REPSOL GROUP

Interim Management Report

First half 2021

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

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ABOUT THIS REPORT

The **Interim Management Report** of the Repsol Group[1] should be read in conjunction with the consolidated Management Report for 2020[2]. In conjunction with this report, Repsol has published condensed interim consolidated financial statements[3] for the first half of 2021 (hereinafter, "interim financial statements for the first half of 2021"). The Board of Directors of Repsol, S.A. approved both reports of Repsol, S.A. at its meeting of July 28, 2021.

The **financial information** contained in this document, unless expressly indicated otherwise, has been prepared in accordance with the Group's reporting model, as described below:

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

Given the nature of its business and in order to make its disclosures more readily comparable with those of its peers, the Group relies on Adjusted Net Income when measuring the results of each business segment. Adjusted Net Income means the current cost of supply (CCS), net of taxes and minority interests and excluding certain specific items of income and expense ("Special items").

For current cost of supply (CCS) earnings, the cost of volumes sold is calculated on the basis of procurement and production costs incurred during the period in question and not based on weighted average cost, which is the accepted methodology under European accounting law and regulations. The difference between CCS earnings and earnings at weighted average cost is included in the so-called Inventory Effect, which also includes other adjustments to the valuation of inventories (write-offs, economic hedges, etc.) and is presented net of taxes and minority interests. This Inventory Effect largely affects the Industrial segment.

Furthermore, Adjusted Net Income does not include Special Items, i.e. certain material items that are presented separately to provide a more reliable view of the ordinary management of the businesses.

This standard report uses Alternative Performance Measures (APMs), meaning measures that are "adjusted" to those presented under IFRS-EU. The information, breakdowns and reconciliations are included in Appendix I — Alternative Performance Measures of this report and are updated quarterly on the Repsol website (www.repsol.com). The balance sheet, income statement and statement of cash flows prepared under the Group's reporting model are presented in Appendix II.

The **non-financial information** regarding the sustainability indicators included in this document has been calculated in accordance with the corporate rules that set out the standard criteria and methodology to be applied in each case. *For more information, see section 8 – Sustainability of the Group's 2020 Management Report*.

[1] Hereinafter, the names "*Repsol*", "*Repsol Group*" or "*the Company*" will be used indistinctly to refer to the group of companies comprising Repsol, S.A. and its subsidiaries, associates and joint ventures.

[2] This interim Management Report has been drawn up for the sole purpose of updating the information contained in the 2020 Management Report.

[3] The interim financial statements for the first half of the year have undergone a limited independent review by the Group's auditor.

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1. SUMMARY OF MAIN EVENTS – FIRST HALF OF 2021

RECOVERY SCENARIO

Prices and demand recovery

In the first half of 2020, the global crisis triggered by COVID-19 caused demand and our raw materials and product prices to plummet. So far in 2021, the progress of vaccination programs and public policies to help shake off the crisis have fueled a gradual recovery in economic activity and mobility -albeit still uneven across countries- which has boosted demand and pushed up prices for these goods. These price dynamics fed through to Brent crude oil, which climbed above \$70/bbl in June (averaging \$65.0/bbl in the first half of the year).

PERFORMANCE AND FINANCIAL POSITION

This improved environment, together with the measures deployed by the company to overcome the crisis and join the recovery, enabled Repsol to post net income of 1,235 million euros in the first half of 2021, with a significant increase in cash generation across the businesses.

Good results supported by an integrated model

RESULTS FOR THE PERIOD *(Million euros)*	1H 2021	1H 2020	Δ
Upstream	678	(51)	729
Industrial	239	296	(57)
Commercial and Renewables	228	163	65
Corporate and other	(186)	(219)	33
Adjusted net income	**959**	**189**	**770**
Inventory effect	489	(1,088)	1,577
Special items	(213)	(1,585)	1,372
Net income	**1,235**	**(2,484)**	**3,719**

Adjusted net income amounted to 959 million euros (189 million euros in 2020), with the Upstream, Chemicals and Mobility businesses all outperforming.

The improvement in results at **Upstream** was due to rallying crude oil and gas prices, together with the efficiency measures put in place and the contribution made by Libya, where production had been halted for most of last year. At the **Industrial** segment, the decline in international margins at Refining due to the drop in demand was offset by the remarkable performance of Chemicals, which reported extraordinarily high profit margins. The results of the **Commercial and Renewables** segment were driven by recovering sales at the Mobility businesses -which at the end of the period were close to pre-pandemic levels for gasoline and diesel fuels- and also efficient cost management.

The increase in international prices for crude oil and other products has had a significant lifting effect on the value of inventories, thus generating a substantial **inventory effect**. Meanwhile, **special items** -which in 2020 reflected accounting write-downs of Upstream assets- mainly include provisions and workforce restructuring costs.

Total **net income** obtained in the period came to 1,235 million euros (-2,484 million euros in 2020).

Solid cash generation at the businesses

Following a steady recovery in economic activity, **EBITDA** for the period climbed to 3,635 million euros, **cash flow from operations** came to 1,932 million euros and **free cash flow** stood at 955 million euros.

Cash generation and balance sheet protection measures, including the issuance of subordinated hybrid bonds, succeeded in reducing **net debt** to 6,386 million euros (leverage ratio of 23.4%) and pushed up **liquidity** to 9,448 million euros (enough to cover short-term debt maturities by a factor of 2.2). This robust financial position has been endorsed by the rating agencies, which confirmed Repsol’s **investment grade** rating, with Moody’s upgrading its outlook from negative to stable.

Shareholder remuneration in the first half of the year amounted to 0.288 euros per share under the *Repsol Flexible Dividend* program, which replaces the 2020 interim dividend. Additionally, a cash dividend of 0.30 euros gross per share was paid out against 2020 results in July. In 2021, Repsol effected a capital reduction through the redemption of own shares, which had the effect of increasing earnings per share. The **share price** showed a significant recovery in the first half of the year when compared with the level reported at the beginning of the year.

BUSINESS ACTIVITIES

At **Upstream**, the resumption of production in Libya, coupled with cost reduction plans in place and the restructuring of asset operating plans, have allowed the Group to take advantage of the improved price environment. Production in the first half of the year (599.3 Kboe/d, down 11% on the previous year) was shaped by various factors, many of them circumstantial (winter storms in the United States, scheduled maintenance, operating incidents, etc.). The exploration campaign was carried out more selectively than in previous years, ending with one discovery in Bolivia and a delineation well in Indonesia with positive results.

Transformation of petrochemical facilities at multi-energy hubs

At **Industrial**, production, logistics and commercial structures were adjusted accordingly to adapt to weak Refining demand. Meanwhile, the Chemicals businesses were driven by historically high international margins to turn in an excellent performance. The Group also continued to focus on innovation and digitalization by launching new projects aligned with the Group's decarbonization and circular economy strategy and aimed at transforming industrial facilities into multi-energy hubs capable of generating products with low, zero or even negative carbon footprints.

Increase in installed renewable capacity

At **Commercial and Renewables**, sales at service stations in Spain were up 16%, despite the gradual lifting of mobility restrictions and the effects of Storm Filomena. Meanwhile, the entry into commercial operation of the Delta I wind farm and the first phase of the Kappa photovoltaic farm, as well as the Chile business, have meant that Repsol now has 467.9 MW of total installed capacity in renewable generation assets. Repsol also continued to promote its customer-centric model of multi-energy products and services, which has allowed it to increase the number of electricity and gas retail customers compared to the same period of the previous year.

Repsol has made further progress **in transforming the company** by flattening the organizational structure and setting up broader management scopes to streamline decision-making, gain flexibility and facilitate communication and collaboration flows. It also continued to focus on technology and digitalization, as key levers to accelerate the transition toward innovative business models that will enable the Company to decarbonize.

DRIVING DECARBONIZATION

Integrated energy transition and decarbonization strategy

Repsol accelerated compliance with the route set out in the 21-25 Strategic Plan to achieve its zero emissions target by 2050.

Upstream has continually sought to prioritize quality over quantity and focus on geographic areas with the greatest competitive advantages. Following this approach, it either sold, or reached agreements to sell assets in Russia, Malaysia, Algeria and Norway in the first half of the year, ceasing production in Spain and focusing exploratory activity in a lower number of countries. The proceeds obtained and the resulting investment savings will help finance strategic projects and new low-carbon initiatives.

At **Industrial**, highlights included the investments announced at the Tarragona industrial complexes, for circular economy projects; at Cartagena, where the Group plans to build an advanced biofuel plant; and also the integration into the consortium to develop Spain's first alkaline electrolyzer plant in the Basque Country.

At **Commercial and Renewables**, the first photovoltaic complex was brought online in Spain (Kappa, with 90.5 MW), operational testing got underway at Valdesolar (47.8 MW), construction work began on the future Delta II wind farm (859 MW) and also acquired the company Gana Energía which markets sell 100%

renewable energy. In the United States, the company started its renewables activity by acquiring a 40% stake in US company Hecate Energy.

New projects to drive transformation

In the calls for expressions of interest for Next Generation European funds launched by the Government of Spain, Repsol presented a **portfolio of 31 projects** that combine technology, decarbonization and circular economy, the creation of quality jobs and territorial balance, for a total associated investment of 6,359 billion euros.

Repsol has published a new integrated strategy targeting **sustainable financing** to accompany the energy transformation process. It offers flexibility and transparency when issuing financial instruments in the form of green and transition bonds, as well as financial instruments whose economic terms are linked to the attainment of Repsol's key sustainability objectives as a company.

SUSTAINABILITY

In the first half of the year, the 2021 Global Sustainability Plan (GSP) was approved, and further progress was made toward the local **Sustainability Plans** in more than 20 countries and industrial complexes, as we continue to pursue the 2030 Agenda of the United Nations and our own 21-25 Strategic Plan.

To achieve the goal of reducing greenhouse gas emissions to curb the effects of climate change, Repsol has implemented various improvement actions at its facilities, which have prevented 176 thousand metric tons of CO_2 emissions.

Amid COVID-19, Repsol has taken steps to protect the health and safety of its **workers**, without these affecting operations or the levels of service it offers. Both the injury frequency rate (IFR) and the process safety incident rate (PSIR) were down significantly compared to those of 2020.

MAIN FIGURES AND INDICATORS

Financial indicators [1] [2]	1H 2021	1H 2020
Result		
EBITDA	3,635	589
Operating Income	1,679	494
Adjusted net income	959	189
Net income	1,235	(2,484)
Earnings per share (€/share)	0.80	(1.59)
ROACE (%)	4.5	(7.3)
Investments	1,061	1,113
Cash and liquidity		
Cash flow from operations	1,932	864
Free cash flow	955	172
Cash generated	163	(359)
Liquidity	9,448	9,762
Debt and available capital		
Net Debt	6,386	8,026
Capital employed	27,348	30,966
Net debt / Capital employed (%)	23.4%	25.9%
Shareholder remuneration		
Shareholder remuneration (€/share)	0.288	0.424

Sustainability indicators [3]	1H 2021	1H 2020
People		
Number of employees	24,542	24,373
New employees	1,476	664
Safety and environment		
Process safety incident rate (PSIR) [4]	0.23	0.62
Total injury frequency rate (IFR) [4]	0.91	1.11
Reduction in CO_2 emissions (Mt)	0.176	0.279
No. of hydrocarbons spills > 1 bbl	5	5
Taxes paid	**5,227**	**4,442**

Our business performance [1]	1H 2021	1H 2020
Upstream		
Liquids production (kbbl/d)	221	229
Gas production (kboe/d)	378	446
Hydrocarbon production (kboe/d)	599	675
Crude oil realization price ($/bbl)	57.7	35.8
Gas realization price ($/kscf)	3.6	2.2
EBITDA	1,845	988
Adjusted net income	678	(51)
Cash flow from operations	1,287	684
Investments	418	603
Industrial		
Refining capacity (kbbl/d)	1,013	1,013
Processed crude oil (Mtoe)	18.2	18.5
Conversion utilization –Spanish Refining (%)	77.3	91.4
Distillation utilization – Spanish Refining (%)	73.4	76.1
Refining margin indicator in Spain ($/Bbl)	0.9	3.9
Sales of petrochemical products (kt)	1,382	1,297
EBITDA	1,355	(670)
Adjusted net income	239	296
Cash flow from operations	254	90
Investments	203	227
Commercial and Renewables		
Service stations [6] (No.)	4,950	4,955
Marketing own network sales	9,570	8,936
LPG sales (kt)	650	601
Installed capacity [7] - low emissions (MW)	5,935	4,966
Electricity generation (GWh)	2,052	2,293
EBITDA	519	360
Adjusted net income	228	163
Cash flow from operations	570	125
Investments	413	259

Macroeconomic scenario	1H 2021	1H 2020
Brent ($/bbl) average	65.0	40.1
WTI average	62.2	36.8
Henry Hub ($/MBtu) average	2.8	1.8
Electricity Pool – OMIE [5] (€/MWh)	58.3	29.0
Exchange rate ($/€) average	1.21	1.10
CO_2 (€/Tn)	43.8	22.1

Stock market indicators	1H 2021	1H 2020
Share price at year-end (€/share)	10.55	7.79
Average share price (€/share)	10.15	9.79
Market capitalization at year-end (million €)	16,120	12,193

(1) Where applicable, figure shown in million euros.
(2) More information in section 4 and Appendix I — *Alternative Performance Measures*.
(3) Figures and indicators calculated in accordance with the Group's management policies and guidelines. For more information, see section 8 of the 2020 Integrated Management Report.
(4) The figure for 2020 is full financial year.
(5) Iberian Energy Market Operator.
(6) The number of service stations includes those controlled and licensed.
(7) Includes installed capacity in operation and under development.

