



General Shareholders' Meeting 2023

Repsol sees “enormous opportunity” in transformation and the energy transition

- **Repsol's Chairman, Antonio Brufau**, highlighted in his speech at the General Shareholders' Meeting, the "enormous opportunity" that the energy transition represents for the company, which is undergoing a transformation based on its human, technological and industrial capabilities to ensure a more profitable and sustainable future.
- Antonio Brufau said that the energy transition must be based on a solid industrial and technological infrastructure and must consider citizens' opinion to be fair in economic and social terms.
- He warned of increased dependence on China and Russia if Europe does not change the way it builds supply chains.
- **The CEO, Josu Jon Imaz**, stressed that Repsol is prepared for the future thanks to "an industrial business of worldwide prestige, a pioneer in the transformation of its assets, committed to the development of a sustainable industrial infrastructure, the promotion of energy efficiency, the creation and retention of quality employment and the contribution of value to society".
- Josu Jon Imaz said that in 2023 the company will allocate 30% of the generated operating cashflow to shareholder remuneration, far exceeding the commitments established in the 2021-2025 Strategic Plan.
- The General Shareholders' Meeting approved a gross dividend of €0.35 per share to be charged to 2022 earnings and the distribution, similar to the traditional interim payment for 2023, of a further €0.375 gross per share, payable in January 2024.
- Shareholders approved the re-election as members of the Board of Directors of Antonio Brufau, Josu Jon Imaz, Aránzazu Estefanía, María Teresa García-Milá, Henri Philippe Reichstul, John Robinson West and Manuel Manrique; and the appointment of María del Pino Velázquez as an independent external director.

€5 billion

Planned investment in
2023

35%

of investment, earmarked
for low-carbon initiatives

2 million

Power and gas customers

€0.70/sh

Cash dividend in 2023, an
11% increase



Repsol's Chairman, Antonio Brufau, said today that the energy transition represents an "enormous opportunity" for the company, which is undergoing a transformation based on its human, technological and industrial capabilities to ensure a more profitable and sustainable future. During the Annual General Shareholders' Meeting, he reviewed the key aspects of the energy transition, mainly in Europe, and the path towards zero net emissions by 2050.

Antonio Brufau highlighted the company's plans to transform the industrial sites to produce renewable fuels together with conventional fuels, the renewable generation business - with a target installed capacity of 6 GW in 2025 and 20 GW in 2030 -, energy efficiency and the deployment of renewable hydrogen projects. "We will make Repsol an ever-better company, adapted to the requirements of society, more profitable, at the forefront of innovation and ambitious in its objectives."

**Antonio Brufau:
"Decarbonization requires solid technological and industrial bases and a clear and stable regulatory framework to avoid losing competitiveness"**

The Chairman of Repsol added that, "as a society, our challenge is to transform the way we grow, our economy and our industry to achieve climate neutrality by 2050, but without losing our technological-industrial leadership". According to Brufau, Europe is focused on the sustainability of the energy transition: "Decarbonization requires solid technological and industrial foundations, free of ideologies and dogmatism, and a stable regulatory framework that encourages investment" to avoid a loss of competitiveness.

In his speech, he reviewed the best and worst of the European reaction to the war in Ukraine. On the positive side he highlighted the cohesion and solidarity of Europe and the policy of sanctions against Russia. On the other hand, he said that Europe's regulatory strategy lacks planning, which compromises security of supply and affordability of energy.

On this issue, he suggested that European regulation promotes the reduction of emissions at the cost of losing industrial infrastructure and competitiveness, since part of the emissions that are reduced in the European Union are exported to other countries that assume this industrial production. "It is essential for Europe to change the way it builds value and supply chains so as not to depend even more on China or Russia in the energy transition," he stressed. He also recalled that the European Union imports 55% of the energy it consumes, while the United States is a net exporter.

The energy debate must consider the citizen, who demands energy security, affordable and sustainable energy, according to Repsol's Chairman

According to Antonio Brufau, the energy transition will entail higher costs, but the promotion of technology and innovation will play a decisive role in reducing them. An advocate of technological neutrality, he reiterated that the door must be open to all options that guarantee a fair transition in economic and social terms, and that private investment in R&D&I and industrial scaling must be encouraged and facilitated, with decarbonization as the sole objective.

The Chairman of Repsol has advocated complementing renewable electricity and electric vehicles, which are important for the energy transition, with carbon-neutral liquid fuels and CO₂ capture, so that the transition is faster and comes at a lower cost for citizens. "In a world that is once again bipolar, technology will determine Europe's role," he said.

At the same time, he said, renewable fuels are an opportunity to reinforce industrial infrastructure, boost value and supply chains and strengthen strategic autonomy. "Europe cannot give up on its industry, the engine of wealth, well-being and quality employment".



In addition, he defended clear rules to encourage technological innovation and the necessary private investment to develop non-mature technologies and not fall behind. "The transition must serve to strengthen our technological system and our industrial infrastructure", he urged, so that it does not become "an extractive platform for public resources that feed the techno-industrial bases of other regions".

