



Annual General Shareholders' Meeting 2022

Antonio Brufau calls for the design of a "realistic" energy mix for a "strong Europe"

- **Antonio Brufau, Chairman of Repsol**, at the Annual General Shareholders' Meeting condemned "the terrible and unjust" aggression of Russia against Ukraine, which has highlighted the urgency of ensuring European energy autonomy.
- The Chairman advocated designing the paths to reach a **decarbonized model in 2050** based on technological neutrality **without "dogmas"** and guaranteeing that there will be **no "shortages" or "unacceptable increases in energy prices."**
- Brufau questioned whether it makes sense to replace Russian gas with gas imported from the United States, which is abundant thanks to fracking, while this technique is banned on the European continent. "We must ask ourselves whether it is realistic to entrust the recovery from the crisis only to electrification without taking into **account the role that natural gas and oil** have to play for many years to come," he said.
- **Josu Jon Imaz, CEO of Repsol**, assessed the past year's results, the first year of the 2021-2025 strategy. "**A Plan that pushes us to accelerate our journey in the energy transition, ensures returns for shareholders and will allow us to be a stronger, more profitable and competitive company,**" he said.
- The CEO said that **total shareholder remuneration will be "clearly above the euro per share in 2022, recovering pre-pandemic levels."** "Our remuneration policy is among the most attractive in the Spanish stock market and our sector," he said.
- The Annual General Shareholders' Meeting approved a dividend of 0.33 euros gross per share from 2021 earnings and the distribution, in addition to the traditional interim payment for 2022, of a further 0.325 euros gross per share.
- The shareholders confirmed the appointment of José Iván Martín Uliarte as director. and voted in to reelect María del Carmen Ganyet i Cirera and Ignacio Martín San Vicente as directors. In addition, they ratified the appointment by co-option and re-election of Emiliano López Achurra as director.

Annual General Shareholders' Meeting supports **the company's climate strategy**

35%

of investments between 2021 and 2025 will be allocated to low-carbon initiatives, **leading the sector investment percentage**

Approval of the redemption of **75 million shares of treasury stock** and delegation to the Board of Directors of the power to reduce up to **10% of capital stock for greater flexibility**

0.63 €/sh

Cash dividend to be received in 2022, **increased by 5%.**





The Chairman of Repsol, Antonio Brufau, called today for the opportunity and responsibility to reflect on what the energy mix of a "strong Europe" should be. "We must ask ourselves whether it is realistic to entrust the recovery from the crisis, accompanied by an acceleration of the energy transition, only to electrification with renewable energies, without taking into account other technologies that make decarbonization possible, or the role that natural gas and oil have to play for many years to come," he said at the company's Annual General Shareholders' Meeting, held today in Madrid.

Antonio Brufau, who began his speech by firmly condemning Russia's "terrible and unjust" aggression against Ukraine, stressed that this scenario has highlighted the urgency of ensuring Europe's energy autonomy and also that of critical materials and components. All this, while at the same time addressing the transformation of industry to achieve climate neutrality by 2050 with the understanding that the energy transition is an unavoidable and urgent task for everyone. But without forgetting that economic competitiveness and social welfare require a balance between security of supply, affordable prices and sustainability.

Antonio Brufau warns of the consequences of not calibrating unrealistic energy policies



In his opinion, now is the time to correctly design the paths to minimize greenhouse gas emissions as soon as possible, at an affordable cost, "without dogmas", with pragmatism and "without the intellectual arrogance" of pretending to establish, a priori, how to achieve the objectives in a yet unwritten future. Bearing in mind, that the energy transition entails costs of "hundreds of billions of

dollars" up to 2050 and that it is essential that there be no shortages or unaffordable increases in energy prices.

He said that the reaction to the Russian aggression has contributed to repositioning Europe on the global geopolitical map. In his opinion, this must be accompanied by other steps in the same direction in terms of energy autonomy. On this point, he called for no steps backward and warned of the consequences of not gauging the impact of energy policies that are probably "well-intentioned" but sometimes "unrealistic".

"Does it make sense to replace Russian gas with imports of natural gas from the U.S., which has low local prices that Europe does not benefit from and is very abundant thanks to fracking, while we ban this technique in our continent?" He also questioned the sense of reducing "almost to the anecdotal" the debate on the geopolitics of critical minerals for the energy transition; of "obviating" the fact that we will continue to need energy from hydrocarbons; or of "ignoring" that there will be European industries and sectors whose decarbonization will be difficult to achieve with renewable electricity.

European legislation

Antonio Brufau referred to European policies and regulations on the energy transition. He described it as "praiseworthy" that Europe wants to adopt global leadership in the fight against climate change, even though it is forecast to represent only 5% of global emissions by the end of the current decade. And he called for reflection on the cost of taking it on alone.