2. ENVIRONMENT

2.1 MACROECONOMIC SCENARIO

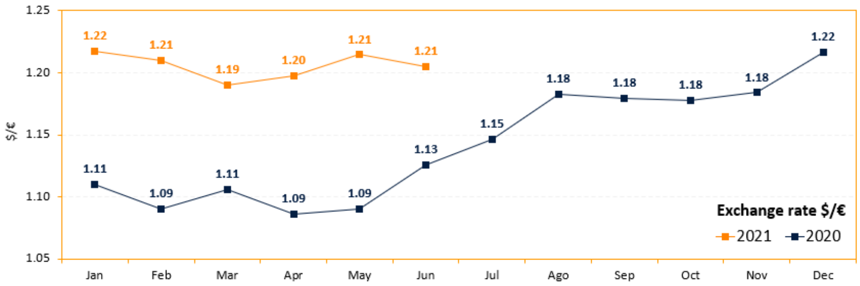
6%
Forecast global growth in 2021

In 2020, the **global economy** encountered a huge shock in the form of the COVID-19 pandemic, which forced countries from around the world to impose lockdown measures to protect public health. The magnitude and speed of the collapse in economic activity was unprecedented and in the second quarter of 2020 the economic crunch was three times greater than during the worst moment of the global financial crisis. However, strong economic policy support protected household income and led to a subsequent rebound as the lockdown measures were eased. In 2021, the progress made toward vaccination has allowed us to plot out a clearer economic recovery and remain fairly confident of relatively low structural damage in the wake of this crisis. However, the emergence of new strains carries a definite downside risk.

According to the latest forecasts released by the International Monetary Fund (IMF, *World Economic Outlook* – April 2021), and following a historic contraction of the global economy in 2020 (-3.3%), we should see significant growth of 6.0% in 2021 and of 4.4% in 2022. *For more information, see section 8.1.*

Given the widespread uncertainty and huge demand for liquidity, the **dollar strengthened** in early 2020 to reach 1.078 euros/dollar at the start of April. However, it then lost ground from that point forward through to early 2021, especially against the euro. The reason for this was the reduction in risk aversion, which made interest rate spreads and fundamentals more relevant in shaping the exchange rate. Indeed, the decision reached by the U.S. Federal Reserve to lower the benchmark interest rates to zero —a level at which the European Central Bank had already been holding them— coupled with increased financing needs in the United States due to its high fiscal and external deficit, made for a weaker dollar. However, in the final months of 2021, further progress toward the full recovery of the US economy, coupled with greater upside risks to inflation, are raising expectations of imminent rate hikes in that country. This could cause the dollar to appreciate, which has recently been hovering at around 1.18.

EUR/USD exchange rate performance (monthly average)



Source: Bloomberg and Repsol´s Division of Business Studies & Analysis.

2.2 ENERGY LANDSCAPE

Crude oil – Brent

$65.0 /bbl
Average Brent prices in the first half of the year

The reference crude oil, Brent, started 2021 at just shy of $50/bbl, while by mid-year it had already resumed May 2019 levels and in June it exceeded $70/bbl, up 60% in the year to date. The reasons for this price recovery can be observed on both the demand and supply sides. As our lives gradually return to normal, there has been a recovery and increase in mobility, both in terms of leisure and real economic activity. This has been made possible by ongoing vaccination processes, which are proving to be successful, especially in advanced countries.

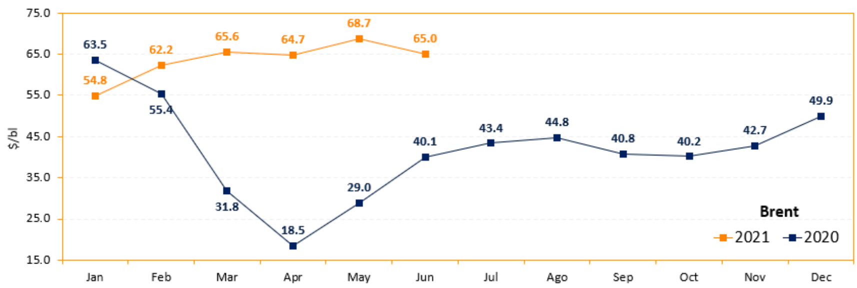
On the supply side, OPEC+ countries have honored the April 2020 agreement to lower production, thus enabling the market to rebalance and reduce global inventories. Recently, however, certain fissures among OPEC+ members have emerged and after weeks of disputes they hammered out a new compromise in July.

While the production cut agreements have been extended until December 2022, the new agreement raises the baseline for these cuts (to the following five countries from May 2022 onward: Saudi Arabia, Russia, United Arab Emirates, Iraq and Kuwait).

Despite the increase in prices, financial flows toward the oil market remain somewhat muted. Trading volumes have remained low and speculative investment in oil is also relatively low, which could pave the way for higher prices in the coming months.

Yet not all vectors are pulling the price upwards and there are also factors that are cause for concern: (i) air mobility is lagging somewhat, which is making it hard for demand to return to pre-pandemic levels; (ii) new variants of COVID-19 may lead to further lockdown measures; and (iii) the potential Iran nuclear deal may lead to a lifting of Iran's export restrictions, although the market does not expect its production to enter the system very quickly if the deal is ultimately reached.

Brent crude price performance (USD/bbl)



Source: Bloomberg and Repsol´s Division of Business Studies & Analysis.

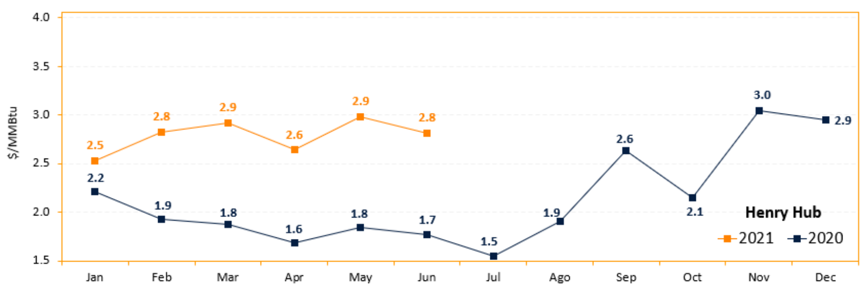
Natural Gas - Henry Hub

The price of US Henry Hub natural gas averaged $2.8/MBtu in the first half of 2021, roughly $1 higher than the level reported in the same period of 2020. This increase in gas prices is a product of gradual market adjustments. On the supply side, weather-related production cuts (polar vortex in February, heavy fog banks, early start of the hurricane season) have significantly slowed the production growth rates seen to date. On the demand side, below-normal temperatures until last May, coupled with extremely high exports of liquefied natural gas (LNG), which peaked at 12 Bcf/d, have supported prices, which have remained at levels well above those seen in 2020. Meanwhile, the positive course of the pandemic, with strong progress made toward vaccination programs and restoring economic activity —not only in key gas-consuming countries such as China, but also domestically— have resulted in very stable prices throughout the reporting period.

$2.8/MBtu
Average Henry Hub prices in the first half of the year

In the short term, it is expected that this price level will largely persist due to expectations of a warm summer, with stabilized production levels and a high pace of exports. We may also see a certain rebound in the coming winter as a result of this greater degree of balance between supply and demand.

Henry Hub price performance (USD/MBtu)



Source: Bloomberg and Repsol´s Division of Business Studies & Analysis.

For more information on the expected performance in the second half of the year, see section 8.1.

CO_2 emissions

The price of CO_2 emissions underwent a structural change in 2020, firstly due to the toughening of the emissions targets set by the European Union (raised to 55%), and secondly because the carbon market has become a financial product used for speculative investment, much like other commodities. This shift has continued through 2021, with prices during the first half of the year averaging close to €44/t, four times higher than the 10-year average.

During the first half of 2021, the European emissions market was influenced by other factors, such as the start-up of the UK emissions market, or the calculation of the new figures of the stability reserve, which will again withdraw allowances over the coming period, which could continue to push up the price of allowances. However, these factors have generated a one-off effect, without altering the broader upward price trend.

3. IMPACTS OF COVID-19

In 2020, the international pandemic caused by COVID-19 triggered a deep health, social and economic crisis. In the first half of 2021, the launch of various vaccination program improved the outlook and raised hopes of a change of tide in the course of the pandemic. In this context, the economic recovery has been sizable yet uneven between countries, reflecting the progress they have each made toward vaccinating the population, the effectiveness of support policies and the structural state of each country upon entering the COVID-19 crisis. *For more information, see sections 2 and 8.*

Despite the unique set of difficulties raised by this pandemic, Repsol has maintained the safe operation of its businesses all through the crisis, most of which are considered essential or strategic activities in the countries where it is present. Currently, the recovery of activity and profitability has had a positive impact across all businesses, though not to the same extent:

Upstream

The recovery of crude oil and gas prices, together with the measures put in place to improve efficiency and optimize operations and investments to offset weak levels of demand, have enabled Upstream results for the first half of the year to return to pre-pandemic levels. There has also been a notable reduction in both investment activity (-31% vs. 1H 2020) and exploratory activity.

Industrial businesses

At Refining, the drop in global demand has prompted the temporary shut-down of refineries across the globe, including Europe. Repsol's refining system had to reduce utilization but nonetheless managed to maintain reasonable levels of activity by balancing production against sales and storage capacity. In spite of all this, Repsol has been forced to implement temporary furlough plans for the workforces of the industrial complexes in Coruña, Puertollano and Bilbao. Notably, the furlough scheme at Puertollano was ended on June 21 following a recovery in demand for oil products.

Meanwhile, margins at Chemicals hit record highs due to increased demand but shorter supply due to lower available capacity (optimization shutdowns at certain plants in Europe, increased exports to Latin America and lower imports due to the blockage of the Suez Canal in March).

Commercial businesses

The lockdown measures and widespread decline in economic activity led to a notable slump in demand for fuel products, which had a heavy impact on the network of service stations and aviation supplies.

In Spain, while fuel sales at service stations have increased by 16% versus 2020, they are still down 18% on the level reported in 2019. However, by the end of the period and due to gradual recovery, sales at service stations had reached levels already comparable to those seen pre-crisis (-12% vs. June 2019, on a like-for-like basis).

Meanwhile, aviation kerosene sales remain very weak (-59% vs. first half of 2019), due to lower domestic consumption and low international activity.

Sales at the LPG business were up year on year in the hospitality, hotel, services and automotive sectors, although still falling short of 2019 levels, supported by the partial recovery of the tourism sector.

It is hard to predict to what extent and for how long the pandemic will affect Repsol's businesses in future. Global demand for crude oil, gas and petroleum products as a result of the ongoing economic situation and especially the recovery of mobility will be affected by how the pandemic pans out. The development of new vaccines and roll-out plans, the containment measures used by the health authorities and the policies put in place to mitigate the social and economic impact of the crisis will all shape the scope and duration of both the crisis and the subsequent recovery.

4. FINANCIAL PERFORMANCE AND SHAREHOLDER REMUNERATION

4.1 RESULTS

Strong results

Repsol posted a net income of 1,235 million euros in the first half of 2021. The opportunities presented by the improvement in the business environment (higher crude oil and gas prices, improvement in the international chemical margin -at historical levels-, progressive recovery of fuel demand due to the easing of mobility restrictions) have been adequately exploited thanks to the measures put in place by the company at the beginning of the pandemic to cope with the complex context of COVID-19 and the change in strategy due to expectations of an exit from the crisis.

Million euros	1H 2021	1H 2020	Δ
Upstream	678	(51)	729
Industrial	239	296	(57)
Commercial and Renewables	228	163	65
Corporate and other	(186)	(219)	
Adjusted net income	**959**	**189**	**770**
Inventory effect	489	(1,088)	1,577
Special items	(213)	(1,585)	1,372
Net income	**1,235**	**(2,484)**	**3,719**

Adjusted Net Income:

Recovering prices at the Upstream and Industrial businesses, coupled with increased sales at the commercial businesses, combined to push up **EBITDA** for the period (3,635 million euros vs. 589 million euros in the first half of 2020).

EBITDA (millions of euros)	1H 2021	1H 2020	Δ
Upstream	1,845	988	857
Industrial	1,355	(670)	2,025
Commercial and Renewables	519	360	159
Corporate and other	(84)	(89)	5
TOTAL	**3,635**	**589**	**3,046**

Adjusted net income came to 959 million euros, compared with 189 million euros in the same period of the previous year.

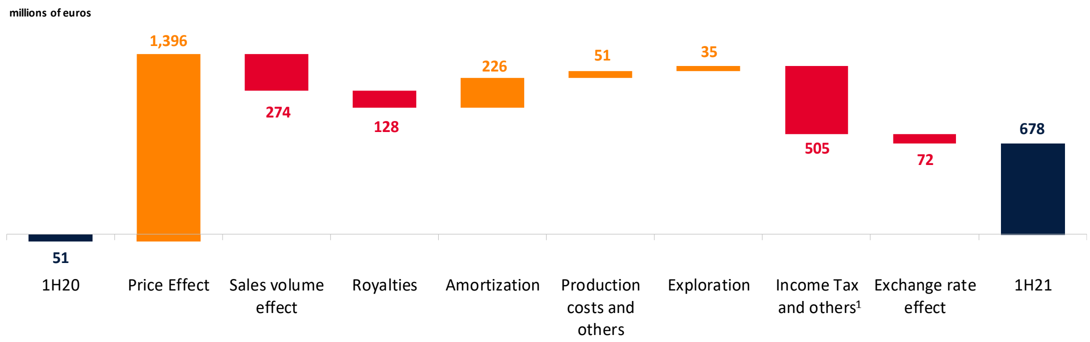
Upstream

Average **production** for the period came to 599 Kboe/d, down 11% on the same period of 2020, while **exploratory investment and activity** saw a notable reduction. **Investments** (418 million euros) was significantly down on 1H 2020 (-31%) as the Group sought to prioritize quality over quantity, focus on key geographical areas and pare back exploratory activity. Investment activity centered on assets in production and/or under development in Norway, Trinidad and Tobago, the United States and the United Kingdom. Exploratory investment took place mainly in the United States, Mexico, Bolivia and Indonesia. *For further information on the activities of the Upstream segment, see section 5.1.*

Adjusted net income amounted to 678 million euros, notably up on the figure for 1H20 (-51 million euros) as a result of higher realization prices for crude oil (+61%) and gas (+64%), lower depreciation and amortization (impact of the impairment recognized in 2019 and 2020 and the decline in production) and lower costs (adjusting operations to the new environment and workforce reductions). All this was partially offset by lower production and higher taxes following an increase in operating income.