Brufau also referred to the need for citizens not to be forgotten in the energy debate: "Citizens have the right to decide what to consume and how to do it, always with the objective of decarbonization, but covering their energy needs at affordable prices". "The regulation should take into account the claims of society, which demands a balance in the energy trilemma," for instance, secure, sustainable and affordable energy.

Growth and diversification

In his speech to shareholders, Repsol's CEO, Josu Jon Imaz, highlighted the company's solid performance in 2022, in an environment marked by the war in Ukraine, disruptions in supply chains, uncertainty, volatility and complex market dynamics.

Josu Jon Imaz explained that Repsol is advancing in its ambition to lead the energy transition and meet the goals of growth, diversification and focus on multi-energy, ensuring profitability and maximum shareholder value, with a prudent financial policy and in a volatile environment. "Repsol is prepared for the future, with a world-renowned industrial business, pioneer in the transformation of its assets. Committed to the development of a sustainable industrial infrastructure, with the promotion of energy efficiency, the creation and retention of employment and the contribution of value to society," he said.

Josu Jon Imaz: "We offer competitive and attractive remuneration, above and beyond commitments, increasing shareholder value"

He recalled that in 2023 Repsol plans to invest €5 billion, a significant part of which will be allocated to the transformation of its businesses and 35% linked to low-carbon projects.

The executive dedicated part of his speech to shareholder remuneration, which is "among the most attractive in the Spanish stock market and the sector" and recalled that in 2022

significant shareholder value was achieved with a cash dividend of €0.63 per share and a capital reduction of 200 million shares. "We will continue to offer competitive and attractive remuneration, above the commitments established in the Strategic Plan, increasing shareholder value," he said.

In 2023, the cash dividend will increase by 11% to €0.70 per share, bringing forwards by a year the target set in the company's strategy through 2025. In addition, this remuneration will be complemented by share buyback programs, allocating 30% of the operating cash generated to shareholders.

Repsol's CEO pointed out that the company has the "opportunity and responsibility" at a time when the world needs more energy and at a competitive price, to maintain "a clear commitment, producing what society requires". "We have to decarbonize. We have a firm commitment along these lines. But it is not and cannot be the only objective. We must also focus on security of supply, in short, energy for all, as well as affordable energy at competitive prices. This is our commitment", he explained.

Imaz reviewed the performance of the businesses during the past year, in which he highlighted the incorporation of strategic partners in the exploration and production and renewables businesses, with 25% of the capital, respectively; the rotation of renewable assets incorporating minority investors or; the alliance with Ørsted for the development of floating offshore wind projects.



CEO stresses that decarbonization cannot be the only goal and puts the focus on security of supply and affordable energy

mentioned the synthetic fuels plant in Bilbao and the Ecoplanta in Tarragona, the first project in the country to recover non-recyclable solid urban waste and produce new materials and advanced biofuels.

“The year 2022 has been very important for the Industrial and Circular Economy unit because the foundations for the future business have been laid” he highlighted. Among the milestones for 2023, he mentioned the start-up of the first advanced biofuels plant in Spain, which will begin production in Cartagena at the end of the year, generate more than 1,000 jobs and produce two million tons of low-carbon fuels. He also

In the commercial business, he pointed out that the number of electricity and gas customers has now reached two million, following the acquisition of 50.01% of CHC Energía, which consolidates the company as the fourth largest electricity operator in Spain. He also referred to the six million digital customers reached and the commitment to strengthen Repsol's multi-energy profile with the launch of a value offer that positions the company as a single supplier to meet fuel, electricity, heating, solar and electric mobility needs.

He has also defined the renewables business as one of the fundamental pillars of the energy transition, with the goal of having a renewable generation capacity of 6,000 MW in 2025 and 20,000 MW in 2030. "We are a committed company that works to provide opportunities for people and aspires to lead the energy future, proposing new business models that are increasingly profitable, socially responsible and at the forefront of innovation", concluded Imaz.

General Shareholders' Meeting Resolutions

Among other proposals, the Meeting approved a supplementary dividend of €0.35 gross per share - charged to 2022 profits - to be paid on July 6, in addition to the dividend paid in January of this year. This will increase the cash dividend by 11%, to €0.70 gross per share, compared to the previous year. The shareholders also approved the distribution of a further €0.375 gross per share charged to free reserves, similar to the traditional interim payment for 2023, which is expected to be distributed in January 2024, on a date to be determined by the Board of Directors.

The Annual General Shareholders' Meeting also approved a reduction in share capital, through the redemption of 50 million treasury shares and the delegation to the Board of Directors or, in its place, to the Executive Committee or the Chief Executive Officer, of the power to carry out additional capital reductions up to a maximum of 132,739,605 treasury shares, equivalent to 10% of the share capital, in order to have greater flexibility when carrying out redemptions.

The General Shareholders' Meeting also voted in favor of the re-election of Antonio Brufau, Josu Jon Imaz, Aránzazu Estefanía, María Teresa García-Milá, Henri Philippe Reichstul and John Robinson West as directors, and the ratification of the appointment by co-option and re-election of Manuel Manrique as director. In addition, the shareholders supported the appointment of María del Pino Velázquez as a director.