consolidated tax group will be included, in equal parts, over ten years.

- In the United States, the One Big Beautiful Bill Act was approved on July 4, which introduced significant changes with the aim of improving the competitiveness of US companies and extending the tax cuts of the Trump Administration's previous reform of 2017 (Tax Cuts and Jobs Act). The reform consolidates and increases tax incentives regarding income tax and the Corporate Alternative Minimum Tax, with an estimated positive impact on the Group's activities in the country. It also incorporates changes to the tax credits for renewable energies introduced by the Inflation Reduction Act, in anticipation of their completion.
- In the United Kingdom, following the measures approved in November 2024—which tightened the Energy Profits Levy (EPL) by increasing the tax rate from 35% to 38% and eliminating the investment incentive—the Government approved its extension until March 2030 (previously scheduled until March 2028) in March 2025. This extension has had a negative impact of USD -85 million on deferred income tax expense. The EPL could be repealed before 2030 if, for two consecutive quarters, crude oil and gas prices fall below their respective thresholds of USD 76.12/barrel and 59 p/therm (adjusted annually based on the CPI). In November 2025, the Government announced the creation of a new permanent levy that will come into effect after the deactivation of the EPL (the Oil & Gas Price Mechanism -OGPM-). The tax rate is 35% on revenue and will only apply when the prices exceed thresholds set separately for crude oil and gas (benchmarks for 2026: USD 90/barrel and 90 p/therm, updated annually).
- In Brazil, a regulation has been approved introducing a 10% withholding tax on dividends distributed by Brazilian companies to non-resident entities (previously exempt), effective January 1, 2026. A tax credit mechanism is expected to mitigate double taxation when the effective tax burden exceeds the nominal corporate income tax rate in Brazil (34%). It introduces a transitional regime whereby dividends corresponding to earnings obtained up to December 31, 2025 will be exempt.

e.2) Minimum tax (OECD Pillar II)

In October 2021, the countries included in the OECD Inclusive Framework reached a political agreement to establish common standards to guarantee minimum tax for multinational groups; this agreement resulted in the publication in December 2021 of the model rules that would ensure a global effective tax of 15%.

In December 2022, the 27 EU Member States approved a Directive, substantially based on the OECD model rules, for its entry into force in 2024, once transposed into the national laws of the Member States. Luxembourg has transposed the Directive and established a Complementary Tax to ensure a global minimum level of taxation for multinational groups and large national groups (Law of December 22, 2023), to which the Upstream Group is subject.

Local implementation of the minimum tax in the countries where the Upstream Group has a presence is as follows: a) Luxembourg, Spain, Norway, the Netherlands, the United Kingdom, Brazil and Indonesia have already approved national regulations, and b) in the rest of the OECD Inclusive Framework countries in which the Upstream Group is present, it is unknown whether this regulation will be implemented locally, except in the case of the United States where the administration has announced that Pillar II would not be implemented domestically. Countries that do not fall under the Inclusive Framework, such as Algeria, Bolivia, Libya or Venezuela, are not expected to introduce regulations in this regard.

On January 5, 2026, the OECD Inclusive Framework published the side-by-side package that introduces a number of new safe harbors. The agreement, which will be implemented within the framework of the Pillar II Directive according to the Commission Communication of January 12, 2026, includes a permanent simplified effective tax rate (ETR) safe harbor, an extension of the transitional country-by-country reporting safe harbor, a substance-based tax incentive safe harbor, and a safe harbor exempting multinationals with ultimate parent company in the United States from minimum taxation.

Beyond a significant increase in in the tax compliance burden (due to the complex nature of the tax and the large amount of information that must be prepared for its application), the Upstream Group does not expect significant economic impacts from the application of this regulation, as it is already subject to effective tax rates well above 15% in the main territories where it operates. However, the complexity of the regulation could lead to occasional instances of double taxation.

In 2025, the Upstream Group did not recognize any expense in respect of the application of the minimum taxation regulations under Pillar II, as no impact on results is estimated.

For the appropriate purposes, it should be noted that the exception to recognize and disclose information on deferred tax assets and liabilities related to income taxes under Pillar II is applicable.

22.2 Tax accounts payable and receivable

The table below shows the tax current assets and liabilities in 2025 and 2024:

Tax assets and liabilities	\$ Million	
	2025	2024
Current tax assets	138	336
Current tax liabilities	225	291
Net tax position	(87)	45

22.3 Accrued income tax expense

The table below shows how the accrued income tax expense for accounting purposes in 2025 and 2024 was calculated:

Income tax (expense)/income	\$ Million	
	2025	2024
Current tax on results for the year ⁽¹⁾	(722)	(907)
Deferred tax for the year ⁽²⁾	(57)	914
Adjustments from previous years and other regularization ⁽³⁾	2	(581)
Income tax (expense)/income	(777)	(574)

⁽¹⁾ Accounting expense for the tax to be paid on earnings obtained in the current tax year.

⁽²⁾ Accounting expense for temporary differences arising in the year and for application of tax credits from previous years.

⁽³⁾ Adjustments corresponding to previous years' income tax, adjustments to the estimated amount of the previous year's tax, tax provisions, recognition and derecognition of deferred taxes, etc.

The reconciliation of "Income tax expense" recognized to the expense that would result from applying the statutory income tax rate existing in the country of the parent company (Luxembourg) is as follows:

Reconciliation of income tax expense	\$ Million	
	2025	2024
Profit before income tax	1,750	51
Profit of investments accounted for using the equity method	143	529
Profit before income tax and profit of investments accounted for using the equity method	1,607	(478)
General nominal income tax rate in Luxembourg	23.87 %	24.9%
Income tax (expense)/income at the general nominal rate in Luxembourg	(384)	119
Additional income tax (expense)/income due to adjustments to nominal rates other than the general rate in Luxembourg ⁽¹⁾	(375)	(297)
Higher income tax expense from reversal of non-deductible expenses ⁽²⁾	(129)	(14)
Lower income tax expense due to application of mechanisms to avoid double taxation ⁽³⁾	128	120
Lower Income tax expense, reflecting divestments in Colombia and Indonesia taxed at reduced rates	98	-
Income tax (expense)/income due to adjustments for deferred taxes ⁽⁴⁾	(88)	(462)
Income tax (expense)/income due to provision/reversion of provisions for income tax risks	(8)	(14)
Other items ⁽⁵⁾	(19)	(26)
Income tax (expense)/income	(777)	(574)

⁽¹⁾ Profit taxed abroad or in Luxembourg at tax rates other than 23,87%.

⁽²⁾ Includes mainly expenses that, according to local tax rules, are non-deductible in the determination of the taxable base, including expenses that are non-recoverable under the Profit Share Agreements signed in Libya, Algeria, Indonesia, and Peru.

⁽³⁾ Includes mechanisms to prevent international and internal double taxation, whether in the form of exemptions, tax relief and tax credits.

⁽⁴⁾ Includes mainly adjustments to deferred tax assets following a recoverability assessment, as well as the discount derived monetization of tax credits within the Spanish Tax Group.

⁽⁵⁾ Includes mainly adjustments for income tax from previous years and tax costs (withholding tax) for distribution of dividends.

22.4 Deferred taxes

a) Deferred taxes recognized

The Upstream Group presents deferred tax assets and liabilities on a net basis in each company or entity. The breakdown of the deferred tax assets and deferred tax liabilities by underlying concept recognized in the accompanying balance sheet is shown below:

Deferred tax	\$ Million	
	2025	2024
Tax losses, tax credits and similar benefits not yet used ⁽¹⁾	717	1,164
Amortization differences for tax and accounting purposes	(860)	(1,283)
Provisions for field decommissioning ⁽²⁾	352	1,125
Staff and other provisions	475	293
Other deferred taxes	17	(10)
Total deferred tax	701	1,289
Provisions for contingencies related to income tax ⁽³⁾	(1,376)	(1,226)
Net deferred tax and other taxes	(675)	63

⁽¹⁾ The decrease from 2024 to 2025 is mainly due to the reduction in deferred tax assets resulting from the monetization of tax credits within the Spanish Tax Group.

⁽²⁾ Mainly related to the NEO NEXT joint venture incorporation (see Note 12).

⁽³⁾ The changes in provisions for income tax risks are as follows: (i) provision charged to income tax expense for an amount of USD 8 million, and (ii) other for an amount of USD 142 million.

The breakdown of changes in deferred taxes in 2025 and 2024 is as follows:

Deferred tax	\$ Million	
	2025	2024
Opening balance	63	575
Income/(expense) in income statement	(114)	(646)
Income/(expense) in equity	2	73
Translation differences for balances in foreign currency	48	(5)
Divestments ⁽¹⁾	(524)	-
Provisions for contingencies related to income tax	(150)	66
Balance at year end	(675)	63

⁽¹⁾ During 2025, the Upstream Group completed the sale of non-strategic assets in Colombia (Sierracol Energy Arauca LLC) and Indonesia (Corridor Block). As a result, the net DTL of these companies was written off against the gain on sale.