Higher crude oil and gas realization prices

Upstream adjusted net income variation



(1) Includes the results of investees and non-controlling interests.

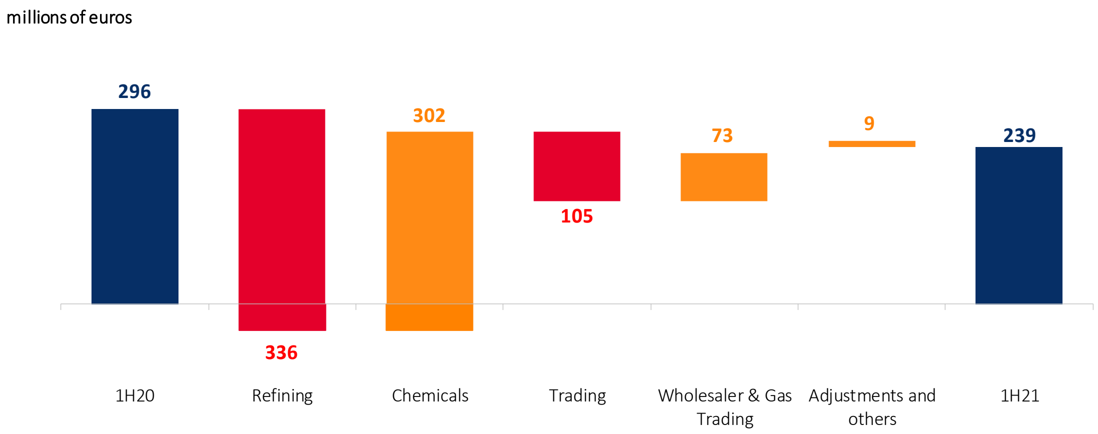
Industrial

Adjusted net income in the first half of 2021 amounted to 239 million euros, compared with 296 million euros in the first half of 2020. The change here is largely a result of:

- At **Refining**, the drop in results due to very weak international margins and low levels of demand were partially offset by the production and logistics adjustment measures put in place at the refineries.
- At **Chemicals**, the improved results were a product of the extraordinary (1) margins (reactivation of demand plus one-off impact of incidents limiting supply), increased sales (despite the scheduled stoppage of the Puertollano plant) and the income obtained from sale of technology licenses.
- At **Trading**, lower results in almost all of the businesses, particularly in Middle distillates, Bios and Naphthas.
- At **Wholesale & Gas Trading**, results improved on the back of increased margins and volumes at the gas trading business in North America.

Extraordinary margins at Chemicals and weak margins at Refining.

Industrial adjusted net income variation



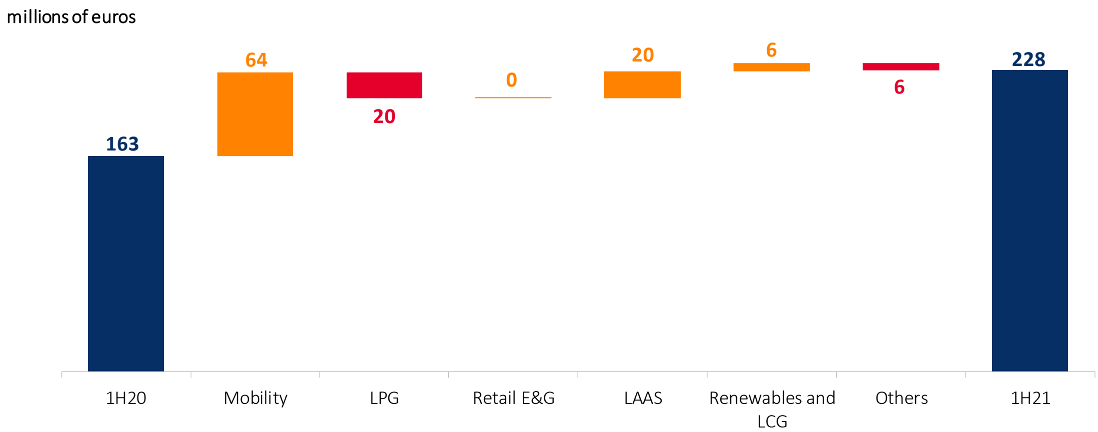
Investments in Industrial operations in the first half of 2021 came to 203 million euros (down 11% on 1H 2020). The investments were largely aimed at maintaining and improving levels of activity at industrial complexes.

For further information on the activities of the Industrial segment, see section 5.2.

Commercial and Renewables

Adjusted net income in the first half of 2021 amounted to 228 million euros, compared with 163 million euros in the first half of 2020.

Commercial and Renewables adjusted net income variation



The main reasons for this change are as follows:

- At **Mobility**, there were improved results due to the increase in volumes sold at Service Stations and Direct Sales following the gradual easing of mobility restrictions.
- At **LPG**, the drop in results were a result of lower margins on regulated bottled business in Spain, despite higher volumes sold following the recovery seen in the catering, hospitality, services and automotive industries.
- At **Retail E&G**, the numbers of customers increased and results were in line with those reported in the same period of the previous year.

Recovery of sales at Mobility and first renewable projects in commercial operation

- At **Lubricants, Asphalts, Aviation and Specialties**, results were up due to increased margins and lower provisions for credit risk at Aviation, despite the drop in volumes sold.

- At **Renewables and Low Carbon Generation**, higher results on the first half of 2020, largely due to the contribution made by renewable projects in commercial operation (Delta I and Kappa).

Operating **investments** in the first half of 2021 totaled 413 million euros (up 59% on the figure for 1H 2020). The biggest investments were the acquisition of a 40% stake in US company Hecate Energy and the development or commercial start-up of new renewable energy projects in Spain and Chile.

Acquisition of 40% of Hecate Energy

For further information on the activities of the Commercial and Renewables segment, see section 5.3.

Corporate and others

Results for the first six months amounted to -186 million euros (1H 2020: -219 million euros). The improvement in financial results was mainly a product of the lower cost of debt. Meanwhile, Repsol has continued its efforts to reduce corporate costs, in line with the objectives envisaged in the 21-25 Strategic Plan, while continuing to promote digitalization and technology initiatives.

Net income:

Adjusted net income is affected by the following factors:

- Positive **inventory effect** of 489 million euros, following the sustained recovery in the price of crude oil and other oil products during the first half of 2021, compared with the -1,088 million euros reported in the first half of 2020, when prices and demand plummeted following the rapid spread of COVID-19.

- **Special items**, which in the first half of 2021 amounted to -213 million euros, relating largely to the cost of updating provisions and workforce restructuring activities. Special items in the first half of 2020 mainly related to the recognition of impairment and valuation adjustments for certain Upstream assets.

Million euros	1H 2021	1H 2020
Divestments	1	72
Indemnities and workforce restructuring	(54)	(41)
Impairment	(5)	(1,296)
Provisions and other	(155)	(320)
TOTAL	**(213)**	**(1,585)**

As a result of all the foregoing, the Group's **Net income** for the first half of 2021 totaled 1,235 million euros (-2,484 million in 1H 2020).

Profitability indicators	1H 2021	1H 2020
ROACE – Return on average capital employed (%)	4.5	(7.3)
Earnings per share (€/share)	0.80	(1.59)

4.2 CASH FLOW

CASH FLOW *(Million euros)*	1H 2021	1H 2020
EBITDA	3,635	589
Changes in working capital	(1,158)	459
Dividends received	11	19
Income taxes received/(paid)	(343)	(10)
Other collections/(payments)	(213)	(193)
I. Cash flow from operations	1,932	864
Payments on investments	(1,107)	(1,207)
Proceeds from divestments	130	515
II. Cash flow from investing activities	(977)	(692)
FREE CASH FLOW (I + II)	955	172
Dividends and other equity instruments	(146)	(128)
Net interest and leases	(199)	(253)
Treasury stock	(447)	(150)
CASH GENERATION	163	(359)

Notable improvement in cash flow from operations

Cash flow from operations (1,932 million euros) were higher than the figure reported in the first half of 2020, following a significant increase in EBITDA across all businesses. This positive impact was partially countered by the effect of higher inventory costs on working capital (price of inventories at the industrial businesses) and an increase in taxes paid.

Investments were down during the period, mainly at Upstream and less so at Industrial, but with a notable increase at the low-carbon generation businesses (highlights here include the acquisition of a 40% stake in Hecate and the projects undertaken in Chile and Spain), in line with the Strategic Plan 21-25. Proceeds from divestment activity were down, as the first half of 2020 included the return of the taxes paid upon the divestment of Naturgy in May 2018.

Free cash flow amounted to 955 million euros, versus 172 million euros in the first half of 2020.

As a result of all of the above, and after meeting borrowing costs (-199 million euros), shareholder remuneration (-146 million euros) and acquisition of treasury shares (*for more information, see section 4.4),* **cash generation** totaled 163 million euros.

4.3 FINANCIAL POSITION

In June, a new comprehensive sustainable financing strategy was released to accompany the energy transition process, offering flexibility and transparency in the issuance of financial instruments.

Steps were also taken during the first six months to protect the balance sheet, including the issuance and buyback of subordinated hybrid bonds, thus enabling Repsol to lower its net debt and maintain its investment grade rating. In line with the policy of financial prudence and commitment to maintaining a high degree of liquidity, the funds held in cash by the Group at the end of June and available credit facilities were comfortably enough to meet debt maturities in the short term and beyond, through to 2026, without the need to refinance.

New sustainable financing strategy

The new integrated sustainable financing strategy to accompany the energy transition process takes the form of a framework (available at www.repsol.com), through which the Group can issue:

- **Bonds of special purpose financing instruments**: i) green bonds to be used to finance eligible projects as per the Taxonomy of the European Union (renewable energy and renewable hydrogen, among others); and ii) transition bonds to be assigned to additional activities and projects that positively pursue climate change mitigation and therefore Repsol's strategic energy transition strategy.

- **Bonds or financial instruments the economic conditions of which are linked to the attainment of the key sustainability targets of Repsol as a company**. These bonds (Sustainability-Linked Bonds, or SLBs) will have as their verifiable indicator the Carbon Intensity Indicator defined by Repsol, which measures the CO_2e emissions for every unit of energy that the Company delivers to society (g CO_2e/MJ).

Repsol's new sustainable financing framework, in line with the principles of transparency and best practices, has been verified and certified by rating agency ISS.

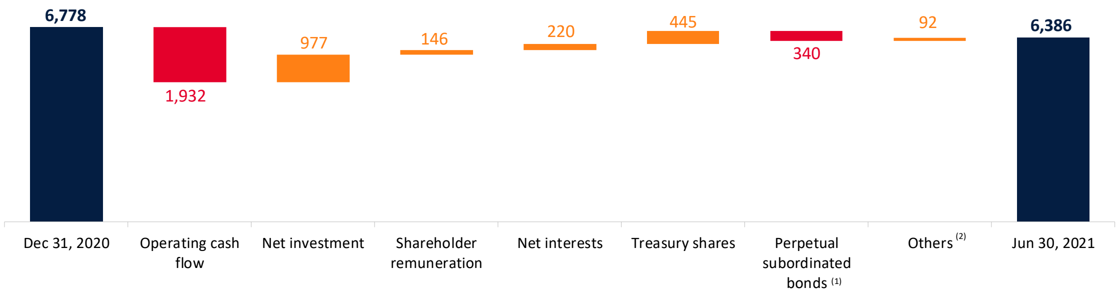
In July 2021, the Group completed the first issuance of SLB bonds under the new sustainable financing framework, worth a total of 1.25 billion euros. *For more information, see section 8.3.*

Indebtedness

Net debt (6,386 million euros) was down on the figure for 2020, mainly due to increased cash flow from operations, proceeds from divestments carried out during the period and the net funds obtained from issuances and buybacks of equity instruments (perpetual subordinated bonds) worth 340 million euros.

€6,386 M
Net Debt

Net debt performance



(1) Net impact of the issuance and partial buyback described in the section titled "*Main financing transactions*".
(2) Includes, among others, new lease agreements in the period, other proceeds/amounts used for operating activities and the exchange rate effect.

The leverage ratio (23.4%) was down on the figure for December 2020.

Leverage
23,4%
Robust financial structure

Gross debt amounted to 13,354 million euros, presenting the following maturities at 30 June 2021:

	2021	2022	2023	2024	2025	2026 and beyond	TOTAL
Bonds	997	499	0	847	1745	2436	6,825
ECP	1,705	0	0	0	0	0	1,705
Loans and credits	306	177	80	36	125	69	793
Inst. financing	0	0	0	0	4	21	26
Project finance	11	22	23	24	25	254	360
Interest, derivatives and other	53	16	-86	-	-	-	-17
Leases	295	472	337	299	267	1,991	3,662

Main financing transactions

On March 15, Repsol International Finance, B.V. (RIF) closed the pricing and terms and conditions of an issue of subordinated perpetual bonds (guaranteed by Repsol, S.A.) for a total amount of 750 million euros. The bonds are admitted to trading on the Luxembourg Stock Exchange and pay a fixed coupon of 2.500% through to the first redemption option in March 2027.