The Chairman of Repsol defends technological neutrality and stresses that "regulation should promote and not prohibit, facilitate and not condition".



He also stressed his defense of the principle of technological neutrality. "When the COVID vaccine was researched, no one imposed a particular technology," he said. This was one of the keys to its success. And he insisted that decarbonization is not synonymous with electrification. "Regulation should promote and not prohibit, facilitate and not condition," he said.





Shareholders approved Repsol's energy transition strategy for the first time after being submitted to a consultative vote at the Annual General



to the use of sustainable feedstocks to produce advanced biofuels from organic waste.

On sustainable finance, the Chairman of Repsol warned of "unnecessary" biases in the denoted European Taxonomy and suggested that there is still time to define a standard that respects technological neutrality. Furthermore, regarding the allocation of the European Next Generation Funds, he said that they should consider areas that could favor the industrial fabric and create more jobs, such as those related to the circular economy to produce fuels and materials.

Antonio Brufau vindicated the company's sustained commitment over decades in the fight against climate change and referred to Repsol's energy transition strategy, which today was supported by shareholders after being submitted to a consultative vote of the Annual General Shareholders' Meeting for the first time at the proposal of the Board of Directors. The company will report annually on its implementation and decarbonization plans, committing to submit them again to shareholders when updated or significantly modified.

"These complex times require us to give the best of ourselves. Rest assured of Repsol's commitment to society to respond to its energy needs, making the energy transition to zero net emissions profitable for our shareholders," he concluded.

Industrial transformation, quality employment, commitment to the environment and guarantee of attractive shareholder returns

In his speech to shareholders, Repsol's CEO, Josu Jon Imaz, reviewed the 2021 financial year, which was the first year of the Strategic Plan. According to him, it was an important year for the company, in which it took advantage of the opportunities offered by the recovery of the economy and mobility to begin to return to its pre-pandemic trajectory.

Imaz reflected on the "significant" negative economic impact of the war generated by the Russian invasion of Ukraine due to increases in energy and raw material prices, the disruption of international trade and a decline in confidence. In this respect, he highlighted Repsol's "continuous" commitment to its customers, to whom it has offered discounts in Spain on fuels in addition to and in advance of those established by the Administration.

Josu Jon Imaz: "Our compensation policy is among the most attractive in the Spanish stock market and our sector"



pre-pandemic levels and bringing forward the target initially set for 2025 in the Strategic Plan" he said.

"There is an unfounded and counterproductive bias towards electric mobility as the only and immediate solution to land transport," said Brufau. He defended renewable liquid fuels from organic waste and biomass, and in the longer term, also from carbon captured from the atmosphere and hydrogen, as necessary to accelerate electrification through hybrid vehicles, with the consequent creation of jobs in the automobile and components industries. He also called for the removal of barriers

The CEO paid special attention to shareholder remuneration. "Our remuneration policy is among the most attractive in the Spanish stock market and our sector," said Imaz, who reiterated his commitment to continue offering remuneration "above the commitments established in the Strategic Plan." He confirmed that total remuneration, taking into account the cash dividend and the planned share buybacks and cancellations, will be "clearly above the euro per share in 2022, recovering pre-pandemic levels and bringing forward the target initially set for 2025 in the Strategic Plan" he said.





Imaz focused on the transformation process that Repsol is undergoing as part of its 2021-2025 Strategic Plan. "A plan that pushes us to accelerate our journey in the energy transition while ensuring profitability for shareholders will allow us to become a stronger, more profitable, and competitive company," he explained.

To this end, Repsol has a demanding decarbonization path that foresees a reduction in the Carbon Intensity Indicator of 15% in 2025, 28% in 2030 and 55% in 2040. In the period covered by the Plan, Repsol will allocate 35% of its investment, 6.5 billion euros, to low-carbon projects. A percentage which, according to Imaz, is above that of comparable companies. He also highlighted that 40% of the company's institutional shareholders are aligned with ESG criteria, compared to the 17.5% average for companies in the sector.

The CEO reviewed the transformation of the businesses: In Exploration and Production, under the premise of prioritizing value over volume, successful management of compliance with the Strategic Plan was carried out, advancing the objective of putting the focus on key geographic areas, with current presence in 15 countries. This area contributes to the decarbonization process and Repsol's transformation with a multi-energy approach. In this regard, the company obtained a permit to evaluate the geothermal potential on the island of Gran Canaria.

40% of the company's institutional shareholders are aligned with ESG criteria, compared to an average of 17.5% for companies in the sector.

Geothermal energy produces continuous and stable renewable energy without CO₂ emissions and could provide the archipelago with greater energy independence. The company will also start up a project in Sakakemang, Indonesia, to store 2 million tons of CO₂ per year, one of the largest projects of its kind in the world.