In 2025, there has been a net reduction in deferred tax assets mainly due to the result of the recoverability test review conducted at the end of the year and the impact of the monetization of tax credits within the Spanish Tax Group.

b) Tax assets and other tax credits

The tax assets recognized corresponding to tax losses, tax credits and similar tax benefits (not yet used) amount to USD 717 million and relate mainly to:

Country	\$ Million	Legal expiry	Estimated recoverability
United States	624	20 years / no time limit	Mostly in 10 years
Spain ⁽¹⁾	47	No time limit	In less than 10 years
Algeria	34	No time limit	In less than 10 years
Bolivia	12	No time limit	In less than 10 years
Total	717		

⁽¹⁾ Includes, among other tax losses, those generated in 2023, 2024 and in 2025 affected by the temporary limit of 50% on offsetting losses in consolidated tax groups.

c) *Deferred tax assets not recognized*

Below is a breakdown of the net deferred tax assets not recognized at 2025 year-end:

Country	\$ Million	Balance by item		
		Tax losses	Tax credits	Other deferred taxes
United States	1,029	1,000	-	29
Spain	639	284	5	350
Luxembourg	237	237	-	-
Mexico	179	139	-	40
Algeria	52	52	-	-
United Kingdom	15	15	-	-
Bolivia	13	13	-	-
Venezuela	(49)	-	-	(49)
Total ⁽¹⁾	2,115	1,740	5	370

⁽¹⁾ This does not include the amount corresponding to net deferred tax assets not recognized of companies accounted for using the equity method, which amounted to USD 341 million: (i) Venezuela, USD 180 million, (ii) Trinidad and Tobago, USD 137 million, (iii) Bolivia, USD 14 million and (iv) United Kingdom, USD 10 million.

22.5 Government and legal proceedings with tax implications

As established by current legislation, taxes cannot be considered definitively settled until the returns submitted have been inspected by the tax authorities or the statute of limitations applicable in each jurisdiction has elapsed.

When different interpretations of the tax regulations applicable to certain operations arise between Repsol and the tax authorities, the Upstream Group acts with the authorities in a transparent and cooperative manner to resolve disputes through the legal formulas available, with the aim of reaching a non-litigious solution. However, both in previous years and this year, there have been administrative and legal proceedings with tax implications contrary to the Upstream Group's aims, which have given rise to litigious situations and possibly additional tax liabilities. Repsol Upstream Group considers that its action in these matters has been in accordance with the law and is based on reasonable interpretations of the applicable regulations and has therefore filed the appropriate appeals in defense of the interests of the Upstream Group and its shareholders.

It is difficult to predict the period for resolution of such disputes due to the length of the claims procedure. The Group, based on the advice of internal and external tax experts, considers that the tax debts that could ultimately arise from these actions would not significantly affect the attached financial statements.

The Upstream Group's general policy is to recognize provisions for tax-related litigation where it is determined that the risk of losing is probable. The amounts provisioned are calculated on the basis of the best estimate of the amount needed to settle the lawsuit in question, underpinned, among others, by a case-by-case analysis of the facts, the legal opinions of its in-house and external advisors and prior experience from past events.

The years for which the Upstream Group companies have their tax returns open for audit with regard to income tax and the main applicable taxes are as follows:

Country	Years	Country	Years
Algeria	2021 - 2025	Luxembourg	2020 - 2025
Bolivia	2017 - 2025	Mexico	2021 - 2025
Brazil	2020 - 2025	Norway	2020 - 2025
Colombia	2020 - 2025	Netherlands	2020 - 2025
Spain	2021 - 2025	Peru	2021 - 2025
United States	2021 - 2025	United Kingdom	2020 - 2025
Indonesia	2021 - 2025	Trinidad and Tobago	2019 - 2025
Libya	2017 - 2025	Venezuela	2019 - 2025

Given the uncertainty as to whether the existing tax risks associated with litigation and other tax contingencies will materialize, the Upstream Group has recognized provisions considered adequate to cover the corresponding risks. As of December 31, 2025, the Upstream Group has recognized USD 1,376 million for uncertain income tax positions (USD 1,226 million as of 31 December 2024). In addition, it recognized tax provisions for an amount of USD 152 million, which are presented under "Other provisions" in Note 14.1. The Company, based on the advice of internal and external tax experts, considers that the tax liabilities that may ultimately arise from these actions would not significantly affect the attached financial statements.

At December 31, 2025, the main tax-related proceedings concerning the Upstream Group were as follows:

- Brazil. Repsol Sinopec Brasil, S.A. (RSB, see Note 12) received tax assessments adjusting the price applied by Agri, B.V. and Guara, B.V. for 2016 to 2020, and Lapa, B.V. for 2017 to 2019, in the contracting of drilling and extraction platforms. The Company has appealed these adjustments as it considers that the methodology used to determine the price of the services is correct and in accordance with the law. An administrative decision at second instance in favor of RSB has been obtained for 2016, which has brought the litigation to an end. Favorable administrative decisions at second instance have also been handed down for 2017 and 2018, which the tax authorities have

appealed. As for 2019, an administrative decision has been appealed at second instance, and a ruling has yet to be handed down. In relation to the 2020 tax assessment, RSB filed an appeal in October 2025 for the same reasons and using the same arguments as in previous years.

The Group does not expect any additional liabilities to arise that could have a significant impact on the Upstream Group's profit as a result of the above proceedings.

(23) Earnings per share

The earnings per share at December 31, 2025 and 2024 are detailed below:

Earnings per share	2025	2024
Net income attributed to the parent (\$ Million)	973	(523)
Weighted average number of shares outstanding (million of shares)	2.6	2.6
Basic and diluted earnings per share (dollar/share)	374.23	(201.15)

CASH FLOWS

(24) Cash flows

24.1 Cash flows from operating activities

In 2025 cash flows from operating activities amounted to USD 2,010 million compared to USD 3,516 million in 2024. The breakdown of "Cash flows from operating activities" in the statement of cash flows is as follows:

Cash flows from operating activities	Notes	\$ Million	
		2025	2024
Income before tax		1,750	51
Adjustments to income:		1,169	3,207
Amortization and depreciation of non-current assets	3, 10 and 11	1,114	1,729
Operating provisions and impairment losses	9.3, 10, 11, 14 and 20	(14)	1,563
Gains/(Losses) on disposal of assets	19.6	(71)	(10)
Net financial result	21	270	520
Share of results of companies accounted for using the equity method, net of taxes	12	(143)	(529)
Other adjustments (net)		13	(66)
Changes in working capital:		(214)	(176)
(Increase)/Decrease in inventories	16	(24)	(14)
(Increase)/Decrease in accounts receivable	17	(20)	78
Increase/(Decrease) in accounts payable	18	(170)	(240)
Other cash flows from operating activities:		(695)	434
Dividends received	12	84	329
Income tax refunded/(paid)		(595)	505
Other proceeds from/(payments for) operating activities ⁽¹⁾		(184)	(400)
Cash flows from operating activities		2,010	3,516

⁽¹⁾ Includes mainly payments for the application of provisions (see Note 14).

Cash generated from operating activities in 2025 decreased by USD 1,506 million, mainly due to lower results and lower monetization of tax credits within the Spanish Tax Group in 2025 (see Note 22).

24.2 Cash flows from investing activities

Cash flows from investing activities reflects a net outflow of USD 1,035 million in 2025, which reveals the Group's significant effort during the period.

Payments for investments in "Property, plant and equipment, intangible assets and others" (USD 1,792 million) reflect the development of new and existing wells and facilities, most notably in Alaska, Gulf of America, Eagle Ford and Marcellus.

Proceeds from divestments in "Group companies and associates" (USD 364 million) and in "Property, plant and equipment, intangible assets and investment property" (USD 352 million) mainly reflect the proceeds for the sale of entities and assets in Colombia, Indonesia and the US (see Note 15).

24.3 Cash flows from financing activities

In 2025 cash flows from financing activities represented a net payment of USD 1,152 million compared to the payment of USD 1,920 million in 2024. It mainly includes share premium repayments for an amount of USD 950 million (2024: USD 1,210 million) and payment of interest for an amount of USD 325 million (2024: USD 389 million).

The breakdown of the changes in liabilities arising from financing activities in 2025 is as follows:

Cash flows from financing activities 2025	\$ Million					
	2024	2025				
	Opening balance ⁽¹⁾	Cash flows	Non-cash Flows			Closing balance ⁽¹⁾
			Exchange rate effect	Changes in fair value	Others ⁽²⁾	
Loans	6,303	(2,862)	-	-	1,656	5,097
Bonds	-	2,485	-	-	41	2,526
Lease liabilities	406	(159)	5	-	50	302
Bank borrowings	156	(27)	1	-	6	136
Derivatives (liabilities)	29	(150)	1	137	(6)	11
Total liabilities from financing activities (see Note 6.1)	6,894	(713)	7	137	1,747	8,072
Derivatives (assets)	(5)	261	(1)	(260)	-	(5)
Payments on shareholder remuneration and other equity instruments		(950)				
Others ⁽³⁾		250				
Total cash flows from financing activities		(1,152)				

⁽¹⁾ Corresponds to the current and non-current balance on the balance sheet.

⁽²⁾ "Others" mainly includes the financial liability incurred to meet the decommissioning commitments in the North Sea associated with the NEO NEXT joint venture formed in the United Kingdom.

⁽³⁾ Includes issuance of deposits with related parties.

The breakdown of the changes in liabilities arising from financing activities in 2024 is as follows:

Cash flows from financing activities 2024	\$ Million					
	2023	2024				
	Opening balance ⁽¹⁾	Cash flows	Non-cash Flows			Closing balance ⁽¹⁾
			Exchange rate effect	Changes in fair value	Others	
Loans	5,983	(36)	-	-	356	6,303
Lease liabilities	360	(179)	(2)	-	227	406
Bank borrowings	173	(26)	-	-	9	156
Derivatives (liabilities)	52	(212)	-	176	13	29
Total liabilities from financing activities (see Note 6.1)	6,568	(453)	(2)	176	605	6,894
Derivatives (assets)	(17)	162	(1)	(149)	-	(5)
Payments on shareholder remuneration and other equity instruments		(1,210)				
Others ⁽²⁾		(419)				
Total cash flows from financing activities		(1,920)				

⁽¹⁾ Corresponds to the current and non-current balance on the balance sheet.

⁽²⁾ Includes cancellation of deposits with related parties.

Cash and cash equivalents decreased by USD 177 million compared to December 31, 2024, amounting to a total of USD 181 million. Cash and cash equivalents are part of the Group's liquidity (see Note 9.2).