Also in March, RIF redeemed the remaining balance of the issuance of subordinated bonds known as *"€1,000,000,000 6 Year Non-Call Perpetual Securities"* and issued in March 2015 (see Note 6.4 to the consolidated financial statements for 2020), for their nominal amount plus all accrued and unpaid interest up to the redemption date, giving a total of 422 million euros.

On May 18, RIF placed an issuance of Eurobonds (guaranteed by Repsol, S.A.) worth a total of 300 million euros, admitted for trading on the Luxembourg stock exchange, paying a variable coupon equivalent to the 3-month EURIBOR + 70 bp and maturing in May 2023.

For further information, see Notes 3.1.4 and 3.1.5 to the interim financial statements for the first half of 2021.

Liquidity

Group liquidity, including committed and undrawn credit facilities, stood at 9,448 million euros at June 30, 2021, which is enough to cover its short-term debt maturities by a factor of 2.2. Repsol had undrawn credit facilities amounting to 2,867 million euros and 3,436 million euros at June 30, 2021 and December 31, 2020, respectively.

€9,448 M
Liquidity

Credit rating

Investment grade upheld

At present, the credit ratings assigned to Repsol, S.A. by the ratings agencies are as follows:

	STANDARD & POOR'S	MOODY'S	FITCH
TERM	Repsol, S.A.	Repsol, S.A.	Repsol, S.A.
Long-term	BBB	Baa2	BBB
Short-term	A-2	P-2	F-2
Outlook	stable	stable	stable
Last modified on	25/03/2020	16/06/2021	02/04/2020

Treasury shares and own equity investments

At June 30, 2021, a total of 36.7 million own shares were held in treasury, representing 2.40% of share capital at that date. *For further information, see Note 3.1.4 to the interim financial statements for the first half of 2021.*

4.4. SHAREHOLDER REMUNERATION

Remuneration received by shareholders in the first half of 2021 under the "*Repsol flexible dividend*" program includes the amount of the irrevocable commitment to purchase from shareholders their rights to receive free shares, which Repsol assumed on occasion of the scrip issue completed in January 2021 (0.288 euros per right, gross). Thus, Repsol paid out the gross sum of 102 million euros to shareholders in the first half of 2021 and delivered 40,494,510 new shares, worth 338 million euros, to those shareholders who opted to receive their dividend in the form of new shares in the Company.

The 2021 Annual General Meeting approved a capital reduction through the redemption of up to 40,494,510 treasury shares, acquired through a share buyback program aimed at all shareholders. The reduction is intended to counter the dilutive effect of the scrip issue ("*Repsol flexible dividend*") delivered in January 2021. Upon completion of the share repurchase program, the capital reduction was implemented in April through the redemption of 40,494,510 treasury shares against the share premium reserve.

Meanwhile, in July 2021 a cash dividend of 0.30 euros per share was paid out against 2020 earnings, for a total of 447 million euros.

The 2021 Annual General Meeting also approved the distribution of a dividend of 0.30[1] euros gross per share against unrestricted reserves, to be paid out, if applicable, in January 2022, on a date to be determined by the Board of Directors.

[1] The gross amount of 0.30 per share shall be reduced by the gross amount per share which, prior to the agreed payment date, the Company may have agreed to distribute and disclosed to the market, if any, as an interim dividend payable out of the current year's profits earned since the end of the 2020 financial year.

For further information, see Note 3.1.4 to the interim financial statements for the first half of 2021.

Our share price

Repsol's share price during the first half of the year saw a significant recovery from the levels reported at the beginning of the year (+28%), beating the average of the IBEX-35 (+9%) and peer companies (+21%) in the *Oil & Gas*[1] sector, which has been positively impacted by the recovery in demand and crude oil prices, albeit partially offset by the weakness of refining margins.

The main stock market indicators in 2021 and 2020 were as follows:

MAIN STOCK MARKET INDICATORS	1H 2021	1H 2020
Shareholder remuneration (€/share) (1)	0.288	0.424
Share price at end of period (2) (euros)	10.55	7.79
Period average share price (euros)	10.15	9.79
Period high (euros)	11.47	14.36
Period low (euros)	7.98	6.03
Number of shares outstanding at end of the period (million)	1,527	1,566
Market capitalization at end of the period (million euros) (3)	16,120	12,193

(1) For each period, shareholder remuneration includes dividends paid and the fixed price guaranteed by Repsol for the bonus share rights awarded under the "Repsol Flexible Dividend" program.
(2) Share price at year-end in the continuous market on the Spanish stock exchanges.
(3) Period-end closing market price per share, times the number of outstanding shares.

[1] Peers within the Oil & Gas industry for the purposes of this report: Royal Dutch Shell, Total Energies, British Petroleum, Equinor, ENI, OMV and Galp.

5. OUR BUSINESSES

5.1 UPSTREAM

Main operating figures

	1H 2021	1H 2020
Liquids production (kbbl/d)	221	229
Gas production (Mboe/d)	378	446
Hydrocarbon production (Mboe/d)	599	675
Crude oil realization price ($/bbl)	57.7	35.8
Gas realization price ($/kscf)	3.6	2.2

Our performance in 1H 2021

Million euros	1H 2021	1H 2020	Δ
Operating income	1,182	(4)	-
Income tax	(510)	(57)	(-795%)
Investees and non-controlling interests	6	10	(-40%)
Adjusted Net Income	**678**	**(51)**	**-**
Special items	(164)	(1,489)	89%
Net income	**514**	**(1,540)**	**-**
Effective tax rate (%)	(43)	[1]	-
EBITDA	**1,845**	**988**	**87%**
Investments	**418**	**603**	**(-31%)**

[1] N/A Even though income from operations is negative overall, there is a tax expense due to the mix of earnings at different effective rates in each jurisdiction (income at high rates and losses at low rates or not capitalized).

Main events of the period (1/3):

Average production:

Average production at Upstream reached 599 Kboe/d in the first half of 2021, 76 Kboe/d down on the same period of 2020. This was largely a result of production interruptions at Eagle Ford due to low temperatures in the United States in the first quarter, natural decline at the Eagle Ford and Marcellus fields (United States) and in Trinidad and Tobago, Norway and Canada, the expiration of the Piedemonte license (Colombia), maintenance activities and unscheduled shutdowns in Peru, Trinidad and the United Kingdom. All of this was partially offset by the resumption of production in Libya from October 11, 2020 onward, as well as increased volumes in Bolivia.

Exploratory campaign:

In the first six months of 2021, drilling of 2 exploratory wells was completed (1 in Bolivia with a positive result and another in Mexico with a negative result) and 1 delineation/appraisal well in Indonesia with a positive result. At June 30, 1 exploratory well in Bolivia and 1 delineation/appraisal well in Mexico were in progress.

Acreage and portfolio management:

In the United States, 8 blocks were awarded in the Gulf of Mexico (5 in the Walker Ridge area and 3 at Keathley Canyon).

During the first half of the year, the Group completed its divestments at AROG (producing assets in Russia) and Tin Fouyet Tabenkor (22.62% of the gas and liquefied petroleum gas production assets located in Algeria), as well as the process of exiting Morocco (Tanfit exploration block), all in accordance with the business reduction commitments envisaged in the Strategic Plan. Two agreements were also concluded for the sale of assets in Malaysia (35% stake in PM3 CAA, 60% in Kinabalu, 60% in PM305/314) and Vietnam (70% at the 46 CN block) and a 33.84% stake in the Brage field (Norway).

Main events of the period (2/3):

NORTH AMERICA

United States

- In February, the FEED (front-end engineering and design) process got under way for phase one of the Pikka project at the *North Slope* development in Alaska, which envisions the drilling of 43 wells and the construction of a plant capable of producing 80,000 barrels/day. The final investment decision is expected in 2022 and the start of production is slated for 2025.
- In May, the local unit has reached production figures of 20 Mboe at *Buckskin*, in deep waters off the Gulf of Mexico, within the space of two years and moreover with only two wells producing oil (together they produce 42 kboe/d, gross; 8.275 kboe/d for Repsol).

LATIN AMERICA

Brazil

- In March, Repsol and its partners Equinor and Petrobras approved the Development Concept for the BM-C-33 block, a gas and condensate field located within the Campos basin in Brazil's pre-salt layer.
- In May, Repsol embarked on a project to develop CO_2 capture projects for the production of green hydrocarbons and chemicals (environmentally friendly diesel and gasoline, or even special kerosene waxes) through industrial processes that do not emit greenhouse gases.

Peru:

- In February, Repsol returned exploratory block 103. Operations at the block had been suspended due to a force majeure event declared in 2008.

Bolivia

- In January, drilling of the Boicobo south-X1ST (BCS-X1ST) exploratory well was completed with positive results. Preliminary estimates place the discovery at around 1 TCF (trillion cubic feet) of reserves and prospective resources.
- In April and May, the Margarita block announced the commissioning of a new water treatment plant capable of processing 6,800 barrels of water per day and a new compression plant, which has helped increase recoverable reserves and gas deliveries to the market.

EUROPE AND AFRICA

Norway

- In January, the Mærsk Inspirer mobile offshore drilling and production unit was successfully installed at the YME field. After achieving this milestone, first oil is expected to be extracted in the second half of 2021. In May 2020, Repsol agreed with Maersk Drilling to take over the operation of the platform, thus generating further operational and contractual synergies for the YME license.
- In June, an agreement was reached to sell a 33.84% stake in the Brage field to Singapore-based company Lime Petroleum. There are five licenses involved in the operation (PL 053B, PL 055, PL 055B, PL 055D and PL 185), all of which expire in April 2030.

Spain

- In January, Repsol informed the Ministry for the Ecological Transition and the Demographic Challenge that it was withdrawing from four oil wells: Casablanca-11, Casablanca-12 and Rodaballo-1 at the Casablanca platform off the coast of Tarragona and at Albatros off the coast of Vizcaya.
- In June, the Cessation of Production (CoP) of the Casablanca platform in Tarragona was carried out after 40 years in operation.

Main events of the period (3/3):

Greece

- In March, following Repsol and Energean's decision not to continue with the second phase of exploration, the Aitoloakarnania block was relinquished.

Algeria

- In June, Repsol completed the transfer of its stake in the Tin Fouyet Tabenkor (TFT) production asset. Repsol had held a 22.62% stake in the gas and liquefied petroleum gas (LPG) producing asset.

Libya

- Following the joint ceasefire declaration agreed between the officially established UN-backed government in Tripoli (GNA) and the Libyan National Army (LNA) with the backing of the international community in September 2020, production was restored on 11 October 2020, with no interruptions since then.

Morocco

- In the first half of the year, Repsol returned the Tanfit I-VI exploration concession at the Missour Basin, where it was the operator and held a 37.5% WI, thus ending its presence in the country.

ASIA, RUSSIA AND REST OF THE WORLD

Indonesia

- In January, Repsol received clearance from local regulator SSK Migas to proceed with phase I development of the *Kali Berau Dalam* field at the *Sakakemang* block in South Sumatra. The aim under Phase I of the development plan is to produce gas reserves in the order of 445.10 billion cubic feet (BCF).
- In April, the Kaliberau Dalam-3X delineation/appraisal well at the Sakakemang block was completed with positive results.

Malaysia and Vietnam

- In June, Repsol agreed to sell its interests at the PM3 CAA, Kinabalu, PM305/314 assets in Malaysia and block 46 CN in Vietnam (an asset connected to the PM3 CAA production facilities) to a subsidiary of Hibiscus Petroleum, a listed company based in Kuala Lumpur. The deal, which is expected to be completed during the second half of 2021, is subject to regulatory approval and waiver of the partners' pre-emption rights.

Russia

- In May, Repsol sold its 49% WI in AR Oil & Gas (AROG), its joint venture with Alliance Oil (51%), thus marking an end to Repsol's oil production activity in Russia. AR Oil & Gas (AROG) is the owner of Saneco and Tatneftteotdacha, two small producers with oil assets in the Samara region and the Republic of Tatarstan. However, Repsol retains an interest in exploratory activities in Russia through its partnership with Gazprom Neft.

5.2 INDUSTRIAL

Main operating figures

	1H 2021	1H 2020
Refining capacity (kbbl/d)	1,013	1,013
Europe	896	896
Rest of the world	117	117
Conversion rate in Spain (%)	63	63
Conversion utilization - Spanish Refining (%)	77	91
Distillation utilization - Spanish Refining (%)	73.4	76.1
Crude oil processed (millions of t)	18.2	18.5
Europe	16.3	17.0
Rest of the world	1.9	1.5
Refining margin indicator ($/Bbl)		
Spain	0.9	3.9
Peru	5.4	3.7
Petrochemical production capacity (kt)		
Base	2,603	2,603
Derivatives	2,235	2,235
Sales of petrochemical products (kt)	1,382	1,297
Gas sales in North America (TBtu)	397	351

Our performance in 1H 2021

Million euros	1H 2021	1H 2020	Δ
Operating income	307	409	(-25%)
Income tax	(77)	(109)	29%
Investees and non-controlling interests	9	(4)	-
Adjusted Net Income	239	296	(-19%)
Inventory effect	464	(1,066)	-
Special items	(21)	(32)	34%
Net income	682	(802)	-
Effective tax rate (%)	(25)	(27)	7%
EBITDA	1,355	(670)	-
Investments	203	227	(-11%)

Main events of the period (1/2):

Refining

- During the first half of the year, the refineries proved were able to adapt their production scheme to the needs of the market and showed considerable flexibility in terms of both logistics and storage, thus allowing for the continuous supply of essential products and enabling Repsol to temporarily shut down certain units at the Industrial Complexes (mainly crude distillation units) while continuing to run those processes that generate higher margins, such as the deep conversion units (hydrocrackers and cokers).
- During the first half of the year, Repsol presented a Furlough Plan (known as an ERTE in Spain) for production reasons at the industrial complexes of Bilbao, Puertollano and Coruña following the fall in demand for oil products. Notably, the furlough scheme at the Puertollano complex was ended on June 21 as demand for oil products recovered.
- In March, the *Calípolis* was unveiled, comprising a total of 11 projects in a bid to secure 259.5 million euros in European funding. The center is a joint venture between the Port of Tarragona, the local council of Vila-seca and Repsol itself. The initiatives presented include the extension of the port facilities in Tarragona and the elimination of the current single-berth, located in the open sea, by making it possible to berth large vessels on its jetty. The estimated investment, over a period of four to six years, is estimated at 1.4 billion euros in energy transition projects at the Tarragona refinery.
- In March, Repsol, through its subsidiary Petronor, and engineering company Sener signed a memorandum of understanding to begin the feasibility study for the first electrolyzer factory in Spain, with an investment of 120 million euros. Phase one of the project could be up and running by the end of 2022. The initiative is part of one of the 34 projects planned for the Basque Hydrogen Corridor (BH2C), which is a product of Repsol's strategic decision to invest in the Basque Country in projects to advance toward the energy transition. It will lead to a reduction of more than 1.5 Mt/year of CO_2.
- In March, Repsol completed construction of the new Polymer Grade Propylene (PGP) plant at the Coruña refinery, which will increase propylene production at the refinery and raise its quality to polymer grade, from which polypropylene will be obtained for subsequent use in sanitary materials, stationery, the textile industry, containers and packaging, among other applications.

