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The key to fighting climate change

REPSOL CHAIRMAN ADVOCATES A STRUCTURED ENERGY TRANSITION THAT USES ALL POSSIBLE SOLUTIONS TO MAXIMUM ADVANTAGE

- Repsol Chairman Antonio Brufau, at the Annual General Shareholders' Meeting held today in Madrid, advocated for an energy transition in Spain that is "structured and makes the most of all possible solutions to maximum effect" because otherwise "we run the risk of destroying an essential part of our country's value."
- Brufau, highlighting Repsol's commitment to fighting climate change, argued in favour of the role of industry in creating and maintaining developed economies. "Industry generates jobs with high added value, good wages, growth, research and future," he told the shareholders.
- "Not heeding the concept of technological neutrality and investing in just a few technologies breaks down the industrial fabric, undermines global research for improvements and reduces the possibility of a better world in the medium and long term," added Brufau his speech.
- Chief Executive Officer Josu Jon Imaz explained the company's main achievements over the past year, during which Repsol obtained its highest profit in the last eight years, consolidating its growth as a multi-energy provider.
- Imaz said that in 2018 "Repsol took a significant step forward in its commitment to being a key player in the energy transition," launching, amongst other initiatives, Repsol Gas and Electricity, which already has 870,000 clients in Spain.

Antonio Brufau: "Industry generates jobs with high added value, good wages, growth, research and future."

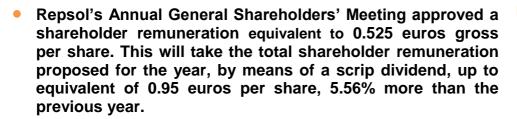
Josu Jon Imaz: "Repsol has taken an important step forward in its commitment to being a key player in the energy transition."

Increase of shareholder remuneration by a scrip dividend, to





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- The shareholders also approved the re-election of directors Antonio Brufau, Josu Jon Imaz, José Manuel Loureda and John Robinson West and the ratification and re-election of Henri Philippe Reichstul.
- They also agreed the appointment of Aránzazu Estefanía Larrañaga and María Teresa García-Milà Lloveras as Independent Outside Directors, with which Repsol exceeds the Spanish Stock Exchange Commission's (CNMV) Code of Good Governance recommendation relating to 30% female representation on the Board of Directors.

Repsol Chairman Antonio Brufau, at the Annual General Shareholders' Meeting held today in Madrid, advocated an energy transition that is "structured and makes the most of all possible solutions to maximum effect" because otherwise "we run the risk of destroying an essential part of our country's value."

In his speech to the company shareholders, Antonio Brufau, highlighting Repsol's commitment to fighting climate change, argued in favour of the role of industry in creating and maintaining developed economies. "Our industry generates jobs with high added value, good wages, growth, research and future," he said.

Antonio Brufau advocated technological neutrality to tackle the energy transition in such a way that value is still generated through industry, allowing for further creation of wealth and employment.

"Not heeding the concept of technological neutrality and investing in just a few technologies breaks down the industrial infrastructure, undermines global research for improvements and reduces the possibility of a better world in the medium and long term," he said.

The Repsol Chairman said that free competition is "basic for the development of competitive societies because it does away with inefficient taxes and ineffective subsidies."

"If we do not consider society as a whole, tomorrow and in the years to come there may be consequences that will only harm the less advantaged," stated Antonio Brufau.







Positioning as a multi-energy company

In turn, Chief Executive Officer Josu Jon Imaz explained the company's main achievements over the past year, during which Repsol obtained a net income of 2.341 billion euros, the highest in the last eight years, shored up by the robustness of its business and the strength of its integrated model.

Imaz highlighted the company's advances in positioning itself as a multi-energy provider thanks to its flexibility and ability to adapt.

The Chief Executive Officer reiterated that in the June of last year, having met the objectives of its Strategic Plan two years ahead of schedule, Repsol updated its strategy to 2020, building on four cornerstones: increasing remuneration for shareholders, profitable growth Upstream (Exploration and Production) and Downstream (Refining, Chemicals, Marketing, Lubricants, LPG, Trading and Gas, and Repsol Gas and Electricity), development of new businesses linked to the energy transition and financial robustness.

Josu Jon Imaz stated that in 2018 "Repsol took a significant step forward in its commitment to being a key player in the energy transition," launching Repsol Gas and Electricity, a subsidiary that already has 870,000 clients in Spain.

In addition to the acquisition of the non-regulated businesses operated by Viesgo and its marketing company, which bolstered Repsol's position as a multi-energy provider and brought total installed capacity up by 2,952 MW, Imaz has executed other initiatives, such as the acquisition of the Valdesolar photovoltaic project. With these two additions, Repsol will have secured more than 70% of its strategic objective regarding its low-emission generating capacity, set at 4,500 MW by 2025.

He also emphasised the changes undergone by the company's traditional businesses, giving as an example the expansion in Mexico, with the opening of 180 service stations and the launch, together with Kia, of the car-sharing service WiBLE (Widely Accessible) and the improvement of the Upstream asset portfolio.

At their Annual General Meeting, Repsol's shareholders approved a shareholder remuneration equivalent to 0.525 euros gross per share, through the "Repsol Flexible Dividend" program that replaced the final dividend for 2018. This shareholder remuneration is in addition to that approved by the company as part of the same program that substitutes the traditional interim dividend for 2018, for the amount of 0.425 euros gross per share, which takes the total shareholder compensation up to equivalent of 0.95 euros per share, 5.56% more than the previous year. According to the company strategy update for 2020, Repsol will increase the dividend to one euro per share.

The Repsol shareholders also approved a capital reduction through the cancellation of own shares equivalent to those issued during the year for the scrip dividends. This share capital reduction increases earnings per share.



They also agreed to maintain the scrip dividend programme as a method for shareholder compensation, allowing them to decide whether they prefer to receive all or part of their remuneration in cash or in shares redeemed by the company. As such, the shareholders gave the go-ahead for two paid-up capital increases to continue with the "Repsol Flexible Dividend" programme.

Advances in Good Corporate Governance

With the agreements adopted by the shareholders at their Annual General Meeting, Repsol has continued to make headway in good governance best practices. In this vein, it has increased the percentage of women on the Board of Directors with the appointment of Aránzazu Estefanía Larrañaga and María Teresa García-Milà Lloveras as Independent Outside Directors, above and beyond the Spanish Stock Exchange Commission's (CNMV) Code of Good Governance recommendation that there should be at least 30% female representation at the Board by 2020.

It has also consolidated a greater percentage of independent directors on the Board and reduced the number of members to fifteen. This is all together with the appointment of Mariano Marzo as Lead Independent Director agreed by the Board of Directors on 27 March.

The shareholders also validated the re-election of the directors, for a period of four years, of Antonio Brufau, Josu Jon Imaz, José Manuel Loureda, John Robinson West, as well as the ratification and re-election of Henri Philippe Reichstul.

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