OTHER DISCLOSURES

(25) Commitments and guarantees

25.1 Contractual commitments

Commitments consist of future unconditional obligations (i.e. non-cancellable, or cancellable only under certain circumstances), as a result of commercial agreements. These commitments were quantified using the Group's best estimates, and, if fixed total amounts were not stipulated, using price estimates and other variables that are consistent with those considered for calculating the recoverable amount of the assets (see Note 3 and Note 20).

At December 31, 2025, the Group has contractually committed to the following purchases, investment and other expenditures:

Contractual commitments	2026	2027	2028	2029	2030	Subsequent years	Total
<i>\$ Million</i>							
Purchase commitments	25	26	24	-	-	-	75
Natural gas ^{(1) (3)}	16	17	14	-	-	-	47
Crude oil and others ^{(2) (3)}	9	9	10	-	-	-	28
Investment commitments ⁽⁴⁾	138	94	76	41	6	54	409
Provision of services ⁽⁵⁾	45	47	26	3	-	-	121
Transport commitments ⁽⁶⁾	145	132	112	82	54	146	671
TOTAL	353	299	238	126	60	200	1,276

⁽¹⁾ Includes crude oil purchase commitments from Repsol Exploración Perú to the Kinteroni Consortium.

⁽²⁾ Includes gas purchase commitments from Repsol Exploración Perú to the Kinteroni Consortium.

⁽³⁾ Committed crude oil and gas volumes are shown in the next table.

⁽⁴⁾ Includes, primarily, investment commitments in Algeria and Libya amounting to USD 342 million and USD 51 million, respectively. In 2025, it includes the 25-year extension of operations in Block 405a, Algeria.

⁽⁵⁾ Includes the commitment for treatment and processing by Targa in Eagle Ford.

⁽⁶⁾ Includes the hydrocarbon transportation commitments in North America and Peru, amounting to USD 516 million and USD 155 million, respectively.

The breakdown of crude oil and gas volumes in 2025 is as follows:

Purchase commitments	Unit of measurement	2026	2027	2028	2029	2030	Total
Crude oil and liquids	kbbl	207	210	205	-	-	622
Natural gas	Tbtu	5	5	5	-	-	15

25.2 Guarantees

In the course of its business activities, Upstream Group assumes guarantees for companies whose assets, liabilities and earnings are not presented in the consolidated financial statements (joint ventures):

- In Venezuela an unspecified guarantee was granted to Cardón IV to cover the commitment to supply gas to PDVSA until 2036. However, PDVSA has provided a guarantee to Cardón IV to cover collection rights for the supply commitment;
- The Group has also provided a guarantee to the Republic of Venezuela to cover the obligations assumed in the development of gas assets in the country;
- Guarantees for the decommissioning obligations of NEO NEXT in the North Sea, for GBP 882 million

The guarantee cannot be considered as a definite outflow of resources to third parties, as it will likely mature without any payment obligation arising. At the date of issue of these consolidated Financial Statements, the likelihood that any non-compliance would give rise to a liability for this commitment to any material extent is remote.

(26) Related party transactions

The Upstream Group carries out transactions with related parties on an arm's length basis. The transactions performed by Repsol E&P, S.à r.l. with its Group companies and those performed by the Group companies among themselves form part of the Group's ordinary course of business in terms of their purpose and conditions.

For the purposes of presenting this information, the following are considered to be related parties:

- a. Directors and executives: includes members of the Board of Directors as well as members of the Executive Committee, who are considered "key management personnel" and any persons related thereto for the purpose of this section. With the exception of the transactions disclosed in Note 27, the Group has not recognized balances or transactions with directors and executives in 2025 and 2024.
- b. People, companies or entities within the Group: includes transactions with Group companies or entities that were not eliminated in the consolidation process. Corresponding mainly to transactions undertaken with companies accounted for using the equity method (see Note 12).
- c. Significant shareholders: those directly or indirectly owning and interest of 5% or more, and those who, though not significant, have exercised the power to propose the appointment of a member of the Board of Directors (see Note 5). This heading includes balances and transactions with Repsol Upstream, B.V. and Breakwater Energy Holdings S.à r.l., direct shareholders of Repsol E&P, S.à r.l. Additionally, it includes balances and transactions with Repsol S.A., ultimate parent company of the Group.
- d. Other related parties: includes balances and transactions with Repsol Group companies not included in the Repsol Upstream Group.

Income, expenses and balances recognized at December 31, 2025 and 2024 with related parties are as follows:

	2025				2024			
	People, companies or entities within the Group	Significant shareholders	Other related parties	Total	People, companies or entities within the Group	Significant shareholders	Other related parties	Total
Revenue and expenses								
<i>\$ Million</i>								
Financial expenses	34	3	302	339	3	4	354	361
Services received	-	118	38	156	2	108	24	134
Purchase of goods	-	-	7	7	-	-	6	6
R & D expenses	-	6	-	6	-	9	-	9
Other expenses ⁽¹⁾	4	9	-	13	146	8	1	155
TOTAL EXPENSES	38	136	347	521	151	129	385	665
Financial income	69	-	7	76	64	-	-	64
Sale of goods ⁽²⁾	-	-	2,123	2,123	-	-	1,979	1,979
Other revenue	17	12	13	42	5	12	51	68
TOTAL REVENUE	86	12	2,143	2,241	69	12	2,030	2,111

Closing Balances	2025				2024			
	People, companies or entities within the Group	Significant shareholders	Other related parties	Total	People, companies or entities within the Group	Significant shareholders	Other related parties	Total
<i>\$ Million</i>								
Trade and other receivables	25	74	214	313	52	120	191	363
Loans and credit facilities granted	631	-	163	794	602	-	423	1,025
TOTAL BALANCES RECEIVABLE	656	74	377	1,107	654	120	614	1,388
Suppliers and trade payables	231	44	21	296	299	73	-	372
Loans and credit facilities received ⁽³⁾	1,345	-	3,752	5,097	3	-	6,300	6,303
Other payment obligations	1	-		1	-	-	6	6
TOTAL BALANCES PAYABLE	1,577	44	3,773	5,394	302	73	6,306	6,681

⁽¹⁾ Includes mainly provisions for credit risks on trade and other receivables and financial instruments (see Note 9.3 and Note 20.3).

⁽²⁾ Includes mainly sales of natural gas to Repsol Energy North América Corporation.

⁽³⁾ For more information on these balances, see Note 6.3.

(27) Remuneration of the members of the Board of Managers and key management personnel

The key management personnel is represented by the Board of Managers. It is composed of eight managers as follows: (i) four appointed by Repsol Upstream B.V. (ii) two appointed by EIG and (iii) the remaining two Independents appointed by both partners. The independent managers have signed key management contracts for their directorship services and the expenses related to this in 2025 amount to USD 300 thousand (2024: USD 313 thousand).

There is no commitment arising or entered into in respect of retirement pensions for members of the management.

There are no advances and loans granted to members of the management.

(28) Fees paid to auditors

The fees for audit services and other services provided during the year to Upstream Group companies by PricewaterhouseCoopers Assurance, Société coopérative and the companies in its network (PwC) amounted to USD 2.2 million (2024: USD 6 million). These amounts include fees for other services than audit for a total of USD 0.3 million (2024: USD 0.5 million).

(29) Subsequent events

In 2026, prior to publication of this report, the following events stand out: in relation to the events that took place in Venezuela in 2026 up to the date of authorization for issue of these Consolidated Financial Statements, see Note 20.3.

APPENDICES

Appendix IA: Main companies comprising the Repsol Upstream Group as of December 31, 2025

Name	Parent company	Country	Corporate purpose	31/12/2025		
				Method of conso. (1)	%	
					Effective interest	Cont. interest (2)
Akakus Oil Operations, B.V.	Repsol Exploración Murzuq, S.A.	Netherlands	Oil and gas exploration and production	E.M.	49.00	49.00
Aves OS LLC	Repsol Earth Solutions USA, LLC	United States	Oil and gas exploration and production	E.M.	45.00	45.00
Aves WC LLC	Repsol Earth Solutions USA, LLC	United States	Oil and gas exploration and production	E.M.	45.00	45.00
BP Trinidad & Tobago, Llc.	BPRY Caribbean Ventures, Llc.	United States	Oil and gas exploration and production	E.M.	30.00	100.00
BPRY Caribbean Ventures, Llc. (4)	Repsol E&P LATAM, S.L.U. (5)	United States	Oil and gas exploration and production	E.M.	30.00	30.00
Carabobo Ingeniería y Construcciones, S.A.	Repsol Exploración, S.A.U.	Venezuela	Oil spill response services	E.M.	37.90	37.90
Cardón IV, S.A.	Repsol Exploración, S.A.U.	Venezuela	Oil and gas exploration and production	E.M.	50.00	50.00
Edwards Gas Services, Llc.	Repsol Oil & Gas USA, LLC	United States	Holding company	F.C.	100.00	100.00
FEHI Holding, S.à r.l.(6)	Repsol Exploración Inversiones, S.L.U.	Luxembourg	Holding company	F.C.	100.00	100.00
Fortuna Resources (Sunda), Ltd.(7)	Talisman UK (South East Sumatra), Ltd.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Guará, B.V.	Repsol Sinopec Brasil, B.V.	Netherlands	Platform for production of crude oil and natural gas	E.M.	15.00	25.00
Lapa Oil & Gas, B.V.	Repsol Sinopec Brasil, B.V.	Netherlands	Platform for production of crude oil and natural gas	E.M.	15.00	25.00
NEO Energy (CNS) Limited (8)	NEO Energy Upstream UK Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy (Exploration) Limited (8)	NEO Energy Upstream UK Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy (GBA) Limited (8)	NEO Energy Upstream UK Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy (Production) Limited (8)	NEO Energy (SNS) Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy (SNS) Limited (8)	NEO Energy Upstream UK Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy (UKCS) Limited (8)	NEO Energy Upstream UK Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy (ZEL) Limited (8)	NEO Energy (ZPL) Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy (ZEX) Limited (8)	NEO Energy (ZEL) Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy (ZNI) Limited (8)	NEO Energy (ZEL) Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy (ZPL) Limited (8)	NEO Energy Upstream UK Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy Alpha Limited (9)	NEO Energy Resources UK Limited (10)	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy Beta Limited (11)	NEO Energy Resources UK Limited (10)	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy Central North Sea Limited (8)	NEO Energy (ZPL) Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
Neo Energy Consolidated Holding Limited (8)	NEO Next Energy Limited (12)	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy Delta Limited (13)	NEO Energy Resources UK Limited (10)	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy Exploration UK Limited (8)	NEO Energy Consolidated Holding Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy GT Limited (8)	NEO Energy Upstream UK Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy LNS Limited (14)	NEO Energy Resources UK Limited (10)	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00