Main events of the period (2/2):

Chemicals

- In March, an agreement to sell technology licenses was signed with a Chinese company for the construction of a propylene oxide and styrene monomer co-production plant, as well as two flexible polyols and polymeric plants in Jiangsu province (China).
- Also in March, Repsol announced the upcoming construction of the first chemical recycling plant for polyurethane foam in Spain at the Puertollano Complex. The plant will be able to treat around 2,000 metric tons of this waste per year and reflects the Group's commitment to industrial transformation. The plant will ultimately require an estimated investment of 12 million euros and is expected to be operational by the end of 2022.
- In April, Repsol joined the Ecoplanta project with Enerkem and Agbar to build a waste recovery plant in Tarragona with the capacity to convert some 400,000 metric tons of non-recyclable municipal solid waste into 220,000 metric tons of methanol per year, with subsequent transformation into renewable plastics or advanced biofuels, thus reducing waste that would otherwise end up in landfill.
- In May, Repsol announced that it was moving forward with its project to build a new ultra-high molecular weight polyethylene (UHMWPE) plant in Puertollano. Repsol already has a technology license agreement with DSM to build the first plant on the Iberian Peninsula capable of manufacturing UHMWPE, which will have an annual production capacity of 15 kt. The final decision on the project is expected by the end of the year.
- In July, Repsol announced the construction of two plants at the Sines Industrial Complex (one for linear polyethylene and the other for polypropylene), with an estimated total investment of 657 million euros. *For more information, see Section 8.3.*

Wholesale and Gas Trading

- In March, Repsol carried out its first LNG bunkering with carbon offsetting in Cartagena. Under the operation, a total of 420 m^3 of liquefied natural gas was delivered to the vessel Fure Vinga.

5.3 COMMERCIAL AND RENEWABLES

Main operating figures

	1H 2021	1H 2020
Number of service stations [1]	4,950	4,955
Europe	4,094	4,125
Rest of the world	856	830
Marketing own network sales (kt)	9,570	8,936
LPG Sales (kt)	650	601
Europe	638	593
Rest of the world	11	8
Installed electricity capacity in operation (MW) [2]	3,386	2,918
Installed electricity capacity under development (MW) [2]	2,549	2,048
Electricity generation (GWh) [2]	2,052	2,293
Electricity commercialization (GWh)	1,907	1,912
Gas commertialization (GWh)	921	683

[1] Includes controlled and licensed service stations.
[2] Installed electricity capacity includes capacity at cogeneration plants and capacity relating to Repsol's percentage stake in the joint venture in Chile (1,049 MW). Electricity generation does not include energy produced at the cogeneration assets of the Industrial segment, at which virtually all production is used for self-consumption.

Our performance in 1H 2021

Million euros	1H 2021	1H 2020	Δ
Operating income	312	218	43%
Income tax	(78)	(52)	(-50%)
Investees and non-controlling interests	(6)	(3)	(-100%)
Adjusted Net Income [1]	228	163	40%
Inventory effect	25	(22)	-
Special items	(5)	(12)	58%
Net income	248	129	92%
Effective tax rate (%)	(25)	(24)	(-4%)
EBITDA	519	360	44%
Investments	413	259	59%

Main events of the period (1/2):

Mobility:

- In February, WiBLE and Cabify signed a collaboration agreement whereby WiBLE services will also be available on the Cabify app as a further sustainable mobility option.
- In April, Repsol agreed to sell its fuel business in Italy to Tamoil (subject to securing the pertinent administrative clearance). The transaction includes Repsol's 275 service stations in Italy and the direct fuel sales business in the country.
- In April, Repsol put into operation the first ultra-fast charging station (150 kW) for electric vehicles in Portugal, which provides the most powerful vehicles with a range of 250 kilometers in just 15 minutes of charging.
- Waylet had 2.4 million users at the end of June.

Retail Electricity & Gas:

- In March, Repsol acquired electricity and gas marketer Gana Energía, founded in 2015 in Valencia, which operates online and offers 100% renewable energy. At the time of the acquisition, the company had 36 thousand customers approximately, 55 employees and a turnover of 25 million euros.
- In March, Repsol and Microsoft renewed their strategic partnership agreement, which is focused on accelerating Repsol's digital transformation and the global energy transition. Under this long-term alliance, the two companies will jointly develop new digital solutions based on artificial intelligence and Repsol will supply renewable energy to Microsoft for its operations in Europe, including Spain.
- In April, Repsol secured the highest level of assurance -the A label- for the second straight year, for its environmentally friendly sourcing of the electricity it supplies, according to the National Markets and Competition Commission (CNMC). Repsol is the only major retail marketer in Spain, in terms of customers supplied, that guarantees 100% renewable electricity.

Main events of the period (2/2):

Lubricants, Asphalts, Aviation and Specialties:

- In March, Repsol launched EV-FLUIDS, a new range of lubricants exclusively for electric vehicles and motorbikes, thus cementing its leadership in lubricants in the Iberian Peninsula.

LPG:

- On January 1, the P15Y marking on I350 cylinders began at the Algeciras factory and at approved workshops. The marking increases the useful life of the products by a further five years.
- In February, Repsol sold the last 4,230 piped propane supply points to Redexis. This latest deal comes on top of the one carried out in 2015, in which Redexis acquired 70,000 points.
- In March, Repsol launched the new QueroGás platform, which allows orders to be placed for Repsol Gas cylinders in Portugal.

Low Carbon Generation:

- In May, Repsol started work on Delta II, which will have a total capacity of 859 MW, distributed among 26 wind farms located in the three provinces of Aragon (Zaragoza, Huesca and Teruel). In this phase one of construction, Repsol has begun work on the first two wind farms, totaling 60 MW, which are scheduled to come on stream in the first quarter of 2022. Delta II is slated for completion in 2023, whereupon it will be able to supply electricity to around 800,000 homes.
- In May, Repsol signed an agreement to acquire 40% of Hecate Energy, a US company engaged in the development of photovoltaic and battery projects for energy storage. Hecate Energy has a portfolio of over 40 GW of renewable and storage projects under development. Of this number, 16.8 GW relate to advanced photovoltaic projects and 4.3 GW to battery projects. The vast majority of Hecate Energy's assets are located in US electricity markets.

  The agreement is fully aligned with Repsol's 21-25 Strategic Plan and represents a significant step toward the goals of achieving low-emission generation capacity and the internationalization of this business by 2025, making Repsol a major player in the US photovoltaic and battery sector.
- In May, Repsol and Krean (Mondragon Corporation) joined forces to promote the creation of citizen cooperatives for renewable generation, through the launch of Ekiluz. This type of energy community will enable widespread access to photovoltaic electricity, even in complex environments such as city centers or rural areas, by installing solar panels for a very long period of operation (25 years or even longer).
- During the first half of the year, commercial operation under phase one of the Kappa photovoltaic project got underway, with 90.5 MW of installed capacity, while phase one of the Valdesolar photovoltaic project, with 47.8 MW of installed capacity, began operational testing. In addition, Repsol and the Ibereólica Renovables Group began construction of phase two of the Cabo Leones III wind farm in Chile, with a capacity of 110 MW (55 MW relating to Repsol). Phase one of this wind farm, with an installed capacity of 78 MW (39 MW relating to Repsol), began commercial operation in December 2020.
- Phase two of the Kappa project (36.1 MW) and phases two and three of the Valdesolar photovoltaic plant (215.9 MW) are due to be completed in the latter half of the year.

6. SUSTAINABILITY

With regard to the information published in section 8 of the 2020 Management Report, we would now highlight the following updates on the subject of sustainability:

Sustainability Model and Sustainable Development Goals

The Executive Committee has approved the **Global Sustainability Plan 2021** (GSP), which sets out 48 medium-term objectives built around the six pillars of the Sustainability Model, aimed at the businesses, supply chain, employees and society. This Sustainability Plan, aligned with the United Nations 2030 Agenda for Sustainable Development (Agenda 2030), sets out the Company's sustainability roadmap and includes commitments to move toward zero net emissions by pursuing the 21-25 Strategic Plan. This fifth edition features objectives related to health and cybersecurity.

The GSP is then used to devise and launch Local Sustainability Plans, with annual initiatives that pursue the Company's objectives and respond to the needs of local stakeholders. A total of 20 local plans have now been deployed in different countries and industrial complexes. Further information on global and local sustainability plans can be found at www.repsol.com.

In the first half of the year, the second report on the **Sustainable Development Goals** (SDGs) was published for 2020, presenting Repsol's contribution to the 2030 Agenda through more than 40 different indicators, as well as different challenges and objectives showing the efforts made by the Company at both global and local level (for more information, see www.repsol.com).

Further highlights include the role played by Repsol in leading the development of the new SDG Roadmap presented by IPIECA (a global oil and gas sector association specializing in environmental and social issues). This roadmap identifies how companies in the sector can work toward a low-carbon future and a healthier, more prosperous world, in line with the 2030 Agenda.

Climate change

As happens every year, verifications of greenhouse gas (GHG) inventories have been carried out under ISO 14064 at the various industrial centers and assets operated by Repsol.

Repsol is making progress in its commitment to becoming a zero net emissions company by 2050. The fight against climate change and the energy transition call for significant technological transformations and changes within strategy. Significant milestones in the first half of 2021 include the first LNG bunkering with emissions offsetting, joining an international consortium to undertake Spain's first) alkaline electrolyzer plant for renewable hydrogen production, and the sale of Upstream assets in Malaysia and CN Block 46 in Vietnam.

Repsol has also devised a global sustainable financing framework to accompany and support its decarbonization strategy. *For more information, see Section 4.3.*

Circular economy

During the first half of the year, the Company made further progress in developing its roster of strategic projects, such as the construction of the biorefinery in Cartagena and the production of new grades of the Reciclex® range, a material featuring a high percentage of recycled plastics. The progress made toward these projects will help the Company accomplish its long-term objectives: achieving a production capacity of two million metric tons of advanced biofuels by 2050 and recycling the equivalent of 20% of our polyolefin production by 2030.

Meanwhile, Repsol continues to define new projects that reflect its strategic objectives. Notable examples include the construction of the first polyurethane foam recycling plant at Puertollano and the alliance with Enerkem and Agbar to build the first plant on the Iberian Peninsula (Tarragona) that will transform waste into chemical by-products.

Technology and digitalization

During the first half of the year, the Company continued to make progress in the **development of cutting-edge decarbonization technologies**. Highlights include the launch of Tech Lab at the pilot photoelectrocatalysis plant for the production of renewable hydrogen developed together with Enagas, and the start of the conceptual engineering of the demo e-fuels and waste-to-gas plants.

The Company has also been working toward the design of advanced industrial products, such as the EMS (Energy Management System) product, a highly efficient energy management system that relies on artificial intelligence algorithms and advanced optimization. It is mainly aimed at customers in the commercial segment and will be tested in real environments thanks to the collaboration agreements signed with various partners.

In addition, state-of-the-art enabling technologies such as robotization, computational chemistry and advanced simulation continue to be implemented as key levers in transforming the Company's assets in order to optimize operations and facilitate decision-making.

On the subject of **digitalization**, more than 40% of the cases included in Repsol's digital portfolio contribute directly to the SDGs. New digital cases and functionalities with a direct impact on sustainability were implemented in the first half of 2021, especially in the realm of emissions reductions and energy consumption. Notable examples here include various initiatives that rely on satellite imagery to detect fugitive methane emissions by applying Artificial Intelligence models or deploying a single, standard methodology for calculating emissions at all our Upstream assets; in the industrial realm, we have the transportation of raw materials and products at industrial facilities to achieve low CO_2 emissions; initiatives to reduce emissions at the trading business by lowering bunker consumption (fuel in ships); or the market launch of new functionalities for our customers, such as "origin of your energy", which introduces Repsol's renewable energy farms to customers, who can choose the wind turbine or the section of solar panels from which they want their energy to come and view the production of their farm in real time. Repsol has also continued to migrate its applications to the cloud, which has positively impacted energy efficiency. It has also continued to strengthen the technologies that allow for remote and distributed working arrangements.