Imaz highlighted the projects and investments to convert industrial complexes into multi-energy plants capable of using waste to manufacture fuels and sustainable materials. This, he said, will guarantee their future and profitability, ensuring quality employment and promoting wealth. In this sense, the A Coruña refinery has processed frying oil to manufacture hydrobiodiesel for the first time. Projects related to air transport were especially relevant last year, with the production at Tarragona and Bilbao of batches of biojet fuel and the first flight with biofuel produced from waste in Spain, in collaboration with airline Iberia. In Cartagena, construction has begun on what will be the country's first advanced biofuels plant, which will be operational in 2023. And in Sines (Portugal), two plants will be built for 100% recyclable polymeric materials that can be used for applications in the pharmaceutical, automotive and food industries, making it one of the most advanced in Europe.

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Renewable hydrogen production is one of the pillars for moving towards a more sustainable industry

In Imaz's words, renewable hydrogen is one of the company's pillars for advancing toward a more sustainable industry. Repsol has set an ambition to lead this field in the Iberian Peninsula and have a relevant position in the European market. The company plans to reach a generation capacity equivalent to 552 MW by 2025 and 1.9 GW by 2030, with a planned investment of €2,549 million. Consequently,

in January, it presented the SHYNE (Spanish Hydrogen Network) project, the largest renewable hydrogen





consortium in Spain with 33 entities from different sectors, which will deploy projects expected to generate more than 13,000 jobs.

The CEO stressed that renewable generation is also fundamental to the decarbonization model. Repsol will increase installed capacity to 6 GW in 2025 and 20 GW in 2030, an increase of 60% over the Strategic Plan.

Among the highlights of 2021 were: the inauguration in Spain of the Kappa (Ciudad Real) and Valdesolar (Badajoz) photovoltaic plants; the start of work on the Delta II wind farm (Aragon); the completion of work on the first wind farm in Chile; and the purchase of 40% of Hecate Energy, an acquisition that has recently materialized with the start of electricity production at Repsol's first renewable project in the United States, Jicarilla 2. In order to consolidate double-digit profitability, the company sold 49% of the Delta wind farm to Pontegadea and 49% of the Valdesolar plant to TRIG (Infrared). The company currently has more than 3,800 MW of total installed capacity of low-emission generation.

In the commercial business, Repsol is working on an ambitious plan to deploy public charging infrastructures, with more than 1,000 fast and ultra-fast charging points by the end of 2022 or, in other words, one point every 50 kilometers. Repsol's public recharging network has installed more than 500 fast points already installed. Likewise, the Waylet app is a key asset in achieving Repsol's strategic goal of reaching 8 million digital customers by 2025, which already stands at 4 million. Repsol and Telefónica España have also partnered to develop the photovoltaic self-consumption business, which is growing rapidly in the country.

The CEO concluded his speech by highlighting the great opportunities and challenges offered by decarbonization: "We have a unique opportunity to generate value, with the support of innovation and digitalization as key levers, while maintaining our commitment to society, the environment, and climate change, and guaranteeing an attractive return to our shareholders. We will be a key player in the development of the energy model of the future," he concluded.

Resolutions of the Annual General Shareholders' Meeting

Among other proposals, the Meeting approved a dividend of 0.33 euros gross per share - charged to 2021 profits - to be paid on July 7, in addition to the 0.30 euros gross per share paid in January of this year. This means that the cash dividend has increased by 5% to 0.63 euros gross per share.

The Annual General Shareholders' Meeting approved a gross dividend of 0.33 euros per share to be charged to 2021 earnings and the distribution, similar to the traditional interim payment for 2022, of a further 0.325 euros gross per share.

In line with the provisions of the Strategic Plan, shareholders approved the distribution of a further 0.325 gross euros per share charged to free reserves, similar to the traditional interim payment for the 2022 financial year., The Board of Directors will determine the distribution date, which is expected to be in January 2023. Repsol's shareholders also confirmed a share capital reduction by redeeming 75 million treasury shares, representing approximately 4.91% of Repsol's share capital as of December 31, 2021.

Also approved was the delegation to the Board of Directors or, by substitution, to the Delegated Committee or the Chief Executive Officer, of the power to execute additional capital reductions up to a maximum of 152,739,605 treasury shares, equivalent to 10% of the share capital, to have greater flexibility when carrying out redemptions. With this greater flexibility, the company plans to repurchase a further 50 million shares in the second half of 2022, which will subsequently be cancelled.





The Annual General Shareholders' Meeting also voted in favor of the re-election of María del Carmen Ganyet i Cirera, Ignacio Martín San Vicente, and the ratification of the appointment by co-option and re-election of Emiliano López Achurra as a director. In addition, the shareholders approved the appointment of José Iván Martín Uliarte as a director.