NEO Energy Natural Resources Limited ⁽⁸⁾	NEO Energy Upstream UK Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy North Sea Limited ⁽¹⁵⁾	NEO Energy Resources UK Limited ⁽¹⁰⁾	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy Oil Trading Limited ⁽¹⁶⁾	NEO Energy North Sea Limited ⁽¹⁷⁾	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy Pathway Limited ⁽⁸⁾	NEO Energy Central North Sea Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy Pension and Life Scheme Limited ⁽¹⁸⁾	NEO Energy Resources UK Limited ⁽¹⁰⁾	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy Petroleum Limited ⁽⁸⁾	NEO Energy Upstream UK Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy Production UK Limited ⁽⁸⁾	NEO Energy Upstream UK Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy Resources UK Limited ⁽¹⁰⁾⁽¹⁹⁾	NEO Next Energy Limited ⁽¹²⁾	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy Transportation (UT) Limited ⁽²⁰⁾	NEO Energy North Sea Limited ⁽¹⁷⁾	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy Trustees (UK) Limited ⁽²¹⁾	NEO Energy Resources UK Limited ⁽¹⁰⁾	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy Upstream UK Limited ⁽⁸⁾	NEO Energy Consolidated Holding Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Energy Zeta Limited ⁽²²⁾	NEO Energy Resources UK Limited ⁽¹⁰⁾	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
NEO Next Energy Limited ⁽⁸⁾⁽¹²⁾	Talisman Colombia Holdco Limited	United Kingdom	Oil and gas exploration and production	E.M.	45.00	45.00
Oil Spill Response Company, Spa.	Repsol Exploración Argelia, S.A.	Italy	Oil spill response services	E.M.	4.70	4.70
Pacific Compass, LLC ⁽³⁾	Repsol E&P USA, LLC	United States	Sale of oil products	J.O.	49.00	49.00
Paladin Resources, Ltd.	FEHI Holding, S.à r.l.	United Kingdom	Holding company	F.C.	100.00	100.00
Petrocarabobo, S.A. ⁽²³⁾	Repsol E&P LATAM, S.L.U. ⁽⁵⁾	Venezuela	Oil and gas exploration and production	E.M.	11.00	11.00
Petroquiriquire, S.A. ⁽²³⁾	Repsol E&P LATAM, S.L.U. ⁽⁵⁾	Venezuela	Oil and gas exploration and production	E.M.	40.00	40.00
Pikka Transportation Company, LLC ⁽³⁾	Repsol Alaska PTC, LLC	United States	Oil and gas exploration and production	J.O.	49.00	49.00
Quiriquiré Gas, S.A.	Repsol Venezuela, S.A.	Venezuela	Oil and gas exploration and production	E.M.	60.00	60.00
Repsol Alaska PTC, LLC	Repsol Holdings Upstream USA Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Andaman B.V.	Repsol Exploración, S.A.U.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Argelia 405A, S.L.U.	Repsol E&P, S.à r.l.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Bolivia, S.A. ⁽²³⁾	Repsol E&P LATAM, S.L.U. ⁽⁵⁾	Bolivia	Provision of services	F.C.	100.00	100.00
Repsol Colombia Oil & Gas Limited	Repsol Exploración, S.A.U.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol E&P Bolivia, S.A.	Repsol Bolivia, S.A.	Bolivia	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol E&P Capital Markets Europe S.à r.l.	Repsol E&P S.à r.l.	Luxembourg	Financial services	F.C.	100.00	100.00
REPSOL E&P Capital Markets US LLC	Repsol Holdings Upstream USA Inc.	United States	Financial services	F.C.	100.00	100.00
Repsol E&P Holdings S.à r.l.	Repsol E&P S.à r.l.	Luxembourg	Holding company	F.C.	100.00	100.00
Repsol E&P LATAM, S.L.U. ⁽⁵⁾⁽²⁴⁾	Repsol Exploración, S.A.U.	Spain	Sector studies	F.C.	100.00	100.00
Repsol E&P S.à r.l.	Repsol Upstream B.V.	Luxembourg	Holding company	F.C.	100.00	100.00
Repsol E&P USA, Llc.	Repsol Holdings Upstream USA, Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Eagle Ford North LLC.	Repsol Oil & Gas USA, LLC.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Earth Solutions Holding, S.L.U.	Repsol E&P S.à r.l.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Earth Solutions USA, LLC	Repsol Holdings Upstream USA Inc.	United States	Interest in projects of Geological Low Carbon Solutions	F.C.	100.00	100.00
Repsol Exploración 405A, S.A.U.	Repsol Exploración, S.A.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración Argelia, S.A.U. ⁽²⁵⁾	Repsol Exploración Inversiones, S.L.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración Guyana, S.A.	Repsol Exploración, S.A.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración Inversiones, S.L.U. ⁽⁸⁾	Repsol E&P, S.à r.l.	Spain	Holding company / Provision of services.	F.C.	100.00	100.00

Repsol Exploración México, S.A. de C.V.	Repsol Exploración, S.A.U.	Mexico	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración Murzuq Sharara Assets, S.L.U. ⁽⁸⁾	Repsol E&P, S.à r.l.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración Murzuq, S.A.U.	Repsol Exploración, S.A.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración North Africa, S.A.U. ⁽⁸⁾	Repsol E&P, S.à r.l.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración Perú, S.A.U. ⁽²⁵⁾	Repsol Exploración Inversiones, S.L.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploracion South East Jambi B.V.	Repsol Exploración, S.A.U.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración South Sakakemang, S.L.	Repsol Exploración, S.A.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración Tobago, S.A.	Repsol Exploración, S.A.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración, S.A.U.	Repsol E&P S.à r.l.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploration Advanced Services, A.G. ⁽²⁵⁾	Repsol Exploración, S.A.U.	Switzerland	Company providing human resource services	F.C.	100.00	100.00
Repsol Gestión de infraestructuras Energéticas, S.L.U. ⁽²⁵⁾	Repsol Exploración Inversiones, S.L.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Holdings Upstream USA Inc.	FEHI Holding, S.à r.l.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Investigaciones Petrolíferas, S.A.U.	Repsol Exploración, S.A.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Leon-Castile, LLC ⁽²⁶⁾	Repsol Holdings Upstream USA, Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Norge, AS ⁽²⁵⁾	Repsol Exploración, S.A.U.	Norway	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol OCP de Ecuador, S.A.	Repsol Exploración, S.A.U.	Spain	Operation of a pipeline for oil and gas transport	F.C.	100.00	100.00
Repsol OCS LLC	Repsol Holdings Upstream USA Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Offshore E&P USA, Inc.	Repsol Holdings Upstream USA, Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Oil & Gas Australasia Pty, Ltd.	Repsol Exploración, S.A.U.	Australia	Shared services company	F.C.	100.00	100.00
Repsol Oil & Gas Australia (JPDA 06-105) Pty Ltd.	Paladin Resources, Ltd.	Australia	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Oil & Gas USA, LLC.	Repsol Holdings Upstream USA, Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Perpetual Norge, A.S.	Talisman Perpetual (Norway), Ltd.	Norway	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Salamanca Midstream, LLC	Repsol Leon-Castile, LLC	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Services Company	Repsol Holdings Upstream USA, Inc.	United States	Provision of services	F.C.	100.00	100.00
Repsol Servicios Caribe S.A.S.	Repsol E&P S.à r.l.	Colombia	Holding company	F.C.	100.00	100.00
Repsol Shale Oil & Gas LLC	Repsol Holdings Upstream USA, Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Sinopec Brasil, B.V.	Repsol E&P S.à r.l.	Netherlands	Holding company	E.M.	60.00	60.00
Repsol Sinopec Brasil, S.A.	Repsol E&P S.à r.l.	Brazil	Operation and sale of oil and gas	E.M.	60.01	60.01
Repsol TBR LLC	Repsol Oil & Gas USA, LLC	United states	Operation and sale of oil and gas	F.C.	100.00	100.00
Repsol Transgasindo S.à r.l. ⁽²⁷⁾	Repsol E&P, S.à r.l.	Luxembourg	Holding company	F.C.	100.00	100.00
Repsol Venezuela, S.A.	Repsol Exploración, S.A.U.	Venezuela	Oil and gas exploration and production	F.C.	100.00	100.00
Rigel Petroleum (NI), Ltd.	Rigel Petroleum UK, Ltd.	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
Rigel Petroleum UK, Ltd.	NEO Energy Resources UK Limited ⁽¹⁰⁾	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
Salamanca FPS Infra, LLC	Salamanca Infrastructure Finance, LLC	United States	Oil and gas exploration and production	E.M.	0.00	0.00
Salamanca Infrastructure Finance, LLC	Salamanca Infrastructure, LLC	United States	Oil and gas exploration and production	E.M.	0.00	0.00
Salamanca Infrastructure, LLC	Repsol Salamanca Midstream, LLC	United States	Oil and gas exploration and production	E.M.	2.50	2.50
Salamanca OGL Infra, LLC	Salamanca Infrastructure Finance, LLC	United States	Oil and gas exploration and production	E.M.	0.00	0.00
Talisman (Asia), Ltd.	Repsol Exploración, S.A.U.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00