In the calls for expressions of interest for Next Generation European funds launched by the Government of Spain, Repsol presented a portfolio of 31 projects that combine technology, decarbonization and circular economy, the creation of quality jobs and territorial balance, for a total associated investment of 6,359 billion euros. There are eight renewable hydrogen projects, nine circular economy projects, four renewable generation and storage projects, eight distributed energy and electric mobility projects, one addressing digital transformation infrastructure and the last one focusing on transforming the energy value chain through artificial intelligence and data economics.

People

Repsol has continued to focus on the proper management of COVID-19, carrying out local actions in countries, adapting protocols accordingly as the pandemic has evolved (maximum human presence on site, secure facilities, diagnostic protocols, etc.), monitoring cases and liaising and providing all the necessary information to the health authorities in order to mitigate the risk.

At the operational level, Repsol is in the midst of a transformation process. A new organizational structure has been implemented to put our customers at the center of our commercial business and to meet any and all energy and mobility needs. At the corporate and business staffing areas, Repsol has proceeded to flatten the organizational structure and set up broader management scopes to streamline decision-making, gain flexibility and facilitate communication and collaboration flows. At some of the industrial complexes, temporary furlough schemes (known as ERTEs in Spain) have been presented to address the drop in demand and prevailing market conditions.

The total headcount in June 2021 was 24,542. Employees on permanent contracts numbered 21,965, compared with 22,281 in December 2020.

An Expert Group on **Human Rights** was also set up at Repsol in the first half of the year, comprising the company's specialized areas and departments on all matters relating to human rights. This group coordinates the global strategy, optimizes internal coordination between the businesses and expert areas, undertakes new projects and shares best practices on human rights. One of its first initiatives was to launch a new course on human rights available to all employees in 2021 and to be rolled out across the value chain from 2022 onward.

Safe operation

Due to the ongoing threat posed by the COVID-19 health crisis, we have been forced to run our main operations under unprecedented conditions for a long period of time. While this situation persists, Repsol has focused on business continuity and had to cope with limited on-site presence of personnel. It has also sought to prioritize health aspects, requiring us to rethink processes, toughen risk management and continue to ensure the sound management of the health emergency.

In these complex times, accident ratios have continued to fall, as they had been doing prior to 2020. Safety, crisis and emergency management training has been maintained and redesigned to make us more ready and to incorporate aspects of remote management, while making us more adept at responding to lasting global crises.

Responsible tax policy

In the first half of 2021, Repsol paid 5,227 million euros in taxes and similar public levies, having filed more than 25,000 tax returns. Repsol's tax contribution relating to environmental protection amounted to 2,600 million euros[1] (2,262 million euros in the first half of 2020).

[1] It includes both the tax burden borne (electricity taxes, energy efficiency fund, cost of CO_2 emissions, etc.) and the taxes collected from third parties (excise taxes on fuels -according to Eurostat criteria- some of which have a partial environmental component).

Million euros	Taxes paid		Tax burden			Taxes collected			
	1H 2021	**1H 2020**	**Total**	Corp. tax	Others	**Total**	VAT	Hydrocarbons tax[(2)]	Others
Europe	4,190	3,595	**381**	91	290	**3,809**	1,266	2,339	204
LATAM & Caribbean	499	467	**196**	56	140	**303**	161	125	17
Asia and Oceania	164	193	**149**	88	61	**15**	8	0	7
North America	98	101	**64**	4	60	**34**	4	0	30
Africa	276	86	**274**	244	30	**2**	0	0	2
TOTAL [(1)]	**5,227**	**4,442**	**1,064**	483	581	**4,163**	1,439	2,464	260

(1) Information drawn up in accordance with the Group's reporting model described in *About this report*. Only taxes actually paid during the year are computed, meaning, therefore, the following are not included: (i) income taxes accrued in the period but to be paid in the future; and (ii) tax rebates for prior years (133 million euros in 2021 and 671 million euros in 2020).
(2) Hydrocarbon tax. Includes receipts from logistics operators where the Company is ultimately responsible for payment.

Repsol has obtained the highest rating in fiscal transparency in the "*Fiscal Contribution and Transparency 2020*" report of *Fundación Compromiso y Transparencia*, which evaluates the good tax practices of IBEX-35 companies. This rating reflects Repsol's firm commitment to transparency, wealth creation and fiscal contribution in the countries where it operates.

For more information, see the section on 'Responsible tax policy' at www.repsol.com.

Supply chain and customers

Repsol's commitment to sustainability spans the entire life cycle of the Company's operations and promotes compliance with the highest international standards among employees, contractors, suppliers and partners. With the aim of disseminating and championing this commitment among suppliers and ensuring the health and integrity of the supply chain, a new space has been created on Repsol's website (www.repsol.com) titled "Sustainable management in the supply chain". The awareness-raising actions aimed at our suppliers include the plan to promote the SDGs and the 2030 Agenda and to disseminate the Ten Basic Safety Rules.

7. CORPORATE GOVERNANCE

On March 26, Repsol held its **Annual General Meeting (AGM)** as both a face-to-face and remote event. The 2021 Annual General Meeting is an absolute necessity for the Company to carry on its business normally and accomplish its objectives, in the interests of all its shareholders and other stakeholders. Even so, Repsol's Board of Directors endeavored to protect the health of everyone involved in organizing and staging the AGM.

33%
Women on the Board

At the meeting, it was agreed, among other matters, to re-elect Manuel Manrique Cecilia, Mariano Marzo Carpio, Isabel Torremocha Ferrezuelo and Luis Suárez de Lezo Mantilla as directors, to ratify and re-elect Rene Dahan as director, and to appoint Aurora Catá Sala as director. All shall serve a four-year term as set out in the Bylaws.

CENYT investigation

On July 8, 2021, the Central Court number 6 of the Audiencia Nacional issued an order in which Repsol, S.A. was declared as investigated party in the Separate Piece number 21, related to the hiring of the research company Cenyt. This condition of investigated party in the judicial investigation has no consequence whatsoever on the company, its governance or its activity.

Repsol has historically maintained an exemplary track record in terms of regulatory compliance and crime prevention, with a code of ethics and conduct and a compliance system that meets the strictest national and international standards, before and beyond what is required by the regulations. This was recognized by the Board of Directors last April 21, following a report by the Audit and Control Committee and the Nominations Committee, and a specific meeting of the Independent Directors. Its conclusions, as well as the assessment of the aforementioned Order, were made public in two press releases dated April 21 and July 8. Therefore, and in its defense, Repsol will take whatever actions are necessary within the scope of the proceedings in which it is being investigated, collaborating without restriction with the Courts in the clarification of the facts, as it has been doing up to now.

8. OUTLOOK

8.1 OUTLOOK

Macroeconomic outlook

Following an unprecedented decline of -3.3% in 2020, according to the latest IMF forecast (WEO April 2021) the global economy is expected to grow by 6% in 2021 and 4.4% in 2022. However, the recovery will be an uneven affair across industries and countries. The scope for additional stimulus, the speed of vaccination, and the pre-pandemic sectoral composition will shape the performance of each country.

The United States is a forerunner and is expected to grow by 6.4% in 2021, boosted by the fiscal stimulus plans ushered in by President Biden. Spain should also grow by 6.4%, but its starting point is further back, because the United States contracted by 3.5% in 2020 while Spain shed 11%. In fact, the speed of recovery is best viewed in terms of activity levels rather than growth rates. Looking at it this way, China already recovered to pre-pandemic levels in 2020 and the United States will have done so by mid-2021. Meanwhile, the Eurozone as a whole will not recover to pre-pandemic levels until early 2022, Spain until late 2022, and some emerging countries not before 2023.

Macroeconomic forecasts, key figures

	Real GDP growth (%)		Average inflation (%)	
	2021	2020	2021	2020
Global economy	6.0	-3.3	3.2	3.5
Advanced countries	5.1	-4.7	1.6	0.7
Spain	6.4	-11.0	1.0	-0.3
Emerging countries	6.7	-2.2	4.9	5.1

Source: IMF (*World Economic Outlook* April 2021) and Repsol´s Division of Business Studies & Analysis.

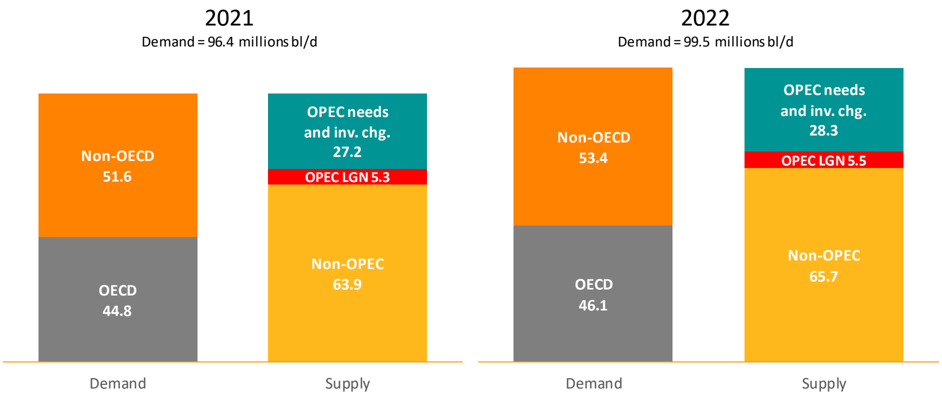
The global outlook is still shrouded by considerable levels of uncertainty. Faster progress in vaccination could improve the outlook, while a further prolongation of the pandemic with virus variants that cannot be prevented by current vaccines could lead to a downward correction of prognoses. Recoveries at different speeds could carry financial risks if interest rates rise unexpectedly in the United States, leading to risks of a disorderly correction of overvalued financial assets, an abrupt tightening of financial conditions, and a deterioration of recovery prospects for emerging markets. Other risks include a possible escalation of trade protectionism and reconfigurations of international supply chains, leading to production disruption and/or productivity issues.

Short-term energy sector outlook

According to June estimates of the International Energy Agency (IEA), global demand should rise 5.36 Mbbl/d in 2021 to reach average demand in 2021 of 96.4 Mbbl/d. Consumption in non-OECD countries looks set to rise by 2.65 Mbbl/d, while in OECD countries it will likely gain 2.7 Mbbl/d. The IEA expects non-OPEC to increase production by 0.87 Mbbl/d in 2021, with recovery concentrated mainly in Canada, Russia and Norway, while the United States is expected to contract marginally. On the OPEC+ side, the market will be watching closely for compliance with the oil cut agreements, although the IEA expects OPEC's crude oil needs to increase by 4.4 Mbbl/d.

By 2022, the IEA estimates world oil demand to reach 99.5 Mbbl/d, revealing an annual increase of 3.1 Mbbl/d, with non-OECD contributing 1.8 Mbbl/d and OECD 1.3 Mbbl/d. The global demand estimated by the IEA for 2022 would still fall short of the 2019 level, though only by a difference of 0.3 Mbbl/d. However, the quarterly performance shows that consumption in the fourth quarter of 2022 would be slightly higher than consumption in the corresponding quarter of 2019. On the supply side, the IEA estimates that the non-OPEC region will increase its output by +1.8 million Mbbl/d, while OPEC crude oil requirements would increase by 1.1 Mbbl/d.

Global supply/demand balance – 2021 and 2022



Source: International Energy Agency (IEA) and Repsol´s Division of Business Studies & Analysis.

Turning to the Henry Hub natural gas market, the gradual recovery of economic activity since the start of 2021, particularly in Asia, has led to an increase in LNG exports. This circumstance, together with a cold winter, has shaped a scenario with a tight balance sheet and low inventory levels in the United States. The stability of the Henry Hub price, with a slow but progressive recovery to above $3/MMBtu, has been strongly supported by exports and lower production growth compared to pre-pandemic rates. Meanwhile, domestic demand has endured thanks to the alternation between consumption peaks in the residential/commercial sector (due to low temperatures) and consumption for electricity generation (more sensitive to prices). Thus, consumption slumps in one sector have largely been offset by increases in the other, and vice versa.

Prices are expected to remain stable throughout the latter half of 2021, partly because of the growth in liquefied natural gas (LNG) exports and party due to increased domestic consumption of natural gas outside the electricity sector. These fundamentals should keep the Henry Hub at average levels of around $3/MMBtu. In 2022, however, a lower average is expected due to a slowdown in LNG export growth and an increase in domestic gas production.

8.2 OUTLOOK BY BUSINESS

The Group's business plans for the second half of 2021 are in line with the new Strategic Plan 21-25, albeit in a more favorable price scenario than the one envisioned in the plan. In this first year of the plan, given the still uncertain environment, the Group will continue to prioritize capital efficiency and discipline, throttled investment activity and a prudent financial policy.

In the second half of the year, low-carbon platforms and, in particular, the renewable energy business will continue to be our main pillar in the energy transition and in investment. The aim will be to increase renewable generation capacity by commissioning projects currently under construction in Spain and Chile and making further progress in developing new projects.

The Upstream segment will continue to focus on value generation through asset rotation and active portfolio management. At Industrial, further progress will be made toward the decarbonization program by promoting projects associated with the energy transition, increasing plant reliability and flexibility, identifying and utilizing high-value products and incorporating energy efficiency measures. The commercial businesses will continue to focus on optimizing operations, supporting our customers through the energy transition and placing them at the center of our decisions. This will be based on digital solutions and with an end-to-end differentiated value proposition, thus maximizing the value of the business and bolstering our competitive position. In the second half of the year, Repsol will continue to prioritize efficiency in corporate areas by automating processes, thus making the entire organization more profitable.

In the current environment, Repsol expects that in 2021 it will be able to generate cash to finance its investment needs and reward its shareholders.