Talisman (Jambi Merang), Ltd.	Repsol Exploración, S.A.U.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Talisman (Sageri), Ltd.	Repsol Exploración, S.A.U.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00
Talisman Colombia Holdco, Ltd. ⁽²⁵⁾	Repsol Exploración Inversiones, S.L.U.	United Kingdom	Holding company	F.C.	100.00	100.00
Talisman East Jabung, B.V.	Repsol Exploración, S.A.U.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00
Talisman Energy DL, Ltd.	NEO Energy Resources UK Limited ⁽¹⁰⁾	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
Talisman Energy NS, Ltd.	NEO Energy Resources UK Limited ⁽¹⁰⁾	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
Talisman Perpetual (Norway), Ltd.	FEHI Holding, S.à r.l.	United Kingdom	Holding company	F.C.	100.00	100.00
Talisman Resources (Bahamas), Ltd. ⁽²⁸⁾	Paladin Resources, Ltd.	Bahamas	Oil and gas exploration and production	F.C.	100.00	100.00
Talisman Resources (North West Java), Ltd.	Talisman UK (South East Sumatra), Ltd.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Talisman UK (South East Sumatra), Ltd.	Paladin Resources, Ltd.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Transworld Petroleum (U.K.) Ltd.	NEO Energy North Sea Limited ⁽¹⁷⁾	United Kingdom	Oil and gas exploration and production	E.M.	45.00	100.00
YPFB Andina, S.A.	Repsol Bolivia, S.A.	Bolivia	Oil and gas exploration and production	E.M.	48.33	48.33
YPFB Transierra, S.A.	YPFB Andina, S.A.	Bolivia	Transport of oil and gas by pipeline	E.M.	21.51	44.50

(1) Consolidation method:

F.C.: Full consolidation.

J.O.: Joint operation that is structured through a separate vehicle that is integrated in the financial statements based on the interest in the rights to and obligations on the assets, liabilities, income and expenses arising from the arrangement.

E.M.: Equity method

(2) Percentage corresponding to the sum of the direct shareholdings of the Group's companies in the subsidiary.

(3) Interests in joint operations (see Appendix IB) which, being structured through a Company, do not limit their rights to the assets or their obligations for liabilities related to the agreement.

(4) The parent company of this company was previously Repsol Exploración, S.A. The change took place in November 2025

(5) This company was previously called Repsol Saint John LNG, S.L. The change took place in July 2025.

(6) The parent company of this company was previously Repsol Exploración, S.A. The change took place in December 2025.

(7) This company, legally incorporated in the British Virgin Islands, is domiciled for tax purposes in the United Kingdom.

(8) Companies incorporated into the Repsol Upstream Group in 2025 (see Appendix IC).

(9) This company was previously called Repsol Alpha Limited. The change took place in August 2025.

(10) This company was previously called Repsol Resources UK, Ltd. The change took place in August, 2025.

(11) This company was previously called Repsol Beta Limited. The change took place in August 2025.

(12) This company was previously called Neo Energy Group Limited. The change took place in July 2025.

(13) This company was previously called Neo Energy Group Limited. The change took place in July 2025.

(14) This company was previously called Repsol LNS Limited. The change took place in August 2025.

(15) This company was previously called Repsol North Sea Limited. The change took place in August 2025.

(16) This company was previously called Repsol Oil Trading Limited. The change took place in August 2025.

(17) This company was previously called Repsol North Sea Limited. The change took place in August 2025.

(18) This company was previously called Repsol Pension and Life Scheme Limited. The change took place in August, 2025.

(19) The parent company of this company was previously Talisman Colombia Holdco, Ltd. The change took place in July 2025.

(20) This company was previously called Repsol Transportation (UT) Limited. The change took place in August 2025.

(21) This company was previously called Repsol Trustees (U.K.) Limitada. The change took place in August 2025.

(22) This company was previously called Repsol Zeta Limited. The change took place in August 2025.

(23) The parent company of this company was previously Repsol Exploración, S.A. The change took place in November 2025.

(24) The parent company of this company was previously Repsol LNG Holding, S.A. and Repsol Industrial Transformation, S.L.U. The change took place in July 2025.

(25) The parent company of this company was previously Repsol Exploración, S.A. The change took place in December 2025.

(26) This company was previously called Repsol Oil & Gas Gulf of Mexico, LLC. The change took place in April 2025.

(27) The parent company of this company was previously Fortuna International (Barbados), Inc. The change took place in May 2025.

(28) This company, legally incorporated in the Bahamas, is domiciled for tax purposes in the United Kingdom.

Appendix IB: Main companies comprising the Repsol Upstream Group as of December 31, 2024

Name	Parent company	Country	Corporate purpose	12/31/2024		
				Method of conso. ⁽¹⁾	%	
					Effective interest	Cont. interest ⁽²⁾
Akakus Oil Operations, B.V.	Repsol Exploración Murzuq, S.A.U.	Netherlands	Oil and gas exploration and production	E.M.	49.00	49.00
Aves OS LLC ⁽³⁾	Repsol Earth Solutions USA, LLC	United States	Oil and gas exploration and production	E.M.	45.00	45.00
Aves WC LLC ⁽³⁾	Repsol Earth Solutions USA, LLC	United States	Oil and gas exploration and production	E.M.	45.00	45.00
BP Trinidad & Tobago, Llc.	BPRY Caribbean Ventures, Llc.	United States	Oil and gas exploration and production	E.M.	30.00	100.00
BPRY Caribbean Ventures, Llc.	Repsol Exploración, S.A.U.	United States	Oil and gas exploration and production	E.M.	30.00	30.00
Carabobo Ingeniería y Construcciones, S.A.	Repsol Exploración, S.A.U.	Venezuela	Oil spill response services	E.M.	37.90	37.90
Cardón IV, S.A.	Repsol Exploración, S.A.U.	Venezuela	Oil and gas exploration and production	E.M.	50.00	50.00
Edwards Gas Services, Llc.	Repsol Oil & Gas USA, LLC	United States	Portfolio company	F.C.	100.00	100.00
FEHI Holding, S.à r.l.	Repsol Exploración, S.A.U.	Luxembourg	Portfolio company	F.C.	100.00	100.00
Fortuna International (Barbados), Inc. ⁽⁷⁾	Repsol E&P, S.à r.l.	Barbados	Portfolio company	F.C.	100.00	100.00
Fortuna Resources (Sunda), Ltd. ⁽⁶⁾	Talisman UK (South East Sumatra), Ltd.	United Kingdom	Oil and gas exploration and production ⁽⁶⁾	F.C.	100.00	100.00
Guará, B.V.	Repsol Sinopec Brasil, B.V.	Netherlands	Platform for production of crude oil and natural gas	E.M.	15.00	25.00
Lapa Oil & Gas, B.V.	Repsol Sinopec Brasil, B.V.	Netherlands	Platform for production of crude oil and natural gas	E.M.	15.00	25.00
Oil Spill Response Company, Spa.	Repsol Exploración Argelia, S.A.	Italy	Oil spill response services	E.M.	4.70	4.70
Pacific Compass, LLC	Repsol E&P USA, LLC	United States	Sale of oil products	J.O	49.00	49.00
Paladin Resources, Ltd.	FEHI Holding, S.à r.l.	United Kingdom	Portfolio company	F.C.	100.00	100.00
Petrocarabobo, S.A.	Repsol Exploración, S.A.U.	Venezuela	Oil and gas exploration and production	E.M.	11.00	11.00
Petroquiriquire, S.A.	Repsol Exploración, S.A.U.	Venezuela	Oil and gas exploration and production	E.M.	40.00	40.00
Pikka Transportation Company, LLC ⁽³⁾	Repsol Alaska PTC, LLC	United States	Oil and gas exploration and production	J.O	49.00	49.00
Quiriquiré Gas, S.A.	Repsol Venezuela, S.A.	Venezuela	Oil and gas exploration and production	E.M.	60.00	60.00
Repsol Alaska PTC, LLC	Repsol Holdings Upstream USA Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Alpha Limited	Repsol Resources UK, Ltd.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Andaman B.V.	Repsol Exploración, S.A.U.	Netherlands	Oil and gas exploration and production ⁽⁸⁾	F.C.	100.00	100.00
Repsol Angostura, Ltd. ⁽⁴⁾	Repsol Exploración, S.A.U.	Trinidad and Tobago	Oil and gas exploration and production ⁽⁸⁾	F.C.	100.00	100.00
Repsol Beta Limited.	Repsol Resources UK, Ltd.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Bolivia, S.A.	Repsol Exploración, S.A.U.	Bolivia	Provision of services	F.C.	100.00	100.00
Repsol Colombia Oil & Gas Limited	Repsol Exploración, S.A.U.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Corridor, S.A.U.	Fortuna International (Barbados), Inc.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Delta Limited	Repsol Resources UK, Ltd.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol E&P Bolivia, S.A.	Repsol Bolivia, S.A.	Bolivia	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol E&P Capital Markets Europe S.à r.l. ⁽³⁾	Repsol E&P S.à r.l.	Luxembourg	Financial	F.C.	100.00	100.00
Repsol E&P Capital Markets US LLC ⁽³⁾	Repsol Holdings Upstream USA Inc.	United States	Financial	F.C.	100.00	100.00