8.3 HIGHLIGHTS IN THE SECOND HALF OF THE YEAR

In July, the Group, through Repsol Europe Finance (with the guarantee of Repsol, S.A.) completed an issuance of Eurobonds linked to sustainability targets (SLB) for a total of 1,250 million euros. The issue consists of a 650 million euros tranche paying a fixed annual coupon of 0.375% and maturing in July 2029, and a further 600 million euros tranche paying a fixed annual coupon of 0.875% and maturing in July 2033.

Also in July, Repsol announced the construction of two plants at the Sines Industrial Complex (one for linear polyethylene and the other for polypropylene), each able to produce 300,000 metric tons per year and with an estimated total investment of 657 million euros. These facilities, which will be operational in 2025, will produce 100% recyclable materials and can be used for highly specialized applications aligned with the energy transition in the pharmaceutical, automotive and food industries. The Portuguese government has considered this investment to be of potential national interest.

APPENDIX I. ALTERNATIVE PERFORMANCE MEASURES

Repsol's financial disclosures contain figures and measurements prepared in accordance with the regulations applicable to financial information, as well as other measurements prepared in accordance with the Group's Reporting Model known as Alternative Performance Measurements (APMs). APMs are measurements which are "adjusted" compared to those presented as IFRS-EU or with information on Oil and Gas Exploration and Production Activities, and the reader should therefore consider them in addition to, but not instead of, the latter.

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

For quarterly historical information on our APMs, please visit www.repsol.com.

1. Financial performance measurements

Adjusted net income

Adjusted net income is the key financial performance measurement which Management (Executive Committee) relies on when making decisions.

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

Adjusted net income is calculated as the ***Result from continuing operations at Current Cost of Supply (CCS)***, net of taxes and non-controlling interests, and without including specific income and expenses (***Special items***) or the so-called ***Inventory effect***. ***Financial result*** is taken to Adjusted net income for the "Corporate and other" segment.

Adjusted net income is a useful APM for investors to evaluate the performance of operating segments while permitting increased comparability with Oil & Gas sector companies that use different inventory measurement methods (see the following section).

Inventory effect

For current cost of supply (CCS) earnings, the cost of volumes sold is calculated on the basis of procurement and production costs1 incurred during the period in question and not based on weighted average cost (WAC), which is the accepted methodology under European accounting law and regulations. The difference between CCS earnings and earnings at weighted average cost is included in the so-called **Inventory Effect**, which also includes other adjustments to the valuation of inventories (write-offs, economic hedges, etc.) and is presented net of taxes and minority interests. This Inventory Effect largely affects the Industrial segment. Repsol management considers that this measurement is useful for investors, considering the significant variations arising in the prices of inventories between periods.

WAC is a generally accepted European accounting method for measuring inventories. It factors in purchase prices and historic production costs, valuing inventory at the lower between this cost and its market value.

[1] To calculate the cost of supply, international quotations on the benchmark markets in which the Company operates are used. The relevant average monthly price is applied to each quality of distilled crude. Quotations are obtained from daily crude oil publications according to Platts, plus freight costs estimated by Worldscale (an association that publishes world reference prices for freight costs between specific ports). All other production costs (fixed and variable costs) are valued at the cost recognized in the accounts.

Special items

Significant items of which separate presentation is considered convenient to easily monitor the ordinary management of business operation. Includes capital gains/losses arising from divestment, restructuring costs, impairments, provisions for risks and expenses and other relevant income/expenses outside the ordinary management of the business. Special items are presented net of taxes and minority interests.

The following table shows special items for the first half and second quarter of 2021 and 2020:

	1H		2Q	
Million euros	2021	2020	2021	2020
Disinvestments	1	72	(5)	3
Headcount restructuring	(54)	(41)	(31)	(35)
Impairment	(5)	(1,296)	(15)	(1,296)
Provisions and other	(155)	(320)	(18)	(113)
TOTAL	**(213)**	**(1,585)**	**(69)**	**(1,441)**

The following is a reconciliation of **Adjusted net income** under the Group's reporting model with the Income prepared according to IFRS-EU:

	First half											
			ADJUSTMENTS									
	Adjusted net income		Reclassification of Joint Ventures		Special items		Inventory Effect[2]		Total Adjustments		EU-IFRS income/loss	
Million euros	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Operating income	1,679[1]	494[1]	(155)	843	(475)	(1,500)	675	(1,507)	45	(2,164)	1,724	(1,670)
Financial result	(111)	(136)	75	22	206	(51)	-	-	281	(29)	170	(165)
Net income from equity affiliates	4	7	113	(986)	-	1	-	-	113	(985)	117	(978)
Net income before tax	**1,572**	**365**	**33**	**(121)**	**(269)**	**(1,550)**	**675**	**(1,507)**	**439**	**(3,178)**	**2,011**	**(2,813)**
Income tax	(619)	(172)	(33)	121	56	(36)	(171)	383	(148)	468	(767)	296
Consolidated income for the year	**953**	**193**	**-**	**-**	**(213)**	**(1,586)**	**504**	**(1,124)**	**291**	**(2,710)**	**1,244**	**(2,517)**
Income attributed to minority interests	6	(4)		-	-	1	(15)	36	(15)	37	(9)	33
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY	**959**	**189**	**-**	**-**	**(213)**	**(1,585)**	**489**	**(1,088)**	**276**	**(2,673)**	**1,235**	**(2,484)**

(1) Result from continuing operations at current cost of supply (CCS).

(2) The inventory effect represents an adjustment to "*Supplies*" and "*Changes in inventory of finished goods*" of the income statement under IFRS-EU.

	Second quarter											
			ADJUSTMENTS									
	Adjusted net income		Reclassification of Joint Ventures		Special items		Inventory Effect[2]		Total Adjustments		EU-IFRS income/loss	
Million euros	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Operating income	917[1]	(169)[1]	(45)	947	(379)	(1,550)	233	(401)	(191)	(1,004)	726	(1,173)
Financial result	(138)	(125)	57	28	218	(38)	-	-	275	(10)	137	(135)
Net income from equity affiliates	4	2	99	(944)	-	1	-	-	99	(943)	103	(941)
Net income before tax	**783**	**(292)**	**111**	**31**	**(161)**	**(1,587)**	**233**	**(401)**	**183**	**(1,957)**	**966**	**(2,249)**
Income tax	(296)	34	(111)	(31)	92	146	(60)	100	(79)	215	(375)	249
Consolidated income for the year	**487**	**(258)**		**-**	**(69)**	**(1,441)**	**173**	**(301)**	**104**	**(1,742)**	**591**	**(2,000)**
Income attributed to minority interests	1	-		-	-	-	(5)	3	(5)	3	(4)	3
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY	**488**	**(258)**		**-**	**(69)**	**(1,441)**	**168**	**(298)**	**99**	**(1,739)**	**587**	**(1,997)**

[1] Result from continuing operations at current cost of supply (CCS).
[2] The inventory effect represents an adjustment to "*Supplies*" and "*Changes in inventory of finished goods*" of the income statement under IFRS-EU.

EBITDA:

EBITDA ("Earnings Before Interest, Tax, Depreciation and Amortization") is a financial indicator that measures the operating margin of a company prior to deducting interest, taxes, impairment losses, depreciation and amortization. Since it does not include financial and tax indicators or accounting expenses not involving cash outflow, it is used by Management to evaluate the company's results over time, for a more straightforward exercise in making comparisons with other companies in the *Oil & Gas* sector.

The EBITDA is calculated as Operating Income + Amortization + Impairment as well as other items which do not represent cash inflows or outflows from transactions (restructuring, capital gains/losses from divestment, provisions etc.). Operating income corresponds to the result from continuing operations at average weighted cost (AWC). Where ***Income from continuing operations at current cost of supply*** (CCS) is used, it is known as ***EBITDA at CCS.***

	First half					
	Group Reporting Model		Joint venture reclassification and other		IFRS-EU [1]	
	2021	2020	2021	2020	2021	2020
Upstream	1,845	988	(595)	(488)	1,250	500
Industrial	1,355	(670)	(30)	(15)	1,325	(685)
Commercial and Renewables	519	360	(6)	(2)	513	358
Corporate and other	(84)	(89)	26	7	(58)	(82)
EBITDA	**3,635**	**589**	**(605)**	**(498)**	**3,030**	**91**
Inventory effect	(675)	1,507	-	-	-	-
EBITDA at CCS	**2,960**	**2,096**	**(605)**	**(498)**	**3,030**	**91**

[1] Corresponds to "*Net income before tax*" and "*Result adjustments*" on the consolidated Cash Flow Statements prepared under IFRS-EU.

	First half					
	Group Reporting Model		Joint venture reclassification and other		IFRS-EU [1]	
	2021	2020	2021	2020	2021	2020
Net income before tax	1,978	(2,692)	33	(121)	2,011	(2,813)
Adjusted result:						
Depreciation of property, plant and equipment	1,254	1,547	(272)	(401)	982	1,146
Operating provisions	502	1,614	(188)	(939)	314	675
Other items	(99)	120	(178)	963	(277)	1,083
EBITDA	3,635	589	(605)	(498)	3,030	91

[1] Corresponds to "*Net income before tax*" and "*Result adjustments*" on the consolidated Cash Flow Statements prepared under IFRS-EU.

	Second quarter					
	Group Reporting Model		Joint venture reclassification and other		IFRS-EU [1]	
	2021	2020	2021	2020	2021	2020
Upstream	918	331	(289)	(186)	629	145
Industrial	647	(156)	(17)	(6)	630	(162)
Commercial and Renewables	277	118	(4)	-	273	118
Corporate and other	(44)	(53)	2	4	(42)	(49)
EBITDA	1,798	240	(308)	(188)	1,490	52
Inventory effect	(233)	401	-	-	-	-
EBITDA at CCS	1,565	641	(308)	(188)	1,490	52

[1] Corresponds to "*Net income before tax*" and "*Result adjustments*" on the consolidated Cash Flow Statements prepared under IFRS-EU.

	Second quarter					
	Group Reporting Model		Joint venture reclassification and other		IFRS-EU [1]	
	2021	2020	2021	2020	2021	2020
Net income before tax	855	(2,280)	111	31	966	(2,249)
Adjusted result:						
Depreciation of property, plant and equipment	611	762	(133)	(198)	478	564
Operating provisions	401	1,591	(130)	(937)	271	654
Other items	(69)	167	(156)	916	(225)	1,083
EBITDA	1,798	240	(308)	(188)	1,490	52

[1] Corresponds to "*Net income before tax*" and "*Result adjustments*" on the consolidated Cash Flow Statements prepared under IFRS-EU.

ROACE:

This APM is used by Repsol Management to evaluate the capacity of its operating assets to generate profit, and therefore measures invested capital (equity and debt).

ROACE ("Return on average capital employed") is calculated as: (Adjusted Net Income, before non-controlling interests and excluding Financial Result, + Inventory Effect + Special Items) / (average **Capital employed** for the period from continuing operations, which measures own and third-party capital invested in the company and relates to Total Equity + **Net debt**). It includes the amount pertaining to joint ventures or other companies whose operations are managed as such. If the Inventory Effect is not used in the calculation process, it is known as ***CCS ROACE***.

NUMERATOR (*Millions of euros*)	1H 2021	1H 2020
Operating income EU-IFRS	**1,724**	**(1,670)**
Joint venture reclassification	155	(843)
Income tax [(1)]	(658)	150
Results of companies accounted for using the equity method - net of tax	4	8
I. ROACE result at average weighted cost	**1,225**	**(2,355)**

DENOMINATOR (*Millions of euros)*	1H 2021	1H 2020
Total equity	20,962	22,940
Net Debt	6,386	8,026
Capital employed at year-end	**27,348**	**30,966**
II. Average capital employed [(2)]	**27,333**	**32,128**
ROACE (I/II)[(3)] [(4)]	**4.5%**	**(-7.3%)**

(1) Does not include income tax corresponding to financial results.
(2) Corresponds to the average balance of capital employed at the beginning and end of the period.
(3) ROACE for the six-month period. In previous periods this magnitude was annualized by simply extrapolating the results (with the exception of special results and earnings).
(4) CCS ROACE (without taking into account the Inventory Effect) amounts to 2.6%.

2. Cash flow measurements

Cash flow from operations

The cash flow from operations measures generation of cash from operating activities, and is calculated as: EBITDA +/- Changes to current capital (also called Working Capital) + Collection of dividends +Collections/-payments of income tax + Other collections/-payments from operating activities.

Free cash flow

Free cash flow measures cash flow generation from operating and investment activities, and is quite useful for evaluating the funds available for paying shareholder dividends, and debt service payments.

Cash generation

The ***cash flow generated*** corresponds to ***free cash flow*** after deducting all payments for dividends, remuneration of other equity instruments such as net interest and payments for leases and treasury stock. This APM measures the funds generated by the Company before financial transactions (mainly from debt issuance and repayments).