Repsol E&P Holdings S.à r.l. ⁽³⁾	Repsol E&P, S.à r.l.	Luxembourg	Portfolio company	F.C.	100.00	100.00
Repsol E&P USA, Llc.	Repsol Holdings Upstream USA, Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Eagle Ford North LLC.	Repsol Oil & Gas USA, LLC.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Earth Solutions Holding, S.L. (Unipersonal) ⁽³⁾	Repsol E&P, S.à r.l.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Earth Solutions USA, LLC	Repsol Holdings Upstream USA Inc.	United States	Interest in projects of Geological Low Carbon Solutions	F.C.	100.00	100.00
Repsol Exploración 405A, S.A.U.	Repsol Exploración, S.A.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración Argelia, S.A.	Repsol Exploración, S.A.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración Guyana, S.A.	Repsol Exploración, S.A.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración México, S.A. de C.V.	Repsol Exploración, S.A.U.	Mexico	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración Murzuq, S.A.U.	Repsol Exploración, S.A.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración Perú, S.A.U.	Repsol Exploración, S.A.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploracion South East Jambi B.V.	Repsol Exploración, S.A.U.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración South Sakakemang, S.L.	Repsol Exploración, S.A.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración Tobago, S.A.	Repsol Exploración, S.A.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración West Papúa IV, S.L.	Repsol Exploración, S.A.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploración, S.A.U.	Repsol E&P, S.à r.l.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Exploration Advanced Services, A.G.	Repsol Exploración, S.A.U.	Switzerland	Company providing human resource services	F.C.	100.00	100.00
Repsol Holdings Upstream USA Inc. ⁽⁹⁾	FEHI Holding, S.à r.l.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Investigaciones Petrolíferas, S.A.U.	Repsol Exploración, S.A.U.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol LNS Limited	Repsol Resources UK, Ltd.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Norge, AS	Repsol Exploración, S.A.U.	Norway	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol North Sea Limited	Repsol Resources UK, Ltd.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol OCP de Ecuador, S.A.	Repsol Exploración, S.A.U.	Spain	Operation of a pipeline for oil and gas transport	F.C.	100.00	100.00
Repsol OCS LLC ⁽³⁾	Repsol Holdings Upstream USA Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Offshore E&P USA, Inc.	Repsol Holdings Upstream USA, Inc.	United States	Oil and gas exploration and production ⁽⁸⁾	F.C.	100.00	100.00
Repsol Oil & Gas Australasia Pty, Ltd.	Repsol Exploración, S.A.U.	Australia	Shared services company	F.C.	100.00	100.00
Repsol Oil & Gas Australia (JPDA 06-105) Pty Ltd.	Paladin Resources, Ltd.	Australia	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Oil & Gas Gulf of Mexico, LLC	Repsol Holdings Upstream USA, Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Oil & Gas USA, LLC.	Repsol Holdings Upstream USA, Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Oil Trading Limited	Repsol North Sea Limited	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Pension and Life Scheme Limited	Repsol Resources UK, Ltd.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Perpetual Norge, A.S.	Talisman Perpetual (Norway), Ltd.	Norway	Oil and gas exploration and production ⁽⁸⁾	F.C.	100.00	100.00
Repsol Resources UK, Ltd.	Talisman Colombia Holdco, Ltd.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00

Repsol Sakakemang, B.V.	Repsol Exploración, S.A.U.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Salamanca Midstream, LLC	Repsol Oil & Gas Gulf of México, LLC	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Services Company	Repsol Holdings Upstream USA, Inc.	United States	Provision of services	F.C.	100.00	100.00
Repsol Servicios Caribe S.A.S. ⁽³⁾	Repsol E&P, S.à r.l.	Colombia	Portfolio company	F.C.	100.00	100.00
Repsol Shale Oil & Gas LLC	Repsol Holdings Upstream USA, Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Sinopec Brasil, B.V.	Repsol E&P, S.à r.l.	Netherlands	Portfolio company	E.M.	60.00	60.00
Repsol Sinopec Brasil, S.A.	Repsol E&P, S.à r.l.	Brazil	Operation and sale of oil and gas	E.M.	60.01	60.01
Repsol Transgasindo S.à r.l.	Fortuna International (Barbados), Inc.	Luxembourg	Portfolio company	F.C.	100.00	100.00
Repsol Transportation (UT) Limited	Repsol North Sea Limited	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Trustees (U.K.) Limited.	Repsol Resources UK, Ltd.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol U.K., Ltd. ⁽⁴⁾	Repsol Exploración, S.A.U.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Venezuela, S.A.	Repsol Exploración, S.A.U.	Venezuela	Oil and gas exploration and production	F.C.	100.00	100.00
Repsol Zeta Limited	Repsol Resources UK, Ltd.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Rigel Petroleum (NI), Ltd.	Rigel Petroleum UK, Ltd.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Rigel Petroleum UK, Ltd.	Repsol Resources UK, Ltd.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
Salamanca FPS Infra, LLC	Salamanca Infrastructure Finance, LLC	Spain	Oil and gas exploration and production	E.M.	2.50	100.00
Salamanca Infrastructure Finance, LLC	Salamanca Infrastructure, LLC	Spain	Oil and gas exploration and production	E.M.	2.50	100.00
Salamanca Infrastructure, LLC	Repsol Salamanca Midstream, LLC	United States	Oil and gas exploration and production	E.M.	2.50	2.50
Salamanca OGL Infra, LLC	Salamanca Infrastructure Finance, LLC	Spain	Oil and gas exploration and production	E.M.	2.50	100.00
Sierracol Energy Arauca, LLC	Repsol E&P, S.à r.l.	Colombia	Portfolio company	E.M.	25.00	25.00
Talisman (Asia), Ltd.	Repsol Exploración, S.A.U.	Canada	Oil and gas exploration and production ⁽⁸⁾	F.C.	100.00	100.00
Talisman (Block K 39), B.V.	Repsol Exploración, S.A.U.	Netherlands	Oil and gas exploration and production ⁽⁸⁾	F.C.	100.00	100.00
Talisman (Jambi Merang), Ltd.	Repsol Exploración, S.A.U.	United Kingdom	Oil and gas exploration and production ⁽⁸⁾	F.C.	100.00	100.00
Talisman (Sageri), Ltd.	Repsol Exploración, S.A.U.	Canada	Oil and gas exploration and production ⁽⁸⁾	F.C.	100.00	100.00
Talisman Colombia Holdco, Ltd.	Repsol Exploración, S.A.U.	United Kingdom	Portfolio company	F.C.	100.00	100.00
Talisman East Jabung, B.V.	Repsol Exploración, S.A.U.	Netherlands	Oil and gas exploration and production ⁽⁸⁾	F.C.	100.00	100.00
Talisman Energy DL, Ltd.	Repsol Resources UK, Ltd.	United Kingdom	Oil and gas exploration and production ⁽⁸⁾	F.C.	100.00	100.00
Talisman Energy NS, Ltd.	Repsol Resources UK, Ltd.	United Kingdom	Oil and gas exploration and production ⁽⁸⁾	F.C.	100.00	100.00
Talisman Perpetual (Norway), Ltd.	FEHI Holding, S.à r.l.	United Kingdom	Portfolio company ⁽⁸⁾	F.C.	100.00	100.00
Talisman Resources (Bahamas), Ltd. ⁽⁵⁾	Paladin Resources, Ltd.	Bahamas	Oil and gas exploration and production ⁽⁸⁾	F.C.	100.00	100.00
Talisman Resources (North West Java), Ltd.	Talisman UK (South East Sumatra), Ltd.	United Kingdom	Oil and gas exploration and production ⁽⁸⁾	F.C.	100.00	100.00
Talisman UK (South East Sumatra), Ltd.	Paladin Resources, Ltd.	United Kingdom	Oil and gas exploration and production ⁽⁸⁾	F.C.	100.00	100.00
Transworld Petroleum (U.K.) Ltd.	Repsol North Sea Limited	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00
YPFB Andina, S.A.	Repsol Bolivia, S.A.	Bolivia	Oil and gas exploration and production	E.M.	48.33	48.33
YPFB Transierra, S.A.	YPFB Andina, S.A.	Bolivia	Transport of oil and gas by pipeline	E.M.	21.51	44.50

⁽¹⁾ Method of consolidation:

F.C.: Full consolidation

J.O.: Joint operation that is structured through a separate vehicle that is integrated in the financial statements based on the interest in the rights to and obligations on the assets, liabilities, income and expenses arising from the arrangement.

E.M.: Equity method. Joint Ventures are identified as "JV".

⁽²⁾ Percentage corresponding to the sum of direct shareholdings of Group companies in the entity.

⁽³⁾ Companies incorporated into the Group in 2024.

⁽⁴⁾ Company in process of liquidation.

⁽⁵⁾ This company, legally incorporated in the Bahamas, is domiciled for tax purposes in the United Kingdom.

⁽⁶⁾ This company, legally incorporated in the British Virgin Islands, is domiciled for tax purposes in the United Kingdom.

⁽⁷⁾ This company, legally incorporated in Barbados, is domiciled for tax purposes in the Netherlands.

⁽⁸⁾ Company with no activity.

⁽⁹⁾ This company was previously called Repsol Oil & Gas Holdings USA, Inc. The change took place in March 2024.