The following is a reconciliation of ***Free cash flow*** and ***Cash flow generated*** with the consolidated cash flow statements prepared under IFRS-EU:

	First half					
	Adjusted cash flow		Reclassification of joint arrangements and other		IFRS-EU cash flow statement	
	2021	2020	2021	2020	2021	2020
I. Cash flow from / (used in) operating activities (cash flow from operations)	1,932	864	(392)	(247)	1,540	617
II. Cash flow from / (used in) investing activities	(977)	(692)	32	1,808	(945)	1,116
Free cash flow (I+II)	**955**	**172**	**(360)**	**1,561**	**595**	**1,733**
Cash generation	**163**	**(359)**	**(341)**	**1,605**	**(178)**	**1,246**
III. Cash flow from / (used in) financing activities and others [1]	(286)	2,127	284	(1,554)	(2)	573
Net increase / (decrease) in cash and cash equivalents (I+II+III)	**669**	**2,299**	**(76)**	**7**	**593**	**2,306**
Cash and cash equivalents at the beginning of the period	4,578	3,218	(257)	(239)	4,321	2,979
Cash and cash equivalents at the end of the period	5,247	5,517	(333)	(232)	4,914	5,285

	Second quarter					
	Adjusted cash flow		Reclassification of joint arrangements and other		IFRS-EU cash flow statement	
	2021	2020	2021	2020	2021	2020
I. Cash flow from / (used in) operating activities (cash flow from operations)	902	268	(177)	35	725	303
II. Cash flow from / (used in) investing activities	(454)	(485)	(271)	1,053	(725)	568
Free cash flow (I+II)	**448**	**(217)**	**(448)**	**1,088**	**-**	**871**
Cash generation	**351**	**(337)**	**(438)**	**1,121**	**(87)**	**784**
III. Cash flow from / (used in) financing activities and others [1]	273	2,300	442	(1,050)	715	1,250
Net increase / (decrease) in cash and cash equivalents (I+II+III)	**721**	**2,083**	**(6)**	**38**	**715**	**2,121**
Cash and cash equivalents at the beginning of the period	4,526	3,434	(327)	(270)	4,199	3,164
Cash and cash equivalents at the end of the period	5,247	5,517	(333)	(232)	4,914	5,285

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

The Group measures **Liquidity** as the total of "*Cash and cash equivalents*", the cash deposits of immediate availability contracted with financial institutions and undrawn long- and short-term credit lines at year end under facilities granted by financial institutions which may be drawn down by the company in installments, the amount, and the other terms of the agreement.

	First half					
	Group Reporting Model		Joint venture reclassification		IFRS-EU	
	Jun - 2021	Dec - 2020	Jun - 2021	Dec - 2020	Jun - 2021	Dec - 2020
Cash and cash equivalents	5,247	4,578	(333)	(257)	4,914	4,321
Undrawn credit lines	2,867	3,436	(11)	(11)	2,856	3,425
Time deposits of immediate availability [1]	1,334	1,181	-	-	1,334	1,181
Liquidity	**9,448**	**9,195**	**(344)**	**(268)**	**9,104**	**8,926**

[1] Repsol arranges time deposits but with immediate availability, which are recorded under the heading "*Other current financial assets*" and which do not meet the accounting criteria for classification as cash and cash equivalents.

Operating investments:

Group management uses this APM to measure each period's investment effort, as well as its allocation by businesses segment, and corresponds to investments in the operation of resources made by different Group businesses. It includes that which corresponds to joint ventures or other companies whose operations are managed as such.

Investments may be presented as organic (acquisition of projects, assets or companies for the expansion of the Group's activities) or inorganic (funds invested in the development or maintenance of the Group's projects and assets). This distinction is useful in understanding how the Group's Management allocates its resources and allows for a more reliable comparison of investment between periods.

	First half					
	Operating investments		Reclassification of joint arrangements and other		IFRS-EU[1]	
	2021	2020	2021	2020	2021	2020
Upstream	418	603	(162)	(99)	256	504
Industrial	203	227	(3)	(1)	200	226
Commercial and Renewables	413	259	(2)	(13)	411	246
Corporate and other	27	24	-	-	27	24
TOTAL	**1,061**	**1,113**	**(167)**	**(113)**	**894**	**1,000**

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

	Second quarter					
	Operating investments		Reclassification of joint arrangements and other		IFRS-EU[1]	
	2021	2020	2021	2020	2021	2020
Upstream	212	214	78	(42)	134	172
Industrial	129	104	2	(3)	127	101
Commercial and Renewables	200	141	22	(1)	178	141
Corporate and other	19	20	-	-	19	20
TOTAL	**560**	**479**	**102**	**(46)**	**458**	**433**

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

3. Financial position measures

Debt and financial position ratios[1]:

Net Debt is the main APM used by management to measure the Company's level of debt. It is comprised of financial liabilities less financial assets, cash and cash equivalents, and the effect arising from net market valuation of financial derivative (excluding interest rates). They include the debt corresponding to joint ventures and other companies operationally managed as such.

	Net Debt	Joint venture classification	IFRS-EU balance sheet
	Jun-21	Jun-21	Jun-21
Non-current assets			
Non-current financial instruments [(1)]	52	802	854
Current assets			
Other current financial assets	1,524	173	1,697
Cash and cash equivalents	5,247	(333)	4,914
Non-current liabilities			
Non-current financial debt	(9,206)	659	(8,547)
Current liabilities			
Current financial liabilities	(4,371)	(848)	(5,219)
Items not included on the balance sheet			
Net mark to market valuation of financial derivatives (ex: exchange rate)[(2)]	368	(312)	56
NET DEBT [(3)]	**(6,386)**	**141**	**(6,245)**

[(1)] Relates to the consolidated balance sheet heading, "*Non-current financial assets*" without including equity instruments.
[(2)] The net mark to market value of financial derivatives different from exchange rate derivatives has been eliminated from this section.
[(3)] Reconciliations of this measurement for previous half-year periods are available at www.repsol.com.

Gross Debt is the measure used to analyze the Group's solvency; it includes its financial liabilities and the net fair value of its exchange rate derivatives. They include the debt corresponding to joint ventures and other companies operationally managed as such.

	Gross debt	Joint venture classification	IFRS - EU balance sheet
	Jun-21	Jun-21	Jun-21
Current financial liabilities	(4,304)	(846)	(5,151)
Net valuation at the market rates of financial derivative, such as current exchange rate	1	-	1
Current gross debt	**(4,303)**	**(846)**	**(5,150)**
Non-current financial liabilities	(9,137)	659	(8,478)
Net mark-to-market valuation of non-current foreign exchange derivatives	86	-	86
Non-current gross debt	**(9,051)**	**659**	**(8,392)**
GROSS DEBT [(1)]	**(13,354)**	**(187)**	**(13,542)**

[(1)] Reconciliations of this figure for previous periods are available at www.repsol.com.

1 To facilitate the task of monitoring the previous Strategic Plan, until 2020 the debt and profitability measures were further broken down excluding the effect of lease liabilities.

The following ratios are used by Group management to evaluate leverage ratios as well as Group solvency.

The ***Leverage*** ratio corresponds to ***Net Debt*** divided by ***Capital employed*** at year end. This ratio can be used to determine the financial structure and degree of indebtedness with regard to capital contributed by shareholders and entities which provide financing. It is the chief measure used to evaluate and compare the Company's financial position with others in the Oil & Gas sector.

	First half					
	Group Reporting Model		Reclassif. Joint ventures		Figure as per IFRS – EU balance sheet	
Million euros	Jun-21	Dec-20	Jun-21 [(1)]	Dec-20 [(1)]	Jun-21	Dec-20
Net debt	(6,386)	(8,026)	141	(2,762)	(6,245)	(10,788)
Capital employed	27,348	30,966	(141)	2,762	27,207	33,728
Leverage	23.4%	25.9%			23.0%	32.0%

(1) In 2020, it mainly included the net financing of the Repsol Sinopec Brasil Group (joint venture owned 60% by Repsol and 40% by the Sinopec Group; see Note 13 to the 2020 consolidated financial statements). In the first half of 2021, the partial spin-off of Repsol Sinopec Brasil, B.V. was completed, whereupon the loans granted to its shareholders were transferred to the subsidiaries attached to each of them, thus reducing the value of the investment in this company and derecognizing the related loan from the consolidated balance sheet (see Note 3.1.2 to the interim financial statements for the first half of the year).

The ***Solvency ratio*** is calculated as ***Liquidity*** (section 2 of this Appendix) divided by ***Current gross debt***, and is used to determine the number of times the Group may handle its current debt using its existing liquidity.

	First half					
	Group Reporting Model		Reclassif. Joint ventures		Figure as per IFRS – EU balance sheet	
Million euros	Jun - 2021	Dec - 2020	Jun - 2021	Dec - 2020	Jun - 2021	Dec - 2020
Liquidity	9,448	9,195	(345)	(269)	9,103	8,926
Current gross debt	4,303	2,850	847	822	5,150	3,213
Solvency	2.2	3.2			1.8	2.8

APPENDIX II. REPSOL REPORTING MODEL – CONSOLIDATED FINANCIAL STATEMENTS

Drawn up in accordance with the Group's reporting policy (see *About this report).*
(Figures not audited, in million euros)

1. Balance sheet

	30/06/2021	31/12/2020
NON-CURRENT ASSETS		
Goodwill	1,497	1,476
Other intangible assets	1,928	1,990
Property, plant and equipment	25,681	25,907
Investments in property, plant and equipment	23	23
Investments accounted for using the equity method	482	279
Non-current financial assets	166	154
Deferred tax assets	3,824	4,081
Other non-current assets	911	823
CURRENT ASSETS		
Non-current assets held for sale	841	15
Inventories	4,805	3,540
Trade and other receivables	6,495	5,275
Other current assets	305	257
Other current financial assets	1,524	1,425
Cash and cash equivalents	5,247	4,578
TOTAL ASSETS	**53,729**	**49,823**
TOTAL EQUITY		
Attributed to the parent and other equity instrument holders	20,707	20,295
Attributed to non-controlling interests	255	244
NON-CURRENT LIABILITIES		
Non-current provisions	5,165	5,034
Non-current financial debt	9,206	9,547
Deferred and other tax liabilities	2,749	2,771
Other non-current liabilities	538	407
CURRENT LIABILITIES		
Liabilities associated with non-current assets held for sale	583	1
Current provisions	691	813
Current financial liabilities	4,371	3,620
Trade and other payables	9,464	7,091
TOTAL LIABILITIES	**53,729**	**49,823**

2. Income statement

	1H 21	1H 20
Revenue	21,987	17,513
Operating income	**1,679**	**494**
Financial result	(111)	(136)
Net income from companies accounted for using the equity method	4	7
Net income before tax	**1,572**	**365**
Income tax	(619)	(172)
Income from continuing operations	**953**	**193**
Income attributed to non-controlling interests	6	(4)
ADJUSTED NET INCOME	**959**	**189**
Inventory effect	489	(1,088)
Special items	(213)	(1,585)
NET INCOME	**1,235**	**(2,484)**

3. Cash flow statement

	1H 21	1H 20
I. STATEMENT OF CASH FLOW FROM OPERATIONS		
EBITDA	3,635	589
Changes in working capital	(1,158)	459
Dividends received	11	19
Income taxes received/(paid)	(343)	(10)
Other receipts/(payments) for operating activities	(213)	(193)
	1,932	**864**
II. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for investments:	(1,107)	(1,207)
Organic investments	(873)	(1,156)
Non-organic investments	(234)	(51)
Proceeds from divestments	130	(515)
	(977)	**(692)**
FREE CASH FLOW (I + II)	**955**	**172**
Dividend payments and remuneration from other equity instruments	(146)	(128)
Net interest	(199)	(253)
Treasury stock	(447)	(150)
CASH GENERATED IN PERIOD	**163**	**(359)**
Financing activities and other	506	2,658
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**669**	**2,299**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4,578**	**3,218**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**5,247**	**5,517**

APPENDIX III: TABLE OF CONVERSIONS AND ABBREVIATIONS

			OIL				GAS		ELECTRICITY
			Liters	Barrels	Cubic meters	toe	Cubic meters	Cubic feet	kWh
OIL	1 barrel (1)	bbl	158.99	1	0.16	0.14	162.60	5,615	$1.7x10^3$
	1 cubic meter (1)	m^3	1,000	6.29	1	0.86	1,033	36,481	10,691.5
	1 ton of oil equivalent (1)	toe	1,160.49	7.30	1.16	1	1,187	41,911	12,407.4
GAS	1 cubic meter	m^3	0.98	0.01	0,001	0,001	1	35.32	10.35
	1,000 cubic feet = $1.04x10^6$ Btu	ft^3	27.64	0.18	0.03	0.02	28.3	1,000	293.1
ELECTRICITY	1 megawatt hour	MWh	93.53	0.59	0.10	0.08	96.62	3,412.14	1,000

(1) Measurement of reference: 32.35° API and relative density 0,8636

			Meter	Inch	Foot	Yard
LENGTH	Meter	m	1	39.37	3,281	1,093
	Inch	in	0,025	1	0,083	0,028
	Foot	ft	0,305	12	1	0,333
	Yard	yd	0,914	36	3	1

			Kilogram	Pound	Ton
MASS	Kilogram	kg	1	2,2046	0,001
	Pound	lb	0.45	1	0,00045
	Ton	t	1,000	22,046	1

			Cubic foot	Barrel	Liter	Cubic meter
VOLUME	cubic foot	ft^3	1	0,1781	28.32	0,0283
	Barrel	bbl	5,615	1	158,984	0,1590
	Liter	l	0,0353	0,0063	1	0,001
	cubic meter	m^3	35,3147	6,2898	1,000	1

Term	Description	Term	Description	Term	Description
bbl / bbl/d	Barrel/ Barrel per day	**kbbl**	Thousand barrels of oil	**Mm^3/d**	Million cubic meters per day
Bcf	Billion cubic feet	**kbbl/d**	Thousand barrels of oil per day	**Mscf/d**	Million standard cubic feet per day
Bcm	Billion cubic meters	**kboe**	Thousand barrels of oil equivalent	**kscf/d**	Thousand standard cubic feet per day
Boe	Barrel of oil equivalent	**kboe/d**	Thousand barrels of oil equivalent per day	**MW**	Megawatt (million watts)
Btu/MBtu	*British thermal unit/* Btu/million Btu	**km^2**	Square kilometer	**MWh**	Megawatts per hour
LPG	Liquefied Petroleum Gas	**Kt/Mt**	Thousand tons/Million tons	**TCF**	Trillion cubic feet
LNG	Liquefied Natural Gas	**Mbbl**	Million barrels	**toe**	Ton of oil equivalent
Gwh	Gigawatts per hour	**Mboe**	Million barrels of oil equivalent	**USD / Dollar / $**	US dollar