Appendix IC: Joint operations of the Repsol Upstream Group at December 31, 2025

The Repsol Upstream Group's main Joint Operations (see Note 3.4.1) are shown below (including those in which the Group is involved through a joint arrangement):

Name	Interest % ⁽¹⁾	Operator	Activity ⁽²⁾
Algeria			
Block 405a	24.50%	Pertamina	Development/Production
Reggane Nord	36.00%	Groupement Reggane Nord	Development/Production
Australia			
JPDA 06-105 PSC	25.00%	ENI	In the process of dismantling
Bolivia			
Arroyo Negro	48.33%	YPF B Andina, S.A	Development/Production
Boqueron	48.33%	YPF B Andina, S.A	Development/Production
Camiri	48.33%	YPF B Andina, S.A	Development/Production
Cascabel	48.33%	YPF B Andina, S.A	Development/Production
Cobra	48.33%	YPF B Andina, S.A	Development/Production
Enconada	48.33%	YPF B Andina, S.A	Development/Production
Guairuy	48.33%	YPF B Andina, S.A	Development/Production
La Peña-Tundy	48.33%	YPF B Andina, S.A	Development/Production
Los Penocos	48.33%	YPF B Andina, S.A	Development/Production
Los Sauces	48.33%	YPF B Andina, S.A	Development/Production
Caipipendi (Margarita - Huacaya)	37.50%	Repsol	Development/Production
Palacios	48.33%	YPF B Andina, S.A	Development/Production
Patuju	48.33%	YPF B Andina, S.A	Development/Production
Puerto Palos	48.33%	YPF B Andina, S.A	Development/Production
Rio Grande	48.33%	YPF B Andina, S.A	Development/Production
San Antonio - Sabalo	24.17%	Petrobras	Development/Production
San Alberto	24.17%	Petrobras	Development/Production
Sirari	48.33%	YPF B Andina, S.A	Development/Production
Víbora	48.33%	YPF B Andina, S.A	Development/Production
Yapacani	48.33%	YPF B Andina, S.A	Development/Production
Brazil			
Albacora Leste	6.00%	Petro Rio	Development/Production
BM-C-33 (C-M-539)	21.00%	Equinor	Development/Production
BM-S-50 (S-M-623) Sagittarius	12.00%	Petrobras	Exploration
BM-S-9 Sapinhoá Concession	15.00%	Petrobras	Development/Production
BM-S-9 PSC Sapinhoá	15.00%	Petrobras	Development/Production
BM-S-9A Lapa	15.00%	TotalEnergies	Development/Production
Libya			
NC115 Development	20.00%	Akakus	Development/Production

NC115 Exploration	40.00%	Repsol	Exploration
NC186 Development	16.00%	Akakus	Development/Production
NC186 Exploration	32.00%	Repsol	Exploration
Mexico			
Block 9	50.00%	Eni	Exploration
Block 29	46.67 ⁽³⁾	Repsol	Exploration
Norway			
PL 019 G	61.00%	Repsol	In the process of dismantling
PL 025	15.00%	Equinor	Development/Production
PL 038C	70.00%	Repsol	Development/Production
PL 052	27.00%	Equinor	In the process of dismantling
PL 092	7.65%	Equinor	Development/Production
PL 120	11.00%	Equinor	Development/Production
PL 120 CS	11.00%	Equinor	Development/Production
PL 121	7.65%	Equinor	Development/Production
PL 143 BS	100% ⁽⁴⁾	Equinor	Development/Production
PL 187	15.00%	Equinor	Development/Production
PL 316	55.00%	Repsol	Development/Production
PL 316B	55.00%	Repsol	Development/Production
Peru			
Block 56	10.00%	Pluspetrol	Development/Production
Block 57	53.84%	Repsol	Development/Production
Block 88	10.00%	Pluspetrol	Development/Production
Spain			
Albatros	82.00%	Repsol	In the process of dismantling
Angula	53.85%	Repsol	In the process of dismantling
Boquerón	61.95%	Repsol	In the process of dismantling
Casablanca-Montanazo Unificado	68.67%	Repsol	In the process of dismantling
Casablanca No Unificado	67.35%	Repsol	In the process of dismantling
Montanazo D	75.07%	Repsol	In the process of dismantling
Rodaballo	69.42%	Repsol	In the process of dismantling
Barracuda	60.21%	Repsol	In the process of dismantling
United Kingdom			
Neo Next	45.00%	Neo Energy	Development/Production
United States⁽⁵⁾			
<u>Alaska</u>			
Horseshoe Unit	49.00%	Santos	Exploration

Pikka Unit	49.00%	Santos	Development/Production
Quokka	44.70%	Santos	Exploration
Joint Lands Operating Agreement Area	49.00%	Santos	Exploration
<u>Gulf of America</u>			
Blacktip North - AC 335	50.00%	Llog	Exploration
Shenzi Unit	28.00%	Woodside	Development/Production
Blacktip	50.00%	Llog	Exploration
Buckshot	50.00%	Llog	Exploration
Buckskin Unit	22.50%	Llog	Development/Production
Buckskin North	22.50%	Llog	Exploration
Leon Unit	50.00%	Llog	Development/Production
Castille North	50.00%	Llog	Exploration
Castile	35.63%	Llog	Development/Production
Monument	28.57%	Beacon	Exploration
Mollerussa	20.00%	Shell	Exploration
Noel	50.00%	Llog	Exploration
Green Canyon 608 (Shenzi Unit)	28.00%	Woodside	Development/Production
Christmas Bay	20.00%	Shell	Exploration
La Sal	20.00%	Shell	Exploration
Mallorca	50.00%	Llog	Exploration
Dunharrow	40.00%	Talos	Exploration
Lemo	50.00%	Llog	Exploration
Sicily	33.00%	Llog	Exploration
Monument Walker Ridge 314	20.00%	Beacon	Exploration
Rafiki	50.00%	Talos	Exploration
Witchita	50.00%	Talos	Exploration
Taos	50.00%	Talos	Exploration
Tach and Jibe	50.00%	Talos	Exploration
Omaha	50.00%	Talos	Exploration
Hyperion	50.00%	Talos	Exploration
Helios	50.00%	Talos	Exploration
Halyard	50.00%	Talos	Exploration
Dodge City	50.00%	Talos	Exploration
Enterprise	50.00%	Talos	Exploration
Allyrion	50.00%	Talos	Exploration
Port Aransas North	45.00%	Talos	CO2 Storage
Mustang Island	45.00%	Talos	CO2 Storage
<u>Eagle Ford</u>			
Eagle Ford Texas	92.64%	Repsol	Development/Production
<u>Marcellus</u>			
Marcellus New York (*) Exploration Unconventional	99.73%	Repsol	Exploration

Marcellus New York	84.77%	Repsol	Development/Production
Marcellus Pennsylvania	83.08%	Repsol	Development/Production

Trinidad and Tobago

East Block	30.00%	BP	Development/Production
S.E.C.C. Ibis	10.80%	EOG	Development/Production
West Block	30.00%	BP	Development/Production
Coconut	15.00%	EOG	Development/Production
Mento	15.00%	EOG	Development/Production
Banyan	15.00%	EOG	Development/Production

Venezuela

Barua Motatán	40.00%	Petroquiriquire	Development/Production
Carabobo	11.00%	Petrocarabobo	Development/Production
Cardon IV	50.00%	Cardon IV	Development/Production
Mene Grande	40.00%	Petroquiriquire	Development/Production
Quiriquire	40.00%	Petroquiriquire	Development/Production
Quiriquire Gas	60.00%	Quiriquire Gas	Development/Production
La Ceiba	40.00%	Petroquiriquire	Development/Production
Tomoporo	40.00%	Petroquiriquire	Development/Production

⁽¹⁾ Corresponds to the Group company's interest in the joint arrangement.

⁽²⁾ Joint ventures in the Exploration & Production segment include the blocks of those joint ventures in which the Group has mining domain for the exploration, development and production of hydrocarbons.

⁽³⁾ Approval has yet to be granted by the Mexican regulator for the exit of Petronas and Harbor, which will eliminate the joint operation in Block 29 in Mexico, leaving Repsol with a 100% interest.

⁽⁴⁾ The ownership interest corresponds to the Blane field, a cross-border production asset between Norway and the United Kingdom as a result of the unification of licenses granted by both countries. Repsol currently holds an 18% interest in Blane through the Norwegian PL143 BS license, which it fully owns. Prior to the sale of the 25% interest held by Repsol Resources UK in Blane through the UK licenses, this joint venture involving Blane was reported together with the UK joint operations in previous years..

⁽⁵⁾ Mining rights in the United States are structured through a large number of Joint Operating Agreements (JOAs). They have been grouped according to geographical areas and the Group's interest.

Appendix ID: Joint operations of the Repsol Upstream Group at December 31, 2024

The Repsol Upstream Group's main Joint Operations (see Note 3.4.1) are shown below (including those in which the Group is involved through a joint arrangement).

Name	Interest % ⁽¹⁾	Operator	Activity ⁽²⁾
Algeria			
Block 405a	35.00%	Pertamina	Development/Production
Reggane Nord	36.00%	Groupement Reggane Nord	Development/Production
Australia			
JPDA 06-105 PSC	25.00%	ENI	In the process of dismantling
Bolivia			
Arroyo Negro	48.33%	YPF B Andina, S.A	Development/Production
Boqueron	48.33%	YPF B Andina, S.A	Development/Production
Camiri	48.33%	YPF B Andina, S.A	Development/Production
Cascabel	48.33%	YPF B Andina, S.A	Development/Production
Cobra	48.33%	YPF B Andina, S.A	Development/Production
Enconada	48.33%	YPF B Andina, S.A	Development/Production
Guairuy	48.33%	YPF B Andina, S.A	Development/Production
La Peña-Tundy	48.33%	YPF B Andina, S.A	Development/Production
Los Penocos	48.33%	YPF B Andina, S.A	Development/Production
Los Sauces	48.33%	YPF B Andina, S.A	Development/Production
Caipipendi (Margarita - Huacaya)	37.50%	Repsol	Development/Production
Palacios	48.33%	YPF B Andina, S.A	Development/Production
Patuju	48.33%	YPF B Andina, S.A	Development/Production
Puerto Palos	48.33%	YPF B Andina, S.A	Development/Production
Rio Grande	48.33%	YPF B Andina, S.A	Development/Production
San Antonio - Sabalo	24.17%	Petrobras	Development/Production
San Alberto	24.17%	Petrobras	Development/Production
Sirari	48.33%	YPF B Andina, S.A	Development/Production
Víborá	48.33%	YPF B Andina, S.A	Development/Production
Yapacani	48.33%	YPF B Andina, S.A	Development/Production
Brazil			
Albacora Leste	6.00%	Petro Rio	Development/Production
BM-C-33 (C-M-539)	21.00%	Equinor	Development/Production
BM-S-50 (S-M-623) Sagittarius	12.00%	Petrobras	Exploration
BM-S-9 Sapinhoá Concession	15.00%	Petrobras	Development/Production
BM-S-9 PSC Sapinhoá	15.00%	Petrobras	Development/Production
BM-S-9A Lapa	15.00%	Total	Development/Production
Colombia			
CPO-9 - Akacias Production Area	45.00%	Ecopetrol	Sold
CPO-9 - Guamal Evaluation Area	45.00%	Ecopetrol	Sold in 2025
Catleya	50.00%	Ecopetrol	In the process of dismantling
Chipirón	8.75%	SierraCol	In the process of dismantling
CPO-9 - Exploration Area	45.00%	Ecopetrol	Sold in 2025
Cravo Norte	5.63%	SierraCol	In the process of dismantling
Cosecha	17.50%	SierraCol	In the process of dismantling
Rondón	4.38%	SierraCol	In the process of dismantling

Indonesia			
Corridor PSC	24.00%	Medco	Development/Production
Sakakemang South	80.00%	Repsol	Exploration
Sakakemang	45.00%	Repsol	Exploration
Iraq			
Topkhana	80.00%	Repsol	In the process of leaving
Libya			
NC115 Development	20.00%	Akakus	Development/Production
NC115 Exploration	40.00%	Repsol	Exploration
NC186 Development	16.00%	Akakus	Development/Production
NC186 Exploration	32.00%	Repsol	Exploration
Mexico			
Block 9	50.00%	Eni	Exploration
Block 29	46.67%	Repsol	Exploration
Norway			
PL 019 G	61.00%	Repsol	In the process of dismantling
PL 025	15.00%	Equinor	Development/Production
PL 038C	70.00%	Repsol	Development/Production
PL 052	27.00%	Equinor	In the process of dismantling
PL 092	7.65%	Equinor	Development/Production
PL 120	11.00%	Equinor	Development/Production
PL 120 CS	11.00%	Equinor	Development/Production
PL 121	7.65%	Equinor	Development/Production
PL 187	15.00%	Equinor	Development/Production
PL 316	55.00%	Repsol	Development/Production
PL 316B	55.00%	Repsol	Development/Production
Peru			
Block 56	10.00%	Pluspetrol	Development/Production
Block 57	53.84%	Repsol	Development/Production
Block 88	10.00%	Pluspetrol	Development/Production
Spain			
Albatros	82.00%	Repsol	In the process of dismantling
Angula	53.85%	Repsol	In the process of dismantling
Boquerón	61.95%	Repsol	In the process of dismantling
Casablanca-Montanazo Unificado	68.67%	Repsol	In the process of dismantling
Casablanca No Unificado	67.35%	Repsol	In the process of dismantling
Montanazo D	75.07%	Repsol	In the process of dismantling
Rodaballo	69.42%	Repsol	In the process of dismantling
Barracuda	60.21%	Repsol	In the process of dismantling
United Kingdom			
P019 (22/17n)	58.97%	Repsol	Development/Production
P020 (22/18n)	58.97%	Repsol	Development/Production
P101 (13/24a Blake)	67.71%	Repsol	Development/Production
P111 (30/3rd Upper)	25.00%	Repsol	Development/Production
P185 (30/11b)	60.00%	Repsol	In the process of dismantling
P185 (30/12b inc. Halley field)	60.00%	Repsol	In the process of dismantling
P201 (16/21a)	15.00%	Harbour Energy	In the process of dismantling

P201 (16/21d)	15.00%	Harbour Energy	In the process of dismantling
P219 (16/13a)	30.54%	Repsol	Development/Production
P225 (16/27a- Contract Area 3 Andrew Field Area)	9.86%	BP	Development/Production
P225 (16/27a- Contract Area 3)	26.48%	BP	Development/Production
P240 (16/22a- non Arundel Area)	36.98%	Repsol	In the process of dismantling
P249 (14/19n_F1- Claymore)	92.48%	Repsol	Development/Production
P291 (22/17s)	58.97%	Repsol	Development/Production
P291 (22/22a)	58.97%	Repsol	Development/Production
P292 (22/18a)	58.97%	Repsol	Development/Production
P297 (13/28a Ross)	69.18%	Repsol	Development/Production
P297 (13/28a)	64.75%	Repsol	Development/Production
P307 (13/29th Ross)	69.18%	Repsol	Development/Production
P307 (13/29a)	71.67%	Repsol	Development/Production
P324 (14/20b)	50.00%	Repsol	Development/Production
P344 (16/21b Rest of Block)	60.00%	Repsol	In the process of dismantling
P344 (16/21b_F1*-Balmoral Field Area)	15.80%	Harbour Energy	In the process of dismantling
P344 (16/21c*- Rest of block excluding Stirling)	60.00%	Repsol	Development/Production
P344 (16/21c_f1*)	15.32%	Harbour Energy	In the process of dismantling
P344 (16/21c_f1*-Balmoral)	15.80%	Harbour Energy	In the process of dismantling
P534 (98/06A-Wareham)	5.00%	Perenco	Development/Production
P534 (98/06a-Wych Farm UOA)	4.95%	Perenco	Development/Production
P729 (13/29b - Blake Ext Non Skate_Devel.)	80.00%	Repsol	Development/Production
P729 (13/29b - Ross Unitised Field UUAO interests)	69.18%	Repsol	Development/Production
P729 (13/29b - Ross Field Area)	80.00%	Repsol	Development/Production
P810 (13/24b Blake Area)	67.70%	Repsol	Development/Production
P810 (13/24b North)	69.18%	Repsol	Development/Production
P973 (13/28c)	69.18%	Repsol	Development/Production
PL089 (SZ/8, SY/88b, SY/98a)	5.00%	Perenco	Development/Production

United States ⁽³⁾

Alaska

Horseshoe Unit	49.00%	Santos	Exploration
Pikka Unit	49.00%	Santos	Development/Production
Quokka	44.70%	Santos	Exploration
Joint Lands Operating Agreement Area	49.00%	Santos	Exploration

Gulf of Mexico

Blacktip North - AC 335	50.00%	Llog	Exploration
Shenzy Unit	28.00%	Woodside	Development/Production
Blacktip	50.00%	Llog	Exploration
Buckshot	50.00%	Llog	Exploration
Buckskin Unit	22.50%	Llog	Development/Production
Buckskin North	22.50%	Llog	Exploration
Leon Unit	50.00%	Llog	Development/Production
Castille North	50.00%	Llog	Exploration
Castile	35.63%	Llog	Development/Production
Monument	28.57%	Beacon	Exploration
Mollerussa	20.00%	Shell	Exploration
Noel	50.00%	Llog	Exploration
Green Canyon 608 (Shenzi Unit)	28.00%	Woodside	Development/Production
Christmas Bay	20.00%	Shell	Exploration

La Sal	20.00%	Shell	Exploration
Mallorca	50.00%	Llog	Exploration
Dunharrow	40.00%	Talos	Exploration
Lemo	50.00%	Llog	Exploration
Sicily	33.00%	Llog	Exploration
Monument Walker Ridge 314	20.00%	Beacon	Exploration
Monument Block 271 Unit	20.00%	Beacon	In the process of dismantling
Rafiki	50.00%	Talos	Exploration
Witchita	50.00%	Talos	Exploration
Taos	50.00%	Talos	Exploration
Tach and Jibe	50.00%	Talos	Exploration
Omaha	50.00%	Talos	Exploration
Nebraska	50.00%	Talos	Exploration
Hyperion	50.00%	Talos	Exploration
Helios	50.00%	Talos	Exploration
Halyard	50.00%	Talos	Exploration
Dodge City	50.00%	Talos	Exploration
Enterprise	50.00%	Talos	Exploration
Allyrion	50.00%	Talos	Exploration
Port Aransas North	45.00%	Talos	CO2 Storage
Mustang Island	45.00%	Talos	CO2 Storage
<u>Eagle Ford</u>			
Eagle Ford Texas	92.55%	Repsol	Development/Production
<u>Marcellus</u>			
Marcellus New York (*) Exploration Unconventional	99.71%	Repsol	Exploration
Marcellus New York	86.19%	Repsol	Development/Production
Marcellus Pennsylvania	89.61%	Repsol	Development/Production
Trinidad and Tobago			
East Block	30.00%	BP	Development/Production
S.E.C.C. Ibis	10.80%	EOG	Development/Production
West Block	30.00%	BP	Development/Production
Coconut	15.00%	EOG	Development/Production
Mention	15.00%	EOG	Development/Production
Banyan	15.00%	EOG	Development/Production
Venezuela			
Barua Motatán	40.00%	Petroquiriquire	Development/Production
Carabobo	11.00%	Petrocarabobo	Development/Production
Cardon IV	50.00%	Cardon IV	Development/Production
Mene Grande	40.00%	Petroquiriquire	Development/Production
Quiriquire	40.00%	Petroquiriquire	Development/Production
Quiriquire Gas	60.00%	Quiriquire Gas	Development/Production
La Ceiba	40.00%	Petroquiriquire	Development/Production
Tomoporo	40.00%	Petroquiriquire	Development/Production

⁽¹⁾ Corresponds to the Group company's interest in the joint arrangement.

⁽²⁾ Joint ventures in the Exploration & Production segment include the blocks of those joint ventures in which the Group has mining domain for the exploration, development and production of hydrocarbons.

⁽³⁾ Mining rights in the United States are articulated on a large number of Joint Operating Agreements (JOAs). They have been grouped according to geographical areas and Repsol's participation.